

MORNING SUMMARY

Market Round-up

The market rose a further 1.96% yesterday to close the day at a total market capitalisation of \$12.68bn. The Industrial Index was up 1.57% to 427.53 buoyed by gains in Econet (ECO: ZH), up 8.82%, offsetting losses in Delta (DLTA: ZH), down 0.13% and Innscor (INN: ZH), down 0.02%. The Mining Index advanced 6.98% to 139.56 on the back of gains in Bindura Nickel (BIND: ZH) of 19.17%. Other significant gains were recorded in National Foods (NTFD: ZH), up 19.98%, PPC (PPC: ZH), up 8.01% and ZPI (ZPI: ZH), up 3.85%. Other notable losses were seen in NMB (NMB: ZH), down 5.26%, CBZ (CBZ: ZH), down 3.61% and Axia (AXIA: ZH), down 2.46%. Total value traded fell 59.86% to \$2.20mn dominated by trades in Innscor (INN: ZH), Delta (DLTA: ZH) and Powerspeed (PWS: ZH) contributing 50%, 22% and 14% respectively. We expect mixed activity in the market today as Innscor, Simbisa and Padenga are starting to show signs of weakness while the fungible counters remain firm.

Local News

According to *The Herald*, State mining entity, the Zimbabwe Consolidated Diamond Company (ZCDC), will this month begin conglomerate mining following the near depletion of alluvial diamonds at the Chiadzwa diamond fields. According to Finance and Economic Development Minister Patrick Chinamasa while other minerals such as gold, platinum, chrome ore, ferrochrome, and nickel were all performing according to expectation, the diamond sector was beginning to shape up. This comes after ZCDC took over Chiadzwa operations from seven private players namely Anjin Investments, Diamond Mining Company, Jinan, Kusena, Marange Resources, DTZ-Ozgeo and Mbada Diamonds. However, the alluvial gemstones which the country has been exploiting since the discovery of diamonds in 2006 are now nearing extinction and the company will this month begin conglomerate mining which according to the Ministry of Mines and Mining Development will improve the country's mineral earnings.

The Herald reports that Reserve Bank of Zimbabwe (RBZ) subsidiary Homelink has availed a \$1.5mn loan facility to SMEs as part of efforts to improve small scale businesses. The funding is coming at a time when local SMEs are grappling with financing and technical challenges as well as lack of markets. Independent estimates suggest that the SME sector employs 60% of the population and contributes 50% of the Gross Domestic Product. According to Homelink Finance Services managing director Mr Desmond Ali the financial institution provides affordable mortgages and short-term financing solutions to members of the public and civil service employees. Homelink was instrumental in the launching of \$15mn Cross Border Traders and SME facility.

The News Day reports that Zimbabwe spent \$107mn on maize imports in the first eight months of the year at a time the country is boasting of a bumper harvest, latest trade data from the Zimbabwe National Statistics Agency (Zimstat) has shown. This came as government indicated it had stopped issuing grain import permits in February and that no maize imports were allowed at the borders following a bumper harvest realised this year. According to Agriculture deputy minister (cropping) Davis Marapira, Zimbabwe stopped importing maize in February 2017.

Market data

Industrial Index	427.53	1.57%
Mining Index	139.56	6.98%
Market Cap (\$bn)	12.68	1.96%
YTD		206.12%
Value Traded (\$mn)		2.20

Top 5 Movers

Gainers		Losers	
Natfoods	19.98%	NMB	-5.26%
Bindura	19.17%	CBZ	-3.61%
Econet	8.82%	Axia	-2.46%
PPC	8.01%	Delta	-0.13%
ZPI	3.85%	Innscor	-0.02%

Value Leaders

Counters	Volume	Value (\$)
Innscor	616,770	1,109,991
Delta	173,853	478,828
Powerspeed	3,986,500	298,988
Axia	401,767	129,521
Old Mutual	4,586	44,347

Regional update

Market	Index	%
Kenya (NSEASI)	162.09	0.57%
Mauritius (SEMDEX)	2,223.13	0.00%
Nigeria (NGSEINDEX)	35,306.09	-0.38%
S.Africa (JALSH)	56,358.26	1.04%
Botswana (BGSMDC)	8,930.36	0.00%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.33	0.26%
EUR/USD	1.18	0.21%
USD/ZAR	13.60	-0.40%

(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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