Morning Note

Wednesday, 23 September 2026

SWITZVIEW
WEALTH MANAGEMENT

SwitzView Morning View

Zimbabwean equities closed 22 September with a firmer and more credible trading signal than the previous session. The ZSE All Share added 0.10% to 454.41 while equity turnover rebounded to ZiG 111.67 million from ZiG 5.06 million. The comparison is flattered by Monday's very low base, but Tuesday's price direction is still more informative because it was supported by materially higher value traded.

VFEX delivered the stronger move, with the All Share Index up 2.21% to 272.22 as turnover rose 162.28% to US$ 1.50 million. Higher prices and higher value traded strengthen the market-level signal, although mover conclusions remain narrower because only counters with complete current and MNDL comparator lineage qualify. Liquidity improved without becoming uniform across the board.

The currency and commodity mix was supportive at the margin. USD/ZiG moved 0.23% to 26.6939 and USD/ZAR rose 0.76% to 16.3292. Gold advanced 0.47% to US$ 4,363.36 an ounce while Brent fell 1.84% to US$ 98.49. Stronger gold supports mining-linked earnings and receipts, while softer oil eases one import-cost channel without removing freight, currency or global-rate risk.

Local operating evidence was constructive. Padenga's first-half results showed stronger earnings and operating cash flow, while the Masembura-Bindura water pipeline was commissioned with joint financing, directly addressing a water constraint for Bindura and Freda Rebecca Gold Mine. Both examples connect capital and operating performance to measurable outcomes rather than promises alone.

Execution risk remains the common filter. Lohum's planned US$ 100 million lithium investment adds a processing step to Zimbabwe's critical-minerals story, while progress at Gwayi-Shangani and Kunzvi points to future water-security benefits. Yet announced capital and construction percentages do not equal cash flow. With US rates restrictive and the rand policy-sensitive, funding visibility, operating delivery and cash conversion remain decisive.

At a Glance

ZSE All Share
454.41 (+0.10%)

VFEX All Share
272.22 (+2.21%)

ZSE turnover
ZiG 111.67m

VFEX turnover
US$ 1.50m

Gold
US$ 4,363.36/oz

Brent
US$ 98.49/bbl

Investors Lens

- ZSE turnover rose from Monday's thin base, improving price discovery without proving a durable liquidity shift.
- VFEX paired a 2.21% gain with stronger turnover, but security-level conclusions remain constrained by comparator lineage.
- Padenga cash generation and the Bindura pipeline are stronger evidence because execution is already visible.
- Gold supports mining cash flow, while restrictive US rates and rand sensitivity favour care.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	454.41	+0.10%
ZSE Top 10 Index	444.95	+0.08%
ZSE Top 15 Index	459.77	+0.07%
ZSE Medium Cap Index	526.10	+0.18%
VFEX All Share Index	272.22	+2.21%
ZSE equity turnover	ZiG 111.67m	+2108.40%
VFEX equity turnover	US$ 1.50m	+162.28%
USD/ZiG	26.6939	+0.23%
USD/ZAR	16.3292	+0.76%
Gold	US$ 4,363.36/oz	+0.47%
Brent	US$ 98.49/bbl	-1.84%
RBZ policy rate	30.00%	Unchanged

ZSE Leading Risers

Counter	Movement
TNCI	+2.58%
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

ZSE Leading Fallers

Counter	Movement
ARISTON	-6.15%
SEED	-3.83%
MASH	-0.49%
N/A	N/A
N/A	N/A

VFEX Leading Risers

Counter	Movement
N/A	N/A
N/A	N/A

VFEX Leading Fallers

Counter	Movement
SIM	-4.85%
OMU	-0.42%

Key Local Developments

Padenga cash flow sharpens earnings quality

Padenga's first-half performance showed strong growth in earnings and operating cash flow, with gold operations and high bullion prices providing major support. Cash conversion is the stronger quality signal. Sustained value will still depend on production, cost discipline, working capital and capital requirements.

Lohum adds processing to lithium plan

Lohum said it secured rights to ten lithium blocks in Zimbabwe and plans about US$ 100 million of investment, including lithium sulphate processing before shipment to India. Local processing could increase value capture, but funding, plant construction, utilities, product qualification and offtake remain the execution tests.

Bindura pipeline removes a water constraint

The roughly 22-kilometre Masembura-Bindura pipeline was commissioned after joint financing by Mutapa Gold Resources and Bindura Municipality. It adds a raw-water source for the town and supports Freda Rebecca Gold Mine. The next test is whether treatment and distribution capacity converts the asset into reliable supply.

Water projects move closer to use

Government reporting placed Gwayi-Shangani Dam at 82% completion and Kunzvi Dam at 74% on 22 September. Progress can support irrigation, industry and urban water security, but percentages are not commissioning. Funding continuity, downstream connections and reliable service remain the next evidence.

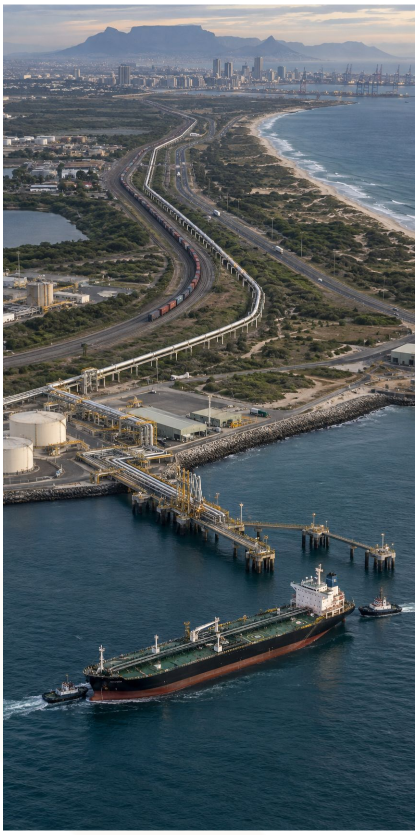
RBZ tightens MFI price disclosure

A Reserve Bank of Zimbabwe communication to microfinance institutions reinforced interest-rate and fee disclosure using a prescribed template. Clearer pricing can improve borrower comparability and reduce conduct risk while raising compliance expectations. The commercial effect will depend on implementation costs, customer behaviour and any margin pressure.

SwitzView Interpretation

The 22 September evidence is more constructive than Monday's because several signals moved from potential into observable execution. Exchange turnover recovered, Padenga showed cash-generating operating leverage and a funded water asset was commissioned. The discipline is to separate what is already measurable from what still depends on delivery. Lohum's lithium plan and partially completed dams can create value, but funding, construction and service availability remain the tests.

Regional & Global Developments



South Africa keeps the rand in focus

South African inflation data and the SARB policy decision remain key transmission events for Zimbabwe through imported goods, regional services, working-capital costs and rand-denominated procurement. A stable rand can reduce near-term pricing noise, while a sharp policy-driven move can alter landed costs quickly. The useful signal is the combination of inflation, the decision and the currency response.

Saudi pipeline restart eases oil-route pressure

Saudi Arabia restarted the East-West oil pipeline at reduced rates, restoring an important route that bypasses the Strait of Hormuz. Reuters reported full restoration could take six to eight weeks. Lower route risk helped oil prices ease, but conflict and maritime-security risk can still reverse the benefit.

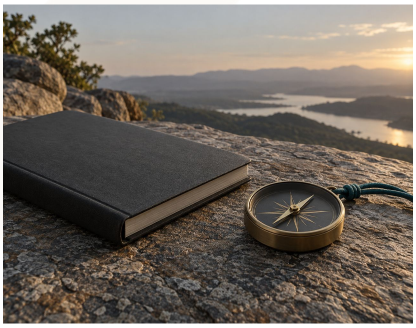
Fed officials defend restrictive policy

Federal Reserve officials Susan Collins and Tom Barkin reinforced the case for restrictive policy as inflation remains persistent and activity firm. Higher US rates can support the dollar and raise global hurdle rates, increasing the premium on current cash flow, liquidity and refinancing resilience.

China property stress remains policy-managed

Chinese regulators were reported to have asked major banks to extend Vanke loan deadlines and avoid classifying overdue loans as non-performing. The intervention reduces immediate systemic pressure but does not establish a broad property recovery, leaving commodity demand and project-finance transmission uncertain. Capital allocation therefore remains defensive.

Today's Watchlist



- South Africa: inflation data and the SARB decision, with focus on the rand and Zimbabwe's import-cost channel.
- Zimbabwe equities: whether ZSE turnover remains materially above Monday's thin base and breadth confirms the 22 September gains.
- VFEX: whether the 2.21% index rise is followed by sustained turnover and broader participation.
- Padenga and critical minerals: production, cash flow and capex detail, plus evidence that Lohum's lithium plan progresses into funded development and offtake.

SwitzView Takeaway

The 22 September evidence supports a more constructive but selective stance. Exchange liquidity improved, VFEX paired gains with stronger turnover, gold remained supportive and Brent eased. Padenga's cash generation and the commissioned Bindura pipeline show the value of observable execution, while Lohum's lithium plan and partially completed dams still depend on delivery. Investors should favour exposures where current cash flow or verified milestones support value without relying on thin liquidity or optimistic financing. USD/ZiG edged higher, the rand is policy-sensitive and restrictive US rates keep funding selective. Preference is for businesses able to convert revenue into cash and fund growth through volatility.

Selected public sources

Padenga Holdings; LOHUM; Reserve Bank of Zimbabwe; Reuters; Government of Zimbabwe