

# MORNING SUMMARY

## Market Round-up

The market advanced a further 1.13% on Friday to close the day at a total market capitalisation of \$13.38bn. The Industrial Index rose 1.03% to 448.83 buoyed by gains in Delta (DLTA: ZH) and Econet (ECO: ZH), up 0.32% and 3.46% offsetting a 0.53% loss in Innscor (INN: ZH). The Mining Index remained flat at 140.71. Other significant gains were seen in First Mutual Holdings (FML: ZH), up 20.00%, Star Africa (SACL: ZH), up 12.5%, Dawn Properties (DAWN: ZH), up 6.38%, National Foods (NTFD: ZH), up 5.03% and BAT (BAT: ZH), up 4.07%. Other notable losses were recorded in Masimba (MASIMBA: ZH), down 11.25%, Axia (AXIA: ZH), down 5.54%, Padenga (PHL: ZH), down 1.44% and Meikles (MEIK: ZH), down 1.03%. Total value traded was \$3.98mn, dominated by trades in Axia (AXIA: ZH), Simbisa (SIM: ZH) and Delta (DLTA: ZH), contributing 28%, 25% and 25% respectively. We expect the market to close on a higher note today with sustained demand in most counters.

## Company Results

Border Timbers			
Audited Results for the year ended 30 June 2017			
	2017	2016	% change
Revenue (\$mn)	14.97	20.49	(26.9%)
EBIT (\$mn)	(4.51)	(30.72)	n/a
PAT (\$mn)	(2.60)	(24.31)	n/a
EPS (cents)	(8.75)	(56.61)	n/a
Div (cents)	Nil		

## Local News

According to the *NewsDay*, the government has trimmed down the list of products that require export licences under the ease of doing export business-rapid results initiative (RRI) launched last year. ZimTrade said the reduction was done through Statutory Instrument (SI) 122 of 2017. Following the amendments, the only four products that still require export licences are fertiliser, raw and refined sugar, gypsum and second-hand equipment. According to ZimTrade, "These four products are deemed strategic and, hence, still require export licences to enable the government to regulate their exportation. Products removed from the list include butter, cream, vegetable oil, margarine and melamine boards.

According to *The Herald*, government through the National Social Security Authority (NSSA) is set to create a revolving fund for local fertiliser manufacturers, which will enable consistent supply of the key agriculture inputs. According to the Public Service, Labour and Social Welfare Minister Prisca Mupfumira, government through NSSA would continue funding fertiliser companies. She stated that there are current efforts to create a revolving fund that will ensure consistent supply of the inputs going forward. NSSA is set to avail funds for Sable Chemicals and Omnia to produce Ammonium Nitrate. Reports say NSSA will avail \$30mn to Sable Chemicals after disbursing \$20mn to fertilizer companies last year.

Market data		
Industrial Index	448.83	1.03%
Mining Index	140.71	0.00%
Market Cap (\$bn)	13.38	1.13%
YTD		223.06%
Value Traded (\$mn)		3.98

## Top 5 Movers

Gainers		Losers	
FML	20.00%	Masimba	-11.25%
Star Africa	12.50%	Axia	-5.54%
Dawn	6.38%	Padenga	-1.44%
Natfoods	5.03%	Meikles	-1.03%
BAT	4.07%	Innscore	-0.53%

## Value Leaders

Counters	Volume	Value (\$)
Axia	3,622,922	1,129,335
Simbisa	1,431,960	1,002,372
Delta	355,041	993,853
Seedco	89,123	255,782
FML	1,734,858	208,183

## Regional update

Market	Index	%
Kenya (NSEASI)	160.71	-0.16%
Mauritius (SEMDEX)	2,225.07	0.00%
Nigeria (NGSEINDEX)	35,773.69	1.53%
S.Africa (JALSH)	57,231.87	0.41%
Botswana (BGSMD)	8,923.72	-0.03%

## Exchange rates

Currency	Cross rate	%
GBP/USD	1.31	0.30%
EUR/USD	1.17	0.04%
USD/ZAR	13.73	0.01%

## (CBZ)

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

Sources: Zimbabwe Stock Exchange, Bloomberg

## 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

## Disclaimer

This document has been prepared by IH Securities to provide background information about the securities and (or) markets mentioned herein, the forecasts, opinions and expectations are entirely those of IH Securities. This document was prepared with the utmost due care and consideration for accuracy and factual information; the forecasts, opinions and expectations are deemed to be fair and reasonable. However there can be no assurance that future results or events will be consistent with any such forecasts, opinions and expectations. Therefore the authors will not incur any liability for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. Neither will the sources of information or any other related parties be held responsible for any form of action that is taken as a result of the proliferation of this document.