

MORNING SUMMARY

Market Round-up

The market advanced a further 1.41% yesterday to close the day at a total market capitalisation of \$14.08bn. The Industrial Index rose 1.25% to 468.64 buoyed by a 4.34% gain in Econet (ECO: ZH). The Mining Index remained flat at 135.18. Other significant gains were in PPC (PPC: ZH), up 19.95%, First Mutual Limited (FML: ZH), up 19.92%, Willdale (WILD: ZH), up 8.33% and Old Mutual (OML: ZH), up 6.68%. Notable losses were recorded in African Sun (ASUN: ZH), down 1.96%, AXIA (AXIA: ZH), down 1.56%, Simbisa (SIM: ZH), down 1.44%, FBC (FBC: ZH), down 1.03% and Padenga (PHL: ZH), down 0.45%. Total value traded fell 3.92% to \$3.73mn, dominated by trades in Delta (DLTA: ZH), Econet (ECO: ZH), and Innscor (INN: ZH), contributing 40%, 26% and 10% respectively. We expect activity to remain focused on the heavyweights and fungible stocks and expect the market to trade higher.

Local News

According to the Daily News Zimbabwe's largest poultry and table eggs producer Irvine's has cut workers hours as well as terminated some of the employee contracts. According to the company they had taken all possible measures in order to preserve jobs however, the crisis has had a negative impact on turnover and profitability. This comes after the country was rocked by the highly pathogenic Avian Flu, which cost Irvine's \$7.3mn in May this year. The company's table eggs' production has been reduced by over 55% as have day old chicks.

According to the Newsday, motorists may have to face an increase in the price of fuel over the next few weeks due to the increase in the international prices of fuel. Global crude oil prices have been on the rise with the average price of both petrol and diesel rising from \$0.51 at the beginning of January this year and increasing further after their slump in July. According to the ZERA CEO, Gloria Magombo, Zimbabwe is two weeks behind from a pricing point of view and will need to catch up to the current price of crude oil at \$58 per barrel.

According to the Herald GMAZ has secured \$65mn to buy wheat from farmers following the success of Command Wheat Programme, which was recently rolled out. The move is expected to save the country foreign currency, as Government will no longer import wheat. Grain Millers Association chairperson Tafadzwa Musarara said his association had \$65mn in its coffers meant to buy wheat from farmers.

Company announcements

ZHL (ZHL: ZH) has published a withdrawal of its cautionary statement published on the 16th of August 2017 stating that negotiations over the disposal of certain assets held by the company have been curtailed by the ongoing market developments and the Board has terminated negotiations with the parties involved. The Company will consider other funding alternatives to pursue its strategic opportunities.

Market data		
Industrial Index	468.64	1.25%
Mining Index	135.18	0.00%
Market Cap (\$bn)	14.08	1.41%
YTD		239.89%
Value Traded (\$mn)		3.73

Top 5 Movers

Gainers		Losers	
PPC	19.95%	African Sun	-1.96%
FML	19.92%	Axia	-1.56%
Willdale	8.33%	Simbisa	-1.44%
Old Mutual	6.68%	FBC	-1.03%
Econet	4.34%	Padenga	-0.45%

Value Leaders

Counters	Volume	Value (\$)
Delta	527,233	1,476,252
Econet	713,898	968,950
Innskor	214,850	384,582
Hippo	170,911	248,071
FBC	550,000	132,000

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

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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