Morning Note

Tuesday, 1 September 2026

SWITZVIEW
WEALTH MANAGEMENT

SwitzView Morning View

The 31 August close improved price direction but weakened liquidity confirmation. The ZSE All Share gained 2.34% to 477.39, the Top 10 rose 2.95% and the Top 15 added 2.59%, while the Medium Cap eased 0.20%. Yet ZSE turnover fell 85.33% to ZiG2.38m. Large moves need a thin-order-book caveat, not a broad re-rating.

VFEX offered a steadier contrast. Its All Share Index edged up 0.10% to 258.90 as turnover increased 14.41% to US$2.15m. Seed Co International and First Capital led gains, while TSL and Caledonia fell. A small index move on higher value traded carries more liquidity information than the sharper ZSE advance, although security concentration still limits a market-wide conclusion.

Company results expanded the fundamental map without producing one banking verdict. NMBZ and First Capital reported strong profit momentum and larger loan books. CBZ declared a dividend while post-tax profit fell 18%. ZB Financial's statutory profit declined, but sustainable profit doubled. ZSE Holdings also reported strong operating leverage. Earnings composition, impairments, capital and cash conversion matter more than headline growth.

Currency pressure remained modest but relevant. USD/ZiG rose 0.63% to 26.6663 and the controlled ECB cross put USD/ZAR at 16.1163, up 0.72%, indicating softer regional currencies against the US dollar. The RBZ policy rate stayed at 30%. These moves affect replacement costs, foreign liabilities and borrower affordability, particularly where deposit and loan growth is accelerating.

Commodity dates and external rates require equal discipline. Gold is a Controlled Carry at US$4,562.75/oz for 28 August, down 0.14%, while Brent is carried at US$88.24/bbl for 25 August, down 4.82%. Separate 31 August reporting placed Brent futures above US$90 as US-Iran tensions returned, and global sovereign yields rose. The balanced stance is selective: require turnover follow-through, durable core earnings and evidence that oil and funding pressures are not becoming persistent.

At a Glance

ZSE All Share
+2.34%

VFEX All Share
+0.10%

ZSE turnover
ZiG 2.38m

VFEX turnover
US$ 2.15m

Gold
US$ 4,562.75/oz (28 Aug)

Brent
US$ 88.24/bbl (25 Aug)

Investors Lens

- Signal quality: a 2.34% ZSE gain beside an 85.33% turnover fall is weak confirmation. Breadth and repeat value traded must support the price move.
- Earnings quality: compare funded income, impairments, sustainable profit, capital and dividends before drawing a single conclusion from bank results.
- Transmission: softer currencies, higher global yields and renewed oil pressure can raise replacement, funding and borrower costs even with the policy rate unchanged.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	477.39	+2.34%
ZSE Top 10 Index	480.09	+2.95%
ZSE Top 15 Index	491.69	+2.59%
ZSE Medium Cap Index	496.23	-0.20%
VFEX All Share Index	258.90	+0.10%
ZSE equity turnover	ZiG 2.38m	-85.33%
VFEX equity turnover	US$ 2.15m	+14.41%
USD/ZiG	26.6663	+0.63%
USD/ZAR	16.1163	+0.72%
Gold	US$ 4562.75/oz (28 Aug)	-0.14%
Brent	US$ 88.24/bbl (25 Aug)	-4.82%
RBZ policy rate	30.0%	Unchanged

ZSE Leading Risers

Counter	Movement
CBZ	+13.04%
Proplast	+12.50%
Turnall	+11.38%
Mash	+8.83%
Hippo	+4.58%

ZSE Leading Fallers

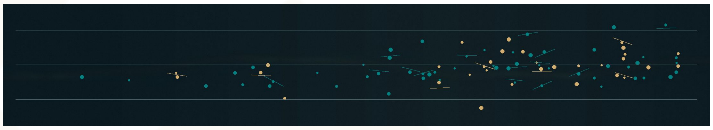
Counter	Movement
GB Hldgs	-14.98%
Unifrei.	-13.04%
Willdale	-9.09%
Seed Co	-9.05%
Meikles	-3.07%

VFEX Leading Risers

Counter	Movement
Seed Co	+5.98%
First Cap	+4.97%

VFEX Leading Fallers

Counter	Movement
TSL	-8.59%
Caledonia	-4.99%



Key Local Developments

ZSE gains while liquidity contracts

The ZSE All Share rose 2.34% to 477.39, with the Top 10 and Top 15 also higher, but turnover fell 85.33% to ZiG2.38m. VFEX turnover increased 14.41% to US$2.15m as its index edged up 0.10%. CBZ, Proplastics and Turnall led ZSE gains; GB Holdings, Unifreight and Willdale led declines. Thin-session moves require follow-through and breadth before signalling broad repricing.

Bank results reveal uneven earnings quality

NMBZ's profit after tax rose to US$12.7m as assets, loans and shareholder funds expanded. First Capital lifted profit 26% to US$16.7m as net interest income rose 15%, impairment charges fell 88% and capital adequacy remained above the minimum. CBZ reported lower post-tax profit despite its scale and dividend, while ZB Financial's sustainable profit doubled beneath a weaker statutory headline. Funding, credit quality and cash conversion remain the discriminators.

ZSE Holdings shows operating leverage

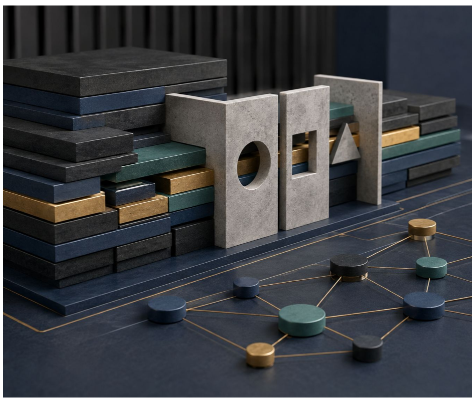
ZSE Holdings reported first-half revenue of US$4.97m, up 39.6%, and profit after tax of US$1.70m, up 275.8%. The result indicates that exchange, depository and data activity can convert into faster profit growth. Durability depends on recurring service income, listings and sustained transaction values rather than episodic market activity. The revenue mix will test whether this leverage is durable.

Old Mutual highlights Zimbabwe contribution

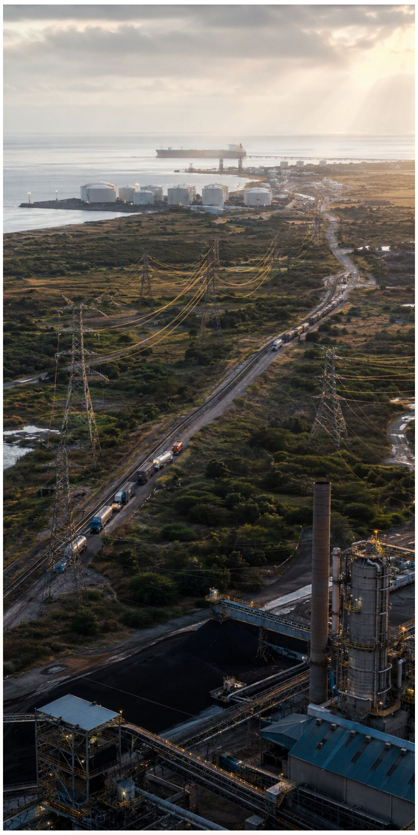
Old Mutual reported life APE sales up 21%, gross flows up 21% and value of new business up 32%, while its underwriting margin fell to 7.6%. Management said Zimbabwe supported headline and IFRS profit, but adjusted headline earnings were expected to decline 25% to 35%. Full interim results due on 8 September should clarify the earnings bridge, cash generation and the durability of Zimbabwe's contribution.

SwitzView Interpretation

Monday improved the information set more than certainty. ZSE prices rose without liquidity confirmation, while VFEX value traded strengthened on a nearly flat index. Bank and market-infrastructure results point to momentum, but their quality differs across funded income, impairments, valuation effects and capital use. With the ZiG and rand softer, oil risk higher and global yields rising, repeat turnover, cash earnings and credit quality should carry more weight than one-day direction.



Regional & Global Developments



Oil risk returns with US-Iran exchanges

Brent futures topped US$90 on 31 August as renewed US-Iran exchanges revived supply concerns. US Strategic Petroleum Reserve stocks fell 3.1m barrels to 286.6m, the lowest since 1982. Zimbabwe's channel runs through fuel, freight, fertiliser, inputs and working capital. The dashboard remains the carried 25 August EIA spot observation.

Global yields raise the return hurdle

The US 10-year Treasury yield moved above 4.75%, its highest since January 2025, while German, French and Japanese yields also rose. Persistent higher sovereign yields increase the discount rate for frontier assets and can lift the cost of foreign credit lines. The key distinction is between a one-day shock and a sustained change in financing conditions.

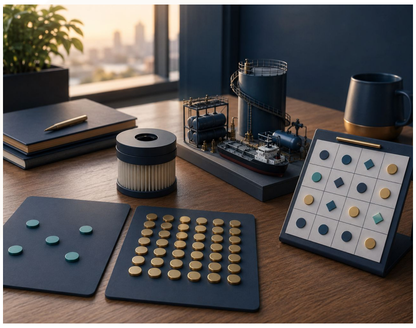
Warsh frames an investment-led cycle

Federal Reserve Chair Kevin Warsh told G20 finance leaders that the global economy may be shifting from excess saving towards an investment surge driven by innovation and productivity. Stronger investment can support demand, but the Fed's continued focus on 2% inflation leaves room for tighter policy and a higher equilibrium cost of capital.

Eskom improves operations but debt risk remains

Eskom reported annual net profit of R30.3bn, more than double the prior year, and only four days of load shedding compared with 329 in 2024. A 12.7% tariff increase supported the result, while sales volumes fell, gross debt reached R356bn and municipal arrears rose to R111.6bn. Better reliability supports regional production, but balance-sheet repair remains incomplete.

Today's Watchlist



- Exchange confirmation: test whether ZSE turnover recovers from ZiG2.38m as large-cap indices retain Monday's gains.
- Bank result digestion: track funding cost, credit quality, cash conversion and profit composition across the reported lenders.
- Oil and duration: monitor whether Brent futures and the US 10-year yield remain elevated long enough to alter landed costs and financing conditions.
- Scheduled catalysts: watch ZSE Holdings detail, ZIMRA clearing-agent readiness and Old Mutual's 8 September results without importing later outcomes.

SwitzView Takeaway

The 31 August close supports selective resilience, not a broad re-rating. ZSE prices advanced, but turnover fell sharply; VFEX liquidity improved while its index barely moved. Company disclosures added bank and market-infrastructure evidence, yet profit composition, impairments, capital and dividends point in different directions. The ZiG and rand softened, the policy rate remained 30%, and oil pressure arrived alongside higher global yields. Confirmation should come from repeat turnover, durable cash earnings, stable credit quality and persistent imported-cost or funding pressure. Gold and Brent remain dated Controlled Carries with explicit observation dates.

Selected public sources

Reserve Bank of Zimbabwe; Zimbabwe Stock Exchange; Old Mutual Limited; U.S. Energy Information Administration; Reuters