Morning Note

Thursday, 17 September 2026

SWITZVIEW
WEALTH MANAGEMENT

SwitzView Morning View

Zimbabwean equities reopened with breadth and higher activity after the public holiday. The ZSE All Share gained 1.10%, with large and medium capitalisation indices also advancing, while turnover rose fourfold from the previous eligible session. The combination is constructive, but the absolute value traded and concentration in Delta argue for confirmation rather than a broad re-rating. Breadth across size segments makes the signal more useful than a move led solely by large caps.

The VFEX offered a cautious signal. Turnover increased to US$ 545.95k, yet the index eased 0.14% as gains in Axia and Padenga were offset by declines in Invictus Energy and Simbisa. Higher activity without a positive index close points to security-specific repricing rather than uniform risk appetite. The next test is whether liquidity holds as attention shifts from reopening trades to ordinary flows.

Currency and commodity moves provided relief for import-sensitive businesses. The ZiG and rand strengthened against the US dollar, while Brent fell 2.33% to US$ 105.83/bbl. Gold also eased after the Federal Reserve raised its target range to 3.75% to 4.00%, keeping global funding restrictive. For local issuers, the benefit depends on import intensity, leverage and price pass-through.

Domestic growth data were encouraging but uneven. Real GDP expanded 5.8% quarter on quarter and 3.1% year on year in Q2, led by a mining rebound, while manufacturing and trade posted softer gains. Private-sector credit at 6.5% of GDP and a 30.0% policy rate continue to make working-capital discipline an operating advantage. Stronger output does not automatically translate into affordable balance-sheet funding.

Resulting market stance is selective. Improving breadth, stronger regional currencies and lower oil prices support sentiment, but one reopening session cannot establish a durable trend.

Investors need persistent liquidity and widespread participation before treating the movement as a durable regime change supported by delivery.

At a Glance

ZSE All Share
+1.10%

VFEX All Share
-0.14%

ZSE turnover
ZiG 7.61m

VFEX turnover
US$ 545.95k

Gold
US$ 4,263.77/oz

Brent
US$ 105.83/bbl

Investors Lens

- Treat the ZSE advance as an early breadth signal, then test whether turnover persists beyond the reopening session and broadens beyond a few counters.
- Prioritise cash conversion, currency matching and balance-sheet resilience while local credit remains scarce and policy rates stay high.
- Separate commodity benchmark support from operating delivery, especially where production volumes, costs and capital execution determine earnings.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	459.36	+1.10%
ZSE Top 10 Index	451.09	+0.94%
ZSE Top 15 Index	466.01	+0.88%
ZSE Medium Cap Index	525.94	+1.70%
VFEX All Share Index	264.60	-0.14%
ZSE equity turnover	ZiG 7.61m	+287.73%
VFEX equity turnover	US$ 545.95k	+191.70%
USD/ZiG	26.6843	-0.41%
USD/ZAR	16.2600	-0.35%
Gold	US$ 4,263.77/oz	-0.67%
Brent	US$ 105.83/bbl	-2.33%
RBZ policy rate	30.0%	Unchanged

ZSE Leading Risers

Counter	Movement
CFI	+14.92%
Masimba	+14.45%
FML	+11.89%
RTG	+9.82%
TN Cyber	+7.98%

ZSE Leading Fallers

Counter	Movement
Mash	-8.26%
RioZim	-8.16%
ART	-7.82%
N/A	N/A
N/A	N/A

VFEX Leading Risers

Counter	Movement
Axia	+2.90%
Padenga	+2.81%

VFEX Leading Fallers

Counter	Movement
Invictus	-12.17%
Simbisa	-7.64%

Key Local Developments

Breadth returns to the ZSE

The All Share Index rose 1.10% to 459.36, while the Top 10, Top 15 and Medium Cap indices gained 0.94%, 0.88% and 1.70%. Turnover increased 287.73% to ZiG 7.61m. The reopening was broad enough to merit attention, but a second and third eligible session are needed to confirm durable participation. A wider mix of active counters would strengthen the quality of that confirmation. Issuer breadth across both value and volume will be the stronger next test.

VFEX activity diverges from price

VFEX turnover climbed 191.70% to US$ 545.95k, but the All Share Index slipped 0.14% to 264.60. Axia and Padenga advanced, while Invictus Energy and Simbisa fell sharply. The dispersion indicates active price discovery without a common directional signal. Persistent volume would help distinguish durable repositioning from a reopening adjustment.

Q2 rebound remains concentrated

Real GDP grew 5.8% quarter on quarter and 3.1% year on year. Mining rose 33.3% sequentially but remained 8.9% below the prior-year quarter, while manufacturing and trade posted modest annual growth. The recovery is real, though its composition keeps company execution central. Volume, margin and cash evidence will determine whether the rebound reaches listed earnings.

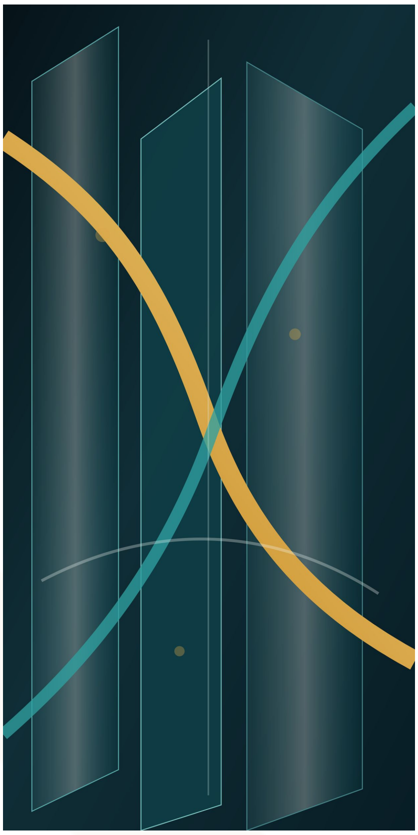
Credit depth limits transmission

Private-sector credit was reported at 6.5% of GDP, well below selected regional comparators. Combined with the RBZ policy rate of 30.0%, the gap reinforces the importance of deposit funding, collateral quality, debtor discipline and hard-currency cash generation. Firms able to fund working capital internally retain a meaningful operating advantage. This can widen the valuation gap between self-funded firms and leveraged peers.

SwitzView Interpretation

Stronger local breadth and easing input benchmarks improve the tactical backdrop, but they do not remove the structural financing constraint. Expensive domestic credit means the benefit will accrue unevenly, favouring businesses that turn inventory quickly, match revenue and costs by currency, and fund expansion from operating cash. The key distinction is between a supportive market signal and demonstrable earnings delivery over several reporting periods.

Regional & Global Developments



Fed resumes tightening

The Federal Reserve raised its target range by 25 basis points to 3.75% to 4.00%, its first increase since 2023. Higher US rates lift the discount-rate hurdle for emerging-market assets and external borrowing, while leaving currencies sensitive to renewed dollar strength. The transmission to Zimbabwe is indirect but material through funding costs, portfolio risk appetite and the landed price of imports. Issuers with near-term refinancing needs therefore face a less forgiving external backdrop. That keeps cash-rich balance sheets strategically valuable.

Oil retreats from an elevated base

Brent fell 2.33% to US$ 105.83/bbl as immediate supply concerns eased. The decline offers potential relief through fuel, freight and backup-power costs, but pass-through is delayed and the benchmark remains high enough to keep logistics margins and pricing discipline in focus. Importers still need to account for shipping, insurance and inventory timing before lower benchmarks reach operating costs. The useful signal is direction, not immediate full relief.

Policy paths diverge

Brazil cut the Selic rate to 13.75% on the same day that the Fed tightened, underscoring that global policy is no longer moving in one direction. Country inflation, fiscal credibility and currency sensitivity will matter more than a single emerging-market risk signal. For regional portfolios, this divergence favours security-level analysis over broad assumptions about monetary easing or tightening. Currency resilience will remain a key test of policy credibility. The result is wider dispersion in financing and valuation outcomes.

Today's Watchlist

- ZSE breadth and turnover across the next eligible sessions, including whether activity broadens beyond Delta-led trading.
- VFEX follow-through after higher turnover coincided with sharp security-level dispersion.
- Dollar, Treasury-yield and rand reactions as markets absorb the first Fed increase since 2023.
- Company evidence on Q2 volume growth, working-capital funding and cash conversion.

SwitzView Takeaway

The reopening confirms that local price discovery has regained momentum, not that a durable re-rating is under way. The next signal must come from persistence: broader turnover, repeatable volumes and issuer-level cash delivery. The policy mix also matters, because lower oil and firmer regional currencies offer only partial relief while domestic and US rates remain restrictive. This creates a market in which operating detail should matter more than index direction. Until those conditions align, resilience in funding and execution remains more valuable than exposure to the headline rebound. The strongest evidence will be repeatable cash generation across several reporting periods.

Selected public sources
Equity Axis; Board of Governors of the Federal Reserve System; World Bank