

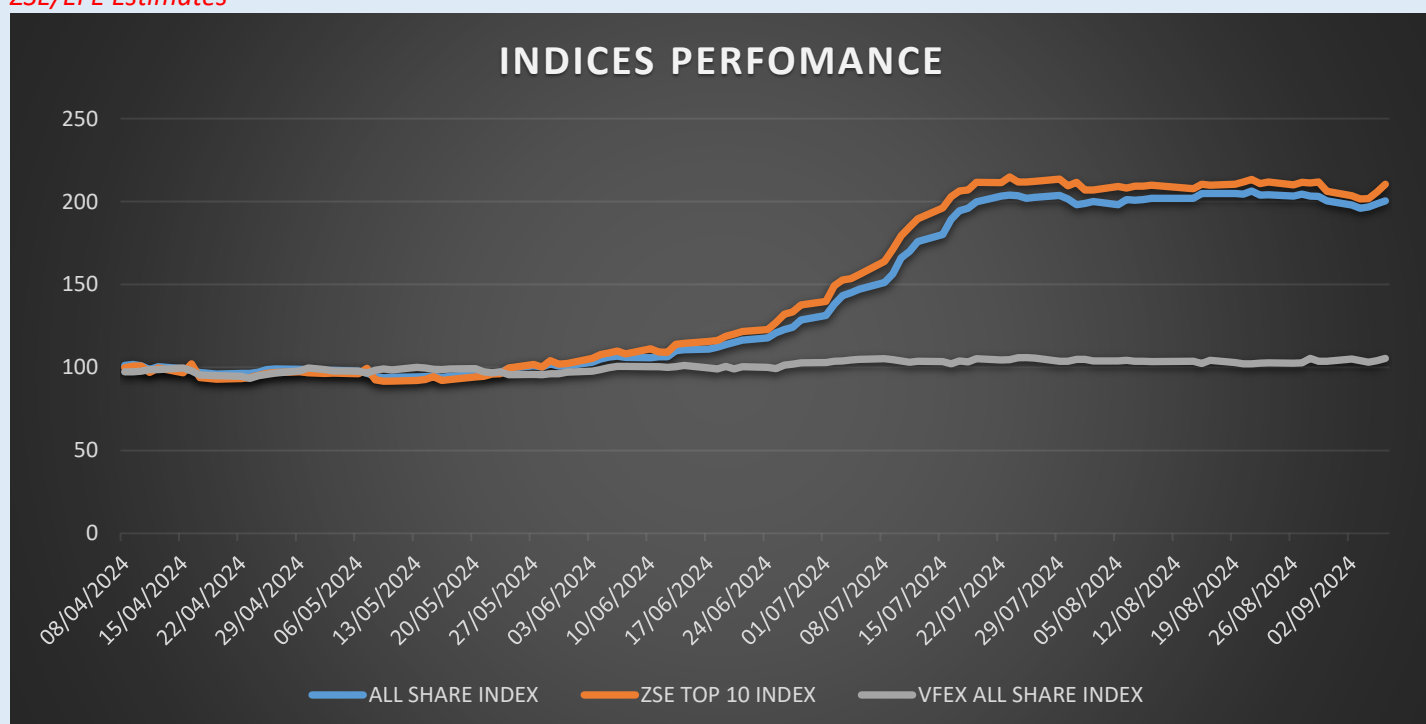
ZSE REVIEW...

Moderate gains in the month of August...

The ZSE recorded meagre gains in the month under review, with three of the five indices under our review recording gains while, two ended in the red. The primary All Share Index put on 1.19% to close at 200.49pts extending its YTD gains to 100.49%. The ZSE Top Ten Index improved 0.70% to 207.53pts while, the Agriculture Index was the top gainer of the month on a 3.68% rise to 188.70pts. The Mid Cap Index declined 0.74% to end pegged at 171.61pts while, the ZSE ETF Index shed 0.58% to close at 135.24pts.

	JUL24	AUG-24	(%) CHANGE	YTD%
All Share	198.14	200.49	1.19	100.49
Agriculture	182.00	188.70	3.68	88.70
Top 10	206.08	207.53	0.70	107.53
Mid Cap	172.89	171.61	0.74	71.61
ZSE ETF	136.03	135.24	0.58	35.24

ZSE/EFE Estimates



ZSE/EFE Estimate

Gainers and Losers for the Month

RISERS				FALLERS			
Symbol	Current	Change	%Change	Symbol	Current	Change	%Change
UNIF.ZW	2.8500	1.9275	208.94	ZBFH.ZW	6.3700	3.8300	37.55
ZIMP.ZW	0.1005	0.0505	101.00	CBZ.ZW	12.3984	3.1683	20.35
NTS.ZW	0.5000	0.2500	100.00	FML.ZW	1.7183	0.3817	18.17
ARTD.ZW	0.2500	0.1235	97.63	MEIK.ZW	5.9959	1.1037	15.55
FBC.ZW	5.5000	2.4000	77.42	CAFCA.ZW	15.0000	2.2000	12.79
MASH.ZW	0.6205	0.2416	63.74	MSHL.ZW	2.3205	0.3245	12.27
PROL.ZW	2.7000	0.8452	45.57	NPKZ.ZW	1.0000	0.1000	9.09
RTG.ZW	0.4400	0.0995	29.22	ARIS.ZW	0.0400	0.0027	6.22
TURN.ZW	0.0700	0.0133	23.50	OKZ.ZW	0.7296	0.0211	2.80
FMP.ZW	0.3400	0.0500	17.25	TANG.ZW	3.7743	0.0612	1.59

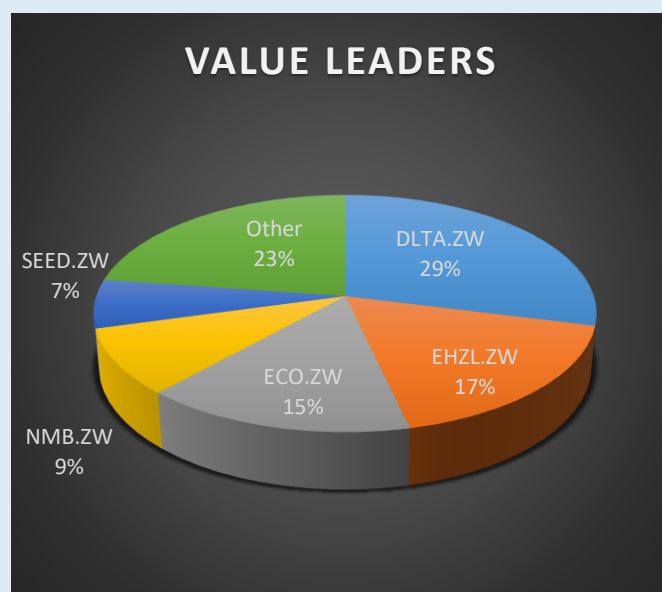
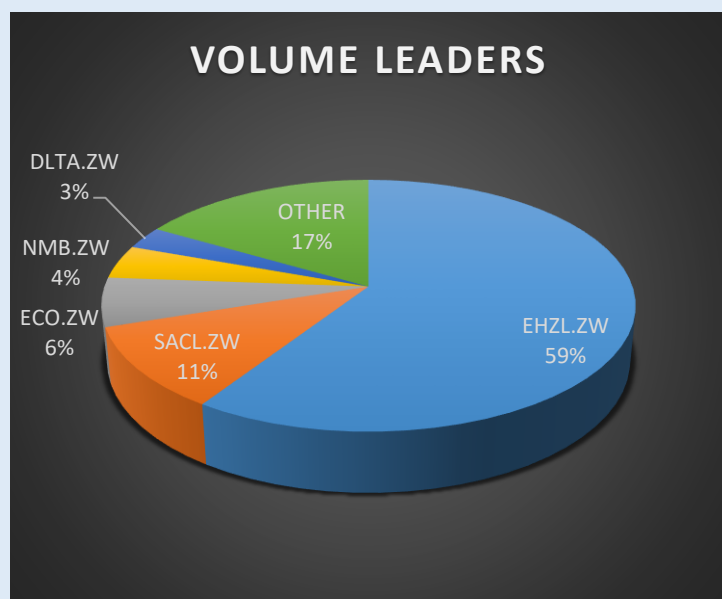
ZSE/EFE Estimate

Transport and Logistics group Unifreight headlined the winners of the month on a 208.94% charge to close at its month high of \$2.8500 as cumulative 11,400 shares traded in August. Media company Zimpapers garnered 101.00% to settle at \$0.1005 while, National Tyre Services ballooned 100.00% to trade at \$0.5000 as a scanty 100 shares traded in the last session of the month. ART swelled 97.63% to end pegged at \$0.2500 as banking group FBC edged up 77.42% to \$5.5000. Mashonaland Holdings soared 63.74% to settle at \$0.6205 while, Proplastics jumped 45.57% to \$2.7000 having traded an intra-month high of \$3.0473. Hotelier RTG surged 29.22% to close at \$0.4400 while, Turnall gained 23.50% to \$0.0700. Property concern FMP capped the top ten gainers of the month after ticking up 17.25% to \$0.3400.

Financial services group ZB was the worst faller of the month after a 37.55% drop to \$6.3700, having released their HY24 results in which the group's net interest income went up by 20% to ZWG\$209.98m. Trailing was CBZ that tumbled 20.35% to end at \$12.3984 while, First Mutual Life plummeted 18.17% to \$1.7183. Meikles faltered 15.55% to close at \$5.9959 with cable manufacturer Cafca trimming 12.79% to \$15.0000. Construction group Masimba dipped 12.27% to settle at \$2.3205 as packaging group Nampak lost 9.09% to \$1.0000. Agriculture concern Ariston retreated 6.22% to \$0.0400 while, retailer OKZIM slipped 2.80% to end pegged 2.80% to \$0.7296. Tea company Tanganda slid 1.59% to \$3.7743 as it capped the top ten shakers of the month.

Volume and Value leaders...

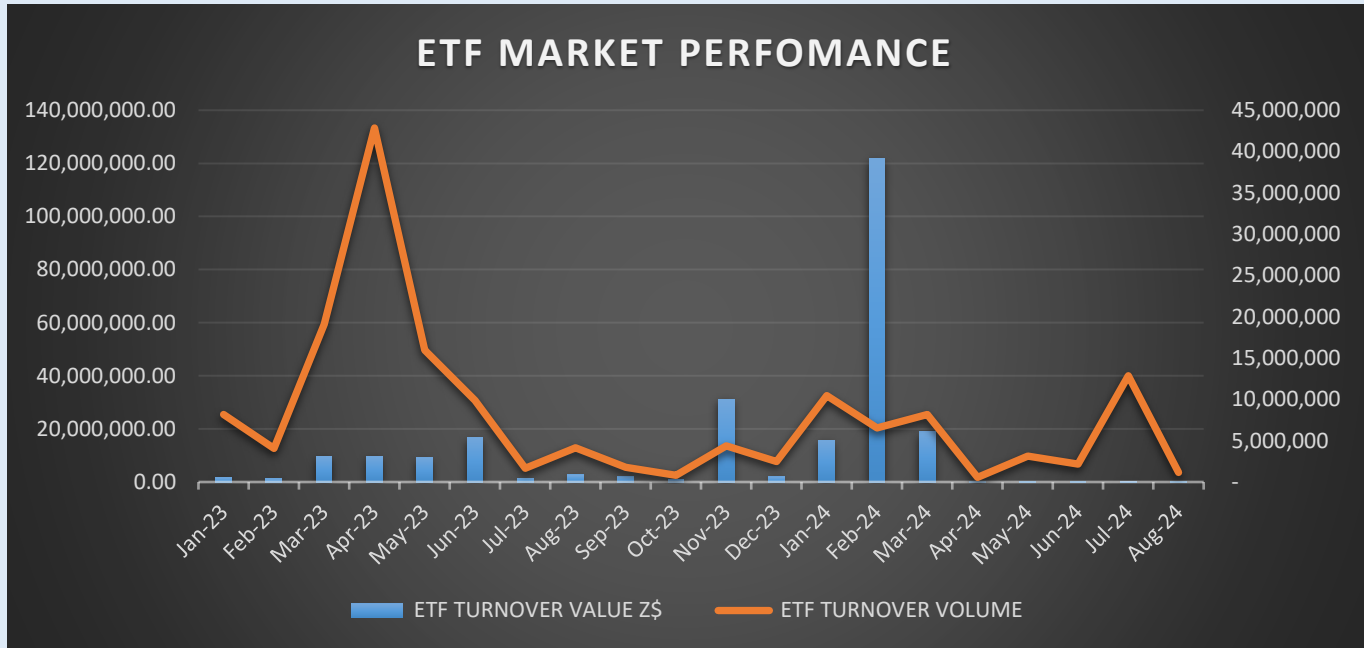
	JUL-24	AUG-24	CHANGE	%CHANGE
Values	100,352,430.38	297,587,301.80	197,234,871.42	196.54
Volumes	183,134,300	138,072,000	45,062,300	24.61



ZSE/EFE estimates.

Volume of shares traded declined 24.61% to 138.07m as Ecocash and Star Africa claimed 59% and 11% of the aggregate apiece. Turnover surged 196.54% to \$297.59m with Delta, Ecocash and Econet claiming a combined 61% of the value aggregate.

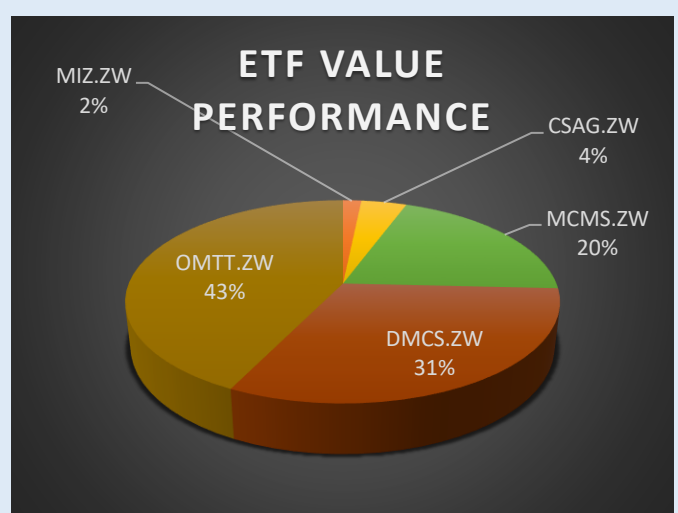
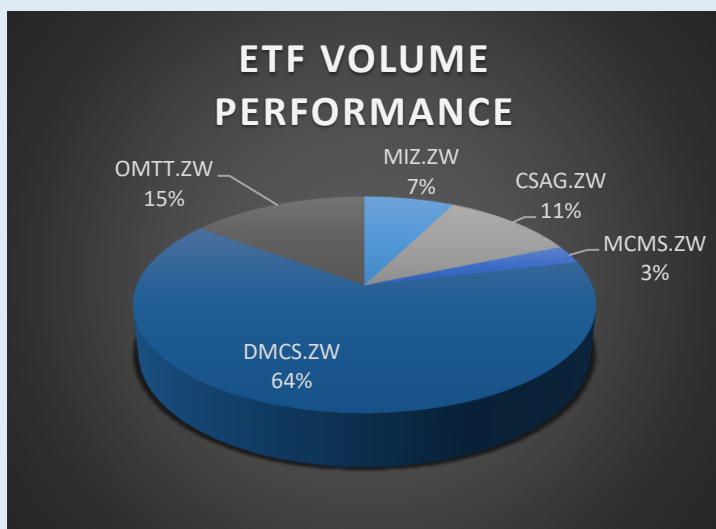
ETFs review...



ZSE/EFE estimates...

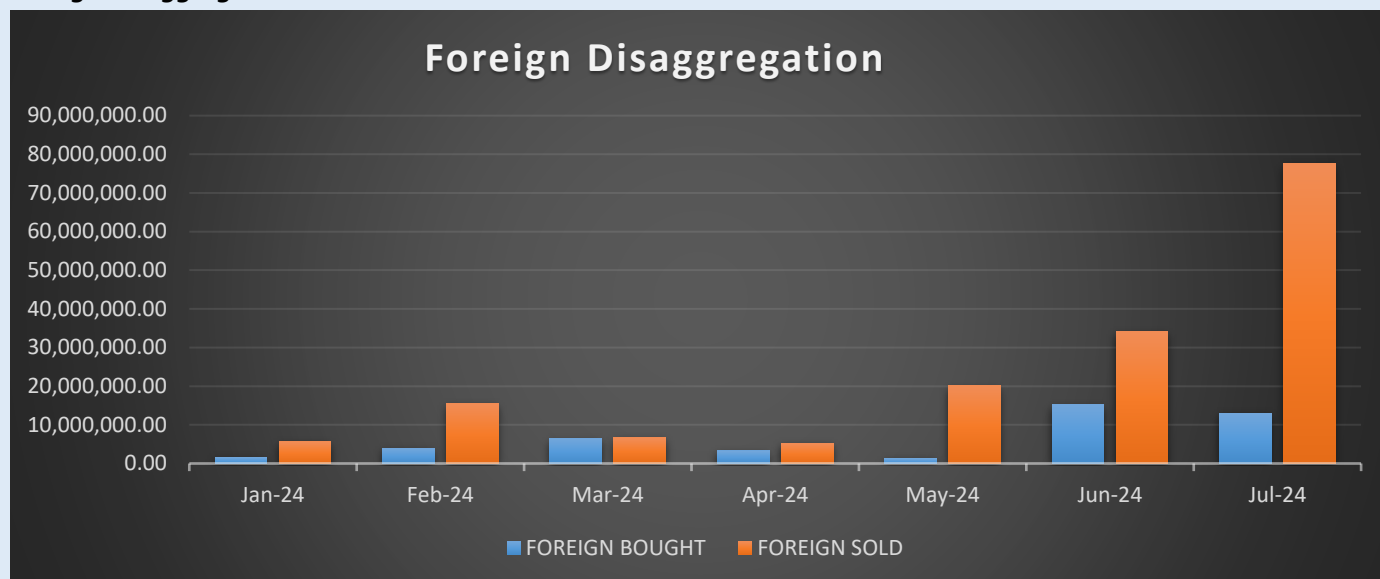
ZSE ETF Index caps the month in red...

Symbol	Previous	Current	Change	%Change
MIZ.ZW	0.0100	0.0155	0.5500	55.0000
CSAG.ZW	0.0203	0.0230	0.2670	13.1333
MCMS.ZW	0.4200	0.4500	3.0000	7.1429
DMCS.ZW	0.0345	0.0300	0.4496	13.0300
OMTT.ZW	0.1815	0.1400	4.1500	22.8700
TOTALS				



The top laggard of the month was the Old Mutual ETF that succumbed 22.87% to \$0.1400 while, the Datvest ETF plummeted 13.03% to \$0.0300. Partially mitigating the losses in the ETF category was MIZ that went up 55.00% to close at \$0.0155. The Cass Saddle ETF jumped 13.13% to \$0.0230 while, the Morgan and Co MCS charged 7.14% to end at \$0.4500. Volume drivers of the month were DMCS (64%), OMTT (15%) and CSAG (11%). OMTT, DMCS and MCMS claimed a combined 94% of the value aggregate.

Foreign Disaggregation...



ZSE/EFE Estimates

TOP FIVE FOREIGN SELLS BY VALUE

COUNTER	VOLUME	VALUE (ZiG\$)	COUNTER	VOLUME	VALUE (ZiG\$)
DLTA.ZW	1,038,000.00	14,455,166.50	ECO.ZW	71,630.00	237,903.75
ECO.ZW	871,482.00	3,002,096.70	EHZL.ZW	78,590.00	34,678.35
HIPO.ZW	120,400.00	927,346.00	CAFCA.ZW	400.00	6,800.00
MASH.ZW	602,250.00	347,844.38	ZB.ZW	700.00	6,069.00
SEED.ZW	21,338.00	90,885.85	CFI.ZW	900.00	1,916.10

TOP FIVE FOREIGN BUYS BY VALUE

ZSE/EFE Estimates

Foreign purchases amounted to \$287,781.19 while, sales stood at \$18,849,601.12. Foreign selling was mainly in Delta, Econet, Hippo, Mashonaland Holdings and SeedCo, with Delta claiming 76.69% of the aggregate while, Econet accounted for 15.93% of the same. Foreigners cherry-picked Econet and Ecocash among other stocks.

REIT

Symbol	Last Day Closing Price	Current	Change	%Change	Volume	Value
TIG.ZW	0.9000	1.0026	0.1026	11.4000	1,468,720	1,467,400.228
REV.ZW	0.5000	0.8500	0.3500	70.0000	6,339	4,695.44

The Revitus Property Fund ballooned 70.00% to close at \$0.8500 while, the Tigere REIT grew 11.40% to \$1.0026. A total of 1.47m units worth circa \$1.47m exchanged hands in the Tigere REIT while, the Revitus traded 6,339 units worth \$4,695.44 during the month.

Victoria Falls Stock Exchange

VFEX record gains...

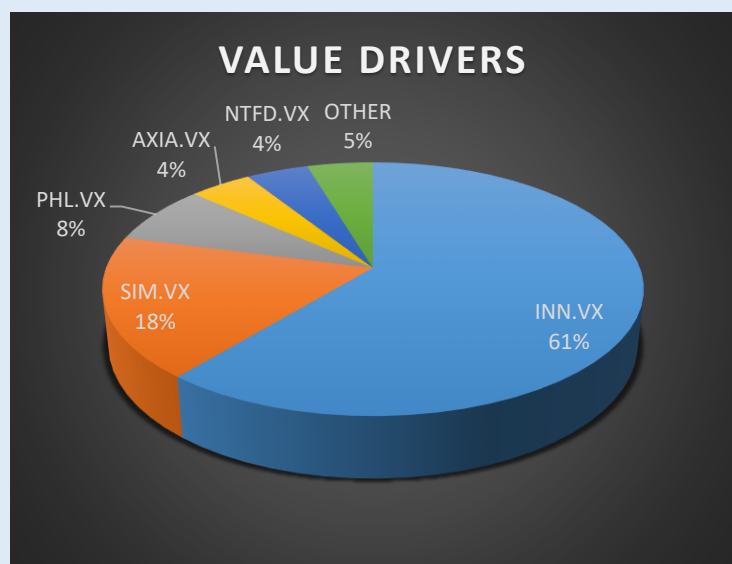
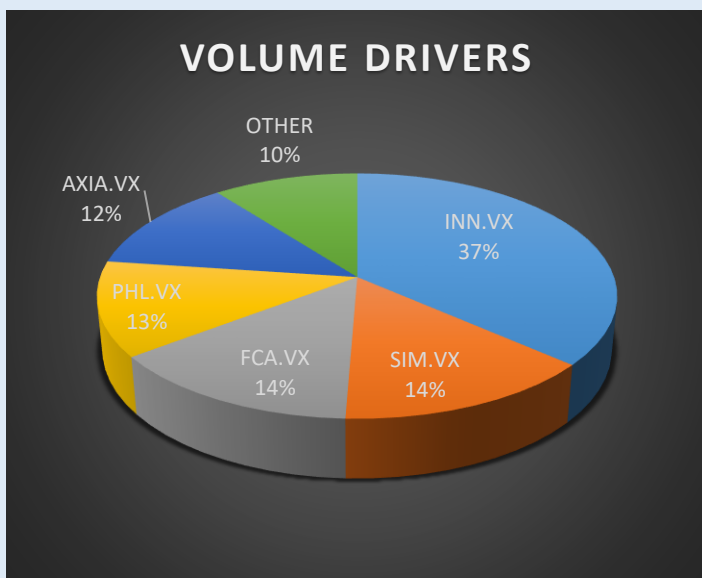
VFEX MARKET PERFORMANCE

	JUL-24	AUG-24	(%) CHANGE	YTD(%)
VFEX ALL SHARE	105.00	103.80	1.14	3.80

VFEX Volumes and Values

Counter	Price(USD)	%(change)	Counter	Price(USD)	%(Change)
NTFD.VX	1.9500	11.43	SCIL.VX	0.2180	-25.57
EDGR.VX	0.0200	5.82	FCA.VX	0.0365	-8.75
CMCL.VX	14.7000	5.00	ASUN.VX	0.0350	-7.89
INN.VX	0.4600	1.10	SIM.VX	0.3501	-1.19
ZIMW.VX	0.0200	0.50			

ZSE/EFE estimates



ZSE/EFE estimates

The VFEX All Share Index retreated 1.14% to end at 103.8pts reducing its YTD gains to 3.80%. Fallers of the month were led by SeedCo International that tumbled 25.57% to \$0.2180, trailed by First Capital Bank that plummeted 8.75% to \$0.0365. African Sun succumbed 7.89% to \$0.0350 as Simbisa let go 1.19% to \$0.3501. Natfoods improved 11.43% to \$1.9500 as Edgars rose 5.82% to \$0.0200. Caledonia edged up 5.00% to \$14.7000 with Innscor gaining 1.10% to \$0.4600. Zimplot capped the top winners of the month on a 0.50% lift to \$0.0200. Volume leaders of the month were Innscor, Simbisa, First Capital Bank, Padenga and Axia which accounted for a shared 90% of the aggregate. Value drivers of the month were Innscor and Simbisa that accounted for 61% and 18% in that order.

Financial Results...

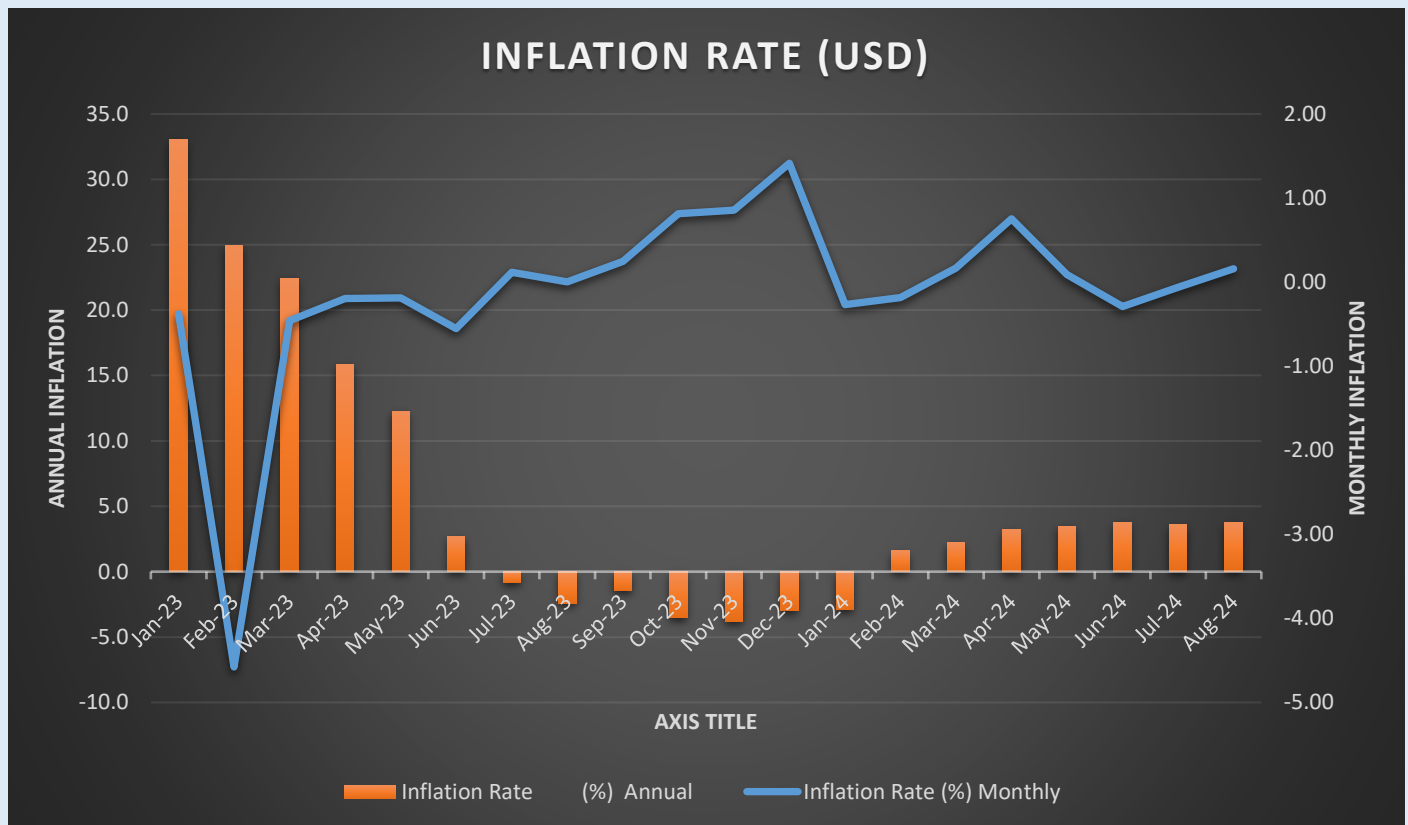
ZB FINANCIAL HOLDINGS LIMITED RESULTS FOR HALF YEAR ENDED 30 JUNE 2024				
ZWG (M)	JUNE 2023 \$	JUNE 2024 \$	% change	
Net Interest Income	174.95	209.98	5.97	
Total Income	2,175.67	1,275.58	28.52	
PBT	2,850.70	1,188.25	36.98	
PAT	2,725.46	1,060.26	25.04	
BEPS (cents)	1,120.97	621.68	25.00	

- ZB Bank remained profitable as PAT was \$888.64 while, total assets stood at \$6.058bn
- ZB building Society posted a PAT of \$5.1118m with total assets declining to \$389.577m
- ZB Reinsurance posted a net loss of \$38.993m from \$146.206m in the prior comparable period
- ZB Life assurance is working on a new retail insurance system which will replace the old Premia system and it is expected to be finalised in FY2024
- The property acquisition of Mashonaland holdings has been integrated and property portfolio is being managed under this entity
- Construction works on the Pomona Commercial centre has reached 65% completion stage
- The group's project to repurpose and refurbish bank branches into full-fledged Group-wide customer service centres continues

CBZ HOLDINGS LIMITED RESULTS FOR HALF YEAR ENDED 30 JUNE 2024				
ZWG (M)	JUNE 2023 \$	JUNE 2024 \$	% change	
Net Interest Income	351.41	596.34	69.70	
Total Income	2923.14	1745.14	40.30	
PBT	1671.99	514.01	69.26	
PAT	1239.61	656.30	47.06	
BEPS (cents)	475.92	211.01	55.66	
Total Assets (31 Dec 2023-30 Jun 2024)	18.34	17.59	4.09	

- Loans and advances to customers increased by 3.38% in the period
- Deposits declined by 7.18% to \$11.49bn
- Investment properties went down 39.04%
- Insurance assets lost 54.57%
- Total assets shed 4.09% to 18.34m
- The group commissioned the Datvest Northgate Investment Project a US\$150m mixed house project encompassing 8,000 stands
- The group raised US\$115m in lines of credit from strategic partners including Afrexim bank, Shelter Afrique and TDB bank
- The group launched the CBZ digital Mall, a banking service transactional platform that combines bill payments and shopping options

Economic Outlook



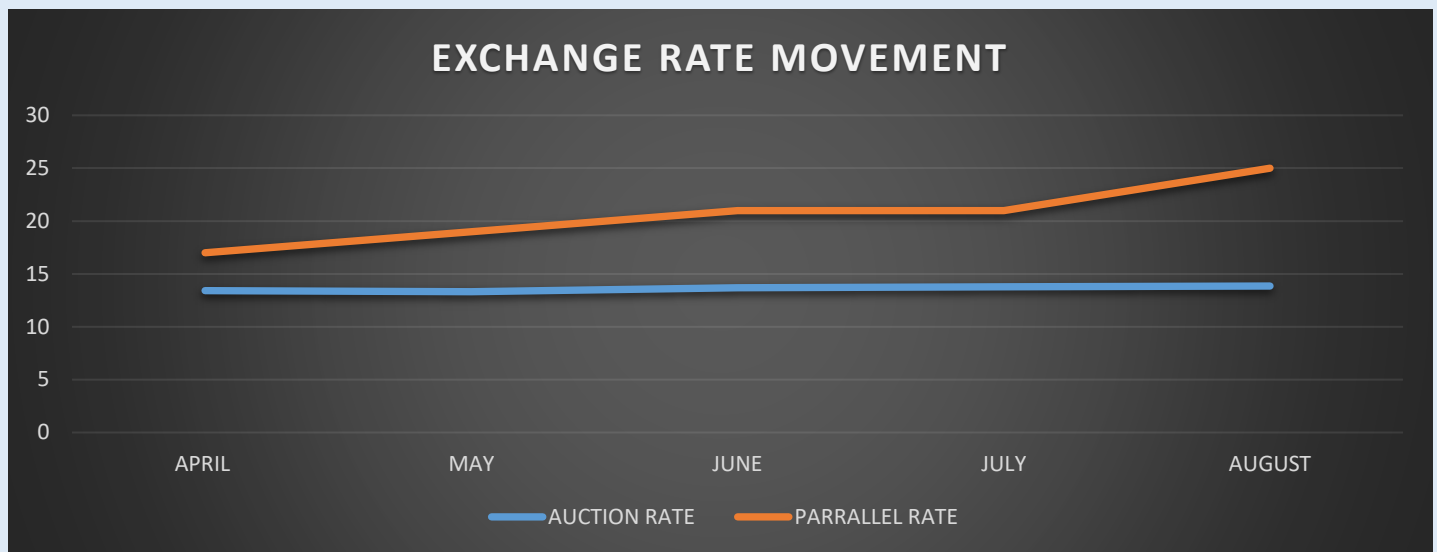
Source: ZIMSTAT/ EFE

The Weighted month-on-month inflation rate was 0.4% in August 2024, gaining 0.5 percentage points from the July rate of -0.1%. For the month of August 2024, the food and non-alcoholic beverages category contributed most to the month-on-month change in the weighted inflation rate, with a magnitude of 0.3%. The USD CPI month-on-month inflation rate was 0.2% in August 2024, gaining 0.3 percentage points from the July 2024 rate of -0.1%. The year-on-year USD inflation rate for August 2024 was 3.7%. The food and non-alcoholic beverages category contributed most to the USD month-on-month inflation rate, with a magnitude of 0.14%. The ZiG CPI month-on-month inflation rate was 1.4% in August 2024, gaining 1.5 percentage points from the July 2024 rate of -0.1%. This means prices as measured by the all-items, ZiG CPI increased by an average of 1.4% between July and August 2024. The food and non-alcoholic beverages category contributed most to the ZiG month-on-month inflation rate, with a magnitude of 0.64%. Regarding provincial inflation rates, Matabeleland North and Mashonaland East had the highest year-on-year USD inflation rates at 7.5% and 6.5% respectively in August 2024.

The inflation dynamics in Zimbabwe are currently being influenced by a complex interplay of competing economic pressures. On one hand, there is a significant push for high expenditure on infrastructural projects, which are crucial for long-term economic development but can strain immediate financial resources. This is compounded by the country's substantial debt burden, which requires careful management and servicing. Zimbabwe is also facing the pressing need to finance food supplies for drought-affected regions, a humanitarian necessity that puts further strain on the national budget. These factors collectively exert upward pressure on inflation as they potentially increase government spending and money circulation in the economy.

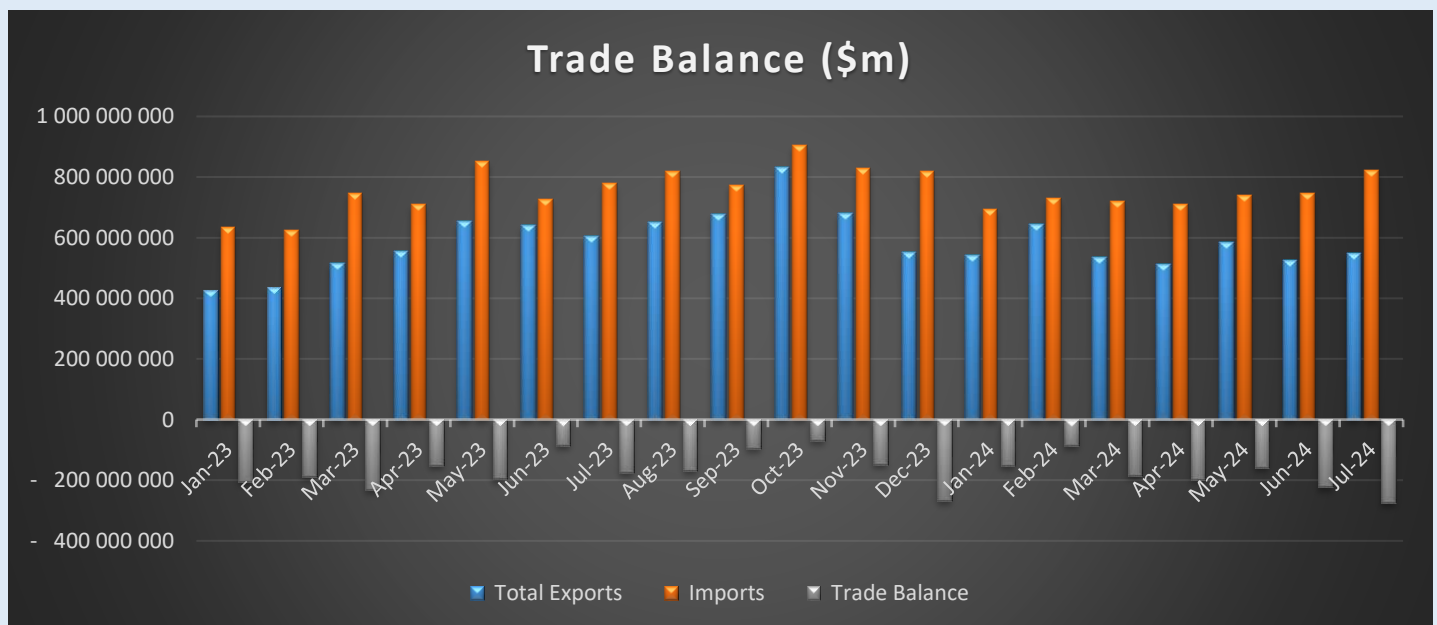
Conversely, there is a recognized need to control the money supply to maintain price stability and prevent runaway inflation. This creates a challenging balancing act for policymakers, who must weigh the immediate needs for development and humanitarian aid against the long-term goal of maintaining economic stability through prudent monetary policy. The result is a delicate economic situation where inflation is influenced by these competing forces, result in the need for careful management of the competing needs.

Exchange Rate



SOURCE: RBZ/EFE Estimates

The exchange rate on the official auction market has shown remarkable stability over the past five months, from April to August, the rate has only marginally fluctuated, moving from ZiG\$13.4301 in April to ZiG\$13.8546 in August per US\$1. This represents a modest depreciation of approximately 3.2% over the entire period, indicating a relatively stable official exchange rate environment in the formal market. The parallel market rate was significantly volatile since April, it opened at a rate of 17 in April and has steadily increased to 25 as at the end of August, representing a substantial depreciation of about 47% over the same period. This divergence between the official auction rate and the parallel market rate suggests growing pressure on the currency in unofficial markets, potentially reflecting broader economic challenges or market expectations that are not fully captured in the official exchange rate mechanism.



SOURCE: RBZ/EFE Estimates

The trade data for July 2024 shows a widening trade deficit for Zimbabwe, in which exports increased by 4.6% from the previous month to \$548.3 million, while imports rose by 10.2% to \$823.1 million. This resulted in a trade deficit of \$274.8 million, which is 23.4% higher than June's deficit of \$222.7 million. The composition of exports was dominated by semi-manufactured gold (34.2%), nickel mattes (10.5%), and tobacco, partly or wholly stemmed (4.0%). This highlights Zimbabwe's continued reliance on mineral, metal, and agricultural exports. The increase in exports suggests

some improvement, but there is still a need for the nation to broaden its export offerings and invest more in value addition. On the imports side, major products included mineral fuels (19.4%), cereals (13.4%), machinery & mechanical

appliances (10.2%), and vehicles (7.0%), reflecting the country's import needs for energy, food, equipment, and transportation. South Africa remained one of Zimbabwe's largest trade partners, accounting for 27.0% of exports and 42.7% of imports. Other key export destinations included the United Arab Emirates (37.1%), Mozambique (9.7%), and China (7.5%). Major import sources besides South Africa were China (14.2%), Bahamas (6.3%), and Mozambique (5.1%).

Mid Term Monetary Policy .

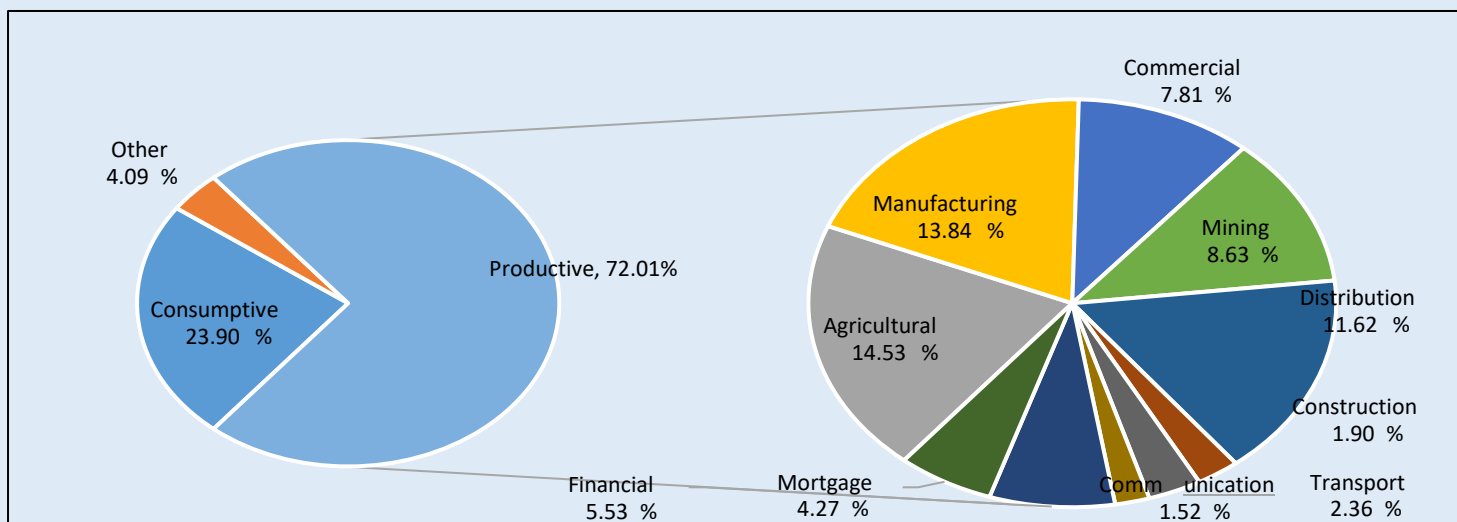
The central bank released its Mid-term monetary policy statement in the month under review, as the central bank reported that it will continue to use a hybrid monetary anchor with the exchange rate as an intermediate target.

ZiG Usage

The central bank reported that from the survey that it carried out, ZiG acceptance stood at 91% from 61% that was recorded in April when the ZiG was launched. Also, the central bank announced that there was a tremendous improvement in economic agents' willingness to be paid in ZiG, from 8% in April to around 80% in June. The total foreign reserves, including gold, were around US\$375 million as at end-June 2024, compared to ZiG total reserve money (including NNCDs) US\$139 million. This was a significant increase from reserve asset holdings of US\$285 million when ZiG was announced on 5 April 2024.

Monetary conditions

The Reserve Bank significantly adjusted its policy rate, reducing it from 130% to 20%. They established a range of 11%-25% for this rate, which aligns with the projected inflation trends for ZiG. Consequently, both lending and deposit interest rates have been modified to correspond with this new policy approach. As at 30 June 2024, aggregate banking sector loans and advances amounted to ZiG\$27.45bn with 72.01% of the total loans having been drawn for productive purposes, consumption and other purposes. Among the productive loans, majority was mainly credited to the following sectors Agriculture 14.53%, Manufacturing 13.84% and Distribution 11.62%.



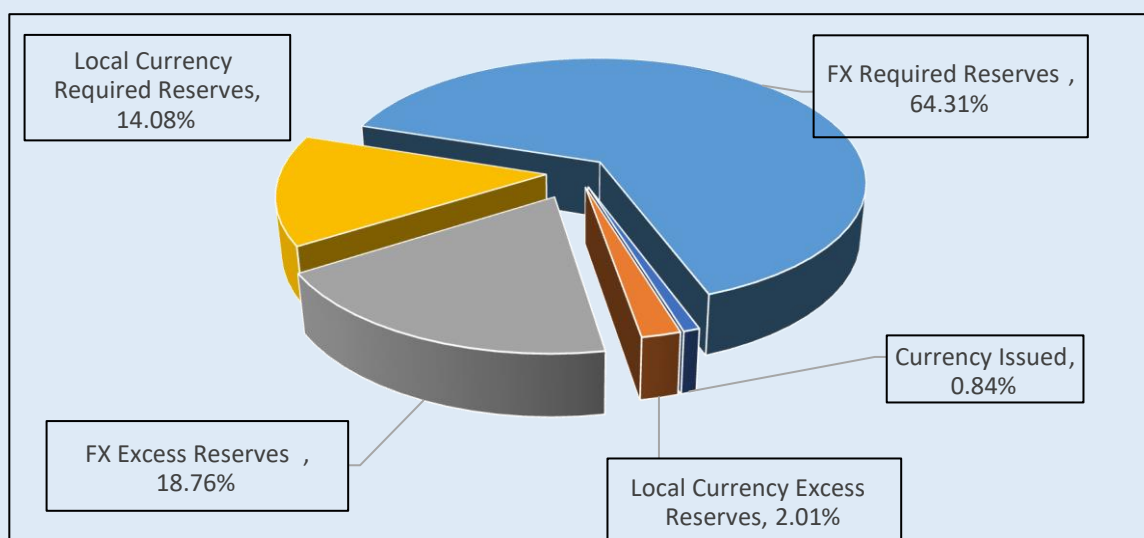
Source: Reserve Bank of Zimbabwe, 2024

- The foreign exchange market saw US\$190m being traded through the interbank foreign exchange market during the period April to August 2024, the central bank reported that it has been intervening the interbank

market to smoothen supply-demand mismatches and effectively facilitate interbank market trading using 50% of the 25% export surrender proceeds.

- The Ministry of Finance, Economic Development, and Investment Promotion has issued Treasury instruments worth US\$90.8 million. This was done to address the backlog of obligations from both retail and wholesale auctions. This is a welcome development as companies have been grappling with working capital challenges,
- Reserve money grew by 9.02% from May to June 2024, reaching ZiG\$7.24bn. This growth was driven by an increase in banks' excess reserves, statutory reserves, and currency in circulation. The local currency component of reserve money rose to ZiG1.23 billion, fully backed by US\$375 million in foreign reserve. *The rapid expansion of the monetary base could pose inflationary risks if not managed carefully. The full foreign reserve backing of the local currency component is a positive sign for currency stability, but maintaining this coverage will be crucial as the monetary base expands.*

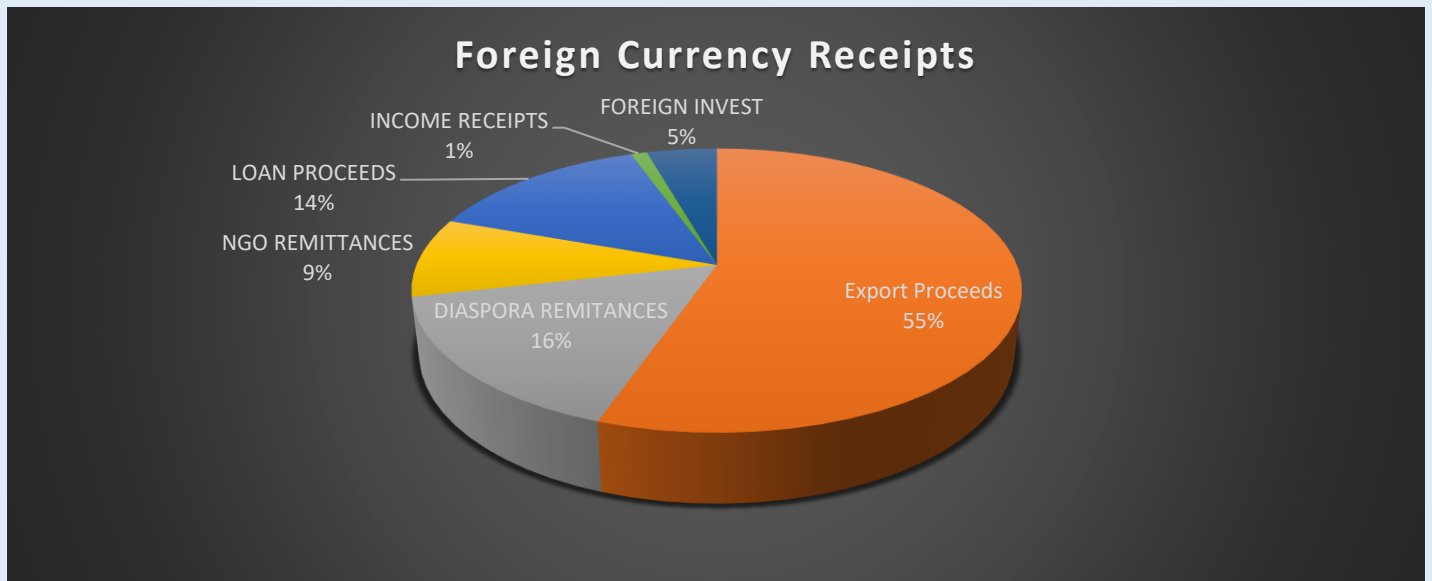
Components of Base Money as of the end of June 2024



Source: Reserve Bank of Zimbabwe, 2024

- Broad money (M3) grew by 4.1% to ZiG42,73bn in June 2024, down from 5.9% growth in May. The local currency component increased to ZiG9,19bn, driven by rising banking sector loans. The money stock comprising of 78.49% foreign currency deposits, 21.39% local currency deposits and 0.12% local currency in circulation. *The dominance of foreign currency deposits in the money stock highlights Zimbabwe's high dollarization, reflecting persistent concerns about local currency stability. This presents a complex challenge for policymakers balancing economic growth, currency stability, and financial sector development.*

Foreign Currency Receipts



Source: Reserve Bank of Zimbabwe, 2024

Total foreign currency receipts increased by 9.5% to US\$6.2bn during the period from January to June 2024, from US\$5.6 billion received during the same period in 2023, largely driven by the growth in export receipts and diaspora remittances. Export receipts accounted for 55% of the country’s receipts while, diaspora remittances claimed 16% representing a near US\$1bn in receipts. Also noteworthy were foreign investments that increased by 112% to US\$268.8m contributing a total of 4.4% of the total receipts, representing a welcome development and the jump will help improve overall economic performance.

Foreign currency receipts, preliminary estimates indicate that the current account recorded a surplus of US\$19.2 million in the first half of 2024, a turnaround from the deficit of US\$13.8 million. The current account is projected to narrow to US\$44.5 million in 2024, relative to a surplus of US\$133.9 million recorded in 2023.

Merchandise exports are estimated to have increased by 3.4% from US\$3.3 billion in the first half of 2023 to US\$3.4 billion in the corresponding period of 2024, driven by increased exports of gold, agricultural commodities and manufactured products. Minerals, which account for the largest share of merchandise exports, registered a marginal decline of 1.1% from US\$2.67bn in the first half of 2023 to US\$2.62bn over the same period in 2024.

Merchandise imports increased by 4.1% from US\$4.02bn in the first half of 2023 to US\$4.19bn during the comparable period in 2024. This increase was driven by higher volumes of food, fuel, raw materials, vehicles and manufactured goods imports, which is a natural consequence of an expanding economy. In the first six months of 2024, food imports saw a significant increase of 58.1%, rising from US\$274.5 million in the same period of 2023 to US\$433.5 million. This surge was largely due to increased maize imports, which jumped from US\$51.9 million in the first half of 2023 to US\$244.6 million in the corresponding period of 2024. The substantial rise in maize imports was a direct result of the El-Nino-induced drought, which negatively impacted the 2023/24 agricultural season.

POLICY MEASURES

MEASURE	COMMENT
Continue to use a hybrid monetary anchor with the exchange rate as an intermediate target.	<ul style="list-style-type: none"> • <i>effective in managing inflation and fostering economic stability</i> • <i>successful implementation depends on careful management of foreign exchange reserves</i>

	<ul style="list-style-type: none"> • <i>may constrain the central bank's ability to respond to domestic economic shocks and requires a delicate balance between exchange rate objectives and other economic goals.</i>
<p>Participate in the foreign exchange market to liquefy the foreign exchange market with 50% of the 25% export surrender to ensure operational flexibility within the supply and demand dynamics</p>	<ul style="list-style-type: none"> • <i>May stabilize the forex market and ensure a more reliable supply of foreign currency for essential transactions.</i> • <i>Policy potentially creates significant challenges for exporters, by requiring them to surrender a portion of their earnings at the official auction rate, which is likely lower than the parallel market rate, the policy effectively reduces exporters' real income. This discrepancy becomes particularly problematic when these same exporters need to source raw materials at prices influenced by the higher parallel market rate.</i> • <i>the current approach may inadvertently discourage exports by reducing profitability and creating operational difficulties for exporters and in turn, lead to reduced foreign currency inflows in the long term, potentially undermining the very stability.</i>
<p>Cash Availability</p> <p>i. Increase the injection of cash in line with demand.</p> <p>ii. Continue to inject more small ZiG denominations into the economy to ease the problem of change.</p> <p>iii. Work to smoothen the glitches that have been observed in the distribution of cash and ensure that ZiG reaches.</p> <p>iv. Expand initiatives such as the Homelink Swipe for ZiG kiosks and related arrangements.</p>	<ul style="list-style-type: none"> • <i>May help reduce reliance on foreign currencies for everyday transactions</i> • <i>Could help prevent price rounding, potentially benefiting consumers</i> • <i>May improve the practicality of ZiG for small, daily transactions</i> • <i>Increased circulation may affect the Reserve Bank's ability to control money supply</i> • <i>These measures suggest a commitment to establishing ZiG as the primary national currency, success will depend on consistent implementation and ongoing public confidence in the currency</i> •
<p>v. Interest Rates – The Reserve Bank plans to roll out a market-based interest rate framework, so as to manage interest rates and reduce rate differentials in the market.</p>	<ul style="list-style-type: none"> • <i>The continued use of Open Market Operations (OMO) as a primary tool for interest rate management indicates the central bank's active role in fine-tuning liquidity conditions. This approach allows for flexible and timely adjustments to money market conditions, ensuring that short-term interest rates align with the policy rate set by the Monetary Policy Committee (MPC)</i> • <i>High interest rates can help maintain banking sector stability by supporting net interest margins and discouraging excessive risk-taking.</i> • <i>the tight policy stance may be necessary for stability, it could potentially constrain credit growth and investment in the short term.</i>
<p>vi. Statutory Reserves - ensure continued financial sector stability, the statutory reserves for call and demand deposits for local currency and foreign currency will be maintained at 15% and 20%</p>	<ul style="list-style-type: none"> • <i>This will help manage liquidity in the financial system.</i> • <i>Higher reserve requirements can act as a buffer against potential financial shocks.</i> • <i>Higher reserve requirements can help curb excessive lending, which might otherwise lead to inflationary pressures.</i>
<p>ii. Promoting Digital Transactions - exempting electronic transactions of less than US\$10 or the ZiG equivalent from bank charges.</p>	<ul style="list-style-type: none"> • <i>This will help the transacting public to use digital payment methods which are safer, rather than moving with cash</i>
<p>ii. Refinement of the Non-Negotiable Certificates of Deposits (NNCDs) for Outstanding Export Surrender and Auction Backlog Obligations to tradable Government bonds.</p>	<ul style="list-style-type: none"> • <i>This is a welcome development as it can significantly alleviate cash flow pressures, improve working capital management, and provide companies with more options to navigate their financial challenges. It represents a shift towards more market-oriented solutions and could contribute to improved liquidity in the broader financial system.</i>

	<ul style="list-style-type: none"> •
<p>x. Liquidity Management</p> <p>x. Central bank will continue to use non-negotiable certificates of deposits to manage liquidity.</p> <p>xi. Central bank will tighten the liquidation rules to ensure that the monetary policy stance remains tight.</p> <p>ii. Reserve Bank will continue to redeem the existing Gold Backed Digital Tokens (GBDT) and gold coins in the customer's currency of choice</p>	<ul style="list-style-type: none"> • <i>Non-Negotiable Certificates of Deposits (NNSDs) allows for fine-tuning of money supply without direct market operation</i> • <i>NNCDs can help sterilize excess liquidity in the banking system, however NNCDs may limit the development of more market-based liquidity management tools</i> • <i>Tightening of liquidation rules may help control inflation by limiting money supply growth and also signals to the market the central bank's determination to maintain price stability.</i> • <i>Tightening of liquidation rules could potentially lead to liquidity constraints in the banking sector</i>
<p>ii. Mandatory requirement by the Government for all traders to have point-of-sale (POS) terminals</p>	<ul style="list-style-type: none"> • <i>Helps integrate informal businesses into the formal financial sector and provides more options for consumers, especially in underserved areas. However, the cost of using virtual methods are very high for both customers and businesses therefore hampering the success of the proposed measure.</i>

The Zimbabwean economy continues on a recovery path despite challenges of poor rainfalls received last year, easing commodity prices, shortage of electricity and stagnant capacity utilization across the industries. The monetary policy review demonstrates a tight and disciplined approach aimed at maintaining economic stability through careful management of key indicators. The primary focus remains on controlling inflation and narrowing the divergence between the auction and parallel exchange rates. This conservative stance is designed to foster price stability and build confidence in the currency.

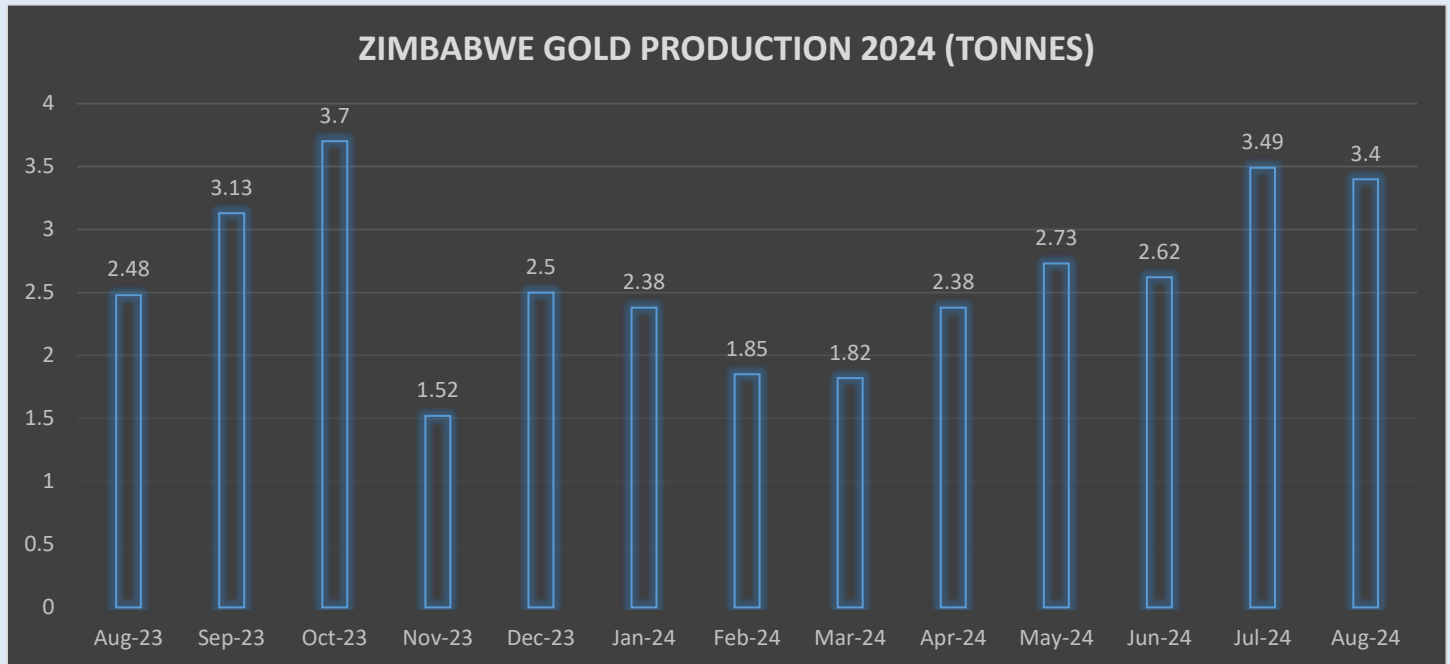
The economy is poised to benefit from several positive factors, despite the tight monetary conditions. A good wheat harvest is expected to contribute to food security and potentially ease inflationary pressures on staple foods.

Additionally, the global economic recovery, particularly the firming of commodity and mineral prices, presents opportunities for export growth and improved foreign currency inflows. Exogenous shocks are likely to derail set macroeconomic targets.

The introduction of the ZiG currency represents a well-structured attempt to address Zimbabwe's monetary challenges. Its design and implementation demonstrate a thoughtful approach to currency reform, potentially offering a path towards greater economic stability. A primary concern is the need to address both supply and demand side challenges in acquiring the currency. On the supply side, efforts must be made to ensure adequate ZiG liquidity in the formal banking system, allowing businesses and individuals to access the currency efficiently. This may involve careful management of currency issuance and distribution channels. On the demand side, building public confidence in the ZiG is crucial. This confidence can be fostered through consistent policy implementation, transparent communication about monetary decisions, and demonstrating the currency's stability over time.

Success of this monetary policy will depend on combined efforts to boost productivity and attract investment, that can contribute to Zimbabwe's economic stability and growth. The journey of the ZiG will require ongoing attention, adaptability and commitment from all economic stakeholders to navigate the complexities of currency management in a challenging economic environment.

Gold Production



Gold production faltered in the month of August as deliveries fell by 2.71% to 3.40 tonnes from 3.49 tonnes recorded in July this year. Small-scale miners increased their output slightly, reaching an eight-month high of 2.37 tonnes, up 1.27%, the growth is attributed to government-led mobilization efforts and improved payment systems. Large-scale

miners saw a 10.81% decrease in deliveries, totalling 1.03 tonnes, the decline is mainly due to ongoing power shortages and rising operational costs, exacerbated by unfavourable export policies. For the first eight months of the year, cumulative gold deliveries reached 20.68 tonnes, showing a 6.95% increase from the same period last year. Small-scale miners contributed 12.13 tonnes while, primary producers delivered 8.55 tonnes. Gold exports in the first half of 2024, recorded an increase of 14.6% to US\$970.4 million from US\$846.6 million in the comparable period in 2023. This growth was largely driven by higher global gold prices, buoyed by safe haven demand amidst the prevailing global economic uncertainty.

ZSE TOP 20 MARKET CAPITALISATION AS AT 30.08.2024

Zimbabwe Stock Exchange - Market Capitalisation Report				
COMPANY	SHORT NAME	LISTING STATUS	NO OF SHARES GLOBAL	MARKET CAP (ZIG\$)
Delta Corporation Limited	DLTA.ZW	Active	1,324,168,145	18,395,451,128
Econet Wireless Zimbabwe Limited	ECO.ZW	Active	2,992,163,203	10,538,228,248
CBZ Holdings Limited	CBZ.ZW	Active	522,661,465	6,480,152,318
FBC Holdings Limited	FBC.ZW	Active	671,949,927	3,695,724,599
Ecocash Holdings Zimbabwe Limited	EHZL.ZW	Active	4,194,797,929	2,028,184,799
Meikles Limited	MEIK.ZW	Active	256,150,741	1,535,844,494
Hippo Valley Estates Limited	HIPO.ZW	Active	193,020,564	1,509,420,810
NMBZ Holdings Limited	NMB.ZW	Active	404,171,689	1,212,515,067
First Mutual Holdings Limited	FML.ZW	Active	690,143,060	1,185,895,595
Dairibord Holdings Limited	DZL.ZW	Active	358,000,858	1,127,702,703
ZB Financial Holdings Limited	ZBFH.ZW	Active	175,190,642	1,115,964,390
Rainbow Tourism Group Limited	RTG.ZW	Active	2,495,495,543	1,098,018,039
TSL Limited	TSL.ZW	Active	360,678,838	1,082,036,514
Mashonaland Holdings Limited	MASH.ZW	Active	1,687,584,009	1,047,145,878
Tanganda Tea Company Limited	TANG.ZW	Active	261,064,590	985,332,427
Seed Co Limited	SEED.ZW	Active	253,099,840	973,801,634
OK Zimbabwe Limited	OKZ.ZW	Active	1,296,311,827	945,844,850
British American Tobacco Zimbabwe Limited	BAT.ZW	Active	20,633,517	928,508,265
African Distillers Limited	AFDS.ZW	Active	119,494,521	836,461,647
Nampak Zimbabwe Limited	NPKZ.ZW	Active	755,648,101	755,648,101
Other counters			20,985,817,284	3,970,845,282
GRAND TOTAL			40,014,520,123	61,448,726,787

VFEX MARKET CAPITALISATION AS AT 30.08.2024

COMPANY	SHORT NAME	LISTING STATUS	NO OF SHARES ZIM REG	MARKET CAP (US\$)
WEST PROP HOLDINGS LIMITED	WPHL.vx	Active	30,000,000	301,500,000
INNSCOR AFRICA LIMITED	INN.vx	Active	569,876,450	262,143,167
SIMBISA BRANDS LIMITED	SIM.vx	Active	562,184,788	196,820,894
NATIONAL FOODS LIMITED	NTFD.vx	Active	68,400,108	133,380,211
PADENGA HOLDINGS LIMITED	PHL.vx	Active	541,593,440	89,362,918
FIRST CAPITAL BANK	FCA.vx	Active	2,160,865,929	78,871,606
SEED CO INTERNATIONAL	SCIL.vx	Active	260,576,088	56,805,587
AFRICAN SUN LIMITED	ASUN.vx	Active	1,477,901,495	51,726,552
AXIA CORPORATION LIMITED	AXIA.vx	Active	554,920,308	49,942,828
BINDURA NICKEL CORPORATION	BIND.vx	Active	1,272,732,638	15,909,158
EDGARS STORES LIMITED	EDGR.vx	Active	609,740,943	12,194,819
CALEDONIA MINING CORPORATION	CMCL.vx	Active	620,984	9,128,465
ZIMLOW HOLDINGS LIMITED	ZIMW.vx	Active	344,580,486	6,891,610
GRAND TOTAL			8,454,154,930	1,266,451,817

TOP PICKS

COUNTER	COMMENT
DELTA CORPORATION	The company continues to demonstrate strong growth across key segments, with Lager Beer volume up 9%, Sparkling Beverages increasing 11% and Wines and Spirits growing 6%. Overall group revenue rose by 23% for the quarter, though management estimates a more modest 3% growth when accounting for currency adjustments. Recent investments in production capacity, coupled with a strong focus on sustainability and corporate social responsibility initiatives, position the company well for future growth. Delta's geographic diversification across Zimbabwe, Zambia, and South Africa provides some insulation against country-specific risks.
INNSCOR AFRICA	Innscor Africa Limited presents a compelling buy opportunity, underpinned by robust financial performance and promising growth prospects. Innscor has demonstrated remarkable resilience and growth across its diverse portfolio of businesses. The Group's overall volume performance for the nine-month period is tracking ahead of the comparative period, underscored by significant investments in manufacturing capacities and capabilities over the past three years. The company's ongoing investments in capacity expansion and new product development across various divisions position it well to capture market share and drive long-term growth.
SIMBISA	Simbisa Brands Limited presents an attractive investment opportunity despite challenging operating conditions. The company has demonstrated resilience and growth, with a 3% year-on-year increase in group revenue for Q3 financial year 2024 and a 6% increase in the 9-month year-to-date period. This growth is primarily driven by new store openings and higher real average spend, particularly in Zimbabwe. The company's expansion strategy is robust, with 25 new company-operated counters opened in the quarter and a total of 62 new counters in the 9-month period, bringing the total store count to 702. This aggressive expansion suggests strong potential for future revenue growth.
TIGERE REIT	Estate Investment Trust presents a compelling investment opportunity based on its strong financial performance and strategic positioning in the Zimbabwean property market. The trust has maintained 100% occupancy at its properties, with 91% of revenue collections in USD, indicating resilience in a challenging economic environment. Net property income for the period was robust at USD769,885, while the bottom line remained USD528,862 despite adverse exchange movement. Tigere REIT has proven its ability to generate stable income. The property sector's insulation from currency fluctuations due to forex-based income generation provides an additional layer of security for investors. Moreover, the ongoing infrastructure developments in Zimbabwe are creating new opportunities in the property sector, which Tigere REIT is well-positioned to capitalize on.
SEEDCO INTERNATIONAL	The company demonstrated strong revenue growth of 14% and a remarkable 70% increase in profit after tax, showcasing its resilience and operational efficiency. Improved gross margins, record sales in East Africa and good performance in key markets like Zambia, DRC and Malawi highlighting the company's effective geographical diversification. Financial health has strengthened with reduced net debt, improved debt-to-equity ratio and increased cash position. The declaration of a dividend suggests confidence in financial stability. Strategic investments in capacity, coupled with a strong brand therefore positioning the company well for future growth.

In the news...

1. Listed diversified concern CFI Holdings is doubling down on strategic investments in its core business units and intensifying cost optimisation efforts over the short-to-medium-term to drive sustainable growth. This dual focus will lay groundwork for long-term success and resilience.
2. Delta Corporation Limited associate entities have bemoaned the negative impact of the growing influx of counterfeit and smuggled imported products from regional countries on operations. African Distillers said its business was being weighed down by illicit brews made in backyard industries and imported wines and ciders illegally brought into Zimbabwe. Another associate company of Delta, Schweppes Zimbabwe has been noticing a surge in smuggled imports of its flagship Mazoe Orange Crush from regional markets.
3. Invictus Energy has completed the raising of US\$10m from institutional investors, giving it enough resources to progress the Cabora Bassa project and dual-listed on the Victoria Falls Stock Exchange (VFEX). Investment Fund has underwritten US\$5m of the placement, demonstrating long-term support for the project on behalf of government, as well as a number of other strategic investors.
4. Caledonia Mining Corporation says gold output at Blanket Mine, jumped by 20% in the second quarter of this year to 20,773 ounces compared to the same prior year period. In the same quarter last year, gold output at Blanket Mine totalled 17,436 ounces. Caledonia is on record saying it remains on track to achieve targeted production at Blanket Mine of 74,000 to 78,000 ounces for 2024.
5. Shelter Afrique Development Bank (ShafDB), a pan-African housing financier, has extended US\$15m to CBZ Bank to finance the construction of residential housing units and mortgage origination. The pan-African institution is solely dedicated to financing and promoting housing, urban, and related infrastructure development across the African continent.
6. Tanganda reported a drop in export volume in the third quarter to June 30, 2024, weighed down by wrong production timing and packaging material constraints. Bulk tea exports dropped by 9% to 4,504 tonnes compared to the same period last year. The dip was attributed to the timing of sales, with production being more concentrated in the third quarter.
7. Cable manufacturer, Cafca Limited, experienced a drop in export volumes by about 22% to 83 tonnes in its third quarter ended June 30, 2024 due to challenges in getting foreign currency for restocking.
8. Border Timbers Limited (BTL) shareholders have agreed to sell 35% of the company's shares to Cicada Plantations Zimbabwe Limited (CPZ). This will result in Cicada making a mandatory offer for the remainder of the shares in line with stock exchange rules. In a circular to its shareholders in August 2023, it was announced that CPZ put forward an offer to acquire 100% of BTL's issued share capital in exchange for its shares, resulting in the immediate termination of BTL's Zimbabwe Stock Exchange listing.
9. Financial services group CBZ Holdings says it will exercise caution in lending to clients despite overwhelming demand for credit on the domestic market.
10. African Sun Limited (ASL) plans to raise US\$8 m this year for renovations at the Victoria Falls Hotel, Hwange Safari Lodge, and Elephant Hills Hotel. Apart from Victoria Falls Hotel, Hwange Safari Lodge and Elephant Hills Hotel, ASL operates seven other hotels.
11. Clothing retailer Truworths Limited owes its creditors approximately US\$2m and is now technically insolvent as a result. Truworths announced that it had entered corporate rescue under Section 122 of the Insolvency Act, a move triggered by severe financial distress.

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