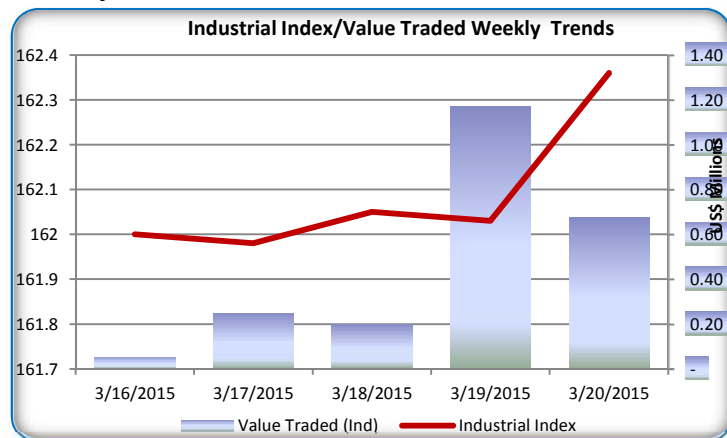
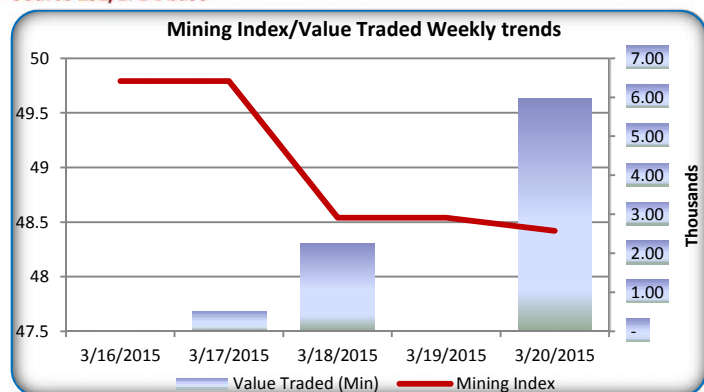


EFE Weekly Market Review 20 March 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	6.69	3.49	91.52
Volume Traded (mn)	302.35	15.68	1827.84
Foreign Purchases	1.28	2.13	39.85
Foreign Sales	0.75	0.55	35.85

Source ZSE/EFE Dbase.

ZSE weak as mixed reporting season failed spur activity...

The market trudged along with no certain direction amidst the filtering in of mixed financials from companies in the ongoing reporting season. Five companies published their numbers this week with EDGARS, ASTRA and PEARL posting fairly decent financials while FIRST MUTUAL HOLDINGS struggled to contain the claims in their health insurance business to weigh down on their FY2014 financial performance; DAIRIBORD managed a small profit riding on a rebound in the second half of the reported financial year as operations reorganisation paid off. The whole reporting season so far has underlined the impact of slowdown demand while deflationary pressures have also taken their toll on margins.

Declines in the earlier part of the week weighed on the Industrial Index as a late spike in the final session could not suffice to spur a positive cumulative weekly return. Industrials shed 0.21% for the week to 162.36pts as year to date loss stretched to 0.26%.

Index	Level	%Δ	YTD %Δ
Industrial Index	162.36	0.21	0.26
Mining Index	48.42	2.75	32.48

Soft trading also prevailed in the resources with the Mining Index shedding -2.75% and settling at 48.42pts while YTD loss sits at 32.48%.

Dawn Block highlights trading week to anchor volumes & values...

Activity aggregates for the overall market were pointed northwards driven largely by a block trade in hotel property owners DAWN. The block of circa 294,868,056 shares done at a premium price of 1.47c was the toast of weekly trades as it yielded \$4.3m to drive up both volumes and values. Weekly values went up 91.52% and closed at \$6.69m with DAWN accounting for an estimated 65% of the total weekly outturn. Similarly volumes were in a flattering 1,829% surge again buoyed by the block trade in DAWN. The DAWN parcel represented 12% of the outstanding shares in the property concern in

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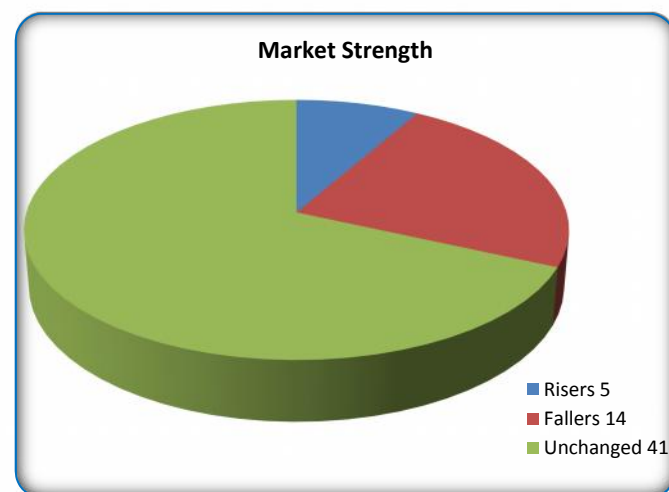
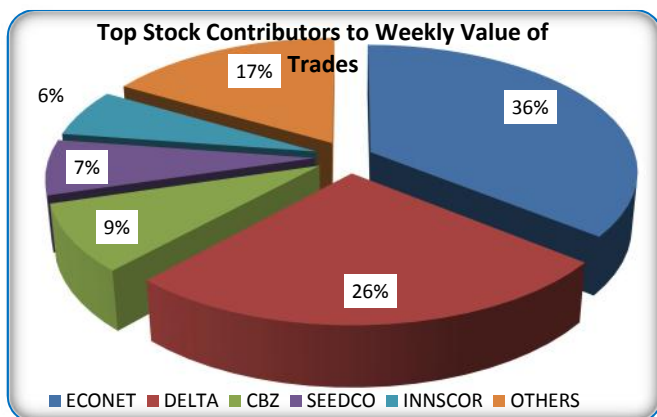
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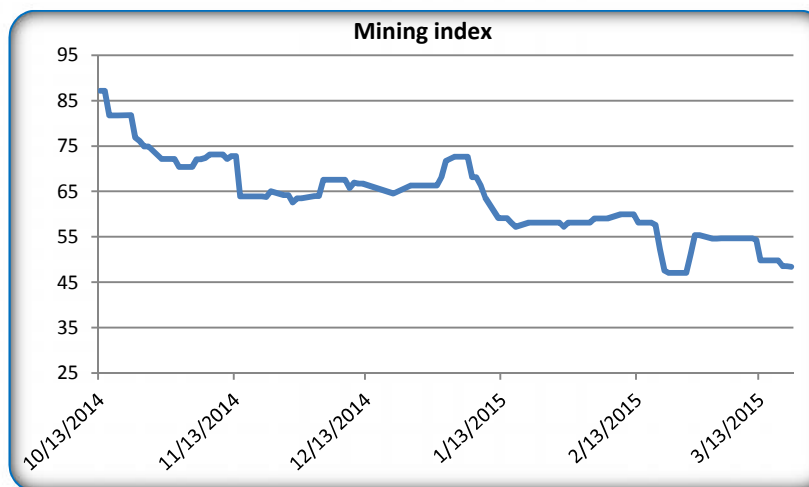
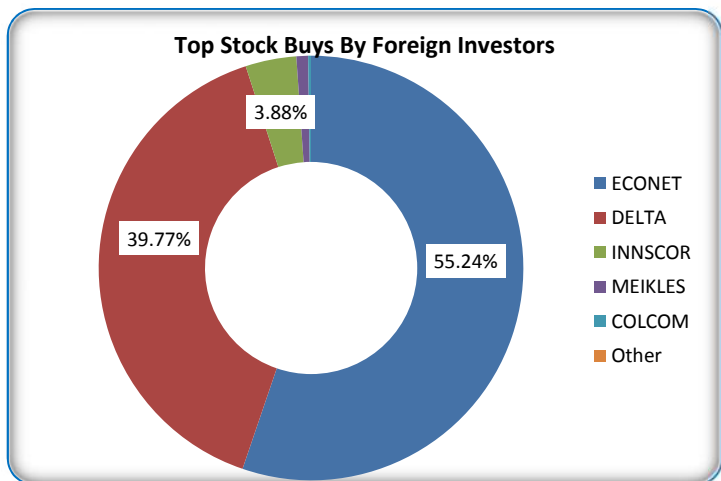
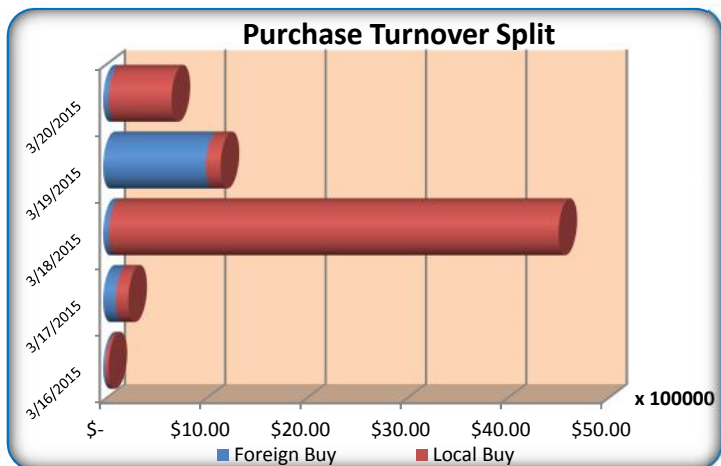
a purely local to local exchange which is believed to involve former major shareholders, and main tenant of DAWN, AFRICAN SUN who previously announced intention to let go their equity stake to extinguish debt. Meanwhile foreign participation on the bourse tumbled with the spend falling 40% to \$1.28m but managed to maintain a net funds inflow position as portfolio disposals only amounted to \$0.75m having climbed 35.85% on last week's outturn. Selective buying remains the order of the day for foreign investors whose appetite has a skew towards the top capitalised stocks, for the week ECONET, DELTA and INNSCOR in that order were the favourites accounting for an estimated 98.9% of the foreign spend.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASIMBA	2.25	12.50	2.17	UNIFREIGHT	1.60	46.67	20.00
OK	14.00	7.69	21.74	ZBFH	3.00	40.00	16.67
COLCOM	27.00	3.85	8.00	RIOZIM	7.00	30.00	53.33
ECONET	52.00	1.96	13.33	DAWN	0.95	13.64	9.52
OLDMUTUAL	239.0	0.84	2.14	MASHHOLD	2.00	13.04	25.93

The market was emphatic in the losses with thirteen counters closing lower than their opening levels while only five mitigated the losses. Transport and logistics group UNIFREIGHT led the shakers with a -46.67% decline to 3c. Financial services group ZBFH that is trading under a loss warning followed with a 40% drop to 3c ahead of the release of their financials next week. Continued delays in finalising the recapitalisation plan for RIO ZIM weighed on the mining house which shed 30% to 7c. Property groups DAWN and MASH completed the top shakers after letting go 13.64% and 13.04% to 0.95c and 2c respectively.

The market losses were mitigated by gains in MASIMBA which led with a 12.5% uplift to 2.25c while retailers OKZIM were in a +7.69% rebound to 14c. Meat processors COLCOM, maintained its post results rising momentum as it added +3.85% and settled at 27c. ICT group ECONET was in a +1.96% rebound that saw them close at 52c while OLD MUTUAL firmed +0.84% and closed at 239c.

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...

Dairibord to spend \$10m on growth

Dairibord Zimbabwe Holdings (DZHL) will spend \$10 million on capital expenditure this year to support growth for its products.

<https://www.newsday.co.zw/2015/03/20/dairibord-to-spend-10m-on-growth/>

Rio-Russians query Zim diamond mines merger

Rio Tinto (Rio) and Russia's DTZ Ozgeo are yet to agree on Zimbabwe's mandatory merger of diamond firms, with the two seeking clarity on the proposal. <http://www.dailynews.co.zw/articles/2015/03/18/rio-russians-query-zim-diamond-mines-merger>

Lafarge debt balloons to \$4.8m

Lafarge Cement Zimbabwe Limited (Lafarge)'s short-term borrowings ballooned by 380 percent to \$4,8 million in the year to December 2014 from \$1 million in prior comparable period as the company battled to meet working capital requirements. <http://www.dailynews.co.zw/articles/2015/03/13/lafarge-debt-balloons-to-4-8m>

Tobacco output ,average price decline

A decline in tobacco output and average price has been recorded in the first eight days of the selling season attributed to the poor quality of the golden leaf. <https://www.newsday.co.zw/2015/03/18/tobacco-output-average-price-decline/>

Inflation continues in negative territory

The year-on-year inflation rate for the month of February stood at -1,40% as measured by all-items Consumer Price Index (CPI) shedding 0,12 percentage points on the January rate of -1,28%. <https://www.newsday.co.zw/2015/03/17/inflation-continues-in-negative-territory/>

Edgars records jump in profits

Edgars Stores Ltd recorded a 22.3% jump in profit to \$5.2m for 53 weeks to January 10 as the group's focus on offering various credit option, improved assortments and superior customer services paid off. <http://www.herald.co.zw/edgars-records-jump-in-profits/>

Willdale targets 12 million bricks per month

Willdale plans to double sales volume to over 100 million bricks this year from 45 million the firm achieved last year. <http://www.herald.co.zw/willdale-targets-12-million-bricks-per-month/>

NicozDiamond to earn \$6m from housing project

Sort-term insurer NicozDiamond has completed 20 units under its first phase of its Hatfield diamond Villa project, the houses are complete and fast selling. <http://www.herald.co.zw/nicozdiamond-to-earn-6m-from-housing-project/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
TSL	AGM	28 S Mazorodze Road, Southerton Harare	11.03.15	12.00HRS
NICOZ DIAMOND	ANALYST BRIEFING	7 TH Floor Insurance Centre, 30 S Machel Ave, Harare	13.03.15	15.00HRS
FGOLD	AGM	Cnr 14 th Ave/J Tongogara KPMG building,Bulawayo	20.03.15	10.00HRS

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
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
RIOZ	5 TH MAR 2015	Comapany seeking regulatory approvals to proceed with the rights issue

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