

# MORNING SUMMARY

## Market Round-up

The market advanced a further 3.74% yesterday to close the day at a total market capitalisation of \$13.88bn. The Industrial Index rose 3.12% to 462.84 buoyed by gains in Econet (ECO: ZH) and Delta (DLTA: ZH) up 17.99% and 0.03% respectively, offsetting a decrease of 0.03% in Innscor (INN: ZH). The Mining Index fell by 3.39% to 135.58 on the back of a 9.72% loss in Bindura Nickel Company (BIND: ZH). Other significant gains were seen in PPC (PPC: ZH), up 19.91%, Old Mutual (OML: ZH), up 15.42%, Willdale (Wild: ZH), up 2.86% and Axia (AXIA: ZH), up 2.66%. Notable losses were recorded in Turnall (TURN: ZH), down 18.06%, Padenga (PHL: ZH), down 3.73% and OK Zimbabwe (OKZ: ZH), down 2.61% and CBZ (CBZ: ZH), down 0.41%. Total value traded was \$3.88mn dominated by trades in Delta (DLTA: ZH), Innscor (INN: ZH), and Seedco (SEED: ZH), contributing 81%, 6% and 3% respectively. We expect the market to maintain the positive trend on sustained demand across the board, particularly the fungible counters.

## Local News

According to *The Herald* Government has so far paid close to \$400mn to farmers after they delivered 1.1mn tonnes of maize to the Grain Marketing Board. This comes after Treasury upped weekly disbursements to GMB to about \$40mn to farmers every week to boost farmers' preparations for the 2017/18 summer cropping season. According to the Deputy Minister of Agriculture, Mechanisation and Irrigation Development, Davis Marapira, there has been an improvement from last year to this year in terms of payments and deliveries. Deliveries amounted to 400k tonnes in the same period last year versus 1.1mn tonnes delivered this year. GMB is transferring money into farmers' accounts within two to three weeks of delivering grain This is a notable progress from previous years when payment would take months.

*News Day* reports that the government has called for platinum miners operating in Zimbabwe to invest about \$1.4bn in refinery facilities to enable the country to draw maximum benefit from its mineral resources. According to Walter Chidhakwa, a smelter will cost about \$700mn, a base metal refinery will cost between \$250m and \$400mn and a precious metal refinery will cost about \$400mn. By setting up a platinum refinery plant in Zimbabwe, the economy would develop through job creation.

According to *The Herald* President Mugabe has in terms of Section 100 (200) (c) and (d) of the Constitution reassigned 10 ministers and made 8 new appointments in a Cabinet reshuffle announced yesterday. The table below shows the latest changes.

Ministry	Reassigned
Finance & Economic Development	Ignatius Chombo
Cyber Security, Threat Detection & Mitigation	Patrick Chinamasa
Foreign Affairs	Walter Mzembi
Home Affairs	Obert Mpfu
Macro- Economic Planning & Investment Promotion	Simbarashe Mbengegwi
Public Service Labour & Social Welfare	Patrick Zhuwao

## Market data

Industrial Index	462.84	3.12%
Mining Index	135.18	-3.93%
Market Cap (\$bn)	13.88	3.74%
YTD		235.16%
Value Traded (\$mn)		3.88

## Top 5 Movers

Gainers		Losers	
PPC	19.91%	Turnall	-18.06%
Econet	17.99%	Bindura	-9.72%
Old Mutual	15.42%	Padenga	-3.73%
Willdale	2.86%	OK Zimbabwe	-2.61%
Axia	2.66%	CBZ	-0.41%

## Value Leaders

Counters	Volume	Value (\$)
Delta	1,127,863	3,158,016
Innscor	137,431	246,001
Seedco	43,501	125,283
Old Mutual	8,874	104,031
Econet	57,339	74,589

## Regional update

Market	Index	%
Kenya (NSEASI)	161.03	0.20%
Mauritius (SEMDEX)	2,219.06	0.00%
Nigeria (NGSEINDEX)	36,831.93	1.41%
S.Africa (JALSH)	57,530.11	0.52%
Botswana (BGSMD)	8,917.91	-0.07%

## Exchange rates

Currency	Cross rate	%
GBP/USD	1.32	0.14%
EUR/USD	1.18	0.26%
USD/ZAR	13.77	-0.31%

## (CBZ)

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

Sources: Zimbabwe Stock Exchange, Bloomberg

Local Govt, Rural Development & National Housing	Saviour Kasukuwere
Media Information & Broadcasting Services	Simon Khaya Moyo
President's office for National Scholarships	Christopher Mushohwe
Sports, Recreation, Arts & Culture	Makhosini Hlongwane
<b>Ministry</b>	<b>Appointed</b>
Tourism, Environment & Hospitality	Edgar Mbwembwe
Justice Legal & Parliamentary Affairs	Happyton Bonyongwe
Welfare Services for War Veterans	Cain Mathema
Youth Development & Economic Empowerment	Chiratidzo Mabuwa
State for Matebeleland North Province	Thokozile Mathuthu
State for Mashonaland Province	Webster Shamu
State for Masvingo Province	Paul Chimedza

## 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.