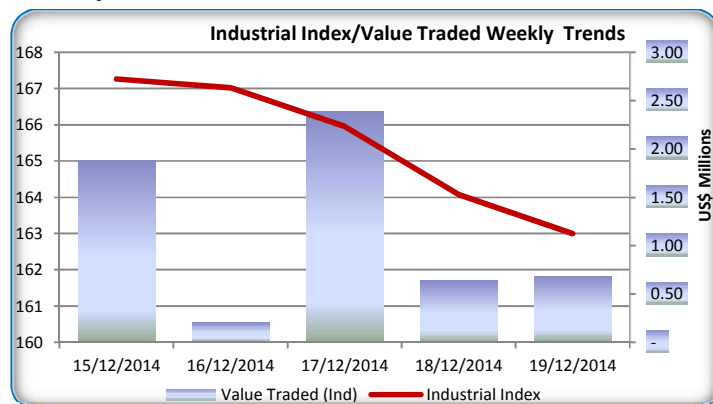
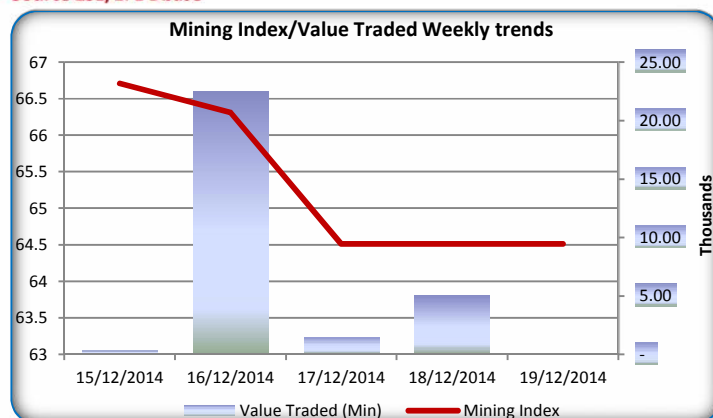


EFE Weekly Market Review 19 December 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	%Δ
Value Traded (\$mn)	6.11	5.38	13.60
Volume Traded (mn)	119.77	24.38	391.16
Foreign Purchases	2.11	2.68	21.35
Foreign Sales	2.37	1.61	47.26

Source ZSE/EFE Dbase.

ZSE slides further as holiday season sets in...

The ZSE capped a week of soft trading ahead of the full on-set of the holiday season. Heavy cap declines throughout the week set the tone for an overly net market selloff mode in trades reminiscent of position clearing ahead of year end. The most notable move for the week was seen in telecoms group Econet, that had defied all odds throughout the current year as its price held above the year opening levels, after succumbing to selling pressure and slipping below its year opening price of 60c to settle at 59c as supply continued to outstrip demand at that level.

The Industrial Index was down a cumulative -2.59% for the week to settle at 163pts as the market weakness took its toll on the cluster. Consequently the industrials extended year to date losses to -19.35% as the market looks set to establish a new 20 year low.

Index	Level	%Δ	YTD %Δ
Industrial Index	163.00	2.59	19.35
Mining Index	64.51	3.30	40.88

Similarly soft trading was experienced in the minings cluster which slid -3.3% and settled at 64.51pts. Nickel miners Bindura were the market's undoing after it came off -3.45% to 5.6c over the week. The loss saw the mining index narrow its year to date return to 40.88%.

Activity aggregates improve though they remain low...

Overall market aggregates indicated an improved outturn for the week under review relative to the prior week. The value expended on the market improved 13.6% week on week to \$6.11m while volumes surged 391% to 119.77m shares. Both aggregates improved thanks to a block trade in property group Dawn where a parcel of circa 69m shares exchanged hands at a premium price of 1.47c yielding an estimated \$1m in value.

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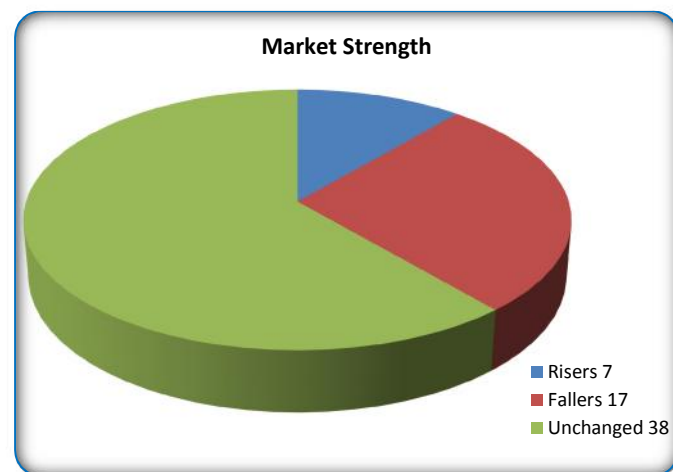
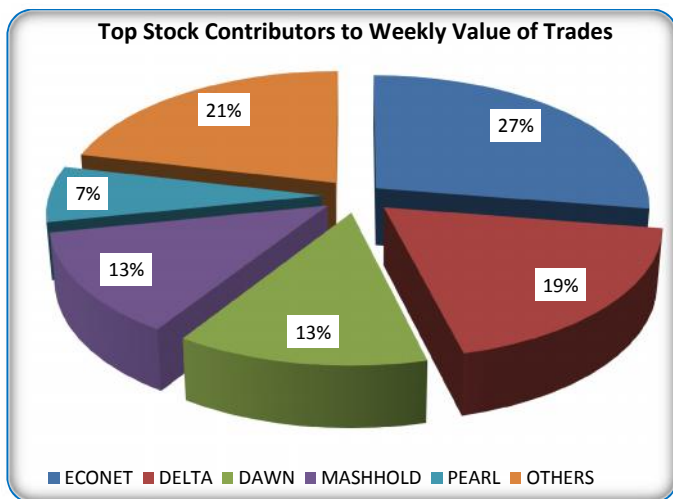
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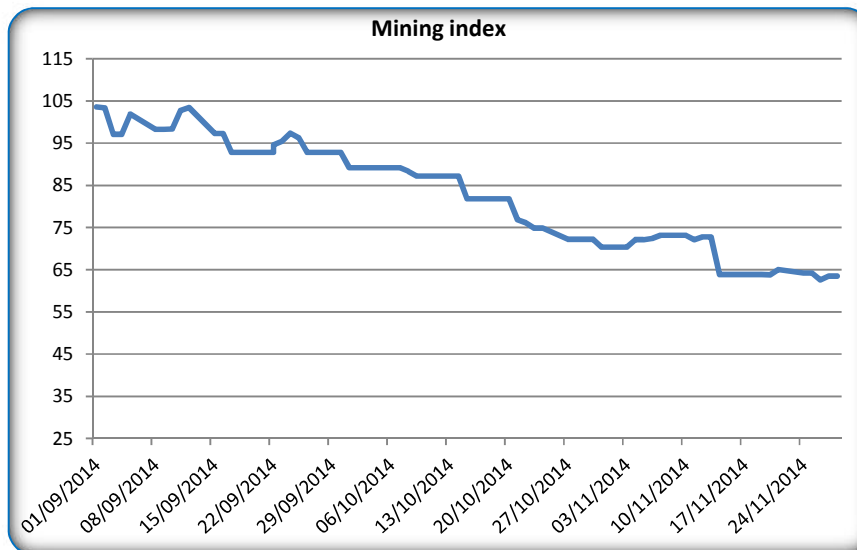
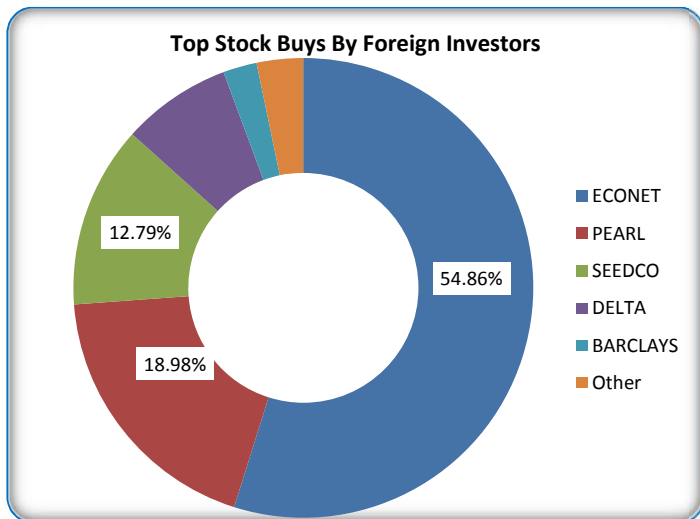
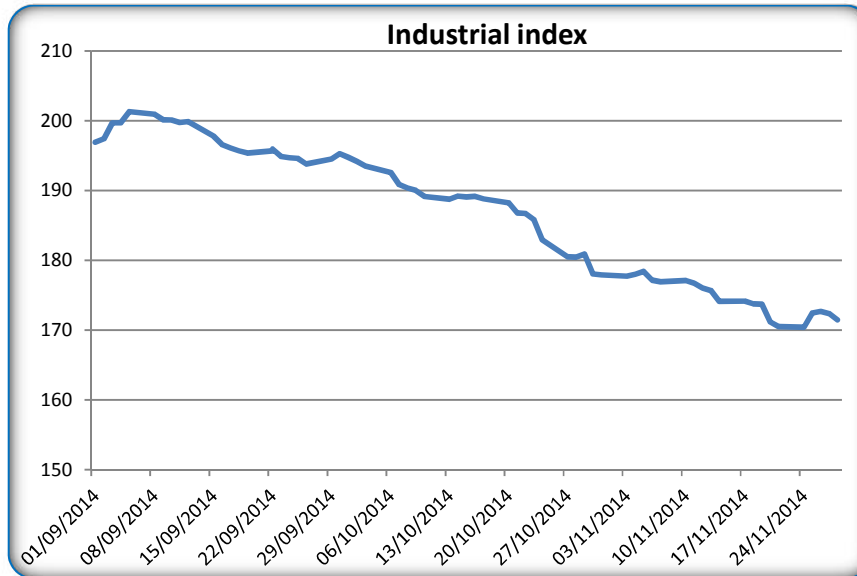
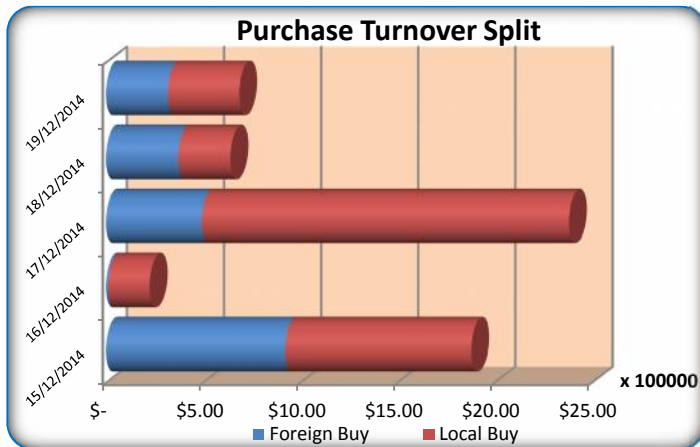
Foreign turnover statistics showed mixed outturns as the spend declined - 21.35% on last week to \$2.11m while foreign portfolio disposals were up +47.26% at \$2.37m as their participation set a net sell off position. Econet and Delta emerged the main value drivers for the week at respective contributions of 27% and 19% while the duo of property concerns Dawn and Mash chipped in after making identical contributions to values of 13% apiece. Favourites amongst foreign investors on the spend side were Econet, Pearl and SeedCo that accounted for respective contributions to the foreign spend at 54.9%, 19% and 12.8%.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASHHOLD	2.70	17.39	16.92	POWERSPEED	1.55	14.36	13.89
CAFCA	50.00	8.70	78.57	LAFARGE	46.00	13.21	58.18
FBCH	8.65	8.13	35.93	TURNAL	1.00	9.09	80.00
ZHL	0.85	6.25	41.38	OK	11.00	8.33	45.00
AFDIS	46.00	4.55	53.33	COLCOM	26.00	7.14	18.18

Apart from the softening Econet, market heavy Delta was similarly trending softer, shedding 1.2% to 107.69c on waning demand in the beverages maker. These two were not the only ones in the same predicament of low demand as other top capitalised stocks including Innscor and BAT also traded softer with the former shedding -3.45% to 56c while the latter let go -2.45% to 1150c. The list of seventeen shakers was however headlined hardware retail group Powerspeed that came off -14.36% to 1.55c as recent results failed to inspire demand. Cement manufacturers Lafarge followed after retreating -13.21% to 46c while construction allied group Turnall came off -9.1% to 1c Concluding the shakers for the week were OKZIM and Colcom that traded -8.33% and -7.14% softer at 11c and 26c respectively.

Amongst those to mitigate the losses was property concern Mash that closed the week at 2.7c after a 17.39% gain. The property group had initially rallied to 3.2c earlier in the week were a block of circa 22m shares was executed. Other top gains for the week were seen in CAFCA +8.7%, FBCH +8.13%, ZHL +6.25% and AFDIS +4.55%.

Market statistics



Top Picks

BAT	Established itself as one of the consistent performers on the local bourse. It is operating at a mature stage of its business as seen in its high and attractive dividend pay-out. It is our opinion that BAT should be considered for attractive cash flows from their dividend pay-out
Dairibord	Driven by a portfolio of strong SBU's and an attractive brand portfolio that can hold its own against imports in the local market. With the concerted effort to re-establish the national herd the future can only be better for Dairibord.
Delta	The beverages Giant enjoys huge market dominance and has consistently maintained a steady growth in volumes and revenues. As the market's top stock, a solid performer, Delta is an undoubted consideration for any investor because of the limited downside
Econet	The dominant mobile phone operator in the country enjoys huge discounts to its regional comparatives while the fact that it is a consistent performer adds to its allure.
Innscor	The group enjoyed steady growth in revenues over the years and looks well placed to continue enjoying steady growth going forwards. It is one group that has positioned itself well to benefit from any improvement in economic activity and disposable incomes in particular
Properties Pearl &	: Mash; ZPI Property companies on the local bourse have all been relatively discounted relative to the regional comparatives with the investment case largely being vested in the lower rental rates relative to regional comparatives. These have been steadily improving and are expected to continue improving with better changes in the economy
National Foods	As the leading food processing and packaging group in the country has been on a capacity increase drive and should continue to enjoy and consolidate on benefits of its rationalization exercise as well as improving efficiencies. The group can also benefit from synergies that could be drawn from their strategic partnership with top shareholders and leading South African food processing and packaging group Tiger Brands.
OKZM	As one of the leading retail groups in Zimbabwe OK led the way in refurbishment of outlets, As more outlets are refurbished and others added to their portfolio we believe the margins will continue to improve
Old Mutual	The dually listed giant trades at a huge discount to its price on either the JSE or London stock Exchange. We believe there is potential upside benefits should market be liberalized scrip become tradable across markets. For the short term however Old Mutual's attraction is in its consistency is paying dividends
TSL	Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

In the News...

Zimplats starts redevelopment of Bimha Mine

Zimplats has started the re-development of collapsed Bimha Mine and it is anticipated that it will take three years to get it back to the original footprint

<https://www.newsday.co.zw/2014/12/12/zimplats-starts-redevelopment-bimha-mine/>

Bindura Nickel Corporation profits rise on bullish nickel prices

BINDURA Nickel Corporation (BNC) profit rose to \$8,5 million for the year ended September 30 2014 from \$3,3 million recorded the previous year...

<https://www.newsday.co.zw/2014/12/11/bindura-nickel-corporation-profits-rise-bullish-nickel-prices/>

Seven mergers approved this year

SEVEN mergers were approved for the past 11 months compared to 10 mergers the previous year as the economy continued to perform below expectation...

<https://www.newsday.co.zw/2014/12/10/seven-mergers-approved-year/>

New executive management at ABC Holdings

Robert Diamond's Atlas Mara Co-Nvest Ltd. (ATMA) said executive management at ABC Holdings Ltd. will depart at the end of this year...

<https://www.newsday.co.zw/2014/12/08/new-executive-management-at-abc-holdings/>

Output for small scale miners doubles

OUTPUT by small scale miners has almost doubled in the last two to three months due to increased monitoring by government, an official has said...

Zim indigenises 185 mining firms

The Zimbabwe government has indigenised 185 mining firms out of a total 405 applications, businessdaily has learnt...

<http://www.dailynews.co.zw/articles/2014/12/10/zim-indigenises-185-mining-firms>

RBZ capitalisation not priority: Mangudya

Capitalisation of the central bank is not a priority at the moment as government has adopted a sequential approach to fixing the economy, Reserve Bank of Zimbabwe governor John Mangudya said.

<http://www.dailynews.co.zw/articles/2014/12/10/rbz-capitalisation-not-priority-mangudya>

Atlas Mara reshuffles ABCH top management

ABC Holdings (ABCH)'s top management has been reshuffled — with its chief executive Douglas Munatsi leaving — following the banking group's takeover by Atlas Mara Co-Nvest Limited (Atlas Mara)...

<http://www.dailynews.co.zw/articles/2014/12/09/atlas-mara-reshuffles-abch-top-management>

Tongaat Hulett mum on land grab

South Africa-based Tongaat Hulett (Tongaat) has declined to comment on the compulsory acquisition of 29 000 hactres of its sugar cane plantations in the Lowveld by Zanu PF, amid fears the land grab may disrupt operations...

<http://www.dailynews.co.zw/articles/2014/12/09/tongaat-hulett-mum-on-land-grab>

RBZ unveils bond coins

The Reserve Bank of Zimbabwe (RBZ) yesterday unveiled a new set of bonded coins worth \$10 million, which will start circulating on December 18...

<http://www.dailynews.co.zw/articles/2014/12/06/rbz-unveils-bond-coins>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	
PPC	AGM	Michalangelo Hotel, Sandton, SA	08.12.14	1000HRS

CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 th DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
Nicoz & ZHL	11 th Apr 2014	Negotiations over acquisitions and disposal respectively, of a business
FALGOLD	21 st MAY 2014	Negotiations that may have material effect on the company's stocks price
HUNYANI	22 nd MAY 2014	Negotiations that may have material effect on the company's stocks price
BINDURA	13 th JUNE 2014	H2 Profit expected to substantially higher than H1 outturn
TAH	24 th JUNE 2014	Negotiations that may have material effect on the company's stocks price
COTTO	24 th JUNE 2014	Negotiations that may have material effect on the company's stocks price

Notes

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