Morning Note

Saturday, 19 September 2026

SWITZVIEW
WEALTH MANAGEMENT

SwitzView Morning View

Zimbabwe closes the week with improving policy and investment signals, but Friday's market session still argues for selectivity. The official USD/ZiG interbank average strengthened 0.08% to 26.6478. Against the rand, the same-date ECB cross moved 0.13% to ZAR16.2724 per US dollar. Stable official pricing helps planning, yet it does not guarantee equal currency access or protect importers from regional replacement-cost changes. The stronger test is whether stability reaches cash conversion, inventory cycles and pricing decisions.

The ZSE All Share fell 0.70% to 452.95. The Top 10 and Top 15 also declined, while the Medium Cap index edged 0.14% higher. ZSE equity turnover jumped 746.32% to ZiG 100.88m, but Delta accounted for almost all traded value. That concentration limits the breadth signal. VFEX performed better: the All Share gained 0.39% to 267.92 and turnover rose 75.49% to US$ 1.77m. Thin eligible mover coverage also limits conclusions about breadth. A strong print does not by itself establish a broadly liquid market.

Operating costs moved the other way. ZERA lifted the diesel ceiling to US$ 2.08 a litre and the E20 ceiling to US$ 2.06. Freight, mining, agriculture and distribution now face a faster margin test. Brent's completed daily observation fell 1.54% to US$ 103.21 a barrel, but one decline does not undo the higher local replacement-cost environment. Gold rose 0.97% to US$ 4,383.45 an ounce, supporting mining sentiment while tighter global rates keep the financing hurdle high.

The medium-term case rests on execution. GDP rebounded 5.8%, led by mining, while manufacturing stayed modest and finance contracted. Private solar is moving into production, and Chirundu reached financial close for a US$ 66.8 million upgrade. These projects earn weight through delivered power, faster clearance and visible cash flow. Each signal has a measurable test: factory utilisation, border turnaround, payment reliability and broader earnings participation. Progress needs dated operating evidence, not a count of announced projects. The weekend stance is constructive but conditional.

At a Glance

ZSE All Share
-0.70%

VFEX All Share
+0.39%

ZSE turnover
ZiG 100.88m

VFEX turnover
US$ 1.77m

Gold
US$ 4,383.45/oz

Brent
US$ 103.21/bbl

Investors Lens

- Separate turnover from breadth. Friday's ZSE value was concentrated in Delta, while VFEX paired a positive index with higher turnover. Size positions for realistic exit capacity.
- Higher fuel ceilings favour energy efficiency, local inputs and contractual pass-through. Import costs still depend on currency access and the rand cross.
- Tighter global rates raise the return hurdle. Transparent cash flow, conservative leverage and currency matching matter more. Projects earn weight when operating terms become visible.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	452.95	-0.70%
ZSE Top 10 Index	444.38	-0.92%
ZSE Top 15 Index	459.27	-0.81%
ZSE Medium Cap Index	520.62	+0.14%
VFEX All Share Index	267.92	+0.39%
ZSE equity turnover	ZiG 100.88m	+746.32%
VFEX equity turnover	US$ 1.77m	+75.49%
USD/ZiG	26.6478	-0.08%
USD/ZAR	16.2724	+0.13%
Gold	US$ 4,383.45/oz	+0.97%
Brent	US$ 103.21/bbl	-1.54%
RBZ policy rate	30.0%	Unchanged

ZSE Leading Risers

Counter	Movement
TN Cyber	+6.88%
SeedCo	+1.73%
GBH	+0.15%
N/A	N/A
N/A	N/A

ZSE Leading Fallers

Counter	Movement
BAT	-14.83%
Unifreight	-13.04%
N/A	N/A
N/A	N/A
N/A	N/A

VFEX Leading Risers

Counter	Movement
Old Mut.	+4.31%
Simbisa	+1.32%

VFEX Leading Fallers

Counter	Movement
Axia	-1.14%
N/A	N/A

Key Local Developments

Fuel ceilings reset the cost base

ZERA raised maximum diesel to US$ 2.08 a litre from US$ 1.95 and E20 to US$ 2.06. Transport-intensive companies face immediate margin and working-capital pressure. Generator users also carry higher costs. Fixed-price contracts face the sharpest mismatch, while short repricing cycles respond faster. Watch the timing and scale of freight, food and manufactured-goods repricing.

Growth rebounds, but remains concentrated

Real GDP rose 5.8% from the first quarter while annual growth slowed to 3.1%. Mining increased 33.3% quarter on quarter, manufacturing added only 0.6% and finance contracted 3.6%. Mining can lift exports without generating the demand created by broad gains in manufacturing, trade and services. Compare the rebound with company volumes and cash collection.

Solar moves into production

Private solar projects are increasingly tied to factories, farms, mines and hotels. Cafca expects a 1.2MW plant to cover about 30% of its electricity needs, while larger industrial projects are advancing. Value depends on delivered electricity, higher utilisation and lower diesel use. Funding, grid connection and payment reliability remain part of the test. Projects also need durable maintenance contracts and reliable payment arrangements.

Chirundu reaches financial close

The Chirundu Border Consortium reached financial close and began site mobilisation for a US$ 66.8 million upgrade under a 20-year concession. Completion is targeted within 18 months. The commercial test is shorter clearance time, reliable truck turnaround and lower landed freight cost. The highway programme can amplify the benefit if road reliability improves. Concession terms and milestones now matter more than the announcement. Users should see the gain in queues and journey time.

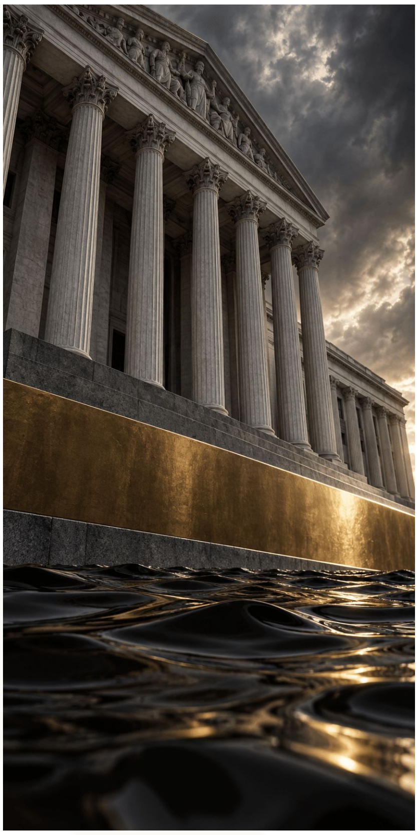
SwitzView Interpretation

The common thread is implementation distance. Official rate stability matters when firms can transact. GDP gains matter when activity broadens beyond mining. Solar matters when production rises, and corridor finance matters when freight clears faster. Concentrated turnover shows that a large number can coexist with limited breadth. Rank evidence by operating effect, treat frameworks as options, and increase conviction when delivery becomes measurable.

Regional & Global Developments

Federal Reserve resumes tightening

The Federal Reserve raised its target range by 25 basis points to 3.75%-4.00%, its first increase since 2023. The move keeps dollar funding restrictive and lifts the required return on frontier assets. Zimbabwe feels the effect through offshore borrowing costs, correspondent liquidity, investor risk appetite and the exchange value of the dollar. Borrowers with refinancing needs face a direct funding channel, while importers face currency translation. Higher safe yields make illiquid frontier positions work harder to attract capital.



Bank of Japan lifts rates

The Bank of Japan raised its benchmark rate to 1.25%, the highest in roughly three decades. The yen weakened after the decision, showing that tighter policy does not ensure currency gains when markets demand more. A broader global inflation fight also reduces the supply of cheap funding that previously supported carry trades and risk assets. For Zimbabwe, the global pricing channel matters more than direct trade. Less carry capital can increase volatility across emerging-market currencies. Policy normalisation is no longer confined to one major central bank.

Defensive flows favour gold as oil eases

Gold's completed daily observation rose 0.97% to US$ 4,383.45 an ounce, while Brent fell 1.54% to US$ 103.21 a barrel. Global equity funds recorded their largest weekly outflow in nine months, with about US$ 23.21 billion withdrawn. The mix points to cautious reallocation. Gold supports mining sentiment, but company economics still depend on costs and production. Lower Brent offers limited relief because local fuel ceilings have risen.

Today's Watchlist

- Track fuel pass-through announcements from freight operators, retailers and producers. Timing will show where margin pressure reaches consumer prices and which sectors have the least protection.
- Watch whether Monday's equity activity broadens beyond Delta and a small VFEX group. Concentrated turnover should not be read as deeper liquidity.
- Follow oil-route risks, gold's hold above Friday's level and repricing of the next Federal Reserve move. These signals affect fuel costs, mining sentiment and the asset hurdle rate.

SwitzView Takeaway

Zimbabwe's investment case is improving in parts, but proof matters more than direction. Official currency stability supports planning, yet access and regional import pricing determine the operating result. Strong turnover can signal activity, while concentration can leave liquidity narrow. Solar and corridor investment can reduce structural costs, but value appears only after power is delivered and clearance times fall. This supports selective optimism. Companies with visible cash flow, defensible margins and sound currency matching deserve more attention. Fuel exposure, fixed-price contracts and weak exit liquidity require wider buffers. Preserve flexibility and let measurable delivery determine conviction.

Selected public sources

Reserve Bank of Zimbabwe; Equity Axis; Reuters; Associated Press; European Central Bank