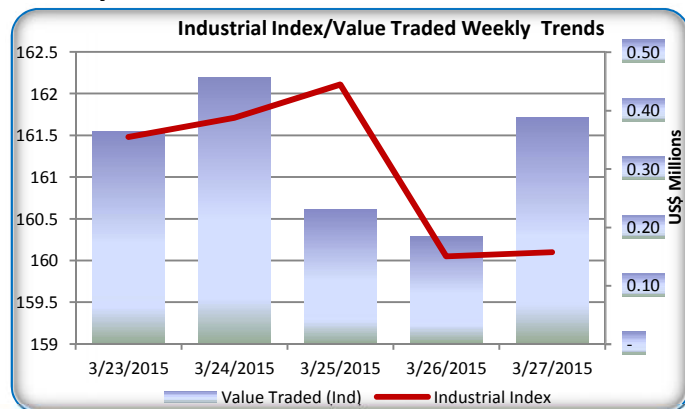
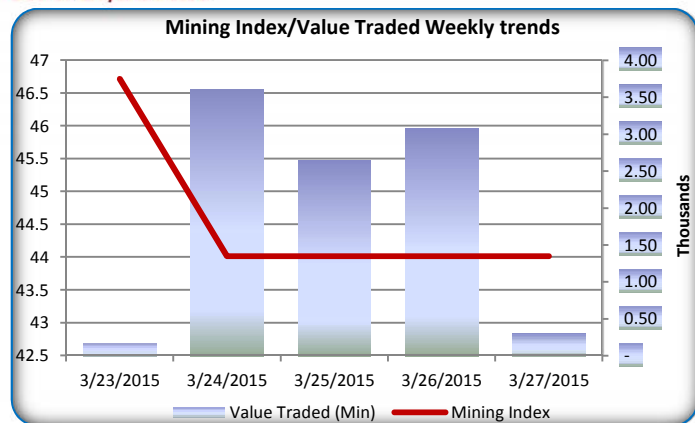


EFE Weekly Market Review 27 March 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	1.64	6.69	75.55
Volume Traded (mn)	6.94	302.35	97.70
Foreign Purchases	0.25	1.28	80.16
Foreign Sales	0.05	0.75	93.95

Source ZSE/EFE Dbase.

ZSE in lowest weekly outturn...

ZSE week on week trading activity slumped to the lowest levels since the beginning of year on subdued foreign participation. The ongoing reporting season all but underlined the challenges facing local companies with deflationary pressures continually weighing on margins for most. The firming US Dollar has only made it worse for the few remaining exporters who are increasingly finding their products uncompetitive against other players. Meanwhile the continued absence of investor friendly policies to attract foreign direct investment coupled with the uncertainties of Indigenization and Empowerment regulations remains a damper on any prospects of an economic turn.

The main stream Industrial Index closed the week firmly in the negative with a cumulative year to date loss of 1.65% after shedding 1.39% and closed at 160.10pts.

Index	Level	%Δ	YTD %Δ
Industrial Index	160.10	1.39	1.65
Mining Index	44.01	9.11	38.63

Weakness in the mining's cluster reigned as Bindura succumbed to selling pressure coming off 10.91% to trade at 4c and dragging the Mining Index down -9.11% to 44.01pts.

Turnover aggregates at weekly low...

The market registered its lowest week on week outturn as the value of trades touched \$1.64m, which was down 75.6% on last week. Volumes of shares traded similarly trended southwards shedding 97.7% to 6.94m as demand remains elusive while prevailing prices are also not alluring enough to draw sellers. The pressures on emerging markets owing to the firming Dollar also brought to bear on the ZSE as foreign participation was heavily subdued for the week. The foreign spend which has previously accounted for an average 60% of the liquidity on the market was a mere 16% for the week at \$0.25m.

In this Weekly

Market Highlights P1

Top Picks P4

In the News P5

Upcoming Events P6

Disclaimer P7

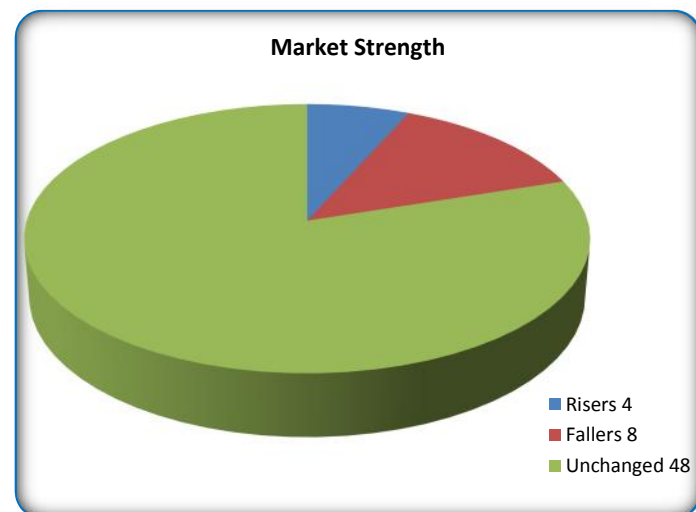
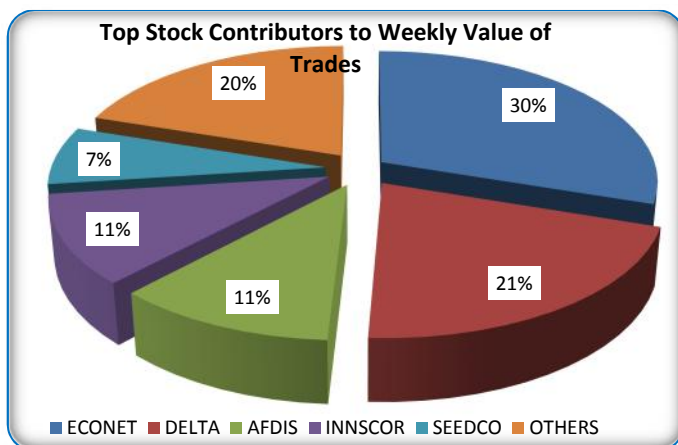
Contacts:

EdgetonTsanga 0772277153

Chris Masendeke 0772135234

Phenias Mandaza 0772144334

Coreen Madanha 0772144333



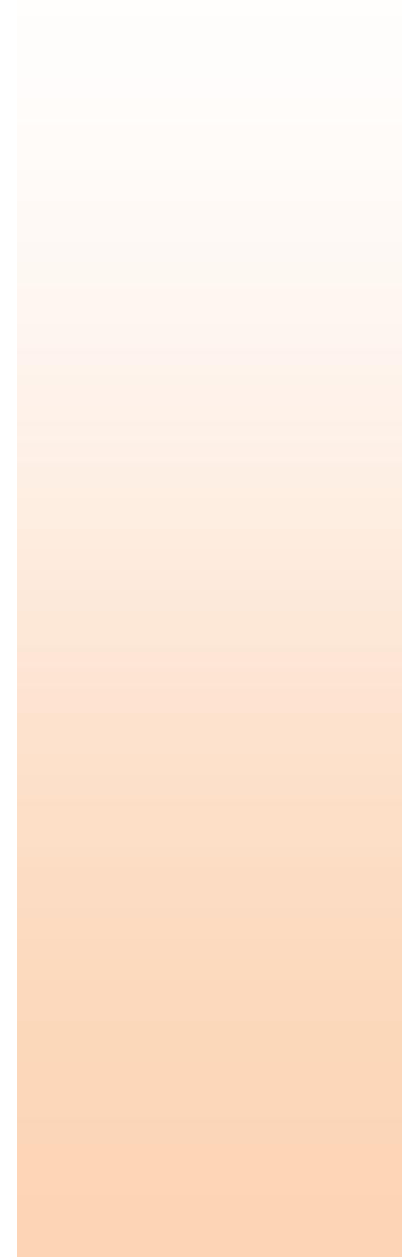
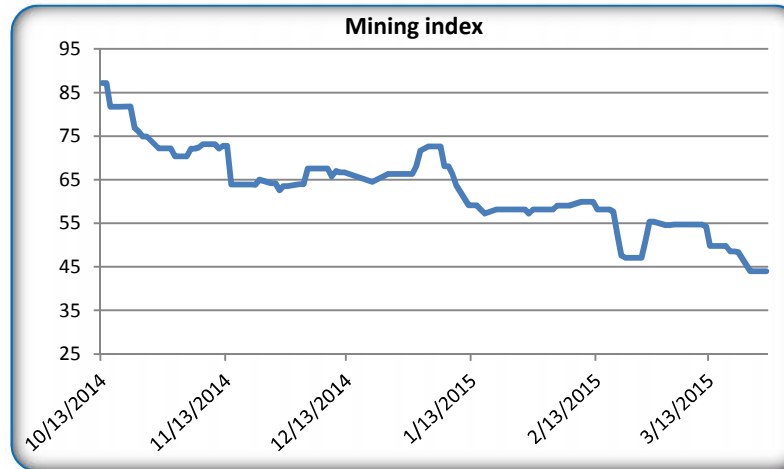
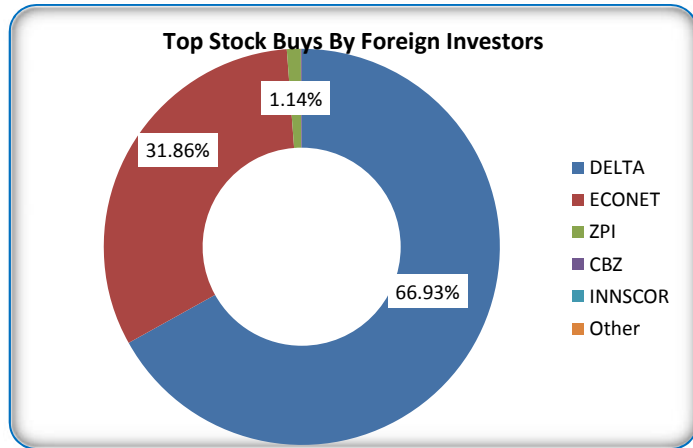
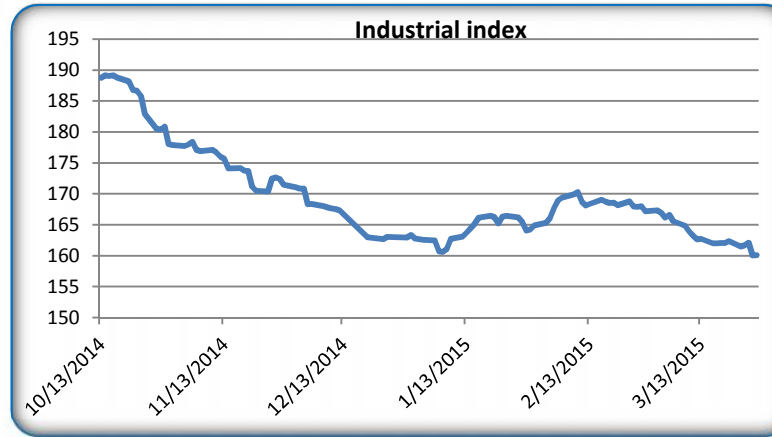
Likewise portfolio disposals by foreign investors were even the more subdued at a paltry \$0.05m after coming off 93.95% on last week. The market however managed to establish a net funds inflow position of \$0.20pts. The top five stocks that traded contributed 80% of the value expended on the market, with Econet and Delta being the market favourites after respective contributions of 30% and 21% respectively.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASHHOLD	2.70	35.00	0.00	CFI	1.50	25.00	50.00
PADENGA	9.60	6.67	6.67	OK	12.00	14.29	4.35
OLDMUTUAL	248.00	3.77	5.98	BINDURA	4.00	10.91	37.50
INNSCOR	57.50	1.75	4.17	ZPI	0.72	10.00	2.86
				NATFOODS	300.0	4.76	11.76

Twelve stocks saw price movements in the week with eight trading softer while four were firm. CFI was the worst performer for the week after shedding half its value as its price closed at 1.5c. Retailers OKZIM followed after coming off -14.29% to 12c on weak demand. ZPI and Natfoods completed the top shakers with respective losses of -10% and -4.76% to close trading at 0.72c and 300c.

The four weekly risers were led by property concern Mash that gained 35% for the week to 2.7c. Crocodile skin producers Padenga followed after firming +6.67% to 9.6c as the market welcomed their solid FY2014 where they posted after tax profits of \$6.5m. Old Mutual maintained its rising streak adding 3.77% to 248c as the market narrows the discount that had arisen between the stock's local price and other major markets where it is listed; the inability to move shares across registers has however created the price disparities between the ZSE Old Mutual price and other markets like the JSE. Inncor was in a steady rebound this week though trading thin volumes and closed the week trading at 57.5c.

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...

Astra to delist from ZSE

ASTRA Industries plans to delist from the Zimbabwe Stock Exchange (ZSE) this year as it is not compliant with the bourse's rules on shareholding. <https://www.newsday.co.zw/2015/03/24/astra-to-delist-from-zse/>

RBZ has introduced 50c bond coins

The Reserve Bank of Zimbabwe (RBZ) is set to introduce 50c bond coins on Tuesday to further boost price competitiveness, central bank boss John Mangudya has said. <https://www.newsday.co.zw/2015/03/27/rbz-introduces-50c-bond-coins/>

NMBZ appointed new Chairman

NMBZ Holdings has appointed Benedict Chikwanha as the chairperson of the group and its flagship arm, NMB Bank, with effect from March 19. <https://www.newsday.co.zw/2015/03/24/chikwanha-appointed-nmbz-holdings-chair/>

FMHL moves to cushion against claims

FIRST Mutual Holdings Limited (FMHL) will take reinsurance cover to ease the impact of aggregation of small claims, an official has said. <https://www.newsday.co.zw/2015/03/23/fmhl-moves-to-cushion-against-claims/>

Pearl Properties revenue declines

PEARL Properties recorded a 2, 71% decline in revenue to \$8,778 million for the year ended December 31 2014 from \$9,022 million in 2013 driven by a decline in rental income. <https://www.newsday.co.zw/2015/03/23/pearl-properties-revenue-declines/>

Zim engage Germany over \$740m debt

Zimbabwe is engaging Germany to settle a \$739 million debt owed to the European country, a move meant to thaw frosty relations and pave way for Foreign Direct Investment (FDI). <http://www.dailynews.co.zw/articles/2015/03/25/zim-engages-germany-over-740m-debt>

Zim FDI slumps further

Foreign Direct Investment (FDI) in Zimbabwe declined from \$400 million in 2013 to \$372,6 million last year, as investors continue to shun the country amid a worsening economic crisis. <http://www.dailynews.co.zw/articles/2015/03/23/zim-fdi-slumps-further-report>

Brainworks withdraws \$20m telecel offer

Brainworks Capital Management has withdrawn the offer they made to Empowerment Corporation to purchase 40% shareholding in Telecel Zim due to protracted shareholder wrangles which has not provided clear decision on the transaction. <http://www.herald.co.zw/brainworks-withdraws-20m-telecel-offer-as-zhuwao-calls-for-the-unbundling-of-empowerment-corporation/>

ZPI plans to restructure its portfolio Zimre Property Investments plans to restructure its portfolio with a bias towards office parks and residential presence and to dispose of properties located in the CBD. <http://www.herald.co.zw/zpi-plans-to-restructure-its-portfolio/>

Bakers Inn reduces bread price

Bakers Inn has reduced the price of its loaf of bread to 90c, to enhance its affordability by customers. <http://www.herald.co.zw/bakers-inn-reduces-bread-price/>

Tobacco sales decline 21pc

Tobacco sales has reduced by 21% to 7.3 million kg from 9.3 million kg sold during same period last year, TIMB has said. <http://www.herald.co.zw/tobacco-sales-decline-21pc/>

Econet loses tariffs appeal. <http://www.herald.co.zw/econet-loses-tariff-appeal/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
FBC	ANALYST BRIEFING	Royal Harare Golf Club,Main Lounge	30.03.15	12.00HRS
TURNALL	ANALYST BRIEFING	Turnall Head Office,5 Glasgow Road,	30.03.15	10.30HRS
ZIMFLOW	ANALYST BRIEFING	Royal Harare Golf Club,Main Lounge	30.03.15	15.00HRS
BARCLAYS	ANALYST BRIEFING	Palm Court,Meikles Hotel,Harare	30.03.15	15.00HRS
AFRICAN SUN	AGM	Kariba Room ,Holiday Inn Harare	31.03.15	11.00HRS
FIDELITY	ANALYST BRIEFING	Chapman Golf Club,Eastlea,Harare	31.03.15	14.30HRS

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

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.
