SWITZVIEW
WEALTH MANAGEMENT

WEEKLY MARKET ROUNDUP

MONDAY, 24 AUGUST 2026

ZIMBABWE MARKETS, ECONOMY AND INVESTMENT INSIGHTS

Monday 17 Aug'26 00:00:00
to
Sunday 23 Aug'26 23:59:59

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SwitzView Weekly View

Zimbabwe's market week was defined by a deliberate recalibration of financial conditions. The 2026 Mid-Term Monetary Policy Statement lowered the Bank Policy Rate from 35% to 30% and reduced the Targeted Finance Facility rate from 20% to 15%, while statutory reserve ratios were unchanged. The signal is measured easing within a still restrictive framework, not a broad release of liquidity. Cheaper benchmarks can support working capital and investment only if banks transmit them into lending terms, firms can obtain suitable tenors and local-currency funding expands without weakening the exchange-rate anchor. The quality of transmission will be visible in repricing, credit approval times and the mix of ZiG lending.

The decision arrived against a stronger reported backdrop. Annual ZiG inflation slowed to 3.2% in July, first-half foreign-currency receipts rose 47.8% to US$10.72 billion, and official reserves reached US$1.7 billion by the end of July. The Reserve Bank of Zimbabwe also reported a larger current-account surplus and a well-capitalised banking system. These indicators create room for a modest rate reduction, but the practical test now moves from headline stability to transmission. Businesses will look for lower productive-credit costs, while depositors will test whether ZiG savings products preserve value and remain useful for operating needs. Reserve cover remains modest against a prolonged shock.

Official currency pricing remained orderly, while the rand strengthened against the US dollar over the comparison period. That reduces one imported-currency pressure but cannot neutralise high oil prices, which can still reach transport, power and production costs. Listed markets were equally mixed: the ZSE benchmark was broadly flat, medium caps outperformed large caps, and one CBZ transaction dominated weekly turnover. The VFEX index declined even as the primary operational market-capitalisation total increased. Outside Zimbabwe, elevated global yields, firm oil and a strong gold rally pulled financing costs, imported inflation and export-income prospects in different directions. The setting favours cash-generating businesses with disciplined liquidity and resilient operations over narratives that rely on easy funding.

Week in Brief

- The Bank Policy Rate fell to 30% and the Targeted Finance Facility rate to 15%, while reserve ratios were unchanged, seeking cheaper productive funding without an immediate liquidity impulse.
- Annual ZiG inflation slowed to 3.2% in July, creating room for measured easing. The buffer improved, but about 1.7 months of import cover remains modest against a prolonged external shock.
- The ZSE All Share Index ended at 474.92 and weekly turnover was dominated by one CBZ block on Friday. The liquidity surge reflected transaction concentration more than a broad improvement in normal market depth.
- The VFEX All Share Index declined over the comparison period. Gains in Axia and Old Mutual sat beside larger declines in selected counters and real-estate instruments.
- South African and Zimbabwean business leaders focused on trade, joint industry, infrastructure and value addition, as gold strengthened and Brent crude closed Friday at US$94.39 a barrel.

Investors' Lens

- Track pass-through from lower policy benchmarks to loan pricing and productive-credit tenors.
- Watch ZiG deposits and the official-versus-parallel rate relationship for confidence signals.
- Separate the ZSE turnover spike from normal executable volume; one CBZ trade dominated.
- Read flat indices beside security-level dispersion, ownership concentration and settlement needs.
- Test cash flow, formal-currency access and operating capacity before changing valuations.

Market Signals to Watch

- Lower policy rates with unchanged reserve ratios signal calibrated easing; bank repricing and productive-credit growth are the next tests.
- The narrow official exchange-rate path aids pricing visibility, while a stronger rand eases one import channel but not US-dollar fuel costs.
- Concentrated ZSE turnover and uneven movers show that execution conditions remain security-specific.
- High gold and oil prices pull export-income and imported-cost channels in opposite directions.

Capital Markets

Zimbabwe Stock Exchange

The Zimbabwe Stock Exchange ended the comparison period with the All Share Index down 0.15% at 474.92. The Top 10 and Top 15 eased 0.58% and 0.13%, while the Medium Cap Index advanced 1.74% to 493.75. The divergence shows rotation and security-level dispersion rather than a broad valuation reset.

Weekly turnover rose 12,463.16% to ZWG 2.60 billion, but one CBZ transaction accounted for almost all of Friday's activity and dominated the full-week total. That event increased reported liquidity without demonstrating similar depth elsewhere. CFI, Seed Co, Willdale, Unifreight and the Zimbabwe Stock Exchange counter led the first-to-final risers, while Proplastics, Zimpapers, Masimba, Delta and CBZ recorded the largest declines. Selective security analysis remains more useful than the aggregate turnover headline.

Index	Prior Week Reference	This Week Close	Weekly Movement
ZSE All Share	475.62	474.92	-0.15%
ZSE Top 10	480.37	477.59	-0.58%
ZSE Top 15	492.14	491.50	-0.13%
Medium Cap	485.29	493.75	+1.74%
Market cap	105.50bn	105.49bn	-0.00%

Leading Riser

Counter	Movement
CFI	+15.00%
Seed Co	+14.75%
Willdale	+14.48%
Unifreight	+11.11%
Zim StockEx	+10.03%

Leading Faller

Counter	Movement
Proplastics	-14.22%
Zimpapers	-10.00%
Masimba	-8.00%
Delta	-4.44%
CBZ	-3.67%

Victoria Falls Stock Exchange

The VFEX All Share Index fell 1.75% to 254.75 between 14 and 21 August, while the primary operational market-capitalisation total rose 2.78% to US$8.01 billion.

Weekly traded value rose 100.59% to US$3.36 million but remained concentrated. Axia and Old Mutual led the risers, while Eagle REIT and Nedbank Zimbabwe recorded the largest declines. Several moves occurred in limited turnover, so close prices need to be read with tradable size.

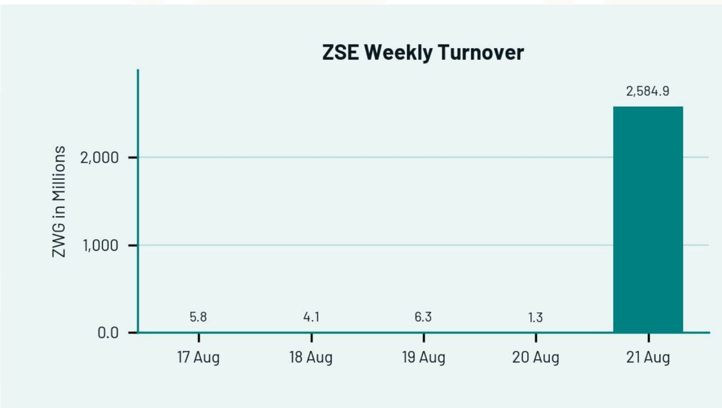
Index	Prior Week Reference	This Week Close	Weekly Movement
All Share	259.30	254.75	-1.75%
Turnover	1.67mn	3.36mn	+100.59%
Market cap	7,796.64mn	8,013.39mn	+2.78%

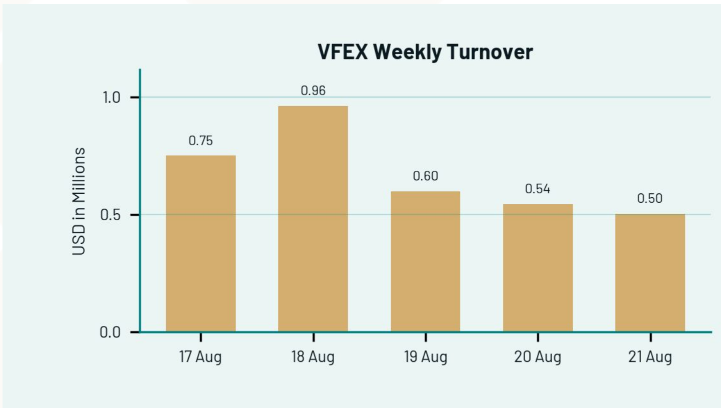
Leading Riser

Counter	Movement
Axia	+11.62%
Old Mutual	+5.29%

Leading Faller

Counter	Movement
Eagle REIT	-20.00%
Nedbank Zim	-18.90%





SwitzView Interpretation

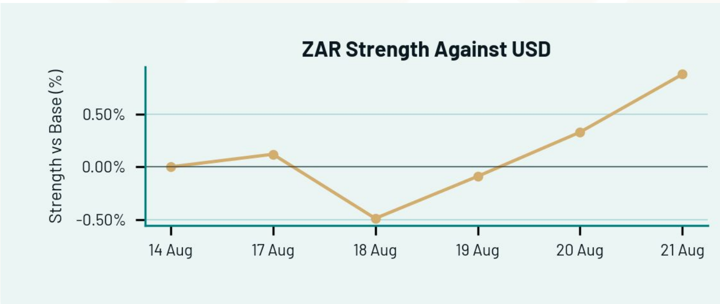
Market evidence points to dispersion and transaction concentration. A flat ZSE benchmark did not imply low security-level risk, while the turnover surge did not establish broad depth because one trade dominated. On VFEX, a softer index coexisted with a higher primary-feed capitalisation total. Price discovery, tradable size, ownership and cash-flow purpose must be assessed together.

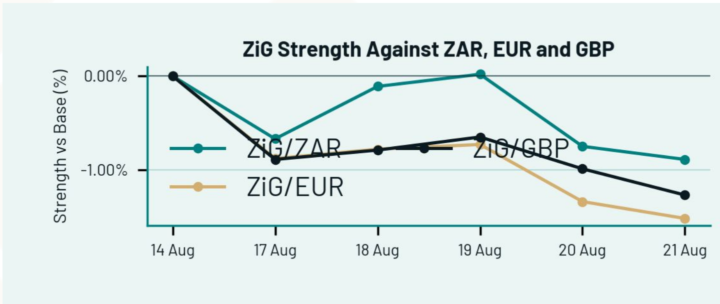
Currency Market

Against the common 14 August base, the ZiG weakened by 0.23% against the US dollar, 1.27% against sterling, 1.52% against the euro and 0.89% against the rand by 21 August. The changes preserved short-term formal-market pricing visibility, although the euro and sterling moves were larger than the US-dollar move.

The rand strengthened 0.88% against the US dollar over the same base-to-close period on the accepted South African Reserve Bank series. This can help selected costs linked to South Africa, but the benefit is uneven because fuel and other internationally priced inputs follow separate channels. Stronger foreign-currency receipts and reserves support the calm official market, yet reserve cover of about 1.7 months of imports remains modest. Oil prices, external financing costs and formal-market currency availability remain important tests.

Currency	Prior Week Reference	This Week Close	Weekly Movement
USD/ZWG	26.5673	26.6291	+0.23%
GBP/ZWG	35.8647	36.3277	+1.29%
EUR/ZWG	30.6613	31.1348	+1.54%
ZWG/ZAR	0.6099	0.6045	-0.89%
USD/ZAR	16.1744	16.0328	-0.88%





Money Market

The Bank Policy Rate reduction from 35% to 30% is the main money-market development. The Targeted Finance Facility rate also fell from 20% to 15%, and its all-in lending cap is 25%. Together, the measures create scope for cheaper productive credit within central bank stability objectives. The lower benchmark remains positive against July annual ZiG inflation of 3.2%.

Reserve requirements stayed at 30% for demand and call deposits and 15% for savings and time deposits in both currencies. The choice limits the immediate liquidity released and shifts the transmission test toward bank pricing, targeted facilities and deposit mobilisation. Reported capital and liquidity ratios were strong, the loan-to-deposit ratio was below 60% and non-performing loans were below 4%, but room to lend is not the same as new credit. Risk appetite, collateral and actual loan repricing will determine the economic effect.

SwitzView Interpretation

The combination tests whether banks can transmit cheaper pricing from existing balance-sheet capacity instead of relying on a sudden liquidity expansion. If funding remains scarce or collateral and risk margins dominate, the signal will have limited effect. If credit grows faster than productive supply or formal foreign-currency availability, pressure can reappear in prices and exchange markets.

Economy, Policy & Investment Themes

Economy and Policy

The mid-term policy statement projected real GDP growth of 5.0% in 2026 after an estimated 8.3% expansion in 2025. The slower rate still implies growth but increases the importance of composition. Mining receipts, agriculture, services and public investment can support the aggregate figure, while individual firms continue to face power, logistics, funding and demand constraints. Moving from a rebound year to a more normal pace makes productivity, project quality and capital allocation more important than the headline growth number alone. The policy question is whether growth also improves cash productivity at the firm level.

External accounts strengthened materially in the first half. Foreign-currency receipts rose 47.8% to US$10.72 billion, the current-account surplus widened to US$1.3 billion, and reserves reached US$1.7 billion. These figures support confidence and essential imports, but about 1.7 months of import cover cannot absorb every prolonged shock. Durability depends on export volumes, commodity prices, remittances, capital inflows and the cost of fuel and equipment. Annual ZiG inflation of 3.2% in July created space for calibrated easing, provided demand growth does not run ahead of productive supply. A durable buffer also requires receipts to finance fuel, equipment and intermediate goods.

Banking-sector data showed high capital adequacy, strong reported liquidity and non-performing loans below 4%. The business relevance lies in converting that resilience into longer-term productive funding. Promoting ZiG savings products recognises that local-currency intermediation needs a deeper deposit base. A credible savings market can reduce maturity mismatches and broaden funding choices beyond short-tenor US-dollar credit. The policy adjustment will be stronger if fiscal discipline, energy reliability, logistics and formal foreign-currency access reinforce the monetary signal. Actual deposit mobilisation will show whether this ambition gains practical traction.

Real Assets & Alternative Investments

Gold's strong international rally reinforced the positive side of Zimbabwe's commodity exposure. Higher prices can lift export receipts, mining margins, fiscal revenues and the value of reserves linked to precious metals. The benefit is greatest where production volumes are stable, costs are controlled and proceeds pass efficiently through the formal system. Mining-sector reports on title fees and exploration highlighted how secure licences, predictable administration and practical settlement rules influence whether capital moves from acreage into production.

Real assets outside mining face related financing and infrastructure constraints. Property, agriculture and logistics projects benefit from stable prices and potentially cheaper credit, but their cash flows are long dated and sensitive to utilities, construction costs and customer affordability. A lower policy rate helps only when matching funding becomes available. Assets with existing cash generation, manageable maintenance needs and dependable access to energy are better positioned than projects dependent on rapid refinancing or optimistic exit assumptions. Operating readiness remains the bridge between improved macro conditions and investable returns.

Corporate and Regulatory Developments

Issuer announcements included a further cautionary statement from Dairibord Holdings Limited and board-related notices from listed companies. Corporate interpretation should remain anchored to the exact announcement and subsequent formal disclosure, rather than speculation about transactions, financing or timing.

The policy statement also strengthened conduct expectations for lenders and microfinance institutions. The operational effect depends on consistent supervision and whether borrowers receive comparable, decision-useful terms across institutions.

SwitzView Interpretation

Zimbabwe's investment setting improved as inflation stayed low, foreign-currency receipts and reserves strengthened, and policy rates fell. The progress is credible but incomplete. Productive investment needs infrastructure, transparent regulation, bankable projects and long-term funding. Operating readiness remains essential. Companies with stable revenues, formal foreign-currency access, resilient energy systems and sound governance can turn policy relief into growth. Projects dependent on commodities, regulatory assumptions or repeated refinancing remain exposed to execution risk.

Regional Market

The South Africa-Zimbabwe Business Forum in Midrand placed bilateral investment, joint industry and infrastructure at the centre of the regional agenda. Shared value chains can deepen manufacturing, improve logistics utilisation and retain more value in the region. The practical opportunity lies in projects connecting mining, agriculture, transport, energy and processing. For Zimbabwe, South Africa remains a source of imports, finance, corporate capability and market access, making efficient borders and corridors important to inventory and working capital.

The stronger rand against the US dollar can alter input costs and the translation of regional expenses while global yields and high oil prices raise funding, freight and production costs. Bilateral intent will be judged by project preparation, customs efficiency, power trading, rail and road performance, and private-sector financing. Businesses with diversified suppliers, flexible inventory policies and clear contractual currency terms are better placed than firms reliant on one corridor or one funding source. Regional resilience therefore depends on reliable settlement systems and delivery schedules as much as on policy ambition.

International Market

Global markets ended a difficult week with long-dated government-bond yields elevated, the US dollar softer and equities under pressure. Higher yields raise discount rates. For frontier markets, they increase the return required by external capital and narrow the range of commercially financeable projects. Equity weakness also reduces risk appetite, making investors more selective about governance, currency convertibility and the timing of cash returns from less liquid markets.

Gold rallied strongly as investors responded to a weaker dollar, policy uncertainty and defensive demand. The move supports Zimbabwe's mining-income channel, though it also reflects a risk environment rather than a simple growth signal. Brent crude closed Friday at US$94.39 a barrel amid concern about Iran-related sanctions and Gulf supply. Energy remains the clearest negative external channel because fuel enters transport, electricity, agriculture, mining and distribution costs. The net domestic effect depends on mining output, formal export receipts, oil persistence and how much imported pressure currency stability can offset.

SwitzView Interpretation

Zimbabwe's external position has a natural but imperfect hedge. Higher gold prices support foreign-currency earnings and fiscal capacity, while higher oil prices raise the import bill and operating costs. A stronger rand can soften selected regional inputs, yet global yields keep capital expensive. The balance is favourable only if mining output and formal receipts outweigh fuel and financing burdens.

Investment Insight

A lower policy benchmark is an enabling condition, not proof of easier finance. The relevant evidence will be pass-through to actual loan offers, growth and tenor of productive credit, and the behaviour of ZiG deposits. Valuation assumptions can improve when financing costs fall, but remain credible only where cash flow, funding access and operating capacity improve together.

Liquidity also needs to be measured at the instrument level. One transaction dominated the ZSE turnover surge, and several VFEX movers traded in limited size. Normal executable volume, ownership concentration and settlement needs reveal more than a single weekly aggregate. The commodity backdrop similarly rewards selectivity: businesses exposed to gold income benefit only if they convert revenue into free cash flow after energy, logistics, financing and tax costs, in the currency required for reinvestment.

Other Developments

- The Reserve Bank of Zimbabwe asked banks to promote ZiG savings products and align lending rates more closely with funding costs, while microfinance institutions were directed to strengthen affordability assessments and disclose monthly and annual borrowing costs. Deposit mobilisation, pricing transparency and supervision now matter to transmission.
- Mining-sector reporting highlighted approximately US$31 million in outstanding title fees, while the South Africa-Zimbabwe business engagement emphasised joint investment in infrastructure and value chains.
- Stronger foreign-currency receipts and reserves improved the macro buffer, but limited import cover leaves oil prices and capital-equipment demand as material risk variables.

What to Watch Next Week

- Track whether banks announce lower ZiG or US-dollar lending rates, revised terms or wider Targeted Finance Facility access. Deposit and currency conditions will show whether easing is absorbed without destabilising expectations.
- Separate repeatable ZSE liquidity from the exceptional CBZ block by comparing daily value, active counters and transaction concentration. Review issuer notices for confirmed structures, funding sources and governance changes rather than speculation.
- Follow gold, Brent crude and long-dated global yields because they affect export receipts, imported inflation and external capital costs. Look for project mandates and corridor improvements from the bilateral business agenda.

SwitzView Weekly Takeaway

Zimbabwe entered the week with stronger stability indicators and ended it with a measured reduction in policy rates. Lower benchmarks must translate into affordable, appropriately structured credit; foreign-currency receipts must support market availability and reserves; and corporate cash flow must improve without reigniting price or exchange-rate pressure. Listed performance was dispersed, liquidity was concentrated, and high gold income sat beside high oil costs. The more resilient opportunities combine real cash generation, manageable funding needs, formal-currency access and operating capacity. Stability has widened the room for execution, but it has not removed the need to test the quality and tradability of each asset on its own terms.

Public Sources

➢ Reserve Bank of Zimbabwe
➢ South African Reserve Bank
➢ IH Securities
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➢ South African Government News Agency
➢ South African Department of Trade, Industry and Competition
➢ Zimbabwe Stock Exchange
➢ Mining Zimbabwe

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