Afre Corporation, ReNaissance Park, 100 Borrowdale Road, P.O Box BW 178, Harare, Zimbabwe. Tel: +263-886000-17 Fax: +263-4-886070,
Email: info@afrecorporation.com, www.afrecorporation.com

The Weekly Wealth Report

afre corporation
reinventing, regenerating wealth

US$ Stock Market Report for the week ended 28 August 2009

Top 5	US$ % change	Bottom 5	US$ % change
NMB	40%	Medtech	-45%
CFX	33.3%	Zeco	-33%
Interfresh	33.3%	Pearl	-29%
CAPS	25%	Mash	-28%
Phoenix	20%	Truworth	-27%

The equities market continued to trade in the red with the industrials shedding 0.95% while the mining index was down 11% on the week. The biggest loser was the properties sector, shedding 14.42% on the week following losses in Pearl (28.57%) and Mash Holdings (-27.78%). The Retail sector was the biggest mover on the week on the back of an 18% gain by OK following reports of interest by South African retail giant Shoprite. The Conglomerates and Insurance Sectors gained 1.79% and 1.30% respectively. TA's 14% gain pushed the Conglomerates higher while in the insurance sector, Nicoz's 20% gain buoyed the sector. The mining sector lost 10.68% with Hwange shedding 16.67%. On the outlook liquidity constraints continue to dog ZSE performance with thin trading volumes becoming order of the day. Activity on the market continues to be affected by the apprehension of the reporting season that is expected peak in September, and to a larger extent the prevailing low liquidity in the market.

US$ Money Market Report for the week ended 28 August 2009

As the country continues to face liquidity challenges, the HY09 results released by listed and unlisted financial concerns have seen non funded income being the major driver to sector profitability. Interest income, which is loosely the income generated from core banking operations of lending can accrue where there are significant deposits from customers. Interim results for six months ended 30 June 2009 produced so far bear testimony of reduced contribution of this core banking income component to the total income figure. Various banks have shown that they have met the RBZ capital requirement of US$6.25 million ahead of the September 30 deadline while some of the unlisted companies which fell below the minimum capital requirement have concrete plans to meet the minimum level. This is expected to restore confidence and stability in the local financial sector which should translate to deposits and ultimately more interest income.

Non-funded income: Major income driver for the financial sector: A snapshot of the sector's HY09 Results (US$)

Bank	Net Interest Income	Non funded income	Cost to income ratio	Attributable profit
Barclays	132,314	5,291,000	92%	671,627
CBZ	3,272,000	11,090,000	57%	4,285,000
CFX	3,768	255,593	471%	(993,000)
FBC	1,043,000	5,121,000	71%	1,028,000
NMB	165,416	4,107,000	44%	1,734,000

Meanwhile, the largest components of non-interest income for most of the banks include fees and commission, foreign currency trading income and fair value adjustments on investment properties.

Commodity Prices for the week ended 28 August 2009

	21/08/09	28/08/2009	
Gold	939.6	949.5	US$/oz
Copper	6,121.5	6,260.5	US$/t
Nickel	19,222	19,387	US$/t
Platinum	1,231.5	1,241.5	US$/t
Silver	13.82	14.4	US$/oz
Oil	70.30	72.96	(per barrel)

Copper prices surged to a fresh 11-month high above $6,260 a tonne, rising more than 3 per cent during the week. Aluminium fell 2.2 per cent to $1,895 per tonne. Among base metals, lead prices surged more than 12 per cent over the week to hit a one-year high above $2,149 a tonne, amid concerns that more Chinese smelters will close after an industry-wide clampdown caused by poisoning incidents in Shaanxi province. China is the world's largest producer of the toxic metal. Among agricultural commodities, sugar pushed to a 28½-year high on the back of bad weather hitting Brazil and India, the world's two largest producers. In New York, ICE October raw sugar rose 7.2 per cent over the week. In the oil market, Nymex October West Texas Intermediate settled in New York at $72.74 a barrel, down 1.6 per cent on the week. ICE October Brent closed at $72.79 a barrel, down 1.9 per cent. Market participants attribute these steep gains to economic optimism and rising equity markets. Fundamental data do not justify the current oil price level, however, and analysts expect a sharp price correction. The energy market will turn its attention soon to the Opec oil cartel's meeting in Vienna on September 9.

.

Exchange Rates for the week ended 28 August 2009

CCY	Cross Rates	
BASE CCY (US$)	21-08-2009	28-08-2009
GBP	1.646	1.628
ZAR	7.932	7.823
EUR	1.423	1.435

Meanwhile, the US dollar traded weak against major currencies during the week under review, shedding 1.37% against the South African rand that ended the week at ZAR 7.82 from an opening of USD9.93. The greenback also lost 1.77%, 1.73% and 0.83% against the Botswana pula, the Australian dollar and the euro respectively to BWP6.7935, USD0.8400 and USD1.4351 correspondingly. The consistent improvement in fundamental data globally has led investors to increase their bets in risky assets, which continues to lead to dollar weakness as they exit the safe haven of U.S. Treasury bonds The British pound lost 1.09% to USD1.6278 despite reports of an improved second quarter GDP reading whose growth was revised higher to -0.7 from -0.8% as private consumption and government spending emerged stronger than initially estimated.

Investors Diary

02-Sept-09	-CZI Congress
10 Sept-09	-Fidelity , EGM, 12pm-66 J Nyerere Way, 7th floor
30-Sept-09	-Dawn, AGM, Monomotapa Hotel

Investments Department Tel: 04-886000-17
Thomas Mutswiti: tmutswiti@afrecorporation.com 0912 101398
Godknows Muwandi: gmuwandi@afrecorporation.com 0912 101397