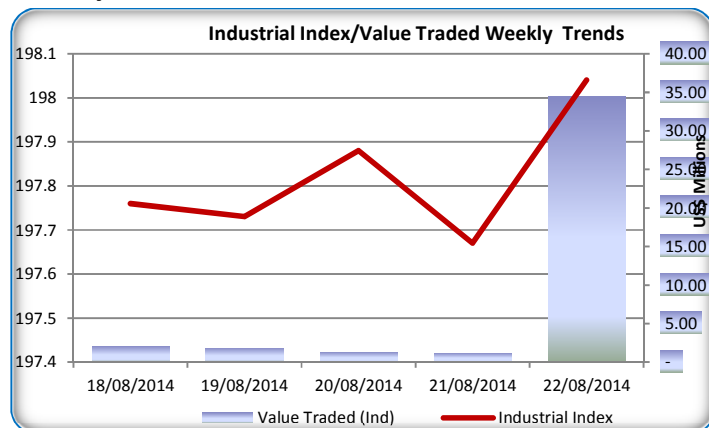
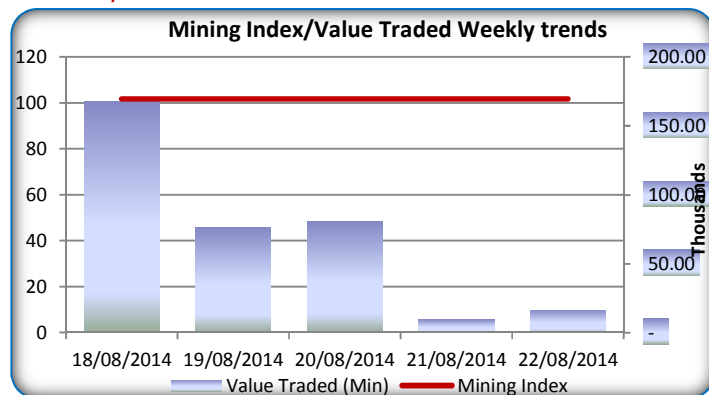


EFE Weekly Market Review 22 August 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	46.81	6.73	595.93
Volume Traded (mn)	165.14	46.81	252.76
Foreign Purchases	43.23	2.91	1384.68
Foreign Sales	4.50	3.54	27.24

Source ZSE/EFE Dbase.

Market Highlights

ZSE registers its biggest trade as Atlas Mara takes over BancABC...

The ZSE registered its biggest trade year to date as a block in regional financial services group ABCH sailed on the bourse at the dearth of the trading week. The block worth \$38.05m exchanged hands at a price of 82c as the consummation of the transactions that will see London listed Atlas Mara group conclude its acquisition of a controlling stake in Banc ABC and ADC establishing its footprint in five countries in the SADC region. Elsewhere Zimbabwe's inflation statistics showed positive inflation for the first time in July statistics bringing positive inflation back to average consumer prices for the first time since January. The development has eased the mounting fears of the economy slipping into deflation weighed further by persistent weakening demand and a tight liquidity situation in the economy.

Index	Level	%Δ	YTD %Δ
Industrial Index	198.04	1.39	2.02
Mining Index	101.78	4.63	122.28

An overly positive sentiment prevailed on the bourse carrying the ZSE main stream industrial index to a +1.39% gain to settle at 198.04pts and in the same vein narrowing the year to date losses to just -2.02%. Bindura maintained its resurgence to settle at its YTD high of 9c carrying with it the Mining Index to gain +4.63% and settle at 101.78pts

ABCH block trade sees weekly turnover touch a high...

The ABCH block trade saw the value of trades on the bourse receive a flattering -596% surge to \$46.81m shares. Volumes were similarly up jumping +252.76% to settle at 165.14m shares as volumes went up coming from the ABC trade while ARTZDR, Willdale and African sun were the other notable volume drivers. Foreign demand also got a boost surging thirteen fold to \$43.23m thanks the ABCH transaction.

In this Weekly

Market Highlights P1

Top Picks P4

Upcoming events P4

In the News P5

Upcoming Events P7

Disclaimer P8

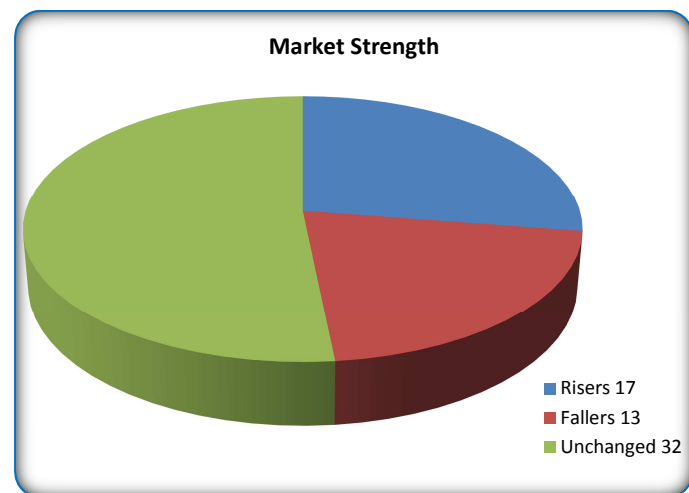
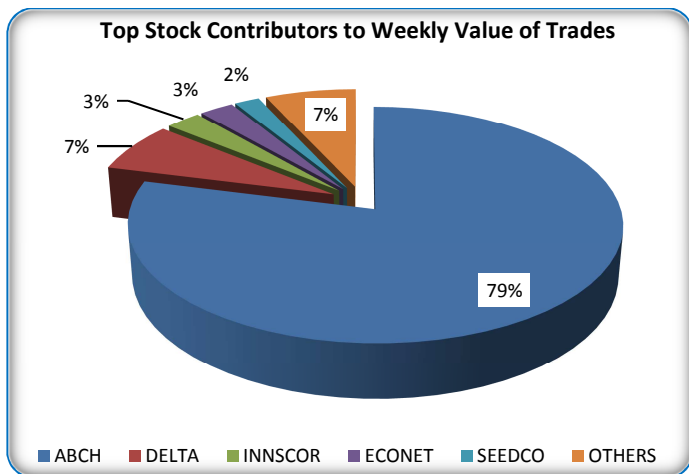
Contacts:

Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

Phenias Mandaza 0772144334

Coreen Madanha 0772144333



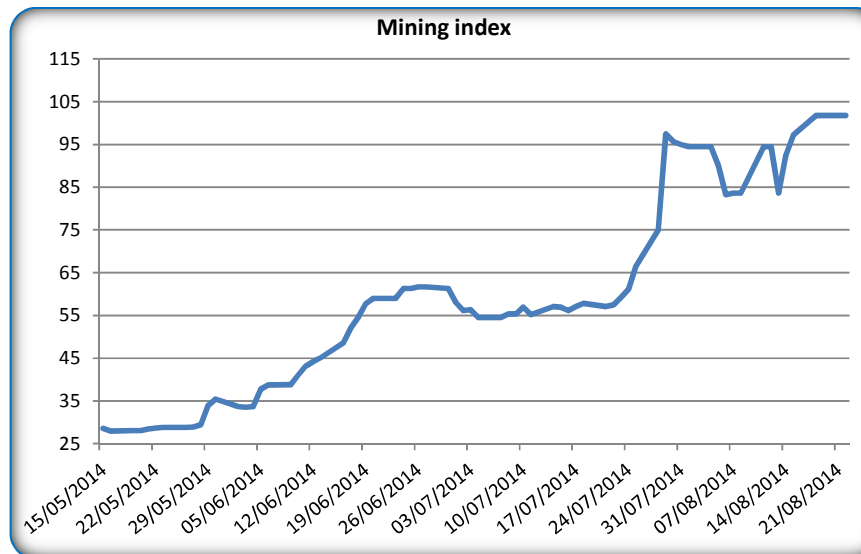
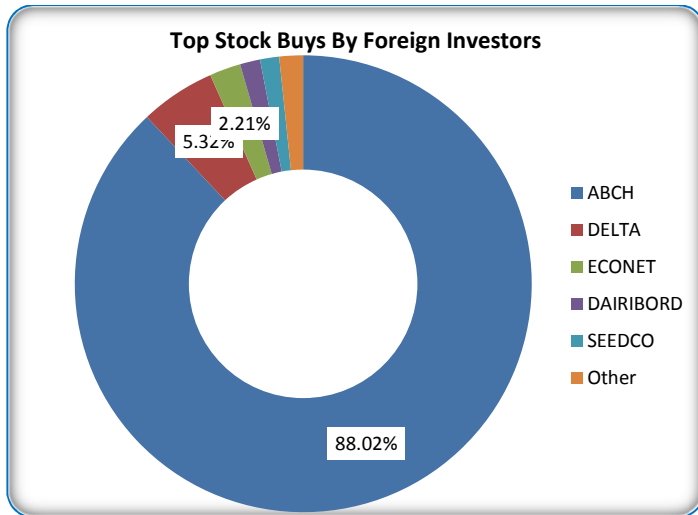
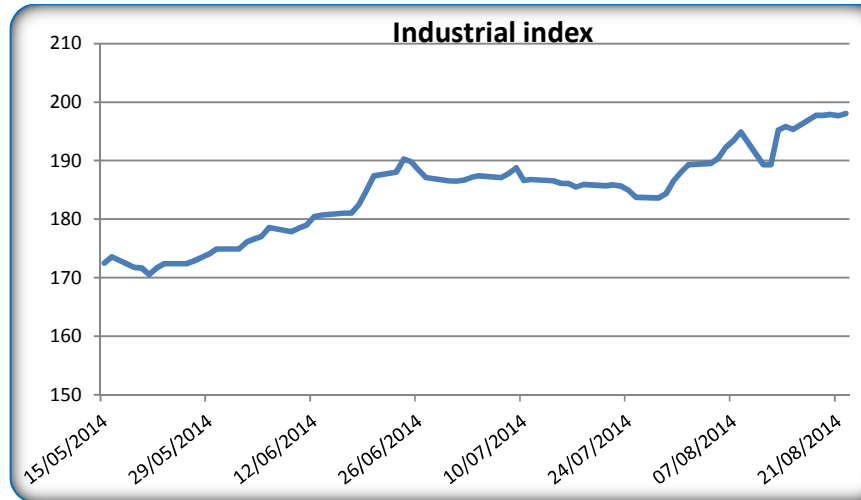
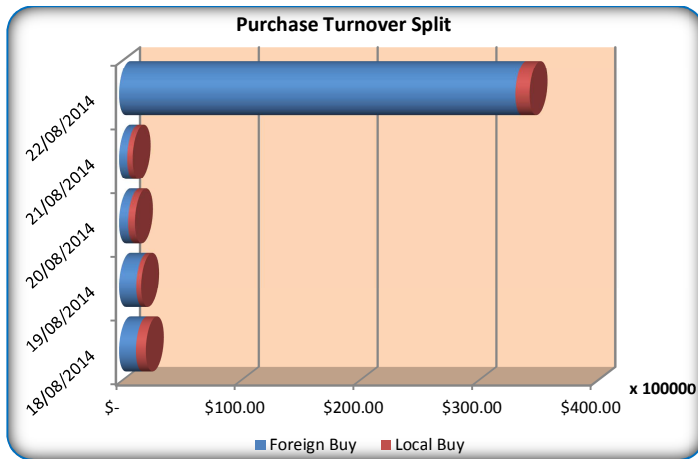
Portfolio disposals by foreign investors were also up +27.24 at \$4.5m maintaining an overall net funds inflow position on the ZSE. Apart from ABCH that took 79% of the total value spurned on the bourse this week other stocks to see notable trades were the usual ZSE momentum stocks Delta, Innscor and Econet that accounted for a combined 13% of the total funds traded in the week. Foreign demand over the week was seen in ABCH, Delta, and Econet that accounted for a combined 95.55% of the total value of flows onto the bourse this week.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
ARTZDR	0.60	50.00	200.00	NTS	1.70	32.00	32.00
CAFCA	33.00	46.67	17.86	RTG	1.25	21.88	21.88
PIONEER	4.00	33.33	33.33	DAWN	0.80	20.00	20.00
MASIMBA	3.50	16.67	46.15	MEDTECH	0.05	16.67	28.57
NICOZ	1.50	7.14	7.14	FIDELITY	9.00	14.29	30.82

Market heavy weights carried day for the indices anchoring the gains for the week amongst them beverages maker Delta that put on +4.7% and settled at 136.11c while the dually listed duo of Old Mutual and PPC that put on respective gains of +2.76% and +2.22% and settled at 279.5c and 230c in that order. Penny stock ART ZDR topped the gainers for the week after adding +50% to 0.6c while cable manufacturers CAFCA followed after piling in +46.7% and settling at 33c. Transport group Pioneer saw a rare spat of demand drive it +16.67% up to 3.5c as construction allied group followed with gains of +16.7% to 3.5c. Completing the top gains for the week were insurance group Nicoz Diamond that jumped +7.14% to 1.5c and capped the week with a release of its interim results to June 2013 in which a Basic EPS of 0.13c.

Market losses for the week were topped by tyre manufacturers NTS that slid -32% and closed trading at 1.7c with tourism group RTG followed after putting on +21.88% and settled at 1.25c. Dawn tumbled 20% to 0.8c on weakening demand as Fidelity completed the gainers after falling -14.29% to 9c.

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...

Pelhams secures \$3m for restocking

ZIMBABWE Stock Exchange-listed furniture retailer, Pelhams Ltd has secured \$3 million from CABS to finance the company's restocking exercise, official sources said yesterday.

<http://www.herald.co.zw/pelhams-secures-3m-for-restocking/>

TA Holdings takeover on course

Investment group TA Holdings Limited (TA) is seeking applicable regulatory approvals to prepare for its takeover by London-listed Masawara's wholly-owned subsidiary, Masawara Mauritius.

<http://www.dailynews.co.zw/articles/2014/08/21/ta-holdings-takeover-on-course>

RBZ finally pays Meikles debt

Reserve Bank of Zimbabwe (RBZ) has begun payments of a 16-year-old debt to diversified conglomerate, Meikles Holdings Limited (Meikles).

<http://www.dailynews.co.zw/articles/2014/08/20/rbz-finally-pays-meikles-debt>

NSSA divests from Art Corporation

Zimbabwe's social security authority has divested from manufacturing concern Amalgamated Regional Trading (Art) Corporation following Monday's book over of 58,2 million shares on the local bourse, an official has said.

<http://www.zimeye.com/nssa-divests-from-art-corporation/>

CBZ declares \$1,2 million dividend

Zimbabwe's largest financial services group by assets, CBZ Holdings (CBZ) has declared an interim dividend of \$1,2 million for the half year ended June 30, 2014.

<http://www.dailynews.co.zw/articles/2014/08/20/cbz-declares-1-2-million-dividend>

Seed Co to offload 60pc of Quton

SEED CO has concluded discussions with a foreign investor for the acquisition of a significant stake in Quton. Chief executive Morgan Nzwere said the investor, Indian company Mahyco will take up 60 percent shareholding in the company for \$10 million.

<http://www.herald.co.zw/seed-co-to-offload-60pc-of-quton/>

Batoka to produce more power

The Batoka hydro-power project, to be undertaken on the Zambezi River, has potential to generate more than the initially anticipated 1 650 megawatts, Secretar...

<http://www.herald.co.zw/batoka-to-produce-more-power/>

High demand for Zim agric products

A LEADING South African supermarket chain wants more Zimbabwean agricultural products to add to the current basket of commodities being exported across the Limpopo river. Pick &...

<http://www.herald.co.zw/high-demand-for-zim-agric-products/>

PPC volumes expected to grow

PPC Zimbabwe volumes for this financial year are expected to grow three percent on the back of increased exports into the region, an official said yesterday. M...

<http://www.herald.co.zw/ppc-volumes-expected-to-grow/>

High costs of inputs affect soya bean farmers

High costs of agricultural inputs are affecting soya bean farmers who are failing to make profits from the cash crop as the producer price is far below the costs of production, an official said yeste...

<http://www.herald.co.zw/high-costs-of-inputs-affect-soya-bean-farmers/>

Zimplats shuts Bimha Mine

Zimbabwe's largest platinum producer, Zimplats, could lose up to \$100 million following the closure of its Bimha Mine.

<http://www.dailynews.co.zw/articles/2014/08/21/zimplats-shuts-bimha-mine>

Zim exits deflation

Zimbabwe is slowly emerging out of a deflationary phase, amid central bank hopes that an increase in broad money supply into the economy will arrest deflation.

<http://www.dailynews.co.zw/articles/2014/08/16/zim-exits-deflation>

TA Holdings takeover on course

Investment group TA Holdings Limited (TA) is seeking applicable regulatory approvals to prepare for its takeover by London-listed Masawara's wholly-owned subsidiary, Masawara Mauritius.

<http://www.dailynews.co.zw/articles/2014/08/21/ta-holdings-takeover-on-course>

Cottco pins hope on increased production

Rebranded Cottco Holdings Limited (Cottco) is pinning its revival hopes on the increased cotton production in the country. The agriculture-focused firm, which has been reeling from debts since dollarisation, recently recorded \$2, million profit for the year ended March 31, from a loss of \$14,9 million last year

<http://www.dailynews.co.zw/articles/2014/08/16/cottco-pins-hope-on-increased-production>

Up Coming Events

NICOZ Diamond	Interims	Board Room, 36 S Machel Ave, Harare	22/08/2014	1200HRS
ART	EGM	202 SEKE ROAD, GRANITESIDE HARARE	26/08/2014	1100HRS
BNC	AGM	CHAPMAN GOLF CLUB HARARE	28/08/2014	0930HRS
COTTOCO	AGM	RAINBOW TOWERS, JACARANDA	29/08/2014	1130HRS

CAUTIONARIES

ISSUE DATE

AFRICAN SUN	6th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4th Dec 2013	Negotiations that may have material effect on the future of the company
DAWN PROPERTIES	23rd Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6th May 2014	To approve rights issue
NICOZ & ZHL	11TH Apr 2014	Negotiations over disposal and acquisitions respectively, of a business

Notes

This document has been prepared by EFE Securities (Private) Limited (EFE), for the information of its clients. Although the statements of fact in this report have been obtained from sources that the company believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this report constitute the company's judgment as of the date of this report and are subject to change without notice. The securities discussed and mentioned in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors they believe necessary.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. EFE and any of the individuals preparing this report may at any time have a long and/or short position in any securities of companies in this report. In addition EFE may from time to time perform investment banking or other services for, or solicit investment banking or other business from any entity mentioned in this report. EFE may at times buy and sell shares on an agency or principal basis to its clients. Shares may rise or fall and investors may end up with a reduced amount from their initial capital invested. Additional information on EFE's recommended securities is available on request.
