

MORNING SUMMARY

Market Round-up

The market rose 0.10% yesterday to close the day at a total market capitalisation of \$5.95bn. The Industrial Index rose a similar 0.10% to 198.05 buoyed by a 0.41% gain in Econet (ECO: ZH). The Mining Index remained unchanged at 69.19. Other significant gains were seen in Barclays (BARC: ZH), up 5.39%, First Mutual (FML: ZH), up 4.76%, Simbisa (SIM: ZH), up 1.23% and OK Zimbabwe (OKZ: ZH), up 0.20%. The only loss for the day was recorded in Seedco (SEED: ZH), down 1.92%. Total value traded fell 7.61% to \$2.91bn dominated by trades in Delta (DLTA: ZH), Econet (ECO: ZH) and Old Mutual (OML: ZH) contributing 43%, 26% and 25% respectively. Continued support in Delta and Econet is expected to lead to a higher close today.

Local News

According to the *News Day*, the Zimbabwe Revenue Authority (Zimra) has surpassed its revenue target by 8.5%, collecting \$1.79bn for the first half of the year, from a target of \$1.67bn, which has been attributed to enhanced revenue collection initiatives implemented during the period. During the corresponding period last year, Zimra collected \$1.55bn. According to Zimra chairperson, Willia Bonyongwe the revenue collection enhancement measures, such as automation, audits and anti-corruption initiatives that Zimra is implementing are bearing fruit.

The Herald reports that Zimbabwe microfinance institutions are in turbulent waters amid indications NPLs could soar in the future as corporates and individuals fail to honour their debts due to the liquidity crisis. In the first quarter of the year MFIs recorded a marginal deterioration in the quality of their loan books as measured by the Portfolio at Risk (PaR) ratio which grew 12.35% as at 31 March 2017 compared to 8.34% as at December 2016, against an international benchmark of 5%. MFIs loan book stood at \$215.21mn as of March this year, constituting about 6% of the financial services sector aggregated loan book.

The Zimbabwe Independent reports that a total of 479,718 tourists arrived in the country in the first quarter of 2017, a 6% increase compared to the same period last year but falling far short of the visitor arrivals of neighbouring South Africa. According to latest statistics from the Zimbabwe Tourism Authority (ZTA), 84% of the total visitors were from Africa. Arrivals from Europe increase by 29% to 35,381 compare to 27,433 in the same period last year with increases in most major markets including UK (132%), France (76%) and Germany (8%). The national average hotel room occupancy rate increased from 36% in 2016 to 38% during the period under review.

Company Announcements

Barclays Bank Zimbabwe (BARC: ZH) have published a further cautionary statement relating to the acquisition of Barclays Bank Plc's shareholding in Barclays Bank Zimbabwe by FMB Capital Holdings Plc. Barclays Bank Plc and FMB are in the process of fulfilling the conditions precedent to the transaction, including approval by the RBZ. Shareholders are advised that the transaction is subject to regulatory and other approvals, therefore caution should be exercised when dealing in the company's shares.

Market data

Industrial Index	198.05	0.10%
Mining Index	69.19	0.00%
Market Cap (\$bn)	5.95	0.10%
YTD		43.86%
Value Traded (\$mn)		2.91

Top 5 Movers

Gainers		Losers	
Barclays	5.39%	Seedco	-1.92%
FML	4.76%	-	-
Simbisa	1.23%	-	-
Econet	0.41%	-	-
OK Zimbabwe	0.20%	-	-

Value Leaders

Counters	Volume	Value (\$)
Delta	980,028	1,247,086
Econet	2,089,227	768,927
Old Mutual	182,000	715,260
Masimba	2,517,981	130,935
Simbisa	81,500	16,708

Regional update

Market	Index	%
Kenya (NSEASI)	152.99	0.28%
Mauritius (SEMDEX)	2,158.74	0.00%
Nigeria (NGSEINDEX)	33,246.91	0.80%
S.Africa (JALSH)	53,300.96	0.75%
Botswana (BGSMD)	9,232.17	-0.03%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.30	0.15%
EUR/USD	1.14	0.09%
USD/ZAR	13.19	-0.13%

(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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