



PORTFOLIO MANAGER'S DIGEST FULL YEAR 2016

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“Predicting rain doesn't count. Building arks does.” – Warren Buffet.

FY 2016 Zimbabwe Stock Exchange Review

Market Summary

The Zimbabwe Stock Exchange's (ZSE) main Industrial Index garnered a return of 25.59% for the year bolstered by a return of 46.05% in the final quarter of the year. As at 30 September 2016 the industrial index was down 13.8% and was at a lower level than when the market opened in 2009. The mining index registered aggressive returns of 149.19% for the year underpinned by a final quarter return of 119.88%. The strong returns in the final quarter of the year were largely not supported by fundamental characteristics as corporates were still reporting nascent or negative revenue and profitability growth. The mining index returns were underpinned by a surge in the nickel price supporting the Bindura's share price growth and positive sentiments following Rio Zim's financial restructuring and acquisition announcement. Largely underpinning the growth in the industrial index was the investor flight away from cash and cash equivalent assets and into equities given the perceived negative connotations surrounding the bond notes.

The operating environment has remained difficult with most sectors on the ZSE experiencing shrinking revenue, thinner margins and poorer profitability. There was a turn for the better regarding capacity utilisation in industry following the Statutory Instrument 64 of 2016 which prohibited the importation of some locally manufactured goods and the instigation of an import priority list by the Reserve Bank of Zimbabwe (RBZ). Going forward however this capacity utilisation has been threatened by the unavailability of foreign currency to import raw materials for local industries.

The total value of shares traded on the ZSE in FY 2016 was US\$193.9m which is 15.1% lower than the total value of trades recorded in FY 2015. It should be noted that foreign investors were net sellers of US\$80m worth of equities on the ZSE and accounted for 51.17% of all trades.

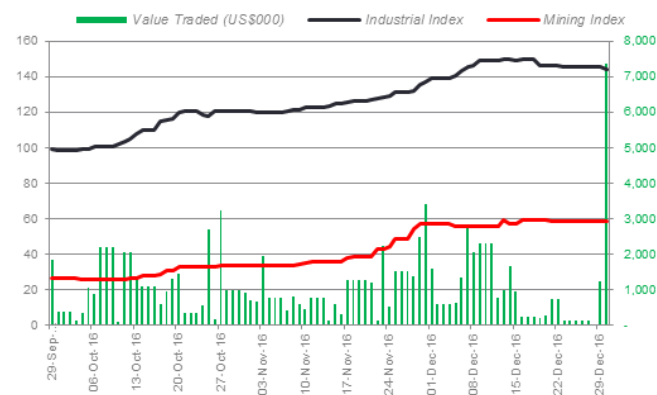
Some of the significant events that happened during the year include the separation of INNSCOR's speciality retail segment (AXIA) and listing by way of dividend in specie on the ZSE and divesture from 6 corporate SPAR stores; CFI subsidiaries Victoria Foods and Crest Poultry were placed under judicial management; DAWN issued a notice of intention to acquire Makasa Sun (pvt) Ltd from Barclays Pension fund; DELTA received a notice of intention to terminate its bottler agreement from The Coca-Cola Company; FALGOLD announcement regarding the intention by RIO ZIM to acquire Dalny Mine; RIO ZIM concluded its US\$10m rights issue; HWANGE suspending its intention to pursue a capital raise and instead pursuing a scheme of arrangement; MEIKLES failure to get written commitment from the Government of Zimbabwe for settlement of its outstanding debt; NATFOODS acquisition of a non-controlling stake in Pure Oils and 100% stake in Breathaway Foods; NSSA acquired a 44.85% stake in NICOZ; PELHAMS and RADAR delisted from the ZSE; 100% of issued PGI shares being acquired by Dewei Investments and approval of a secondary scheme of arrangement; PPC concluded a rights offer of ZAR4

billion; STAR AFRICA secondary scheme of arrangement was approved; TURNALL's MD and FD leave the company; ZBFH removed from OFAC sanctions list and the case with Transnational Holdings was resolved; ZECO suspended from the ZSE official list.

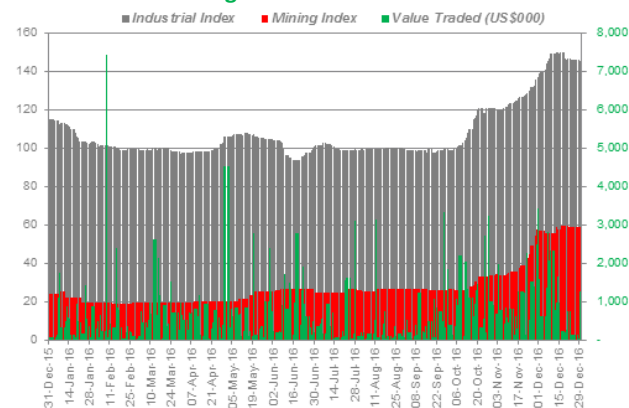
The table below shows the key performers and non-performers during Q4 2016 and FY 2016. The graphs show the trend for the industrial and mining Indices as well as the value of trades.

Top Movers			
Q4 2016	% Change	12 Months	% Change
INDUSTRIAL	46.05%	INDUSTRIAL	25.59%
MINING	119.88%	MINING	149.19%
GENBELT	300.0%	GENBELT	700.0%
ART	103.33%	ART	510.0%
NICOZ	71.88%	RIO ZIM	188.46%
RIO ZIM	71.62%	BINDURA	166.67%
STARAFRICA	66.67%	PADENGA	122.22%
Losers			
Q4 2016	% Change	12 Months	% Change
CAFCA	(55.0%)	MEDTECH	(50.0%)
MEDTECH	(50.0%)	CAFCA	(49.88%)
INNSCOR	(37.48%)	PPC	(45.0%)
BINDURA	(34.64%)	NTS	(35.29%)
BARCLAYS	(34.12%)	ARISTON	(32.69%)

Industrial and Mining Index Q4 2016 Trend



Industrial and Mining Index 12 Month Trend



Source: ZSE & OMSEC Research Data base

Zimbabwe Stock Exchange Trade Statistics

	Total value traded	Volume traded	Industrial Index	Mining Index	Vol. of shares (foreign)	Val. of shares (foreign) \$	Net foreign inflows	\$ Market capitalisation	ZSE Liquidity	Foreign participation %
Jan-16	\$ 11,345,452	61,882,757	103.04	19.53	57,593,984	\$ 14,661,852	\$ 4,288,882	\$ 2,790,443,132	4.9%	64.6%
Feb-16	\$ 15,556,982	95,020,938	99.50	19.14	108,094,947	\$ 18,794,061	\$ 8,226,345	\$ 2,694,927,768	6.9%	60.4%
Mar-16	\$ 16,428,570	97,601,725	97.61	19.53	102,754,224	\$ 22,638,728	\$ 4,205,264	\$ 2,645,057,408	7.5%	68.9%
Apr-16	\$ 14,026,916	188,294,392	105.79	20.16	100,050,049	\$ 15,489,906	\$ 1,070,552	\$ 2,862,611,862	5.9%	55.2%
May-16	\$ 13,868,487	99,055,230	104.70	25.54	68,389,611	\$ 14,349,863	\$ 1,270,845	\$ 2,881,344,798	5.8%	51.7%
Jun-16	\$ 18,064,621	88,525,472	101.04	24.7	127,508,600	\$ 26,703,514	\$ 4,537,801	\$ 2,780,939,970	7.8%	73.9%
Jul-16	\$ 11,838,625	57,222,624	98.84	25.72	71,201,211	\$ 13,499,671	\$ 5,151,276	\$ 2,722,044,639	5.2%	57.0%
Aug-16	\$ 7,075,762	41,264,438	99.26	26.32	28,633,955	\$ 6,522,372	\$ 4,328,463	\$ 2,734,327,076	3.1%	46.1%
Sep-16	\$ 13,049,389	69,049,535	98.96	26.61	44,704,941	\$ 12,674,651	\$ 6,370,229	\$ 2,725,133,069	5.7%	48.6%
Oct-16	\$ 23,200,856	177,384,284	120.82	33.76	144,207,441	\$ 20,972,942	\$ 16,830,811	\$ 3,328,256,173	8.4%	45.2%
Nov-16	\$ 23,460,016	233,749,377	137.08	57.38	159,101,141	\$ 20,525,189	\$ 12,921,251	\$ 3,804,635,536	7.4%	43.7%
Dec-16	\$ 25,996,713	292,538,969	144.53	58.51	81,833,814	\$ 13,757,064	\$ 10,859,623	\$ 4,007,957,110	7.8%	26.5%
12 Month Total	\$ 193,912,389	1,501,589,741	144.53	58.51	1,094,073,918	\$ 200,589,815	\$ 80,061,343	\$ 2,998,139,878	6.5%	51.7%
Q4 2016	\$ 72,657,585	703,672,630	144.53	58.51	385,142,396	\$ 55,255,195	\$ 40,611,686	\$ 2,998,139,878	2.4%	38.0%

Average*

(ZSE and OMSEC Research Data base December 2016)

Economic Review

According to the latest Fiscal Policy Statement, Zimbabwe's economy is forecast to grow by 1.7% with deflation expected to persist in 2017. The growth of 1.7% is expected to be underpinned by positive performances in the Agricultural and Mining sectors whilst a subdued performance in the Manufacturing sector will limit GDP growth. The International Monetary Fund however forecasts a contraction of the Zimbabwean economy by 2.5%. Some of the notable risks that underpin the negative growth projection by the IMF pertain to lower than anticipated commodity prices, fiscal challenges and weak policy implementation in a challenging domestic political environment. In contrast, the Ministry of Finance believes that the command agriculture policy which saw an additional US\$500m being sourced for Agriculture along with audit trails for effective resource utilisation is likely to result in a resurgent Agricultural sector. Backing this projection has been a better forecast for rains in the 2016/17 Agricultural season. The Zimbabwe Government in addition believe that a commodity price recovery in 2017 will improve the country's mining sector performance.

We are of the opinion that the Agricultural Sector's performance will be better than that achieved in the 2015/16 season. Import restrictions mid-way through 2016 and promotion of the use of plastic money as well as physical currency shortages were instrumental in industrial capacity utilisation improving from 34.4% in 2015 to 47% towards the end of 2016. This was due to demand for imports shifting towards locally manufactured products as a result of the import restrictions. Secondly, currency shortages resulted in formal businesses receiving improved sales at the expense of the informal sector which had no platform to transact with plastic money. Notwithstanding the improved trend in capacity utilisation, unless supportive measures are implemented to ensure that foreign currency generation improves, a reversal of the gains already achieved may result. Signs of this are already popping up as some reports suggests that retailers have begun resorting to buying foreign currency at premium rates on the black market in order to restock and passing on the premium incurred to customers. This, if left unchecked is likely to result in internal inflation and resultantly less competitive products that could otherwise potentially earn export receipts. That said, we are of the opinion that GDP is unlikely to register positive growth if the foreign currency shortages persist.

Highlighting the Reserve Bank of Zimbabwe's (RBZ) initiatives to support export growth is the bond note export incentive scheme and import priority list. The bond note limit to US\$200m emphasizes the fact that they will not be an answer to the current nostro shortages being experienced. The long term solution to the shortages will be sustained industrial sector growth which will reduce the need for imports; and growth in export oriented industries which will improve the inflow of foreign currency. The import restrictions and priority import list from the RBZ have seen the trade deficit reducing from US\$3.9bn in 2015 to US\$1.9bn as at September 2016. However export receipts came down to \$2.2bn as

at September 2016, a decline of 15.8% when compared to 2015. Thus consistent pro-business policies have to be implemented and maintained to improve economic performance.

Investment Markets Review and Outlook

Equities

The positive performance in Q4 2016 saw a reversal of the bearish conditions that were prevalent for the better part of the year. The reversal of the bearish trend however was not underpinned by fundamental factors as companies continued to report poorer comparative results with most forecasts pointing to a further deterioration in their performance based on a poor economic environment. The recovery in stock prices was therefore more a reflection of investor flight from money market assets to the equity asset class as certainty surrounding the bond note's release in the final quarter of the year drove up the equities market. Going forward into 2017 we expect an asset re-pricing of the equities market as we believe that most quality stocks have been either fully valued or are trading at a significant premium to their fundamental valuation case. Thus in the absence of any significant economic shift we do not expect a fundamental growth in the performance of the Zimbabwe Stock Exchange.

Property Sector

Property prices have remained more or less unchanged from the prior year levels on a cost replacement basis however the earnings yield for most property classes deteriorated during the course of the year. For the listed space, average property rental yields declined from an average of 8% in 2015 to 6% in 2016. We forecast continued deterioration in rental yields as economic activity continues to slow down. Recovery in this sector is subject to economic activity at the micro level improving. In the outlook businesses are revising cost structures downwards with tenants continuously renegotiating their rentals downwards and or right sizing their businesses into smaller spaces. This should see rental yields remaining depressed.

Money Market

Money market investment rates for most institutions were under downward pressure as the RBZ made use of moral suasion to peg the maximum lending rate at 15%. Given the harsh economic environment and limited access to long term funds, bank's cost of funds remained sub-optimal as most medium to long-term credit had to be sourced from external financiers who have a high credit cost attached to Zimbabwe. Going forward we do not believe that the cost of capital for on-lending will change significantly therefore limiting the returns that can be passed onto investors. We expect money market investment rates to remain depressed and the credit environment to improve only in the medium to long term.

Outlook

Economic activity is likely to remain depressed and resultantly investment markets are likely to perform in sympathy to this. Investors are expected to make a shift towards investment in value preservation assets ahead of growth assets which are riskier.

Equity Return Analysis

Total Return Analysis	Q3 2016 (usc)	Q4 2016 (usc)	Capital Gain/(Loss) (usc)	Dividend past 12 months (usc)	Quarter Return	YOY Return	Total 12 Month Return
DELTA	60	88.5	28.5	5.30	47.5%	24.68%	32.15%
ECONET	19.6	30	10.4	0.90	53.06%	42.25%	46.51%
BAT	1220	1525	305.0	62.00	25.0%	25.0%	30.08%
INNSCOR	23.05	48.00	24.95	0.90	108.24%	60.21%	63.22%
NATFOOD	212.25	360.25	148.0	10.44	69.73%	37.41%	41.39%
SEEDCO	59.75	101	41.25	2.00	69.04%	20.6%	22.99%
OLD MUTUAL	290	349.21	59.21	12.36	20.42%	71.39%	77.46%
SIMBISA	12	16	4.0	0.24	33.33%	2.56%	4.1%
PADENGA	11.4	16	4.6	0.41	40.35%	122.22%	127.92%
OK	3.4	7.1	3.7	-	108.82%	42.0%	42.0%
CBZH	9.96	10.5	0.54	0.45	5.42%	(4.46%)	(0.41%)
AFDIS	44	60	16.0	0.45	36.36%	7.76%	8.57%
BARCLAYS	2	3.2	1.2	-	60.0%	(24.71%)	(24.71%)
HIPPO	19.9	35	15.1	-	75.88%	(5.41%)	(5.41%)
TSL	14.59	17.1	2.51	0.33	17.2%	7.28%	9.35%
COLCOM	18.5	37	18.5	1.05	100.0%	106.7%	112.57%
FBCH	6.4	8	1.6	0.37	25.0%	14.29%	19.61%
BINDURA	1.2	4	2.8	-	233.33%	166.67%	166.67%
PEARL	1.98	3.5	1.52	0.06	76.77%	52.17%	54.74%
GETBUCKS	3.7	3.7	0.0	0.07	0.0%	8.19%	10.2%
Mid Cap Listed Companies							
DAWN	1.6	1.6	0.0	-	0.0%	(20.0%)	(20.0%)
MASH	1.64	1.99	0.35	0.03	21.34%	(9.55%)	(8.18%)
RIO ZIM	17.48	30	12.52	-	71.62%	188.46%	188.46%
AXIA	3.6	6.72	3.12	0.372	86.67%	(10.4%)	(5.44%)
MEIKLES	7.4	13	5.6	-	75.68%	52.94%	52.94%
LAFARGE	20	39	19.0	-	95.0%	11.43%	11.43%
ART	3	6.1	3.1	-	103.33%	510.0%	510.0%
ZIMRE	1.65	1.65	0.0	-	0.0%	28.91%	28.91%
RTG	1	1.2	0.2	-	20.0%	0.0%	0.0%
DZL	3.6	6	2.4	-	66.67%	(18.92%)	(18.92%)
NAMPAK	1.9	2.4	0.5	-	26.32%	54.84%	54.84%
ZPI	0.65	1	0.35	0.01	53.85%	5.26%	6.53%
FIRST MUTUAL	2.21	4.2	1.99	-	90.05%	86.67%	86.67%
NICOZ	1.6	2.75	1.15	-	71.88%	82.12%	82.12%
NMB	3.8	3.9	0.1	-	2.63%	11.43%	11.43%
Currency Appreciation					Quarter Return	YTD Return	
usd/zar	14.8605	13.8439			(6.84%)	(11.33%)	
usd/gbp	0.77495	0.77067			(0.55%)	14.23%	
usd/eur	0.90442	0.89501			(1.04%)	(2.42%)	
usd/yen	100.913	101.154			0.24%	(15.95%)	

*Source: OMSEC Research Data Base

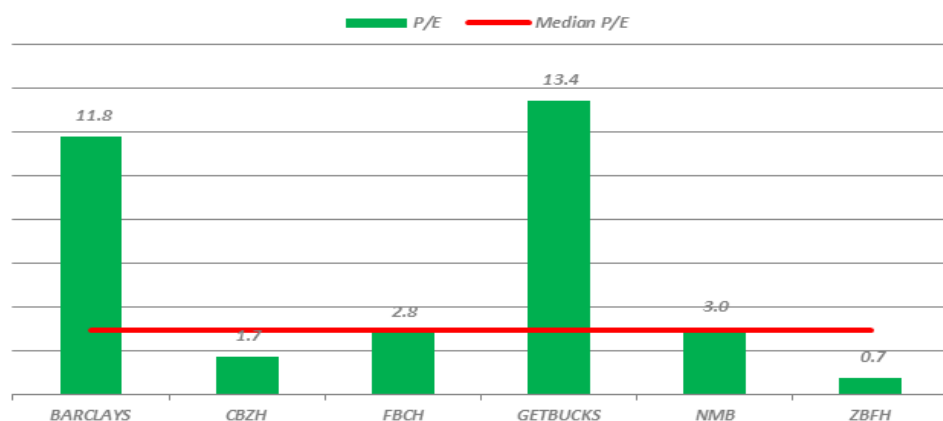
Market Sector Valuation Overview

30-Dec-16 Sector	MKT CAP USD(m)	SECTOR (USD m) R. Earnings	SECTOR R. P/E	SECTOR P.NAV	SECTOR INDEX YTD RETURN
Commodities	376.4	(8.4)	-	0.8	55.7%
Bank	258.2	97.0	2.66	0.3	11.4%
Insurance	259.9	1.5	177.82	0.03	21.8%
Beverages	1,506.4	92.1	16.36	2.7	41.9%
Diversified	42.8	(56.6)	-	0.2	50.0%
Food	394.3	15.7	25.11	2.9	74.8%
Hotel	32.4	(12.8)	-	2.0	13.0%
Retail	397.5	23.9	16.64	1.0	98.6%
Consumer	89.5	8.9	10.11	1.7	38.6%
Communication	492.0	31.0	15.90	0.8	53.1%
Manufacturing	141.0	41.6	3.39	0.2	57.3%
Property	136.8	56.5	2.42	0.4	29.7%
Mining	95.2	(113.3)	-	(2.0)	119.2%

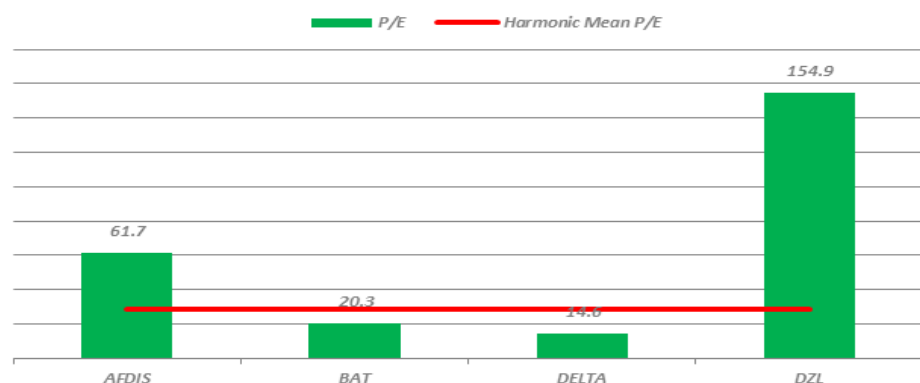
Source: OMSEC Research Data Base

ZSE Sector Price Earnings Relative Comparisons

Banking Sector P/E Graph



Beverages Sector P/E Graph



Commodity Sector P/E Graph



Bank	Value	Quarter Change
Sector Index	229.2	11.4%
Best Performer		
BARCLAYS	3.2	60.0%
Worst Performer		
GETBUCKS	3.7	0.0%

CBZH, ZBFH and FBCH are the most attractive companies on a P/E scale. GETBUCKS relatively low earnings saw its P/E balloon to 13.4X. The banking sector earnings remain quite subjective given potential impairment write offs and NPLs.

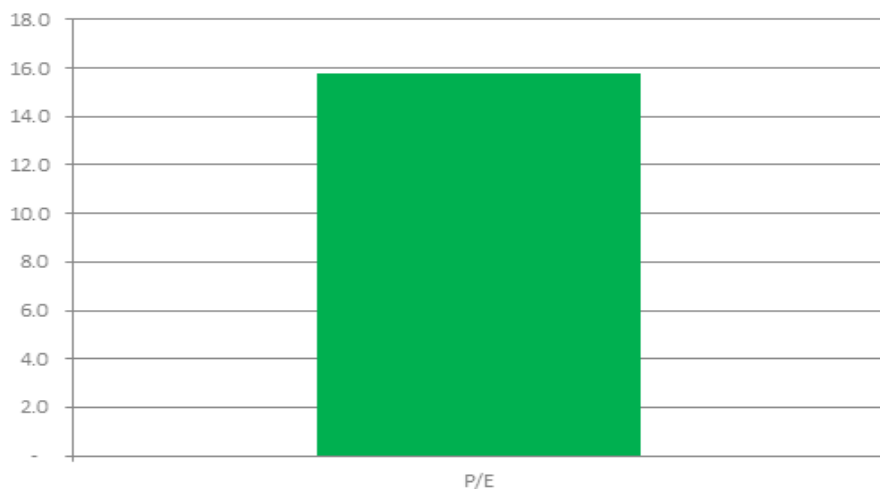
Company	Value	Quarter Change
Sector Index	618.9	41.87%
Best Performer		
DZL	6	66.67%
Worst Performer		
BAT	1,525	25.0%

BAT and DELTA P/E's are attractive on a comparative basis. However we believe that the sector is currently overheated. DZL and AFDIS are over-priced on a sector P/E relative scale. BAT's dividend yield has reduced significantly following its share price appreciation.

Commodities	Value	Quarter Change
Sector Index	224.6	55.74%
Best Performer		
HIPPO	35	75.88%
Worst Performer		
ARISTON	0.35	(22.22%)

The best performer in the commodities sector was HIPPO with a 75.9% return. During the year, commodity prices have been improving, locally however utility costs and production delays worked against this sector's performance. TSL is the most attractive contender on a P/E scale and SEEDCO is overvalued on a sector relative P/E scale.

ECONET



Econet is the only company whose operations are in the mobile communications sector and listed on the Zimbabwe Stock Exchange. Notwithstanding being the only listed company they remain a market leader even amongst its unlisted peers. On a P/E scale the company is trading at a discount to the ZSE overheated P/E of 21X.

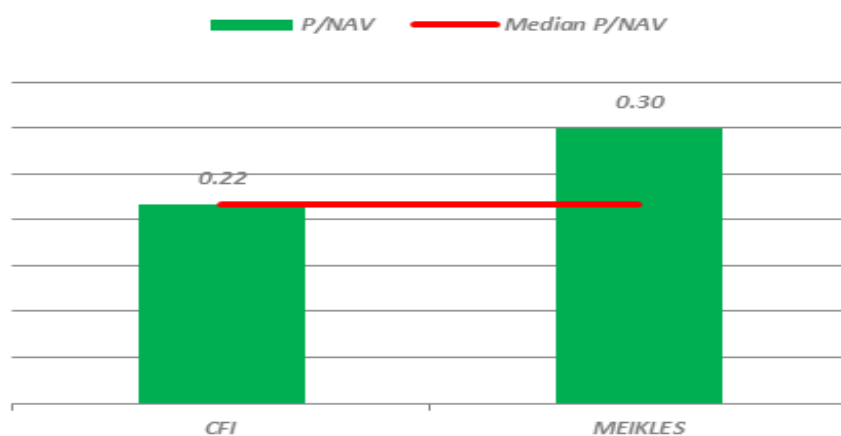
Specialised Goods Sector P/E Graph



Specialised	Value	Quarter Change
Sector Index	310.8	38.55%
Best Performer		
PADENGA	16	40.35%
Worst Performer		
ZIMPAPERS	0.5	0.0%

PADENGA rebounded with a return of 40.4% during the quarter and was the best performer in this sector. ZIMPAPERS operations have begun to turn a profit following its restructuring however we are concerned by the size of receivables on the company's balance sheet.

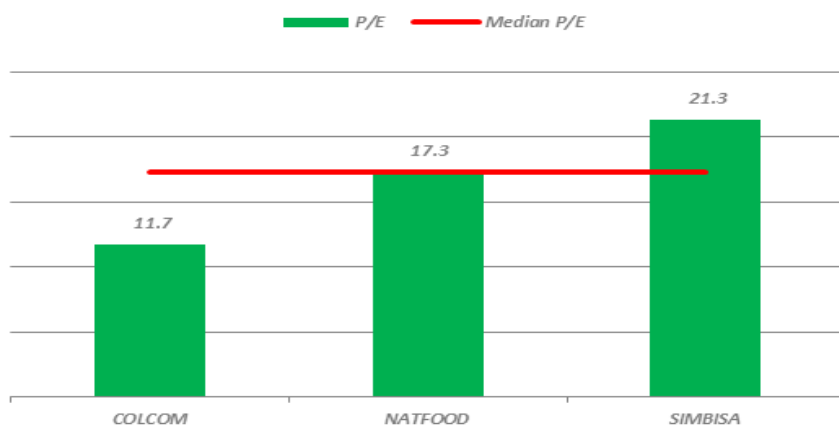
Diversified Sector P/NAV Graph



Diversified	Value	Quarter Change
Sector Index	25.6	49.99%
Best Performer		
MEIKLES	13	75.68%
Worst Performer		
CFI	9.74	2.53%

CFI's subsidiary units are under judicial management with potential recapitalisation still being pursued through a technical partner. Meikles is gaining market share through its retail outlets, however the prospects of these companies are heavily dependent on aggregate demand picking up.

Food Sector P/E Graph



Food	Value	Quarter Change
Sector Index	3,513.3	74.83%
Best Performer		
COLCOM	37	100.0%
Worst Performer		
NATFOOD	360.25	69.73%

COLCOM remains the most attractive company on a P/E basis however the company's shares have limited liquidity. Simbisa with a P/E of 21.3X is trading at a premium to the sector average.

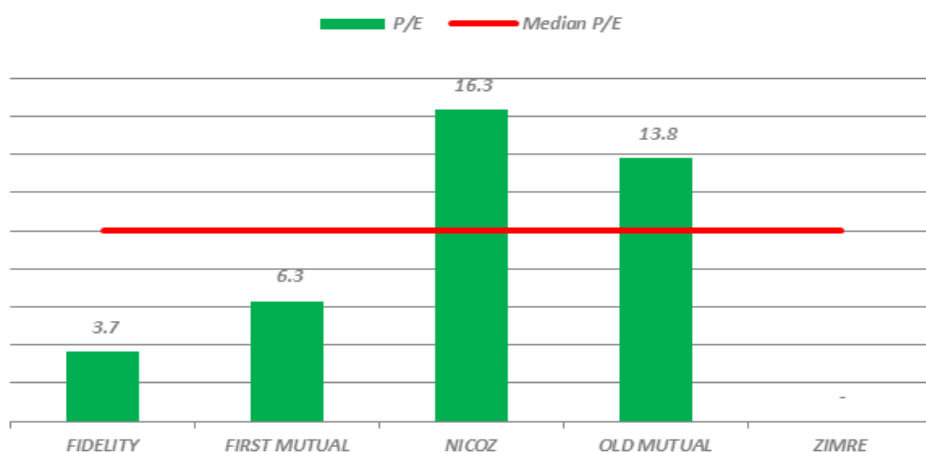
Hotel Sector P/NAV Graph



Hotel	Value	Quarter Change
Sector Index	47.6	13.04%
Best Performer		
RTG	1.2	20.00%
Worst Performer		
AFSUN	1.2	0.0%

The sector continues to lack the necessary critical mass to breakeven but requiring continual investment for hotel refurbishments. On a 12 month rolling basis both listed hotels had negative earnings and could not be ranked on a P/E scale.

Insurance Sector P/E Graph



Insurance	Value	Quarter Change
Sector Index	487.5	21.78%
Best Performer		
FIRST MUTUAL	4.2	90.05%
Worst Performer		
FIDELITY	11	0.0%

FIDELITY and FIRST MUTUAL remain attractive on a P/E basis. OLD MUTUAL's share price recovery was underpinned by its fungibility status in light of domestic currency concerns and the impending managed separation.

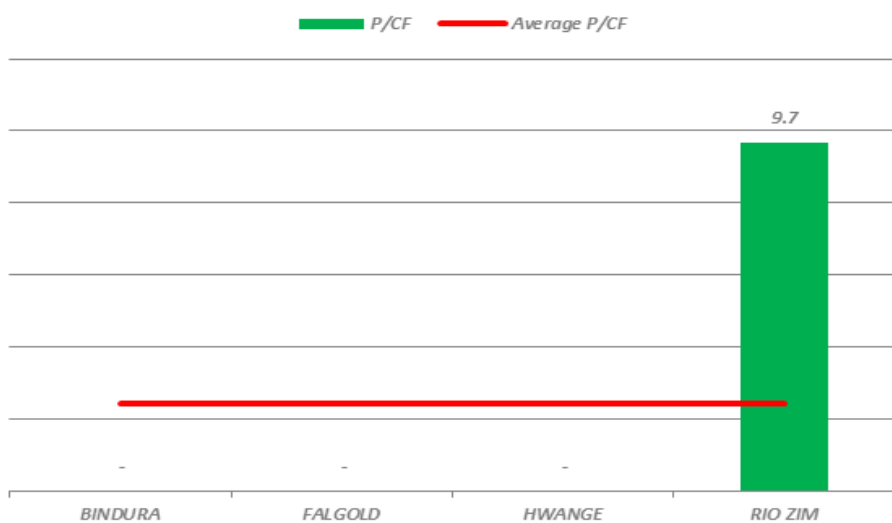
Manufacturing Sector P/E Graph



Manufacturing	Value	Quarter Change
Sector Index	77.1	57.29%
Best Performer		
GENBELT	0.08	300.00%
Worst Performer		
NTS	1.1	(4.35%)

Manufacturing sector companies have been increasingly trading in the black however quite a few remained in loss territory. Investment in this sector should involve a further analysis of the respective company's cash-flow and gearing level given the limited liquidity in the market.

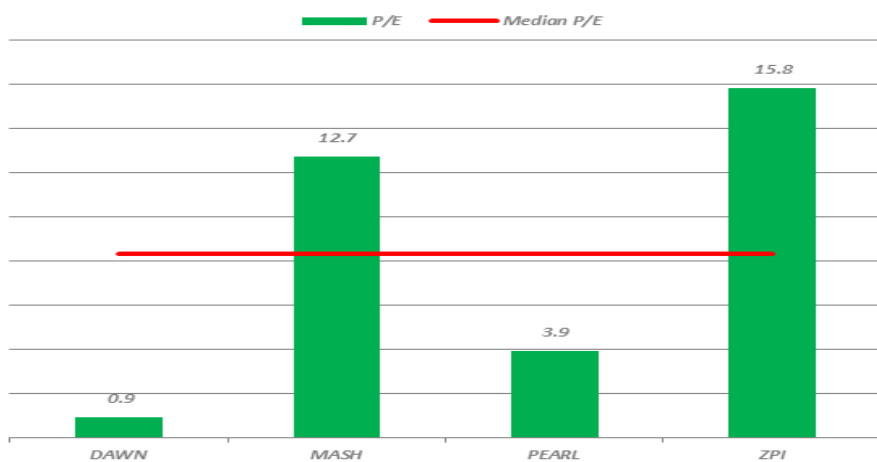
Mining Sector P/CF Graph



Mining	Value	Quarter Change
Sector Index	25.1	119.24%
Best Performer		
BINDURA	4	233.33%
Worst Performer		
FALGOLD	3	0.0%

Given limited profits from the sector comparison has been made on a P/CF scale. The mining sector has of late been a mixed bag, this time around RIOZIM is acquiring the major mining assets housed under FALGOLD; BINDURA requires a Nickel price of 12,000/t for the viability of its Smelter project and HWANGE has suggested coming up with a proposal for a scheme of arrangement for its creditors.

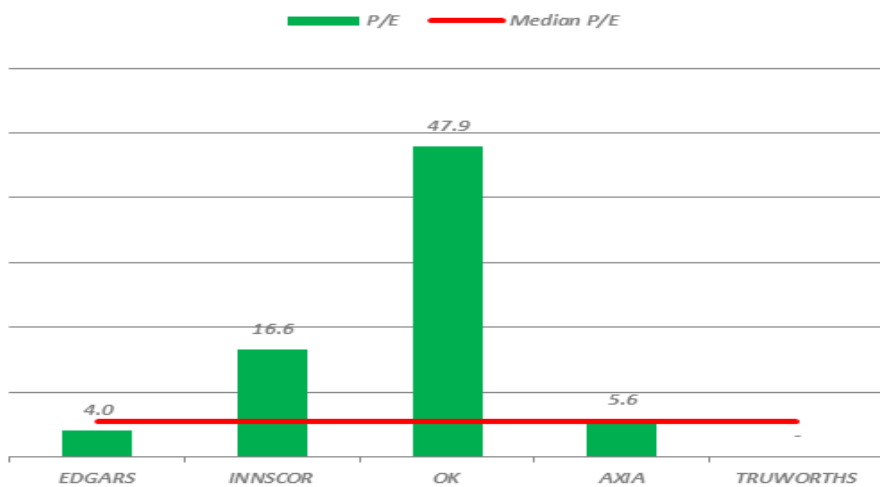
Property Sector P/E Graphs



Property	Value	Quarter Change
Sector Index	94.6	29.71%
Best Performer		
PEARL	3.5	76.77%
Worst Performer		
DAWN	1.6	0.0%

On a relative P/E basis PEARL and DAWN are attractive. However the sector has come under increasing pressure due to lower economic activity resulting in higher voids, downward rental negotiations and arrears. All companies managed a positive bottom line however ZPI and MASH's profitability have been particularly low.

Retail Sector P/E Graphs



Retail	Value	Quarter Change
Sector Index	313.4	98.59%
Best Performer		
OK	7.1	108.82%
Worst Performer		
EDGARS	4.8	0.0%

The retail index was bolstered by a recovery in OK. EDGARS is the most attractive on a relative P/E scale however we have concern over the quality of those earnings as their receivables continue to dampen the quality of their profits.

Top Five Picks

AXIA	Latest Fundamentals
<i>Long Term Buy</i>	Company recently unbundled from the INNSCOR group of companies and listed on the ZSE on the 17 th of May 2016. The company has three main business interests namely 50.01% in Distribution Group Africa their highest revenue earner, 66.67% in TV Sales and Home and 26% of Transerv, a vehicle sundries, spares and parts company.
Target Price	Key Technicals
<i>Usc7.3</i>	AXIA is currently overheated on a technical indicator scale and we recommend taking advantage of the share should it exhibit any weakness in its current share price.
Current Price	Sensetivity View
<i>Usc6.72</i>	Best-case Scenario: Recovery in disposable incomes which would improve demand for its products. Growth in market share and a weaker USD against the ZAR to improve competitiveness for its regional markets.
Potential Upside	Worst Scenario: Increased liquidity drain, limited aggregate demand, dwindling employment and general decline in disposable incomes which would result in poor uptake of the company's product as well as continued firming of the USD against regional currencies which would result in exchange rate losses.
9%	
PROPLASTICS	Latest Fundamentals
<i>Medium Term Buy</i>	The company's investment in new plant and equipment has given it a cost advantage for the local market and regional neighbours. We believe that they have been gaining market share particularly for new mining ventures in the region and the construction taking place in the residential developments space locally.
Target Price	Key Technicals
<i>Usc7.1</i>	The company is on an upward trend on the RSI scale but is beginning to trend lower on the MACD scale. We recommend PROPLASTICS as a risky stock and ACCUMULATING the stock for risky portfolios in case of upside potential above market averages.
Current Price	Sensetivity View
<i>Usc4.2</i>	Best-case Scenario: Continued demand for the company's products, improved disposable incomes and regional export market growth.
Potential Upside	Worst Scenario: Continued decline in disposable incomes, tight liquidity and increased difficulty in securing raw material inputs that are not available locally due to nostro account funding challenges.
70%	
FIRST MUTUAL	Latest Fundamentals
<i>Medium Term Buy</i>	The company has shown resilient in terms of market share growth in a tough economic environment. The company has competitive insurance products and has been concentrating on its underwriting quality and the benefits of which have been starting to bear fruit.
Target Price	Key Technicals
<i>Usc6.8</i>	Given the overheated nature of the market, the RSI indicator for First Mutual is currently inconclusive whilst the MACD is showing less aggressiveness on the MACD scale. We recommend holding onto the stock for future recovery potential as results from the company start to filter through the market and investor confidence is gained and translated into share price recovery.
Current Price	Sensetivity View
<i>Usc4.5</i>	Best-case Scenario: Recovery in disposable incomes, liquidity improvement and increased formalisation of the informal sector as the agenda for the promotion of plastic money grows.
Potential Upside	Worst Scenario: Depressed demand arising from poor liquidity and lower disposable incomes. Increased regulatory pressure to invest in prescribed assets which have unpredictable maturity profiles and increasing credit risk regarding coupon payments and ultimate settlement.
51%	

INNSCOR	Latest Fundamentals
Medium to Long-term Buy	The company has completed its disposals and is now a focused light manufacturing company servicing the consumer sector. Currently we believe the company's value is not matched by its sum of parts valuation and a medium to long term investor can take advantage of the current and future mismatched valuations as the company grows and acquires new businesses.
Target Price	Key Technicals
Usc57	The RSI and MACD graphs show the company is in conformance for a down trend in its share price. We recommend HOLDING in anticipation for the company's fundamentals being recognised in the market for long term capital appreciation in the long term.
Current Price	Sensitivity View
Usc48	Best-case Scenario: Recovery in local aggregate demand and acquisition of market leading companies at discounted prices given the company's strong cash holdings.
Potential Upside	
20%	Worst Scenario: Increased political noise, softening aggregate demand, nascent recovery in the consumer sector and complications and excessive red tape from regulators as the company embarks on achieving the company's medium term strategic goals.
TSL	Latest Fundamentals
Long Term Buy	We believe that the company's diverse revenue streams will defend the company given the current economic challenges being experienced in Zimbabwe. There are advantages arising from the company's auction floors, tobacco affiliated businesses and freight businesses that reduce liquidity constraint risks for the company. In addition the company is expected to benefit from the surge in agricultural input purchases arising from the command agriculture program.
Target Price	Key Technicals
Usc22	The company's technicals indicate that the company is on an upward trend on the MACD scale but shows an inconclusive result on the RSI scale. We recommend ACCUMULATING the share for short to medium term gains.
Current Price	Sensitivity View
Usc18	Best-case Scenario: Improved economic activity increasing demand for property particularly for industrial space. Growth in agricultural support programs and tourism sector recovery.
Potential Upside	
23%	Worst Scenario: Waning aggregate demand and tight liquidity as well as exchange control tightening negatively affecting auction floor business and logistics company operations.



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