

# MORNING SUMMARY

## Market Round-up

The market started the week in the positive, gaining 0.68% yesterday to close the day at a total market capitalisation of \$12.44bn. The Industrial Index was up 0.60% to 420.91 buoyed by gains in Delta (DLTA: ZH), up 0.27% and Econet (ECO: ZH), up 0.22%. The Mining Index was up 6.44% to 130.46 on the back of a 20.00% gain in Bindura Nickel (BIND: ZH). Other notable gains were seen in Edgars (EDGR: ZH), up 16.00%, FBC (FBC: ZH), up 9.09%, Old Mutual (OML: ZH), up 4.93% and BAT (BAT: ZH), up 2.48%. Significant losses were recorded in Willdale (WILD: ZH), down 18.99%, Turnall (TURN: ZH), down 10.00%, RTG (RTG: ZH), down 7.00%, Meikles (MEIK: ZH), down 2.15% and Fidelity Life (FIDL: ZH), down 1.09%. Total value traded fell 7.20% to \$5.49mn dominated by trades in RTG (RTG: ZH), Powerspeed (PWS: ZH) and Simbisa (SIM: ZH) contributing 63%, 12% and 7% respectively. We expect the market to remain firm on sustained demand in heavyweights.

## Local News

According to *The Herald*, Zimbabwe is working on a \$56mn facility with the African-Export and Import Bank (Afreximbank) to support importation of fertiliser for the forthcoming agriculture season. According to Reserve Bank governor Dr Mangudya, the amount would be part of the \$150mn facility being negotiated by the Reserve Bank of Zimbabwe to import cooking oil material and fuel. Following the success of the specialised import substitution programme (Command Agriculture), the importation of fertiliser and raw materials remained among the top import priorities to avert potential shortages. Zimbabwe needs 300,000 tonnes of compound D and 100,000 tonnes of ammonium nitrate.

The *News Day* reports that Inncor Africa (INN: ZH)'s bakery unit, Bakers Inn, seeks to increase its market share by 5% to 50% by the end of the year through its 2017 edition of Buy and Win promotion, which started running yesterday. According to Bakers Inn chief executive officer, Ngoni Mazango through the promotion, Bakers Inn was targeting to increase its market share from the current 45%. Some of the prizes on offer include 11 Mercedes-Benz C-Class vehicles, 22 fridges, 11 solar geysers, 22 LED TV sets, 22 gas stoves and cylinders and 22 school fees vouchers, among others. The draws are expected to be conducted in all the country's provinces from December 9, 2017 to February 3, 2018. The promotion was launched two years ago.

*The Herald* reports that ZESA Holdings has paid Eskom \$12mn to avoid being switched off and will pay another \$20mn this month as it battles to clear its arrears. The power utility also presented a payment plan of \$5mn a week beginning next month to settle the \$44mn owed to Eskom. The debt will however take about 5 months to clear as \$12mn will go towards servicing current supplies monthly. Eskom has repeatedly threatened to switch off Zimbabwe which is facing acute foreign currency shortages.

## Company Announcements

PG Industries Zimbabwe Limited have advised scheme members that Dewei Investments has now received the necessary regulatory approvals, including exchange control and indigenisation. Dewei is now proceeding to conclude the transaction and it is anticipated that settlement to scheme members will be made in October 2017. Further updates will be published pending finalisation of the transaction.

| Market data         |        |         |
|---------------------|--------|---------|
| Industrial Index    | 420.91 | 0.60%   |
| Mining Index        | 130.46 | 6.44%   |
| Market Cap (\$bn)   | 12.44  | 0.68%   |
| YTD                 |        | 200.47% |
| Value Traded (\$mn) |        | 5.49    |

| Top 5 Movers |        |               |         |
|--------------|--------|---------------|---------|
| Gainers      |        | Losers        |         |
| Bindura      | 20.00% | Willdale      | -18.99% |
| Edgars       | 16.00% | Turnall       | -10.00% |
| FBC          | 9.09%  | RTG           | -7.00%  |
| Old Mutual   | 4.93%  | Meikles       | -2.15%  |
| BAT          | 2.48%  | Fidelity Life | -1.09%  |

| Value Leaders |             |            |
|---------------|-------------|------------|
| Counters      | Volume      | Value (\$) |
| RTG           | 373,289,666 | 3,471,594  |
| Powerspeed    | 8,458,900   | 634,418    |
| Simbisa       | 531,003     | 371,702    |
| Econet        | 384,242     | 326,899    |
| Delta         | 58,723      | 161,938    |

| Regional update     |           |        |
|---------------------|-----------|--------|
| Market              | Index     | %      |
| Kenya (NSEASI)      | 161.17    | -0.64% |
| Mauritius (SEMDEX)  | 2,221.53  | 0.00%  |
| Nigeria (NGSEINDEX) | 35,439.98 | 0.03%  |
| S.Africa (JALSH)    | 55,778.27 | 0.36%  |
| Botswana (BGSMDIC)  | 8,930.36  | 0.06%  |

| Exchange rates |            |        |
|----------------|------------|--------|
| Currency       | Cross rate | %      |
| GBP/USD        | 1.32       | -0.21% |
| EUR/USD        | 1.17       | -0.23% |
| USD/ZAR        | 13.64      | 0.27%  |

| (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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