

24.06.22

Published News

Fossil readies to take charge of Larfage in Q4. Fossil Miners (Private) Limited will move to take charge at Larfage Cement Zimbabwe during the fourth quarter (Q4) after finalizing a takeover deal announced early this month, the cement maker said on Wednesday. Fossil a relatively unknown outfit with interests spanning from construction to mining clinched a deal to buy Associated International Cement Limited (AICL)'s 76.5% stake in the business for an undisclosed amount. In a special note to shareholders during an annual general meeting on Wednesday, Larfage maintained that it would be premature to disclose how much Fossil would pay for the deal. But it said the Zimbabwean outfit trumped stiff competition for the asset based on its current scope of business and demonstrable ability to run a sustainable operation. "The value of the transaction cannot be disclosed as finalization of the deal is still ongoing. It is expected to be finalized by Q4 2022," said Larfage, which traded its stock on the Zimbabwe Stock Exchange.

OK flags 'excessive' tax regime. Retail giant, OK Zimbabwe yesterday said increased tax – related costs are threatening its profitability. OK said inflation adjusted profit after tax for the year ended March 31, 2022, grew by 48.9% to 2.8 billion, from \$1,9 billion in the comparative period last year. In the 2021 national budget statement released in November 2020, government announced that business would pay corporate tax in proportion to the gross income that is earned in either currency, excluding retention or liquidity threshold. Also, businesses were told that 20% of locally generated foreign currency receipts would be liquidated at the prevailing auction forex rate. "The group continued to endure excessive IMTT during the year," OK Zimbabwe chairman Herbert Nkala said. An effective corporate tax rate of 34.3% is unsustainable." Nkala said overheads grew by 37% over prior year owing to some of these tax charges. Staff costs, electricity charges, rentals, bank charges and depreciation are the cost lines that contributed most significantly to overheads growth," he added.

Market Commentary

"The ZSE closed the week in the negative as all indices traded in the red zone"

The local exchange's losing trend continues as it ended another week on a poor note, weighed down by losses in market heavyweights. Investor confidence in the mainstream All Share Index continues to wane as a result of government policy swings. This has resulted in a seller's market as investors panic and sell their shares while shifting their rtgs balances to alternative investments. The stock market saw a huge increase in trading volumes today, with 4.4 million shares worth \$675.56 million changing hands. The financial behemoth, CBZ, led the way, jumping 12 percent to complete the day at \$143.00, while dairy processors, Dairibord, rebounded from previous day losses, surging 11.11 percent to close at \$50.00.

While ZHL, the reinsurers, fell 9.62 percent to close at \$50.00, Ecocash Holdings continued to trade negatively, falling 11.49 percent to \$77.42. To \$37.93, OK Zim dropped by a further 8.13 percent.

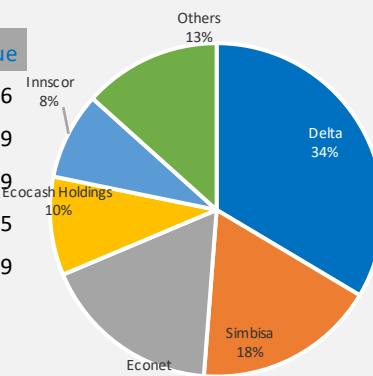
On the ETF market, the OMTT retreated back offsetting yesterday's gains, losing 6.18 percent, which is 4.35 percentage points less than the Top 10 Index on which it is based (tracking error). While the DMCS and MIZ continued trading flat.

Market Statistics

	Open	Close	% change
ZSE All Share	21,467.01	21,073.30	-1.83%
ZSE Top 10	13,514.08	13,178.29	-2.48%
ZSE Top 15	15,034.35	14,684.86	-2.32%
Medium Cap	40,747.35	40,627.22	-0.29%
Small Cap	483,682.99	499,070.29	3.18%

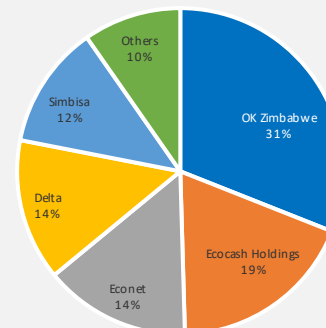
Value Leaders

Counter	Value
Delta	226,715,576
Simbisa	119,305,589
Econet	117,788,659
Ecocash Holding:	64,556,215
Innscor	56,991,929



Volume Leaders

Counter	Volumes
OK Zimbabwe	1,393,900
Ecocash Holding:	833,800
Econet	651,500
Delta	630,800
Simbisa	549,900



Gainers

	Close	% change	Volume
CBZ	14,300.00	11.94%	1,000
DZLH	5,000.00	11.11%	100
Zimpapers	550.00	10.00%	91,000
Edgars	500.00	8.87%	900
Star Africa	185.25	2.91%	600

Shakers

	Close	% change	Volume
Ecocash Holding	7,742.41	-11.49%	833,800
ZHL	500.02	-9.62%	8,200
OK Zimbabwe	3,793.17	-8.13%	1,393,900
Innscor	43,438.97	-7.51%	131,200
Tanganda	22,894.73	-1.19%	102,000

Cautionary Statements

Counter	Announcement Date	
TLS Limited	31 January 2022	<p>Shareholders are advised that TSL (“the Company”) has entered negotiations for a potential acquisition transaction in a complementary business which, if successfully concluded, may have a material effect on the price of the Company’s securities.</p> <p>Accordingly, shareholders are advised to exercise caution when dealing in the Company’s securities until a full announcement is made</p>
GetBucks Bank	10 February 2022	<p>Further to the cautionary announcement dated 18 January 2022, shareholders are advised that negotiations for a recapitalisation are still in progress, the full impact of which is still being determined and, if successfully concluded, may have a material effect on the price of the company’s securities. Shareholders are further advised that the Board of Directors have since approved recapitalisation.</p>
ZECO	10 February 2022	<p>The Directors of ZECO Holdings Limited wish to advise all shareholders and the investing public that the company is still engaged in discussions with the regulator that involves the ratification of the change in the strategic focus of ZECO from a Rolling Stock company to a Residential and Commercial Property Investment and Development Company</p>
Larfage	15 February 2022	<p>Further to the Cautionary Announcement dated 6 January 2022, shareholders and members of the investing public are advised that following the roof collapse over the cement mills on 11 October 2021, the cement mills have since been restored back to normal. There is, however, some work that is still ongoing to fully repair the roof. The Company also advises shareholders and members of the investing public that further to the Cautionary Announcement dated 26 January 2022, there may be developments relating to the Company, the full impact of which is currently being determined as it may have an effect on the Company’s securities. Accordingly, shareholders and members of the investing public are advised to exercise caution when dealing in the Company’s securities until a full announcement is made.</p>
Zimplow	17 February 2022	<p>Further to the cautionary announcement issued by the Board on 19 January 2022, the Directors of Zimplow Holdings Limited, advise shareholders that Zimplow Holdings Limited is in negotiations for a potential transaction involving the disposal of an asset, which if successfully concluded, may have an impact on the price of the shares.</p>
Larfage	08 March 2022	<p>Further to the cautionary announcement dated 15 February 2022, shareholders and members of the investing public are advised that a significant shareholder in the Company is involved in discussions regarding its stake in the Company. Such transaction, if successfully concluded, may have an effect on the Company’s securities.</p>
ZBFH		<p>Further to the Cautionary Announcement dated 15 February 2022, shareholders and members of the investing public are advised that discussions on the potential transfer of assets and acquisition of minority interests in ZB Bank Limited, ZB Building Society and Intermarket Banking Corporation, are in progress, which, if successfully concluded, may have a material effect on the Company’s securities</p>
FMHL	05 April 2022	<p>Stakeholders are advised that the Insurance and Pensions Commission (IPEC) intends to perform a forensic investigation on First Mutual Life Assurance Company (FML), a subsidiary of First Mutual Holdings Limited (the Company), arising from the asset separation exercise initiated by IPEC</p>



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