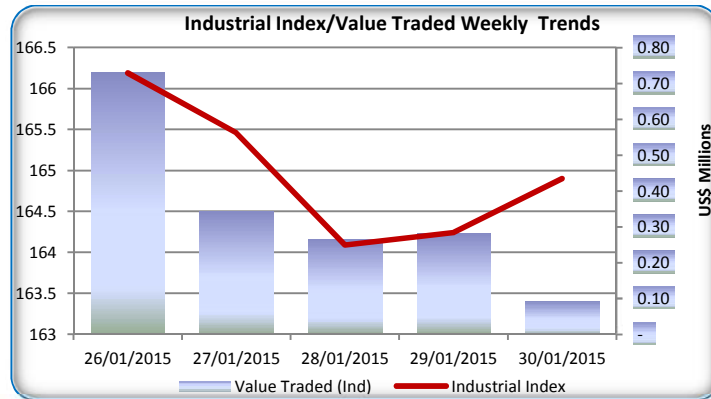
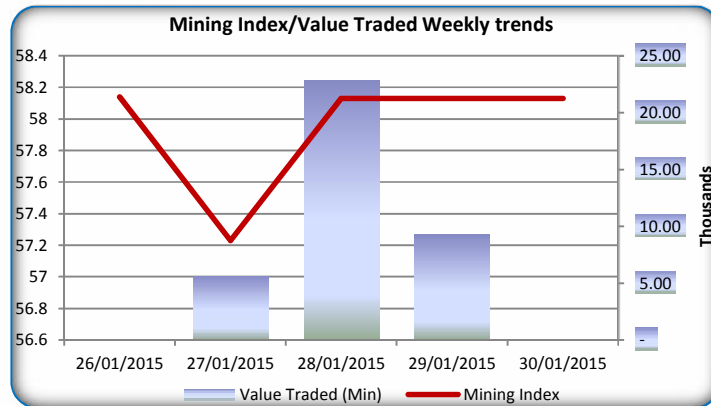


## EFE Weekly Market Review 30 January 2015

### Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	%Δ
Value Traded (\$mn)	1.74	5.67	69.37
Volume Traded (mn)	9.22	12.71	27.45
Foreign Purchases	0.38	3.94	90.43
Foreign Sales	0.62	3.87	83.86

Source ZSE/EFE Dbase.

### ZSE trades softer as in a dull month ending week...

The ZSE capped a dismal first month of the year which saw performance aggregates slumping to their lowest since dollarization. Total value traded on the market for the month came in at an estimated \$16m which was 60% below the average January outturns since dollarization. Dampening the market has been the economic hardships facing companies underlined by falling demand coupled with the lack of policy to address the attendant challenges from the authorities. Investor concerns Zimbabwe's investment climate have seen low foreign direct investment a necessary antidote to arrest the economic malaise as local investors' capacity to meet the capital requirements to revive industry remains handicapped.

The main stream Industrial Index slumped to a weekly loss of 0.94% and settled at 164.9pts while in the process registering its first week on week loss since the turn of the New Year. Gains in the earlier part of the year sufficed to see the industrials to a positive month on month return of 1.3%.

Index	Level	%Δ	YTD %Δ
Industrial Index	164.90	0.94	1.30
Mining Index	58.13	0.02	18.94

Resources continued on a downward trend succumbing to a marginal 0.02% decline for the week to leave the Mining Index at 58.13pts. Year to date the index has since foregone -18.94% in part largely attributed to weakness nickel miners Bindura whose price was dampened by shareholder wrangles at major shareholders Mwana Africa.

### Activity aggregates slump on month end slow down...

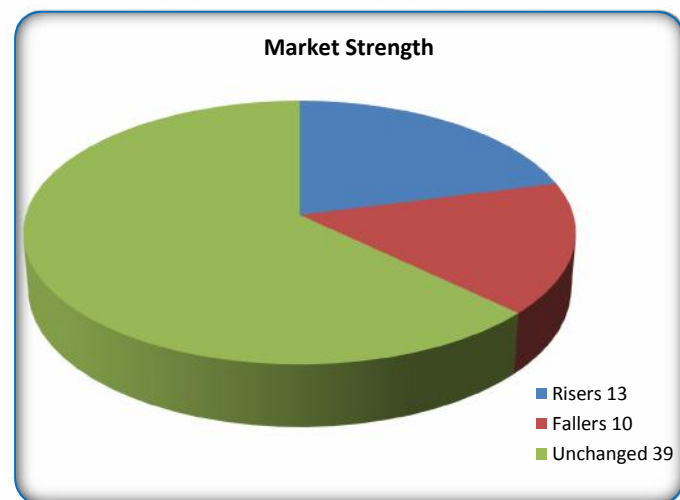
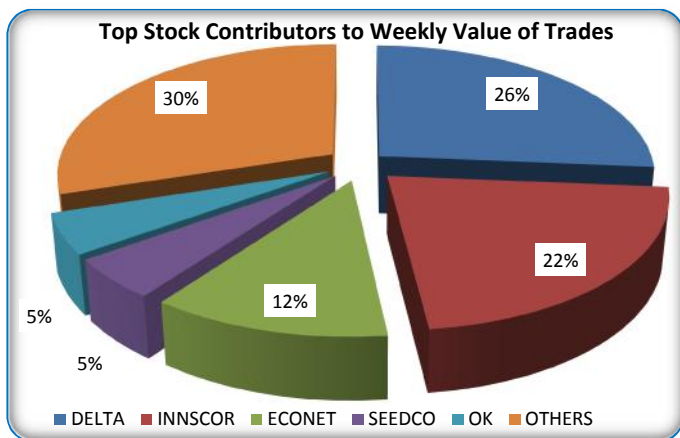
The month end slow down took its toll on the ZSE as all performance aggregates trekked southwards. The value of trades was down 69.37% at \$1.74m on a volume of 9.22m shares which was down 27.45% on last week. Foreign aggregates took the heavier knocks with the spend going down 90.43% to \$0.38m while portfolio disposals were

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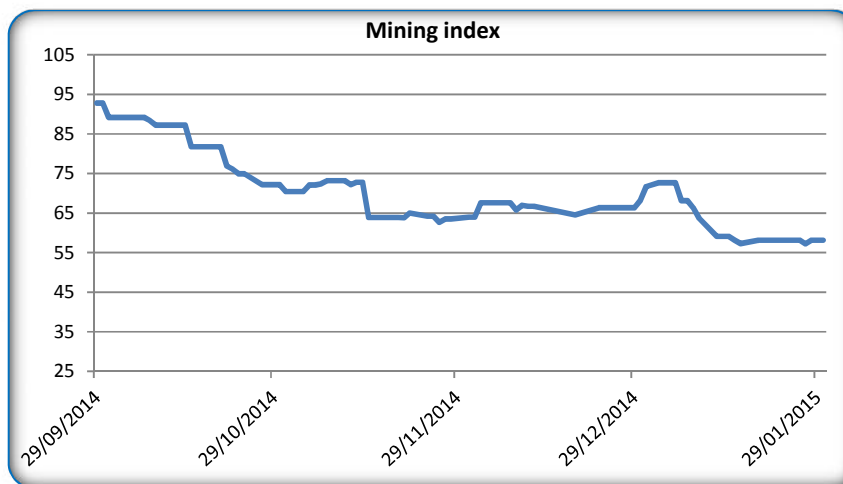
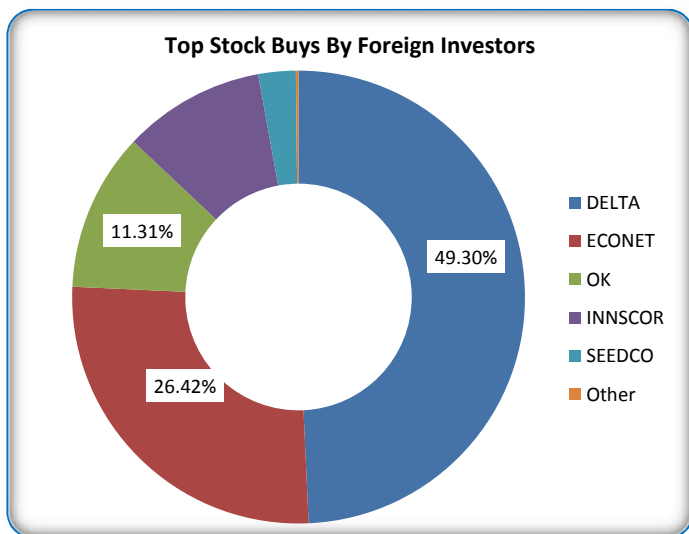
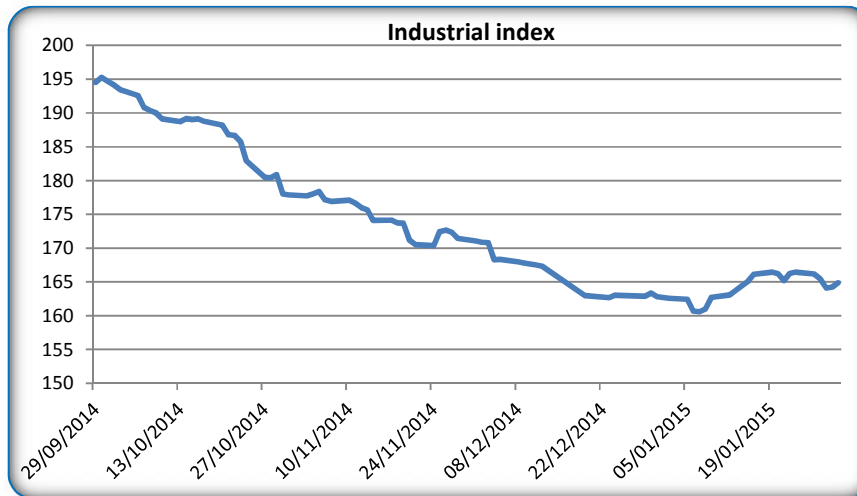
down 83.86% at \$0.62m leaving the market in a net funds outflow position. Investors continue cherry picking in the market blue chips which remain the main drivers of the value of trades aggregate. Delta, Inncor and Econet were the market favourites with respective contributions to total values of 26%, 22% and 12%. Other notable trades sailed in SeedCO and OKZIM that made identical contributions of 5% each to the total values. Similarly foreign interest was skewed towards these top five stocks with Delta, Econet and OKZIM dominating the spend at contributions of 49%, 23% and 11%.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
CFI	2.60	62.50	13.33	RADAR	2.00	42.86	42.86
ZPI	1.10	29.41	57.14	ZIMPLOW	5.50	8.33	14.33
FBCH	9.00	20.00	12.50	ECONET	50.00	7.41	16.67
TURNAL	1.20	20.00	11.11	SEEDCO	95.00	6.86	2.06
ZHL	1.00	17.65	17.65	PADENGA	9.30	5.10	3.33

Twenty three stocks closed the week with different prices from their opening levels with risers dominating at a count of thirteen despite the market closing softer. Heavy cap sell offs weighed on performance of the market amongst them Econet and SeedCO that earned themselves spots amongst the shakers after coming off -16.67% and -2.06% to settle at 50c and 95c respectively. Inncor and Old Mutual were the other heavies to trade softer after they made cumulative losses of -5% and -0.41% that saw them close the week at 57c and 240c respectively. Top losses were seen in Radar down 42.86% after a rare trade for the illiquid stock sailed at 2c. Zimplow succumbed to a 8.33% selloff to 5.5c increasingly making their rights offer at 6.42c unattractive to current investors

Mitigating the market losses were gains seen in CFI, Hippo, FBCH and Turnal. CFI surprisingly rallied 62.5% top 2.6c despite releasing a dull F14 set of numbers with a loss of \$8.8m. CFI is now pinning its hopes on proposed property development on its unutilized land and their planned reduction of gearing on finalization of its land for debt swap with financiers.

### 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 in paying dividends
TSL	Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

## In the News...

### **BNC extends cash raising period**

BINDURA Nickel Corporation (BNC) board has extended the period to look for funds for its smelter by a month to February after investors requested for more time...

<https://www.newsday.co.zw/2015/01/26/bnc-extends-cash-raising-period/>

### **ZSE proposes \$250 000 threshold for alternative market**

The Zimbabwe Stock Exchange has proposed to set \$250 000 as the minimum share capital for companies intending to list on the country's planned secondary bourse, but analysts predict that most companies listed on the main bourse will be reluctant to downgrade to the alternative market...

<https://www.newsday.co.zw/2015/01/26/zse-proposes-250-000-threshold-alternative-market/>

### **Steward Bank appoints acting CEO**

Steward Bank has appointed Lance Shingai Mambondiani at the helm in an acting capacity as it searches for a substantive chief executive to replace Kwanele Ngwenya. Ngwenya is leaving...

<https://www.newsday.co.zw/2015/01/23/steward-bank-appoints-acting-ceo/>

### **DPC to meet over Royal Bank assets auctioning**

The Deposit Protection Corporation (DPC) will tomorrow hold its first meeting of creditors and members at the Master of High Court to get proof of claims ahead of the auctioning of the defunct Royal Bank's assets...

<https://www.newsday.co.zw/2015/01/27/dpc-meet-royal-bank-assets-auctioning/>

### **ATLAS Mara buys bulk of BancABC shares**

ATLAS Mara has bought the bulk of the 1 743 888 shares held by three former BancABC executives who left last month saying the remainder was expected to be purchased soon...

<https://www.newsday.co.zw/2015/01/26/atlas-mara-buys-bulk-bancabc-shares/>

### **Afrisun in \$1m Dawn stake deal**

Listed hotelier African Sun Limited (Afrisun) has disposed part of its 16,54 percent stake in Dawn Properties (Dawn) for \$1 million, Business Live has established...

<http://www.dailynews.co.zw/articles/2015/01/30/afrisun-in-1m-dawn-stake-deal>

### **Gem advances RioZim \$700k, as miner unveils \$10m rights issue**

Gem RioZim Investments (Gem) has advanced RioZim Limited (RioZim) \$700 000 as part of its subscription towards the miner's proposed \$10 million rights offer to fund the resuscitation of its Cam and Motor gold mine...

<http://www.dailynews.co.zw/articles/2015/01/30/gem-advances-riozim-700k-as-miner-unveils-10m-rights-issu>

## Up Coming Events

### UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
ZIMFLOW	Right issue		05.01.15	13.02.15
ZHL	Rights issue		02.02.15	20.02.15
NAMPAK	AGM	68 Birmingham Road,Southerton,Harare	11.02.15	12.00HRS
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
Mashonaland	AGM	19 <sup>th</sup> Floor, ZB Life Towers, 77 Jason Moyo, Harare	26.02.15	12.00HRS
Powerspeed	AGM	Powerspeed Complex, Graniteside, Harare	17.02.15	11.00HRS

### CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 <sup>th</sup> DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TAH	24 <sup>th</sup> JUNE 2014	Negotiations that may have material effect on the company's stocks price
RIOZ	11 <sup>TH</sup> 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 <sup>ST</sup> DEC 2014	Capital raising for Smelter Restart project is still in progress

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