

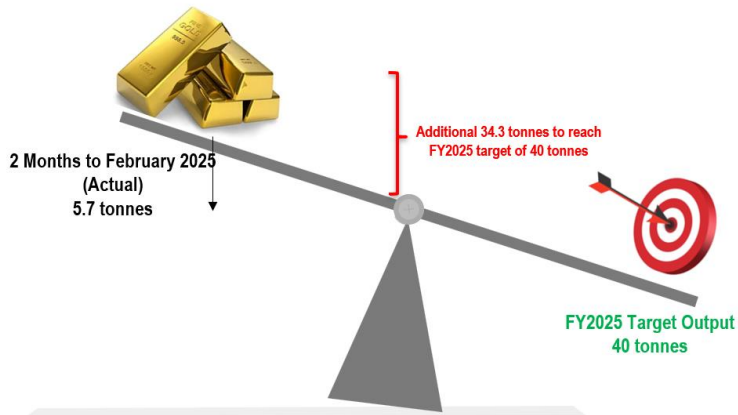
ECONOMIC AND MARKET REVIEW

Economic Highlights

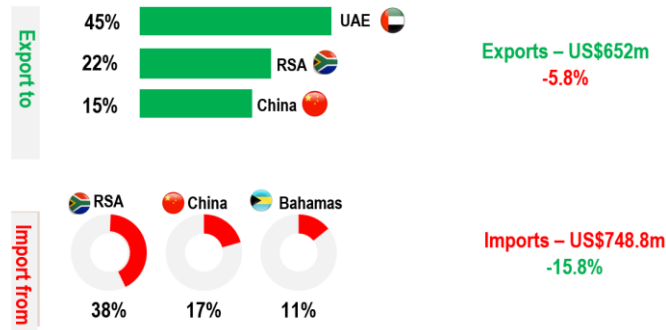


Analyst's Column

YTD Actual Gold Output vs FY2025 Target



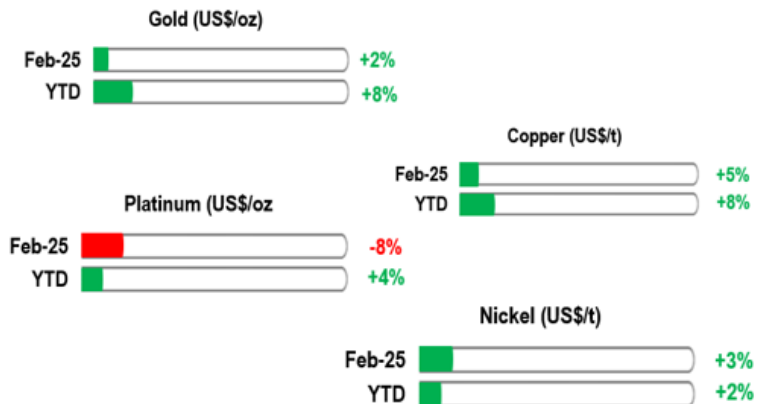
Zimbabwe January 2025 External Trade Trade Deficit: -51%



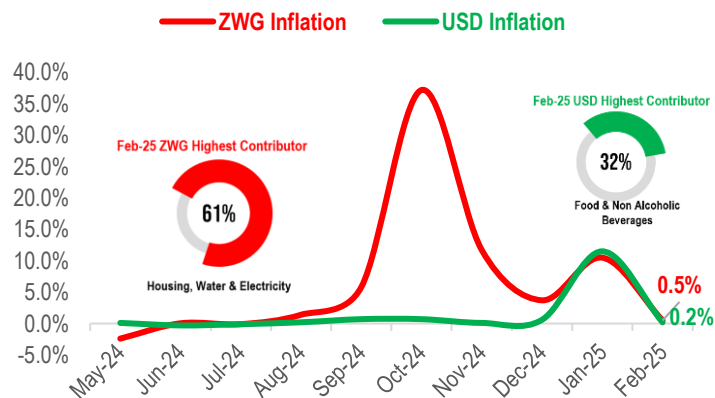
FY2025 Zimbabwe Gold Output

The cumulative total (January and February) for the year is 5,702.60 Kg against an annual target of 40,000 Kg. February 2025 total gold purchases fell to 2,568.25 Kg, recording 18.1% decrease from January's total of 3,134.35 Kg. February decrease is attributed to adverse wet weather conditions affecting small-scale miners. Small scale miners output decreased by 27.5% to 1,640.31 Kg in February from 2,265.55 Kg recorded in January. Primary producers' gold sales increased by 6.8%, rising from 868.80 Kg in January to 927.94 Kg in February.

Mining Commodities Update



Month on Month Inflation Update



Exchange Rate

Officially, the ZWG weakened against the USD during the month with the Interbank rate closing the month at ZWG26.56:US\$1, compared to ZWG26.37: USD1 (as of 31 January 2025). The ZWG however strengthened on the parallel market rate to ZWG33.83: USD1, compared to prior month (ZWG34:USD1).

Inflation

- ZWG Inflation: The M-o-M inflation rate for February 2025 was 0.5%, shedding 10 percentage points on the January 2025 rate of 10.5%. The significant decrease in inflation is reflective of the tight liquidity during the month under review. The ZWG CPI for Housing, Water & Electricity contributed significantly to the monthly change in the Index.

- Local USD Inflation: The M-o-M inflation rate for February 2025 was 0.2%, 11.3 percentage points lower than the January 2025 rate of 11.5%. The significant decrease indicated stability in food and non-alcoholic beverages prices post significant increases in January 2025 (after ZIMRA's efforts to curb duty evasion on imports).

ECONOMIC AND MARKET REVIEW

Equities Market Update



Analyst's Column

Regional Stock Performance

-Regional indices recorded positive returns during the month under review with the exception of the JSE All Share Index which recorded a negative return of 0.02%.

Gains from other regional indices were as follows: Botswana (+0.33%), Malawi (+26.96%) and Mauritius (+0.52%).

- SA's equity market's key event was the US announcement that Tencent would be added to the Department of Defense blacklist, causing a significant sell-off in the stock. Naspers and Prosus shares followed, dropping over 10% in a single day.

Victoria Falls Stock Exchange (VFEX)

- VFEX All Share Index recorded a positive return during the month under review of 3%.

- New listings are still expected on the VFEX including REITs and ETFs. Price discovery for listed equities remains a key determinant of positive returns going forward and could be triggered by improved liquidity in the outlook.

Zimbabwe Stock Exchange (ZSE)

- Most ZSE Indices recorded positive returns during the month under review, except for the Medium Cap Index. The ZSE All Share, ZSE Top 10 & ZSE Top 15 indices recorded gains of 4.34%, 6.19% and 5.76% respectively during the month under review. Medium Cap counters underperformed other indices by recording a negative performance of 1.07% during the month.

-The Correlation between liquidity and ZSE performance remains high. Bullish trends in the outlook are highly dependent on improved liquidity.

Regional Stock Performance Summary



Local Market – VFEX All Share



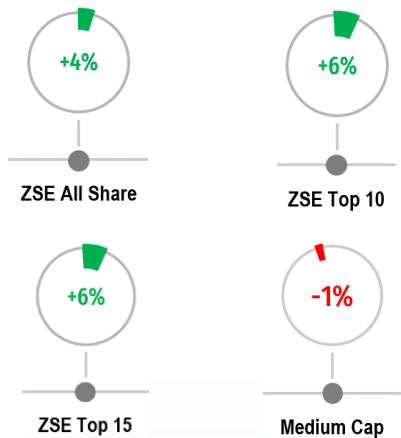
Monthly Return



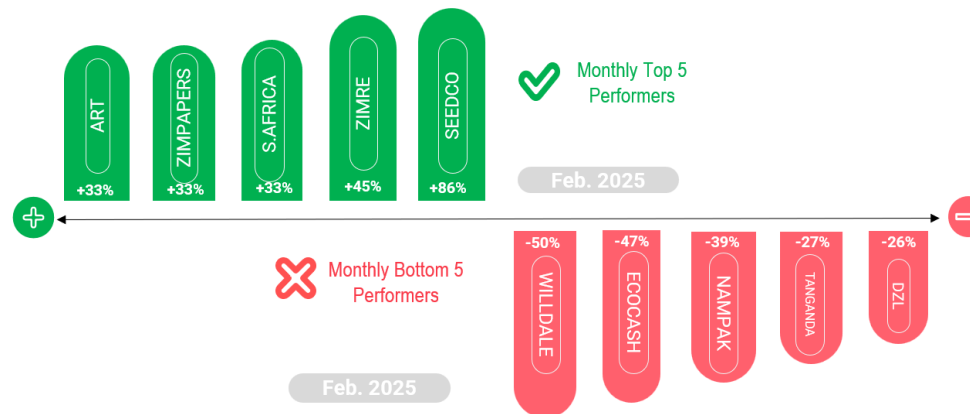
YTD Return



Local Market – ZSE indices Monthly Returns



ZSE Top and Bottom 5 Performers



ECONOMIC AND MARKET REVIEW

Investment Outlook & Recommendation



	PROPERTY	EQUITIES	ZIG MONEY MARKET	USD MONEY MARKET	ALT. INVESTMENTS
Recommendation					
Outlook	<p>REIT and REIC type investments expected to increase.</p> <p>Property developments are likely to be skewed in favour of storage, warehouse, retail, port or transport hubs, Tourism and Residential developments.</p>	<p>Increased domestic debt and sustained Government expenditure commitments will strain expectations on the stability of the local environment, however we expect a recovery of the market in 2025 given its value loss in Q42024.</p>	<p>In the absence of more pro-ZWG demand policies, we suspect that demand for ZWG borrowing for working capital commitments will continue to decline in the outlook and demand for USD loans to remain high.</p>	<p>Demand for USD loans remain high. Interest rates to remain stable and competitive in the outlook.</p>	<p>Hedge against volatile policy shocks in the short term. However, the asset remains illiquid and long term in nature. Caution therefore is necessary when investing in this asset class as illiquid conditions in the long term make it unsuitable for risk averse and short-term investors.</p> <p>Triggers on recovery can arise from local currency liquidity improvement and USD dividend payments.</p>


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