

MORNING SUMMARY

Market Round-up

The market advanced a further 6.16% yesterday to close the day at a total market capitalisation of \$14.95bn. The Industrial Index rose 3.95% to 487.15 buoyed by an 18.69% gain in Econet (ECO: ZH) offsetting a 0.20% loss in Innscor (INN: ZH). The Mining Index rose 1.73% on the back of gains in RioZim (RIOZ: ZH) and Falcon Gold (FALG: ZH) of 2.97% and 0.50% respectively. Other significant gains were seen in PPC (PPC: ZH), up 19.96%, Old Mutual (OML: ZH), up 11.80%, Nampak (NMPK: ZH), up 4.67% and Star Africa (SACL: ZH), up 4.35%. Other notable losses were recorded in Axia (AXIA: ZH), down 7.94% and Cafca (CAFCA: ZH), down 0.17%. Total value traded rose 88.92% to \$7.05mn, dominated by trades in Old Mutual (OML: ZH), Econet (ECO: ZH), and Padenga (PHL: ZH), contributing 44%, 28% and 9% respectively. We expect the market to trade higher on sustained demand in the fungible counters.

Local News

According to the Herald Zimbabwe is losing 1,000kg of gold annually through side marketing and illicit flows. According to Mr Kapofu, from the RBZ Financial Intelligence unit, while the country has mechanisms to curb gold and financial leakages, the system is still not robust enough to plug all of the loopholes. He also mentioned that Fidelity Printers and Refiners, police and border patrol must work together to try and curb smuggling and other illicit trades.

According to the Newsday net premiums for life companies dropped by 2% to \$171mn in 2Q17, with recurring business contributing 81% and new business contributing 19% of total business. According to IPEC, new business contributed a lower amount to the total premium as premium affordability constraints and the exclusion of the growing informal sector have led to an increase in recurring business and as such the commission is looking at continuing its drive to encourage product innovation and diversification by sector players.

Company announcements

Delta (DLTA: ZH) has published its trading update for the second quarter and half year ended 30 September 2017.

Delta Corporation Limited		
Trading Update for the 2 nd Quarter and half year ended 30 September 2017		
	q/q % change	h/h % change
Lager Beer Volume	11%	11%
Sparkling Beverages Volumes	(1%)	0%
Sorghum Beer Volume	(3%)	(4%)
Alternative Beverages Volumes	12%	19%
Group Revenue	1%	2%

African Distiller's Limited (AFDIS: ZH) has announced that its AGM will be held at 11am on 9 November 2017. Special business items include a special resolution to allocate 4mn ordinary shares for an employee share scheme and to authorize a share buy-back of not more than 10% of the issued ordinary share capital per year at a price that does not exceed 5% of the 5-day volume weighted average price.

Market data		
Industrial Index	487.15	3.95%
Mining Index	137.52	1.73%
Market Cap (\$bn)	14.95	6.16%
YTD		260.83%
Value Traded (\$mn)		7.05

Top 5 Movers			
Gainers		Losers	
PPC	19.96%	Axia	-7.94%
Econet	18.69%	Innscore	-0.20%
Old Mutual	11.80%	Cafca	-0.17%
Nampak	4.67%	-	-
Star Africa	4.35%	-	-

Value Leaders		
Counters	Volume	Value (\$)
Old Mutual	221,375	3,095,222
Econet	1,230,177	1,981,789
Padenga	751,297	638,602
Seedco	146,324	422,333
Axia	1,001,000	290,310

Regional update		
Market	Index	%
Kenya (NSEASI)	159.78	-0.67%
Mauritius (SEMDEX)	2,217.18	0.00%
Nigeria (NGSEINDEX)	36,652.82	-0.34%
S.Africa (JALSH)	57,770.73	0.24%
Botswana (BGSMD)	8,897.18	-0.04%

Exchange rates		
Currency	Cross rate	%
GBP/USD	1.33	0.28%
EUR/USD	1.19	0.14%
USD/ZAR	13.51	-0.11%

(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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