

MORNING SUMMARY

Market Round-up

The market rose a marginal 0.02% on Friday to close the week at a total market capitalisation of \$5.95bn. The Industrial Index was up a similar 0.02% to 197.93 buoyed by a 0.17% gain in Econet (ECO: ZH), up 0.17%. The Mining Index remained unchanged at 69.98. Other gains were seen in Axia (AXIA: ZH), up 0.36% and Old Mutual (OML: ZH), up 0.26%. The only loss for the day was recorded in African Distillers (AFDIS: ZH), down 1.64%. Total value traded was down 66.36% to \$435.49k dominated by trades in Old Mutual (OML: ZH), Innscor (INN: ZH) and Edgars (EDGR: ZH) contributing 79%, 12% and 2% respectively. We expect subdued activity on the market today in the absence of sellers, most counters however appear firm at current levels.

Local News

According to *The Sunday Mail*, Government, through the Attorney-General's office, is refining 17 legal instruments that are considered impediments to the doing business environment, particularly for exporters. Overall, the process will cover 22 Statutory Instruments over the next 100 days. Government had tasked Zimbabwe's premier export promotion body, ZimTrade, in conjunction with the Office of the President and Cabinet, to address challenges confronting exporters within 100 days under the December 2016 Rapid Results Initiative. After minimal progress was recorded in the first 100 days, another 100 days – which expired on Wednesday – were added to allow the two thematic committees on Export Capacity and Export Regulations, Permits, Procedures and Processes to conclude their mandates.

The News Day reports that Blue Ribbon Foods (BRI), a subsidiary of the Bakhresa Group, is working on another \$5mn plant to increase production to 600 tonnes of wheat. The plant is expected to be operational by next year. Bakhresa took over BRI in January last year and invested \$20mn towards the resuscitation of the company. According to Blue Ribbon Foods general manager, Yusuf Kamau the new plant in Msasa, Harare will increase capacity to 600 tonnes of wheat and is expected to be operational by April next year. The country this year experienced a bumper harvest due to favourable rains. The expansion of BRI spurs competition in the milling industry currently led by National Foods (NTFD: ZH).

The Sunday Mail reports that Star Africa will invest \$10mn on the secondary plant upgrade in the next three to five years in a bid to improve efficiency. In February 2017, the company completed the integration of upgraded and un-upgraded parts of the whole plant. A further upgrade is expected to enable Star Africa to increase output and exports. According to Star Africa CEO Regis Mutyiri, the company seeks to buttress that consolidated performance with the upgrade of the crystallisation side of the plant, which helps to refine sugar into crystals. This will cost between \$7mn and \$10mn.

Market data

Industrial Index	197.93	0.02%
Mining Index	69.98	0.00%
Market Cap (\$bn)	5.95	0.02%
YTD		43.69%
Value Traded (\$mn)		0.44

Top 5 Movers

Gainers		Losers	
Axia	0.36%	Afdis	-1.64%
Old Mutual	0.26%	-	-
Econet	0.17%	-	-
-	-	-	-
-	-	-	-

Value Leaders

Counters	Volume	Value (\$)
Old Mutual	87,300	343,089
Innscore	73,353	52,814
Edgars	239,503	10,059
Afdis	16,300	9,780
Econet	18,736	6,745

Regional update

Market	Index	%
Kenya (NSEASI)	152.24	0.49%
Mauritius (SEMDEX)	2,135.16	0.00%
Nigeria (NGSEINDEX)	32,459.17	0.32%
S.Africa (JALSH)	51,900.26	-0.74%
Botswana (BGSMD)	9,245.53	0.05%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.29	0.13%
EUR/USD	1.14	0.05%
USD/ZAR	13.35	-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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