

# SMARTVEST Q1 2026 Newsletter

## Equities surge despite uncertainty

**Fig 1: Brent Crude Oil Spot Price (US\$/barrel)**



Source: Trading Economics

Global markets experienced significant volatility as they buffeted significant cross currents. Geopolitical tensions escalated in the Middle East affecting the oil and gas. Investor attention was also attuned on the Supreme Court ruling on the use of the International Economic Emergency Powers Act (IEEPA) to justify the “reciprocal” tariffs announced in 2025. Equities experienced a sell off as investors were focused on inflation risk as energy prices increased as opposed to the risk of lower growth rates. The tech heavy Nasdaq slid 7.11% as tech companies earnings were under scrutiny during the earnings reporting season and investors rotated from tech stocks to other value stocks. The FTSE 100 surged 8.36% aided by exposure to commodities and a softer sterling.

The USD gained momentum against major currencies as momentum of investors hedging of exposures slowed down. The appreciation was on the back of geopolitical shocks and safe haven flows as tensions escalated in the Middle East. The Yen continued to depreciate despite Japanese’s central bank adopting a hawkish stance bringing its era of an ultra-loose monetary policy stance to an end.

On the commodities front, oil prices surged 3.94% due to the war in Iran which resulted in the closure of the Strait of Hormuz which accounts for 20% of the global oil trade. Following the closing of the Strait of Hormuz, it is estimated that 11 million barrels per day (bpd) of crude production has been taken offline resulting in a surge of prices. Gold prices remained bullish highlighting the geopolitical uncertainty, ballooning fiscal deficits in major economies and central bank buying as among forces that are driving it high.

Silver prices declined due to two main reasons. Firstly the precious metal was trading in the overbought territory and the US dollar also strengthened over the period under review. Platinum prices declined after a massive rally at the end of 2025 with investors selling off to lock in gains. Demand for the metal also softened during the period. Automotive demand is expected to decline by 3% in the current year as the shift to battery-electric vehicles accelerates, reducing the need for catalytic converters.

Table 1: Global Markets Performance

Index	Dec-25	Mar-26	Change	YTD
DJIA	48,063.29	46,341.51	-3.58%	-3.58%
S&P 500	6,845.50	6,528.52	-4.63%	-4.63%
Nasdaq	23,241.99	21,590.63	-7.11%	-7.11%
Nikkei	50,339.48	51,590.68	2.49%	2.49%
FTSE	9,889.22	10,716.45	8.36%	8.36%

Source: Yahoo Finance

Table 2: Currencies

Currency	Dec-25	Mar-26	Change	YTD
USD/EUR	0.85000	0.87076	2.44%	2.44%
USD/GBP	0.74111	0.75626	2.04%	2.04%
USD/JPY	156.183	159.665	2.23%	2.23%
USD/ZAR	16.6287	17.1511	3.14%	3.14%

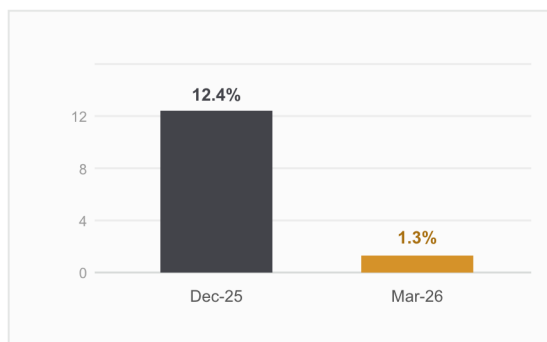
Source: Oanda

Table 3: Commodities

Commodity	Dec-25	Mar-26	Change	YTD
Gold	4,339.65	4,510.74	3.94%	3.94%
Oil	60.85	118.00	93.92%	93.92%
Nickel	16,485	16,860	2.27%	2.27%
Silver	75.24	69.91	-7.08%	-7.08%
Platinum	2,034.50	1,970.20	-3.16%	-3.16%

Source: Online Sources

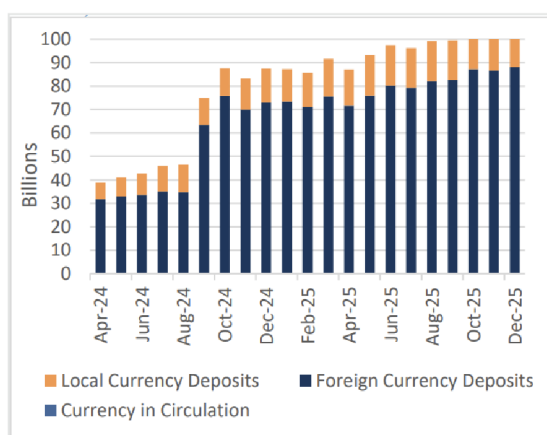
Fig 2: USD Inflation, Year-on-Year (%)



Source: Ministry of Finance

First quarter of 2026 was marked by continued stability in the macroeconomic stability although the stability is now being threatened by the heightened geopolitical tensions in the Middle East. Year on year USD inflation at the end quarter stood at 1.3% compared to 12.4% as at 31 December 2025. The decline has been due to the tight monetary measures that are being implemented by the central bank. Going forward we anticipate a disruption in the stability as fuel prices have increased due to the war in Iran. We anticipate that a surge in inflation as the increase in fuel will likely be passed on to consumer, although it seems like currently manufactures are containing the costs avoiding a surge in prices.

Fig 3: Broad Money Developments



Source: RBZ, 2026

On the currency front, the ZWG has remained stable as its use in the economy remains low with most market players preferring settlement in USD. Companies continue to highlight in their financials that revenues are mainly dominated by USD and as such the dollar has remained the reporting currency for many listed entities. The central bank highlighted that in the fourth quarter of 2025, broad money stock stood at ZiG 108.09 billion compared to ZiG 99.53 in September 2025. Foreign currency deposits accounted for 81.34% of broad money followed by local currency deposits at 18.53% and currency in circulation for the remaining 0.13%. Reserves backing the local currency stood at US\$1.2 billion at the end of 31 December 2025. The central bank remains resolute on its reserve accumulation strategy.

The first quarter marked the opening of the tobacco marketing season. Harvest is expected at 400 million kilogrammes surpassing the 350 million kilogrammes recorded last year. However, the prices at the auction markets are lower in comparison with 2025 marketing season due to a global oversupply of the leaf as well as low buyer competition. According to FewNet, if the lower prices persist, this will likely result in below-average incomes from tobacco sales and negatively affect income and access to food and non-food items in tobacco-producing areas. Many farmers are under contract farming arrangements and the bearish momentum on the market could result in farmers failing to meet their obligations.

On the cereal front, the Second Round Crop, Livestock and Fisheries Assessment highlighted that production for the current year is expected at 2,739,712 tonnes. The national cereals balance sheet to March 2027 shows that the nation expects surplus cereals ranging from 550 945 tonnes to 964 945 tonnes, according to various consumption patterns. Maize production is expected to increase by 2% to 2.35 million tonnes.

## Bulls extend their run

**Table 4: ZSE Performance**

ZSE Indices	Dec-25	Mar-26	Qtr
ALL SHARE	277.86	358.55	<b>29.04%</b>
ZSE Top 10	281.78	365.10	<b>29.57%</b>
ZSE Top 15	285.78	377.83	<b>32.21%</b>
Medium Cap	278.15	358.24	<b>28.79%</b>
Small Cap	100.11	100.00	<b>-0.11%</b>

Source: ZSE

**Table 5: Top Movers**

Name	Dec-25	Mar-26	Qtr
Art	7.80	24.70	<b>216.67%</b>
BAT	9,738.10	21,398.95	<b>119.74%</b>
Tanganda	61.00	123.00	<b>101.64%</b>
TSL	260.05	464.93	<b>78.78%</b>
Unifreight	174.52	300.00	<b>71.90%</b>

Source: ZSE

**Table 6: Top Shakers**

Counter	Dec-25	Mar-26	Qtr
Mash	166.75	97.90	<b>-41.29%</b>
ZHL	99.99	75.00	<b>-24.99%</b>
FBC	1,245.00	1,022.00	<b>-17.91%</b>
ZSEH	145.03	120.00	<b>-17.26%</b>
Meikles	313.61	272.00	<b>-13.27%</b>

Source: ZSE

ZSE equities continued on bullish trend as investors remained optimistic that the country is going to achieve its targeted growth projection as well. The sentiment was also bolstered by the central bank's ability to maintain the stability experienced since the past year. Earnings reported by companies during the period highlighted continued revenues growth and improved quality of earnings boosting optimism. Demand for leading stocks remained firm as companies continued to delist from the bourse. In the quarter under review; NTS and Econet delisted from the bourse with the latter highlighting that its price on the exchange was not reflective of its value. This resulted in a surge in demand for counters like Delta as investors sought to increase their holdings in more liquid counters.

The All-Share Index surged 29.04% and the blue-chip Top 10 Index added 29.57%. The Medium Cap Index eked out 28.79% whilst the penny stock index lost 0.11%. the market recorded an outturn of 1.77 billion shares worth ZiG 5.99 billion. Sell off of Econet shares by investors who were not willing to accept the offer or maintain their holding increased trading activity on the market. Market capitalisation stood at US\$4.4 billion when assessed using official rates. However, following the delisting of Econet on the 31st of March, market capitalisation stood at US\$3.2 billion.

Art surged 216.67% to close the quarter at ZiG 0.247 despite the company reporting a 13% decrease in sales volumes in the first quarter to December 2025. BAT rose 119.74% to ZiG 213.99 and Tanganda added 101.64% to ZiG 1.23 as the tea company concluded its rights issue exercise. Mash lost 41.29% to ZiG 0.979 as the company reported a 13% increase in revenues from US\$7.2 million to US\$8.1 million. ZSEH lost 17.26% to close at ZiG 1.20 and Meikles dropped 13.27% to close at ZiG 2.72.

**Table 7: VFEX Performance**

Name	31-Dec	31-Mar	Change
African Sun	400.00	422.00	5.50%
Axia	10.00	13.81	38.10%
Bindura	1.25	1.25	0.00%
Caledonia	3,990.00	6,900.00	72.93%
Econet InfraCo	30.10	30.10	0.00%
Edgars	2.30	3.00	30.43%
FCB	9.02	10.09	11.86%
Innsco	95.75	132.55	38.43%
Invictus Energy ZDRs	15.95	15.00	-5.96%
Kavango Resources	1.68	2.00	19.05%
Nedbank ZDRs	1,950.00	1,300.00	-33.33%
Padenga	59.50	112.56	89.18%
Seedco Intl	22.60	28.05	24.12%
Simbisa	49.44	73.47	48.60%
West Prop	1,000.00	1,000.00	0.00%
Zimplow	4.30	5.02	16.74%

Source: VFEX

On the VFEX, the All-Share Index gained 41.07% as demand for listed equities remained strong. Momentum on the exchange has been driven by having limited US\$ investment opportunities and the need to protect the USD cash assets as USD. As the country is set to transition to mono currency, authorities have highlighted that the VFEX will continue to trade in USD, although this has raised concerns over the liquidity of the market when the transition has been completed. Corporate earnings reported by listed companies were positive bolstering sentiment on the market.

Pfuma REIT listed on the exchange during the quarter making it the second REIT to be listed on the exchange. Econet's Infra Co is expected to be listed in the second quarter following the delisting of Econet from the ZSE.

Going into the second quarter, the economy continues to be exposed to externalities emanating from the heightened geopolitical tensions in the world. These are expected to disrupt supply chains and cause a general price increase across the globe. Global oil prices increased by 93% due to the war in Iran as well as the closure of the Strait of Hormuz. Whilst a short-term ceasefire has been negotiated, there is uncertainty over whether the peace talks are going to be successful. In the event of no amicable solution, we anticipate that oil prices could further increase.

Coming back home, fuel prices have since increased by close to 50% and this inevitably results in the cost of production across industries. This will stroke inflation pressures as these costs are transferred to consumers of goods and services. An increase in inflation would significantly impact the government's timelines on the transition to monocurrency given the set conditions to be achieved before the transition can be implemented.

Rainfall received from the 2025/26 summer cropping season were normal to above, the expectation is that of improved harvests. The closure of the Strait of Hormuz has resulted in limitation in the transportation of fertilisers which could potentially reduce access to inputs resulting in an increase in food prices locally and the globe. Winter crops are expected to face challenges from the importation of inputs.

On the equities front, the bullish momentum experienced thus far has been largely driven by fundamentals. We anticipate demand for leading names to remain firm whilst the performance of medium cap stocks is likely to be strong albeit low volumes. Earnings from companies that are dominant in their respective sectors are expected to remain strong.

Trading of OK Zimbabwe was halted on the stock exchange. The struggles of the company highlight a rewriting of the rules of the national economy as it continues to be highly informalized despite the efforts of the government to curb informal economic activity. The retail sector will continue to be dominated by unregulated USD traders who are out manoeuvring regulated formal entities. On the VFEX, demand for equities remains buoyant supported by strong earnings, we anticipate that demand is likely to remain strong for leading names.

Demand for property has remained strong and is likely to continue growing as the country transitions to monocurrency. Investment in real estate continues to be viewed as a hedge against value destruction and this continues to be a major driver for the demand. REITs continue to be an attractive investment opportunity for investment for funds with limited capacity for direct property investment.

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