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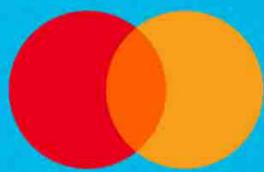
February 2026 Economic Snapshot

13 March 2026



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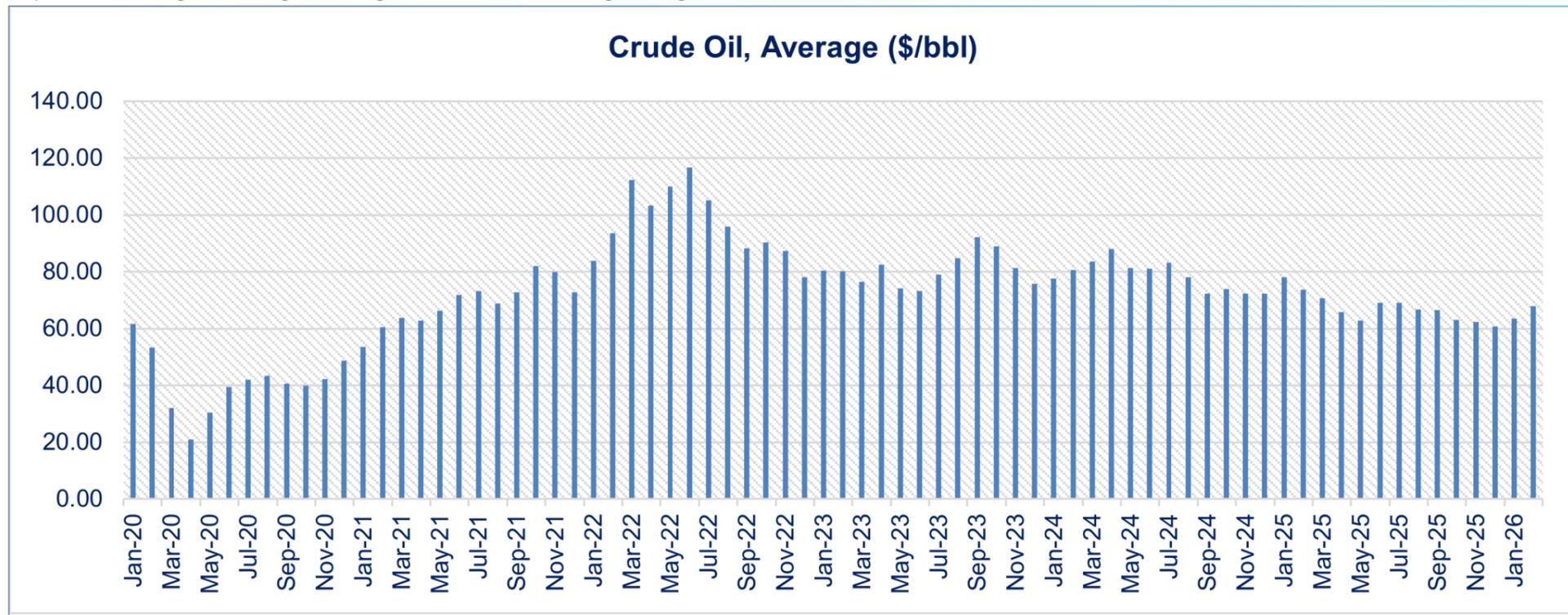
Campaign runs from 23 February to 17 May 2026. Monthly qualifying spend applies. Terms and conditions apply.

1 Global Economic Trends

1.1 Economic Overview

The Middle East Conflict has been the major global event that has destabilised various markets, specifically energy trade and commodity markets. The tensions escalated sharply late in February 2026 after joint U.S. and Israeli military attacked Iran, triggering heavy Iranian retaliation and effectively disrupting the vital Strait of Hormuz which carries an estimated 20% of the world's oil. The ongoing tensions have led to a sharp increase in oil prices. Locally, we have seen the Zimbabwe Energy Regulatory Authority (ZERA) increasing diesel and petrol prices by an average of 14%. In addition to oil price disturbances, financial markets, air travel and supply chain corridors have also experienced similar disruptions. These dynamics will fuel global inflation and economic uncertainty, as there seems to be no peace negotiations. For Zimbabwe, which imports the bulk of its fuel and depends on foreign-exchange-earning sectors such as mining and agriculture,

higher global energy prices raise the import bill while increasing transport and production costs. These higher costs also exert pressure on the country's net trade position. Elevated fuel and freight costs risk pushing up the prices of food and basic goods, contributing to inflation that strains already fragile household budgets, complicates monetary policy and deters foreign investment. Although Zimbabwe's direct trade with the Middle East is limited, the country remains vulnerable to higher import costs and weaker global demand arising from the ongoing war.

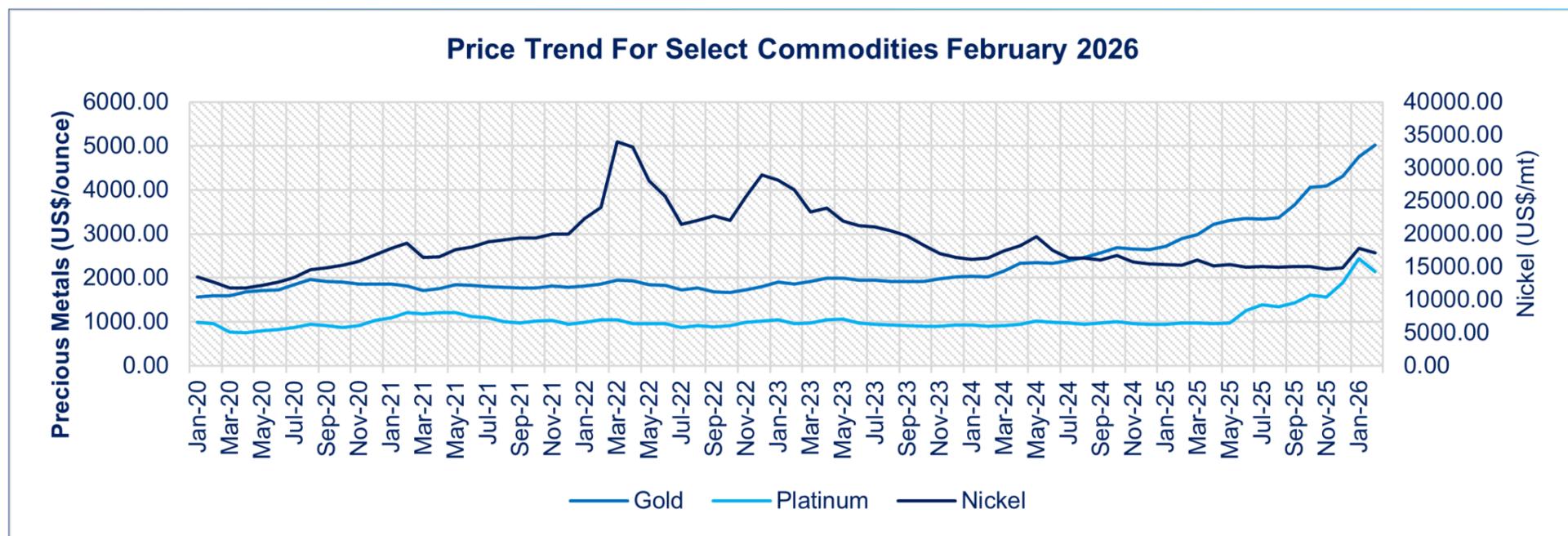


Source: World Bank, FBCH Research

1.2 Commodity Prices

Global commodity prices in 2026 have been shaped by a mix of geopolitical tensions, supply-demand dynamics and shifting global growth trends, with the Middle East conflict emerging as a key driver of short-term volatility. Energy markets have been the most directly affected, with crude oil prices rising sharply following disruptions to shipping routes such as the Strait of Hormuz, which handles roughly 20% of global oil and gas trade. This surge in prices has benefitted oil-exporting countries and energy companies, particularly in the Gulf, the United States and Russia, which enjoy stronger export revenues. Conversely, energy importing economies in Europe, Asia and Africa face rising fuel costs, higher inflation and pressure on manufacturing and transportation

sectors. Precious metals have also rallied, as investors increasingly turn to safe-haven assets such as gold, amid geopolitical uncertainty and heightened financial market volatility. In contrast, several industrial metals and agricultural commodities have experienced softer prices due to slower global economic growth, improving supply conditions and structural changes such as the adoption of electric vehicles, which dampen long-term oil demand. Overall, the 2026 commodity environment is characterised by strong gains in energy and safe-haven assets, contrasted with weaker performance in bulk commodities, resulting in uneven benefits and risks across global markets.



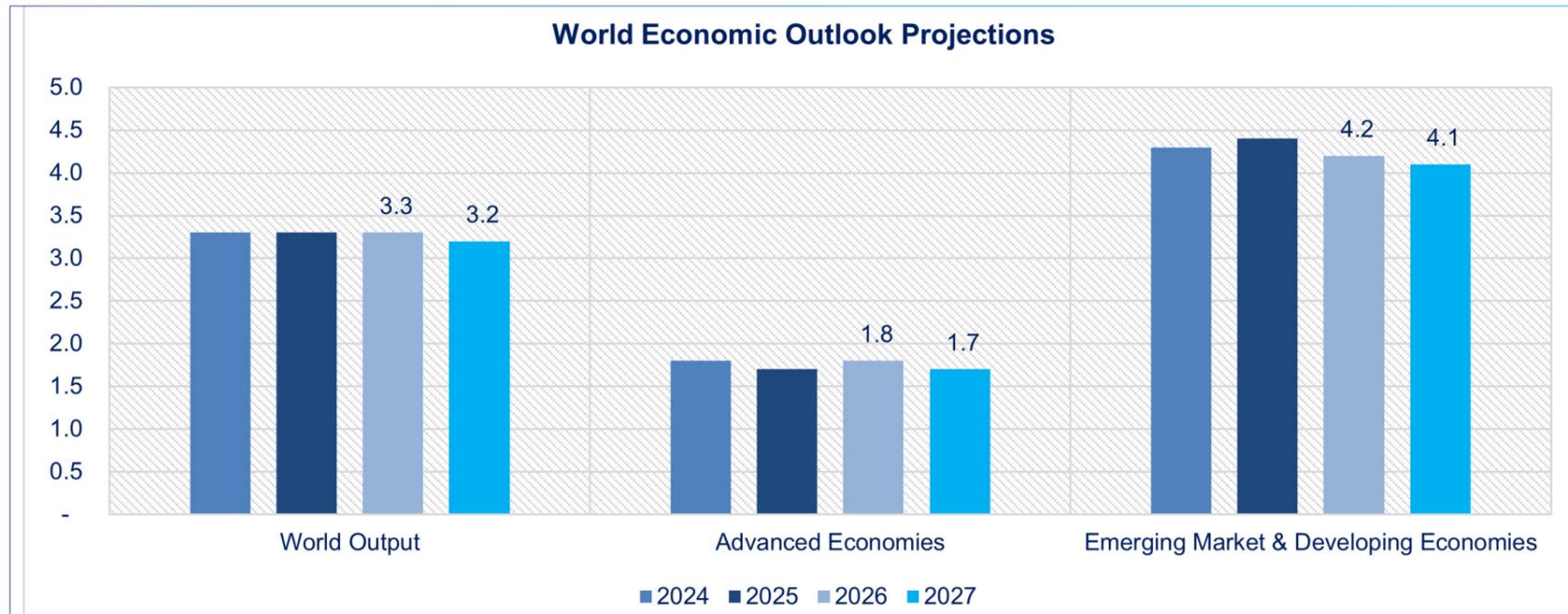
Source: World Bank, FBCH Research



1.3 Global Economic Outlook

The ongoing conflict involving the United States, Israel and Iran has heightened geopolitical risk, driving a flight to safe-haven assets such as gold, which has reached all-time record-high levels and remains supported by uncertainty and rising energy price. Oil prices have surged, contributing to inflation pressures that could slow consumer spending and business confidence if the conflict persists. Various publications broadly expect global GDP growth to remain modest but positive in 2026, with advanced

economies growing slowly and emerging markets outpacing them. Inflation developments will be largely dependent on sustainability of the Middle East conflicts. In the second quarter, markets will likely be shaped by conflict developments, oil, inflation data and investor risk sentiment, with gold staying strong as a hedge for the rest of the year. If tensions de-escalate, risk assets could recover. Prolonged instability could, however, continue to sustain higher commodity prices and subdued growth.

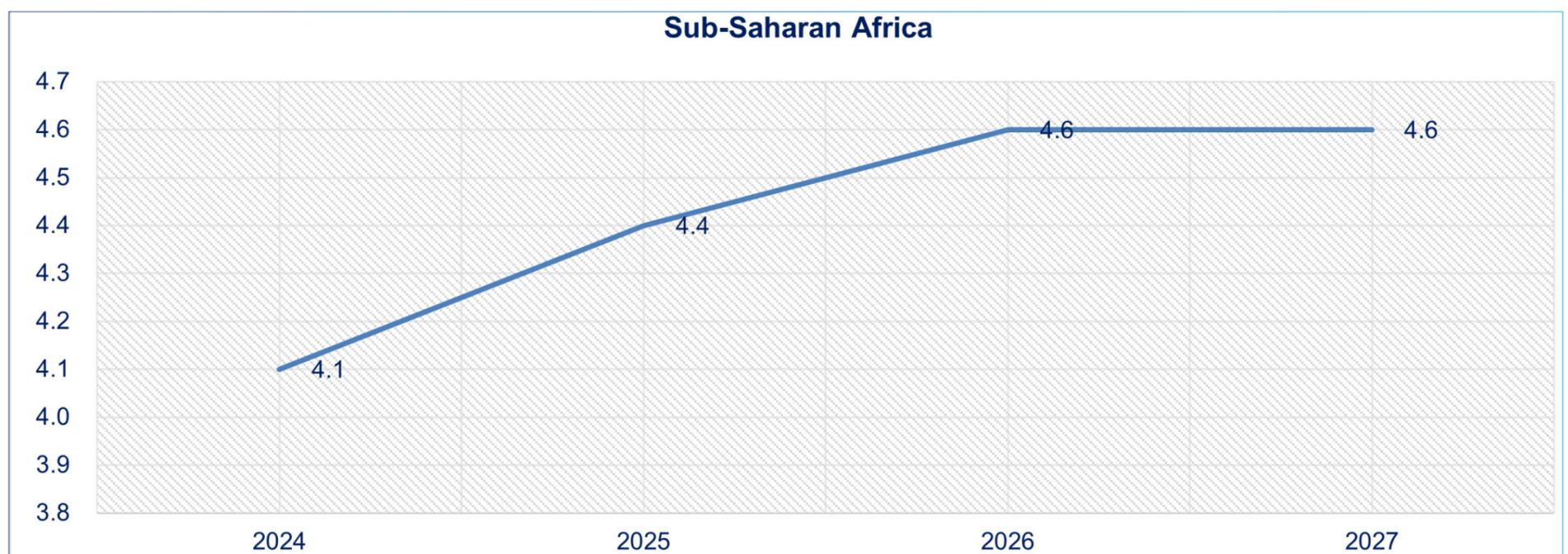


Source: IMF WEO Jan 2026, FBCH Research

2 Regional Developments

The major key drivers of Africa's economic growth in 2026 include resilient commodity exports, especially precious metals like gold, platinum and other critical minerals. Agriculture and mining remain anchor economic sectors contributing 20 to 30% of the region's cumulative Gross Domestic Product. Overall, Africa's growth is being shaped by shifting global alliances and competition for strategic minerals, attracting investment from diverse parts of the world.

The rally in precious metal prices, driven by geopolitical risk, boosts investment and export earnings but also exposes economies to commodity volatility, reinforcing the need for value-added processing and policy reforms to translate resource wealth into sustainable and inclusive growth.



Source: IMF WEO Jan 2026, FBCH Research

3 Domestic Economic Overview

3.1 Inflation Developments

According to the latest Monetary Policy Statement issued by the Reserve Bank of Zimbabwe, inflation has continued to decelerate, reflecting tighter monetary conditions and improved exchange rate stability under the ZiG framework. Month-on-month inflation has remained subdued, supported by restrained liquidity growth, a firm policy rate stance and effective open market operations that have curtailed speculative pressures. The narrowing gap between the official and parallel market exchange rates has reduced exchange rate pass-through effects, contributing to price stability in

both tradable and non-tradable goods. Food inflation has been relatively contained, due to improved agricultural supply conditions, while non-food inflation remains sensitive to utility pricing and global commodity movements. Annual inflation has shown signs of moderation as base effects unwind and confidence in the domestic currency gradually strengthens. Upside risks, however, persist from potential fiscal slippages, global oil price volatility and exchange rate shocks, necessitating continued policy discipline to sustain disinflation momentum.

YoY Domestic Inflation Dynamics



Source: RBZ, FBCH Research

3.2 Money Supply Developments

Money supply growth has remained tightly controlled, averaging around 5%, reflecting the Central Bank's contractionary policy stance aimed at anchoring inflation and exchange rate volatility. Broad money expansion has been moderated through high statutory reserve requirements, active open market operations using Non-Negotiable Certificates of Deposit and the maintenance of a 35% policy rate. Liquidity conditions continue to be tight, limiting speculative borrowing and exchange rate pressures. Growth in reserve money has largely been aligned with economic activity rather than excessive fiscal monetisation, supporting currency stability. The introduction of the ZiG Term Deposit Facility further enhances liquidity sterilisation, by locking in surplus funds for longer tenors. While private sector credit growth has been subdued due to elevated borrowing costs, overall monetary aggregates reflect improved discipline compared to previous periods. Sustained prudence in liquidity management remains critical to preserving price stability and maintaining confidence in the domestic currency ahead of de-dollarisation.

3.3 External Trade

Zimbabwe's external trade in the past 12 months has shown a gradual recovery underpinned by improved export performance and stable foreign currency inflows. Total exports increased, driven primarily by gold, tobacco and platinum group metals, with gold receipts for January 2026 rising significantly compared to the same period in 2025. Manufactured exports, including textiles and horticulture, recorded moderate growth, reflecting gains from regional and international markets. Imports remained elevated, largely due to fuel, machinery and intermediate goods. Export retention thresholds continued to channel a significant portion of foreign exchange into the formal market, supporting exchange rate stability and liquidity for import financing. Key trading partners remain South Africa, China and the European Union, while regional integration initiatives have eased cross-border transactions. Overall, external trade developments point to stronger export-led foreign exchange generation, although import demand and commodity price volatility continue to be key factors influencing the trade balance.

Total Foreign Currency Receipts (US\$m)	2024	2025	Change
Export earnings	7,879.10	9,675.20	23%
Loan proceeds (private)	1,589.80	2,534.30	59%
Diaspora remittances	2,152.50	2,453.10	14%
NGOs remittances	1,182.50	1,083.60	-8%
Foreign investment	387.10	256.60	-34%
Income receipts	125.10	191.30	53%
Total	13,316.10	16,194.10	22%

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4 Real Economic Sectors

4.1 Agriculture

The 2026 Tobacco Marketing Season was officially opened on 04 March 2026, for auction sales, with contract sales commencing on 05 March 2026. The tobacco season started well operationally. There have, however been concerns about the lower prices averaging around US\$1.59 for auction floors and US\$2.79 for contract floors. The lower prices are being attributed to excess positions of tobacco in the 2025/2026 agricultural season. The 2026 tobacco marketing season is likely to be subdued as major competitors like Brazil, Zambia and Tanzania are also forecasting increased production, saturating the global market. Farmers have repeatedly voiced concerns over the current 70:30 foreign currency retention policy at a time when nearly all overheads are in foreign currency. The 2025/26 agricultural season was

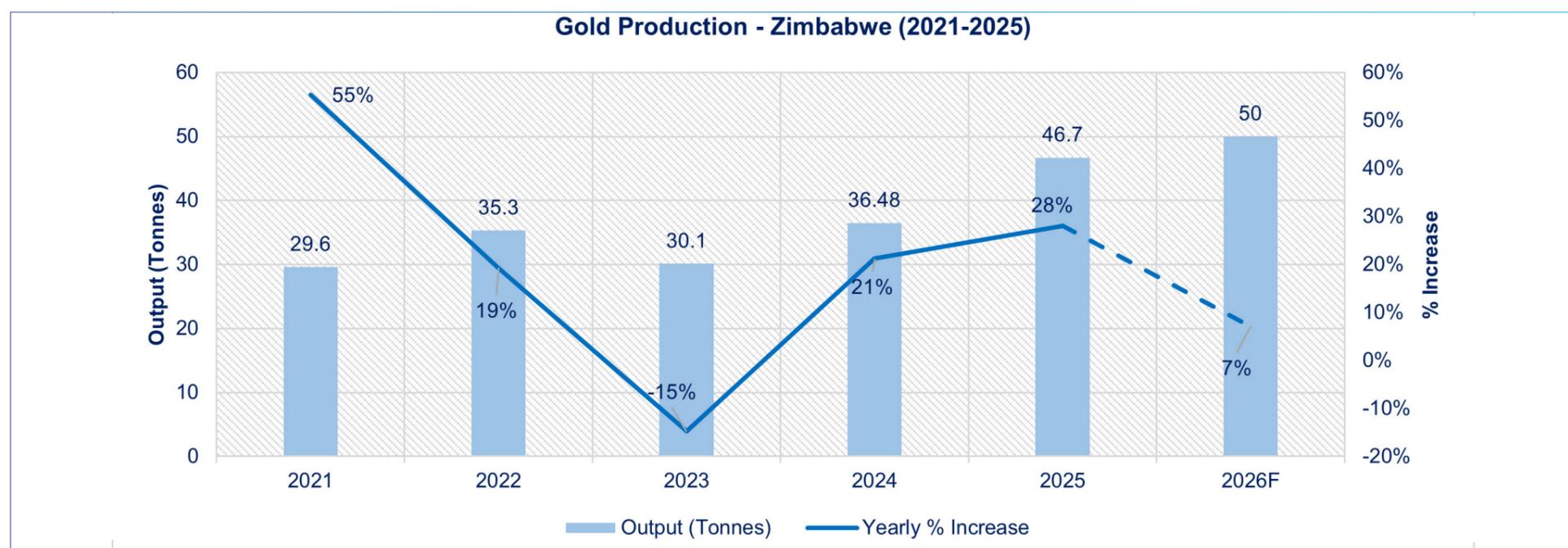
also affected by a prolonged dry spell, especially around end of January 2026 into February 2026 which could impact overall crop production. Still in the tobacco subsector, production expectations surpass 400 million kg on expanded hectares planted and increased irrigation. Global oversupply and pricing pressures are however, prompting greater industry emphasis on quality, structural reforms and moves to deepen processing and value addition. Other sub sectors such as sugar and horticulture are experiencing strong momentum, supported by increased acreage and relatively good rainfall patterns at the start of the season.

TIMB Tobacco Auction (09/03/26)					
	Total Auction	Total Contract	Total 2026	Total 2025	% Change
Mass Sold (Kgs)	542452	1847402	2389854	4018716	-41
Value (US\$)	864566	5157551	6022117	14119198	-57
Avg. Price (US\$/Kg)	1.59	3	2.52	3.51	-28

4.2 Mining

The Reserve Bank of Zimbabwe introduced a 10 % export surrender/retention requirement for small scale gold miners, implying that small scale miners now receive 90 % of their proceeds in US dollars and 10 % in Zimbabwe Gold (ZiG). Whilst this potentially increases foreign currency inflows, it may trigger a new wave of unofficial gold trading as investors seek to maximise foreign currency receipts. The structure of the mining sector is such that almost all capex and operational expenditure is in foreign currency, especially for

the small players. Therefore, while overall official deliveries may remain robust if global gold prices stay firm and enforcement tight, there is a risk of under performance relative to potential output, if policy incentives are not balanced with improved pricing and cost structures for small scale miners.



Source: Fidelity Gold Refineries, FBCH Research

4.3 Manufacturing

In 2025, the manufacturing sector showed cautious improvement, driven in part by stronger performance in agriculture and mining, but it remains constrained by structural challenges. The new measure around the export ban on raw minerals including lithium concentrates, creates opportunities for increased industrialisation of the economy. Sub sectors like agro- processing continue to show resilience benefiting from growth in the primary sector. According to the 2026 Monetary Policy Statement, the Reserve Bank of Zimbabwe pledged to maintain the bank policy rate at 35% which continues to work against recovery fortunes of the industry. The multicurrency regime

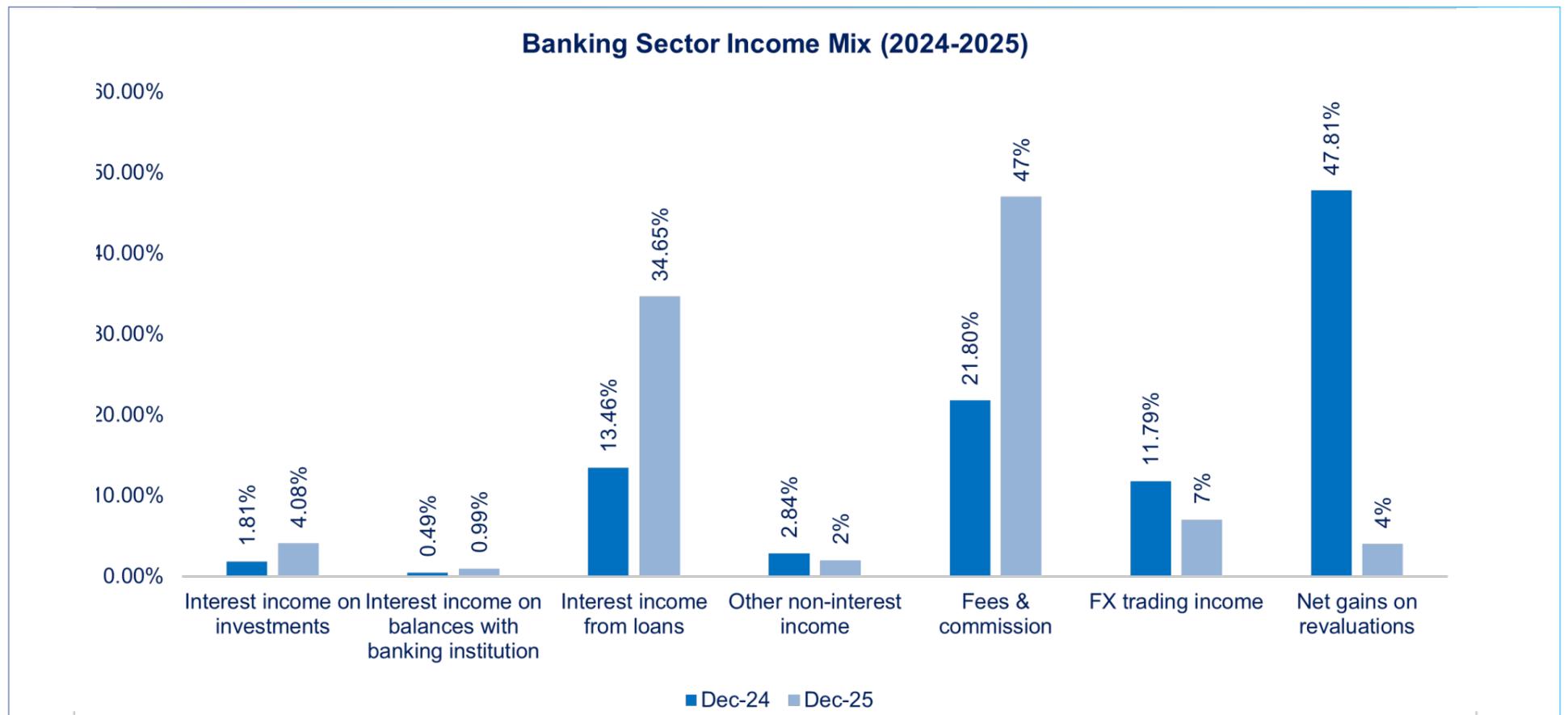
presents an enabling environment for industrial growth, but the high cost of capital continues to distort the efficient pricing of finished products. Import substitution and beneficiation policies are the key anchor measures to stimulate industrialisation and the manufacturing sector. The year 2026 looks promising, driven by increased acreage and improved mining prospects, as prices remain elevated especially for precious minerals, while investors continue to seek safe-haven assets.

5 Financial Sector Developments

5.1 Banking Sector

The financial services sector continues to exhibit resilience bolstered by prevailing macroeconomic stability and an enabling multi-currency regime. The number of building societies has now been reduced to two from four, following the surrender of two licences as institutions try to optimise operations. Banking sector assets continue to scale up as evidenced by a 29.5% growth from ZWG161.39bn as at 31 December 2024 to ZWG208.93 billion as of 31 December 2025. The RBZ maintained the policy rate at 35%, signaling a commitment to monetary stability, while savings and time deposit rates were held steady, with ZWL savings deposits at 5% and time deposits ranging between 10–25% depending on tenure. Commercial banks have continued to expand their lending portfolios, particularly in priority sectors

such as agriculture, manufacturing and small-to-medium enterprises, with total credit growth recorded at 18.5% year-on-year by January 2026. Aggregate gross banking sector loans and advances amounted to ZWG75.5 billion as of 31 December 2025 compared to ZWG55.9 billion in 2024. Liquidity levels are adequate, with banking sector deposits rising by 12% to ZWL 52.4 billion, supporting both lending and investment activities. Furthermore, the RBZ continues to encourage financial innovation, digital banking adoption and enhanced compliance with prudential regulations, which is gradually improving efficiency, customer outreach and sector resilience. The banking sector remains profitable, as current numbers now reflect a shift to core banking activities.

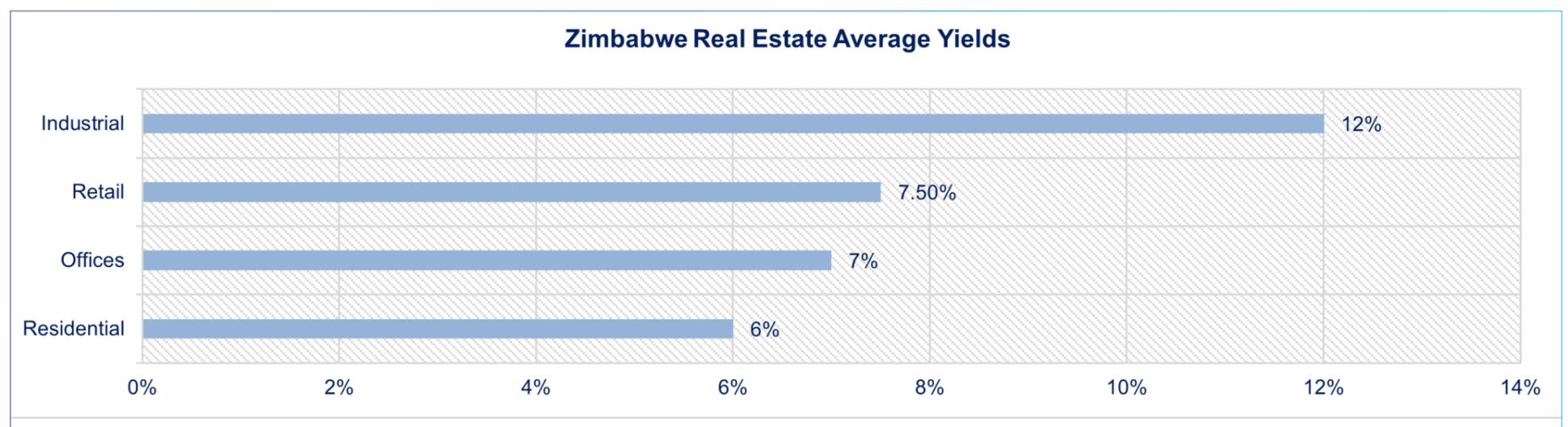


Source: RBZ 2026, FBCH Research

5.2 Property Sector

In 2026, Zimbabwe's property sector reflects a cautiously optimistic but complex picture shaped by macroeconomic stabilisation, evolving demand patterns and persistent structural challenges. With inflation falling into single digits after years of volatility, currency stability is beginning to restore investor confidence and temper speculative price spikes, while modest national price growth of around 2–3% is expected in many urban markets, compared with the rapid increases seen in previous years. Residential demand remains strong, driven by urbanisation, diaspora investment and a substantial housing backlog, yet affordability continues to limit effective demand for many local buyers, keeping cash and remittance funded purchases dominant. High end residential segments and secure gated communities still command premium

prices, particularly in Harare, while cities like Bulawayo and emerging peri urban areas gain attention for relative affordability and space. The rental market remains active with yields that are attractive in selected segments, even as commercial office demand shifts toward suburban and mixed use developments. Digital platforms and property technology are enhancing transparency and market access, while innovative financing models, such as rent-to-own schemes and public-private housing initiatives are beginning to take root. Despite progress in the sector, challenges such as title deed delays, infrastructure deficits and regulatory uncertainties persist, requiring strategic responses to unlock broader growth.

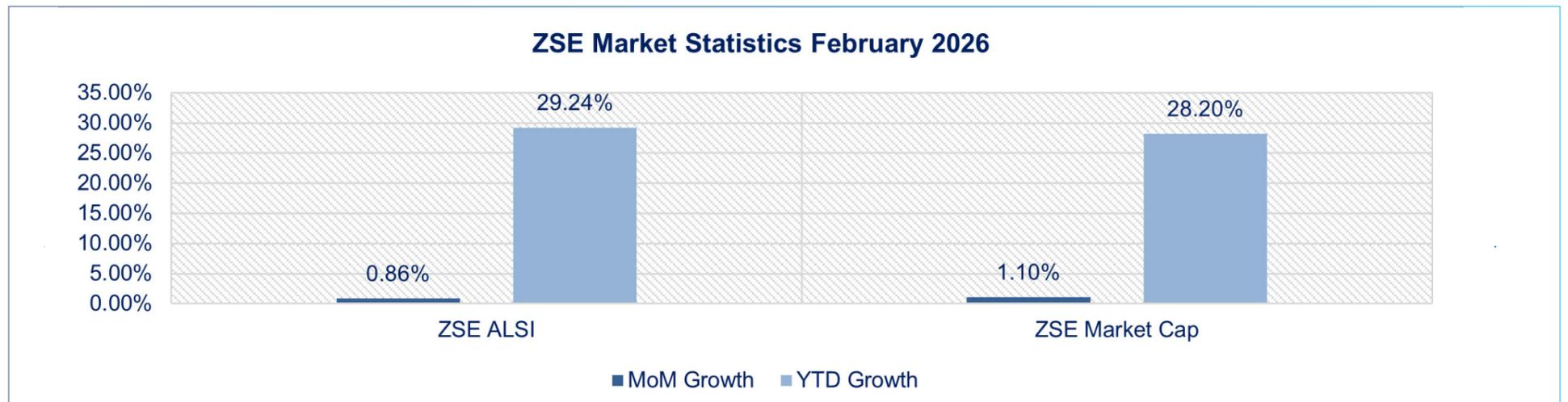


Source: Knight Frank 2025, FBCH Research



5.3 Capital Markets

5.3.1 ZSE

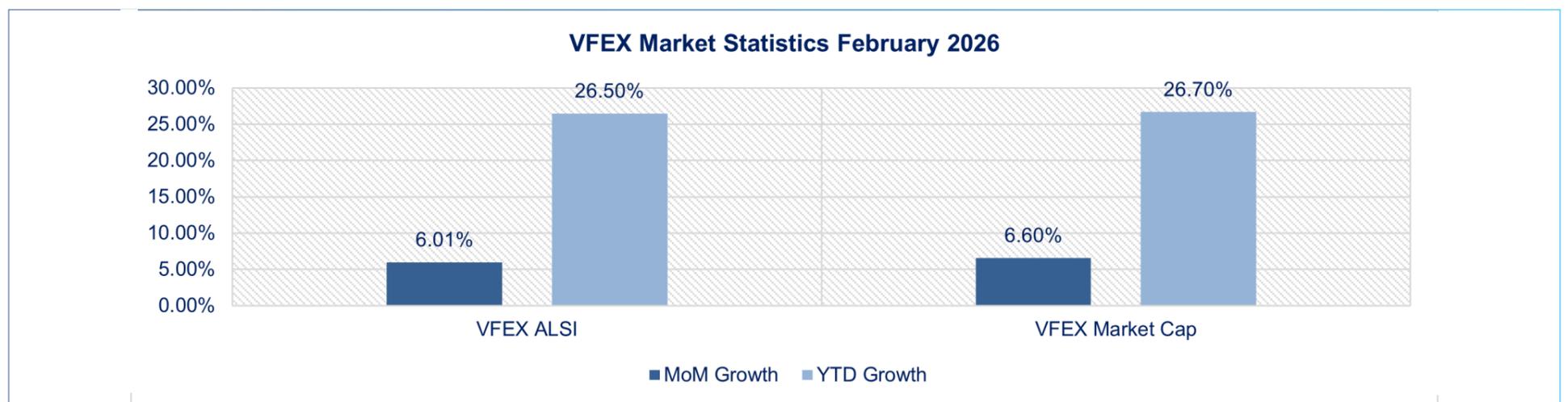


Source: ZSEH, FBCH Research

The Zimbabwe Stock Exchange (ZSE) in 2026 has experienced a mixed trajectory characterised by an early-year market rally alongside continued structural challenges such as corporate delistings and shrinking market depth. The market began the year strongly, with the ZSE gaining about 31% as at the end of February 2026, driven largely by heavyweights such as Delta Corporation and Econet Wireless Zimbabwe, as investors sought inflation hedging assets and counters with strong earnings prospects. The exchange has however, been grappling with a wave of exits, which has reduced the breadth of the market. Recent delisting's include National Tyre Services,

which exited in December 2025 due to persistent losses and low trading liquidity and Econet Wireless Zimbabwe, whose planned exit is expected to significantly reduce market capitalisation and liquidity. Earlier departures by Truworths Limited and the Old Mutual Top Ten ETF also illustrate the trend of voluntary terminations and restructuring. Key drivers of delisting's include undervaluation of companies on the local-currency bourse, low liquidity and high compliance costs. Overall, while the ZSE has rallied in 2026, structural challenges around listings, liquidity and investor confidence remain central to its outlook.

5.3.2 VFEX



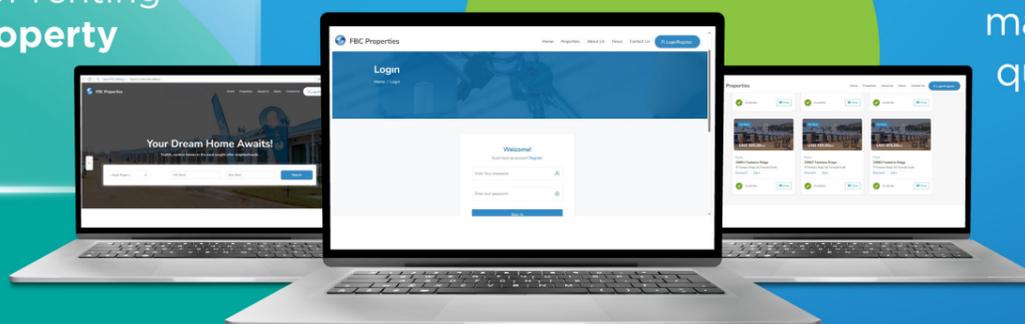
Source: ZSEH, FBCH Research

The Victoria Falls Stock Exchange (VFEX) has continued to strengthen its position in 2026 as Zimbabwe's primary foreign currency capital market, reflecting a structural shift from the local currency-based Zimbabwe Stock Exchange (ZSE). A key trend has been the migration of several companies from the ZSE to the VFEX, with about 11 of the roughly 16 listings on the VFEX having originated from the ZSE. These migrations have largely been driven by VFEX's US-dollar trading framework, which allows companies to raise capital in hard currency and provide investors with protection against local currency volatility. The exchange has also experienced a notable rally in recent years,

with the All-Share Index recording strong gains and outperforming the ZSE, while turnover and market capitalisation have expanded steadily. The rally has been supported by improved liquidity, strong performances from key counters and increased demand for USD-denominated assets as investors seek stability. As a result, the VFEX is increasingly positioning itself as a competitive alternative investment option and a key platform for long-term capital mobilisation in Zimbabwe.

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5.4 Insurance Sector

The Zimbabwean insurance sector in 2026 is experiencing a gradual recovery driven by macroeconomic stabilisation efforts, improved agricultural output and increased infrastructure and mining activity. According to the Insurance and Pensions Commission (IPEC), demand for insurance products is slowly improving as corporates and households seek risk protection amid climate shocks and economic uncertainty. Key growth drivers include expansion in funeral assurance, micro-insurance products targeting the informal sector and rising asset values in property and mining which support higher premium volumes. Infrastructure development and improved agricultural seasons have also increased demand for crops, asset and liability insurance. The sector however, continues to face several structural constraints. Low disposable incomes and high informality limit insurance penetration, which remains among the lowest in the region. In addition, capital adequacy pressures, regulatory compliance costs and limited long-term investment instruments constrain insurers' balance sheet growth. Climate-related risks such as droughts and floods are also increasing claims volatility, forcing insurers to adopt more conservative underwriting and reinsurance strategies.

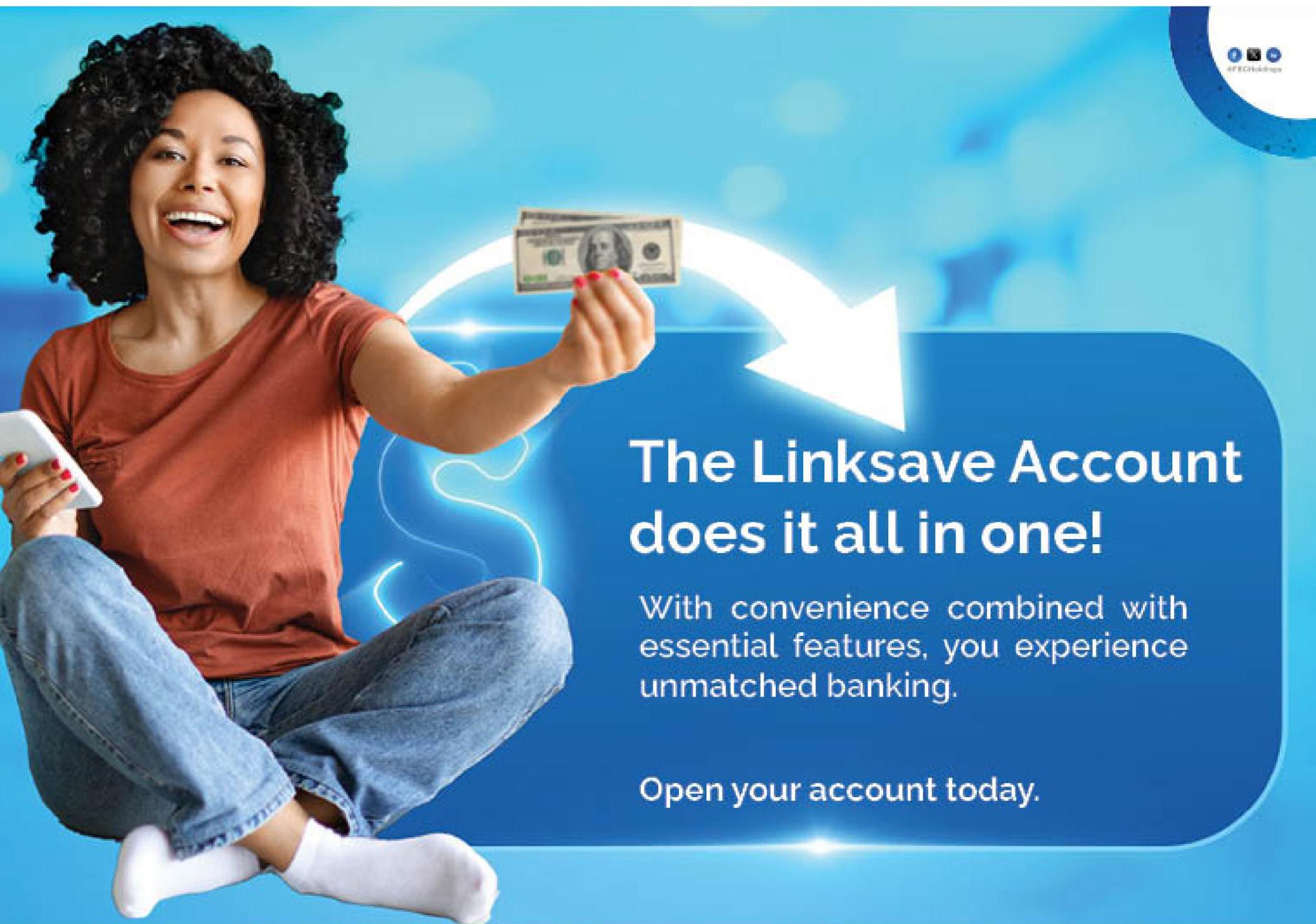
5.5 Pensions Industry

The pensions industry in Zimbabwe has recorded gradual progress so far in 2026, supported by asset growth, regulatory reforms and improving macroeconomic stability, although several structural challenges persist. Total pension sector assets have continued to expand, largely driven by new investments, contributions and fair value gains from property and equity holdings. The sector has also benefited from relative exchange rate stability and regulatory efforts by the Insurance and Pensions Commission to strengthen governance, transparency and investment oversight. The contribution arrears however, remain a key concern, with outstanding employer remittances exceeding US\$100 million, reflecting compliance challenges and pressure on scheme liquidity. Prescribed asset compliance is still below

statutory requirements, despite gradual increases in infrastructure-related investments. Structural issues such as limited pension coverage, currently below 40 percent of the labor force, continue to constrain the sector's depth and long-term sustainability. Overall, while the industry is showing resilience through asset growth and regulatory improvements, its outlook in 2026 will depend on improved contribution compliance, broader coverage and better asset diversification.

6 Economic Outlook

Following the introduction of the Zimbabwe Gold (ZWG) in April 2024, the Zimbabwean economy has experienced a period of relative macroeconomic stability compared to the volatility that characterised earlier monetary regimes. Inflation pressures have moderated, exchange rate volatility has eased and confidence in the formal financial system has improved modestly. Looking ahead to 2026, the outlook remains cautiously stable but constrained by tight monetary conditions following the contractionary stance adopted by the Reserve Bank of Zimbabwe in its 2026 Monetary Policy Statement. By maintaining high interest rates and tight liquidity conditions, the central bank aims to anchor inflation expectations, preserve the value of ZWG and prevent speculative attacks on the currency. While these measures support macroeconomic stability, they are likely to suppress credit growth and private sector borrowing, which could moderate economic expansion in the short term. Nevertheless, improved agricultural output due to favorable rainfall, strong gold deliveries and firm global commodity prices particularly for gold and lithium, should provide external support to growth. Mining and agriculture are therefore, expected to remain the key growth anchors. Overall, Zimbabwe's 2026 outlook points to slower but more stable growth, with policy priorities focused on sustaining currency stability, containing inflation, and gradually rebuilding confidence in the domestic monetary framework



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The background is a solid blue color with a gradient from dark blue on the left to light blue on the right. There are several white circular outlines of varying sizes and positions, some of which are partially cut off by the edges of the frame. The text "You Matter Most" is centered in the middle of the image.

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