The MMC Monthly

Monthly Equities Review

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The Market Making Corporation

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The carnage continues in emerging market economies

Equity markets were buffeted throughout January by many factors, but the overriding driver was weakness in emerging markets. Jitters and the negative sentiment which have dominated several of the weaker emerging markets since May 2013 spilled over into the other markets in January 2014. The implementation of the US Federal Reserveꞌs (Fed) tapering of its bond purchase programme amplified the headwinds for emerging markets and led to a sharp sell-off in currencies and other assets. The sharp declines in prices and exchange rates in the emerging markets did not prompt the Fed to think twice about the scaling down of monetary-policy stimuli. Economic growth in the US is beginning to gather momentum with private spending and business investments as the most important driving forces. The MSCI World Index fell 3.2% over the month, with the emerging market index down 4.4% China released weak economic growth and sentiment indicators which also affected the emerging markets where yields increased, as opposed to the developed markets. In addition, several emerging market countries experienced increased political tensions and falling expectations of economic indicators, hence credit spreads have widened, and a large number of currencies have depreciated considerably. The biggest losers from the turmoil were Turkish and South African currency markets. The rate hikes by South Africa and Turkey were viewed by investors as being too little, too late in the face of slowing economic growth. Weaker than expected non-farm payroll figures and soft durable goods order numbers in the US for both December 2013 and January 2014 also weighed down on markets and investor fears of Chinese growth resurfaced as the HSBC Markit purchasing managersꞌ index (PMI) for manufacturing fell below 50 in January, indicating a slowdown in the economy.

Monthly Statistics

Table 1 : Global monthly equities performance

Indices	31-Jan-14	Monthly return	YTD Return
Industrial Index	189.25	-6.4%	-6.4%
Mining Index	35.04	-23.5%	-23.5%
DJIA	15,698.85	-5.3%	-5.3%
FTSE-100	6,510.44	-3.5%	-3.5%
NIKKEI	14,914.53	-8.5%	-8.5%
JSE	45,571.62	-1.5%	-1.5%
NAIROBI	4,856.15	-1.4%	-1.4%
NIGERIA	40,571.62	-1.8%	-1.8%
BOTSWANA	9,454.45	4.4%	4.4%

Source: ZSE, Bloomberg & Reuters

Eurozone out of the woods

The Eurozone continues to improve with forward looking survey data suggesting continued economic expansion. The January release of the economic sentiment survey and the composite PMI for the region reached their highest levels since the middle of 2011. There has also been a sharp drop in the perceived level of risk at the sovereign level as yields on government 10-year debt have fallen back to pre-crisis levels. Portugal easily reached its ú3.25 billion target for its first bond auction in over a year as the country prepares to exit its international bailout programme in May 2014. In Japan, Yenꞌs appreciation and concerns about emerging economy unrest triggered selling on the Tokyo market. The dollar was marginally stronger against leading currencies in January as shown by the 2% increase in the dollar index **(Table 2).** Volatility on global markets also spilled over to African capital markets. In South Africa, Kenya and Nigeria, stock market returns turned negative, erasing more than last yearꞌs gains (**Table 1).** The performance of these equity markets is not surprising, as all these countries have been receiving significant portfolio inflows in their local securities markets. On the upside, the Botswana DCI gathered 4.4% to close at 9454.45 points.

Table 2: Other key Indicators

INDEX	31-Jan-14	Monthly Change	YTD Change
VIX	18.41	34%	34%
DXY	81.31	2%	2%

Source: Reuters & Bloomberg

Zimbabwe equities market catches a cold

The local equities market closed in the red in January as the economy still lacks the stimulus for growth. The mainstream index took a 6% dip to 189.25 points. The resources index also trimmed 24% relative to December 2013 chiefly on the back of rising economic headwinds and the absence of long term capital. Mirroring the losses in the indices, the total market capitalisation pared 6 percentage points to end the month at US$4.9 billion.

… Emerging market economies continued to writhe with capital flow reversals …

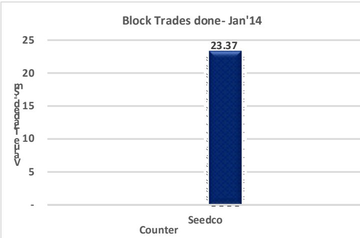
Monthly traded turnover, at US$63.97 million, was 30 percentage points higher than the December 2013 figure of US$49.20 million. Block deals in Seedco worth US$23.37 million were done in the month **(Fig.1)**. Foreign investor activity as measured by the foreign purchases to total trades ratio improved to 39% from Decemberꞌs 35%. Foreign sales were 19% of total trades down from the 32% achieved in December. Foreigners were net buyers of local equities in the month under review, with the net purchases figure improving to US$25.19 million compared to US$3.31 million in December 2013 propelled by the Seedco block trade. **(Fig.3)**. Foreign investor participation remains relatively strong, despite declining to 58% from 67% last month.

Table 3: Month-on-month trends

Month	Industrial Index	Mining Index
Jan-14	-6%	-24%
Jan-13	18%	29%
Jan-12	-5%	-21%

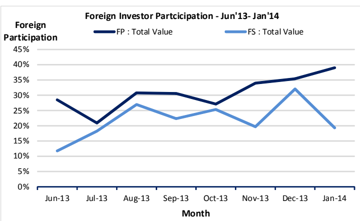
Source: ZSE

Figure 1: Block deals in Jan'14



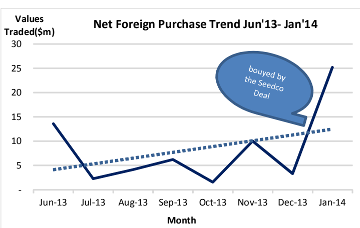
Source: MMC Capital Research

Figure 2: Foreign Investor Participation



Source: MMC Capital Research, ZSE

Figure 3: Net Foreign Purchase Trends



Source: MMC Capital Research, ZSE

Table 4: Monthly movers

Counter	31-Jan-14	Monthly	Market Cap ($m)
ART ZDR	0.40	100%	1.73
FIRST MUTUAL	10.00	25%	38.02
FALGOLD	6.00	20%	6.67
B A T	1,350.00	13%	278.55
KMAL	21.00	11%	51.53

Source: ZSE

Table 5: Monthly shakers

Counter	31-Jan-14	Monthly	Market Cap ($m)
AICO AFRICA	1.98	-67%	10.58
PELHAMS	0.05	-50%	0.50
WILLDALE	0.05	-50%	0.89
HUNYANI	1.01	-50%	3.23
ZIMPLOW	2.00	-43%	12.45

Source: ZSE

Art Corporation, led the monthly gainers pack, garnering 100% whilst insurer, First Mutual landed in second position, pocketing 25%. Falgold, BAT and Meikles also made it into the movers pack after collating 20%, 13% and 11% respectively **(Table 4).**

Agro concern, Aico, was the month's biggest decliner, dropping 67% of its share price to close at 1.98 cents after paying off the Seedco dividend. Retailer, Pelhams lost 50% to close at 0.05 cents. Brick makers, Willdale, retreated 50% to 3.4 cents. Hunyani also took a share price beating trimming 49.5% to close at 1.01 cents. The group's volumes for continuing operations for the full year ended 30 October 2013 increased by 9%, largely as a result of strong growth in tobacco related packaging products. Revenue from continuing operations of $47.7m grew by 5% relative to the prior period. Zimplow occupied the fifth position, easing 43% to close at 2 cents. (Table 5). Amongst the 10 most valuable stocks, only Delta, Innscor, Natfoods and TSL traded in the red. BAT and Seedco were the top performers adding 12.5% and 11% respectively whilst Delta was the worst performer. Delta has been under pressure following its trading update report which indicated faltering volumes growth. **(Table 8)**.

A closer look at the economy in January 2014

Economic indicators that were released in the month under review reflected a slowdown in economic growth. Aggregate demand was relatively subdued as increased pressure was exerted on disposable incomes, to the detriment of consumer spending. Inflationary pressures receded further as the absence of demand kept the general price levels at bay. Zimbabwe's year-on-year inflation cooled 21 basis points from 0.56% in November 2013 to settle at 0.33% in December 2013. Month-on-month inflation in December stood at negative 0.08% after shedding 0.17 points from 0.09 percent the previous month. Inflation is in retreat in Zimbabwe, showing the effects of spending power squeeze. The economy is in need of inflation and the slowdown in the inflation rate attests to the slowdown in economic growth.

Delta Corporation Limited, which is the largest company by market cap ($1.7 billion; 33% of the total market capitalization) on the local bourse published its trading update for the third quarter ended 31 December 2013 in the month under review. Revenue for the quarter came in 3% lower relative to the prior year. Lager beer volumes and sparkling beverages took a 25% and 6% dip compared to prior year. Retail price distortions which were triggered by the increase in excise duty in December 2012 also impacted negatively on beer volumes. The beverages giant's depressed numbers confirm that the local consumer's wallet continues to reel under immense pressure as consumer needs continue to outpace the growth in incomes. The reduction in consumer spending poses headwinds for Zimbabwe as this results in less demand for goods and services. With falling demand, companies will reduce production; implement cost-cutting measures; lay off workers - resulting in economic contraction.

These statistics place a damper on the growth prospects of Zimbabwe in 2014. The Treasury expects the local economy to record a growth rate of 6.1% anchored on strong recovery of the agricultural, mining and construction sectors. The Global Economic Prospect report which was published by the World Bank forecasts economic growth of 3.3%. Tourism was highlighted as a key sector which is increasingly becoming an important driver of growth in several Sub-Saharan African countries including Zimbabwe. Tourist arrivals to the region grew by 5.7% in the third quarter of 2013, bringing the year to date growth to 5.1 percent, compared to annual growth of 4.4 percent in 2012. The strongest performers for the quarter were Zimbabwe (+12.1 percent), Seychelles (+11.8 percent), Cape Verde (+8.7 percent), South Africa (+3.3 percent), Mauritius (+2.8 percent), and Swaziland (+2.1percent). The Tourism sector's contribution to the Zimbabwe economy is currently estimated at 10% and remains on the recovery path.

Zimbabwe's manufacturing sector came under the spotlight in the month as the Confederation of Zimbabwe Industries (CZI) revealed that several companies were struggling to remain afloat and were strong candidates for judicial management and liquidation. Lack of affordable lines of credit and ageing equipment were cited as the top impediments curtailing the utilization of excess capacity. According to the Ministry of Finance, the manufacturing

Table 6: ZSE Top-10 stocks movements

Market Performance					Valuations		
Name	Change	Sales ¢	Mkt CapUS$ mln	Weight	PE	PBk	RoE
Delta	-15.3%	118.61	1,470.5	30%	13.4	4.2	31%
Econet	0.0%	60.00	545.6	11%	6.74	1.04	25.2
Innscor	-6.3%	75.00	405.1	8%	10.43	2.80	33.5
BAT	12.5%	1,350.00	278.6	6%	40.91	28.40	58.8
OK Zim	0.0%	20.00	230.9	5%	17.39	3.83	20.5
Seedco	1.1%	91.00	186.7	4%	14.94	2.33	15.4
Hippo	0.0%	90.00	173.7	4%	12.68	0.85	6.7%
Natfoods	-2.5%	195.00	133.4	3%	9.57	2.41	25.2
TSL	-2.6%	37.00	128.6	3%	20.44	2.41	11.1
CBZ	0.0%	15.00	102.6	2%	1.90	0.61	25.4

Source: ZSE & MMC Capital Research

sector is expected to post a moderate 3.2% growth in 2014, relative to 1.5% in 2013 driven by the foodstuffs, tobacco, drinks and beverages subsector. We concur with CZI's opinion that Zimbabwe needs to mobilize significant amount of foreign direct Investment (FDI) to give life to the dying economy. Approximately US$10 billion is needed to revive the distressed economy with c. $5 billion alone required to replace obsolete industrial equipment. Our view is that the local manufacturing sector will remain besieged with structural challenges of inadequate infrastructure, foreign competition and limited raw materials in the short to medium term. The need to import has also meant that a lot of the manufacturers' funds have to be tied up for longer in inventories, further increasing the cost of doing business for these manufacturers hence the failure to compete with foreign products. Utility supplies remain another major challenge for the sector and electricity and water continues to pose the biggest impediment for manufacturers as the supply of these still remains erratic. These challenges continue to erode the manufacturing sector's competitiveness hence the increased import activity witnessed in Zimbabwe.

… The minister of industry made the headlines in the month, criticizing protectionist measures which were recently imposed by the government …

The minister of industry made the headlines in the month, criticizing protectionist measures which were recently imposed by the government, arguing that they are protecting inefficient local firms. His argument was premised on the idea that the government should not take part in conserving industries that, without competition, will adversely impact consumers in terms of quality and pricing. The minister also hinted that the Government will be instituting measures to manage imports as well as maintaining an even playing field with regards to cheap imports. We concur with the minister's view that if these measures are not implemented on a case by case basis, inefficient companies will be protected thus defying the concept of comparative advantage. Under the principle of comparative advantage, the gains from free trade outweigh any losses as free trade creates more jobs than it destroys because it allows countries to specialize in the production of goods and services in which they have a comparative advantage. The country needs to craft policies that facilitate the creation of comparative advantages by local manufacturers instead of protecting inefficient processes.

… The property sector bemoaned the lack of lack of mortgage finance and the current liquidity crisis highlighting that these factors are negatively impacting property sales….

The property sector bemoaned the lack of mortgage finance and the current liquidity crisis highlighting that these factors are negatively impacting property sales. The sector also cited the punitive interest rates as another impediment affecting their operations. The weakening of the economy has continued to exert pressure on occupancy levels, resulting in marginal rental growth and low collections in the sector. Rental collections are becoming difficult and tenant defaults are on the rise as incomes growth is constrained. Property developers are on the other hand suffering from depressed prices as the absence of demand is posing headwinds for property price growth. The local property sector will likely remain in a precarious position for as long as funding remains a constraint. The high interest rates obtaining in the economy coupled with the absence of capital will continue to present challenges to property price growth. There is no immediate indication of an improvement in incomes growth for the tenants either - thus quelling the prospects for improved rental yields in the short term. As the pressure on occupancies mount, the rentals trajectory is expected to be stagnant to downward.

Tobacco production – A bright spot in the dimming economy

… Despite the negative economic indicators, tobacco production remains the only bright spot in the dimming economic outlook and the prospects for the crop are looking brighter ….

Despite the negative economic indicators, tobacco production remains the only bright spot in the dimming economic outlook and the prospects for the crop are looking brighter. Tobacco output is expected to further swell this year with the treasury projecting a 2.6% increase in output to 170,000 tons. In the month under review, companies that ply in the tobacco sector that released their results acknowledged the positive impact that is being necessitated by the increase in aggregate tobacco production. TSL Limited's turnover for the year ended 31 October 2013 rose 27% to the $40.6m relative to the prior period on the back of an increase in tobacco national crop size. Hunyani Holdings Limited's group volumes for the year ended 31 October 2013 increased by 9%, largely as a result of strong growth in tobacco related packaging products. Area under crop is anticipated to increase to 90,000 ha from the 88,600 ha planted in 2013. Approximately 91,300 farmers have registered to grow the golden leaf in the 2013/14 summer cropping season, up from c.70, 900 who registered in the 2012/2013 season. Zimbabwe is the largest producer of tobacco leaf in Africa and the world's fourth largest producer of flue-cured tobacco after China, Brazil and the United States according to the Food and Agriculture Organization of the United Nations (FAO). In 2013, tobacco production output increased to 166,600 tons from 144,500 tons in 2012. The surge in production was necessitated by the increase in the area planted and the expanding number of growers. Tobacco Industry and Marketing Board (TIMB) statistics indicated that by the close of the 2012/13 marketing season, 166.5 million kgs of tobacco were sold realizing $616.1m.

Non-performing loans remain an albatross around the banking sector's neck

…The major highlights of the policy statement included the rising non-performing loans ratio; the slowing down deposit growth rate and lending to individuals constituting the highest portion of lending at the expense of productive sectors…

On the banking arena, the Reserve Bank of Zimbabwe (RBZ) presented the 2014 maiden policy statement in the month under review. The major highlights of the policy statement included the rising non-performing loans ratio; the slowing down deposit growth rate and lending to individuals constituting the highest portion of lending at the expense of productive sectors. Banks were also notified that the regulatory capital levels will remain as per the thresholds that were set for December 2012. The apex bank is anticipating to issue Treasury Bills (TBs) meant to provide acceptable collateral for inter-bank trading while simultaneously raising funds for the government to bridge short term financing gaps. The Australian Dollar (AUD), Chinese Yuan (CYN), Indian Rupee (INR) and Japanese Yen (JPY) were added to the multicurrency basket.

… The policy statement came after earlier indications that the central bank had placed seven troubled banks under surveillance in line with the Troubled and Insolvent Bank Policy amid concerns that the financial institutions could be facing insolvency problems…

The policy statement came after earlier indications that the central bank had placed seven troubled banks under surveillance in line with the Troubled and Insolvent Bank Policy amid concerns that the financial institutions could be facing insolvency problems. Non-performing loans remain an albatross around the banking sector's neck, clipping the sectors' turnaround efforts. According to the central bank, the local banking sector's Non-performing loans (NPL) to total loans ratio is maintaining an upward trajectory, settling at 15.92% as at 31st of December 2013 from 14.51% as at 30th June 2013. With no sign of improvement on the economic landscape, the central bank is of the view that the upward trajectory will likely be maintained. Quite evidently, the deteriorating economic fundamentals continue to contribute to the sector's worsening NPL ratio as most borrowers are now failing to service their debts due to reduced profitability. The result has been reduced lending to the economy which has further worsened the NPLs. The situation will have a huge bearing on the economy as the reduced credit supply will lead to working capital challenges and in many instances businesses will fail to fund capital expenditure. The net result will be a decline of private gross fixed capital formation and private consumption which in turn will negatively impact economic growth.

Funding remains the missing piece on the puzzle

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The local economy is running out steam and funding remains the missing piece on the puzzle. The initiative by the private sector to augment government's efforts to source for funding is a welcome development. The recent visit to the European Community is a critical first step, in our view, as it opens the room for dialogue. An update from the delegations indicated that foreign investors still anticipate an improvement in policy consistency, softer indigenization regulations among other conditions.

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On the local market, the ZSE will likely remain under pressure as the economy still lacks the impetus for growth. We maintain our overweight rating on the telecoms, consumer and retail oriented as well as the agriculture sector. We believe investors will reap positive return if they take selected positions in these sectors as they are consumer oriented and we believe consumer demand will remain relatively strong. OK Zim, Delta, Truworths and Innscor are our stock picks in the consumer and retail sector whilst we remain bullish on TSL and Seedco on the agricultural front. Econet provides a good investment case in the telecoms sector especially on a regional peer comparison. PPC and Natfoods are our core stock picks in the manufacturing sector. PPC and Lafarge's fundamentals are signaling an improvement largely driven by private home developments whilst Natfoods is set to benefit from the improved operational efficiencies and strong demand for its products which are largely basic. In the banking sector, we also believe that investors can unlock value in Barclays whose safe banking model is likely to pay dividends should the liquidity crunch persist.

Listed company statistics as at 31 January 2014

Counter	Sector	Monthly Change	Month's Price	Mkt Cap US$m	Rolling PE	Price/ Book	EV/ EBITDA	Earnings Yield	ROE	YTD	ROA
AICO	Agro processing	-67%	1.98	10.58	(1.57)	0.134843	5.23	(0.64)	(0.03)	-67.00%	-0.70%
ARISTON	Agro processing	-40%	0.60	8.27	15.00	0.61	(26.42)	0.07	0.13	-40.00%	5.77%
BAT	Agro processing	13%	1,350.00	278.55	40.91	28.40	21.21	0.02	0.59	12.50%	18.18%
BORDER	Agro processing	0%	20.00	8.59	2.95	0.08	2.29	0.34	0.03	0.00%	1.90%
COLCOM	Agro processing	9%	24.00	38.17	27.59	1.49	7.41	0.04	0.06	9.09%	4.46%
HIPPO	Agro processing	0%	90.00	173.72	12.68	0.85	6.00	0.08	0.07	-0.02%	3.90%
PADENGA	Agro processing	0%	8.00	43.33	9.52	1.48	5.91	0.11	0.17	0.00%	13.05%
SEEDCO	Agro processing	1%	91.00	175.64	14.94	2.33	13.52	0.07	0.15	1.11%	7.43%
ABCH	Banking	0%	59.00	42.32	5.09	0.34	(0.22)	0.20	0.21	0.00%	1.72%
BARCLAYS	Banking	0%	4.40	94.73	36.67	2.49	(6.50)		0.07	0.00%	0.92%
CBZH	Banking	0%	15.00	102.62	1.90	0.61	(0.67)	0.53	0.25	0.00%	3.31%
FBCH	Banking	0%	13.45	61.97	5.04	0.80	0.29	0.20	0.19	-0.37%	3.41%
NMB	Banking	0%	6.50	18.25	2.37	0.46	(3.55)	0.42	0.19	0.00%	3.13%
ZBFH	Banking	-1%	11.00	19.27	2.75	0.37	(2.89)	0.36	0.18	-0.90%	2.78%
CFI	Conglomerate	-6%	3.40	3.59	(0.92)	0.09	(20.38)	(1.09)	(0.11)	-5.56%	-5.11%
INNSCOR	Conglomerate	-6%	75.00	406.20	10.43	2.80	7.02	0.10	0.34	-6.25%	15.30%
MEIKLES	Conglomerate	11%	21.00	51.53	17.36	0.38	11.50	0.06	0.04	10.53%	2.01%
RADAR	Conglomerate	0%	8.00	4.09	(1.79)	0.11	6.00	(0.56)	(0.06)	0.00%	-2.33%
STAR AFRICA	Conglomerate	0%	1.00	5.18	(0.31)	(5.84)	(5.17)	(3.20)	18.15	0.00%	-33.62%
TA HOLDINGS	Conglomerate	7%	6.50	10.72	4.36	0.19	1.52	0.23	0.09	6.56%	3.17%
TSL	Conglomerate	-4%	37.00	128.61	20.44	2.41	15.90	0.05	0.11	-3.90%	7.86%
ECONET	ICT	0%	60.00	545.59	6.74	1.04	2.10	0.15	0.25	0.00%	12.32%
ZIMPAPERS	ICT	0%	0.80	4.61	2.76	0.58	2.91	0.36	0.22	0.00%	5.71%
AFRE	Insurance	25%	10.00	21.71	2.98	1.24	2.06	0.34	0.68	25.00%	6.51%
FIDELITY	Insurance	-31%	9.00	9.80	3.02	1.02	2.62	0.33	0.37	-30.82%	7.13%
NICOZDMD	Insurance	-4%	1.35	7.55	2.76	0.51	1.40	0.36	0.19	-3.57%	10.53%
ZHL	Insurance	-31%	1.00	7.75	4.17	0.16	(53.22)	0.24	0.11	-31.03%	4.28%
AFDIS	Manufacturing - Beverages	2%	30.50	28.98	35.88	5.27	16.51	0.03	0.15	1.67%	6.32%
DELTA	Manufacturing - Beverages	-15%	118.61	1,460.53	13.45	4.15	8.66	0.07	0.31	-15.34%	19.09%
LAFARGE	Manufacturing - Construction	0%	110.00	88.00	19.03	2.49	8.12	0.05	0.13	0.00%	7.44%
M&R	Manufacturing - Construction	-23%	5.00	10.74	21.74	0.55	4.10	0.05	0.03	-23.08%	1.34%
TURNALL	Manufacturing - Construction	0%	5.00	14.94	500.00	0.84	6.10	0.00	0.00	0.00%	0.11%
WILLDALE	Manufacturing - Construction	-50%	0.05	0.89	(0.83)	0.12	(6.21)	(1.20)	(0.14)	-50.00%	-7.08%
DZHL	Manufacturing - Food	7%	16.00	57.28	106.67	1.24	12.93	0.01	0.01	6.67%	0.87%
NATFOODS	Manufacturing - Food	-3%	195.00	133.38	9.57	2.41	7.36	0.10	0.25	-2.50%	13.76%
ART	Manufacturing - Nonfood	100%	0.40	1.87	3.64	0.17	4.37	0.28	0.04	100.00%	1.53%
ASTRA	Manufacturing - Nonfood	0%	5.00	6.99	5.68	0.54	3.16	0.18	0.10	0.00%	6.37%
GBH	Manufacturing - Nonfood	0%	0.08	0.42	(19.12)	0.09	0.59	(0.05)	(0.48)	0.00%	-17.32%
HUNYANI	Manufacturing - NonFood	-50%	1.01	3.23	3.26	0.15	2.10	0.31	0.04	-49.50%	2.25%
NTS	Manufacturing - Nonfood	4%	2.60	6.60	7.65	1.21	5.35	0.13	0.16	4.00%	10.89%
PIONEER	Manufacturing - Nonfood	0%	3.00	16.49	(1.82)	3.48	556.08	(0.55)	(0.12)	0.00%	-2.98%
POWERSPEED	Manufacturing - Nonfood	-17%	1.50	5.69	10.71	0.73	4.33	0.09	0.07	-16.67%	2.93%
ZECO	Manufacturing - Nonfood	0%	0.01	0.05	(0.02)	0.00	(0.02)	(66.00)	(0.09)	0.00%	-6.49%
ZIMPLOW	Manufacturing - Nonfood	-43%	2.00	10.05	6.25	0.38	6.09	0.16	0.02	-42.86%	1.21%
MEDTECH	Manufacturing - Pharmaceutical	-29%	0.05	1.40	1.52	1.04	6.53	0.66	0.35	-28.57%	5.76%
CAFCA	Manufacturing -Cables	-7%	26.00	8.48	6.34	1.20	4.24	0.16	0.18	-7.14%	10.93%
BINDURA	Mining	-38%	1.25	1.58	(0.63)	(0.26)	(0.54)	(1.60)	2.17	-37.50%	-25.33%
FALGOLD	Mining	-50%	6.00	6.67	(5.45)	(2.01)	(13.50)	(0.18)	0.50	-50.00%	-9.09%
HWANGE	Mining	-33%	6.00	11.02	(10.00)	0.11	2.53	(0.10)	(0.00)	-33.33%	-0.22%
RIOZIM	Mining	-9%	30.00	9.00	(12.71)	0.40	7.22	(0.08)	(0.13)	-9.09%	-2.45%
DAWN	Property	0%	1.00	24.57	16.67	0.29	13.60	0.06	0.02	0.00%	1.79%
MASH	Property	-2%	3.20	59.49	3.17	0.61	10.44	0.32	0.18	-1.54%	16.89%
PEARL	Property	0%	2.60	32.19	3.43	0.29	5.53	0.29	0.08	0.00%	7.61%
ZPI	Property	-19%	1.05	18.03	2.69	0.34	8.49	0.37	0.12	-19.23%	11.51%
EDGARS	Retail	3%	12.50	35.34	7.86	3.23	6.18	0.13	0.36	3.22%	11.18%
OK ZIM	Retail	0%	20.00	230.80	17.39	3.83	9.38	0.06	0.21	0.00%	10.36%
PELHAMS	Retail	-50%	0.05	0.50	(0.28)	0.14	(13.02)	(3.60)	(0.49)	-50.00%	-13.45%
TRUWORTHS	Retail	-5%	4.00	14.94	12.50	3.04	11.51	0.08	0.24	-4.76%	6.67%
AFRICAN SUN	Tourism	-4%	2.60	21.42	8.39	0.95	5.09	0.12	11.34%	-3.70%	4.46%
RTG	Tourism	-25.0%	1.20	19.75	(17.14)	1.34	18.18	(0.06)	-7.0%	-25.0%	-2.1%
TRUWORTHS	Retail	0.4%	2.71	10.12	10.42	2.08	8.37	0.10	20.7%	8.4%	5.8%
AFRICAN SUN	Tourism	-10.0%	1.90	15.65	6.13	0.644859	4.74	0.16	10.6%	111.1%	4.2%
RTG	Tourism	11.6%	1.35	22.21	(19.29)	1.64	20.26	(0.05)	-7.6%	-43.8%	-2.1%

Disclosure appendix

Analyst Certification
The following analyst(s) who is (are) primarily responsible for this report, certifies(y) that the opinion(s) on the subject security(ies) or issuer(s) and/or any other views or forecasts expressed herein accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: **Kudzanai Samudzi.**

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Additional disclosures

1 This report is dated as at 11 February 2014
2 All market data included in this report are dated as at close of 31 January 2014, unless otherwise indicated in the report.

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