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INVICTUS SECURITIES

Zimbabwe Stock Exchange

Morning Update

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ZSE Statistics

Zimbabwe Stock Exchange

Item	Closing	% Change
Industrial Index	134.71	(0.08)
Mining Index	29.10	-
Total Volumes '000'	4,329.28	0.22
Total Value 'US$ 000'	327.18	(0.75)
Active Counters	16.00	
Advances: Declines	4:2	

Major Movers	Price	% Change
DAWN	1.71	2.40
BAT	1,175.00	0.43
PHL	8.82	0.23
ECON	27.02	0.07
-	-	-
-	-	-

Dual Listings	Price	USD Equivalent
ABCH (BWP)		
PPC (ZAR)		
Hwange (ZAR)		
Old Mutual (ZAR)		

Major Decliners	Price	% Change
INNS	59.00	(0.66)
DELT	84.75	(0.29)
-	-	-
-	-	-
-	-	-

Corporate Calendar

Calendars	
Zimbabwe	
September 7- September 11	
Monday	
Tuesday	
Wednesday	
Thursday	
Friday	LDR FOR CBZ INTERIM DIVIDEND; RATE 0.212 C
	LDR FOR FBC INTERIM DIVIDEND; RATE 0.149 C

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Zimbabwe Press Summary

New IMF reform plan on cards (*NewsDay*, Friday September 11, Pg 9)

The International Monetary Fund (IMF) will work with government to develop a comprehensive reform plan after the conclusion of the Staff Monitored Programme (SMP), which is up for a final review next year, the global lender has said. Zimbabwe is under a 15-month successor SMP, which will be reviewed next year having met the quantitative targets in the first and second reviews. The SMP was put in place to improve the country's track record and re-engage with creditors on resolving the $8,4 billion debt. IMF head of delegation to Zimbabwe Domenico Fanizza told a roundtable discussion held in the capital yesterday that his team will come again in February next year for a third review and have agreed on the policies with authorities. The roundtable discussion was titled Economic Prospects for Zimbabwe and the Re-engagement Process.

Zim offers $600 mln bonds to service RBZ debt (*Daily News*, Friday September 11, Pg 11)

Zimbabwe has so far issued debt instruments worth $600 mln targeted at reducing the central bank's $1.3 bln debt, Reserve Bank governor John Mangudya has said. The central bank governor said the debt management office was currently working on verifying the remaining $800 mln claims before more instruments are issued. Mangudya expressed optimism that government will by year end have completed the verification process.

Chinamasa castigates fellow ministers over sanctions (*NewsDay*, Friday September 11, Pg 3)

Finance minister Patrick Chinamasa on Thursday said the International Monetary Fund (IMF) was not imposing its policies on Zimbabwe, adding that discussions under the Staff-Monitored Programme have been brutal, frank and cordial. Addressing delegates attending a roundtable discussion entitled Economic Prospects for Zimbabwe and Re-engagement Process, Chinamasa said: "I don't think we should be apologetic for seeking to become sound managers of our economy. What would you criticise if we agree that we will spend more on infrastructure and social services?" he said. "To the critics, let's zero in on the policies. Don't politicise the discussion. Let's dwell on the policy."

'Mobilise around common economic vision' (*Herald*, Friday September 11, Pg B1)

Zimbabweans should mobilise around a common vision and draw lessons from the execution of the liberation war which successfully brought economic emancipation. Labour and Economic Development Research Institute of Zimbabwe director Godfrey Kanyenze told a round table discussion organised by the International Monetary Fund in conjunction with the Ministry of Finance and Economic Development and the Reserve Bank of Zimbabwe yesterday that Zimbabweans are the best people to solve their problems. "When I was younger, my pastime was on bashing the IMF and the World Bank but when I grew older I realised that my life is my responsibility. No one owes me a living. It's time we come together to identify a common Zimbabwean model that labour, business, capital and all of us in civil society can actually be mobilised around," said Kanyenze.

Gvt to revamp retrenchment processes (*business*digest, Friday September 11, Pg 3)

Government is set to revamp the retrenchment process to reduce the period in which retrenchment applications are processed. The retrenchment route had been abandoned by employers after the July 17 Supreme Court ruling that allowed employers to dismiss workers on 3 months' notice. Employers have complained about the delays in the processing of retrenchment applications.

SPB cancels solar tender (*Herald*, Friday September 11, Pg 2)

The State Procurement Board has cancelled price bids from 4 companies that complied with the technical and funding tender for 300 megawatts solar projects further hamstringing government's quest to find a solution to perennial power shortages. The tenders were for Insukamini, Munyati and Gwanda and 100MW each. The cancellation is despite displeasure expressed by Cabinet over the delay that has characterised the tender.

ZSE mulls bond market comeback (*Herald*, Friday September 11, Pg B3)
Zimbabwe can tap into offshore funds invested by pension funds since 2011 if the proposed re-launch of the debt market is finalised. The Zimbabwe Stock Exchange believes the time is ripe for a securities market comeback and is currently in discussion with the Securities Commission of Zimbabwe regarding a pricing framework for the debt market and is awaiting regulatory approval for revised the listings requirements for the Debt Market. Currently, there is a prescribed assets' shortage, according to ZSE chief executive officer Alban Chirume.

ZAMCO takes up $188 mln bad loans (*Herald*, Friday September 11, Pg B1)
Banks have so far offered $188 mln worth of NPLs for takeover by the Zimbabwe Asset Management Company while a further $68 mln NPLs from loans taken by four companies are being evaluated. Financial institutions are sitting on about $577 mln worth of NPLs and banks reserve the right to decide the bad loans they want acquired by ZAMCO. ZAMCO acting chief executive Cosmas Kanhai said the asset manager would use a combination of sources to finance the takeover of NPLs after the company received $45 mln from PTA Bank to fund the process. Kanhai said the Reserve Bank of Zimbabwe's special purpose vehicle would also issue Treasury Bills to mobilise funds to pay for acquired NPLs. The TBs will also be used by banks to obtain liquidity. They are discountable for cash and can be pledged as Government guaranteed security for liquidity support. Further, the TBs are acceptable to the RBZ for calculating capital adequacy. Dr Kanhai said ZAMCO had also set up a sinking fund to help finance the purchase of bad loans from bank to help free up their balance sheets.

ZipCash transactions up 6.4% in Q1 (*Herald*, Friday September 11, Pg B3)
Postal and courier services firm Zimbabwe Post (Zimpost) subsidiary ZipCash, processed transactions worth over $700 000 during the first quarter of this year, a 6.4% increase from the previous quarter, official statistics show. The transactions were processed through a branch network of 262 post offices throughout the country. Launched in 2013, ZipCash is an electronic version of the old money order system and allows Zimbabweans to send cash locally and internationally through any post office.

Afreximbank facility grows to $136 mln (*NewsDay*, Friday September 11, Pg 10)
The African Import Bank (Afreximbank) guaranteed interbank facility now has $136 mln after local banks contributed a further $16 mln as confidence in the system which has the function to distribute liquidity grows. The facility, the African Export Import Bank Trade Debt Backed Securities (Aftrades), was launched in March with an initial pool of $100 mln to help in the distribution of liquidity in the banking sector. The Reserve Bank of Zimbabwe (RBZ) reported in July that the facility had grown to $120 mln. Speaking at the KPMG 2015 IFRS and business seminar yesterday in Harare, RBZ financial markets deputy director, William Manhimanzi said local banks have more confidence in the facility, which is guaranteed by a foreign financial institution.

Stanbic unveils $300 mln loans annually (*Daily News*, Friday September 11, Pg 12)
South Africa's Standard Bank group is injecting at least $300 mln annually in Zimbabwe through its local unit, Stanbic Bank, aimed at resuscitating the country's ailing economy. Stanbic Bank's chief finance officer, Solomon Nyanhongo, said the strong support that his institution has received from its parent company contributed significantly to the viability of the agriculture and mining sectors in Zimbabwe, which forms part of the major economic pillars of the country.

'Lack of chain cohesiveness threatens cotton sector' (*Herald*, Friday September 11, Pg B2)

The Common Market for East and Southern Africa has pointed out lack of chain cohesiveness in Zimbabwe's cotton sector as a threat to the achievement of objectives set under the Cotton to Clothing export strategy launched last year. COMESA and Zimbabwe signed an agreement for the regional trading bloc to provide a 4.2 mln euro grant to boost value addition in the clothing sector but the lack of value chain cohesiveness has been evident within the cotton sector where different players have been working in isolation and sometimes against each other. Speaking at the handover of equipment by COMESA aimed at supporting Zimbabwe's regional integration efforts yesterday, executive director COMESA clearing house Mahmoud Mansoor said lack of a united voice in the cotton sector has hindered joint promotional activities across the cotton value chain.

Anchor Yeast gets $17.5 mln boost (*NewsDay*, Friday September 11, Pg 9, also in *Daily News*, Pg 11)
French company Société Industrielle Lesaffre (Lesaffre) and Anchor Yeast Holdings have brought together a total of $17.5 mln as capital investment into a yeast business. The business, Lesaffre Zimbabwe, is a culmination of Lesaffre's acquisition of a 60% stake in Anchor Yeast (Private) Limited in a deal worth $11.5 mln. Anchor Yeast is the flagship subsidiary of Anchor Holdings Private Limited, a family-owned diversified investment holding company. Speaking at the Anchor Yeast and Lesaffre's signing ceremony yesterday, Lesaffre's overseas baking region president Jean Philippe Poulin said they were excited at the business prospects, envisioning that Lesaffre Zimbabwe would become a leading yeast manufacturer in the Sadc and Comesa regions.

NetOne completes $40 mln equipment installation (*Herald*, Friday September 11, Pg B3)
NetOne, a mobile telecommunications company owned by the Government has completed installation of network equipment worth over $40 mln, as it seeks to strengthen its position against local rivals, its managing director Reward Kangai said yesterday. Helped by a $219 mln loan secured from the Exim Bank of China, the company has installed over 100 new base stations countrywide, most of them at different stages of commissioning.

TelOne scales down fibre optic cable project (*NewsDay*, Friday September 11, Pg 4)
TelOne has scaled down its modernisation project for fibre optic cable installation awarded to a Chinese company due to delays and non-availability of funding by the contractor. The $98 mln contract meant to upgrade and modernise the network was awarded to Huawei Technologies of China in 2010, but it has taken long to take off due to what TelOne managing director Chipo Mtasa said "are processes here in Zimbabwe as well as in China". The scaling-down of the project comes amid allegations from some workers that the project had been overpriced and taken long to hit the ground so that it could give the State utility more revenue streams.

TelOne confirms slashing salaries by 15% (*business*digest, Friday September 11, Pg 1)
TelOne has officially confirmed that it has cut staff salaries by 15% in a bid to align its business' operating model to productivity and lower operating costs. TelOne Corporate Communications manager Melody Harry said salary cuts were part of a broader strategy to lower operating costs by 20% and align staff costs to 32% of revenues.

4 buyers bid for Gulliver assets (*Herald*, Friday September 11, Pg B3)
At least 4 buyers are bidding for Gulliver Consolidated assets that are up for sale, the provisional liquidator of the steel company Reggie Saruchera has said. Saruchera said they have been seeing an increase in buyers interested in the assets after they decided to dispose assets separately as opposed to a whole unit."We decided that we will sell the Harare assets separately from the Bulawayo assets to make it easier to sell them because the money required for each unit will be less and we are more likely to find willing buyers for each unit. Obviously we realised that it would be difficult to get a buyer for the whole group as was the case with Blue Ribbons and Cairns. "We are currently in negotiation with the four prospective buyers

although we are expecting more," he said. Saruchera said that the cost of the Harare and Bulawayo units will be subject to negotiations with the prospective buyers.

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