

SMARTVEST Q4 2025 Newsletter

Table 1: Global markets performance

Index	Sept-25	Dec-25	Change	YTD
DJIA	46441.1	48063.29	3.49%	12.97%
S&P 500	6688.46	6845.5	2.35%	16.39%
Nasdaq	22660.01	23241.99	2.57%	20.36%
Nikkei	44932.63	50339.48	12.03%	26.18%
FTSE	9350.43	9889.22	5.76%	21.00%

Source: Yahoo Finance

Table 2: Currencies

Currency	Sept-25	Dec-25	Change	YTD
USD/EUR	0.85272	0.85	-0.32%	11.45%
USD/GBP	0.74436	0.74111	-0.44%	-6.86%
USD/JPY	148.714	156.183	5.02%	-0.82%
USD/ZAR	17.279	16.6287	-3.76%	11.25%

Source: Oanda

Equities surge despite uncertainty

The past year was marked by increased geopolitical tensions, economic policy uncertainty and a general dismal view of the future. Amidst all this, equities managed to extend gains buoyed by the hype in AI related stocks. In the US, the Top 10 stocks dominating the equities market are tech related. Capital expenditures in AI related projects have continued to grow highlighting that the rally may continue as more gains are expected from the sector. Investors remain attuned to the action of the US Fed as more rate cuts are anticipated as well as the appointment of the new Fed Chair.

On the currency front, the USD continued to weaken against major currencies. The performance of the dollar was largely affected by the economic uncertainty emanating from the tariffs war and long-standing concerns over the US debt position exacerbated by the Big Beautiful Bill that came with huge tax cuts and increased government spending. Despite its weakening, the USD remains the world's dominant reserve and settlement currency.

Table 3: Commodities

Commodity	Sept-25	Dec-25	Change	YTD
Gold	3833.11	4339.65	13.21%	66.48%
Oil	62.37	60.85	-2.44%	15.16%
Nickel	15265	16485	7.99%	7.75%
Silver	46.81	75.24	60.73%	159.99%
Platinum	1605.7	2034.5	26.70%	126.53%

Source: Online Sources

Fig 1: Brent Crude Oil Spot Price



Table 4: Key sectors performance

GDP growth rates	2024	2025	2026	2027	2028
Agriculture	-18.1%	24.0%	5.4%	5.1%	5.6%
Mining and quarrying	12.9%	7.3%	6.3%	5.7%	5.4%
Manufacturing	1.6%	4.2%	3.7%	4.1%	4.0%
Electricity	10.5%	6.7%	6.5%	5.0%	6.0%
Construction	3.5%	4.8%	5.0%	5.2%	5.3%
Wholesale and Retail trade	2.6%	4.4%	7.4%	7.3%	6.9%
Information and communication	2.5%	12.5%	8.9%	6.2%	5.9%
Accommodation and food	-6.4%	2.9%	3.1%	3.6%	3.7%
Financial and insurance activities	1.3%	4.5%	6.5%	6.3%	6.1%
Other service sectors	4.3%	3.8%	3.2%	3.8%	3.6%
Overall GDP	1.7%	6.6%	5.0%	5.1%	5.0%

Source: Ministry of Finance

Commodities benefitted from the economic uncertainty that rose to unprecedented levels. Gold surged 66.48% during the year and 13.21% in the last quarter. Demand for bullion remained firm driven by central bank buying, ETFs and futures buying as well as demand from individual investors. Going forward the precious metal is expected to continue on a rally with JP Morgan forecasting a price of US\$5,055 per ounce by the final quarter of 2026. However, the World Gold Council has remained cautious highlighting that the price broadly reflects consensus expectations and may remain range bound if the current conditions persists.

Oil prices in 2025 fell amid oversupply concerns. A slow down in economic activity in the global economy affected the demand of oil. Announcements by OPEC+ in the second half of 2025 solidified concerns of oversupply. US Energy Information Administration, estimated that global production of crude oil and liquid fuels outpaced consumption throughout 2025, with implied stock builds of more than 2.5 million barrels per day in the final two quarters of the year.

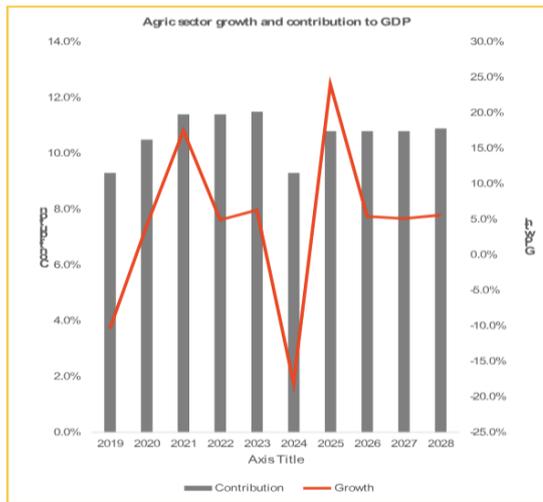
Local Economic review

The past year was marked by remarkable stable macroeconomic environment which eased short term pressures. Overall, the economy is projected to have grown by 6.6% on the back of the price stability, favourable commodity prices and a strong recovery in the agriculture sector in the 2024/25 summer cropping season. This sector is believed to have grown by 24%, from a contraction of 18.1% recorded in 2024 due to low rainfall. GDP growth in 2024 as a result stood at 1.7%. Economic growth is estimated at 5% in the current year supported by the stable macroeconomic environment and better performance from the key sectors in the economy including Mining and quarrying, Electricity generation, ICT and agriculture.

Outlook for the agriculture sector remains bright

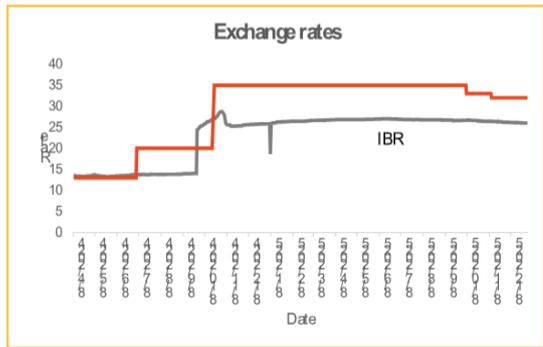
The performance of the sector is expected to be boosted by the above normal rainfalls expected in

Fig 2: Agric sector growth and contribution to GDP



Source: Ministry of Finance

Fig 3: Exchange rates



Source: RBZ and Smartvest

the summer cropping season. The country has been reported to have surpassed its tobacco planting target for the 2025/26 season of 140,000 hectares raising expectations of surpassing the previous year’s harvest of 350 million kilograms. However, FEWS NET has highlighted the dependence on government input schemes by small scale farmers which may impact harvest if these are not distributed timeously. The government has highlighted that the 2025/26 summer cropping season will be financed by Pfumvudza/Intwasa, ARDA, the private sector and self-financing.

Stable Inflation

Inflation has remained stable in the past year owing to the tight monetary policy measures that were implemented by the central bank. In December, month on month inflation stood at 0% whilst the year-on-year inflation stood at 12.4%. the Monetary Policy Committee targeted inflation to end the year between 15-17%. Local currency inflation stood at 0.2% on a month-on-month basis and closed the year at 15%. The decline was due to exchange rate stability however, the use of the local currency in the economy remains limited. In the coming year 2026, the ZWG inflation is expected to average 12.1% during the year.

Exchange rate stability

The exchange remained stable in 2025 owing to the tight fiscal and monetary policies implemented by the government. However, scepticism remains over the sustainability of this measure in the long run. Fiscus payments have been delayed. Civil service bonuses have been staggered as the authorities continue to control liquidity and money supply growth. On the interbank, the local currency appreciated by 2.5% to ZWG 25.9807 and informally it remained unchanged at ZWG 32 during the quarter. .

Table 5: ZSE Performance

Index	Sept-25	Dec-25	Change	YTD
All Share	210.63	277.86	31.92%	27.70%
Top 10	206.67	281.78	36.35%	30.91%
Top 15	213.00	285.78	34.17%	34.46%
Medium Cap	246.44	278.15	12.87%	22.21%
Small Cap	100.11	100.11	0.00%	0.00%

Source: ZSE**Table 6: Top Movers**

Name	Sept-25	Dec-25	Change	YTD
ZHL	23.86	99.99	318.99%	637.86%
Turnall	5.30	10	88.75%	66.67%
TSL	152.45	260.05	70.58%	17.01%
RTG	91.00	144	58.24%	139.00%
FBC	788.60	1245	57.87%	14.75%

Source: ZSE**Table 7: Top Shakers**

Name	Sept-25	Dec-25	Change	YTD
Art	13.00	7.8	-40.00%	-76.11%
OK Zim	20.47	13.0001	-36.50%	-75.47%
Star Africa	3.51	2.51	-28.49%	25.50%
Cafca	1800.00	1360	-24.44%	-33.66%
Tangan da	80.25	61	-23.99%	-75.66%

Source: ZSE**Table 8: VFEX Performance**

Name	Sept-25	Dec-25	Change	YTD
African Sun	4	400	9900.00%	16849.20%
Axia	10.04	10	-0.40%	13.60%
Bindura	1.25	1.25	0.00%	0.00%
Caledonia	2109.78	3990	89.12%	149.40%
Edgars	1.5	2.3	53.33%	0.00%
FCB	7.24	9.02	24.59%	106.40%
Innscor	79.54	95.75	20.38%	105.90%
Invictus Energy ZDRs	15	15.95	6.33%	59.50%
Kavango Resources	1.56	1.68	7.69%	29.20%

Financial Markets Review

Local equities closed the last three months of the year on a positive note driven by demand for blue chip stocks. The price appreciation was primarily stemming from improved earnings and strong balance sheets. Investors were also capitalizing on stocks that appeared undervalued. Macroeconomic stability experienced during the year bolstered optimism that the projected economic growth would be achieved. The All-share Index surged 31.92% and the blue-chip Top 10 Index surged 36.35%. Medium Cap stocks gained 12.87% whilst the Small Cap stocks remained unchanged.

Market capitalisation increased by 36.25% from US\$2.46 billion to US\$3.36 billion. The market recorded an outturn of 306.92 million shares worth ZWG 1.12 million. Offshore purchases amounted to ZWG 16.88 million and foreign sales totalled ZWG 550.15 million.

ZHL surged 318.99% to ZWG 0.99 as the company reported its third quarter trading update that total assets increased by 25% from US\$208.1 million to US\$260.8 million driven by growth in investment properties and financial assets. Hotelier RTG eked out 58.24% to ZWG1.44 as it reported in its HY25 financial statements that revenues grew by 15% to US\$20.8 million supported by growth in conferencing and foreign currency business.

Art lost 40% closing the year at ZWG 0.078 as the company's volumes in FY 25 declined by 5% and its revenues declining by 17% to US\$28.3 million as the business reduced prices as competition from imports intensified. OK Zim continued under pressure easing 36.05% to close at ZWG 0.13. The retailer in the interim statements to 30 September 2025 reported a decline in revenues of 84.07% to US\$28.26 million.

Going into 2026, NTS delisted from the exchange on the 31st of December 2025 and Econet has highlighted its intention to delist from the bourse due to undervaluation of the shares compared to its NAV.

On the VFEX, the benchmark All Share Index surged 17.43% as demand for equities remained firm. There was strong demand for gold linked counters such as Padenga

and Caledonia. African Sun surged 9,900% due to the share consolidation exercise carried out in the quarter. Taking into account the effect of the consolidation, the share price of the hotelier remained unchanged. Caledonia gained 89.12% to \$39.90 and Padenga was 19.48% firmer at \$0.595 as the counters continue to benefit from the bullion's rally. Demand on the VFEX continued to grow as investors exploited the undemanding valuations on the exchange. In the coming year, Econet has highlighted its intention to list an infrastructure company on the bourse. Another REIT, Pfuma is expected to list in 2026 as well as a Gold ETF.

Outlook

The economy is expected to grow by 5% anchored by macroeconomic stability and the performance of key economic sectors namely, agriculture, mining, ICT and Electricity generation. The country is expecting to receive normal to above normal rainfall in the 2025/26 summer cropping season. Dependence on government input schemes has remained high especially from poor households. The government spending on programmes like Pfumvudza/Intwasa will likely remain high.

On the mining front, commodity prices are expected to remain firm thus benefitting the fiscus. Tax measures implemented by the government on mineral exports will help the tax authority to achieve revenue target set in the budget. Informal artisanal and small-scale mining are expected to remain above average due to favourable support from the government. However, dependence on mineral export proceeds exposes the country to commodity risk in the event of price declines.

We anticipate that the government will continue to implement tight fiscal and monetary policy measure to maintain the macroeconomic stability that was experienced in the past year. The Monetary Policy Committee reaffirmed its strong commitment to a well-calibrated and data-driven monetary policy stance to sustain the current positive real interest rates environment, which is critical for boosting demand for the ZiG, protecting the value of savings and discouraging speculative borrowing.

On the currency front, the NDS highlighted conditions which are expected to be met before mono-currency comes into play. Low inflation and currency stability are some the crucial conditions expected and it seems that the current situation is seemingly meeting the conditions set. Investor focus remains attuned to the developments on the currency front as the country is set to transition to mono-currency by 2030.

On the equities front, price appreciation stemmed primarily from fundamental growth and strong balance sheet. Investable opportunities on the ZSE seem to be declining. National Tyre Services delisted at the end of 2025 and Econet is likely to delist in the current year. Demand is likely to remain concentrated for blue chip stocks. The outlook for listed counters remain mixed. Companies that are dominant in their respective sectors are likely to record strong earning whilst those in sectors with low barriers to entry and affected imports are likely going to continue struggling. On the VFEX, more listings are expected in the coming year presenting more investment opportunities for investors.

Real estate remains attractive as portfolio diversifier. The asset class has proved to be an effective hedge against inflation. Pfuma Reit that is closely linked to the Simbisa group is likely to list on the VFEX in the current month. This will give investors exposure to commercial properties in the retail sector particularly the fast foods space.

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