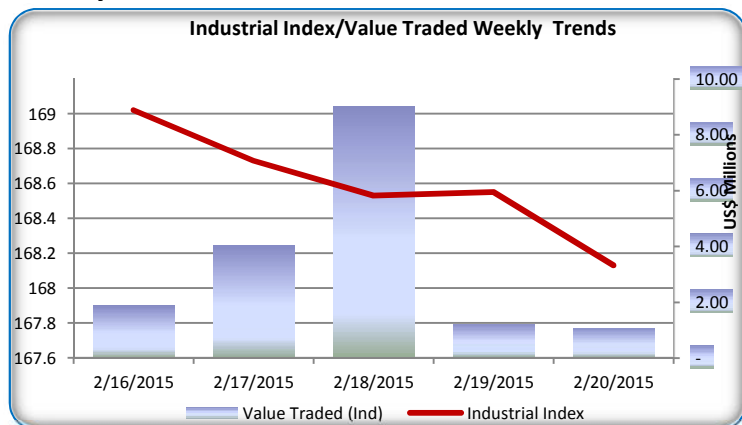
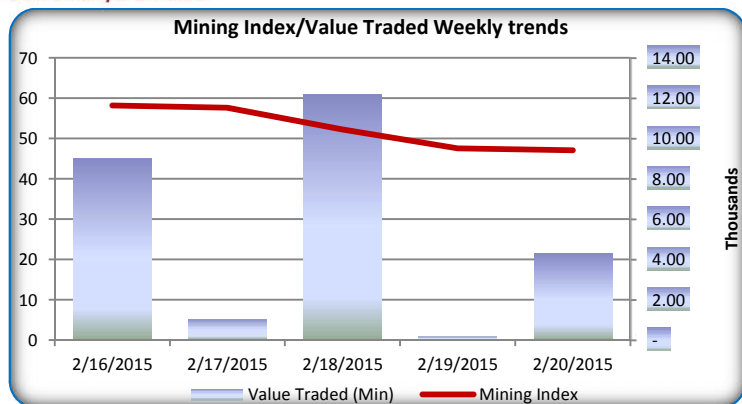


EFE Weekly Market Review 20 February 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	17.21	6.02	185.75
Volume Traded (mn)	36.13	43.60	17.12
Foreign Purchases	15.19	3.50	334.25
Foreign Sales	14.30	3.49	309.59

Source ZSE/EFE Dbase.

ZSE turnover surges on block trades in heavies...

The ZSE posted its highest weekly activity aggregates year to date buoyed by surging foreign activity. Block trades in market heavies Delta and Econet highlighted the market in the week under review with foreign investors enjoying the exclusive participation on either side of the transactions. The onset of the reporting season though rather slowly has created an air of expectation with the first two companies to release financials, Afdis and BAT, showing impressive returns despite the harsh economic climate. Cigarette manufactures BAT posted a solid FY14 set of numbers in which they posted headline earnings per share of \$0.67 and rewarded the shareholders with a final dividend of \$0.50.

Index	Level	%Δ	YTD %Δ
Industrial Index	168.13	0.14	3.28
Mining Index	47.09	18.99	34.33

Despite the seeming return of demand on the market the main stream Industrial Index was almost flat after shedding a marginal -0.14% to 168.13pts. With that loss the year to date gains for the industrials narrowed down to 3.28%. Meanwhile a general weakness in demand for mining stocks saw the resources index come off -18.99% to 47.09pts. The main undoing for the Mining Index emerged to be nickel miners Bindura that closed 10% softer at 4.5c and at one stage was offered at 4c as weak investor sentiment on the ongoing capital raise for the smelter restart took its toll.

ZSE rallies to its highest weekly turnover year to date...

Weekly value of trades at \$17.21m was well ahead of the outturn from the whole of January 2015 of \$16.0m, while week on week this represented a 185.75% increase. As trades were predominantly in the market heavies, volumes of shares traded dropped -17.12% and closed the week at 36.13m. The mainstay of the market's participants emerged to be foreign as the spend went up 334.25% to \$15.19m

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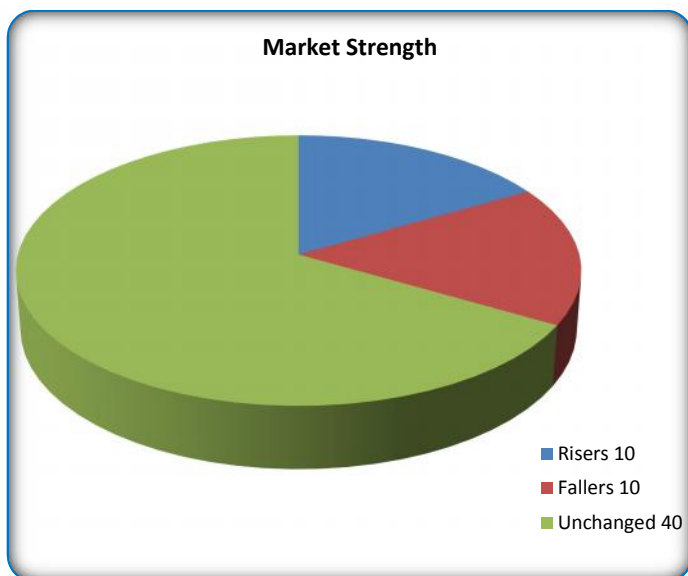
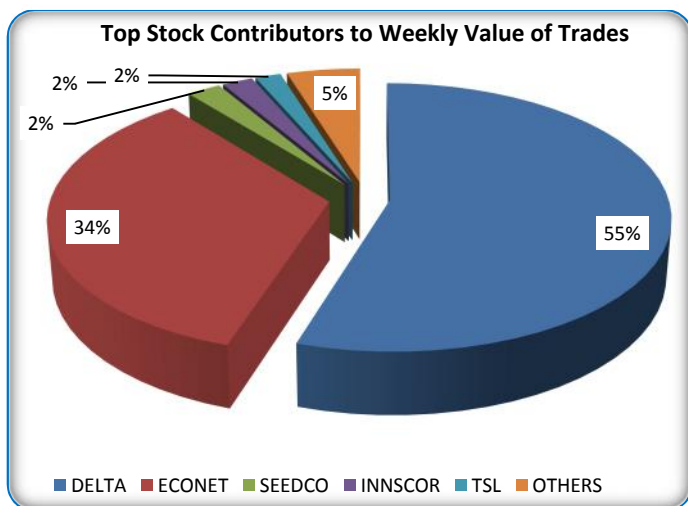
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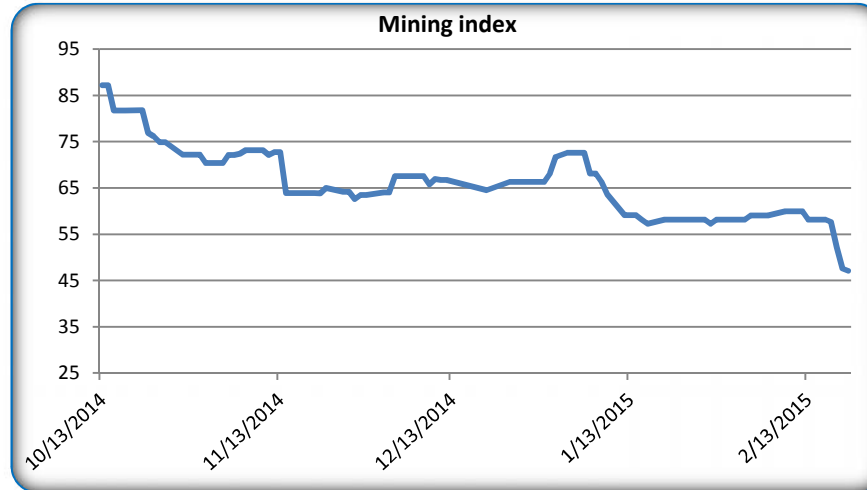
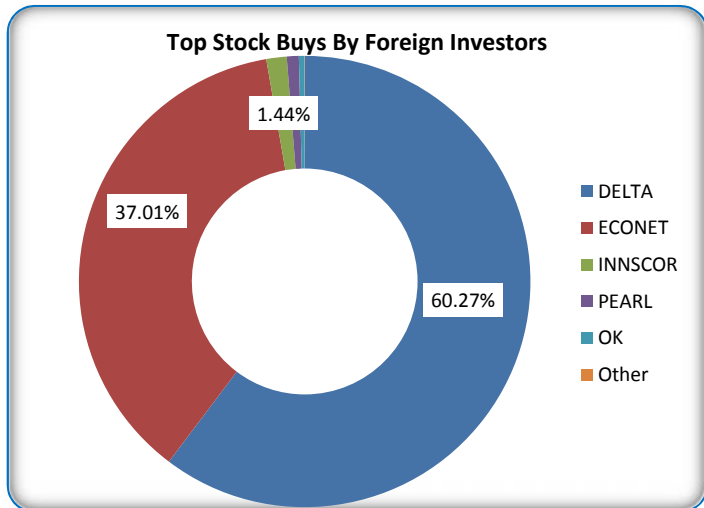
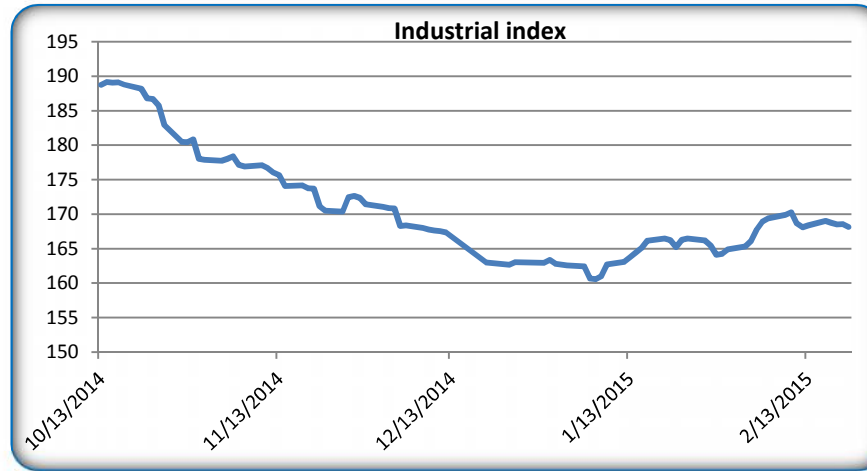
while portfolio disposals grew 309.59% to \$14.3m to leave the market in a net funds inflow position of \$0.89m. Econet and Delta were by far the most liquid stocks on the bourse accounting for a combined 89% of the total value of trades for the week courtesy of the block trades mentioned earlier. The foreign spend exhibited the same skew as 97.3% of the total purchases was invested in Delta and Econet with the remainder being spread to other stocks like Innscor, Pearl and OKZIM.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASIMBA	1.50	15.38	34.78	RIOZIM	10.00	33.33	33.33
P - SPEED	2.35	6.82	46.88	FALGOLD	2.50	16.67	28.57
HWANGE	4.25	6.25	11.46	BINDURA	4.50	10.00	29.69
DAIRIBORD	9.00	5.88	12.50	TURNAL	1.00	9.09	25.93
EDGARS	9.50	5.56	13.10	FBCH	7.50	6.25	6.25

The risers and fallers for the week were evenly balanced at ten each to see the market close with no breadth. Mining stocks topped the shakers for the week with RIOZIM leading after letting go a third of its value to 10c following a loss warning for its FY 2014 results. Falgold performance was dampened by the weak bullion price and closed this week -16.7% softer at 2.5c. Nickel miners Bindura were 10% softer at 4.5c as its Q3 trading update failed to inspire demand as it showed softer volumes for the quarter. Construction allied group Turnall came off -9.1% to 1c despite reports that the group was considering buying the main asbestos mines in Zimbabwe, Shabanie and Mashava Mines, to address raw material supply challenges. Completing the top shakers for the week was former Turnall major shareholders FBCH that shed 6.25% ahead of the release of its FY2014 results.

The markets losses were minimised by gains in Masimba that that was +15.38% up at 1.5c, Powerspeed firming +6.82% to 2.35c, Hwange adding +6.25% to 4.25c and DZLH firming +5.88% to 9c. Resurgent demand in apparel retailers Edgars saw them notch +5.56% and completed the weekly top risers.

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
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...

Delta to Invest \$19mn in new Chibuku plant

Delta Corporation will spend about \$17m on setting up a new Chibuku Super plant at fairbridge in Bulawayo, as the group moves to keep pace with growing demand.

<http://www.herald.co.zw/delta-to-invest-17m-in-new-chibuku-plant/>

Ariston in drive to improve yields

Ariston Holdings says the company expects recovery anchored on continuous improvements in yields and good cash management.

<http://www.herald.co.zw/ariston-in-drive-to-improve-yields/>

Chidawu loses Pelhams shares case

High court has turned down efforts by businessman Oliver Chidawu to reverse the transfer of more than 380 million Pelhams shares from businessman Mr Jayesh Shah to TN Asset management, saying the attempt constitute abuse of court processes.

<http://www.herald.co.zw/chidawu-loses-pelhams-shares-case/>

Meikles Fights ZSE Suspension

Meikles Limited has made an urgent chamber application at the High Court challenging Zimbabwe stock exchange's decision to suspend it from trading on the bourse.

Meikles were suspended on Monday after information from RBZ showed differences in amount owed to the group by the central bank.

<http://www.herald.co.zw/meikles-fights-zse-suspension/>

BNC spends \$7mn on Capex

Bindura Nickel Corporation has spend over \$7m on capital equipment over the past 12 month as part of an investment exercise aimed at boosting productivity and efficiencies.

<http://www.herald.co.zw/bnc-spends-7m-on-capex/>

Zim EU sign \$270m deal

Zimbabwe and European Union has signed a US\$270m financing deal for the National Indicative Programme targeting at supporting socio-economic projects in the country for the next six years.

<http://www.dailynews.co.zw/articles/2015/02/17/zim-eu-sign-270m-deal>

Low cotton prices discourage farmers

The Agricultural Marketing Authority (AMA) has said cotton farmers and ginners face serious pricing issues which discourage them from continuing with producing the crop.

<https://www.newsday.co.zw/2015/02/19/low-cotton-prices-discourage-farmers/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
CAFCA	AGM	Head Office 54 Lyton Road ,Workington,Harare	19.02.15	12.00HRS
RIOZIM	EGM	NO.1 Kenilworth Road,Highlands,Harare	19.02.15	09.00HRS
ART	AGM	202 Seke Road,Head Office,Graniteside,Harare	27.02.15	14.00HRS
ARISTON	AGM	306 Hillside Road,Head Office ,Boardroom,Harare	18.02.15	14.30HRS
CBZH	ANALYST BRIEFING	Stewart Room, Meikles Hotel	25.02.15	15.00HRS
Mashonaland	AGM	19 th Floor, ZB Life Towers, 77 Jason Moyo, Harare	26.02.15	12.00HRS
Powerspeed	AGM	Powerspeed Complex, Graniteside, Harare	17.02.15	11.00HRS
NICOZ DIAMOND	ANALYST BRIEFING	7 TH Floor Insurance Centre, 30 S Machel Ave, Harare	25.02.15	15.00HRS

CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 th DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TAH	24 th JUNE 2014	Negotiations that may have material effect on the company's stocks price
RIOZ	11 TH DEC 2014	Proposed Rights issue awaiting shareholder consent
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
BNC	31 ST DEC 2014	Capital raising for Smelter Restart project is still in progress

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