

ZSE in first week on week gain for the year...

The ZSE scratched its first week on week gain since the turn of the year as supply constraints in selected heavies prompted upward price revisions. Incidentally the first weekly gain coincided with the onset of the much awaited reporting season for the December reported date as the market looks to break the sustained free-fall. Despite the challenging operating environment, companies to report reflected decent performances and this week financial services group CBZ was the only one to present giving fairly stellar performance for the year that was highlighted by a 19% rise in income and a 6.7% increase in after tax profits. Meanwhile, the Government of Zimbabwe announced a 90 day notice period for the diamond mining companies operating in the Chiadzwa fields to remove equipment and other valuables as their special grants to operate in the area had long since expired and were not renewed. Elsewhere, the IMF is reportedly on course to make its first disbursement of funds to Zimbabwe since 1999, as a team from the institution met government this week for the final phase of the staff monitoring program.

Indices firm...

<i>Indices</i>	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	98.92	99.40	0.4800	0.49	13.45
<i>Mining</i>	18.74	19.14	0.4000	2.13	19.24

The main stream Industrial Index enjoyed a first rising week with a 0.49% uplift, though the benchmark remains below the psychological 100pts mark, closing at a level of 99.40pts. The gain did little to contain the year to date loss for the industrials that sits at 13.45%.

The Mining Index eventually moved away from its ten session hold at 18.74pts after adding a cumulative 2.13% in the week under review to 19.14pts buoyed by a resurgent Bindura. The resources index sits on a 19.74% year to date loss as interest in the stocks in this cluster remains subdued as a results of the depressed global commodity prices.

In this Weekly

Market Highlights P1

In the News P4

Disclaimer P6

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Risers

Symbol	Previous	Current	Change	%Change
GBH.ZW	0.0001	0.0002	0.0001	100.00
BIND.ZW	0.0090	0.0095	0.0005	5.56
ECO.ZW	0.2205	0.2300	0.0095	4.31
DLTA.ZW	0.5200	0.5325	0.0125	2.40

Faller

Symbol	Previous	Current	Change	%Change
CAFCA.ZW	0.2795	0.2245	0.0550	19.68
COLC.ZW	0.1600	0.1450	0.0150	9.38
EDGR.ZW	0.0580	0.0550	0.0030	5.17
INN.ZW	0.1895	0.1840	0.0055	2.90
BARC.ZW	0.0350	0.0340	0.0010	2.86
ZIMR.ZW	0.0127	0.0125	0.0002	1.57
SIM.ZW	0.1420	0.1400	0.0020	1.41
TRUW.ZW	0.0081	0.0080	0.0001	1.23
BAT.ZW	11.5000	11.4379	0.0621	0.54
HIPO.ZW	0.3495	0.3490	0.0005	0.14

* All prices in USD

Market in negative breadth despite gains in benchmarks ...

Eleven stocks closed the week in the red against four risers to leave the market with a negative market breadth of seven. Weekly risers were led by engineering group General Beltings that surged 100% to \$0.0002 in a rare trade for the group. Nickel miners Bindura followed with a 5.56% uplift that left the group at \$0.0095 on resurgent demand in the group. The heavy cap duo of Econet and Delta were however the main drivers of the gains that helped the industrials close in the black. Telecoms group Econet put on 4.31% and settled at \$0.2300 as supply constraints resulted in active bidding. Delta similarly exhibited constrained selling as the beverages giant was well bid for the greater part of the week with no supply showing; consequently the group closed 2.40% firmer at \$0.5325 and looks set to continue northwards.

CAFCA led the fallers for the second week running after succumbing 19.68% to \$0.2245 in the wake of its profit warning advising that the next half to be reported was set to see a 75% drop in earnings per share as the weak copper prices took its toll on performance. Meat processing and packaging group Colcom were down 9.38% at \$0.1450 ahead of the release of the group's release of financial results. Apparel retailers Edgars succumbed 5.17% to \$0.0550 as the market perception on retailers continues in the negative against the backdrop of a weak demand in the economy. Innscor's glitter continued to dim with a further 2.90% drop to \$0.1840, the diversified group has been on a free-fall since the unbundling of the quick service restaurant business last year. Meanwhile, the unbundled entity Simbisa has similarly hit hard times on the bourse shedding 1.41% this week as reports that administrative costs had gone through the roof since the unbundling continued to hurt. Elsewhere, CBZ was stable at \$0.1100 with very limited activity post its results while, BAT which reported in the previous week succumbed 0.54% to \$11.4379.

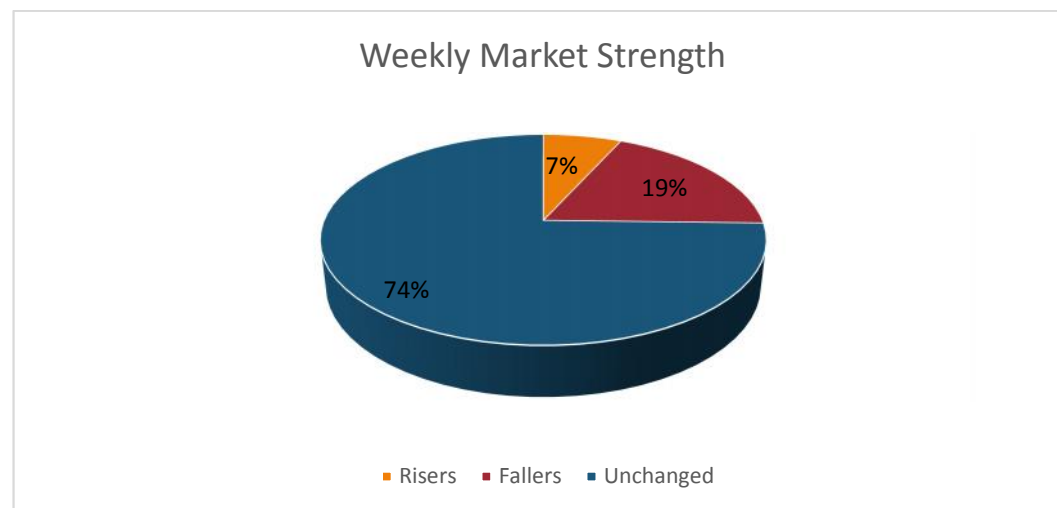
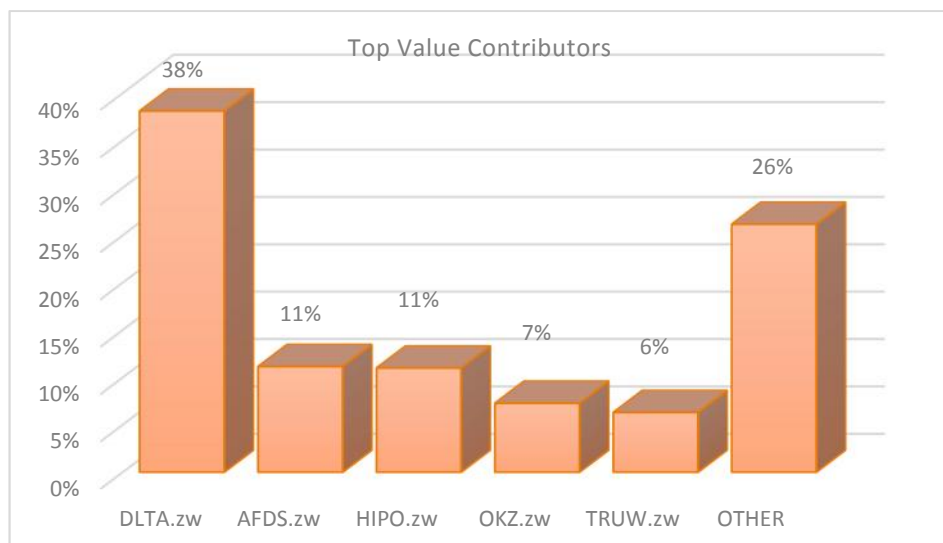
Market Aggregates and Statistics

Market turnover aggregates



	Previous	Current	Change	%Change
Values	4,359,831.44	1,094,350.68	3,265,480.75	74.90
Volumes	38,774,132	15,115,000	23,659,132.00	61.02

Weekly activity aggregates reflected a subdued performance in which both volumes and values fell from previous levels. An estimated 15,115,000 shares exchanged hands over the week and were down 61.02% on the prior week outturn. Volumes of the week were driven by apparel retailers Truworths that accounted for an estimated 53% of the aggregate while other notable exchanges were seen in OKZIM and ZHL. Likewise, the value of trades fell 74.90% on last week and closed at \$1.09m with top trades being registered in Delta, Afdis and Hippo where 38%, 11% and 11% of the total values were traded.



In the news...

Hwange tax arrears balloon to \$69m

Zimbabwe Stock Exchange listed coal miner Hwange Colliery Company Limited (HCCL)'s tax arrears have ballooned to \$69,1 million following the addition of a \$28,5 million tax liability. <https://www.dailynews.co.zw/articles/2016/02/24/hwange-tax-arrears-balloon-to-69-million>

Low metal prices hit Zimplats

Low international prices saw Zimbabwe's largest platinum producer, Zimplats, reporting a 12 percent decrease in revenue for the half year to December 2015 despite a surge in sales volumes. <https://www.dailynews.co.zw/articles/2016/02/25/low-metal-prices-hit-zimplats>

CBZ profit after tax rise

CBZ Holdings saw its profit after tax rising by 6,7% to \$35,2 million in the full year to December 2015 from the previous year's \$33 million powered by a growth in total income. <https://www.newsday.co.zw/2016/02/26/cbz-profit-tax-rise/>

BAT assist training tobacco farming experts

BAT Zimbabwe Tobacco Empowerment Trust (BATZ TET) has partnered with the Ministry of Youth Development, Indigenisation and Economic Empowerment to offer courses in agriculture, specialising in tobacco at a vocational training centre in Mount Darwin. <https://www.newsday.co.zw/2016/02/26/bat-assist-training-tobacco-farming-experts/>

Tobacco output to decline

Zimbabwe's tobacco output may decline by at least 10% this year, due to the late start of the cropping season and the effects of El-Nino induced drought, Tobacco Industry and Marketing Board chief executive Andrew Matibiri said yesterday. <http://www.herald.co.zw/tobacco-output-to-decline/>

Phoenix turnaround efforts continue

Phoenix Consolidated Industries judicial manager Reggie Saruchera has said efforts to engage investors to help turnaround the fortunes of the brush maker are ongoing. <http://www.herald.co.zw/phoenix-turnaround-efforts-continue/>

Turnall, HIT to develop low cost infrastructure materials

Turnall Holdings, one of Zimbabwe's leading construction and building products supplier, and Harare Institute of Technology (HIT) have signed an agreement to jointly develop low-cost housing and new road building products. <http://www.herald.co.zw/turnall-hit-to-develop-low-cost-infrastructure-materials/>

African Sun settles municipality bill

African Sun Limited paid more than \$200 000 to clear its outstanding rates and water bills to the Victoria Falls Municipality. In June last year, the hotel group was issued with summons in respect of the outstanding rates amounting to \$383 000 owed by three of its hotels – The Victoria Falls Hotel, the Elephant Hills Resort and The Kingdom Hotel – in the resort town. <http://www.herald.co.zw/african-sun-settles-municipality-bill/>

Powerspeed throws out Innscor bid

Lack of agreement over valuation and control saw Powerspeed Electrical terminate its negotiations with Innscor Africa for a possible equity deal. Subsequently the listed retailer yesterday announced that it was ending its three-month cautionary statement. <http://www.herald.co.zw/powerspeed-throws-out-innscor-bid/>

NMB safe and sound:RBZ

NMB Bank Limited is safe and sound, the Reserve Bank of Zimbabwe (RBZ) said yesterday rebutting claims on social media that the bank was headed for closure. <https://www.newsday.co.zw/2016/02/25/nmb-safe-sound-rbz/>

Simbisa brands employment costs rise

FAST food group, Simbisa Brands employment has invested \$15 million per year in employment costs, as it positions itself as the market leader following its unbundling from Innscor Africa. <https://www.newsday.co.zw/2016/02/23/simbisa-brands-employment-costs-rise/>

Hwange Colliery finalise salary, allowances cuts

HWANGE Colliery Company Limited (HCCL) is finalising salary and allowances cuts for management as part of a raft of cost cutting measures. <https://www.newsday.co.zw/2016/02/23/hwange-colliery-finalise-salary-allowances-cuts/>



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