

30 SEPTEMBER 2015

CSD OPERATING UPDATE

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61 of the 62 active ZSE listed counters are now on-boarded on the CSD System.

SUMMARY

The cumulative number of investor accounts opened surpassed the 3,000 mark during the period under review. There was continued progress on dematerialisation with cumulative securities deposit transactions now standing at 31,882. In spite of the continued bear market, the market value of shares on the CSD was stable at US\$1.415 billion. A total of 5,796 trades worth US\$340.69 million have now been processed.

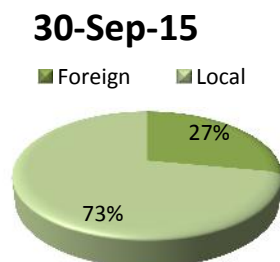
On-boarding of Securities

Border Timbers Limited remains the only counter that is yet to be on-boarded on the CSD. The company remains under judicial management.

Account Opening

The cumulative number of CSD accounts opened since going live now stands at 3,043. Local investors account for 73% of the CSD accounts with foreign investors having a 27% share.

CSD Investors by Nationality



142 new investor accounts were opened in the month of September 2015.

The overall number of CSD accounts increased by 5% from 2,901 as at 31 August 2015. The table below shows the growth in CSD accounts from the various types of investors:

Growth in CSD Accounts- September 2015

Investor Type	31-Aug	30-Sep	%age
Pension Funds	399	402	1%
Corporates	352	364	3%
Individuals	1,389	1,499	8%
Insurance	25	25	0%
Unit Trust Funds	24	24	0%
Deceased Estates, Unclaimed shares, Trusts e.t.c	114	125	10%
Unclassified Foreign	598	604	1%
Total Accounts	2,901	3,043	5%

CSD Accounts by Investor Type

Investor Type	30-Sep	%age
Pension Funds	402	13%
Corporates	364	12%
Individuals	1,499	49%
Insurance	25	1%
Unit Trust Funds	24	1%
Deceased Estates, Unclaimed shares, Trusts e.t.c	125	4%
Unclassified Foreign	604	20%
Total Accounts	3,043	100%

Overall, Local individual and institutional investors continue to account for the majority of CSD accounts.

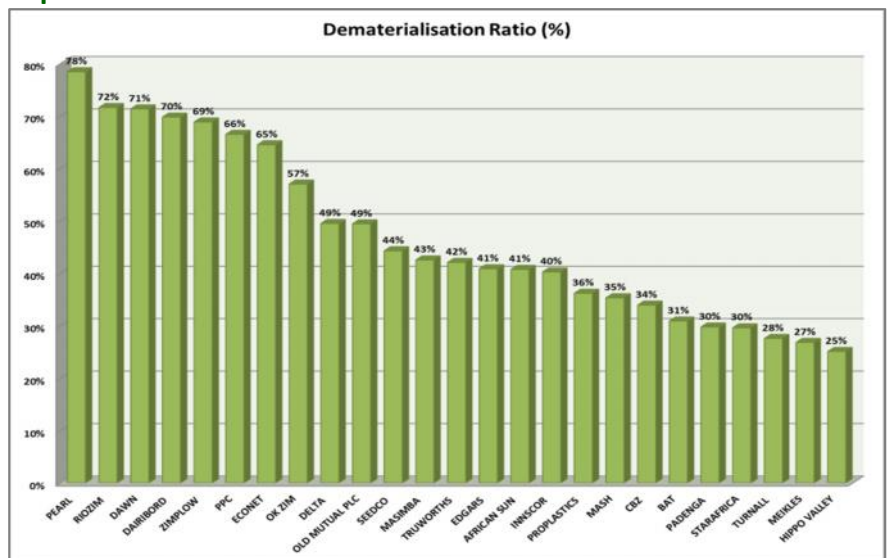
Market Value Statistics

Investor Type	Market Value (\$ m)	%age
Pension Funds	263	19%
Corporates	99	7%
Individuals	16	1%
Insurance	384	27%
Unit Trust Funds	14	1%
Deceased Estates, Unclaimed shares, Trusts e.t.c	90	6%
Unclassified Foreign	549	39%
Total	1,415	100%

The market value of the securities sitting on the CSD as at 30 September 2015 was US\$1.415 billion. There was a 3% decline from the 31 August 2015 total of US\$1.463 billion. The market capitalisation of the ZSE also declined by 3% from US\$3.56 billion to US\$3.44 billion. 41% of the ZSE market value is sitting on the CSD.

Dematerialisation

Top 25 counters



The total number of securities deposit transactions processed increased from 30,454 to 31,882. The average Dematerialisation Ratio (Demat Ratio) across all counters remained at 29% while all the top 25 counters have a Demat Ratio of at least 25%.

Clearing and Settlement of Trades

The CSD has now processed a cumulative total of 5,796 ZSE trades. Of these trades, 5,668 trades worth US\$335.54 million have settled while 128 trades worth US\$5.15 million await settlement on T+5. As at 30 September 2015, there were no trades that remained unsettled beyond T+5. The table below shows a summary of the status of trades as at 30 September 2015:

Trade Status	Number	Market value (\$ million)
Settled Trades	5,668	335.54
Pending Settlement	128	5.15
Delayed Trades	0	0.00
Total Accounts	5,796	340.69

At beneficial owner level, a total of 13,418 transactions have been processed; an increase of 12% from 11,993 as at 31 August 2015

Fixed Income Project

The Fixed Income Project remains the main area of focus going forward. Stakeholder consultations on this Project are expected to intensify beyond October 2015.

Market Forum

A Market Forum with representation from various capital market players has been constituted. The Market Forum

will deliberate on pertinent issues that affect capital market participants. The Market Forum held its inaugural meeting on 16 September 2015. The meeting discussed the following issues:

1. The migration of the settlement cycle from T+5 to T+3;
2. The migration of the settlement model from DVP1 to DVP2;
3. The post implementation review after the automation of the capital market in Zimbabwe with the launch of both the CSD and the Automated Trading System (ATS).

While the inaugural meeting focused mainly on the post implementation review, the Market Forum is expected to drive future capital market projects such as T+3 and DVP model migration among others.

Outlook

The CSD's main priorities in the near term remain the Fixed Income Project and the implementation of a Penalties Framework. The Market Forum is also expected to conclude on the post implementation review thus enabling the market to focus on future projects such as T+3 and DVP model migration. The CSD will also continuously seek to improve on its initial CSD rating of BBB which was issued by Thomas Murray in October 2015.