

MORNING SUMMARY

Market Round-up

The market started the week in the positive, gaining 0.19% yesterday to close the day at a total market capitalisation of \$5.96bn. The Industrial Index rose 0.17% to 198.27 buoyed by gains in Delta (DLTA: ZH), up 0.09%, Econet (ECO: ZH), up 0.69% and Innscor (INN: ZH), up 0.06%. The Mining Index remained unchanged at 69.98. Other significant gains were recorded in NMB (NMB: ZH), up 8.97%, First Mutual (FML: ZH), up 4.89%, TSL (TSL: ZH), 3.10% and Star Africa (SACL: ZH), up 1.69%. Losses for the day were seen in Masimba (MSHL: ZH), down 15.00%, ZPI (ZPI: ZH), down 7.41% and Seedco (SEED: ZH), down 0.01%. Total value traded rose 119.38% to \$955.39k dominated by trades in Delta (DLTA: ZH), Innscor (INN: ZH) and Seedco (SEED: ZH) contributing 25%, 21% and 17% respectively. We expect the market to trade higher today on sustained demand across the board.

Local News

The Herald reports that Zimbabwe is targeting to increase annual milk output by 515% to 400mn litres by 2020. Last year, the country's milk output stood at 65mn litres. According to Dairibord Zimbabwe (DZL: ZH) marketing director, Tracy Mutaviri, the projected milk production levels were underpinned by the dairy revitalisation programme. Recently, the Government launched the dairy sector revamping programme with a view to restore the sector to its former glory. National demand is estimated at 120mn litres, translating to 10 litres per capita compared to 25 litres per capita in 1999.

According to the *News Day*, local detergent dealer, ZimKings Trading plans to commission a \$15mn washing powder plant in the next two months in a move likely to significantly reduce the country's import bill. According to ZimKings Tradings, a subsidiary of Trade Kings Group, the plant is expected to increase production of detergents to over 3,000 tonnes monthly. According to the company's general manager, Pieter Finke the company will start off with two brands, Boom and Xtra, which are already household brands in Zimbabwe.

The Herald reports that Zimbabwe's special economic zones will attract foreign investments worth \$10bn in the next 2 years. According to newly appointed SEZ board chairman Dr Gideon Gono, the SEZ Act provided so much protection to investors and this would help spur foreign investment. Zimbabwe received \$391mn worth of foreign investments last year, down from \$421mn a year earlier. Gono emphasised that licensed SEZ investors would be exempted from having to comply with laws such as the Indigenisation and Empowerment Act, which requires foreign owned companies to hold not more than 49 percent stake in local businesses.

Company Announcements

Colcom (COLC: ZH) have published a further cautionary statement relating to Innscor's intention to extend an offer to minority shareholders for the purchase of their Colcom shares in exchange for Innscor shares. It is also the intention of the company to apply for a voluntary delisting in terms of Section 1 of the ZSE Listing Requirements.

Market data

Industrial Index	198.27	0.17%
Mining Index	69.98	0.00%
Market Cap (\$bn)	5.96	0.19%
YTD		43.96%
Value Traded (\$mn)		0.96

Top 5 Movers

Gainers		Losers	
NMB	8.97%	Masimba	-15.00%
FML	4.89%	ZPI	-7.41%
TSL	3.10%	Seedco	-0.01%
Star Africa	1.69%	-	-
Econet	0.69%	-	-

Value Leaders

Counters	Volume	Value (\$)
Delta	189,186	240,482
Innscor	278,003	200,277
Seedco	110,208	159,789
Old Mutual	35,870	140,969
Star Africa	3,883,600	46,566

Regional update

Market	Index	%
Kenya (NSEASI)	152.12	-0.08%
Mauritius (SEMDEX)	2,132.84	0.00%
Nigeria (NGSEINDEX)	32,620.84	0.50%
S.Africa (JALSH)	52,187.92	0.55%
Botswana (BGSMDC)	9,236.78	-0.09%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.29	-0.03%
EUR/USD	1.14	-0.11%
USD/ZAR	13.54	0.41%

(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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