

MORNING SUMMARY

Market Round-up

The market inched up a further 0.17% on Friday to close the week at a total market capitalisation of \$5.97bn. The Industrial Index rose 0.18% to 198.41 buoyed by gains in Hippo Valley Estates (HIPO: ZH), up 3.03% and Axia (AXIA: ZH), up 9.09%. The Mining Index remained unchanged at 69.19. No other movements were recorded during Friday's trading session. Total value traded fell 64.00% to \$1.05mn dominated by trades in Innscor (INN: ZH), Axia (AXIA: ZH) and Old Mutual (OML: ZH) contributing 69%, 13% and 11% respectively. We expect the market to start the week on a positive note on continued support in the heavyweights.

Local News

According to *The Sunday Mail*, the country's energy situation has improved after the Zimbabwe Electricity Supply Authority settled a \$43mn Eskom debt as well as due to improving generation at Hwange Thermal Power Station. Zimbabwe is using an average of 1,610MW daily, with 350MW imported from South Africa and Mozambique. The notable increase in local power generation to an average of 1,260MW daily from 1,020MW in January 2017 is attributable to refurbishment and maintenance of Hwange units, which upped generation to 530MW from an average of 329MW daily. According to Zesa spokesperson Fullard Gwasira, the improved power supply situation that has resulted in no load shedding since December 2015 is mainly as a result of the availability of the generation plants and imports. In addition, the authority now has favourable long-term agreements in place with Eskom.

The Sunday Mail reports that Fidelity Life Assurance (FIDL: ZH) has launched a joint medical aid-funeral cover called Fidelity Life Medicover. According to Fidelity Life general manager (marketing) Melanie Gumbo, the new scheme – available to all funeral policyholders – would give access to free prescription drugs for clients of Fidelity Life Medical Aid Society. This product was created as a direct response to market needs that show that the majority of Zimbabweans do not have access to medical insurance.

According to the *Daily News*, the government is spearheading efforts to force chrome mining companies to process the mineral before export. Ferrochrome production is expected to double to 300,000 tonnes this year. This comes after government had allocated chrome concessions to small mining companies in order to boost output. According to Minerals Marketing Corporation of Zimbabwe acting general manager Nomsa Moyo the revised beneficiation strategy is critical in ensuring local producers increase export receipts. Zimbabwe holds the second largest deposits of chrome, which is smelted to produce ferrochrome. Raw chrome exports are expected to reach 550,000 tonnes from 285,00 tonnes in the prior comparable period.

The *News Day* reports that the Zimbabwe National Tourism Master Plan (ZNTMP) has found that the three major airports in the country, in Harare, Bulawayo and Victoria Falls are underexploited by nearly 75% despite millions of dollars being spent refurbishing them. Combined, these three airports should handle at least 5.4mn passengers, but only handle 1.42mn. The ZNTMP found that the passenger volumes were low despite refurbishments made at the Victoria Falls Airport, upgrades at the Harare International Airport and JM Nkomo International Airport in Bulawayo.

Market data		
Industrial Index	198.41	0.18%
Mining Index	69.19	0.00%
Market Cap (\$bn)	5.97	0.17%
YTD		44.21%
Value Traded (\$mn)		1.05

Top 5 Movers

Gainers		Losers	
Axia	9.09%	-	-
Hippo	3.03%	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Value Leaders

Counters	Volume	Value (\$)
Innscor	1,000,000	722,500
Axia	1,150,000	138,000
Old Mutual	28,205	110,846
Ariston	4,396,007	35,168
Seedco	12,182	16,324

Regional update

Market	Index	%
Kenya (NSEASI)	153.13	0.09%
Mauritius (SEMDEX)	2,158.61	0.00%
Nigeria (NGSEINDEX)	33,261.66	0.04%
S.Africa (JALSH)	53,579.96	0.56%
Botswana (BGSMD)	9,206.55	-0.28%

Exchange rates

Currency	Cross rate	%
GBP/USD	1.31	-0.11%
EUR/USD	1.15	-0.08%
USD/ZAR	13.03	-0.03%

(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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