# Morning Note

## Thursday, 3 September 2026

SWITZVIEW
WEALTH MANAGEMENT

## SwitzView Morning View

Zimbabwean equities closed 2 September firmer, but the cash signal weakened sharply. The ZSE All Share rose 0.84% to 486.34 and the Top 10 gained 0.88%, while turnover fell 84.37% to ZiG 2.00m. VFEX moved in the opposite direction, with its All Share down 0.32% to 259.40 and turnover 21.46% lower at US$ 539.59k. The combination points to selective price formation rather than a broad improvement in market depth. Large moves on both sides make trade size and exit depth essential tests of whether the close can persist.

Company news helps explain the dispersion. ZSE Holdings reported first-half revenue growth of 39.6%, EBITDA growth of 196.9% and profit after tax growth of 275.8%, showing how stronger market activity can translate into operating leverage. Caledonia rose 10.80% on VFEX after reporting higher realised gold prices and revenue, but production fell 18.8%, all-in sustaining cost rose 50.7% and adjusted earnings per share declined. Price action and operating delivery therefore need to be read separately.

Local recovery signals remain milestone dependent.

OK Zimbabwe said bank guarantees had restored supplier confidence, unlocked credit and supported restocking and branch reopenings. Edgars shareholders approved termination of the retailer's VFEX listing. The first development creates a credible route to normalised trading, but still needs proof in stock availability, margins and cash conversion. The second moves attention from the vote to the implementation timetable, exit arrangements and minority-holder treatment.

The macro mix is supportive in gold and restrictive elsewhere. The RBZ previous-day PM gold fix rose 0.67% to US$ 4,382.25/oz and the ZiG and rand were modestly firmer against the dollar. Brent, however, remained a Controlled Carry at US$ 96.02/bbl from 1 September, up 6.99% from the prior eligible observation, while the RBZ policy rate stayed at 30.0% and the US 10-year yield ended near 4.794%. The result is a constructive but selective backdrop in which liquidity, cash conversion, operating costs and funding resilience remain decisive.

### At a Glance

ZSE All Share
+0.84%

VFEX All Share
-0.32%

ZSE turnover
ZiG 2.00m

VFEX turnover
US$ 539.59k

Gold
US$ 4,382.25/oz

Brent
US$ 96.02/bbl (1 Sep)

### Investors Lens

- Treat the ZSE advance as selective until turnover and breadth recover; thin value traded can exaggerate individual price moves and complicate exits.
- Separate gold-price leverage from operating delivery: Caledonia's weaker volumes and higher costs absorbed part of the bullion tailwind despite revenue growth.
- Test recovery and event stories through cash conversion and formal mechanics, especially OK Zimbabwe restocking and the Edgars delisting path.

## Market Dashboard

| Indicator | Latest Available | Movement |
|---|---|---|
| ZSE All Share Index | 486.34 | +0.84% |
| ZSE Top 10 Index | 490.98 | +0.88% |
| ZSE Top 15 Index | 501.18 | +0.67% |
| ZSE Medium Cap Index | 497.07 | +0.64% |
| VFEX All Share Index | 259.40 | -0.32% |
| ZSE equity turnover | ZiG 2.00m | -84.37% |
| VFEX equity turnover | US$ 539.59k | -21.46% |
| USD/ZiG | 26.7164 | -0.31% |
| USD/ZAR | 16.0944 | -0.38% |
| Gold | US$ 4,382.25/oz | +0.67% |
| Brent | US$ 96.02/bbl (1 Sep) | +6.99% |
| RBZ policy rate | 30.0% | Unchanged |

### ZSE Leading Risers

| Counter | Movement |
|---|---|
| Dairibord | +14.80% |
| CBZ | +14.63% |
| Star Afr. | +10.34% |
| Datvest | +6.25% |
| Nampak | +0.89% |

### ZSE Leading Fallers

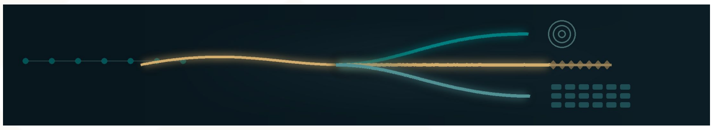
| Counter | Movement |
|---|---|
| ZHL | -9.33% |
| Delta | -5.66% |
| Ariston | -2.28% |
| GBH | -2.27% |
| TN Cyber | -1.85% |

### VFEX Leading Risers

| Counter | Movement |
|---|---|
| Caledonia | +10.80% |
| Edgars | +9.58% |

### VFEX Leading Fallers

| Counter | Movement |
|---|---|
| EagleREIT | -14.27% |
| TSL | -11.54% |



## Key Local Developments

### ZSE gains while turnover contracts

The ZSE All Share rose 0.84% to 486.34, with the Top 10 up 0.88%, the Top 15 up 0.67% and the Medium Cap Index up 0.64%. Turnover fell to ZiG 2.00m from ZiG 12.79m, an 84.37% contraction. Dairibord and CBZ gained more than 14%, while ZHL and Delta led the fallers. Repeat value traded and security-level liquidity are needed before treating the move as durable.

### ZSE Holdings shows operating leverage

ZSE Holdings reported first-half revenue growth of 39.6%, operating-expense growth of 5.6%, EBITDA growth of 196.9% and profit after tax growth of 275.8%. The board declared an interim dividend of 0.33 US cents per share. VFEX first-half turnover was US$ 166.4m, up 126.42% year on year. The results show the earnings potential of higher activity and new products, but weak 2 September turnover confirms that daily depth remains variable.

### Caledonia balances price and cost pressure

Caledonia's first-half revenue rose 17.2% to US$ 142.35m and attributable profit increased 34.9% to US$ 39.66m as realised gold prices strengthened. Production fell 18.8% to 32,916 ounces, sales declined 20.8%, all-in sustaining cost rose 50.7% to US$ 2,715/oz and adjusted earnings per share fell to 130.3 US cents. Cash and the US$ 150m convertible add capacity, but the approximately US$ 590m Bilboes investment keeps delivery and financing risk central.

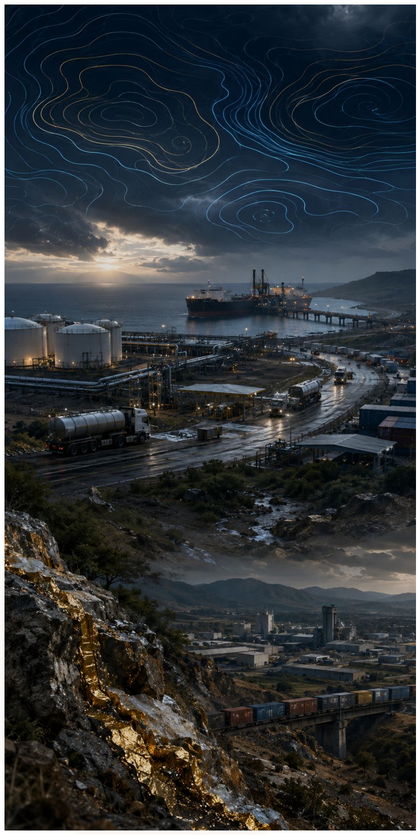
### OK Zimbabwe restocking starts recovery test

OK Zimbabwe said two bank guarantees restored supplier confidence and credit. Deliveries from Dairibord, ZimGold, Olivine, National Foods and Nestle resumed as branches reopened; creditor arrangements deferred legacy debt. It is not yet a completed turnaround. Tests are network-wide stock, supplier continuity, gross margin and cash conversion.

### SwitzView Interpretation

The opportunity set is improving, but liquidity and conversion remain the filters. ZSE Holdings shows the leverage when activity scales faster than costs, while Caledonia shows how higher gold prices can coexist with weaker volumes and higher unit costs. OK Zimbabwe has a route back to stocked shelves, yet the earnings proof lies ahead. With turnover thin, fuel costly and funding rates high, cash generation, financing flexibility and repeat depth deserve more weight than one close.

## Regional & Global Developments



### Equities recover as long yields stay restrictive

The S&P 500 rose 0.46%, the Dow gained 0.56% and the Nasdaq added 0.45% on 2 September, while the US 10-year yield finished near 4.794% after touching 4.818%. ADP private payroll growth of 38,000 was below the 48,000 consensus, but high energy costs kept Federal Reserve pricing relatively hawkish. For Zimbabwean portfolios, stronger global equities can support risk appetite, yet elevated liquid sovereign yields raise the return threshold for less liquid assets and keep offshore funding expensive. A sustained retreat in yields would soften that constraint; one equity rebound does not establish it.

### Oil remains the clearest imported-cost risk

Brent futures settled at US$ 95.63 as renewed US-Iran exchanges sustained supply concerns. EIA data showed US crude stocks down 4.5m barrels to 424.5m, refinery utilisation at 98% and exports at 4.5m barrels per day. The dashboard retains the eligible EIA Europe spot observation of US$ 96.02/bbl from 1 September rather than substituting the futures settlement. For Zimbabwe, sustained oil pressure transmits directly through fuel, freight, backup power, working capital and imported inflation. Evidence of secure physical flows or a durable price reversal would reduce the risk.

### Gold supports receipts, not every miner equally

The eligible RBZ previous-day PM gold fix increased 0.67% to US$ 4,382.25/oz. Higher bullion prices can support Zimbabwe's export receipts, fiscal flows and mine cash generation. Company outcomes still depend on production, grade, recovery, unit costs and capital intensity. Caledonia's first-half bridge makes the distinction concrete: revenue and profit increased, but lower output, higher all-in sustaining cost and the Bilboes funding requirement mean commodity beta cannot replace operating diligence.

## Today’s Watchlist

- ZSE liquidity: watch whether turnover recovers from ZiG 2.00m and whether the largest moves attract repeat volume, broader participation and realistic exit depth.
- Corporate execution: look for formal Edgars delisting terms, durable OK Zimbabwe restocking across the branch network and Caledonia volume or cost improvement; each would sharpen the valuation case.
- External conditions: monitor oil supply risk and the US 10-year yield near 4.8%; sustained pressure would lift Zimbabwe's fuel, working-capital and funding hurdles, while a reversal would ease them.

## SwitzView Takeaway

The 2 September close improves the ZSE price signal without yet improving conviction. Indices advanced, but turnover fell 84.37%, while VFEX declined amid event-led dispersion and lower value traded. ZSE Holdings shows operating leverage from stronger market activity, Caledonia combines high gold-price exposure with volume and cost pressure, and OK Zimbabwe has begun rebuilding its working-capital loop. Gold and stable currencies offer support, but expensive oil, a 30.0% policy rate and elevated global yields keep the hurdle high. The decisive evidence is repeat liquidity, cash conversion, formal corporate-event mechanics and operating delivery. Selectivity remains more defensible than a broad risk-on conclusion.

**Selected public sources**
ZSE Holdings Limited; IH Securities; The Herald; NewsDay; Reuters