

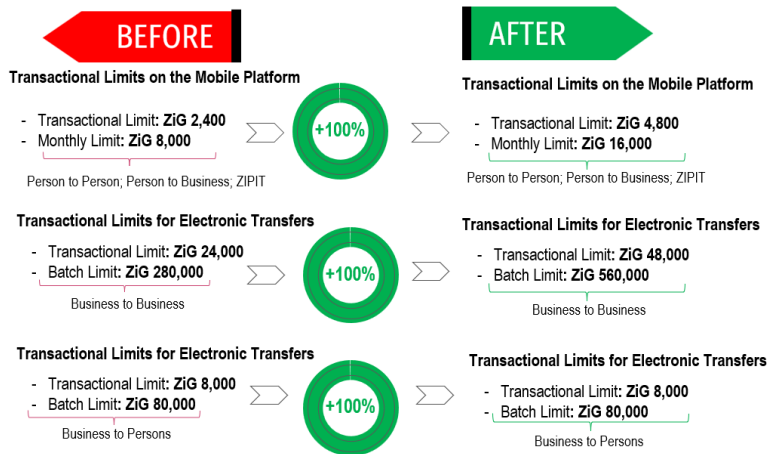
ECONOMIC AND MARKET REVIEW

Economic Highlights

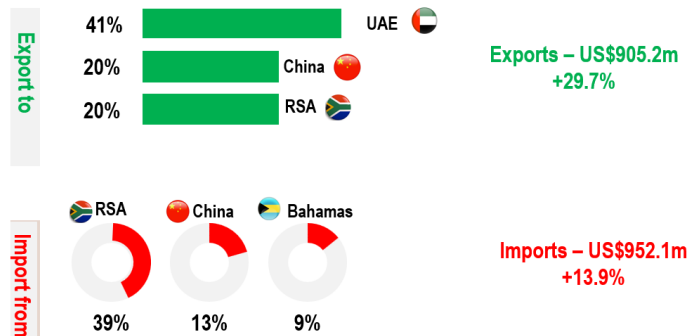


Analyst's Column

Upward Review of Transactional Limits by RBZ



November 2024 Monthly International Trade Trade Deficit -66%



International Trade

- The total value of exported goods in November 2024 was US\$905.2m, representing 29.7% increase from US\$698.1m recorded during October 2024. Imports amounted to US\$952.1m an increase of 13.9% from US\$835.9m recorded during prior month. Resultantly, Trade Deficit decreased by 66% during the month under review.

- 32% of the goods imported in November 2024, comprised industrial supplies, followed by fuels and lubricants category which accounted for 21.3%.

- Among the top ten products exported in November 2024 were semi-manufactured gold (39.7%), Tobacco (30.5%) and Nickel mattes (11%).

Exchange Rate

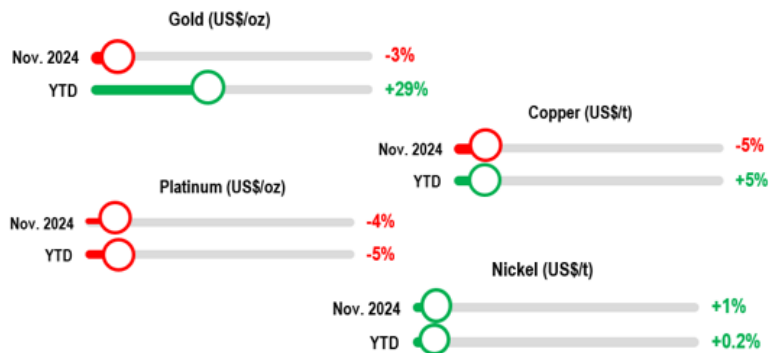
Officially, the ZiG strengthened against the USD during the month with the Interbank rate closing the month at ZiG24.45:US\$1, compared to ZiG28.68: USD1 (as at 31 October 2024). The parallel market rate was reported to have remained flat at ZiG40:USD1, when compared to prior month.

Inflation

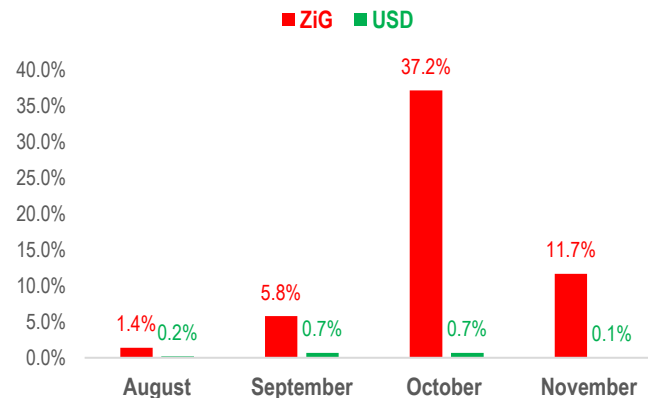
- **ZiG Inflation:** The M-o-M inflation rate for November 2024 was 11.7%, shedding 25.5 percentage points on the October rate of 37.2%. The ZiG CPI for Food and Non-Alcoholic Beverage contributed significantly, by 5.4% to the monthly change in Index.

- **Local USD Inflation:** The M-o-M inflation rate for November 2024 was 0.1%, 0.5 percentage points lower on the October 2024 rate of 0.66%. The Y-o-Y inflation rate closed the month at 3.3%.

Commodities – November Monthly Return



Month on Month Inflation Update



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Equities Market Update

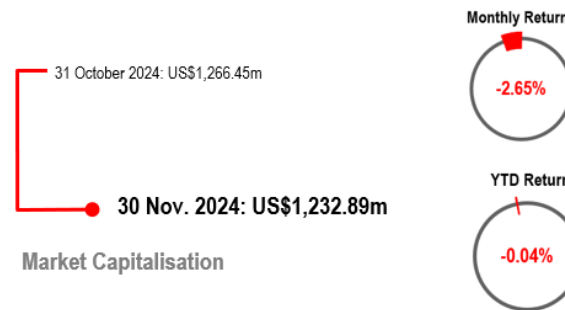


Analyst's Column

Regional Stock Performance Summary



Local Market – VFEX All Share



Regional Stock Performance

-Regional indices progressed the year so far on a positive note recording YTD growths across the four countries: Botswana (+11.64%), South Africa (+9.91%), Malawi (+47.08%) and Mauritius (+13.63%).

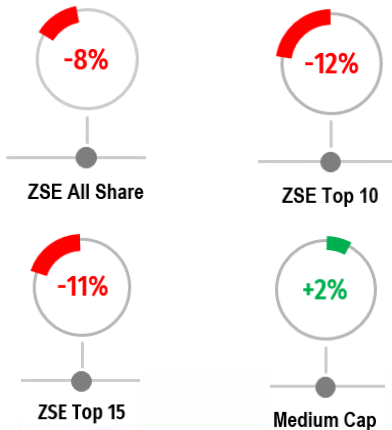
- November saw a pullback in the SA equity market. The All-Share Index (ALSI) fell by 0.9% in rand terms, driven by a weak performance in the Resources sector (-6.8%), while Financials and Industrials each gained 0.5%.

Victoria Falls Stock Exchange (VFEX)

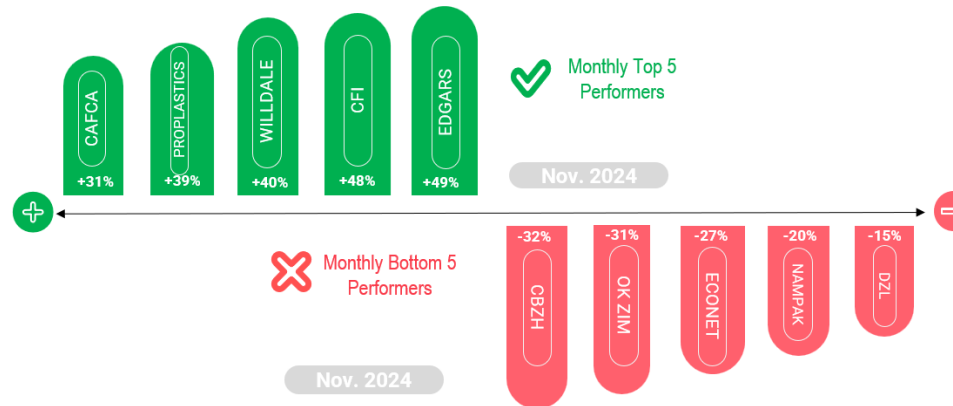
- VFEX All Share Index recorded a negative return during the month under review of 2.65%, reducing gains recorded earlier in the year, to a negative YTD return of 0.04%.

- Market breadth generally remained thin and new listings are still expected on the VFEX. Improving liquidity may improve the upside potential of this bourse.

Local Market – ZSE indices Monthly Returns



ZSE Top and Bottom 5 Performers



Zimbabwe Stock Exchange (ZSE)

- Most ZSE Indices recorded negative returns during the month under review, with the exception of the Medium Cap. The ZSE All Share, ZSE Top 10 & ZSE Top 15 indices recorded losses of 8%, 11% and 12% respectively during the month under review. Medium Cap counters outperformed other indices during the month recording a positive return of 2%.

-Correlation between liquidity and ZSE performance remains high. Resultantly, the sustainability of a recovery and or a bullish trend in the outlook will rely heavily on the availability of liquidity.

ECONOMIC AND MARKET REVIEW

Investment Outlook & Recommendation



Recommendation



PROPERTY



EQUITIES



ZiG MONEY MARKET



ALT. INVESTMENTS



Outlook

We expect an increased prominence of hard currency rentals and shorter lease agreement arrangements to persist for local currency denominated rentals as inflation uncertainty remains.

Innovations in the form of Real Estate Investment Trusts listing on local public courses.

We expect a stable recovery on the VFEX when compared to the ZSE to sustain as companies on the VFEX are similarly trading at discounts to their intrinsic values.

The high risk of exchange rate losses and inflation eroding the local currency's value makes the local currency money market investment unattractive.

This asset class has been able to avoid value distortions arising from short term policy changes and offer sustained real asset value preservation and growth. The asset class however remains illiquid and long term in nature.

ECONOMIC AND MARKET REVIEW

Author

Position

E-mail

Tendaishe Gwitima

Investments Analyst

tgwitima@firstmutual.co.zw

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