

Zimbabwe Stock Exchange

CoSSE Report for Quarter ended 31 December 2018

1. ZSE Statistics for quarter ended 31 December 2018

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Q4, 2018	USD
Total Value Traded during quarter	
Equity Market Value Traded	372,231,077
Bond Market Value Traded	0
Others	0
Total Volume Traded	
Equity Market Volume Traded	614,192,008
Bond Market Volume Traded	0
Others	0
Total Number of Transactions	
Equity Market Number of Transactions	9,384
Bond Market Number of Transactions	0
Others	0
Market Capitalization (US\$)	19,424,406,159
Number of Listed Issuers	63
Number of Traded Companies	57
Number of Trading Days	63
Exchange Rate/US\$	1
Main Index Name	Industrials
Main Index (Points)	487.13
Gains in Main Index (%) (YoY)	115.85%
P/E Ratio	
Dividend Yield (%)	
Exchange Members	
Number of Equity members	17
Number of Equity Derivative members	-
Number of Equity Bond members	17
Number of Commodity Members	-
Exchange Listings	
Number of Main Board listed companies	62
Number of Secondary Board listed companies	

2. Regulatory and Policy Developments

The following developments took place during the period under review:

2.1 Market Developments

2.1.1 Zimbabwe Stock Exchange appointments new CEO

The Zimbabwe Stock Exchange Board has appointed a new Chief Executive Officer, Mr Justin Bgoni who joins the ZSE effective mid- March 2019. Formal introductions to CoSSE members will be made in due course.

2.1.2 New Listings

Cassava SmarTech Zimbabwe Limited listed on 18 December 2018 following a dividend in specie from its parent company, Econet Wireless Zimbabwe Limited (“Econet”). Prior to the listing, Econet was the largest counter on the ZSE by market capitalisation. On its debut, Cassava overtook Econet to become the largest company by market capitalisation. SeedCo International Limited listed on the ZSE in October 2018, with its primary listing being on the BSE.

2.1.3 Specialist Securities

ZSE continues to work with other stakeholders for policies which support the launch of basic derivatives.

2.1.4 Amendments of the Securities and Exchange Act

The capital markets regulator has embarked on an exercise to amend the Securities and Exchange Act Cap 24:25 to be in line with other markets as part of the preparatory work to join IOSCO. Amongst other matters, the Commission seeks to have a more direct role over issuers of securities; improve regulation in line with international standards; enable the Commission to co-operate more effectively with other regulators through information sharing and empower the Commission to charge civil penalties.

2.2. Other Developments

2.2.1 Monetary and Fiscal Pronouncements

In October 2018, the Ministry of Finance and Economic Development (“MoFED”) introduced a 2% tax on money transfers with a maximum of \$10,000 per transaction. Exemptions from the tax include transactions on the stock market.

In October 2018, the MoFED also launched the Transition Stabilisation Plan (“TSP”) which is the roadmap towards the Government of Zimbabwe’s Vision 2030 goals. Out of the TSP, the following issues are pertinent to the capital markets: restoration of fiscal balance, mobilisation of domestic savings, parastatal reforms (public corporate governance) and integration into global markets.

The 2019 National Budget was pronounced on 22 November 2018. Overall, the thrust of the budget is tackling the budget deficit which appears to be targeted at currency reforms.

On 20 February 2019, the Reserve Bank of Zimbabwe issued a Monetary Policy Statement which is yet another step towards currency reforms and amongst other issues:

1. Introduced the RTGS Dollar as the currency for domestic transactions, effectively changing the ZSE’s trading currency to RTGS Dollars; and
2. introduced the interbank foreign exchange facility to formalise the trading of the USD.

The reforms above are in line with the Transitional Stabilisation Plan.