Monthly Economic Update August 2026

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1. Zimbabwe Economic Performance

1.1. Zimbabwe Economic Outlook

Zimbabwe has made notable progress toward economic stability through structural reforms, strict monetary discipline, and tight control of local currency supply, which have reduced price volatility, supported the stability of the gold-backed currency against the U.S. dollar, improved pricing predictability for businesses, and narrowed the gap between official and parallel market exchange rates. However, significant challenges remain, as the economy continues to depend heavily on gold mining as its main growth driver, leaving it exposed to global commodity price fluctuations. In addition, limited access to affordable credit, persistent electricity shortages, and unresolved external debt arrears continue to constrain business growth, consumer welfare, and the country's overall productive capacity. Below is a table showing Zimbabwe's economic growth forecasts as projected by the IMF and World Bank:

Zimbabwe Economic Growth Projections			
Year	**2025**	**2026**	**2027**
IMF ***(Jul 2026)***	7.5	5.0	4.2
World Bank ***(Jan 2026)***	7.5	4.6	4.2

Strategic insights and takeaways:

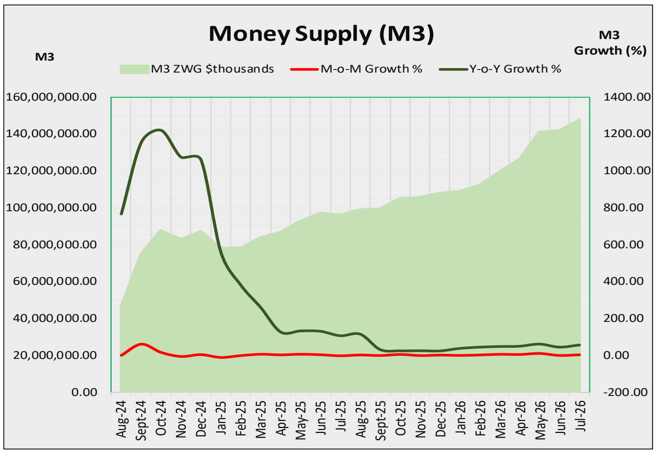
- *The economy remains stable, yet it is still highly susceptible to commodity price shocks and other external headwinds. Strengthening supply-side buffers and broadening the revenue base remains essential to mitigate future shocks.*

2. Zimbabwe Financial Sector

2.1. Money Supply

According to the latest RBZ data, Broad Money (M3) increased by 4.17% month-on-month in July 2026, rising to ZWG147.93 billion from ZWG142.01 billion in June 2026. On a year-on-year basis, M3 growth rose to 53.80% in July 2026, up from 45.9 % in June 2026. The following graph illustrates these monetary trends from July 2024 to July 2026.

Monetary Developments (ZWG Thousands)



Source: RBZ – August 2026

Strategic insights and takeaways:

- *By historical standards, money supply growth remains relatively stable, but it is still well above the rate of economic growth. This suggests too much money is chasing too few goods and services, leaving stability fragile and vulnerable to demand-pull inflation.*

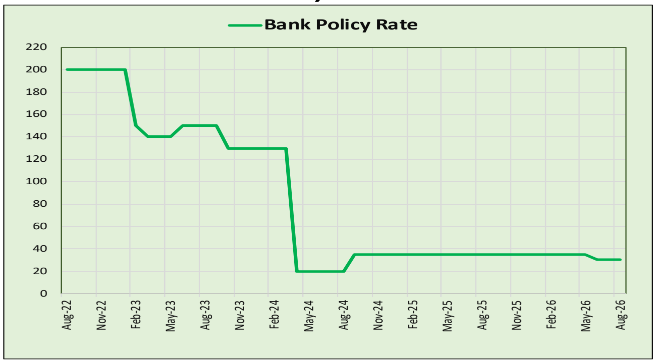
2.2. Interest Rates

The Mid-Term Monetary Policy statement reaffirmed the interest rate decisions and monetary tools previously set by the Monetary Policy Committee on 15 June 2026 which are as follows:

1. Reduction of the bank policy rate from 35% to 30%.
2. Interest rate on the Targeted Finance Facility (TFF), was reduced from 20% to 15%, proportional to the proposed reduction in the Bank policy rate, albeit with a cap on banks on lending to the productive sectors at an all-inclusive interest rate of 25%
3. Statutory Reserve Requirements maintained at 30% for demand deposits and 15% for savings and time deposits for both local and foreign currency deposits.

The graph below shows the interest rate trend for the period August 2022 to August 2026.

Bank Policy Rate Trend



Source: RBZ – August 2026

As of 21 August 2026, the weekly average minimum lending rates in local currency were recorded at 43.96% for individuals and 39.73% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 4.35%, 7.07%, and 7.74%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in ZWG.

Average Lending and Deposit Rates (ZWG)

Local Currency (ZiG) Interest Rates (Minimums)					
Week Ending	Lending Rates (%)		Deposit Rates (%)		
	Individual Clients	Corporate Clients	Savings	1-Month	3-Months
31-Jul-26	43.64	40.53	4.35	7.03	7.73
7-Aug-26	44.07	39.73	4.35	7.03	7.73
14-Aug-26	44.06	39.55	4.35	7.03	7.73
21-Aug-26	44.06	39.16	4.35	7.18	7.78
Average	43.96	39.74	4.35	7.07	7.74

Source: RBZ – August 2026

In US Dollar terms, the most recent weekly average minimum lending rates stood at 14.09% for individuals and 9.95% for corporates, whilst the latest average minimum deposit rates for savings, 1-month, and 3-month deposits remained steady at 2.15%, 4.41%, and 4.97%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in USD.

Average Lending and Deposit Rates (USD)

Foreign Currency (USD) (Minimums)					
Week Ending	**Lending Rates (%)**		**Deposit Rates (%)**		
	Individual Clients	Corporate Clients	Savings	1-Month	3-Months
31-Jul-26	14.2	10.16	2.15	4.41	4.95
7-Aug-26	14.05	9.86	2.15	4.41	4.95
14-Aug-26	14.04	9.88	2.15	4.41	4.95
21-Aug-26	14.06	9.89	2.15	4.41	5.01
Average	14.09	9.95	2.15	4.41	4.97

Source: RBZ – August 2026

2.3. Foreign Currency Market

On a monthly average basis, the U.S. dollar broadly depreciated in August 2026, reversing the trend from the previous month. It weakened against 14 of the 18 currencies in our analysis basket, with its most significant depreciation occurring against the South Korean Won (-5.81). Conversely, it registered its strongest appreciation against the Russian Ruble (6.90). The following table outlines these average monthly changes.

Exchange rate analysis (Monthly Averages)

Exchange Rate Analysis (Averages)			
Currency/US$	**Jul-26**	**Aug-26**	**Change (%)**
Argentine Peso	1486.7376	1496.3742	0.65
Australian Dollar	1.4363	1.4089	-1.91
Botswana Pula	13.6310	13.4558	-1.29
Brazilian Real	5.1261	5.1521	0.51
British Pound	0.7476	0.7386	-1.20
Canadian Dollar	1.4119	1.3909	-1.49
Chinese Yuan Renminbi	6.7784	6.7382	-0.59
Euro	0.8757	0.8629	-1.46
Hong Kong Dollar	7.8411	7.8430	0.02
Indian Rupee	95.9156	95.4340	-0.50
Japanese Yen	162.4888	158.7979	-2.27
Norwegian Krone	9.7124	9.4260	-2.95
Russian Ruble	77.7369	83.0976	6.90
South African Rand	16.4638	16.1919	-1.65
Swedish Krona	9.6755	9.5152	-1.66
Swiss Franc	0.8101	0.8076	-0.31
South Korean Won	1492.6738	1406.0125	-5.81
Zimbabwean dollar	26.7428	26.6138	-0.48
Source: X-Rates; © ZB Financial holdings			

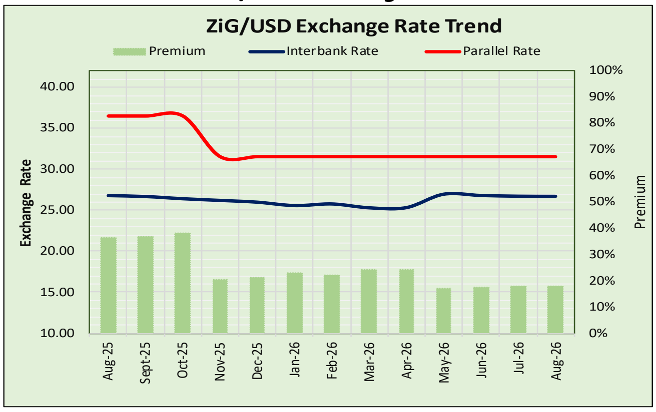
Strategic insights and takeaways:

- *While a depreciating USD can boost export competitiveness for dollarized economies like Zimbabwe, it also raises import costs. Since Zimbabwe is a net importer, this dynamic likely fuel imported inflation.*

2.4. Zimbabwe Gold (ZiG) Exchange Rate

In August 2026, the ZWG remained stable recording marginal month on month exchange rate variations. On the official market, it appreciated by 0.1% against the USD to ZWG26.67 per dollar from ZWG26.78 per dollar recorded at the end of July 2026. Meanwhile, the parallel market rate held steady at an average of ZWG31.50. Resultantly, the stability in the forex market kept the exchange premium steady at 18%, same as in the previous month. The chart below illustrates the movement of both interbank and parallel exchange rates from August 2025 to August 2026.

ZWG/USD Exchange Rate



Source: RBZ & ZB Financial Holdings – August 2026

Strategic insights and takeaways:

- *The ZWG/USD exchange rate continues to hold firm, reflecting the efficacy of ongoing monetary policy. If sustained, this stability could expedite the timeline for de-dollarization, given the critical role played by stable exchanges in achieving macroeconomic fundamentals conducive for mono-currency.*

2.5. Equity Markets

The Zimbabwe Stock Exchange (ZSE) performance moderated in August 2026, with local-currency market capitalization declining by 0.77% month-on-month, from ZWG107.71 billion to ZWG106.88 billion. In USD terms, market capitalization also declined from US$4.04 billion to US$4.01 billion. The all-share index dropped by 0.71%, from 480.81 points to 477.39 points, reflecting slightly suppressed activity in the bourse.

On the Victoria Falls Stock Exchange (VFEX), performance was remarkable with market capitalization surging by 95.67%, from US$4.1 billion in July 2026 to US$8.07 billion, while the all-share index declined modestly by 1.75% to 258.90 points, down from 263.5 points in July 2026. The table below summarizes the monthly performance of both markets over the past four months:

ZSE and VFEX Market Performance Indicators

	ZSE Market Summary			VFEX Market Summary	
Date	All Share	Mkt Cap ZWG mil	Mkt Cap US$ mil	All Share	Mkt Cap US$ '000
Aug-26	477.39	106,879.49	4,008.04	258.90	8,071,088.70
Jul-26	480.81	107,711.09	4,036.47	263.50	4,124,888.52
Jun-26	417.81	96,558.11	3,606.98	254.12	3,889,173.73
May-26	389.26	89,564.56	3,327.28	245.12	3,736,840.76

Source: ZSE & VFEX – August 2026

Strategic insights and takeaways:

- *The VFEX's sustained dominance underscores a strong investor appetite for USD assets. This inevitably raises the question: what happens when the country shifts to mono-currency, especially given the parallel corporate shift towards dollarization?*

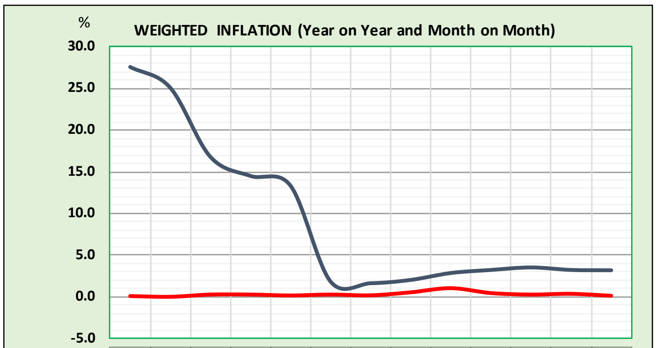
3. Prices and Cost of Living

3.1. Inflation

a. Weighted Inflation

In August 2026, the weighted year-on-year inflation rate based on the all-items Weighted Consumer Price Index (CPI) remained steady at 3.2% same as in July 2026. On a month-on-month basis, the weighted inflation rate decreased to 0.0% from 0.3% in July 2026. The monthly decrease in the weighted index was primarily driven by downward pressure from three main categories, namely Restaurants and hotels (-0.2%), Food and nonalcoholic beverages (-0.2%) and Alcoholic beverages and tobacco (-0.1%). The following graph illustrates the current trends of weighted inflation in Zimbabwe.

Weighted Inflation Trend



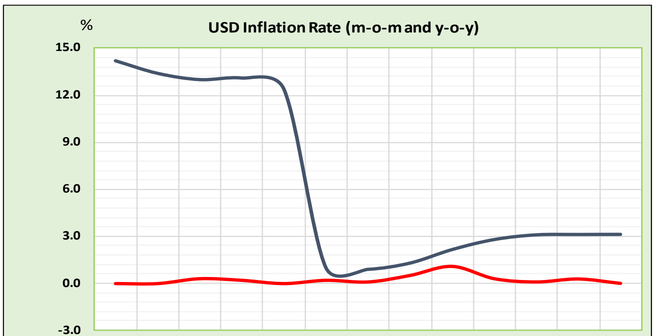
	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
m-o-m	0.0	-0.1	0.2	0.2	0.1	0.2	0.1	0.5	1.1	0.4	0.2	0.3	0.0
y-o-y	27.6	25.1	16.8	14.5	13.3	1.8	1.6	2.0	2.8	3.2	3.5	3.2	3.2

Source: ZIMSTATS – August 2026

b. USD Inflation

The USD year-on-year inflation rate for August 2026, as measured by the all-items USD CPI remained steady at 3.1%, same as in the previous 2 months. On a month-on-month basis, the USD inflation rate for August 2026 was 0.0%, indicating a 0.3 percentage point increase from the previous month's rate of 0.3%. The increase in the index was mainly driven by the increase in prices for food and non-alcoholic beverages as well as restaurants and hotels. The graph below illustrates the recent trend in USD inflation in Zimbabwe.

Zimbabwe USD Inflation Trend



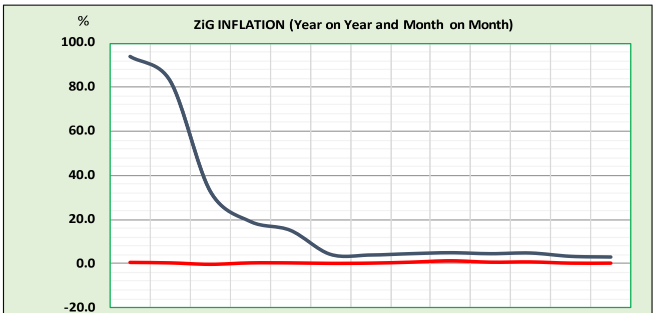
	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
m-o-m	0.0	0.0	0.3	0.2	0.0	0.2	0.1	0.5	1.1	0.3	0.1	0.3	0.0
y-o-y	14.2	13.4	13.0	13.1	12.4	1.0	0.9	1.3	2.2	2.8	3.1	3.1	3.1

Source: ZIMSTATS – August 2026

c. ZiG Inflation

The ZWG year-on-year inflation rate for August 2026, as measured by the all-items ZWG CPI, was 2.9%, reflecting a 0.3 percentage points decrease from the July 2026 rate of 3.2%. Month-on-month, the inflation rate was 0.1%, same as in July 2026. The month-on-month inflation rate decline was largely attributed to the fall in prices for food and non-alcoholic beverages. In contrast, prices for housing water electricity gas and other fuels, recreation and culture as well clothing and footwear increased during the reviewed month. The following graph illustrates recent trends in ZWG inflation.

ZWG Inflation Rate Trend



	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
m-o-m	0.4	0.2	-0.4	0.2	0.2	0.0	0.1	0.5	1.1	0.5	0.6	0.1	0.1
y-o-y	93.8	82.7	32.7	19.0	15.0	4.1	3.8	4.4	4.8	4.4	4.7	3.2	2.9

Source: ZIMSTATS – August 2026

Strategic insights and takeaways:

- *By historical standards, inflation remains contained highlighting stable purchasing power. However, persistent upward pressure from housing, utilities, and fuel continues to expose structural gaps in accommodation supply and energy distribution. These gaps present lucrative opportunities in housing development and renewable energy provision for interested and forward-looking investors.*

4. Zimbabwe Economic Sectors

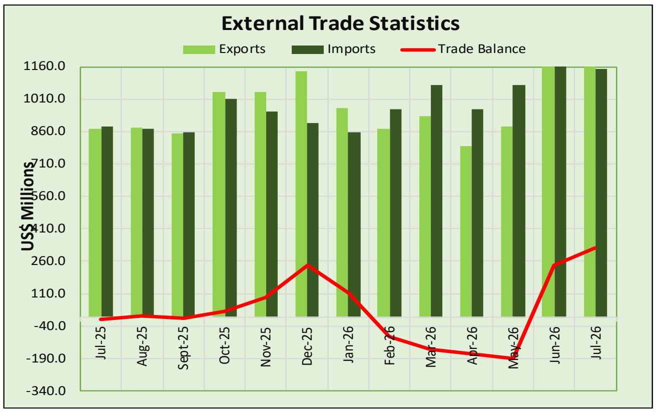
4.1. External Sector

Latest data from ZIMSTAT indicate that Zimbabwe's merchandise exports increased by 1.9% to US$1.47 billion in July 2026, from US$1.44 billion in June 2026. Among the top ten products exported in July 2026 were semi-manufactured gold, other mineral substances and nickel mattes accounting for 34.1%, 21.7%, and 13.5% of the total value of exports, respectively.

On the procurement side, merchandise imports decreased to US$1.15 billion, down by 4.4% from US$1.20 billion in the previous month. Mineral fuels, mineral oils and products, machinery and mechanical appliances, vehicles and electrical machinery and equipment were among the top ten imported products in July 2026, constituting 22.5%, 14.5%, 6.5% and 6.4% of the total import value, respectively.

As a result, the trade balance improved substantially from a surplus of US$239.1 million recorded in June 2026 to a surplus of US$320.60. The graph below illustrates trends in external trade statistics since July 2025.

External Trade Statistics



Source: ZIMSTATS- August 2026

Strategic insights and takeaways:

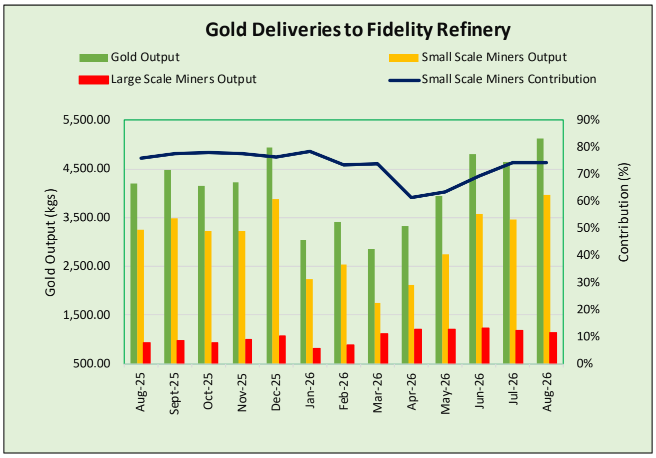
- *Export concentration in productive sectors remains a critical challenge in Zimbabwe. It reflects that speed of capital mobilisation for export diversification remains anaemic prolonging economic protection from external commodity shocks. Capital mobilisation policies are therefore critical at this juncture if the economy is to successfully hedge itself against such risks.*

4.2. Mining Sector

The Zimbabwean mining sector is facing strict regulatory enforcement and accelerated domestic value addition. The Ministry of Mines is strictly enforcing compliance, threatening forfeiture for operators failing to regularise financial and administrative obligations. Policy efforts remain focused heavily on local beneficiation, with the government leveraging platforms like the Zimbabwe Agricultural Show to champion bans on raw mineral exports and push for domestic processing capabilities. Concurrently, formalisation drives like the planet GOLD initiative are advancing, equipping small-scale operations with cleaner, mercury-free technologies.

Meanwhile, Gold deliveries to Fidelity Gold Refinery saw a notable increase in August 2026, rising by 10.1% month-over-month to 5,119.20 kg from 4,649.31 kg in July 2026. This output expansion was driven primarily by a sharp 15.0% increase in artisanal and small-scale miner (ASM) output, which surged to 3,978.45 kg from the previous month's 3,460.75kg. Large-scale miners' production remained relatively modest, edging down slightly to 1,140.75 kg from 1,188.55 kg, and accounted for 22% of the refinery's total deliveries down from 26% in the prior month. The graph below summarizes trends in gold production activity.

Gold Deliveries



Source: FGR – August 2026

News and Highlights in the Mining Sector.

- Zimbabwe suspended exports of antimony and tungsten, including ores and concentrates, until further notice.
- Zimbabwe sold 816,774 tonnes of lithium concentrate worth US$1.247bn, up from 663,833 tonnes worth US$243m in the same period of 2025.

4.3. Agriculture Sector

The sector remains focused on climate-smart modernization, domestic value addition, and stricter biosecurity enforcement. Using the 116th Zimbabwe

Agricultural Show, the government accelerated transitions toward agro-processing, targeting regional markets through localized industrial zones rather than raw commodity exports. To secure national food supplies, the state is expanding public-private joint venture farming models alongside village-level mechanisation and crop insurance rollouts. Concurrently, the Directorate of Veterinary Services is enforcing strict livestock movement permits to contain Foot-and-Mouth disease challenges. Moreover, policy interventions are prioritizing rural economic inclusion by launching youth agricultural entrepreneurship hubs and broadening access to targeted farming funds for women.

4.4. Energy Sector

The sector is currently defined by intense structural deregulation, public-private integration, and green energy transitions. Under a new National Energy Compact, the government is committed to privatising electricity distribution and retail licensing to break the state utility's monopoly. Concurrently, greenfield project application fees have been slashed by roughly 50% to rapidly attract private capital. Backed by these positive developments, national grid stability is poised to improve through the integration of major private independent power plants, sustaining peak industrial production capacity.

4.5. Manufacturing Sector

The manufacturing sector is entering an aggressive investment cycle focused on import substitution and structural formalisation under the Zimbabwe National Industrial Development Policy (ZNIDP) 2026–2030. Driven by a massive US$120 million influx of specialised processes, heating, and cooling equipment, factories are accelerating capacity upgrades to reduce the sector's reliance on foreign inputs. To sustain this growth, the Ministry of Industry and Commerce is actively pushing a 16-point industrialisation plan targeting local production of pharmaceuticals, fertilizers, and textiles to slash the nation's import bills. Simultaneously, structural workforce reforms are taking centre stage, highlighted by a landmark agreement between the government and the Zimbabwe National Chamber of Commerce (ZNCC) to roll out an expansive sector skills audit designed to align academic training directly with modern factory needs.

4.6. Property Sector

Zimbabwe's property sector is characterized by relative macroeconomic stability and steady diaspora-driven demand, balanced against high borrowing costs and structural regulatory shifts. Commercial USD mortgage rates remain elevated, ranging from 14% to 24% per annum, while ZiG-denominated lending remains constrained, keeping local mortgage penetration low. Despite these financing hurdles, house prices are maintaining a modest, stable growth trajectory of 2% to 3% as inflation moderates, driving average single-family rental yields and specialized multi-family layouts. Capital and attention are increasingly shifting toward gated residential communities and mixed-use nodes away from the traditional Harare CBD. Investors are simultaneously navigating significant policy changes, such as mandatory title deed digitization, new short-let registration requirements, and updated presumptive taxes on commercial rentals.

5. Regional Economies

5.1. Sub-Saharan Africa Economic Outlook

Sub-Saharan Africa's economic growth for 2026 is projected to remain resilient between 4.0% and 4.3%, though hard-won stabilization gains face renewed external pressures. Regional expansion is supported by positive structural shifts and a general downward trend in public debt ratios. However, a slight uptick in median inflation and elevated debt-servicing costs continue to restrict fiscal space, a situation worsened by ongoing Middle East conflicts which are driving up global food, energy, and fertilizer prices while disrupting shipping routes. To counter these vulnerabilities and protect fragile populations, policymakers are urged to deploy targeted support rather than broad subsidies. Meanwhile, the U.S. Senate's August 2026 advancement of a two-year African Growth and Opportunity Act (AGOA) extension through 2028 is expected to offer a critical trade anchor for regional exporters. Against this backdrop, below is a tabulated summary of the region's growth projections as given by the IMF and World Bank.

Sub-Saharan Africa Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
IMF ***(Jul 2026)***	4.5	4.3	4.5
World Bank ***(Jun 2026)***	4.1	4.0	4.4

Strategic insights and takeaways:

- *The region evidently continues to lack supply buffers and weak hedges makes it acutely susceptible to global energy price swings. Consequently, external shocks consistently derail internal reforms, generating a climate of uncertainty that erodes investor trust and stifles critical investment.*

5.2. Botswana

5.2.1. Botswana Economic Outlook

Botswana is facing severe liquidity constraints as a global slump in natural diamond demand is forcing the country to stockpile its primary export rather than generate sovereign revenue. This mineral income deficit has induced a domestic credit squeeze, leading local banks to scale down lending while households cut discretionary spending to absorb high utility and fuel costs. Consequently, the government has enacted strict austerity measures, including freezing public sector overtime and halting official travel, to preserve remaining capital reserves. To mitigate this systemic vulnerability, the administration is bypassing bureaucratic bottlenecks to fast-track land titles, aiming to transition Botswana into a private-sector-led agricultural and services hub. Against this backdrop, different authorities are projecting lacklustre economic growth performance by historic standards as show by the following table.

Botswana Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
World Bank ***(Jul 2026)***	-0.7	3.2	2.5
IMF ***(Apr 2026)***	-0.9	4.7	2.2

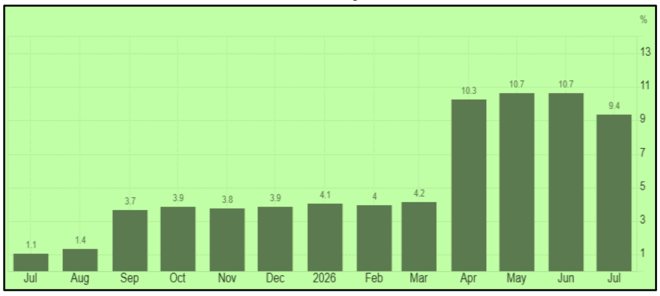
Strategic insights and takeaways:

- *Given the current unsustainable levels of fiscal debt, the government is inevitably competing with the private sector for available capital. This competition crowds out private investment, directly in conflict with the state's objective of fostering a private-sector-led economic recovery.*

5.2.2. Inflation Rate

Latest available data depicts that, Botswana's annual inflation rate declined to 9.4% in July 2026, down from 10.7% in June. Price growth moderated slightly for transportation and clothing & footwear. Conversely, inflationary pressures accelerated across several other categories, including miscellaneous goods & services, alcoholic beverages & tobacco, food & non-alcoholic beverages, and restaurants & hotels. On a monthly basis, consumer prices fell by 1.8%, reversing the 0.2% increase recorded in the prior month.

Botswana Y-o-Y inflation Trend

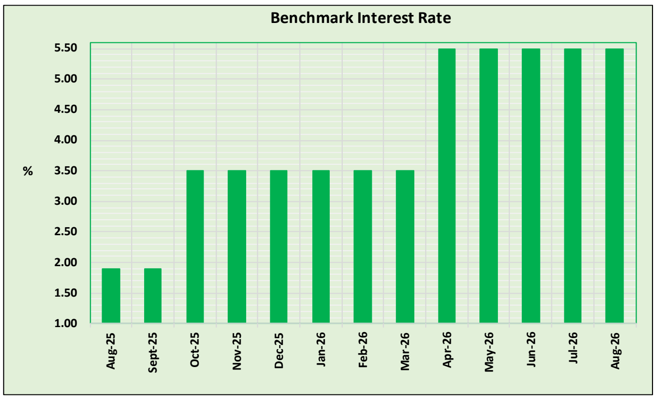


Source: Central Statistics Office, Botswana – August 2026

1.1.1. Botswana Interest Rates

The Central Bank of Botswana kept the benchmark interest rate steady at 5.5% to anchor inflation expectations.

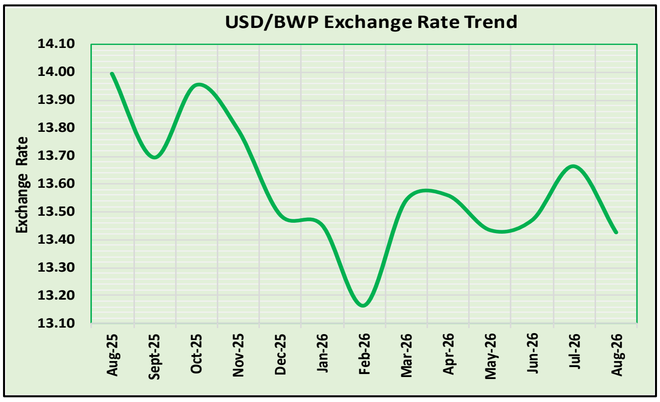
Botswana Benchmark Interest Rate Trend



Source: Central Statistics Office, Botswana – August 2026

5.2.3. Botswana Exchange Rates

The Botswana Pula continues to be steady, trading between 13.00 and 14.00 per U.S. dollar for more than a year. During the month under review, the Pula appreciated slightly against the dollar, rising by 1.77% to BWP13.43 from BWP13.66 recorded at the end of July 2026. The chart below provides a clear illustration of the USD/BWP exchange rate trend over the past twelve months.



Source: Bank of Botswana – August 2026

Strategic insights and takeaways:

- *The Pula remains relatively firm, despite ongoing economic turmoil in the country. This underscores the currency's resilience against shocks, making it a dependable investment choice.*

5.2.4. Botswana Economic Sectors

i. Mining Sector

Botswana's mining sector is facing fiscal and structural pressures from an infamous and prolonged global diamond slump, prompting an urgent policy shift toward economic diversification and non-diamond mineral development. According to the Bank of Botswana, the mining sector's GDP contracted by 11.3% in the year leading up to March 2026, following a severe 20.1% drop in 2025. Weak global demand and competition from synthetic stones is causing a plunge in mineral revenues, driving public debt up to 40.7% of GDP and making the projected 2.3% economic recovery for 2026 highly vulnerable. In response, the government continues to aggressively expand exploration in alternative minerals like copper, manganese, nickel, and lithium, while partnering with organizations like the UNDP to leverage mining procurement for local manufacturing and import substitution.

Strategic insights and takeaways:

- *Mining diversification has become a primary priority in Botswana, poised to unlock new and viable investment and financing opportunities. All else being equal, this strategic shift is expected to attract both local and foreign investors, catalysing broader economic recovery.*

ii. Agriculture Sector

Botswana's agricultural sector is defined by a strategic push to slash its P14.7 billion food import bill and reverse a decade-long decline in the national cattle herd through a new Agriculture Financing Strategy and aggressive investment promotion by the Botswana Investment and Trade Centre (BITC). However, the sector faces immediate headwinds from high inflation and ongoing legal and operational friction between commercial feedlots and regulators over rigid foot-and-mouth disease (FMD) movement restrictions. Despite these challenges, state policy remains heavily focused on commercializing farming infrastructure, scaling up climate-resilient crops like red sorghum, and attracting private capital into emerging high-value agro-industries.

iii. Reinsurance

Botswana's reinsurance sector remains fundamentally sound, with investor interest steadily deepening. This is exemplified by Continental Reinsurance Holdings Limited's recent launch of a public share offer on the Botswana Stock Exchange, a historic move that positions the firm as the first reinsurer listed on the bourse. Concurrently, regional counterparts (including P&C Reinsurance and FMRe Property & Casualty) have sustained stable financial strength ratings from GCR, demonstrating operational resilience amid tightening domestic liquidity and elevated sovereign borrowing costs. To navigate this challenging environment, reinsurers are carefully balancing underwriting prudence with defensive asset allocation, while frontrunners invest in new capabilities and deepen cross-border ties to sustain growth through the volatility.

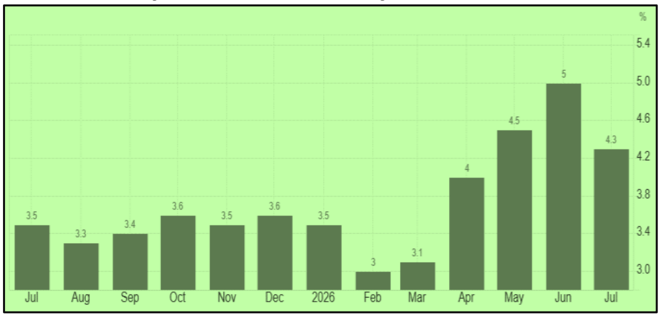
5.3. South Africa

South Africa's economic climate reflects a fine balance between operational structural gains and persistent local demand hurdles. The economy is benefiting from incremental improvements in energy availability and transport logistics, which provide vital support to supply chains, while the South African Rand maintains general stability amid shifting global market sentiments. However, core production sectors like mining and manufacturing continue to face operational headwinds, matching a cautious corporate sentiment that limits aggressive near-term expansion. Consumer spending remains heavily restricted by high borrowing costs and structural unemployment, keeping household budgets tightly constrained. Looking ahead, business sustainability hinges heavily on the speed of ongoing infrastructure updates and the stabilization of domestic agricultural supplies to offset broader global economic pressures.

South Africa Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
OECD ***(Jun 2026)***	1.3	1.2	1.6
IMF ***(Apr 2026)***	1.3	1.0	1.3
World Bank ***(Jun 2026)***	1.1	1.0	1.5

On the inflation front, the latest available data depict that South Africa's annual inflation cooled to 4.3% in July 2026 from June's two-year high of 5%, marking the first deceleration in five months. The decline was led by a sharp slowdown in transport costs, with fuel inflation plummeting to 20.6% from 34.3% as global oil prices eased from their post-Middle East conflict highs. Food and housing costs also moderated. Month-on-month, CPI rose just 0.2%, down from 0.7% in June 2026.

South Africa Year-on-Year Inflation Rate Trend



Source: Statistics South Africa – August 2026

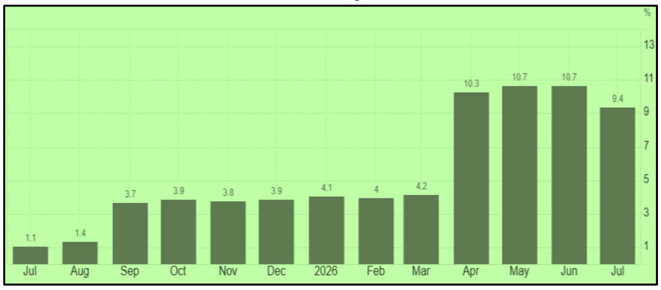
5.4. Zambia

Zambia's economic landscape presents a striking contrast between robust macroeconomic indicators and persistent structural challenges, as annual inflation is slowing down to well within the official target band. This price stability is complemented by strong GDP projections ranging between 4.3% and 4.4%, built on a high-performing agricultural sector and bolstered by a solid external position featuring US$6.2 billion in gross international reserves alongside consistent trade surpluses. However, this high-level growth has yet to fully translate into improved living standards for average citizens. Everyday households continue to grapple with a high cost of living driven by elevated energy and fuel tariffs, while localized food insecurity persists due to lingering livestock diseases and historical weather shocks. Consequently, while the broader fiscal and monetary framework shows commendable resilience, structural bottlenecks in energy and mining remain critical obstacles to the formal job creation and widespread poverty reduction necessary to lift the domestic population.

Zambia Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
IMF ***(May 2026)***	3.8	4.3	4.7
World Bank ***(Jun 2026)***	3.8	4.4	4.7

Zambia's annual inflation rate eased to 6.2% in August 2026 from 6.5% a month earlier, moving closer to the lower bound of the central bank's 6%–8% target range, supported by a resilient kwacha. Food-price growth slowed to 6.0% from 6.4% in July, while non-food inflation edged down to 6.6% from 6.7%. Month on month, the CPI rose 0.2%, matching the previous month's pace. The following graph illustrates the country's inflation trend.

Zambia Year-on-Year Inflation Rate Trend



Source: Central Statistics of Zambia – August 2026

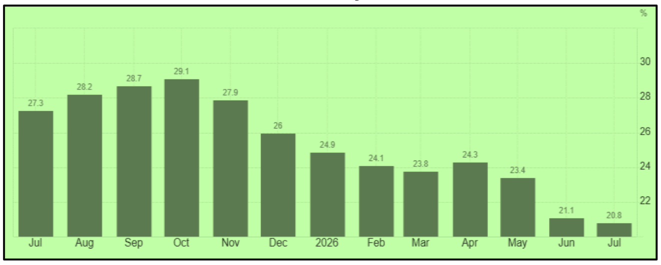
5.5. Malawi

Malawi's economic situation reflects a delicate balance between modestly easing inflationary pressures and severe structural challenges. Growth remains constrained, with 2026 real GDP projected to hover between 2.0% and 2.3% due to adverse climatic shocks and tight macro-fiscal space. Severe foreign exchange shortages persist, exacerbated by a drop in annual tobacco earnings caused by lower volumes and weaker auction prices. Looking ahead, humanitarian agencies warn of looming crisis-level food insecurity (IPC Phase 3) in southern and central regions toward late 2026, forcing the Reserve Bank of Malawi to maintain a tight monetary policy to anchor inflation while the country relies on structural reforms in mining and infrastructure for medium-term recovery. The table below shows the latest growth projections:

Malawi Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
IMF ***(Apr 2026)***	2.1	2.2	2.4
World Bank ***(Jun 2026)***	1.9	2.3	2.7

Meanwhile, the latest available data depict that annual inflation eased to 20.8% in July 2026, down from 21.1% recorded in June 2026, reflecting a reduction of 0.3 percentage points. Food inflation eased to 14.3%, compared to 14.7%in the previous month, while non-food inflation increased to 32.2 percent from 32.1 percent over the same period. Month-to-month inflation rate stood at 2.0%.

Malawi Year-on-Year Inflation Rate Trend



Source: National Statistical Office of Malawi – August 2026

6. Global Economy

6.1. Global Economic Outlook

The global economy continues to demonstrate remarkable resilience, with projected GDP growth holding steady at 3.0% for 2026, largely propelled by robust artificial intelligence and technology investments that offset wider manufacturing slowdowns. However, this growth faces stiff headwinds from persistent geopolitical friction, particularly due to conflicts in the Middle East that have disrupted vital shipping lanes, tightened energy supplies, and kept oil prices elevated. These ongoing energy shocks have made inflation stubbornly sticky, forcing central banks to pause interest rate cuts or consider further tightening to ensure price stability. Global public debt is approaching historic highs, driving up borrowing costs worldwide and leaving emerging markets especially vulnerable to sudden financial shocks or market corrections. The following table displays global economic growth projections anticipated by different authorities:

Global Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
OECD ***(Jun 2026)***	3.4	2.8	3.1
IMF ***(July 2026)***	3.4	3.0	3.2
World Bank ***(Jun 2026)***	2.9	2.5	2.8

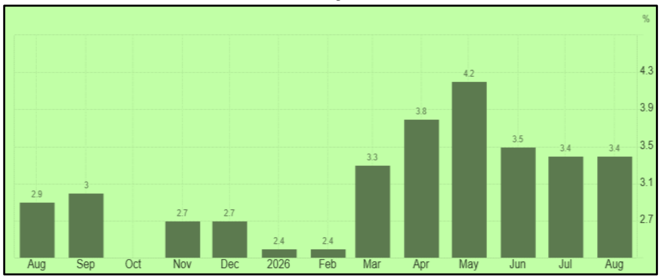
6.2. United States of America

The U.S. economy continues to exhibit resilient growth alongside stubborn inflation, due to energy shocks from Middle East tensions and heavy AI data centre infrastructure spending. Real GDP growth remains stable anchored by strong tech capital expenditures and upper-income consumer spending, while the labour market holds steady with low layoffs and an unemployment rate near 4.3%. Market leadership is concentrated in the energy, technology, and materials sectors, but sticky inflation data is heightening expectations that the Federal Reserve may implement a rate hike or an extended restrictive pause at its next meeting, casting a shadow of uncertainty over the full-year GDP growth forecast. Below is a tabulated summary showing USA's growth projections as anticipated by different authorities.

USA Economic Growth Forecasts (%)			
Year	2025	2026	2027
OECD ***(Jun 2026)***	2.1	2.0	1.8
IMF ***(July 2026)***	2.2	2.3	2.1
World Bank ***(Jun 2026)***	2.1	2.2	2.1

The U.S. annual inflation rate held steady at 3.4% in August 2026, unchanged from July 2026. Prices rose for gasoline, fuel oil, communication, airline fares, education, and used cars, while inflation cooled for shelter and food, partly offsetting the overall price increases. On a monthly basis, the CPI climbed 0.4%, its largest gain in three months. Core CPI rose 0.3% for the month, outpacing July's 0.2%. The annual core rate, however, slowed to 2.4% from 2.5%, in line with projections. The following graph illustrates the country's inflation trend.

USA Year-on-Year Inflation Rate Trend



Source: Federal Reserve – August 2026

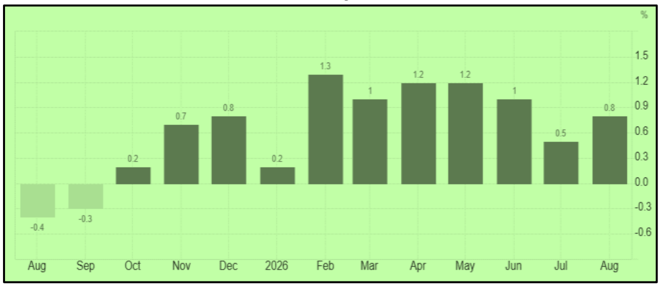
6.3. China

China's economy continues to exhibit a sharp divergence between resilient, export-led industrial strength and stubbornly weak domestic demand. Driven by global technology demand and a strong semiconductor boom merchandise exports have surged to near-record highs. However, this massive export engine contrasts sharply with sluggish internal consumption, as low household confidence and an ongoing property market correction keep domestic demand subdued. Looking ahead, this growing trade imbalance is escalating trade frictions with Western partners, and major forecasters expect full-year 2026 GDP growth to stabilize around 4.5% as Beijing prioritizes structural upgrading over massive quantitative stimulus. The following table displays China`s economic growth projections as anticipated by the IMF and World Bank:

China Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
OECD ***(Jun 2026)***	5.0	4.5	4.3
World Bank ***(Jun 2026)***	5.0	4.2	4.3
IMF ***(July 2026)***	5.0	4.6	4.1

Meanwhile, China's annual inflation rate accelerated to 0.8% in August 2026, rebounding from the six-month low of 0.5% recorded in July 2026. This pickup was primarily driven by non-food items, whose prices rose by 1.2% compared to July's 0.9%, pushed higher by surging fuel prices and robust travel demand that lifted transportation costs. Additional upward pressure came from rising costs in education, healthcare, and apparel, which helped offset a persistently weak housing sector. Meanwhile, food prices continued their downward trend, logging a fifth consecutive month of deflation. On a month-over-month basis, the consumer price index rose by 0.4%, reversing the 0.1% decline seen in the previous month. The graph that follows illustrates the country's inflation trend.

China Year-on-Year Inflation Rate Trend



Source: National Bureau of Statistics of China– August 2026

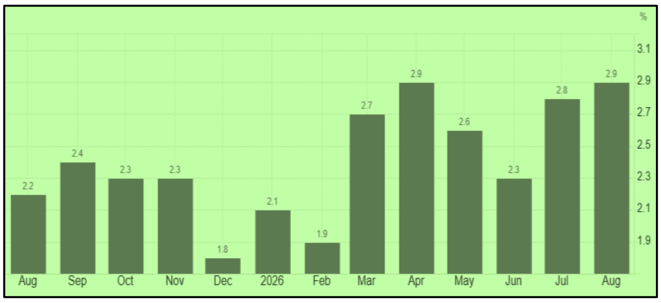
6.4. Germany

Germany's gross domestic product expanded by 0.3% in the second quarter of 2026, defying earlier shocks from the Middle East conflict due to a strong rebound in exports and a notable boost in investor and business sentiment. While industrial sentiment held steady and sectors like automotive, chemicals, and mechanical engineering improved, early third-quarter data point to a momentum slowdown in energy-intensive industries and sluggish domestic consumption tied to high energy prices. Despite these headwinds and global trade uncertainties, large-scale government infrastructure and defence spending packages are providing a stabilizing floor for domestic demand, leading major economic research institutes (KfW Research) to revise their full-year forecasts upwards to project German GDP growth between 1.1% and 1.3% for 2026, followed by roughly 1.1% to 1.5% growth in 2027. The following table shows Germany's economic growth forecasts as projected by different authorities:

Germany Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
FfW Research ***(Aug 2026)***	0.2	1.1	1.5
OECD ***(Jun 2026)***	0.3	0.7	1.1
IMF ***(Jul 2026)***	0.2	0.7	1.3

Germany's annual inflation rate rose to 2.9% in August 2026, up from 2.8% in July 2026. The increase was driven by a sharp jump in energy inflation, which climbed to 10.5% from 8.3%, as renewed Middle East tensions pushed oil prices higher. Meanwhile, services inflation slowed to 2.8% from 2.9%, and food inflation eased to 0.1% from 0.4%. On a monthly basis, consumer prices rose 0.2% in August, easing from a 0.8% gain in July 2026. The graph that follows illustrates the country's inflation trend.

Germany Year-on-Year Inflation Rate Trend



Source: Federal Statistics Office – August 2026

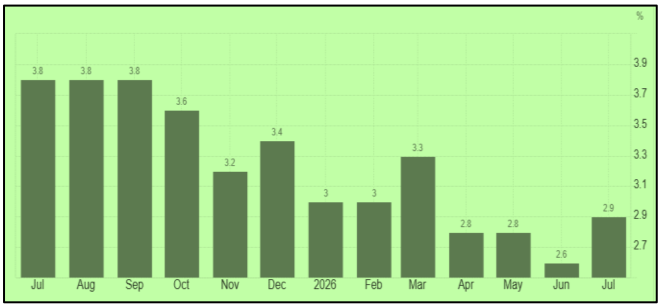
6.5. United Kingdom

The United Kingdom's economy is displaying resilient but uneven performance, characterized by strong top-line output balanced against persistent consumer price pressures. Second-quarter data revealed that UK GDP grew by 0.4% quarter-on-quarter (1.2% year-on-year), outperforming several G7 peers and driven by a strong rebound in the dominant services sector. However, domestic retail momentum is cooling with retail sales volumes slipping 0.5% month-on-month as early summer promotional surges faded and cost-of-living worries resurfaced. Looking forward, full-year 2026 GDP growth is projected at 0.1%, anchored on the assumption that a steady recovery in real household incomes will offset public sector borrowing headwinds and energy sector supply risks. later in the year. The following table shows a tabulated summary of the UK's economic growth projections as proposed by different authorities.

UK Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
IMF ***(Jul 2026)***	1.4	1.0	1.3
OECD ***(Jun 2026)***	1.4	0.9	1.1

Meanwhile, latest available reports show that, UK's annual inflation ticked up to 2.9% in July from 2.6% in June, driven largely by housing and household services after Ofgem's 13% energy price cap hike. Gas and electricity costs rose sharply, while furniture, clothing, and alcohol inflation also accelerated. Transport inflation moderated backed by lower fuel prices. Monthly CPI rose 0.3%, in line with expectations and up from June's 0.1% gain. The graph that follows illustrates the country's inflation trend.

UK Year-on-Year Inflation Rate Trend



Source: Office for National Statistics – August 2026

6.6. United Arab Emirates

The UAE economy faces an uneven growth environment in August 2026 due to regional geopolitical tensions and disruptions around the Strait of Hormuz, though it remains anchored by strong fiscal buffers, robust diversification, and a projected second half rebound following a 6.2% real GDP growth expansion in 2025. While maritime trade friction temporarily slowed logistics and hydrocarbon output early in the year, the International Monetary Fund projects a stabilization of exports, supported by a dominant regional start-up ecosystem that secured $591 million in venture capital in Q2 alone. Meanwhile, domestic price pressures are easing, evidenced by Dubai's inflation cooling to 5.3% in July, keeping national inflation forecasts for 2026 well-contained between 1.8% and 2.9% due to currency pegs and strategic subsidies. Below is a tabulated summary of the UAE's expected growth projections according to the IMF and World Bank.

UAE Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
IMF ***(April 2026)***	5.8	3.1	5.3
World Bank ***(Jun 2026)***	6.2	2.4	4.1

Strategic insights and takeaways:

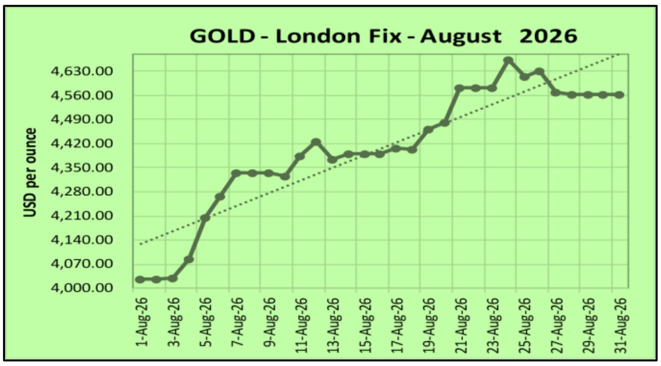
- *Despite regional turbulence, the UAE remains firm and strong, demonstrating resilience and effective risk-shielding strategies. These attributes, combined with other strong economic fundamentals, reinforce its status as a premier investment destination and a formidable economic powerhouse.*

7. Commodities Markets

Commodity	July 2026	August 2026	Percentage Change
	Average Price (US$)	Average Price (US$)	
Gold (oz)	4,075.88	4,405.03	▲8.1%
Platinum (oz)	1,635.13	1,781.64	▲9.0%
Silver (oz)	58.62	65.36	▲11.5%
Oil (barrel)	83.76	88.17	▲5.3%

7.1. Gold

Gold prices trended upwards in August 2026, recovery from the prior month's bearish prices. On a monthly average basis, prices increased by 3.8%, from US$4,075.88/oz in July 2026 to US$4,405.03/oz. This trend was largely driven by widespread ETF buying, a weaker U.S. dollar, and ongoing safe-haven demand.



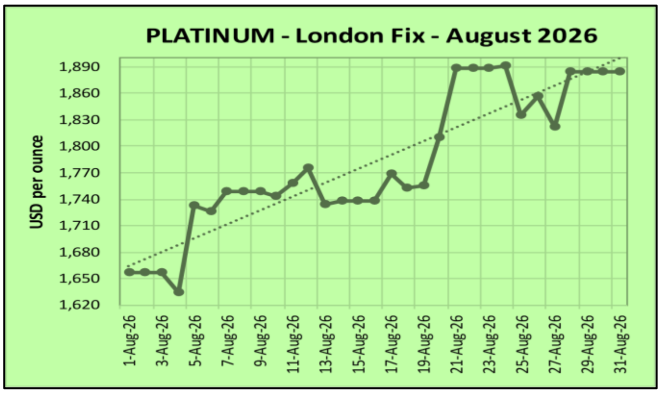
Source: LBMA – August 2026

Strategic insights and takeaways

- *Rising gold prices translate into higher export earnings for gold-exporting countries such as Zimbabwe. Should this trend persist, the resulting foreign exchange inflows would help mitigate foreign currency shortages and enhance macroeconomic stability.*

7.2. Platinum

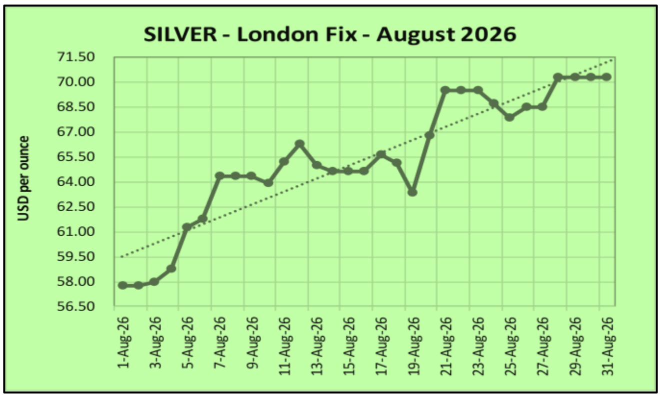
Platinum prices recovered in August 2026, rising by 9.0% on a monthly average basis from US$1,635.13/oz in July 2026 to US$1,781.64/oz. The month-on-month decline in platinum prices was primarily driven by supply disruptions as well as lower expectations for interest rate hikes. The following graph depicts the trend of daily platinum prices during the month under review.



Source: LBMA– August 2026

1.2. Silver

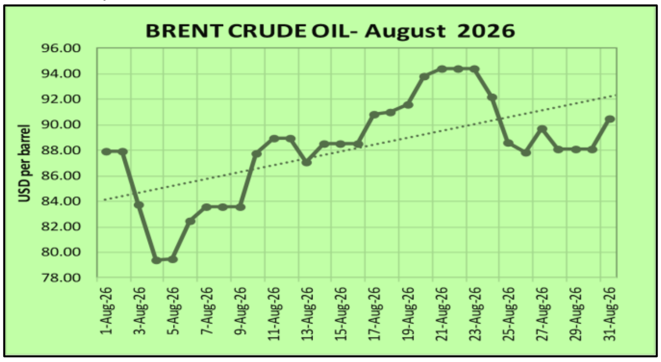
Following an 11.8% price decline in July 2026, silver prices recovered in August 2026, rising 11.5% to a monthly average of US$65.36/oz from US$58.62/oz in July. The following graph depicts the daily silver price trend for the month under review.



Source: LBMA– August 2026

7.3. Crude Oil

On a monthly average basis, the price increased by 5.3%, representing an acceleration from the 0.5% increased observed in July 2026, as the average rose from US$83.76 to US$88.17 per barrel. The following graph depicts the daily crude oil price trend for the month under review.



Source: Oilprice.com – August 2026

Strategic insights and takeaways:

- *Renewed Middle East tensions have reignited oil price pressures, threatening to drive up domestic fuel prices in most developing countries, including Zimbabwe, which lack the supply buffers needed to absorb such shocks. In such economies, it remains imperative to accelerate the transition toward renewable energy production and self-sufficiency to mitigate the effects of such shocks in future.*

END