

MORNING SUMMARY

Market Round-up

The market advanced a further 1.41% yesterday to close the day at a total market capitalisation of \$12.86bn. The Industrial Index rose 1.27% to 432.96 buoyed by gains in Delta (DLTA: ZH), up 0.22%, Econet (ECO: ZH), up 4.57% and Innscor (INN: ZH), up 0.02%. The Mining Index was up 0.82% on the back of gains in Bindura Nickel (BIND: ZH), up 0.70% and RioZim (RIOZ: ZH), up 1.00%. Other significant gains were seen in Zimpapers (ZIMP: ZH), up 19.63%, Zimre Holdings (ZHL: ZH), up 19.05%, Fidelity Life (FIDL: ZH), up 17.65%, Willdale (WILD: ZH), up 9.37% and Barclays (BARC: ZH), up 6.06%. Notable losses were recorded in Star Africa (SACL: ZH), down 19.48%, Zimre Property Investments (ZPI: ZH), down 3.70%, Mashonaland Holdings (MASH: ZH), down 0.57% and CFI (CFI: ZH), down 0.37%. Total value traded rose 66.57% to \$3.67mn dominated by trades in Innscor (INN: ZH), Powerspeed (PWS: ZH) and Econet (ECO: ZH) contributing 41%, 15% and 13% respectively. We expect the market to trade higher today on sustained demand across most counters.

Today's Events

Truworths (TRUW: ZH) will hold an analyst briefing at 2pm at the Head Office in the Prospect Industrial Park.

Local News

According to the *News Day*, government expects to stop importation of soya beans by May 2018 on the back of the Command Soya Bean Scheme introduced in the 2017/18 farming season to boost production. Last year, crude soya bean imports amounted to \$120mn and this year so far, they are at \$72mn. Soya beans is a critical raw material in the production of edible oil. According to the Oil Expressers' Association, Zimbabwean farmers are producing an average of 30,000 tonnes of soya beans per year against local demand of 300,000tonnes.

According to the *Financial Gazette*, Lafarge Cement Zimbabwe (LACZ: ZH) hopes major public infrastructure projects will help its business. First quarter volumes retreated by 12% attributed to a decrease in major infrastructure projects by government, during the review period, pushing sales down by 23%, compounded by floods in first quarter. Revenue fell to \$23.14mn while GP increased to 11.9mn from 6.48 million the previous year. According to Lafarge Chairman Kumbirai Katsande, developments of the Harare Chirundu highway will be a means of recovery for the company.

The Herald reports that Zimbabwe is evaluating the feasibility of commercial rice production with a government delegation expected to go on a familiarisation mission to Egypt to acquaint itself with technology and viable methods of growing cereal. Zimbabwe is a net importer of rice and spends about \$150mn annually to import the cereal. According to Agriculture deputy minister the government has done preliminary research which has shown that the country can produce rice using hybrid varieties without any problem.

Company Announcements

GetBucks Microfinance Bank (GBZW: ZH) have published a dividend declaration notice correcting the previously published announcement on 2 October 2017. The board has recommended a dividend of 0.051USc per share payable in respect of the year ended 30 June 2017. The record date has been set for 19 October 2017 and

Market data		
Industrial Index	432.96	1.27%
Mining Index	140.71	0.82%
Market Cap (\$bn)	12.86	1.41%
YTD		210.44%
Value Traded (\$mn)		3.67

Top 5 Movers			
Gainers		Losers	
Zimpapers	19.63%	Star Africa	-19.48%
ZHL	19.05%	ZPI	-3.70%
Fidelity Life	17.65%	Mash	-0.57%
Willdale	9.37%	CFI	-0.37%
Barclays	6.06%	-	-

Value Leaders		
Counters	Volume	Value (\$)
Innscor	827,182	1,488,928
Powerspeed	7,559,648	566,974
Econet	475,413	460,269
Old Mutual	34,250	332,037
Barclays	2,900,717	203,020

Regional update		
Market	Index	%
Kenya (NSEASI)	161.56	-0.33%
Mauritius (SEMDEX)	2,222.08	0.00%
Nigeria (NGSEINDEX)	35,358.57	0.15%
S.Africa (JALSH)	56,750.03	0.70%
Botswana (BGSMD)	8,930.36	0.00%

Exchange rates		
Currency	Cross rate	%
GBP/USD	1.32	-0.14%
EUR/USD	1.18	-0.07%
USD/ZAR	13.61	0.30%

(CBZ)		
30 days	60 days	90 days
5%	5%	6%

Sources: Zimbabwe Stock Exchange, Bloomberg

the shares will trade cum-dividend up to the market day of 16 October 2017. Payment of the dividend shall take place on or about 20 October 2017.



Certification

The analyst(s) who prepared this research report hereby certifies(y) that: (i) all of the views and opinions expressed in this research report accurately reflect the research analyst's(s) personal views about the subject investment(s) and issuer(s) and (ii) no part of the analyst's(s) compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the analyst(s) in this research report.

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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