

Morning Note

Saturday, 17 October 2026



SwitzView Morning View

Friday's opposing benchmark moves sharpen the distinction between currency denomination and business performance. The ZSE All Share Index fell 0.55% while the VFEX benchmark rose 0.67%, yet both exchanges contained substantial individual declines. A US dollar quotation can reduce translation uncertainty without removing operating or valuation risk. The useful assessment remains the issuer's cash generation, funding needs and capacity to deliver. Benchmark gains therefore require company-level confirmation before they can support a broader earnings conclusion.

The ownership evidence is narrower still. Caledonia's shareholder notice records BlackRock's combined voting interest at 6.22%, against 6.15% previously. It includes financial instruments as well as share-linked rights. That disclosure improves visibility of a holding, but supplies no operating update and no independent explanation for Friday's share-price movement. A change in the ownership register and a change in the investment case need different evidence.

External prices distribute gains and costs unevenly. Gold increased modestly while Brent rose more strongly, supporting the revenue environment of gold-linked businesses while raising replacement costs for fuel users. The net effect depends on imported inputs, payment terms and the ability to pass costs through. Foreign-currency sales can coexist with a larger working-capital requirement before the next customer receipt arrives. Input exposure and the timing of replenishment can matter as much as the reported selling price.

Tobacco expectations provide a different test of exposure. Forecast stronger prices for good-quality leaf sit alongside slower irrigated planting, so a better unit-price outlook cannot establish larger crop receipts. Area, yield and grade still matter. COMESA preparations concern a separate commercial channel: registration indicates interest in regional engagement, with stand construction relevant this weekend. Neither forecasts nor registrations should be read as completed operating outcomes. Their value lies in the specific information they provide, with the remaining uncertainty kept explicit.

At a Glance

ZSE All Share
-0.55%

VFEX All Share
+0.67%

ZSE turnover
ZiG 19.61m

VFEX turnover
US\$ 1.71m

Gold
US\$ 4,186.70/oz

Brent
US\$ 109.69/bbl



Investors Lens

- Liquidity: Larger aggregate turnover does not establish executable depth in every counter. Assess position size and settlement timing alongside the closing valuation.
- Input costs: Higher Brent can absorb part of an export benefit before customer receipts adjust. Revenue currency alone does not determine the net margin.
- Conversion: Crop-price forecasts and exhibition interest remain prospective. Delivery, grade and dependable payment turn those signals into cash.

Market Dashboard

Indicator	Latest Available	Movement
ZSE All Share Index	475.30	-0.55%
ZSE Top 10 Index	465.10	-0.73%
ZSE Top 15 Index	476.16	-0.70%
ZSE Medium Cap Index	551.27	+0.10%
VFEX All Share Index	271.75	+0.67%
ZSE equity turnover	ZiG 19.61m	+710.55%
VFEX equity turnover	US\$ 1.71m	+68.60%
USD/ZiG	26.6072	-0.01%
USD/ZAR	16.4857	-0.51%
Gold	US\$ 4,186.70/oz	+0.40%
Brent	US\$ 109.69/bbl	+3.56%
RBZ policy rate	27.5%	Unchanged

ZSE Leading Risers

Counter	Movement
Unifrght	+12.50%
T N Cyber	+5.56%
RioZim	+5.56%
Zimre	+3.02%
Dairibord	+0.62%

ZSE Leading Fallers

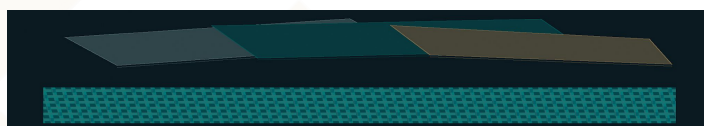
Counter	Movement
ART	-14.96%
Proplast.	-14.81%
Rainbow	-14.74%
ZSE Hldgs	-9.97%
GB Hldgs	-9.06%

VFEX Leading Risers

Counter	Movement
Zimplot	+20.00%
SeedColnt	+4.88%

VFEX Leading Fallers

Counter	Movement
Invictus	-17.09%
Caledonia	-6.20%



Key Local Developments

Benchmarks diverge as turnover rises

The ZSE All Share Index closed Friday at 475.30, down 0.55%, while the VFEX benchmark reached 271.75, up 0.67%. Traded value increased on both exchanges, but sizeable individual declines remained. The result is a more active session with uneven security-level outcomes. Index direction alone does not establish stronger earnings or the liquidity available for a particular transaction. Order size and the willingness of another participant to trade remain separate constraints on execution.

Caledonia reports voting-interest change

Caledonia's 16 October significant-shareholder notice reported BlackRock's combined voting interest at 6.22%, against 6.15% previously. The threshold was crossed on 14 October and notified on 15 October. The total includes share-linked rights and financial instruments. This is an ownership disclosure, providing no independent basis for attributing Friday's price move to operating performance.

Tobacco outlook retains production dependencies

ZBC reported expectations of stronger prices for good-quality tobacco next season alongside irrigated planting below the previous season's level. Tighter anticipated supply remains a forecast. Growers and lenders still need to assess planted area, yield, grade and input costs. Higher prospective unit prices may support demand for seasonal finance without removing the cash required before crop settlement.

COMESA interest faces a commercial conversion test

Preparations for the COMESA business events were reported as advanced, with registrations above initial targets and stand construction planned over the weekend. The immediate issue is exhibitor readiness. Interest needs to become credible buyers, workable payment terms and reliable delivery before it represents revenue. Smaller firms must finance exhibition, travel and stock ahead of that conversion.

SwitzView Interpretation

More turnover and stronger commercial interest improve the conditions in which transactions are attempted. They do not establish an executable exit or a dependable customer receipt. The cash-cycle test remains the terms of commitment, replacement input costs and collection timing. Better crop-price expectations can coexist with larger funding needs before settlement. Delivery evidence and payment security would strengthen the case for committing capital.



Regional & Global Developments

IMF highlights uneven African exposures

The IMF's Africa Department briefing on 16 October described resilience alongside differing commodity, energy and external-financing pressures. Zimbabwe's transmission channels include export receipts, imported fuel and funding costs. A favourable growth aggregate cannot establish a particular borrower's cash flow. Receipt currencies, imported requirements and payment timing remain the more direct commercial tests. Export gains can improve the trading environment while imported costs remain binding for individual firms. Productive investment still needs operating capacity and dependable payment performance.

Euro-area inflation rises to 3.8%

Eurostat put September annual inflation at 3.8%, up from 3.2% in August, with energy and services contributing materially. Zimbabwe-linked importers may face supplier-cost pressure, while exporters remain exposed to European demand and customer budgets. The release does not itself determine a central-bank decision. The direction and timing of the effect depend on each company's trading relationships. Importers and exporters face different effects.

US production expands on preliminary reading

The Federal Reserve's 16 October industrial-production table showed a preliminary 0.7% monthly increase in September's total index. Stronger production can support demand for industrial inputs, but it does not demonstrate new orders for every Zimbabwean supplier. Commodity and customer chains determine the connection. Later revisions could also change the assessment of external demand. This demand signal sits alongside the separate risks from energy costs and the availability of external finance.

Today's Watchlist

- COMESA readiness: Weekend stand construction makes exhibitor logistics and a usable commercial offer relevant today, before next week's meetings produce any outcomes.
- Fuel exposure: Friday's Brent increase creates a replacement-cost watch point for transport and distribution. Pass-through depends on supplier pricing and customer terms.
- Tobacco execution: Monitor the reported planting slowdown against crop-price expectations. Area, weather and grade will determine eventual receipts.



SwitzView Takeaway

Friday's evidence favours separating the signal from the conclusion. Benchmark divergence describes market direction; Caledonia's disclosure describes voting interests; tobacco forecasts describe an expected selling environment. None alone establishes stronger operating performance. The useful next evidence differs in each case: security-level trading depth, issuer operating results, or planting and crop quality. Gold and fuel also affect different sides of the margin. A portfolio assessment should preserve those distinctions, testing the relevant business exposure before treating a favourable headline as a common improvement across holdings.

Selected public sources

Caledonia Mining; ZBC News; The Herald; IMF; Eurostat

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