

SWITZVIEW
W E A L T H M A N A G E M E N T

WEEKLY MARKET ROUNDUP

MONDAY, 05 OCTOBER 2026

ZIMBABWE MARKETS, ECONOMY
AND INVESTMENT INSIGHTS

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to

Sunday 04 Oct'26 23:59:59



SwitzView Weekly View

Zimbabwean financial conditions moved in two directions during the week. ZSE benchmarks strengthened, but traded value fell sharply, while the VFEX benchmark was almost flat despite a large rise in turnover concentrated in one counter. The distinction matters because closing prices, aggregate turnover and the ability to execute a meaningful order are different signals. Stronger valuations can help reported portfolio values, but thin or concentrated trading can still limit exit capacity and raise slippage for larger positions.

Domestic policy became more supportive without removing financing discipline. The Reserve Bank of Zimbabwe officially reduced the Bank policy rate from 30% to 27.5% and the Targeted Finance Facility rate from 15% to 12.5%, while retaining the 22.5% productive-sector on-lending cap and unchanged reserve requirements. Lower reference rates can improve borrowing economics, but the actual benefit still depends on lender pricing, collateral, tenor, borrower quality and how quickly policy changes transmit into approved facilities and operating cash flows.

Currency signals were mixed. The official ZiG central-rate series moved modestly against the US dollar, while the rand weakened more materially against the dollar over the weekly comparison period. For Zimbabwean firms, a weaker rand can reduce the dollar cost of some South African inputs, but the result depends on contract currency and supplier repricing. Businesses earning rand revenue can face the opposite effect. Exposure therefore needs to be assessed across receipts, costs, settlement dates and financing rather than through one exchange rate alone.

The wider operating backdrop remained selective. Dairibord highlighted capacity investment and resilience spending on water and power, while South African growth softened and global food and energy costs stayed elevated. These developments reinforce a practical investment test: capital is most useful where it improves cash generation and resilience at the same time. The week was constructive for selected valuations and financing conditions, but execution quality, liquidity, currency matching and operating resilience remain central to whether an opportunity is genuinely investable.

Week in Brief

- ZSE prices strengthened while liquidity weakened. The All Share Index rose 3.07%, but weekly turnover fell 77.19%, separating valuation gains from execution depth.
- VFEX turnover rose 621.75%, but Econet InfraCo trading on 2 October drove much of the increase. The All Share Index slipped 0.19%, so liquidity was not broadly stronger.
- Domestic policy rates fell. The Bank policy rate moved from 30% to 27.5% and the Targeted Finance Facility rate from 15% to 12.5%, while the productive-sector cap stayed 22.5%.
- The official currency path remained contained. ZiG weakened modestly against the dollar, while the rand weakened more materially over the same weekly period against the dollar.
- Dairibord said recent capacity projects supported volume growth and expected 2026 capital expenditure of US\$9 million by year-end, while water and power risks remained active.
- South African GDP contracted 0.2% quarter-on-quarter in Q2. Global food prices rose in September and Brent remained above US\$100 a barrel at the market-week close.



Investors' Lens

- Stronger ZSE prices should be assessed together with the sharp fall in traded value.
- VFEX turnover needs a concentration test before it is treated as improved liquidity.
- Lower policy rates matter only when they transmit into usable tenor and effective pricing.
- Currency exposure should match the currencies and timing of receipts, costs and debt service.
- Productive investment is stronger when it expands capacity and reduces operating fragility.

Market Signals to Watch

- Lending transmission: watch whether lower rates improve pricing and tenor for productive borrowers.
- Market depth: watch whether ZSE turnover recovers and whether VFEX activity broadens beyond the exceptional 2 October Econet InfraCo transaction.
- Regional currency: watch whether rand weakness changes import costs, export margins and receipts.
- External costs: watch food and fuel prices because elevated global inputs can offset part of the benefit from comparatively stable official rates.

Capital Markets

Zimbabwe Stock Exchange

The ZSE closed the week with broad gains. The All Share Index rose from 465.90 on 25 September to 480.19 on 2 October, up 3.07%. The Top 10 gained 2.84%, the Top 15 rose 2.43% and Medium Cap advanced 3.88%, while market capitalisation increased 3.30%. The breadth shows that the weekly move was not confined to one benchmark segment, although price performance alone does not establish executable liquidity.

Aggregate equity turnover for 28 September to 2 October was ZWG46.53 million, down 77.19% from ZWG203.95 million in the previous week. Ariston, CyberTech, Delta, RTG and BAT led the risers, while FML, NMBZ, Zimre, CBZ and SeedCo led the fallers. Higher closing levels on lower traded value make order size, depth and company fundamentals important when interpreting the move.

Victoria Falls Stock Exchange

The VFEX All Share Index ended at 272.85 on 2 October, down 0.19% from 273.37 on 25 September, while market capitalisation declined 0.42%. Weekly turnover rose from US\$6.86 million to US\$49.50 million, up 621.75%.

The surge was highly concentrated. About US\$40.78 million traded on 2 October, dominated by Econet InfraCo. Four counters recorded positive weekly moves, but the turnover surge did not show a broad increase in liquidity.

Index	Prior Week Reference	This Week Close	Weekly Movement
All Share	465.90	480.19	+3.07%
Top 10	457.29	470.28	+2.84%
Top 15	469.24	480.62	+2.43%
Medium Cap	534.33	555.06	+3.88%
Market cap	103.27bn	106.68bn	+3.30%

Leading Riser

Counter	Movement
Ariston	+45.69%
CyberTech	+17.15%
Delta	+14.71%
RTG	+13.52%
BAT	+13.13%

Leading Faller

Counter	Movement
FML	-11.36%
NMBZ	-11.29%
Zimre	-6.54%
CBZ	-5.23%
SeedCo	-1.93%

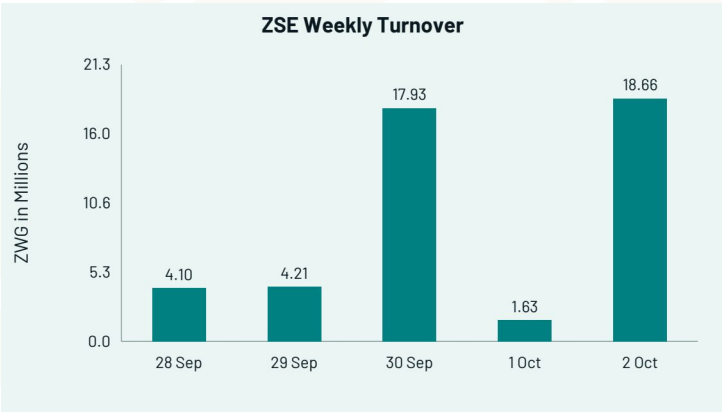
Index	Prior Week Reference	This Week Close	Weekly Movement
All Share	273.37	272.85	-0.19%
Turnover	6.86m	49.50m	+621.75%
Market cap	8.25bn	8.22bn	-0.42%

Leading Riser

Counter	Movement
Simbisa	+10.71%
Kavango	+9.78%

Leading Faller

Counter	Movement
SeedCo Intl	-19.89%
TSL	-8.72%



SwitzView Interpretation

Weekly market movements and execution capacity must be assessed together. Zimbabwean benchmarks moved upwards as turnover weakened sharply; VFEX turnover jumped with a broadly flat benchmark and concentrated activity. Stronger closes improve valuations, but thin markets can widen the gap between quoted prices and executable levels. A stronger market signal requires market-wide liquidity.

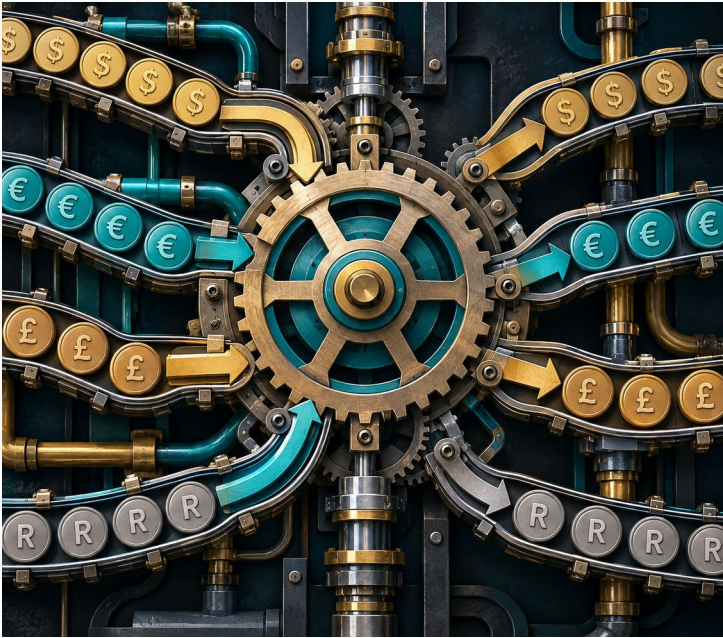
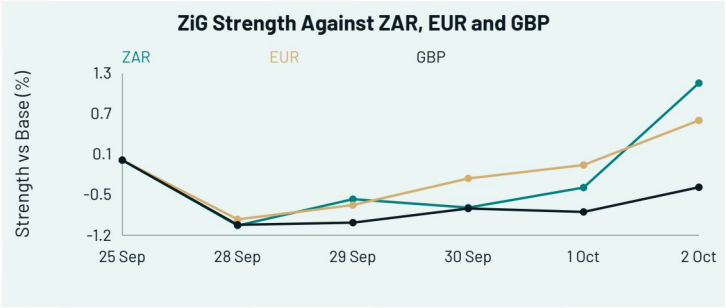


Currency Market

The official ZiG central-rate series remained relatively contained. USD/ZWG moved from 26.6294 on 25 September to 26.7653 on 2 October, GBP/ZWG from 35.2028 to 35.3503, EUR/ZWG from 30.2923 to 30.1084 and ZWG/ZAR from 0.6164 to 0.6237. The mixed cross-rate pattern matters because businesses often receive and pay in different currencies, so one stable pair does not remove exposure across the operating cycle.

The rand moved more sharply. The USD/ZAR exchange rate rose over the weekly period from 16.2938 to 16.7340, corresponding to a 2.63% weakening against the dollar over the same period. A weaker rand can lower the dollar cost of some South African inputs, but supplier pricing, invoice currency and timing still matter. Exporters earning rand can face the reverse translation effect, making net exposure more useful than a single directional view.

Currency	Prior Week Reference	This Week Close	Weekly Movement
USD/ZWG	26.6294	26.7653	+0.51%
GBP/ZWG	35.2028	35.3503	+0.42%
EUR/ZWG	30.2923	30.1084	-0.61%
ZWG/ZAR	0.6164	0.6237	+1.18%
USD/ZAR	16.2938	16.7340	+2.70%



Money Market

The Reserve Bank of Zimbabwe officially reduced the Bank policy rate from 30% to 27.5% and the Targeted Finance Facility rate from 15% to 12.5%. It retained the productive-sector on-lending cap at 22.5%, reserve requirements at 30% for demand deposits and 15% for savings and time deposits, and minimum deposit rates. The Bank described the change as a realignment to inflation conditions rather than unrestricted easing.

For borrowers, the key test is transmission. Lower reference rates can improve working-capital and productive facilities if banks pass them through in effective pricing and useful tenor. Credit assessment, collateral, sector risk, liquidity and cash conversion still determine the outcome. Unchanged reserve requirements also mean the decision did not release a separate new pool of bank liquidity, so debt service still needs to match operating cash flow through the cycle in practice.

SwitzView Interpretation

Modest ZiG movement, a weaker rand and lower policy rates create a mixed financing environment. Borrowers may benefit if banks transmit lower rates, while some importers can gain from rand weakness, but other costs can offset part of that advantage. The practical focus is matching currency, tenor, settlement timing and interest resets so cheaper funding is not undermined by poorly aligned operating exposures.

Economy, Policy & Investment Themes

Economy and Policy

The Reserve Bank's 28 September statement maintained an expectation of 5% real GDP growth in 2026, supported by mining and agriculture. It reported foreign-currency inflows of US\$14.3 billion in the eight months to August, up 37.8% from US\$10.3 billion a year earlier. Preliminary estimates placed the current-account surplus at US\$1.1 billion in the first half of 2026, compared with US\$248.2 million in the comparable 2025 period. Those indicators improve the external backdrop without removing company-level funding and currency risks.

The Bank also said reserves backing ZiG exceeded US\$2 billion in September, equivalent to about two months of import cover, while annual ZiG inflation increased from 2.9% in August to 3.7% in September. Oil had moved above US\$100 a barrel earlier in September. That combination helps explain why policy rates were reduced cautiously while reserve requirements were unchanged. The policy mix is balancing growth support against imported-cost, inflation and external risks.

For companies, the next test is whether improved macro conditions translate into usable finance. Lower reference rates can support investment and inventory cycles, but the effect is narrower if lending remains short dated or highly selective. Stronger foreign-currency inflows can improve system liquidity, yet businesses still need to match debt service with the currency and timing of receipts. Project economics and borrower cash generation remain central to whether the macro improvement becomes a financing advantage.

The wider signal is selective support rather than the removal of risk. Monetary conditions are somewhat more accommodating, but imported food and energy costs remain material and regional growth has softened. Greater stability can support longer planning horizons, but businesses still need resilient demand, defensible margins, realistic funding structures and clear cash conversion to turn the improved backdrop into durable returns.



Real Assets & Alternative Investments

Dairibord's September AGM trade update provides a current example of real-asset investment aimed at both growth and resilience. The company said capacity enhancement projects commissioned over the past year continued to support volume growth and expected 2026 capital expenditure of US\$9 million by year-end, compared with US\$11.2 million in 2025. Investment remained focused on relieving production bottlenecks that constrain output and efficiency. The update also described water-resilience measures including boreholes, increased storage and recycling, while electricity faults increased the importance of backup capacity.

The commercial question is whether resilience spending protects cash generation as effectively as expansion spending grows revenue. A new production line can lift output, but returns can be impaired if power, water, packaging or agricultural supply constraints interrupt utilisation. Conversely, resilience investment may not create an obvious new revenue line but can preserve asset productivity and reduce downtime. Stronger real-asset cases therefore combine capacity, efficiency and risk reduction, with financing tenor and debt service matched to the cash profile of the assets being funded.

Corporate and Regulatory Developments

Dairibord's AGM approved the audited financial statements and authority to repurchase up to 10% of issued ordinary share capital until the next AGM. The resolution is enabling authority, not evidence that shares have been bought. Any eventual effect depends on price, funding source and alternative uses of cash.

The authority adds optionality while capacity investment and resilience needs remain active. The useful question is how cash is allocated among productive expenditure, resilience and any future repurchase, and whether the chosen use improves cash generation after funding costs.

SwitzView Interpretation

Monetary and investment developments offer an accommodating environment, though commercial commitments demand disciplined implementation. Stronger foreign-currency inflows and lower rates may improve financing; Dairibord demonstrates how investment can strengthen operational capacity and resilience. Opportunities must translate into implementation. Repurchase mandates, lower rates and capital programmes create value when improving cash generation or lowering risk after funding costs. Commercial assessments must examine operating constraints, financing flexibility and cash flows.

Regional Market

South Africa's September Quarterly Bulletin showed that real GDP contracted 0.2% quarter-on-quarter in the second quarter after six consecutive quarters of expansion. Mining and manufacturing weakened, real gross fixed capital formation declined and net exports made a negative contribution to quarterly growth. For Zimbabwe, the transmission runs through demand, supplier conditions, transport, intermediate inputs and regional financing. Softer South African activity can reduce regional orders even when a weaker rand lowers the dollar cost of selected imports.

The rand also weakened against the dollar over the weekly comparison. That can benefit Zimbabwean buyers whose South African supplier prices adjust in rand, while exporters earning rand revenue can see fewer dollars when receipts are translated. Businesses with both import and export flows therefore need a net exposure view. The same regional backdrop can create different margin outcomes depending on contract currency, pricing power, customer demand and the timing of settlements, so revenue and cost sensitivities should be stress-tested separately across operating scenarios for planning purposes.



International Market

Global cost conditions remained important for Zimbabwe. The FAO Food Price Index rose to 136.0 in September, 1.5% above August and 5.8% above a year earlier, with cereals up 5.1% month-on-month. Brent crude settled at US\$102.25 a barrel on 2 October. The G7 also announced a coordinated release of 100 million barrels of diesel and other reserves through the International Energy Agency. The policy response does not establish an immediate or lasting fall in prices, so fuel, transport and imported-input sensitivity remains relevant for local margins.

Gold moved in the opposite direction. Spot gold was around US\$4,140 an ounce on 2 October and was down roughly 3.4% for the week as a stronger US dollar and elevated yields weighed on the metal. For Zimbabwe, gold prices influence external earnings potential while global yields and dollar strength affect broader financing conditions and risk appetite. Food, energy and financial-market signals can therefore move in different directions in the same week, making it useful to separate operating-input inflation, funding conditions and export-commodity exposure.

SwitzView Interpretation

Regional and global conditions increase the value of balance-sheet flexibility. South African growth softened and the rand weakened, while food and energy costs stayed elevated and gold declined. Effects differ by business model, invoice currency and funding structure. Companies that manage inventory, reprice selectively and match currencies are better placed to absorb shifts in regional demand, imported costs and financing conditions.

Investment Insight

This week reinforces the distinction between opportunity and investability. Policy settings became more supportive and ZSE valuations moved higher, but liquidity and external costs remained uneven. For listed equities, the test is execution depth alongside valuation. For private and real assets, it is whether operating cash can absorb financing, commissioning and resilience costs. For lending and fixed-income exposures, lower reference rates help, but borrower quality, tenor and cash conversion remain decisive.

The common discipline is cash-flow visibility. Capital is better placed where revenue, funding currency, repayment timing and operating resilience can be mapped enough to survive adverse scenarios. That helps compare assets through liquidity, funding durability and recoverable cash flow. The strongest opportunity is the one with the most defensible route from capital deployed to cash recovered.



Other Developments

- RBZ reported US\$14.3 billion of foreign-currency inflows in the eight months to August, up 37.8% year-on-year, and ZiG reserves above US\$2 billion in September. The figures strengthen the external backdrop without removing company-level currency and liquidity requirements.
- Dairibord shareholders authorised a repurchase of up to 10% of issued ordinary share capital until the next AGM. The resolution creates optionality but is not evidence that shares have been purchased, so any eventual effect depends on execution and alternative uses of cash.
- VFEX weekly turnover reached US\$49.50 million, but the increase was concentrated in the 2 October session and Econet InfraCo. The total therefore does not establish broader liquidity.

What to Watch Next Week

- Watch lending transmission after the RBZ rate reduction. The commercial effect will depend on whether effective borrowing costs, facility tenors and credit availability begin to improve for productive borrowers, rather than on the reference-rate change alone.
- Watch whether ZSE turnover recovers and whether VFEX activity broadens beyond the exceptional 2 October concentration. Deeper activity across more counters would provide stronger evidence of execution capacity than another isolated turnover spike.
- Watch the rand, oil and food prices. Further rand weakness can shift import and export margins, while Brent above US\$100 and higher food prices can raise transport, packaging and agricultural-input costs.

SwitzView Weekly Takeaway

The week was selectively constructive rather than broadly risk-on. ZSE prices rose, domestic policy rates fell and official currency movements stayed comparatively contained, but ZSE turnover weakened sharply, VFEX liquidity was concentrated, South African growth softened and global food and energy costs remained elevated. Productive companies are still investing in capacity and resilience because utilities, climate and imported inputs remain active operating risks. The investment conclusion is to test liquidity, funding and cash generation together: stronger prices matter when positions can be traded, lower rates matter when funding reaches cash-producing activity, and currency stability matters when revenues and costs are appropriately matched.

Public Sources

- Reserve Bank of Zimbabwe
- European Central Bank
- Dairibord Holdings Limited
- South African Reserve Bank
- Food and Agriculture Organization of the United Nations
- Reuters

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