

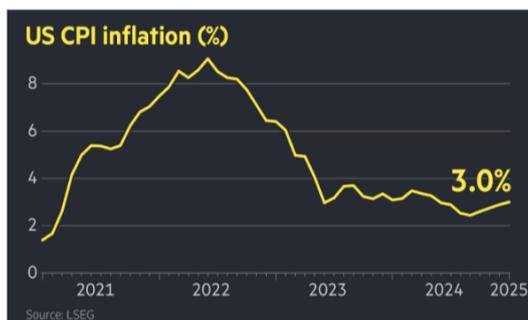
# SMARTVEST Q3 2025 Newsletter

**Table1: Global markets performance**

Index	Jun-25	Sept-25	Change
	44094.7		
DJIA	7	46441.1	5.32%
S&P 500	6204.95	6688.46	7.79%
	20369.7	22660.0	
Nasdaq	3	1	11.24%
	40150.7	44932.6	
Nikkei	9	3	11.91%
FTSE	8760.96	9350.43	6.73%

Source: Yahoo Finance

**Fig 1: US Inflation**



Source: LSEG

**Table 2: Currencies**

Currency	Jun-25	Sept-25	Change
EUR/US			
D	0.85297	0.85272	0.03%
GBP/US			
D	0.72867	0.74436	-2.11%
JPY/USD	144.619	148.714	-2.75%
ZAR/USD	17.8069	17.279	3.06%

Source: Oanda

## Equities surge despite uncertainty

Global equities recorded gains in the third quarter propelled by positive financial results reported by companies. Balance sheets for corporates have remained strong and household spending has remained high particularly for services. Equity prices are at or near all-time highs due. The US policy uncertainty continues pose downside risk to global economic growth although the impact is declining. Inflation in the US has remained high as the August CPI rose to 3.1% whilst the Producer Price Index stood at 2.8%. Meanwhile in the Eurozone inflation for September came in at 2.2% against the 2% target.

Central banks have remained cautious on cutting rates. In September, the US Fed announced the 25-percentage basis point rate cut resulting in the main rate ranging between 4% to 4.25%. The Federal Open Market Committee (FOMC) September meeting highlighted a preference of two cuts instead of one through the end of 2025. The Fed highlighted that it has remained cautious due to uncertainty in the US economy. In the Eurozone, the European Central Bank (ECB) has indicated that it is done with interest rates cuts as the economy is now stable and inflation rate within target.

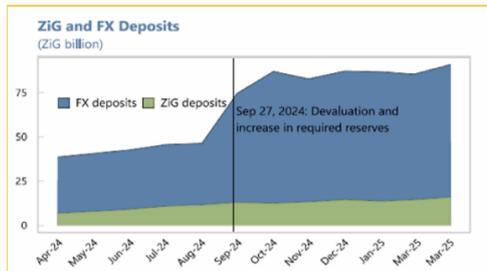
**Table 3: Commodities**

Commodity	Jun-25	Sept-25	Change
Gold	3264.03	3833.11	17.43%
Oil	67.61	62.37	-7.75%
Nickel	15020	15265	1.63%
Silver	35.85	46.81	30.57%
Platinum	1358	1605.7	18.24%

Source: Online Sources

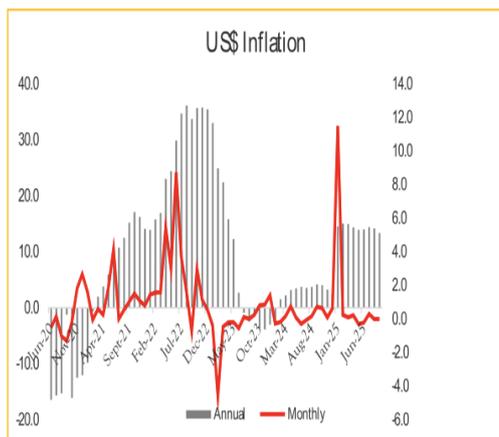
On the currency front, the Rand appreciated as the USD continues to be affected by policy uncertainty in the country. The Yen depreciated against the dollar as investors were unwinding their wagers on the Yen as a cautious central bank, a trade war and the prohibitive cost of holding the currency sour one of the year’s most popular trades.

**Fig 2: ZiG and FX deposits**



Gold continued on a bullish streak as uncertainty deepens amid a potential US government shut down. Precious metals have seen price surges due to lack of clarity caused by the trade tariffs imposed by the US administration as well as geopolitical tensions. Platinum prices in the quarter under review benefitted from limited supply owing to mining disruptions in South Africa. Oil prices continued to weaken as the OPEC+ increased output. Indonesia’s nickel output has remained high dragging down prices of the base metal despite the demand from electronic vehicles.

**Fig 3: US\$ Inflation**



Source: RBZe

**Local Economic review**

Locally, the economy has remained stable owing to the tight monetary and fiscal policies being implemented by the government. The local currency has remained stable at 32 on the parallel market whilst formally it has remained inside 27. Despite the stability, the use of the local currency has remained depressed with most companies now opting to report their financial performance in US\$ recognising the dollar as their reporting currency. Similarly, goods and services in the economy have remained quoted in US\$. According to the World Bank, the share of ZiG in monetary aggregates is small at around 17% as highlighted in Fig 2 across. The government has highlighted the transition to mono currency by 2030; the details of the transition are to be highlighted in the NDS 2.

Inflation continues to slow down in line with exchange rate stability. Monthly US\$ inflation stood at 0.00% whilst YoY inflation remains stable at 13.4%. ZWG inflation stood at -0.2% whilst the annual inflation remains high at 82.7%.

The recovery in the economy in the three quarters of 2025 has been mainly anchored by the better rains in the summer cropping season, high commodity prices for gold and platinum as well as sustained diaspora remittances. The Monetary Policy Committee highlighted that foreign currency inflows stood at US\$10.4 billion as at 31 August 2025, compared to US\$8.2 billion received during the same period in 2024, representing a 26.8% increase. The country's current account of the balance of payments is expected to improve significantly, from US\$501 million recorded in 2024 to US\$1.3 billion in 2025, thus supporting continued exchange rate stability according to the MPC.

On the mining front, gold production in August stood at 4.189 tonnes, up from 3.418 tonnes in the same period last year. Small scale and artisanal miners continued to dominate gold production, delivering 3.429 tonnes during August. For the eight months to August, total gold production reached 28.498 tonnes. At this rate, the country might achieve the 40 tonnes target set for the current year. Investment in the mining sector has continued to grow, with more companies venturing into exploration. The country has been largely unexplored and such investment is expected to grow the sector in the medium to long term. Despite, the surge in the price of the precious metal, miners continue to face challenges with the retention policies. In particular the requirement to surrender 30% of their export earnings at the official exchange rate.

**Table 4: ZSE Performance**

Index	Jun-25	Sept-25	Change
All Share	197.23	210.632	6.80%
Top 10	194.14	206.666	6.45%
Top 15	197.63	212.999	7.78%
Medium Cap	231.64	246.442	6.39%
Small Cap	100.11	100.11	0.00%

Source: ZSE

**Table 5: Top Movers**

Counter	Jun-25	Sept-25	Change
Seedco	238.03	391.15	64.33%
RTG	60.25	91.00	51.04%
BAT	8000.00	11715.1	46.44%
Unifreight	153.00	218.20	42.61%
Econet	389.78	477.59	22.53%

Source: ZSE

**Table 6: Top Shakers**

Counter	Jun-25	Sept-25	Change
Masimba OK	344.95	188.24	-45.43%
Zimbabwe	29.88	20.47	-31.47%
TSL	219.46	152.45	-30.53%
Ariston	4.29	3.00	-30.00%
Zimpapers	10.00	7.04	-29.60%

Source: ZSE

## Financial Markets Review

The third quarter was a rewarding period for equities investors. Shares recorded gains with buyers dominating the market. The sentiment on the market was largely driven by positive results published during the period as well as optimism for continued growth into the fourth quarter. Economic growth has recovered during the first nine months of 2025 with growth mainly driven by agriculture and mining sector. The Monetary Policy committee highlighted that the year-on-year growth during the second quarter of 2025 estimated at 11%.

The All-Share Index surged 6.80% and the blue-chip Top 10 Index gained 6.45%. The Medium Cap jumped 6.39% whilst the penny stock Index remained unchanged.

Market capitalisation when assessed using official rates stood at US\$2.46 billion. The market recorded an outturn of 1.36 billion shares worth ZWG 1.95 billion. Offshore Investors remained net sellers during period as sales totalled ZWG 0.54 billion whilst their purchases amounted to ZWG 0.14 billion. The market recorded a new listing in the third quarter as ZSE listed itself on the bourse in July. ZSEH was listed at ZWG3.49 and is currently trading at ZWG 1.80 after losing 48.45%.

**Table 7: VFEX Performance**

Name	Jun-25	Sept-25	Change
African Sun	3.54	4.00	12.99%
Axia	8.5	10.04	18.12%
Bindura	1.25	1.25	0.00%
Caledonia	1665	2109.7	26.71%
Edgars	1.34	1.5	11.94%
FCB	4.89	7.24	48.06%
Innscor	47.50	79.54	67.45%
Invictus Energy ZDRs	10	15	50.00%
Kavango Resources	1.56	1.56	0.00%
Nedbank ZDRs	1100	1	4.17%
Padenga	24.32	49.80	104.77%
Seedco Intl	17.10	23.00	34.50%
Simbisa	30.90	40.00	29.45%
	1000.1		

Seedco led the movers on the bourse after gaining 64.33% to close at ZWG 3.91. The seed company reported a decline in revenues of 56% to US\$5.78 million in the first quarter ending 30 June 2025. According to the company, delayed crop establishment in the summer of 2024/25 season delayed crop harvesting, pushed back harvest timelines resulting in a compressed winter wheat planting window, reducing demand for winter wheat seed. However, sales are expected to recover as the preparation for the 2025/26 commence in Q4 2025. RTG surged 51.04% to close at ZWG 0.91 and BAT was 46.44% firmer at ZWG 117.15. Unifreight jumped 42.61% and Econet eked out 22.53% to ZWG 4.7759.

Masimba lost 45% to ZWG1.88 and struggling retailer OK Zim retreated to 31% to ZWG0.20. TSL dropped 31% to ZWG1.52 as the company terminated its transaction to acquire a 51.43% shareholding in Nampak Zimbabwe Limited due to failure to obtain shareholder approval, being a significant condition precedent under the SSA. Ariston weakened by 30% to close the quarter at ZWG 0.03 and Zimpapers softened 29.6% at ZWG 0.07.

On the VFEX, the All-Share Index gained 41% driven by a surge in demand on the bourse. Investor wealth as measured by market capitalisation stood at US\$ 1.8 billion compared to US\$1.25 billion. The market recorded a turnover of 65.49 million shares worth US\$16.44 million. Demand on the bourse was mainly concentrated on leading counters like Innscor, Padenga and Simbisa. Financial performance on the bourse.

## Outlook

Economic performance in the first half was largely positive driven by positive performance from the agricultural and mining sector. The performance was also sustained by the remittances inflows from the diaspora community. The economy is expected to grow by 6% in the current year, a target that is seemingly achievable. Since the beginning of the year, the economy has been largely stable owing to the tight monetary policy implemented by the reserve bank. Stability is expected to continue in the remaining quarter of the of the year. Exchange rates have remained stable on both fronts i.e. on the interbank market as well as the parallel market.

What is of importance going forward is how government is going to fund the upcoming summer cropping season. There are also treasury bills that have matured and are still to be honoured. The third category relates to payments outstanding to corporates that have undertaken work for the government. A controlled approach is important when releasing liquidity to these corporates as this has a bearing on the performance of the exchange rate.

The government also highlighted a transition to mono-currency by 2030 with the finer details of the transition to the detailed in the National Development Strategy II which will be published later. According to the World Bank, the lack of clarity about its operational implications for existing foreign currency bank deposits has increased uncertainty and weighed on financial intermediation. This has resulted in the limiting of financial decisions to 2030. Notably, demand for property has remained elevated in the economy as real state has proved time and again to be an effective hedge against value destruction in the Zimbabwean economy.

On the downside, the country continues to have little or no access to external funding and its options to reschedule debt have remained limited. Any financing gaps in the economy are expected to be met through the accumulation of domestic arrears. Inevitably, the economy is expected to return to monetary financing which will lead to the repetition of the usual cycle, where the local unit will significantly depreciate and inflation will soar again. Also, the economy remains susceptible to weather shocks and commodity price volatility. Low foreign reserves and declining external support could further dent economic recovery.

On the equities front, liquidity remains a constraint on the performance of the market as the central bank continues to implement a tight monetary policy. The recovery witnessed in the third quarter is likely to be short-lived due to profit taking and liquidations to meet investor obligations. Increased The ZSE remains significantly undervalued at the market valuation of US\$2 billion compared to a fair market valuation of US\$3.5 billion, highlighting opportunities that could be exploited on the bourse by investors long in ZWG.

Investment in real estate continue to be an effective portfolio diversifier. Demand for property has remained firm driven by the need to preserve value as confidence in the local currency remains low. REITs remain attractive for investors with limited ability to invest directly into real estate.

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