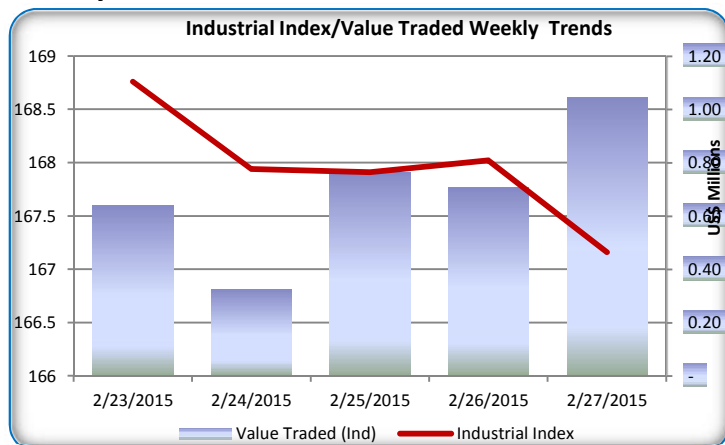
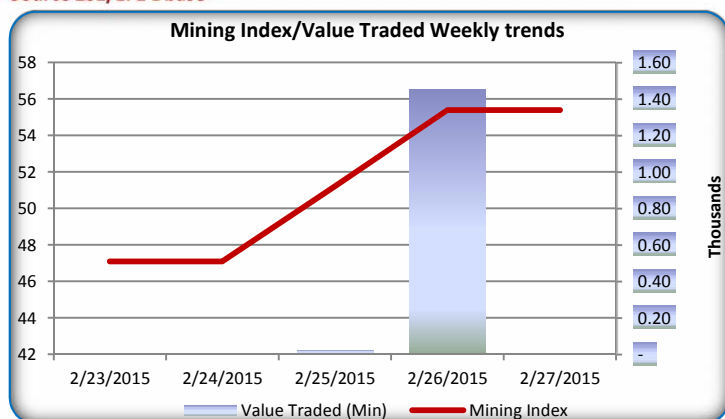


EFE Weekly Market Review 27 February 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	3.48	17.21	79.78
Volume Traded (mn)	21.63	36.13	40.14
Foreign Purchases	1.36	15.19	91.04
Foreign Sales	1.73	14.30	87.91

Source ZSE/EFE Dbase.

ZSE caps month on a slow note...

The corporate scene had a number of transactions being finalised in the final week of the month which was underlined by market wide weakness. Results of the ZHL and Zimplow's rights issues were announced this week with ZHL garnering 18.03% subscription while Zimplow got a 40.53% subscription, reaffirming the liquidity challenges in the economy. For the month however, the overall market trended upwards as seen in the +1.37% gain in the benchmark Industrial Index while the lighter Mining Index shed a cumulative 4.7%.

The Meikles saga dominated the tabloids this week following the lifting of the suspension on the stock by the exchange. The group resumed trading at its pre-suspension last traded price of 14c before settling at 13c.

Index	Level	%Δ	YTD %Δ
Industrial Index	167.16	0.58	2.68
Mining Index	55.38	17.60	22.77

Meanwhile, the week under review saw the main stream Industrial Index retreat 0.58% and close at 167.16pts on heavy weights weakness and in the process narrowing the YTD returns for the main index to 2.68%. A rebound in nickel miners Bindura of 11.1% outweighed the decline in coal miners Hwange and saw the Mining Index firm 17.6% and closed pegged at 55.38pts

Activity slumps on subdued foreign activity...

Fatigue kicked in on foreign participants as inflows for the week shed 91.04% to \$1.36m. In a similar manner foreign portfolio disposals dipped 87.9% and closed at \$1.73m as the market set a net funds outflow position of \$0.37m. The slump in foreign aggregates saw overall market indicators of volumes and values coming off 40.1% and 79.8% to settle at 21.63m shares and \$3.48m. Demand on the market continued to be very picky as the top five stocks by values traded in the week accounted for an estimated 78% of the week's total outturn.

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Contacts:

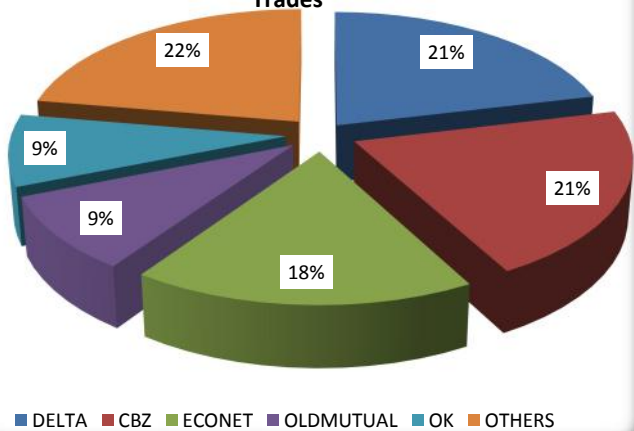
EdgetonTsanga 0772277153

Chris Masendeke 0772135234

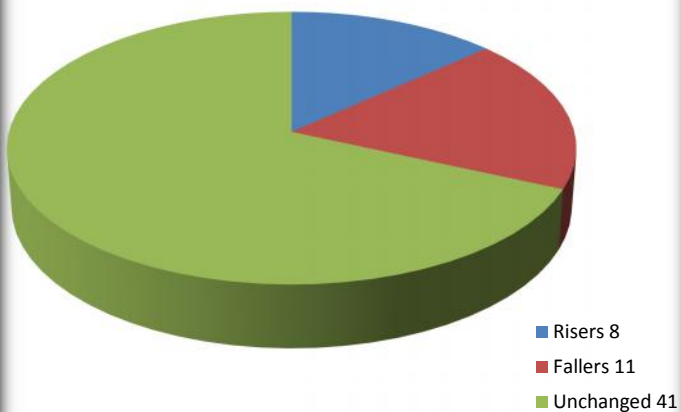
Phenias Mandaza 0772144334

Coreen Madanha 0772144333

Top Stock Contributors to Weekly Value of Trades



Market Strength



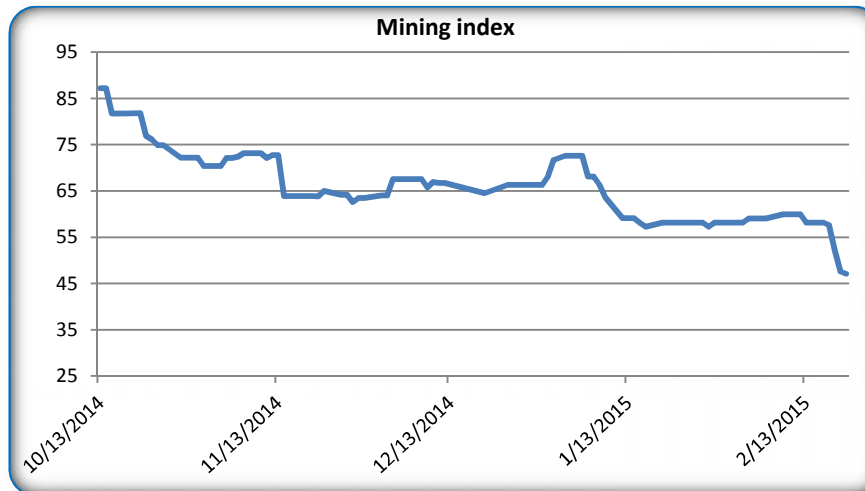
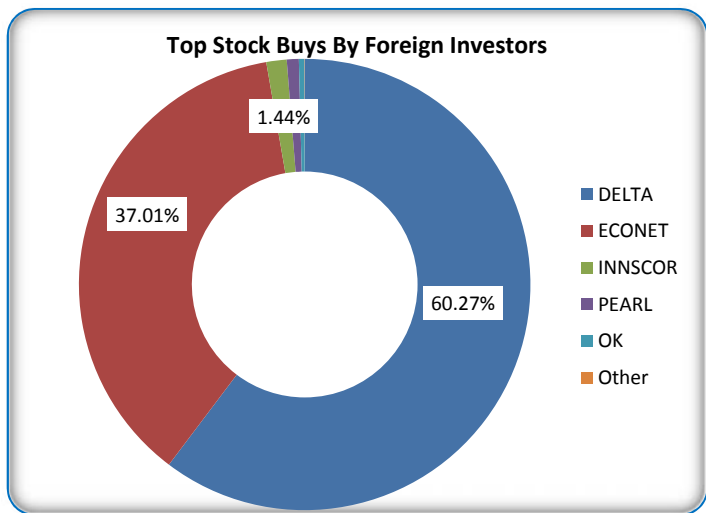
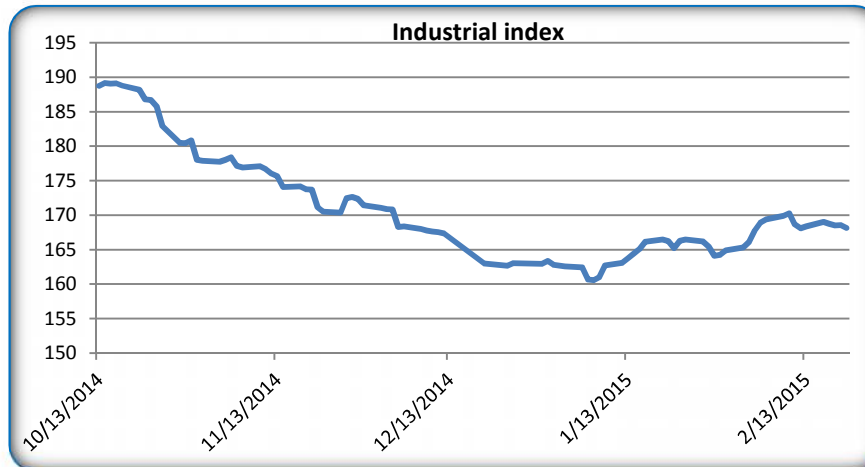
Delta and CBZ emerged the market's favourite stocks after making roughly similar contributions to total weekly values at 20% apiece. Other notable contributions to weekly values were to come from Econet 18%, Old Mutual 9% and OKZIM 9%. The foreign spend skew remained on the market's top capitalised stocks Delta, Econet and Inncor contributing 60.3%, 30.0% and 1.4% respectively.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
TURNAL	1.50	50.00	11.11	ARISTON	0.70	30.00	16.67
MASIMBA	2.00	33.33	13.04	CFI	2.00	23.08	33.33
CBZ	10.00	11.11	0.00	EDGARS	8.50	10.53	1.19
BINDURA	5.00	11.11	21.88	MASHHOLD	2.40	7.69	11.11
HIPPO	49.00	8.89	10.91	ECONET	51.50	6.36	14.17

The market closed the week with a negative breadth of three stocks after weekly risers totalled eight against eleven fallers. Market heavies anchored the downside led by telecoms group Econet that shed -6.36% to 51.5c on sustained selling pressure amidst reports that government is considering cutting data tariffs having previously reduced voice tariffs by 40%. Inncor let go -1.34% to 59c while fellow heavy cap Delta retreated 0.43% to settle at 115c. Agro-based groups Ariston and CFI were the top shakers on losses of 30% and 23.1% as they closed the week exchanging hands at 0.7c and 2c respectively. Apparel retailers Edgars were to follow on a -10.53% softening to 8.5c and property concern Mash completed the shakers with a 7.4% decline to 2.4c

Construction allied group Turnall and Masimba were the surprise top gainers for the week after they firmed 50% and 33.3% to see them close trading at 1.5c and 2.0c respectively. CBZ was up 11.1% at 10c as the market cheered their full year results to December 2014 where after tax profits of \$33m were achieved. Bindura was also up by 11.1% to trade at 5c as its \$20m bond issue came to a close. Sugar producers Hippo completed the top gainers for the week with a +8.89% gain to 49c.

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...

ZIMRE RIGHTS OFFER UNDER-SUBSCRIBED

Zim's largest reinsurer Zimre holdings' rights offer to raise us\$15m, to shore up its capitalization level and ensure growth of business, was under subscribed after shareholders took 18.03% of the shares on offer.

<http://www.herald.co.zw/zimre-holdings-rights-offer-under-subscribed/>

GOVT URGES FIRMS TO INVEST IN R&D

Zim Govt has promised fiscal incentives for company intending to invest in research and development in the Agricultural Sector...

<http://www.herald.co.zw/govt-urges-firms-to-invest-in-rd/>

ZIM,ZAMBIA SIGN US\$294m GRANTS FOR KARIBA

Zimbabwe and Zambia last week signed a loan and grant facilities worth US\$294m with various development partners for the rehabilitation of the Kariba Dam wall.

<http://www.herald.co.zw/zim-zambia-sign-294m-grants-for-kariba/>

GEM UPS RIOZIM STAKE

RIOZIM's largest shareholder, GEM Riozim investments, has increased its stake in the listed mining group from 24.97 percent to 28.3 percent. This follows shareholders' approval to issue 2 million shares to GEM in settlement of a fee to underwrite the company's \$10m rights issue.

<http://www.dailynews.co.zw/articles/2015/02/26/gem-ups-riozim-stake>

AFRASIA BANK COLLAPSES

Troubled Afrasia bank has surrendered their banking licence after the bank's Mauritian shareholder gave up on turning around the fortunes of the Bank, with RBZ confirming the cancellation of the banking licence. <http://www.dailynews.co.zw/articles/2015/02/25/afrasia-bank-collapses>

ZSE LIFTS MEIKLES SUSPENSION

The Zimbabwe Stock Exchange (ZSE) has lifted the suspension of Meikles Limited from trading on the local bourse after baulking at the conglomerate high court challenge...

<http://www.dailynews.co.zw/articles/2015/02/24/zse-lifts-meikles-suspension>

BAT(Z) DOUBLES CAPEX

Cigarette BAT has increased its capital expenditure to US\$2.2m in the year to December 2014 from US\$1.2 prior year. Profit after tax increased by 256% to US\$13.5m from US\$3.8m prior year.

<http://www.dailynews.co.zw/articles/2015/02/24/bat-doubles-capital-expenditure>

CBZ POSTS US\$33m PROFIT

Financial services group CBZ Holdings has reported a 10% slump in after tax profit to US\$33m for the year ended Dec 2014 after a decline in interest income coupled with growing operating expenses.

<http://www.theindependent.co.zw/2015/02/27/cbz-holdings-posts-us33m-profit/>

ECONET BAILS OUT GOVT WITH US\$30m

Diversified telecoms group Econet Wireless Zimbabwe effectively gave the cash strapped govt a US\$30m facility last year to pay civil servants salaries and other critical bills in an arrangement in which the loan will repaid starting this month. #ZimbabweIndependent

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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