

ZSE Industrials slip below 100pts...

The sustained free fall on the ZSE scaled unprecedented levels this week as benchmark Industrial Index fell below the 100pts mark; a level that the index had initially been rebased to when the market dollarized in 2009. The index last fell below this psychological level in early 2009 when the market was finding its footing in the early days of dollarized environment as low liquidity was the order of the day though hope back then hinged on the expectations of economic turnaround as the country implemented the global political agreement. The story however has a different perspective in the current setting where uncertainty on the economic outlook reigns supreme against a backdrop of policy inconsistencies and slowly but surely rising political noise as the next plebiscite slated for 2018 draws near. Further aggravating the situation was the chokehold on the economic front which has been more evident in the updates from companies that have seen most report falling revenues and margins weighed down by falling aggregate demand and deflationary pressures that have seen cutthroat competition reflected in downward revisions of prices as companies seek to maintain competitiveness. Meanwhile, mixed performances were reported in financials from the likes of BAT and AFDIS who reported in the week under the former defying the falling trend and enjoying a 2% increase in revenues while, the latter succumbed to the pressures and post an 8% drop in revenues.

Industrials slip further...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	100.84	98.92	1.9200	1.90	13.87
<i>Mining</i>	18.74	18.74	0.0000	0.00	20.93

Cumulative weekly losses in the industrials of 1.90% saw the benchmark index slip 1.90% and closed the week at 98.92pts. Consequently, the index's year to date loss extended to 13.87%.

Elsewhere, the Mining Index was flat at 18.74pts for the week with very limited activity in the constituent stocks for the cluster. The Index has since lost 20.93% year to date.

In this Weekly

Market Highlights P1

In the News P4

Disclaimer P6

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Risers

Symbol	Previous	Current	Change	%Change
ECO.ZW	0.2202	0.2205	0.0003	0.14
OML.ZW	1.8000	1.8002	0.0002	0.01

Faller

Symbol	Previous	Current	Change	%Change
CAFCA.ZW	0.4000	0.2795	0.1205	30.13
MSHL.ZW	0.0090	0.0070	0.0020	22.22
PROL.ZW	0.0220	0.0180	0.0040	18.18
MASH.ZW	0.0200	0.0168	0.0032	16.00
BARC.ZW	0.0380	0.0350	0.0030	7.89
OKZ.ZW	0.0375	0.0350	0.0025	6.67
AFDS.ZW	0.4800	0.4500	0.0300	6.25
SIM.ZW	0.1490	0.1420	0.0070	4.70
BAT.ZW	12.0000	11.5000	0.5000	4.17
INN.ZW	0.1975	0.1895	0.0080	4.05

* All prices in USD

Negative sentiment prevails as market continues in selloff ...

It was a fallers market for the week as nineteen stocks trended southwards against only two risers to set a negative market breadth of seventeen. The market's heavy weight stocks dragged the market into the red as they succumbed to selling pressure with sellers obliging to trade lower in search of liquidity. Afdis was the victim of the depressed financial outturn resulting in the spirits manufacturer shedding 6.25% and settling at \$0.4500. Another counter to report BAT closed the week 4.17% softer at \$11.5000 having shed the weight in earlier sessions ahead of its results in which the group rewarded its shareholders with a \$0.44 dividend per share. Conglomerate Inncor that has been on a drive to hive off certain operations continued to lose its glitter and shed 4.05% for the week to a low of \$0.1895. Inncor's offshoot, Simbisa, was also in the value loss predicament shedding 4.70% week on week to \$0.1420.

Cable manufacturers CAFCA was the market's top shaker for the week having succumbed 30.13% week on week and traded at \$0.2795. The company at its AGM reported a difficult first quarter in which revenue was down 31%. Construction allied groups Masimba and Proplastics followed after shedding 22.22% and 18.18% to settle at \$0.0070 and \$0.0180 respectively. Property holding group Mash came off 16% to \$0.0168 while, banking group Barclays shed 7.89% and settled at \$0.0350. The latter is a subject of speculation of a hive off as the parent holding company Barclays PLC is reportedly mulling selling out of operations in the Africa region. Retail group OKZIM traded 6.67% lower by end of the week while, driving a significant volume of shares at the same level.

Only two stocks enjoyed gains week on week with telecoms giant Econet leading the cluster on a 0.14% climb to \$0.2205 while, multi listed financial services group Old Mutual was the other riser on a marginal 0.01% lift to \$1.8002.

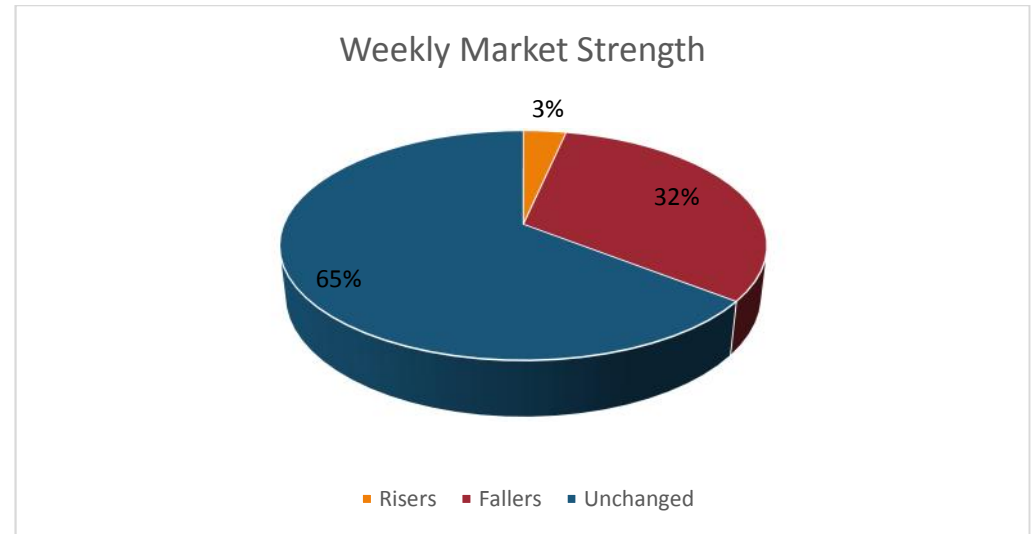
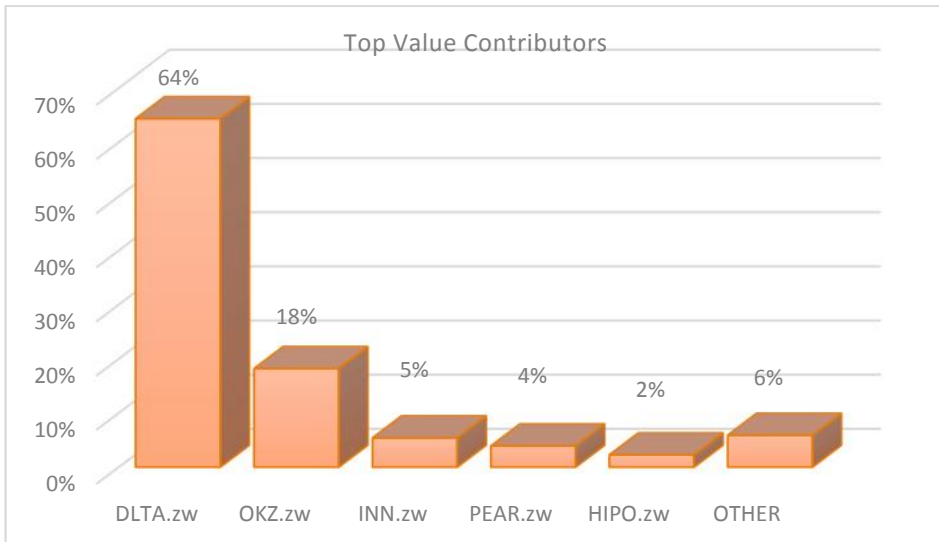
Market Aggregates and Statistics



Market turnover aggregates

	Previous	Current	Change	%Change
Values	8,511,817.40	4,359,831.44	4,151,985.97	48.78
Volumes	34,746,236	38,774,132	4,027,896.00	11.59

There was a mixed look to the weekly aggregates with volumes growing 11.5% to 38.77m while, values fell 48.78% to \$4.36m. Retail group OKZIM was the market’s favorite by volume as it claimed 58% of the aggregate while, other notable volumes were exchanged in Pearl 20% and Delta 14%. Weekly values were driven by beverages group DLTA accounted for 64% of the total value traded in the week while, OKZIM also enjoyed reasonable interest from investors as it drove 18% of the aggregate funds exchanged over the week.



In the news...

BAT Zim posts \$15.5m profit

Zimbabwe's largest cigarette manufacturer British American Tobacco (BAT) grew its net profit by 15 percent to \$15,5 million in the full year to December 2015 from \$13,4 million registered in the previous corresponding period in 2014. <https://www.dailynews.co.zw/articles/2016/02/19/bat-zim-posts-15-5m-profit>

Implats in profit warning

Zimbabwe Platinum Holdings (Zimplats) parent company Impala Platinum Holdings (Implats) says it expects its basics earnings per share (EPS) to decline by 30 percent in the half year to December 2015 due to the decline in international metal prices. <https://www.dailynews.co.zw/articles/2016/02/17/implats-in-profit-warning>

Zim deflation persists

Zimbabwe has remained in deflation despite gaining a marginal 0,29 percentage points in January due to a slight increase in food and non-alcoholic beverage prices. <https://www.dailynews.co.zw/articles/2016/02/17/zim-deflation-persists>

Bakers Inn sales up 20% after promo

Bakers Inn has experienced a 20% uptick in sales since the launch of its Stock Up and Win and Buy and Win promotions. <https://www.newsday.co.zw/2016/02/19/bakers-inn-sales-20-promo/>

IDBZ services Marimba stands

The Infrastructure Development Bank (IDBZ) begins site servicing of its \$6 million housing project by April after getting necessary clearance from the City of Harare and the Ministry of Local Government, Public Works and National Housing. <https://www.newsday.co.zw/2016/02/15/idbz-services-marimba-stands/>

Barclays board discusses future of African units

Barclays Plc's board is reportedly engaged in a series of meetings in London, where the future of its African units is being discussed.

<http://www.herald.co.zw/barclays-board-discusses-future-of-african-units/>

Cafca down grades production

Cafca Limited has down graded production from 200 tonnes to 100 tonnes per month as the company seeks to cut costs in light of depressed copper prices as well as its suspension of exports. <http://www.herald.co.zw/cafca-downgrades-production/>

Unifreight to dispose of Tredcor stake

Logistics group Unfreight Africa will convene an extraordinary general meeting next month to seek shareholder approval on disposal of controlling interest in Tredcor Zimbabwe <http://www.herald.co.zw/unifreight-to-dispose-of-tredcor-stake/>

Probrands to set up UHT dairy plant

ProGroup Zimbabwe's packaging and manufacturing unit, Probrands will set up a Ultra-high temperature processing (UHT) dairy plant in Ruwa at a total cost of \$2.5 mln. <http://www.herald.co.zw/probrands-to-set-up-uht-dairy-plant/>

Freda seeks fresh capital injection

Freda Rebecca requires additional capital injection to stem technical issues and raise production, an official who would not be named said.

<http://www.herald.co.zw/freda-seeks-fresh-capital-injection/>

Commerzbank closes Zim nostro accounts

Commerzbank AG has asked local financial institutions to close their nostro accounts with the Frankfurt-based financial services group, banking sources have said <http://www.herald.co.zw/commerzbank-closes-zims-nostro-accounts/>

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