



# GROWTH OF THE RHODESIAN STOCK EXCHANGE

On its first day of trading, the 2nd of January 1946, 13 share counters were traded. On the official opening, only two local companies had listed on the Rhodesian Stock Exchange (RSE) despite promises of support by the business community. The reluctance to list on the RSE on the part of Rhodesian companies was due to uncertainty as to the advantages of listing on the RSE. There was very little trading in the shares of companies due to the uncertainty that stocks in a small market such as the RSE would rise significantly to overtake the high inflation of the period. Government stocks, however, attracted more shares because the return on such investments was assured therefore during the period 1946-1952, there was more active trading in government stocks as compared to company stocks.

## Listed Companies on the RSE

A total of 48 mining, industrial and retail companies were listed on the RSE. The industrial sector was split into light industry and heavy industry. The light industrial sector was made up of companies mostly producing consumer items such as sugar, alcoholic beverages, textiles, and canned foods whilst the heavy industrial sector was made up of companies linked to the construction industry. Companies listed on the RSE sought capital to expand their operations in order to take full advantage of the general prosperity in the country. However, a few companies also de-listed from the Exchange partly due to internal problems. By 1952, the exchange had 3 markets i.e. industrial, mining and another for local and government stocks.

## Challenges which affected the growth of the RSE

There were several challenges which hindered the growth of the RSE and these included:

- Negative attitude and scepticism by the Southern Rhodesians which was evidenced by the country's best businesses preference to list on foreign markets.
- Inexperience of the RSE as compared to the London Stock Exchange (LSE) and the Johannesburg Stock Exchange (JSE).
- Post war inflation which was exacerbated by the devaluation of the pound sterling.
- Lack of surplus income to invest by Africans resulting in limited participation on the RSE.

Look out for the conclusion to the history of Stock Exchanges in Zimbabwe in our next article!

## UPCOMING AGMs

Thursday July 23

-Proplastics virtual AGM (10am)

Tuesday July 28

-NMB virtual AGM (10am)

Wednesday July 29

-FMP AGM (9:30am, Ground Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale)

-FML AGM (11:30am, Ground Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale)

Thursday July 30

-ZBFH AGM (10:30am, Board Room, 21 Natal Road, Avondale)

-OK Zimbabwe virtual AGM (3pm)

**For more information on Capital Markets contact:**

Block C Smatsatsa Complex, Borrowdale,  
Harare, Zimbabwe

Tel: +263-242-870042-46, 870048-49

Email [seczim@seczim.co.zw](mailto:seczim@seczim.co.zw)

**[www.seczim.co.zw](http://www.seczim.co.zw)**