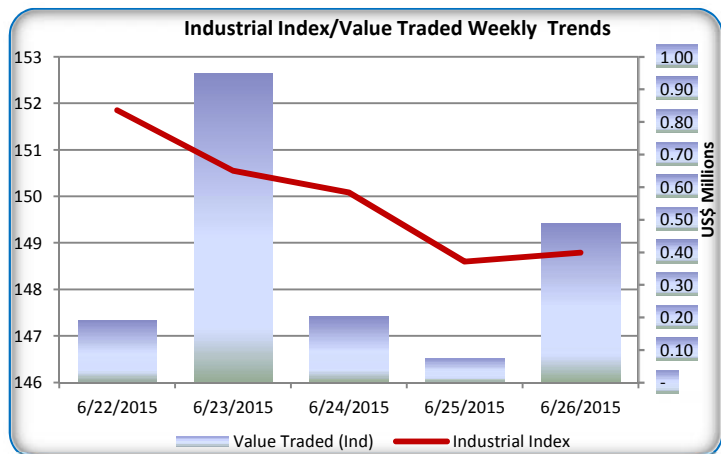
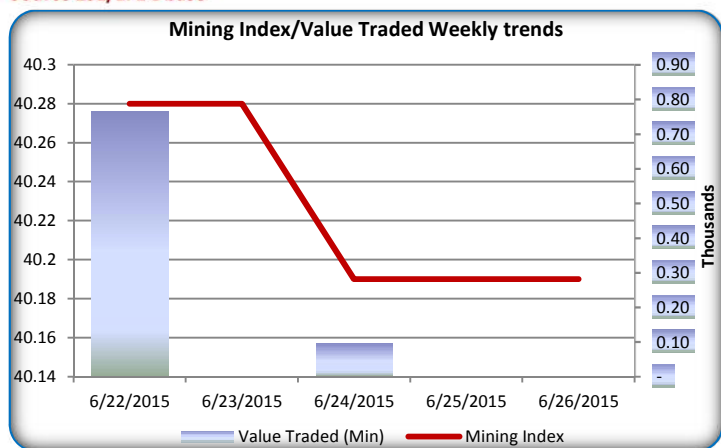


EFE Weekly Market Review 26 June 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	1.90	5.20	63.43
Volume Traded (mn)	12.48	24.73	49.54
Foreign Purchases	1.04	1.27	18.22
Foreign Sales	0.22	1.47	84.71

Source ZSE/EFE Dbase.

Market heavies in record lows as market comes off...

The market struggled for trades in the week under review constrained by lack of liquidity. Subdued demand across the board resulted several market heavies falling to new lows as sellers obliged and traded lower in search of liquidity. Amongst those to fall prey to the market vagaries was beverages giant Delta which touched a 24 months low of 101c as demand softened. Telecoms group Econet, was also in the same predicament falling to a 36 months low of 40c as post results selling pressure weighs down the groups performance on the bourse. Econet's financials to February 2015 came in slightly below market expectations on profitability despite the group managing to grow its revenues as their revenue mix shifted to lower margin lines.

With the market's top stocks touching record lows it came as no surprise that the main stream Industrial Index parted with 2.69% of its week opening level to 148.79pts. The market's year to date return position which had long been in the red buckled further under the weight of this week's losses and ended at -8.6%.

Index	Level	%Δ	YTD %Δ
Industrial Index	148.79	2.69	8.60
Mining Index	40.19	0.22	43.95

The Mining Index was not spurred the downturn as it closed at 40.19pts having retreated by a marginal 0.22%. The minings' year to date position however tells of an even more challenging state for the cluster as they have lost 43.95% since the beginning of the year.

Subdued activity on low demand...

The lack of demand and liquidity pressures on the market resulted in all activity aggregates closing in the red. An estimated \$1.9m worth of trades sailed through the market which was 63.4% lower than prior.

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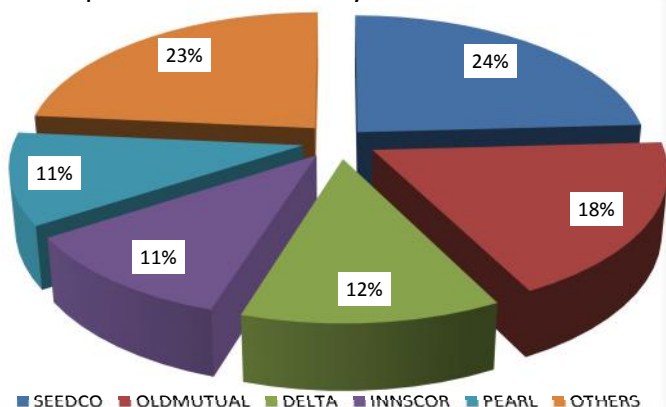
Chris Masendeke 0772135234

Phenias Mandaza 0772144334

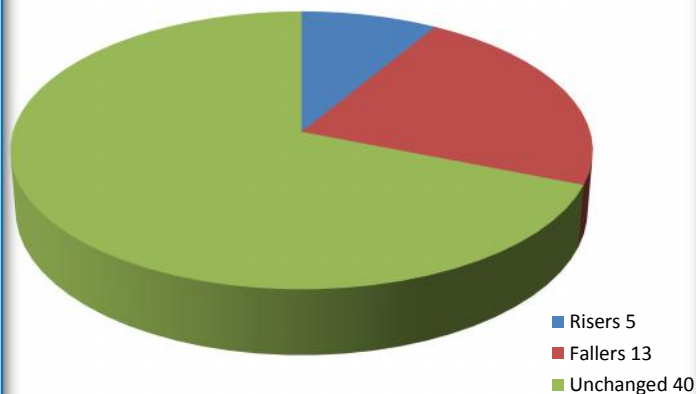
Coreen Madanha 0772144333

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Top Stock Contributors to Weekly Value of Trades



Market Strength



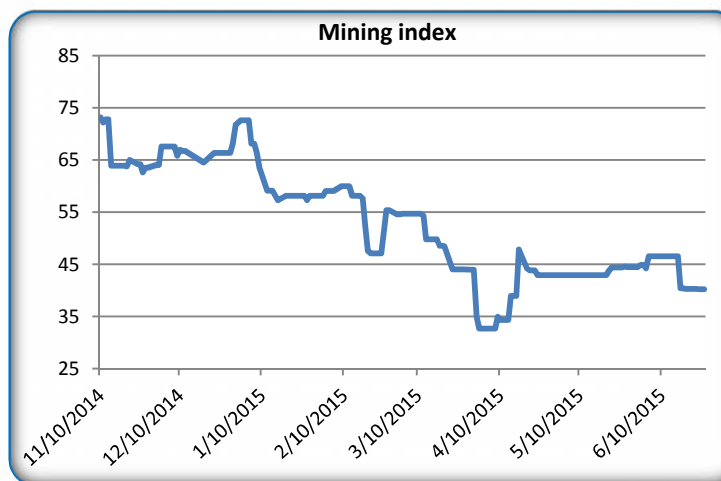
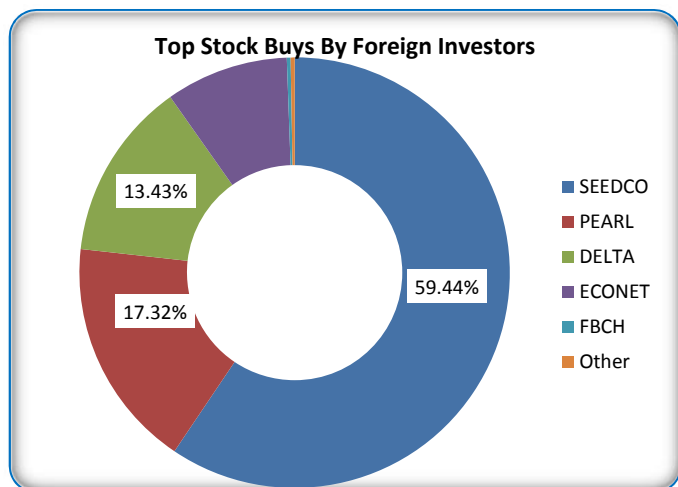
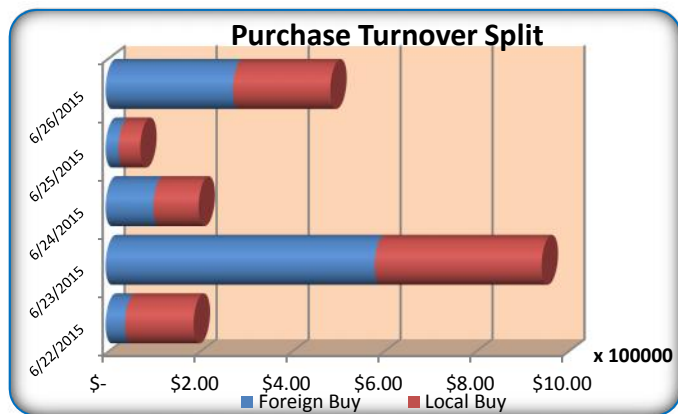
The top trades of the week were largely confined to the market's blue chip stocks led by SeedCO that accounted for 24% of the week's total. Other notable value drivers of the week were Old Mutual 18%, Delta 12% and Innscor 11%. Weekly volumes were down 49.5% at 12.48m on the back of the depressed trading activity. The bulk of the volumes were being driven by property concern Pearl where in excess of 7m shares exchanged hands over the week. In spite of the low activity foreign investors were the main source of liquidity in this week's trades with \$1.04m worth of purchases representing 54.7% of the total outturn this week. Outflows for the week were rather subdued at \$0.22m having shed 84.71%.

Top Five Risers					Worst Performers				
Counter	Price	%Δ	YTD %Δ		Counter	Price	%Δ	YTD %Δ	
TURNAL	1.20	20.00	11.11		UNIFREIGHT	1.00	50.00	0.00	
HIPPO	38.00	8.57	30.91		NTS	2.00	20.00	50.00	
FIDELITY	7.50	7.14	6.25		MASIMBA	0.80	20.00	20.00	
OLDMUTUAL	270.00	1.12	15.38		CFI	2.00	19.68	65.22	
PPC	120.00	0.01	31.43		FML	2.00	13.04	33.33	

Eighteen counters saw price movements in the week under review with an overly bearish sentiment prevailing as thirteen traded softer while only five posted gains. Apart from the aforementioned declines in heavies Delta and Econet, the weekly bears were led by transport and logistics group Unifreight that shed 50% to 1c. NTS and Masimba followed after bearing identical losses of 20% and traded at 2c and 0.8c respectively. Completing the shakers of the week was CFI down 19.68% at 2c and FML which retreated 13.04% to 2c.

Mitigating the market losses were gains in Turnall which gained 205 to 1.2c while Hippo followed on 8.57% uplift to 38c. Fidelity added 7.14% to 7.5c while Old Mutual and PPC completed the gainers on rises of 1.12% and 0.01% to 270c and 120c respectively.

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...

Capri unveils new \$12 million factory

INNASCOR subsidiary, Capri has launched a new refrigerator plant worth \$12 million that will increase the company's output and help it expand into the region.

Decline in project sales affects Zimre Properties

ZIMRE Properties Investments Limited (ZPI) has posted a 29% decline in operating to \$696 232 at the end of May 2015 due a decline in rental income, especially in the central business district (CBD).

<https://www.newsday.co.zw/2015/06/24/decline-in-project-sales-affects-zimre-properties/>

Meikles Mega Market opens sixth branch

Meikles Mega Market wholesale and retail chain has opened its sixth branch as it expands its footprint across the country. The sixth branch, in Gweru, was opened last week and is the second-largest in the group.

<https://www.newsday.co.zw/2015/06/22/meikles-mega-market-opens-sixth-branch/>

Innscor sets up advisory committee

INNASCOR Africa Limited has set up an advisory committee to spearhead the unbundling of its quick service restaurant unit to be separately listed on the Zimbabwe Stock Exchange (ZSE), the company said yesterday.

<https://www.newsday.co.zw/2015/06/24/innscor-sets-up-advisory-committee/>

Zimra to introduce new fiscal devices soon

The Zimbabwe Revenue Authority (Zimra) is set to introduce new fiscalised gadgets and the pilot project would target big, medium and small players, commissioner-general Gershem Pasi said yesterday.

<https://www.newsday.co.zw/2015/06/26/zimra-to-introduce-new-fiscal-devices-soon/>

Essar, Zisco deal dithers

Industry minister Mike Bimha has conceded that the revival of Ziscosteel might take longer than anticipated due to some complications in the deal.

<http://www.dailynews.co.zw/articles/2015/06/26/essar-zisco-deal-dithers>

Zim banks profits slump 82pc

Zimbabwe banks' net profits slumped by 82 percent to \$4 million in the quarter ended March 31, 2015, from \$22,4 million recorded prior year on the back of increases in loan impairment charges and softening yields on loans, the central bank said.

<http://www.dailynews.co.zw/articles/2015/06/23/zim-banks-profits-slump-82pc>

Zim milk output marginally up

Zimbabwe's raw milk production for the five months to May 2015 marginally rose 2,2 percent from 22,2 million litres to 22,7 million litres despite operating environment constrains, according to latest statistics from the Agriculture ministry.

<http://www.dailynews.co.zw/articles/2015/06/25/zim-milk-output-marginally-up>

Zim FDI up

Foreign Direct Investment (FDI) into Zimbabwe increased by 36 percent to \$545 million in 2014 from \$400 million registered in 2013, according to the latest United National Conference on Trade and Development United Nations (UNCTAD) report.

<http://www.dailynews.co.zw/articles/2015/06/26/zim-fdi-up>

CSC incurs \$ 1.4 million loss

The cash-strapped Cold Storage Company Limited (CSC) has registered a loss of \$1,4 million during the quarter to March 2015 against a budgeted loss of \$1,7 million.

<http://www.dailynews.co.zw/articles/2015/06/25/csc-incurs-1-4m-loss>

Hwange to ramp up coal production

Hwange Colliery Company Limited (HCCL) hopes to ramp up coal production to six million tonnes per year following the commissioning of mining equipment worth \$31,2 million last week.

<http://www.dailynews.co.zw/articles/2015/06/23/hwange-to-ramp-up-coal-production>

Star Africa shelves retrenchment plans

Sugar processor Star Africa Corporation has shelved plans to retrench workers citing inadequate funds to carry out the exercise. The company wrote notices of retrenchment late last year to the National Employment Council for the Food and Allied Industries and to the Retrenchment Board.

<http://www.herald.co.zw/starafrika-shelves-retrenchment-plans/>

ZHL posts 160pc growth

ZHL comprehensive income for the first quarter grew 160% from a negative position in the same period last year. Local operations contributed 56 percent to the gross premium written.

<http://www.herald.co.zw/zhl-posts-160pc-growth/>

Innscor's bread sales improve

Innscor Africa Limited's bread making subsidiary, Baker's Inn, has recorded a 36% increase in sales volumes to 340 000 driven by price reductions

<http://www.herald.co.zw/innscores-bread-sales-improve/>

Four firms bid for HCCL coke oven facelift

Hwange Colliery Company Ltd has received bids from four companies interested in rebuilding its coke oven battery as it moves to increase regional exports.

<http://www.herald.co.zw/4-firms-bid-for-hccl-coke-oven-facelift/>

Econet launches mobile extension services

Mobile telecommunications firm Econet Wireless last Friday launched a service that allows farmers to access extension services from experts through the phone.

<http://www.herald.co.zw/econet-launches-mobile-extension-service/>

Tobacco sales decline

SALES of flue-cured tobacco declined by 9,87% to 167 million kg as of Monday as the selling season edges closer to an end, latest statistics from the Tobacco Industry and Marketing Board (TIMB) have shown.

<https://www.newsday.co.zw/2015/06/25/tobacco-sales-decline/>

Up Coming Events DIVIDEND MONITOR

COMPANY	DIV TYPE	DIV AMOUNT	RECORD DATE	PAYMENT DATE
OLD MUTUAL	Final	9.21c	20.04.15	29.05.15
PEARL	Final	0.555c	05.06.15	24.06.15
PADENGA	Final	0.3c	10.04.15	04.05.15
ZPI	Final	0.012c	24.04.16	08.05.15
NICOZ	Final	0.05c	08.05.15	19.05.15

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
PEARL	AGM	Royal Harare Golf Club	29.05.15	1430hrs
PADENGA	AGM	Harare Royal Golf Club	29.05.15	0815hrs
LAFARGE	AGM	Manresa Club Arcturus Road, Harare	05.06.15	1130hrs
CFI	AGM	Harare Roya Golf Club	10.06.15	1100hrs

CAUTIONARIES

COMPANY	ISSUE DATE	SUBJECT
MASIMBA	May-15	Notice of EGM to approve unbundling of SBU into separate companies
RIOZIM	Mar-15	Company seeking regulatory approvals to proceed with rights issue
DAWN	Apr-15	Compiling offer to minorities as major shareholders now control 61% of shares
STAR AFRICA	Apr-15	Negotiations underway that may have a material impact on its share value

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