

MORNING SUMMARY

Market Round-up

The market rose a further 1.33% on Friday to close the week at a total market capitalisation of \$12.35mn. The Industrial Index was up 1.08% to 418.39 buoyed by gains in Econet (ECO: ZH), up 2.94% and Inncor (INN: ZH), offsetting losses in Delta (DLTA: ZH) of 1.27%. The Mining Index advanced 12.99% to 122.57 on the back of gains in Bindura (BIND: ZH), up 19.05% and RioZim (RIOZ: ZH), up 11.11%. Other significant gains were seen in PPC (PPC: ZH), up 19.83%, ZB Financial Holdings (ZBFH: ZH), up 17.24% and Turnall (TURN: ZH), up 15.70%. Other notable losses were seen in RTG (RTG: ZH), down 13.04%, Lafarge (LACZ: ZH), down 11.43%, Barclays (BARC: ZH), down 5.85% and Padenga (PHL: ZH), down 0.14%. Total value traded rose 210.52% to \$5.92mn dominated by trades in Old Mutual (OML: ZH), Axia (AXIA: ZH) and Inncor (INN: ZH) contributing 77%, 10% and 4% respectively. We expect the market to trade higher today on demand in the heavyweights.

Company Results

Dawn Properties Limited			
Unaudited Results for the half year ended 30 June 2017			
	2017	2016	% change
Revenue (\$mn)	2.28	1.85	22.8%
EBIT (\$mn)	0.69	0.71	(2.8%)
PAT (\$mn)	0.09	0.48	(81.2%)
EPS (cents)	0.0037	0.0195	(81.0%)
Div (cents)	nil		

Local News

According to *The Herald*, government is shelling out \$5mn towards payment for gold delivered by small-scale miners, which is weighing down the availability for physical cash for ordinary citizens. Over 300,000 artisanal miners are producing about 47% of total gold delivered to Fidelity Printers and Refiners (FPR) — a gold buying unit of the Reserve Bank Zimbabwe. As at June 30, FPR had paid \$350mn for almost 10 tonnes of gold delivered by both, large and small-scale miners. Similarly, the tobacco sector has also put a strain on the availability for cash as over 105,000 households that have joined the sector are getting over \$600mn — all in cash — per year.

Company Announcements

Colcom Holdings (COLC: ZH) have published an abridged circular to shareholders relating to the proposed scheme of arrangement in terms of which if implemented Inncor Africa Limited (INN: ZH) will acquire all the scheme shares from the scheme participants for a consideration of 0.55 Inncor ordinary shares for every 1 Colcom ordinary share held. The substitute offer will open for acceptance at 9am on Friday 27 October and will close at 4pm on Wednesday 8 November 2017. The scheme will be put to vote at the Scheme Meeting to be held at the registered office of the company at 1/3 Coventry Road in Workington on 25 October 2017 at 9am.

The ZSE have published a notice announcing that the new ZSE Market Data Policy will be implemented with effect from 1 January 2018. The policy outlines the policies which will govern the use, distribution, display and reporting of ZSE market data by direct customers, data vendors and their end users. A soft copy of the approved Policy is available on the ZSE website.

Market data

Industrial Index	418.39	1.08%
Mining Index	122.57	12.99%
Market Cap (\$bn)	12.35	1.33%
YTD		198.44%
Value Traded (\$mn)		5.92

Top 5 Movers

Gainers		Losers	
PPC	19.83%	RTG	-13.04%
Bindura	19.05%	Lafarge	-11.43%
ZBFH	17.24%	Barclays	-5.85%
Turnall	15.70%	Delta	-1.27%
RioZim	11.11%	Padenga	-0.14%

Value Leaders

Counters	Volume	Value (\$)
Old Mutual	496,115	4,560,722
Axia	1,768,002	583,657
Inncor	124,746	224,543
Econet	129,868	110,246
Turnall	7,837,791	110,040

Regional update

Market	Index	%
Kenya (NSEASI)	162.21	-0.72%
Mauritius (SEMDEX)	2,229.79	0.00%
Nigeria (NGSEINDEX)	35,439.98	0.03%
S.Africa (JALSH)	55,579.92	1.06%
Botswana (BGSMD)	8,930.36	0.06%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.34	-0.29%
EUR/USD	1.18	-0.41%
USD/ZAR	13.59	0.24%

(CBZ)

30 days	60 days	90 days
5%	5%	6%

Sources: Zimbabwe Stock Exchange, Bloomberg

Certification

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Ratings Definition

Buy - Expected 1 year return is at least 20%

Hold - Expected 1 year return of between -10% and 20%

Sell - Expected 1 year return of -10% and below

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