Morning Note

Friday, 28 August 2026

SWITZVIEW
WEALTH MANAGEMENT

SwitzView Morning View

Zimbabwe opens with a selective market signal and a sharper liquidity warning. The ZSE All Share slipped 0.11% to 477.21, with the Top 10 and Top 15 also lower, while the Medium Cap index gained 0.46%. More important, equity turnover fell 96.29% to ZiG 3.07m. VFEX moved the other way, rising 0.55% to 256.18, but turnover dropped 67.03% to US$ 152.04k. Thinner trading reduces confidence in the index moves until breadth and participation recover.

Official references remain contained but diverge. The RBZ USD/ZiG interbank average strengthened 0.17% to 26.4933, while the ECB-derived USD/ZAR cross weakened 0.44% to 15.9858 rand per dollar. Gold was carried at US$ 4,631.50/oz from 26 August, with movement unavailable under the approved same-method rule. Brent was carried at US$ 88.24/bbl from 25 August, down 4.82%. Actual dates and controlled states matter because delayed observations must not be presented as fresh prints.

The strongest local execution development is Karo Platinum's binding purchase-of-concentrate term sheet with a Valterra Platinum subsidiary for an initial five years. The agreement adds an identified route to market after the special mining lease and can strengthen the project's commercial architecture.

NMB separately disclosed more than US$ 200m in external credit lines, including US$ 50m drawn in the first half and a further US$ 70m expected before year-end. Both signals improve capacity, but value still depends on financing terms, construction, deployment and cash conversion.

FINSEC's approved framework strengthens the coding and recording of Treasury-bill and bond transactions, while PPC's Zimbabwe business reported 18% higher cement volumes and 19% higher EBITDA to US$ 56m. Official August inflation remained low in both ZiG and US-dollar measures. Externally, slower South African producer inflation was offset by rand sensitivity and firm US labour data ahead of Jackson Hole. The practical stance is selective: require repeat liquidity and measurable project or earnings milestones before treating positive developments as broad confirmation.

At a Glance

ZSE All Share
-0.11%

VFEX All Share
+0.55%

ZSE turnover
ZiG 3.07m

VFEX turnover
US$ 152.04k

Gold
US$ 4,631.50/oz 26 Aug

Brent
US$ 88.24/bbl 25 Aug

Investors Lens

- Treat the 96.29% fall in ZSE turnover and 67.03% decline on VFEX as the leading caution. Thin activity weakens the information value of small index moves.
- Karo's five-year concentrate term sheet and NMB's external lines improve capacity, but financing, construction, deployment, currency matching and credit quality remain the conversion tests.
- ZiG firmness and low inflation support planning, while a weaker rand and unresolved global policy risk keep imported costs, funding hurdles and valuation discipline relevant.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	477.21	-0.11%
ZSE Top 10 Index	481.30	-0.24%
ZSE Top 15 Index	492.42	-0.40%
ZSE Medium Cap Index	489.90	+0.46%
VFEX All Share Index	256.18	+0.55%
ZSE equity turnover	ZiG 3.07m	-96.29%
VFEX equity turnover	US$ 152.04k	-67.03%
USD/ZiG	26.4933	-0.17%
USD/ZAR	15.9858	+0.44%
Gold	US$ 4,631.50/oz	N/A
Brent	US$ 88.24/bbl	-4.82%
RBZ policy rate	30.0%	Unchanged

ZSE Leading Risers

Counter	Movement
Unifre.	+15.00%
GBH	+14.99%
Dairibord	+13.64%
Willdale	+3.80%
NMBZ	+3.33%

ZSE Leading Fallers

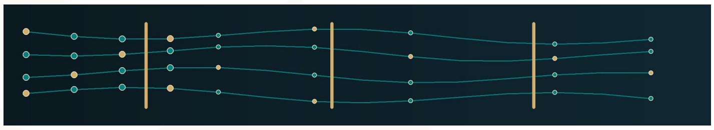
Counter	Movement
ZHL	-12.50%
ZSE	-5.85%
RTG	-1.94%
Delta	-0.43%
CBZ	-0.03%

VFEX Leading Risers

Counter	Movement
Caledonia	+19.80%
TSL	+10.54%

VFEX Leading Fallers

Counter	Movement
Axia	-4.20%
Innscor	-2.56%



Key Local Developments

Liquidity falls as indices diverge

The ZSE All Share closed at 477.21, down 0.11%, while the Top 10 and Top 15 fell 0.24% and 0.40% and Medium Cap gained 0.46%. ZSE turnover dropped 96.29% to ZiG 3.07m. VFEX rose 0.55% to 256.18, but turnover fell 67.03% to US$ 152.04k. The session shows security-level dispersion and weak execution depth. Repeat value, breadth and two-way participation are the next confirmation tests.

Karo secures an offtake route

Tharisa's binding term sheet with a Valterra Platinum subsidiary covers PGM and base-metal concentrate from Karo for an initial five-year term. Following the special mining lease, the agreement links tenure to an identified processing and offtake route and can strengthen bankability. It does not resolve financing, construction completion, commissioning or ramp-up risk. Those milestones determine when commercial architecture becomes operating cash flow.

NMB expands external funding

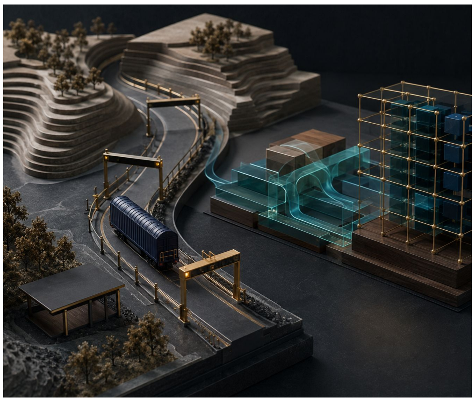
NMB disclosed more than US$ 200m in external credit lines, with US$ 50m drawn in the first half and a further US$ 70m expected before year-end. Mining represented 21% of the loan book, and more than US$ 60m had been advanced into the gold value chain. Longer-tenor foreign funding can support productive assets, but the durable earnings effect depends on pricing, drawdown conditions, currency matching, concentration and credit quality.

FINSEC strengthens bond controls

FINSEC's approved framework requires fuller identification, pricing, maturity, yield and counterparty data for Treasury-bill and bond transactions. Repos, collateral arrangements and beneficial-ownership changes require SECZIM approval before registration. Better records support transparency, but market depth still requires repeat issuers, investors and trading.

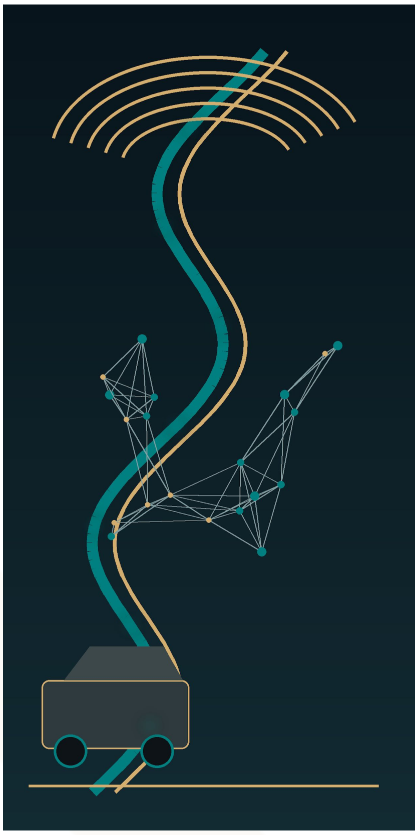
SwitzView Interpretation

The local signal is stronger execution architecture without broad market confirmation. Karo added a route-to-market step, NMB disclosed a larger funding channel and FINSEC strengthened transaction controls. Yet exchange turnover shows the difficulty of converting positive developments into repeatable liquidity. The implication is selective: projects need funded milestones, lenders need disciplined deployment and market moves need breadth and repeat value.



SWITZVIEW
WEALTH MANAGEMENT

Regional & Global Developments



South African cost pressure slows

South African producer inflation slowed to 5.7% year on year in July from 7.5% in June. The moderation eases one cost-pressure signal, but the rand remained sensitive to the dollar and global policy expectations. Zimbabwe's transmission is through imported inputs, regional pricing and USD/ZAR rather than the headline rate alone.

Euro-area lending remains resilient

Annual euro-area lending growth to non-financial companies rose to 4.4% in July from 4.0%, while household lending growth increased to 3.1%. Credit expansion after the ECB's June rate rise suggests financial conditions were not uniformly restrictive. Strong borrowers may retain access, but persistent inflation can keep the price of capital elevated.

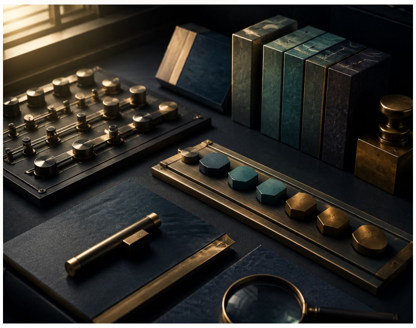
US labour data preserves rate risk

US initial jobless claims fell to 203,000, below the 208,000 consensus, while continued claims declined and the goods trade deficit widened. The mix preserved the possibility of a firmer policy signal without forcing a decisive dollar move. Zimbabwe's exposure is through global yields, hard-currency funding and traded-input prices.

Jackson Hole sets the next policy test

Markets entered 28 August focused on Federal Reserve Chair Kevin Warsh's Jackson Hole address, with the policy rate at 3.50%-3.75% and inflation central to the debate. A hawkish message could lift required returns and the dollar; a balanced message could ease pressure. The result will reset funding and valuation assumptions. The speech outcome was not known at the edition cut-off.

Today's Watchlist



- Jackson Hole: monitor Kevin Warsh's inflation assessment, rate-path language and the reaction in the dollar and Treasury yields.
- Exchange confirmation: test whether ZSE and VFEX turnover and breadth recover after the sharp declines in traded value.
- Karo and NMB: watch for financing, construction, drawdown, deployment and asset-quality detail that converts capacity into cash flow.
- Official references: monitor the next RBZ USD/ZiG, gold publication, USD/ZAR signal and any newer eligible Brent observation.

SwitzView Takeaway

Zimbabwe's execution story improved on 27 August, but the public-market signal weakened. Karo added a credible offtake route, NMB disclosed substantial external funding capacity and FINSEC strengthened fixed-income controls. Those developments can support productive investment, yet each still depends on financing terms, deployment quality and delivery milestones. ZSE and VFEX turnover contracted sharply, so modest index moves should not be mistaken for broad conviction. ZiG firmness and low inflation help planning, while a weaker rand and unresolved global policy risk keep external costs live. The next useful evidence is repeat liquidity, funded projects and measurable cash conversion.

Selected public sources

Reserve Bank of Zimbabwe; U.S. Energy Information Administration; Tharisa plc; The Herald; Reuters