

OLD MUTUAL SUPPLY REMAINS ELUSIVE

Despite rising demand for Old Mutual shares on the local bourse, trading activity on the counter remains subdued as supply is challenged by a small float and institutional holder, which in most cases is for long term.

Arbitrage opportunities exist between markets, especially after the recent Kwacha depreciation, but foreign currency inavailability constrains arbitrageurs from taking chances as repatriation challenges still exist.

The currency movement has also resulted in the counter being more attractive, as the share is relatively cheaper in dollar terms. The Kwacha dividend pay-out is also expected to be higher when converted, considering that it's declared in pound sterling.