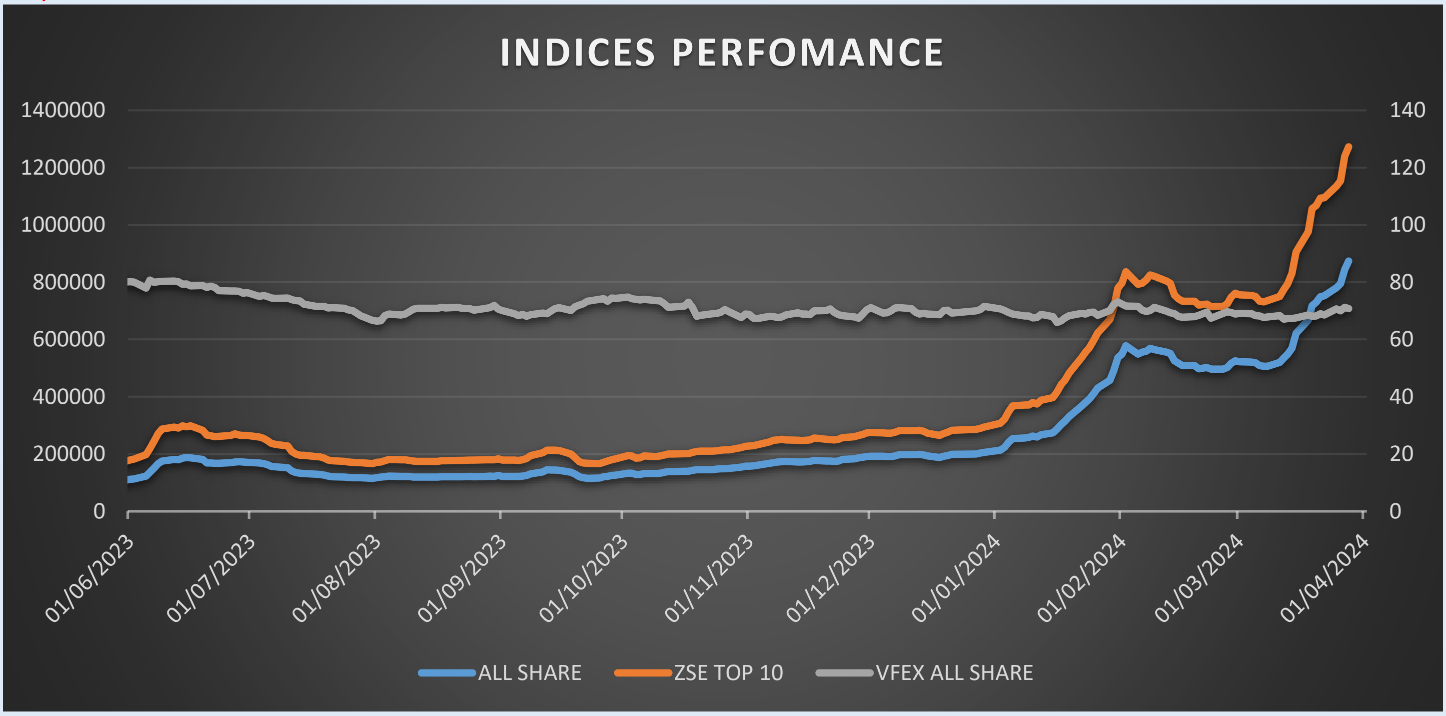
MARKET REVIEW…

ZSE reverses prior month's losses to post double digit gains…

The ZSE closed the month of March in the black as it reversed prior months losses to post double digit, mainly propelled by heavy cap counters. The market was mainly driven by inflow of funds from players who seek to hedge currency depreciation, as the local unit was losing value at an average of 2% per day. The All-Share Index notched up 66.16% to close at 873,263.38pts while, the Agriculture Index was 55.74% firmer at 2,183.25pts. The Blue-Chip Index was the major gainer amongst the indices we review as it jumped 68.91% to 398,030.12pts while, the Mid-Cap Index was 51.84% higher at 3,176,588.02pts.

	FEB-24	MAR-24	(%) CHANGE	YTD%
All Share	525,570.76	873,263.38	66.16	4379.69
Agriculture	1401.85	2183.25	55.74	2856.73
Top 10	235,643.91	398,030.12	68.91	3133.09
Mid Cap	2,092,048.38	3,176,588.02	51.84	8569.15
ZSE ETF	7,168.70	9,770.16	36.29	2603.12

ZSE/EFE Estimates



ZSE/EFE Estimate

Gainers and Losers for the Month

RISERS

Symbol	Current	Change	%Change
MEIK.ZW	7000.0000	4577.5000	188.96
DZL.ZW	2978.2136	1927.5469	183.46
TANG.ZW	5114.5263	3172.0263	163.30
ZBFH.ZW	5525.0000	3425.9000	163.21
ECO.ZW	4670.1901	2863.9879	158.56
BFCA.ZW	85.0000	50.0000	142.86
OKZ.ZW	1181.8182	581.8182	96.97
DLTA.ZW	16652.4825	8109.6458	94.93
SACL.ZW	14.9029	6.6254	80.04
WILD.ZW	98.0000	43.2000	78.83

FALLERS

Symbol	Current	Change	%Change
FMP.ZW	560.0000	30.0000	5.08
EHZL.ZW	641.0004	27.9996	4.19
PROL.ZW	1293.7530	56.2470	4.17

ZSE/EFE Estimate

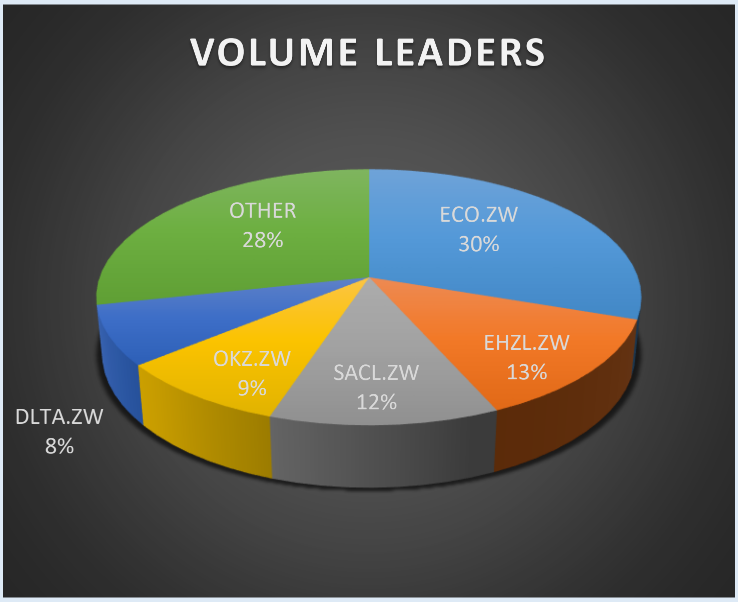
Meikles headlined the winners of the month on a 188.96% charge to end at $7,000.0000. Dairibord held the second position on a 183.46% jump to trade at $2,978.2136 while, Tanganda garnered 163.30% to close at a vwap of $5,114.5263. Financial services group ZB ballooned 163.21% to close at the month pegged at $5,525.0000 while, telecoms giant Econet put on 158.56% to trade at $4,670.1901, following the announcement of its takeover of some Ecocash Holdings' assets. Bridgefort Capital class A swelled 142.86% to settle at $85.0000 while, giant retailer OK Zimbabwe soared 96.67% to end the month at $1,181.8182. Beverages concern Delta advanced 94.93% to $16,652.4825 having traded an intramonth high of $17,919.90. Star Africa rose 80.04% to $14.9029 while, brick manufacturers Willdale completed the top ten gainers' pack on a 78.83% uplift to $98.0000.

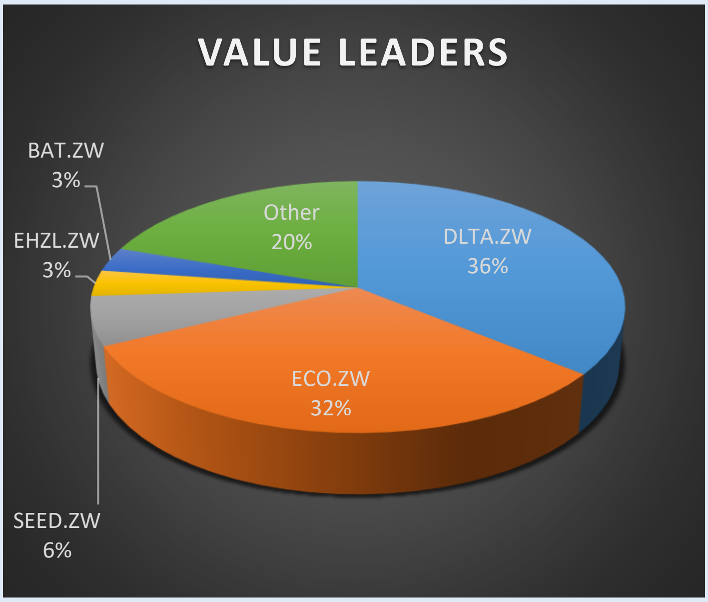
Three counters registered losses in the month under review as property concern FMP was the worst faller of the month on a 5.08% dip to $560.0000. Fintech group Ecocash dropped 4.19% to $641.0004 as Proplastics succumbed 4.17% to close at $1,293.7530. The market closed with a positive breadth as gainers outweighed fallers by a count of thirty two.

Volume and Value leaders…

	FEB-24	MAR-24	CHANGE	%CHANGE
Values	103,563,308,219.20	123,144,706,624.00	19,581,398,404.80	18.91
Volumes	74,093,100	54,328,000	19,765,100	26.68

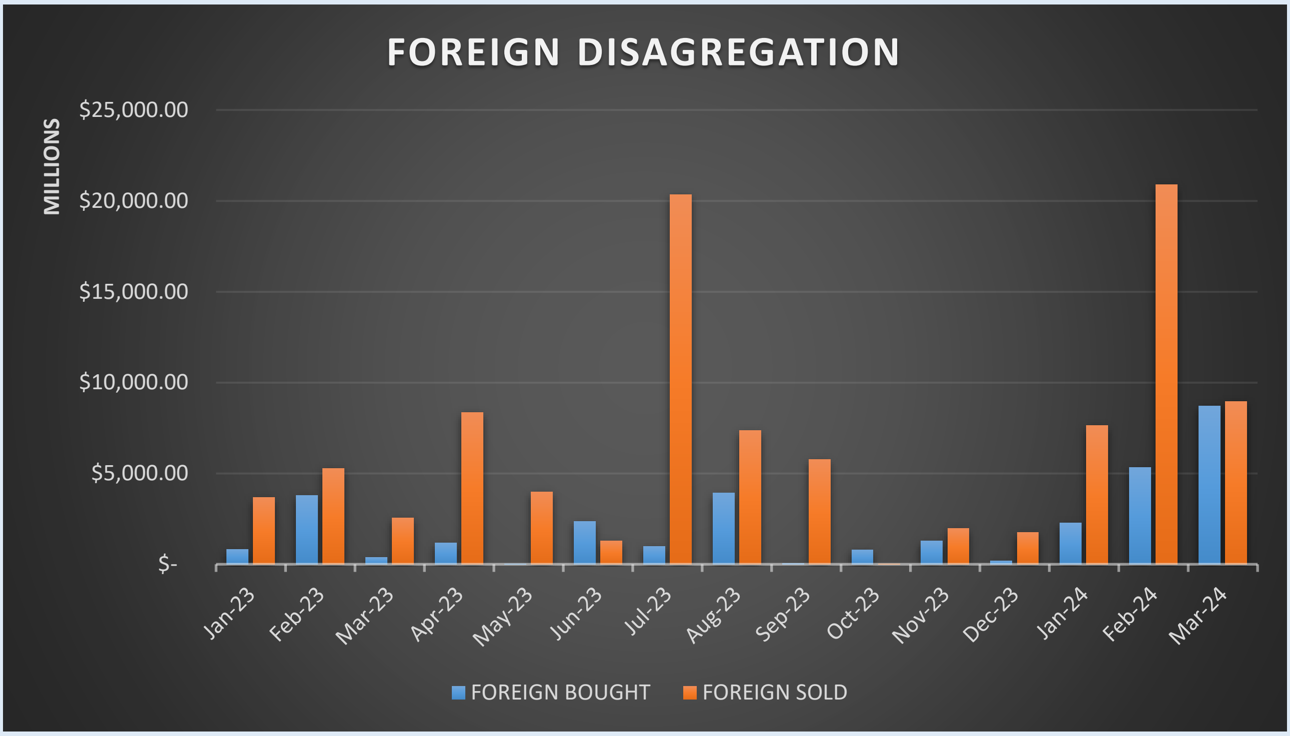
ZSE/EFE estimates.





Activity aggregates closed mixed during the month of March as volumes traded faltered by 26.68% to see 54.34m shares worth $123.14bn exchange hands, representing a 18.91% jump in turnover. The major volume drivers of the month were Econet, Ecocash and Star Africa that contributed 30%, 13% and 12% respectively. Turnover leaders of the month were Delta and Econet that claimed a combined chunk of 68% of the value traded.

Foreign Disaggregation…



ZSE/EFE Estimates

TOP FIVE FOREIGN BUYS BY VALUE			TOP FIVE FOREIGN SELLS BY VALUE		
COUNTER	**VOLUME**	**VALUE ($)**	**COUNTER**	**VOLUME**	**VALUE ($)**
DLTA.zw	853,610	8,062,040,570.00	**ECO.zw**	4,236,600	7,759,396,725.00
AFDS.zw	79,449	318,038,319.00	**EHZL.zw**	949,700	570,310,000.00
ECO.zw	48,200	198,512,665.00	**AFDS.zw**	79,449	318,038,319.00
NPKZ.zw	195,800	97,900,000.00	**FBC.zw**	60,000	168,000,000.00
EHZL.zw	37,600	22,586,320.00	**DLTA.zw**	10,400	122,276,350.00

ZSE/EFE Estimates

The trend of capital outflow continued in the month of March as sells of $8.95bn were registered against buys of $8.74bn, to leave the market with a negative outflow position $248.70m. Investors’ favourite picks in the month of March were Delta, AFDIS and Econet while, outflows were mainly in Econet that claimed 89% of the turnover traded.

Victoria Falls Stock Exchange

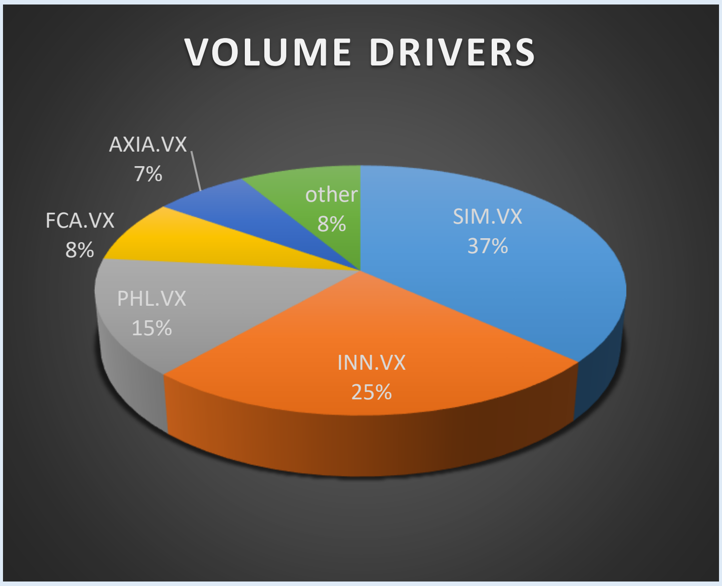
VFEX recovers in the month of March…

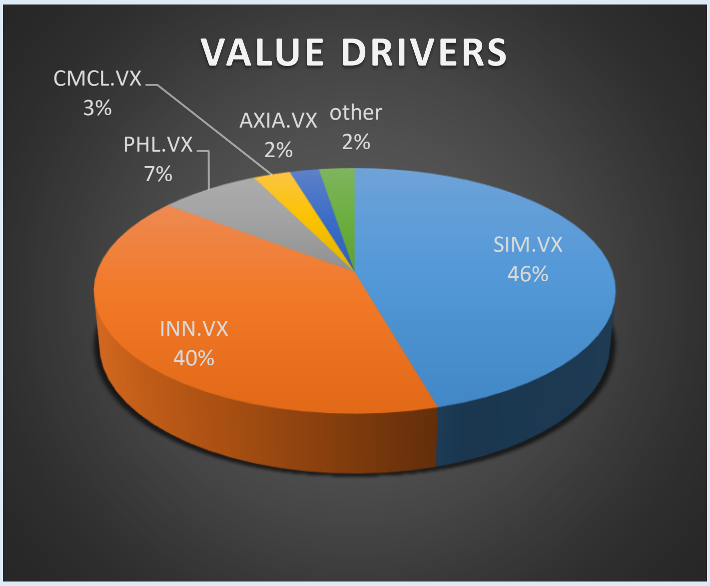
VFEX MARKET PERFORMANCE				
	FEB-24	MAR-24	(%) CHANGE	YTD(%)
VFEX ALL SHARE	98.59	101.07	2.52	2.02

VFEX Volumes and Values

Counter	Price	%(change)	Counter	Price	%(Change)
AXIA.VX	0.12	34.8315	ZIMW.VX	0.0237	-32.2857
PHL.VX	0.1748	16.9231	NTFD.VX	1.2899	-12.4007
SCIL.VX	0.3	3.6269	CMCL.VX	16	-11.1111
INN.VX	0.4619	3.4722	BIND.VX	0.01	-9.0909
SIM.VX	0.35	2.5791			

ZSE/EFE estimates





ZSE/EFE estimates

The VFEX market recovered in the month of March as the All-Share Index edged up 2.52% to close at 101.07pts widening its YTD gains to 2.02%. The market closed with a positive breadth of two as six counters charged against four that faltered while, one sailed stable. Leading the gainers of the month was Axia that inched up 34.83% to end at $0.1200 while, gold miner and crocodile farmer Padenga advanced 16.92% to end at $0.1748. Seed technology company SeedCo International was 3.63% higher at $0.3000 while, Innscor rose 3.47% to end at $0.4619. Fast foods company Simbisa capped the top five gainers' list of the month on a 2.58% jump to $0.3500. Partially weighing down the market were agriculture concern Zimplow that dropped 32.29% to end pegged at $0.0237, followed by National Foods that eased 12.40% to $1.2899. Mining concern Caledonia parred off 11.11% to $16.0000 while, Bindura dropped 9.09% to end at $0.0100. Top volume drivers of the month were Simbisa, Innscor and Padenga with a combined contributions of 77%. In the turnover category trading was mainly confined in Innscor and Simbisa as they claimed 40% and 46% of the total respectively.

Financial Results…

PADENGA HOLDINGS LIMITED RESULTS FOR THE YEAR ENDED 31 DEC 2023			
	DEC 2022 USD$	DEC 2023 USD$	% change
Revenue (m)	127.89	155.58	21.64
Operating profit (m)	21.00	14.42	31.33
PBT (m)	13.89	14.28	2.82
PAT (m)	6.48	8.17	26.13
Basic EPS (cents)	0.93	0.99	6.45

- Volume growth of 8% was driven by increased plant throughput at Eureka mine complemented by the increased production at Pickstone Peerless
- The Nile crocodile operations recorded a 49% increase in skin harvest volumes.
- Skin sales surged 129% to 76,108 skins
- Dallaglio recorded a 20% increase in turnover
- Revenue for the Zimbabwe business increased by 31% to $29,952,330
- The group declared a final dividend of USD$0.26 cents.

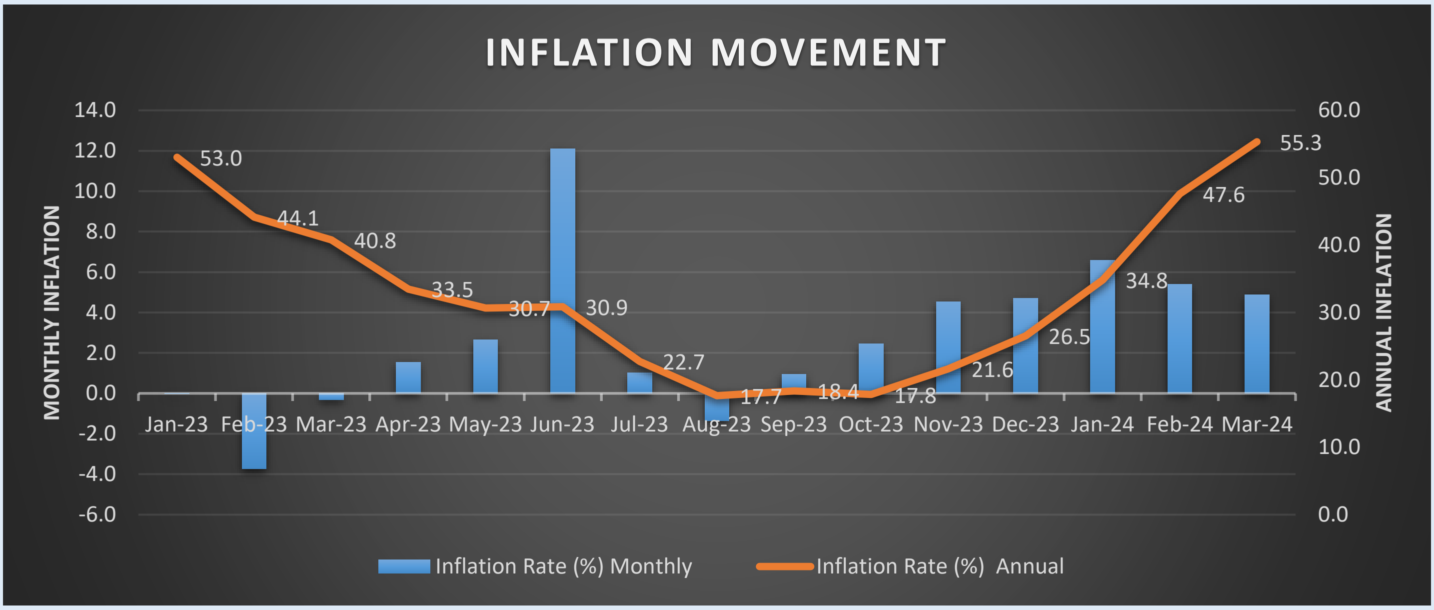
AXIA CORPORATION LIMITED RESULTS FOR THE HALF YEAR ENDED 31 DEC 2023			
	DEC 2022 USD$	DEC 2023 USD$	% change
Revenue (m)	100.81	97.25	3.53
Operating profit (m)	12.35	12.92	4.65
PAT (m)	5.65	6.03	6.80
Headline EPS (cents)	0.58	0.64	10.35
Cash generated from operations	5.22	9.74	86.71
Total Assets	11.99	10.06	14.61

- The board declared an interim dividend of US$0.0018
- Transerv revenue increased by 8% while, TV sales and home revenues went up 6% on the back of 11% volumes growth.
- Distribution Group Africa in Malawi saw a revenue growth of 42% in USD$ terms and 90% in Kwacha.
- Legend lounge's revenue improved 16% on the back of a 34% jump in volumes.
- Volumes for the second quarter for Restapedic jumped 58% resultantly revenue grew 30%
- A second Bedtime store opened at Sam Levy village in December 2023

INNSCOR AFRICA LIMITED RESULTS FOR THE HALF YEAR ENDED 31 DEC 2023			
	DEC 2022 USD$	DEC 2023 USD$	% change
Revenue (m)	399.68	480.41	20.20
Operating profit (m)	56.88	50.77	10.74
PBT (m)	39.11	45.16	15.46
PAT (m)	29.60	33.22	12.25
Basic EPS (cents)	4.10	4.18	1.95

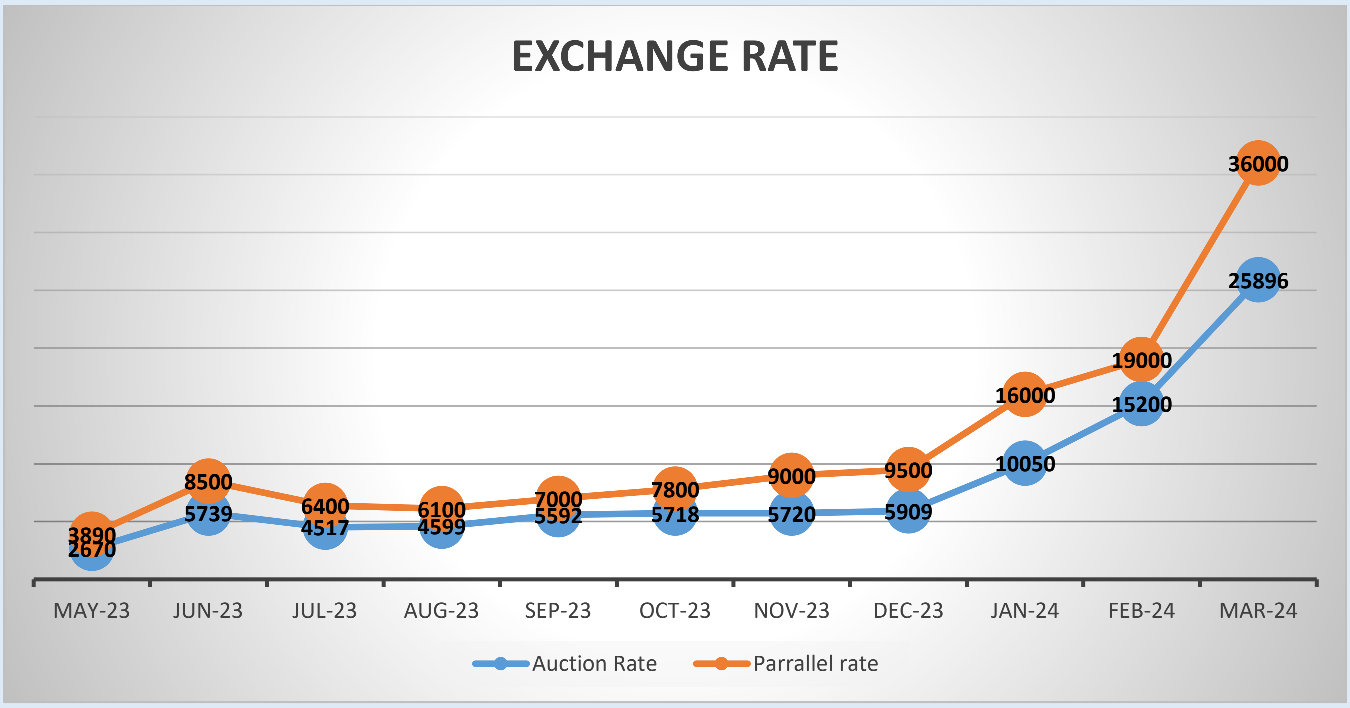
- Bakery division recorded a volume growth of 23.3%
- National foods volumes grew 3.4%
- Prodairy volumes jumped 49%
- The group declared an interim dividend of USD1.40 cents per share.

Economic Outlook



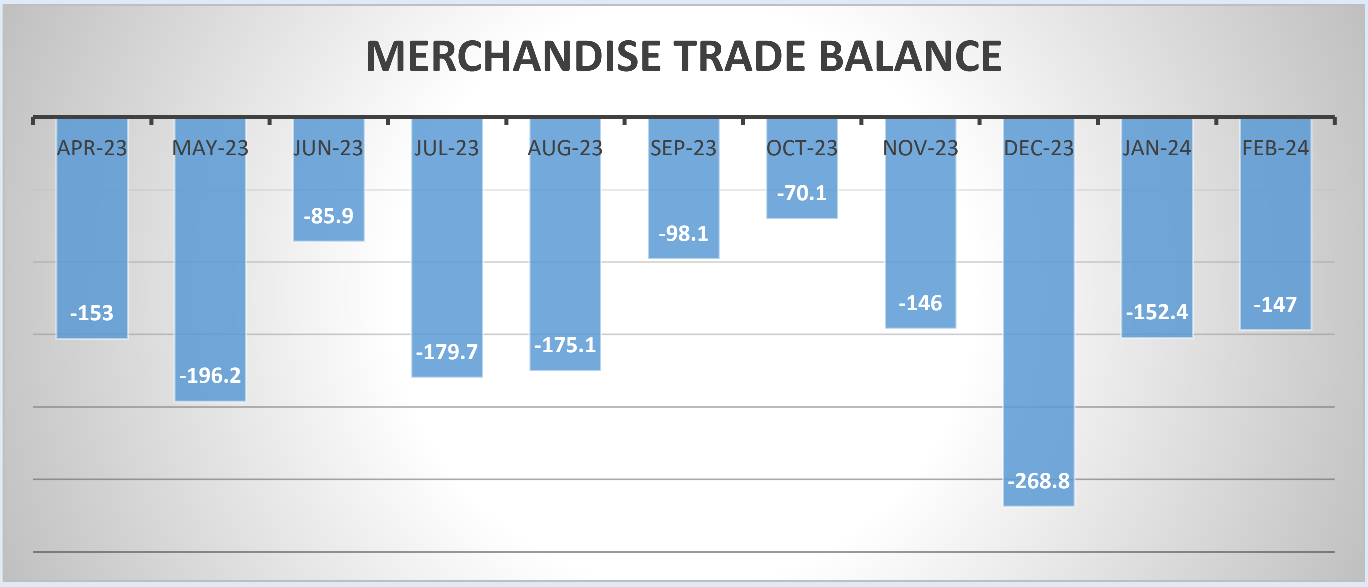
Source: ZIMSTAT/ EFE

Month on month inflation for March continued on a downward spiral as it shed 0.5 percentage points to close at 4.9%. Zimbabwe's annual inflation for March was 55.3% in the month of March, this signified a 55.3% increase as compared to last year’s values. For the month of March 2024, the CPI for Food and non-alcoholic beverages had the highest contribution to the month-on-month change in index (inflation rate) of 3.0%, followed by housing, water, electricity, gas and other fuels with a contribution of 1.4%.



SOURCE: RBZ/EFE ESTIMATES

The Zimbabwean currency challenges were very topical in the month under review as anxiety continued to grow in the month, mainly fuelled by delay of the announcement of the monetary policy. The interbank market rate commenced the period at US$1-ZWL$15,200 and closed the period at $25,896 representing a 41.28% depreciation over the period. The parallel rate also followed suit during the month as it declined by 19% to US1: ZWL$36,000. The parallel market rate closed at ZWL$36,000 against an interbank rate of ZWL$25.896 which reflects a 39.02% currency margin between parallel rate and the auction rate.



Source: RBZ/ Zimstat

A negative trade balance continued into the month of February as the nation recorded a trade deficit of US$81.4m, this represented a 3.54% decrease from prior month's value. Exports amounted to US$664m while, imports were worth $725m. Our major exports during the year were Industrial supplies that claimed 92.8% of the total, while food and beverages claimed 2.3%. In the imports category, Industrial supplies claimed 36.5% of total while, fuels and lubricants and capital goods contributed 20.4% and 18.1% respectively. Among the top ten products exported in February 2024 were Tobacco (33.0%), semi-manufactured gold (19.9%) and nickel mattes (11.4%). Mineral fuels and mineral oil products (19.2%), machinery & mechanical appliances (14.3%), cereals (9.3%) and vehicles (9.2%) were among the top ten products imported in the same month. The country's major export destinations in February 2024 were South Africa (28.8%), China (27.5%) and United Arab Emirates (22.5%). The three countries accounted for around seventy-nine percent of the total export value of USD644.0m. Among the major source countries for imports in February 2024 were South Africa (39.2%) and China (15.1%). The two countries accounted for 54.3% of the total import value of USD$725.4m. As EFE, we are of the view that the trade deficit is likely to continue throughout the year as agriculture commodities will top the list of imports given the drought the nation is experiencing, in the same vein exports are likely to decline due to low agricultural output.

SOURCE: FPR/EFE Estimates

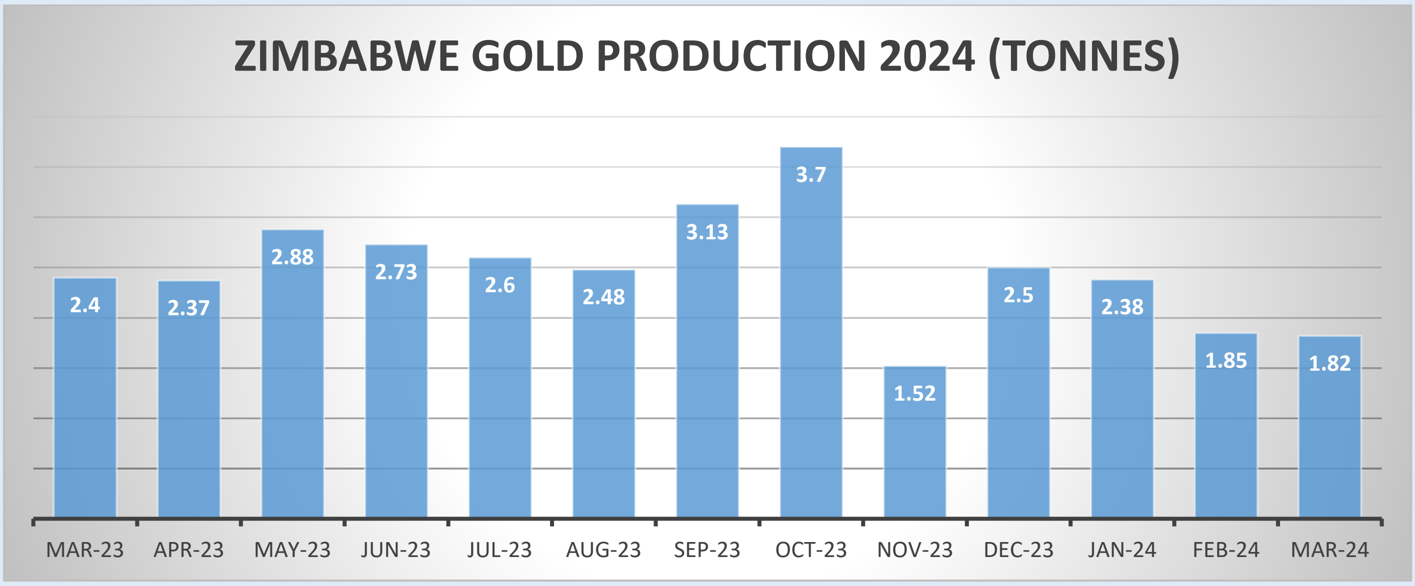
Monetary policy

The economy registered a growth of 5.5% in 2023 and is projected to grow by 3.5% in 2024, due to low and unfavorable factors such as low international commodity prices for platinum and other minerals and the effects of the drought brought by El Nino which we have seen affect mainly in rural and peri-urban economies. The current drought that is occurring is likely to have wider repercussion in the economy as this is likely to dampen aggregate demand while, the import bill is likely to surge. However, performance of other sectors is likely to partially anchor the economy in 2024.

Agriculture and mining sectors are the sectors that are likely to be the ones that are mainly affected by poor rainfall and high costs of raw materials. As EFE, we are of the view that horticulture products and winter cereals should slightly turn the negative impact of the agriculture sector to near positives. The mining sector has been greatly affected by low commodity prices which have seen reduced aggregate output in the sector. Productivity in the mining sector is however, expected to be weighed down by the erratic power supply and lack of funds for recapitalization on the back of liquidity challenges bedeviling the economy.

The manufacturing sector is estimated to continue to grow as government support's initiatives will help anchor overall growth of the economy.

Overall, capacity utilization in the manufacturing sector has grown from an average of around 50% in January 2022 to the current average of around 60% but continues to face challenges of insufficient working capital, obsolete equipment, infrastructural bottlenecks especially in the utility distribution sectors, punitive borrowing interest rates, relatively low effective demand and high customs duty on finished products that are used as raw materials in some industries.



Gold deliveries continued to falter in the month of March as deliveries fell by 1.97% to 1.82 tonnes from 1.85 tonnes recorded in February this year. The decline is attributed to payment challenges that were obtaining at Fidelity Printers and Refineries, increased liquidity challenges and growth of informal markets in the sector. Small scale deliveries in March were 10.80% lower at 770.98kg, being the worst deliveries since 2021 while, large scale producers delivered 1,001kgs during the month. Cumulative gold production for the year 2024 currently stands at 6.04 tonnes segregated into 3.14 tonnes for large scale miners and 2.90 tonnes for small scale miners.

INFLATION DEVELOPMENTS

Inflation has been on a downward spiral both on the domestic and global front. On the global front inflation has declined from 6.9% in 2023 to 5.8% in 2024 due to tight monetary policies, coupled with lower international commodity prices. Forecast on the global front are that various economies are likely to loosen the grip on interest rates as the risk profiles have changed. On the domestic front, a set of measures were put in place to contain money supply therefore reducing inflationary pressures whilst, also taking into cognisance the need to catalyse economic growth.

Developments regarding foreign currency

The foreign currency auction system continued to run for the fifth year which was 2023, in the year 2024 the auction market was disbanded due to some inefficiencies it carried around. A total of US$464million was allotted, the amount represented 95.1% of total bids submitted. The bank has allotted a total of USD$4.12bn from the inception of the auction system. Majority of the funds allotted were used for raw material acquisition, machinery & equipment and payment of consumable and pharmaceuticals. The country continued to witness growth in foreign currency receipts of US$11b which was a 23% increase from prior period. Major providers of receipts were export proceeds claiming 55%, International Remittances 27%, Diaspora Remittances 17% and NGO remittances that claimed 10%.

MONETARY DEVELOPMENTS

In the second half of 2023, broad money (M3) increased from $14.27trn in June 2023 to $18.87trn in December 2023 while the main sources of liquidity have been gold sales, quasi fiscal activities by the monetary authorities, expansions in foreign currency accounts and exchange rate depreciation.

Deposits remain short term in nature as a huge chunk of total deposits are short term deposit accounts which do not support long term lending to productive sectors. The major impediments to long term savings are low-income levels, high bank charges and the inclination towards a cash economy.

Credit to the private sector grew 10.5% from $10.19trn in June 2023 to $11.01trn. The majority of loans were for productive purposes 72.68%, consumptive purposes (20.43%) and other 6.89%. Productive purposes loans were mainly segregated into distribution (11.32%), mining (11.32%), manufacturing (12.57%) and agriculture (12.57%).

As at 30 December 2023, total banking sector deposits amounted to 19.47trn with loans and advances of US$11.36trn, resulting in a loan to deposit ratio of 49.27%, against best international benchmark of 70-90%. Lending rates remain significantly punitive at around 75% per annum for ZWL while, for USD rates are around 11-15% against prime lending rates of 10% prevailing in the region. The money market remains devoid of instruments such as Treasury Bills (TBs) which are very few in the market and have left banks without securities to use as collateral except for bankers' acceptances and NCDs. Banking sector developments proved that most of the banks managed to meet the minimum capital requirements except for few banks, however micro financiers failed to meet the required minimum.

Exports and Imports

Merchandise exports are estimated to have decreased by 0.8%, from US$7.0 billion in 2022 to US$6.9 million in 2023, largely weighed down by subdued mineral exports. The decline in mineral exports was however, partially offset by increases in agricultural and manufactured exports. During the year under review, mineral exports which constitute about 80% of the country's merchandise exports, declined by 7.0% to US$5.2 billion from US$5.13bn in 2022. Increased fuel, machinery, electricity, and grain imports drove the growth. The country is still reliant on imported goods as capacity utilization in the manufacturing sector is still low resulting in high import bill. Endogenous short term supply challenges have in some instances caused the nation to waive import licences, therefore increasing demand of cheap commodities from abroad.

POLICY MEASURES

The policy measures proposed seek to achieve.

1. Currency and exchange rate stability
2. Financial sector stability
3. Maintain healthy money supply growth.
4. Foreign exchange mobilisation and reserve accumulation
5. Promote increased demand for the local currency.

Adoption of Market Determined Exchange Rate System

- *Transparent price discovery, the willing buyer, willing seller (WBWS) system allows for a transparent price discovery mechanism in the interbank foreign exchange market.*
- *Allows exchange rates to be determined by the market, reflecting the underlying economic fundamentals and market sentiments.*
- *Reduces premium between auction and parallel markets.*
- *Interbank market is a positive step towards developing a more mature and efficient interbank foreign exchange market. A well-functioning interbank market is crucial for effective transmission of monetary policy and facilitating international trade and capital flows.*
- *The 25% surrender option might likely serve as a disservice to the market as it prejudice exporters.*

Efficient and Optimal Money Supply Management

- *Maintaining a tight monetary policy stance to ensure the sustainability of the monetary anchor is a crucial step towards achieving price stability and controlling inflation.*
- *The alignment of interest rates with positive real rates and exchange rate expectations can help promote savings, attract foreign investment, and support the overall stability of the financial system.*
- *The discontinuation of all Quasi-Fiscal activities, which involve the central bank engaging in activities beyond its core mandate, can help improve the central bank's focus on its primary objectives of price stability and financial system stability.*
- *The policy to contain reserve money growth within the limits of growth in gold and foreign currency reserves can help maintain a sustainable level of money supply and prevent excessive money creation, which can fuel inflation.*

Introduction of New Structured Currency

- *By pegging the currency to a basket of foreign currencies and gold, the structured currency can potentially provide greater exchange rate stability, reducing volatility and uncertainty for businesses and investors.*
- *Backing the currency with foreign exchange reserves and gold can enhance the credibility of the currency and instil confidence in the financial system, given that Zimbabwe has a history of high inflation or currency instability.*
- *A stable and credible currency can facilitate external trade and attract foreign investment, supporting economic growth and development.*
- *By pegging the currency to a basket, the central bank may lose some flexibility in adjusting monetary policy to address domestic economic conditions, as it needs to maintain the peg.*
- *A pegged currency may limit the central bank's ability to respond effectively to external shocks such as terms of trade changes or capital flow reversals.*
- *The value of the structured currency will be influenced by the performance and policies of the economies whose currencies and commodities are included in the basket, potentially reducing the autonomy of domestic policymakers.*

Anchor of the currency

- *The composite reserve backing can help provide greater exchange rate stability for the ZiG, reducing volatility and uncertainty for businesses, investors, and the general public.*
- *The requirement to maintain adequate reserve backing can impose discipline on the central bank's money supply management, preventing excessive money printing and inflationary pressures.*
- *Holding substantial foreign currency and gold reserves can be costly, as these assets may have lower returns compared to alternative investment opportunities.*

Exchange Rate Management System

- *Channelling a portion of the liquidated surrender foreign exchange receipts to support the forex market can help provide liquidity and promote smooth functioning of the exchange rate system.*
- *Strict adherence to the statutory limit on bank lending to the government promotes fiscal discipline, which is crucial for maintaining macroeconomic stability and the sustainability of the exchange rate regime.*

Interest Rate policy

The proposed interest rate policy aims to strike a balance between promoting price stability and fostering confidence in the new ZiG currency while, maintaining financial sector stability. Compared to regional interest rate levels, the Bank's policy stance appears relatively tight but not excessively so.

- *The recalibrated bank policy rate of 20% per annum, combined with the interest rate corridor of 11% to 25%, suggests positive real interest rates, which can help anchor inflation expectations and promote savings in the local currency.*
- *The commitment to reviewing the policy rate and interest rate corridor in line with inflation developments aligns with the objective of maintaining price stability and a credible monetary policy framework.*
- *The bank policy rate of 20% and the interest rate corridor may translate into relatively high borrowing costs for businesses and individuals, potentially dampening economic activity and investment.*
- *If the interest rates on ZiG deposits are perceived as inadequate compared to inflation expectations or alternative investment opportunities, it may discourage domestic savings and lead to financial disintermediation.*
- *Effective implementation of the interest rate policy may face challenges, such as managing liquidity conditions, ensuring transmission to lending and deposit rates and maintaining policy credibility.*

Statutory Reserve Requirement

- *Increasing the reserve requirement for foreign currency demand deposits can help moderate banks' exposure to foreign currency risk and potential payment gridlocks, given the increased lending in foreign currency.*
- *By addressing potential vulnerabilities arising from increased foreign currency lending, the measure aims to foster continued financial sector stability, which is essential for overall economic stability.*
- *Holding higher reserves with the central bank may entail an opportunity cost for banks, as these funds could otherwise be used for more productive lending or investment activities.*

Promoting Increased Demand for Local Currency: mandatory for companies to settle at least 50% of their tax obligations on Quarterly Payments Dates (QPDs) in ZiG

- *The mandate for companies to settle at least 50% of their tax obligations on Quarterly Payment Dates (QPDs) in ZiG is a step towards promoting increased demand for the local currency. However, this measure may have an unintended negative effect by inadvertently creating unnecessary demand for other currencies besides ZiG.*
- *By requiring only 50% of tax payments to be made in ZiG, the remaining 50% can be settled in other currencies, potentially perpetuating the use of foreign currencies in the economy. This could undermine the objective of gradually transitioning towards increased use of the local currency as the economy moves towards 2030.*
- *To avoid this potential pitfall, the authorities could consider gradually increasing the mandatory ZiG portion for tax payments over time, eventually aiming for 100% payment in the local currency. This incremental approach would allow businesses and individuals to adjust to the new currency regime while steadily reducing the demand for other currencies in tax-related transactions.*
- *Alternatively, the authorities could explore incentives or other measures to encourage voluntary adoption of the ZiG for tax payments beyond the mandatory 50%, thereby promoting its widespread use without creating unnecessary demand for alternative currencies.*

The Zimbabwean economy is on a strong recovery path after a decade long economic recession which had seen the size of the economy reduce over the years. We believe the monetary policy review is quite liberal and expansionary allowing the free play of economic agents. We believe the recovery of the economy will also benefit from the recovery in global economy and the firming global prices for commodities and minerals. Priorities should be set to contain the inflationary pressures in the economy as this might derail the recovery process which had kick-started. Containing inflationary pressures should start with addressing supply-side bottlenecks currently prevailing in the economy as evidenced by high demand of imports in raw materials. There is urgent need to address the issue of borrowing rates which are currently crippling companies as evidenced by excessive finance costs.

Although it is commendable that the RBZ has placed measures to promote liquidity in the financial sector, we believe the market still lacks variety of instruments in which the banks and the investing public could invest in. We therefore believe the RBZ should prioritize the introduction of other money market instruments especially increasing TBs, Commercial Papers, and short-term CDs. Besides assisting the RBZ in the implementation of the monetary policy TB will also assist in the pricing of many other financial instruments including capital market instruments by providing a benchmark risk free rate of return.

ZSE TOP 20 MARKET CAPITALISATION AS AT 28.03.2024

Zimbabwe Stock Exchange - Market Capitalisation Report				
COMPANY	**SHORT NAME**	**LISTING STATUS**	**NO OF SHARES GLOBAL**	**MARKET CAP (RTGS$)**
Delta Corporation Limited	DLTA.zw	Active	1,324,168,145	22,050,686,199,586
Econet Wireless Zimbabwe Limited	ECO.zw	Active	2,992,163,203	13,973,970,968,235
CBZ Holdings Limited	CBZ.zw	Active	522,661,465	5,226,614,650,000
First Mutual Holdings Limited	FML.zw	Active	690,143,060	3,888,956,143,100
FBC Holdings Limited	FBC.zw	Active	671,949,927	2,754,994,700,700
Ecocash Holdings Zimbabwe Limited	EHZL.zw	Active	4,194,797,929	2,688,867,150,408
Meikles Limited	MEIK.zw	Active	256,150,741	1,793,055,187,000
OK Zimbabwe Limited	OKZ.zw	Active	1,296,311,827	1,532,004,910,024
Hippo Valley Estates Limited	HIPO.zw	Active	193,020,564	1,465,026,080,760
NMBZ Holdings Limited	NMB.zw	Active	404,171,689	1,385,116,586,787
Tanganda Tea Company Limited	TANG.zw	Active	261,064,590	1,335,221,711,554
British American Tobacco Zimbabwe Limited	BAT.zw	Active	20,633,517	1,263,203,718,916
Rainbow Tourism Group Limited	RTG.zw	Active	2,495,495,543	1,122,972,994,350
Dairibord Holdings Limited	DZL.zw	Active	358,000,858	1,066,203,024,107
ZB Financial Holdings Limited	ZBFH.zw	Active	175,190,642	967,928,297,050
TSL Limited	TSL.zw	Active	360,678,838	953,995,526,510
Masimba Holdings Limited	MSHL.zw	Active	239,388,107	897,705,401,250
Seed Co Limited	SEED.zw	Active	249,373,670	857,608,420,064
First Mutual Properties Limited	FMP.zw	Active	1,236,075,493	692,202,276,080
Zimre Holdings Limited	ZIMRE.zw	Active	1,818,218,786	614,543,949,383
OTHER COUNTERS				4,114,585,266,717
GRAND TOTAL			**40,618,767,904**	**70,645,463,162,582**

VFEX MARKET CAPITALISATION AS AT 28.03.2024

COMPANY	SHORT NAME	LISTING STATUS	NO OF SHARES ZIM REG	MARKET CAP (US$)
WEST PROP HOLDINGS LIMITED	WPHL.vx	Active	30,000,000	300,000,000
INNSCOR AFRICA LIMITED	INN.vx	Active	569,876,450	263,225,932
SIMBISA BRANDS LIMITED	SIM.vx	Active	562,184,788	196,764,676
PADENGA HOLDINGS LIMITED	PHL.vx	Active	541,593,440	94,670,533
NATIONAL FOODS LIMITED	NTFD.vx	Active	68,400,108	88,229,299
SEED CO INTERNATIONAL	SCIL.vx	Active	260,576,088	78,172,826
AXIA CORPORATION LIMITED	AXIA.vx	Active	554,920,308	66,590,437
FIRST CAPITAL BANK	FCA.vx	Active	2,160,865,929	55,966,428
AFRICAN SUN LIMITED	ASUN.vx	Active	1,477,901,495	44,337,045
BINDURA NICKEL CORPORATION LIMITED	BIND.vx	Active	1,272,732,638	12,727,326
CALEDONIA MINING CORPORATION	CMCL.vx	Active	620,984	9,935,744
ZIMPLOW HOLDINGS LIMITED	ZIMW.vx	Active	344,580,486	8,166,558
NEDBANKGROUP LIMITED ZIMBABWE	NED.vx	Active	161,273	1,782,067
GRAND TOTAL			**7,499,833,501**	**1,220,568,871**

TOP PICKS

COUNTER	COMMENT
DELTA CORPORATION	It is principally a beverages company with a diverse portfolio of local and international brands in lager beer, traditional beer, Coca-Cola franchised sparkling and alternative non-alcoholic beverages. The group released its financial results for the six months ended 31 March 2023 where its revenue increased by 60% to ZWL$536.92 billion, operating income going up by 29% to ZWL$99.79billion adjusted inflation. and EBITDA growing by 29% to ZWL$112.60 billion. The business has been able to grow its volumes across all its business units. Despite the difficult climate, the company has been able to increase volumes across all its business segments. Additionally, the business seeks to capitalise on the solid aggregate demand, which is primarily fuelled by remittances from the diaspora, infrastructural improvements, mining activity, and an increase in social activities. The sorghum beer market is probably going to be competitive for the Group.
INNSCOR AFRICA	Innscor Africa Limited presents a compelling buy opportunity, underpinned by robust financial performance and promising growth prospects. Despite operating in a challenging environment characterized by currency volatility and inflationary pressures, the company delivered an impressive 20% surge in revenue to $480.41 million, driven by improved capacity utilization and strategic route-to-market initiatives across its diverse business segments. a diversified product portfolio, strategic focus on cost moderation, and seamless integration of new investments, Innscor is well-equipped to navigate consumer liquidity constraints and deliver sustainable shareholder value.
AXIA CORPORATION	Axia Corporation Limited presents a compelling buy case, driven by its resilient financial performance and strategic growth initiatives. Despite challenging operating environments across its markets, the Group reported a 4% increase in operating profit and a 7% rise in profit after tax for the half-year ended December 2023. This demonstrates Axia's ability to navigate economic headwinds effectively. The Group's core business units, including TV Sales & Home, Distribution Group Africa, and Transerv, exhibited volume growth and operational efficiencies, underpinning the company's fundamental strength. Furthermore, Axia's strong balance sheet position, with a robust net current asset position and enhanced free cash generation, provides financial flexibility for future investments and expansions. The Group's commitment to broadening its product range, optimizing pricing strategies, and managing costs bodes well for future profitability. With a diversified business model, strategic focus on expansion opportunities, and a disciplined approach to fostering stability, Axia Corporation Limited presents an attractive investment opportunity for investors seeking exposure to a resilient and forward-looking company poised for growth in the consumer goods and distribution sectors.
NATIONAL FOODS	National Foods Holdings Limited manufactures a branded portfolio of essential food stuffs and stockfeed. Today, its products are the cornerstone of basic food nutrition in Zimbabwe. Operating profit before interest, equity accounted earnings and tax for the year was US$ 23.4 million, 16.5% below last year, in summary due to our strategy to moderate price increases and the higher operating costs. As with last year, there were significant losses on the 'financial loss' line, largely on account of translating the Group's various ZWL monetary positions, as once again consistency of product supply was prioritised to certain market channels, even when it resulted in financial losses.

SIMBISA	Simbisa Brands demonstrated strong operational performance and execution during the half year ended December 31, 2023, despite persisting economic challenges across its markets. The company expanded its footprint by opening 37 new stores during the period, bringing the total network to 655 restaurants across Zimbabwe, Kenya, and Eswatini. This consistent rollout of new locations allows Simbisa to increase its market penetration and presence. Despite forex and inflationary pressures, Simbisa successfully navigated headwinds in Zimbabwe to achieve 10% revenue growth and a 31% increase in operating profit.
FBC HOLDINGS	The group registered a profit before tax of ZWL$299.00bn which was a 150% increase from the previous comparable period. The growth was anchored by improved lending portfolio and increased transactional fees. FBC Bank's lending portfolio was valued at ZWL$1.4 trillion, driving interest income to ZWL$184.6 billion. The Group continues to invest in digital platforms and channels to widen its product offering and enhance customer convenience in line with changes in the technological space. Automation and digitalization initiatives are being pursued to lower the cost to serve customers. In 2023, FBCH completed a data centre upgrade to ensure that its infrastructure continues to provide uninterrupted service. The Group invested in sound infrastructure at its Disaster Recovery site and conducted regular drills to ensure the ability to recover in the event of a disaster. FBC Insurance is focusing on increasing the underwriting of foreign currency-denominated businesses to preserve value. The Building Society is committed to reducing the country's housing backlog as it undertakes housing development and student accommodation projects, following the Country's Vision 2030.
MEIKLES	Meikles Limited, a public company listed on the Zimbabwe Stock Exchange ("ZSE") and London Stock Exchange ("LSE"), is pleased to present the annual report for the year ended 28 February 2023. Profit after tax (excluding investment income of ZWL 3.6 billion and ZWL 179.0 million profit on distribution of subsidiary equity to shareholders in the previous year) declined by 48% to ZWL 3.1 billion. Total comprehensive income was boosted by the exchange rate impact on the translation of foreign subsidiary and increased to ZWL 25.4 billion (Previous year: ZWL 11.1 billion).
MASIMBA HOLDINGS LIMITED	Masimba has a strong order book of US$220 million and is well-positioned to benefit from the infrastructure boom in Zimbabwe over the next 5 years. The government has pledged to resuscitate ailing infrastructure which aligns directly with Masimba's construction services in areas of roads, housing, airports and power plants. Masimba has successfully executed many complex and high-profile projects across Zimbabwe which gives it a strong reputation and track record. The company is projected to deliver high earnings growth of 25-30% annually based on its current order pipeline and the favourable industry dynamics. Major national projects in roads, housing and airports anchor near-term growth. We believe the company's strong order book, growth trajectory, and discounted valuation make this an attractive investment.

In the news…

1. Tanganda Tea Company says investments in green energy have mitigated the impact of limited power supply from the national grid and reduced diesel consumption by standby generators. The company has invested in green energy through the installation of three independent battery-supported solar energy plants at three of its five estates. The total maximum production capacity of the three plants is 4,4 megawatts (MW), made up of Ratelshoek Estate generating 1.8 MW, Jersey Estate generating 1.4 MW, and Tingamira Estate generating 1.2 MW.
2. Platinum Group Metals (PGM) miner Zimplats Holdings has spent US$702.1 m during the half year ended December 31, 2023 towards major capital projects, including the development of Mupani Mine and Bimha Mine upgrade. In its half year report for the period ended December 31, 2023, the platinum miner said the Mupani and Bimha mine projects progressed as planned during the period, achieving nominal production capacity of 3,1 million tonnes per annum. Mupani Mine targets a production capacity of 3,6 million tonnes per annum in August 2028.
3. Operating profit at the quick service restaurant Simbisa Brands Limited increased by 22,2% to US$24.67 m during the half year ended December 31, 2023 compared to the prior period. The group made a profit despite a harsh operating environment, characterised by high inflation, power cuts, and exchange rates volatility among other economic ills. In its interim financial for the half year ended December 31, 2023, revenue rose by 7.4% to US$147.75 m.
4. ZBFH publishes further cautionary statement saying one of the company's shareholders is still in negotiations for a potential acquisition of a control block of securities. The process is at an advanced stage and regulatory approval is yet be obtained for the transaction. The transaction if concluded successfully, may have a material effect on the company's securities price
5. Simbisa Brands has streamlined its brand portfolio to focus entirely on the best-performing core brands and markets in the region as part of reorganising its operations. The restructuring entailed the closure of several underperforming outlets and the decision to convert the three smallest markets to a franchise structure. With a further 37 counters in the pipeline for the second half of 2024, to be opened between January 1 and June 30, 2024, this brings the total new store openings for the financial year to 68.
6. Clothing retailer, Edgar's Stores says migration from the Zimbabwe Stock Exchange (ZSE) to the US dollar-denominated Victoria Falls Stock Exchange (VFEX) will enhance accessibility to US dollar capital and expand the investor base. The company, which has since moved to terminate its ZSE listing, said in a circular that it would gain enhanced capacity to raise capital in foreign currency to support the company's foreign currency needs. The clothing retailer said lower trading costs and reduced risk perception on the VFEX, attributed to the USD pricing of Edgar's stock and the capability to provide foreign currency dividends, can stimulate liquidity for Edgar's shares.
7. Diversified financial services group Old Mutual Zimbabwe has expanded its funeral service footprint to Masvingo as part of the group's response to market demand. In 2022, the group launched a fully-fledged funeral services business in response to customers' calls for tangible funeral services over and above the cash benefit that Old Mutual Funeral Services offers. Before extending its tentacles to Masvingo, the funeral services provider only had presence in Harare and Bulawayo.
8. Listed brick making firm, Willdale Limited is converting its land banks into residential developments as part of a capital raise for acquisition of machinery to enhance production at its brick manufacturing plants. In a circular to shareholders, Willdale indicated it had approximately 165.6 hectares in Mt Hampden, an area that is fast developing owing to the new Parliament Building and the new city located nearby.
9. Old Mutual Zimbabwe Top 10 Exchange Traded Fund publishes cautionary statement saying the Trusteee (Stanbic Bank Zimbabwe Limited) and the Fund Manager (Old Mutual Investment Group Zimbabwe) of the Old Mutual Top 10 ETF advise the fund's unit holders and members of the public that as a result of changes in the composition of the index, there are considerations underway that could have a material effect on the future of the Fund.
10. Zimbabwe's tobacco export earnings increased by 217% to US$358.024 m as of February 23, 2024, from US$111.283 m during the same period in the previous year, due to firming prices on the international market. In its weekly report for the week ending February 23, 2024, the Tobacco Industry and Marketing Board (TIMB) reported that the nation exported 53.39m kilogrammes of tobacco, valued at US$358m, as opposed to 24.27m kilogrammes worth US$63m during the same time the previous year.
11. Zimbabwe's food poverty line (FPL) has gone up by 62.2% from ZWL$432 454,90 recorded last month to ZWL$701 236, 89 as the local currency continues on a free fall pushing up the cost of living. FPL represents the amount of money that an individual requires to afford a daily minimum energy intake of 2 100 calories. According to the Zimstats the Total Consumption Poverty Line (TCPL), which represents the minimum total income needed for an individual not to be deemed poor, went up by 65.8%.

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