# Monthly Economic Update October 2026

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# 1. Zimbabwe Economic Performance

## 1.1. Zimbabwe Economic Outlook

Zimbabwe is showing sustained near-term growth resilience characterized by single-digit inflation and improved macroeconomic stability. The International Monetary Fund (IMF) projects real GDP growth of 5.0% in 2026, following a strong 2025 rebound driven by agriculture and gold exports. In October, IMF Management also approved the completion of the second review under Zimbabwe's 10-month Staff-Monitored Programme (SMP), citing strong policy implementation across quantitative targets and structural benchmarks. Alongside this, tight monetary discipline, firmer foreign-currency receipts, and improved import cover are supporting stability in the Zimbabwe Gold (ZiG).

Looking ahead, recent assessments balance optimism around key growth sectors with caution over climate and structural headwinds. Mining, particularly gold and critical minerals, alongside agro-processing, tourism, logistics, and renewable energy stand out as primary drivers of medium-term momentum, as highlighted in. However, the IMF projects growth moderating to 3.5% in 2027, reflecting heightened vulnerability in rain-fed agriculture due to anticipated El Niño drought conditions during the 2026/2027 cropping season. Maintaining fiscal discipline, strengthening state-owned enterprise oversight, and managing power and external cost pressures remain critical to sustaining stability and advancing international re-engagement. Against this economic backdrop, the table below presents Zimbabwe's economic growth forecasts as projected by the IMF and World Bank:

| Zimbabwe Economic Growth Projections | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 8.3 | 5.0 | 3.5 |
| **World Bank** *(Oct 2026)* | 8.3 | 5.3 | 3.0 |

***Strategic insights and takeaways:***

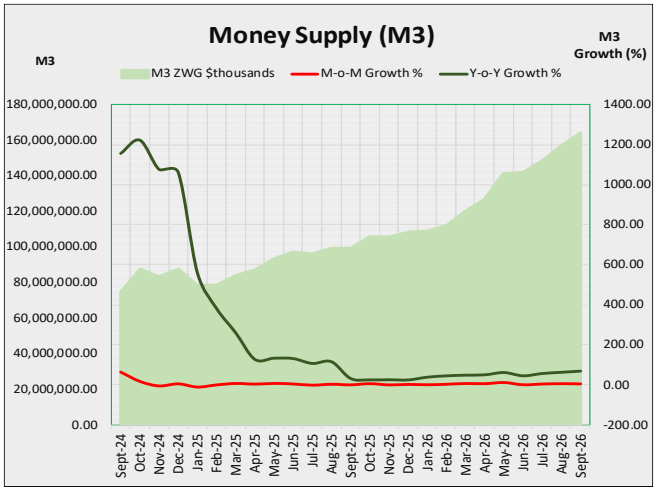
- *While tighter monetary discipline and strong mineral and tourism receipts are stabilizing the ZiG and improving near-term business predictability, long-term resilience depends on using this momentum to diversify away from rain-fed agriculture, invest in off-grid renewable energy, and enforce the fiscal and state-owned enterprise reforms needed to unlock international re-engagement.*

# 2. Zimbabwe Financial Sector

## 2.1. Money Supply

According to the latest RBZ data, Broad Money (M3) increased by 4.78% month-on-month in September 2026, rising to ZWG164.25 billion from ZWG156.76 billion in August 2026. On a year-on-year basis, M3 growth rose to 68.09% in September 2026, up from 58.02% in August 2026. The following graph illustrates these monetary trends from September 2024 to September 2026.

***Monetary Developments (ZWG Thousands)***




***Source: RBZ – October 2026***

***Strategic insights and takeaways:***

- *Despite recent interest rate cuts by the apex Bank, M3 remains broadly contained by historic standards depicting efficiency in recent monetary policy calibrations for the meantime. However, as we head into the festive season, more money is anticipated to flow into the economy potentially triggering cyclical increases in M3.*

## 2.2. Interest Rates

The Monetary Policy Committee (MPC) resolutions from its meeting in September 2026, pertaining to interest rates and key monetary instruments, remain in full effect and are outlined as follows:

1. Reduction of the bank policy rate to 27.5%.
2. Interest rate on the Targeted Finance Facility (TFF), was reduced from 15% to 12.5%, proportional to the proposed reduction in the Bank policy rate, albeit with a cap on banks on lending to the

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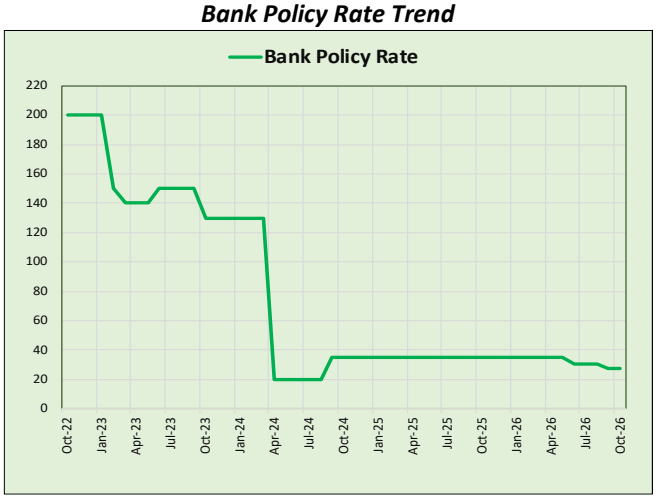
productive sectors at an all-inclusive interest rate of 22.5%

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 Bank Policy rate trend for the period October 2022 to October 2026.

***Bank Policy Rate Trend***




***Source: RBZ – October 2026***

As of 30 October 2026, the weekly average minimum lending rates in local currency were recorded at 42.23% for individuals and 33.73% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 4.35%, 7.32%, and 8.04%, 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)* | | | | | |
|---|---|---|---|---|---|
| | Lending Rates (%) | | Deposit Rates (%) | | |
| Week Ending | Individual Clients | Corporate Clients | Savings | 1-Month | 3-Months |
| 2-Oct-26 | 42.20 | 33.65 | 4.35 | 7.18 | 7.88 |
| 9-Oct-26 | 42.26 | 34.13 | 4.35 | 7.18 | 7.88 |
| 16-Oct-26 | 42.29 | 33.65 | 4.35 | 7.41 | 8.16 |
| 23-Oct-26 | 42.26 | 33.70 | 4.35 | 7.42 | 8.16 |
| 30-Oct-26 | 42.15 | 33.53 | 4.35 | 7.39 | 8.14 |
| **Average** | 42.23 | 33.73 | 4.35 | 7.32 | 8.04 |

***Source: RBZ – October 2026***

In US Dollar terms, the most recent weekly average minimum lending rates stood at 14.03% for individuals and 9.84% for corporates, whilst the latest average minimum deposit rates for savings, 1-month, and 3-month deposits remained steady at 2.15%, 4.56%, and 5.17%, 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)* | | | | | |
|---|---|---|---|---|---|
| | Lending Rates (%) | | Deposit Rates (%) | | |
| Week Ending | Individual Clients | Corporate Clients | Savings | 1-Month | 3-Months |
| 2-Oct-26 | 14.04 | 9.85 | 2.15 | 4.41 | 5.01 |
| 9-Oct-26 | 14.04 | 9.88 | 2.15 | 4.41 | 5.01 |
| 16-Oct-26 | 14.04 | 9.87 | 2.15 | 4.66 | 5.26 |
| 23-Oct-26 | 14.02 | 9.83 | 2.15 | 4.66 | 5.26 |
| 30-Oct-26 | 14.01 | 9.79 | 2.15 | 4.68 | 5.29 |
| Average | 14.03 | 9.84 | 2.15 | 4.56 | 5.17 |

***Source: RBZ – October 2026***

## 2.3. Foreign Currency Market

On a monthly average basis, the U.S. dollar broadly appreciated in October 2026, gaining against 9 of the 18 currencies in our analysis basket, with its most significant appreciation occurring against the Euro (+2.71%). Conversely, it registered its strongest depreciation against the Russian Ruble (-3.24%). The following table outlines these average monthly changes.

***Exchange rate analysis (monthly averages)***

| *Exchange Rate Analysis (Averages)* | | | |
|---|---|---|---|
| Currency/US$ | Sept-26 | Oct-26 | Change (%) |
| Argentine Peso | 1513.9275 | 1523.2007 | 0.61 |
| Australian Dollar | 1.4034 | 1.4316 | 2.01 |
| Botswana Pula | 13.5368 | 13.7854 | 1.84 |
| Brazilian Real | 5.1417 | 5.1089 | -0.64 |
| British Pound | 0.7452 | 0.7522 | 0.94 |
| Canadian Dollar | 1.3955 | 1.4144 | 1.35 |
| Chinese Yuan Renminbi | 6.7101 | 6.6879 | -0.33 |
| Euro | 0.8681 | 0.8916 | 2.71 |
| Hong Kong Dollar | 7.8430 | 7.8465 | 0.05 |
| Indian Rupee | 95.4525 | 95.5515 | 0.10 |
| Japanese Yen | 156.3522 | 157.8611 | 0.97 |
| Norwegian Krone | 9.3778 | 9.4610 | 0.89 |
| Russian Ruble | 84.9059 | 83.0004 | -2.24 |
| South African Rand | 16.1935 | 16.5565 | 2.24 |
| Swedish Krona | 9.7539 | 9.9593 | 2.11 |
| Swiss Franc | 0.8188 | 0.8282 | 1.15 |
| South Korean Won | 1358.8289 | 1336.7875 | -1.62 |
| Zimbabwean dollar | 26.6877 | 26.6454 | -0.16 |
| *Source: X-Rates; © ZB Financial holdings* | | | |

***Strategic insights and takeaways:***

- *The strengthening dollar continues to exert upward pressure on the official USD/ZWG interbank rate. As*

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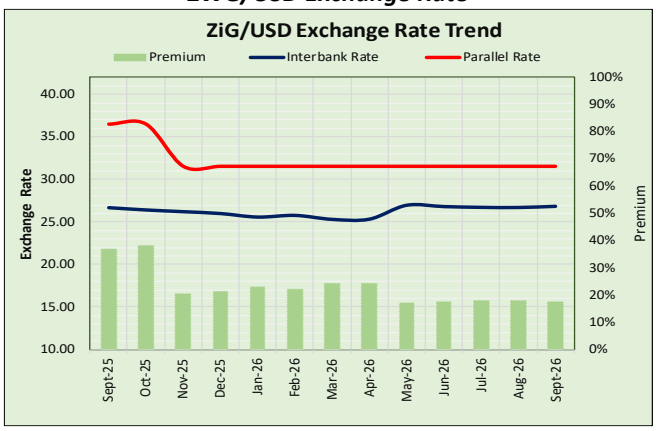
*global commodities become more expensive to import in USD terms, local monetary authorities face stricter policy constraints to keep inflation from seeping back into local price structures.*

## 2.4. Zimbabwe Gold (ZiG) Exchange Rate

In October 2026, the ZWG remained stable recording marginal month on month exchange rate variations. On the official market, it appreciated by 0.8% against the USD to ZWG26.57 per dollar from ZWG26.80 per dollar recorded at the end of September 2026. Meanwhile, the parallel market rate held steady at an average of ZWG31.50. Resultantly, the stability in the forex market marginally increased the exchange premium to 19%, up from 18% recorded in the previous month. The chart below illustrates the movement of both interbank and parallel exchange rates from October 2025 to October 2026.

***ZWG/USD Exchange Rate***




***Source: RBZ & ZB Financial Holdings – October 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.*

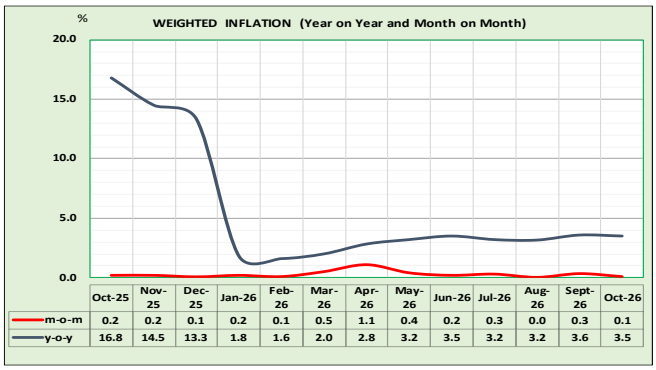
# 3. Prices and Costs of Living

## 3.1. Inflation

### a. Weighted Inflation

The weighted year-on-year inflation rate dropped from 3.6% in September 2026 to 3.5% in October 2026, while month-on-month inflation also declined to 0.1% from 0.3%. The moderation in inflation was largely driven by a decline in household utilities, offsetting increases in the price for food, alcoholic beverages, health and transport. The following graph illustrates the current trends of weighted inflation.

***Weighted Inflation Trend***



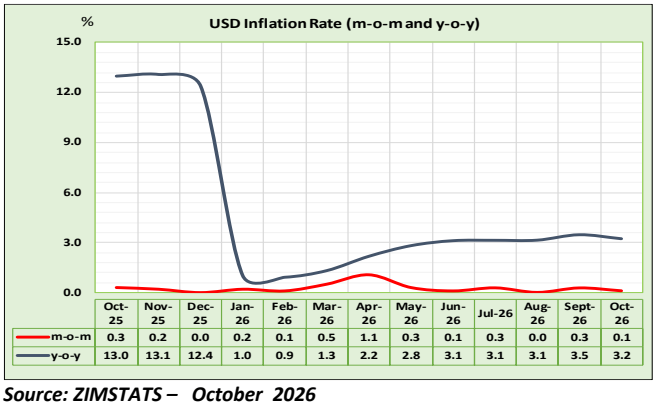

| | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sept-26 | Oct-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| m-o-m | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 | 0.5 | 1.1 | 0.4 | 0.2 | 0.3 | 0.0 | 0.3 | 0.1 |
| y-o-y | 16.8 | 14.5 | 13.3 | 1.8 | 1.6 | 2.0 | 2.8 | 3.2 | 3.5 | 3.2 | 3.2 | 3.6 | 3.5 |

***Source: ZIMSTATS – October 2026***

### b. USD Inflation

The USD year-on-year inflation rate dropped by 0.3 percentage points to 3.2% in October 2026. Month-on-month, USD inflation was 0.1%, down 0.2 percentage points from 0.3% the previous month. The drop in the price for household utilities remained the major factor behind inflation reduction. The graph below illustrates the recent trend in USD inflation in Zimbabwe.

***Zimbabwe USD Inflation Trend***




| | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sept-26 | Oct-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| m-o-m | 0.3 | 0.2 | 0.0 | 0.2 | 0.1 | 0.5 | 1.1 | 0.3 | 0.1 | 0.3 | 0.0 | 0.3 | 0.1 |
| y-o-y | 13.0 | 13.1 | 12.4 | 1.0 | 0.9 | 1.3 | 2.2 | 2.8 | 3.1 | 3.1 | 3.1 | 3.5 | 3.2 |

***Source: ZIMSTATS – October 2026***

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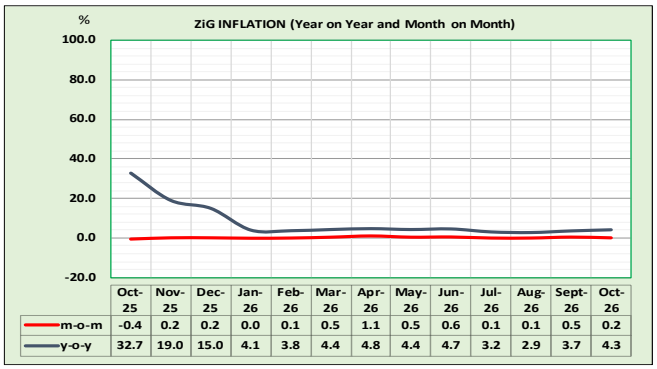
### c. ZiG Inflation

The ZWG year-on-year inflation rate for October 2026, as measured by the all-items ZWG CPI was 4.3%, reflecting a 0.6 percentage points increase from the September 2026 rate of 3.7%. Month-on-month, the inflation rate was 0.2%, in October 2026, down from 0.5% in September 2026. The drop in the month-on-month inflation rate was largely attributed to the drop in prices for transport, alcoholic beverages and tobacco as well as household utilities. The following graph illustrates recent trends in ZWG inflation.

***ZWG Inflation Rate Trend***




| | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sept-26 | Oct-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| m-o-m | -0.4 | 0.2 | 0.2 | 0.0 | 0.1 | 0.5 | 1.1 | 0.5 | 0.6 | 0.1 | 0.1 | 0.5 | 0.2 |
| y-o-y | 32.7 | 19.0 | 15.0 | 4.1 | 3.8 | 4.4 | 4.8 | 4.4 | 4.7 | 3.2 | 2.9 | 3.7 | 4.3 |

***Source: ZIMSTATS – October 2026***

***Strategic insights and takeaways:***

- *Inflation remains favourable despite persistent turbulence in the energy market. However, caution remains critical as the RBZ continues on a policy easing path.*

## 3.2. Poverty Datum Lines

The Total Consumption Poverty Line (TCPL), which reflects the minimum monthly income needed to cover both basic food and non-food needs increased by 0.1% to ZWG1,354.65 in October 2026, up from ZWG1,353.35 in September 2026.

Meanwhile, the Food Poverty Datum Line (FPDL), measuring the cost to meet a basic daily-nutritional requirement of 2,100 calories per person, also increased by 0.01% to ZWG926.32 in October 2026 from ZWG926.24 in September 2026. Below is a tabulated summary of the poverty datum lines for the past five months:

| Month | TCPL | % Change | FPDL | % Change |
|---|---|---|---|---|
| Jun-26 | 1,345.21 | 0.6 | 921.72 | 0.6 |
| Jul-26 | 1,346.90 | 0.1 | 923.17 | 0.2 |
| Aug-26 | 1,347.45 | 0.0 | 923.07 | 0.0 |
| Sept-26 | 1,353.35 | 0.4 | 926.24 | 0.34 |
| Oct-26 | 1,354.65 | 0.1 | 926.32 | 0.01 |

***Source: ZIMSTATS – October 2026***

# 4. Zimbabwe Economic Sectors

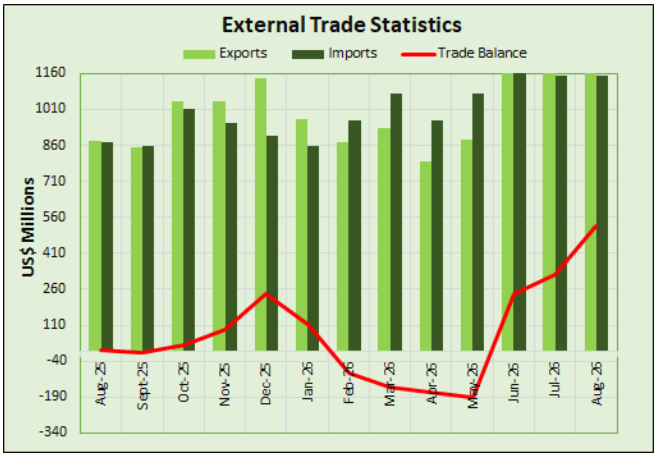
## 4.1. External Sector

Latest data from ZIMSTAT indicate that Zimbabwe's merchandise exports decreased by 19.0% to US$1.36 billion in September 2026. This was mainly due to lower mineral export receipts, particularly from gold, nickel mattes, platinum group metals (PGMs) and lithium reflecting Zimbabwe's continued exposure to volatility in commodity price developments.

On the procurement side, merchandise imports increased to US$1.31 billion, up by 13.7% from US$1.15 billion in the previous month, partly driven by the notable increase in fuel imports. Industrial supplies accounted for the largest share of merchandise imports at 31.7%, followed by fuels and lubricants at 26.5% and capital goods at 20.3%.

As a result, the trade surplus dropped substantially from US$526.5 million recorded in August 2026 to US$50.0 million. The graph below illustrates trends in external trade statistics since September 2025.

***External Trade Statistics***




***Source: ZIMSTATS- October 2026***

***Strategic insights and takeaways:***

- *The current account balance remains heavily volatile underscoring the fragility of recent surpluses, which remain vulnerable to external commodity market shocks. Addressing this vulnerability requires keeping export diversification and import substitution as primary policy objectives.*

## 4.2. Mining Sector

**Sector Overview**

Zimbabwe's mining sector combines strong revenue momentum with strict government beneficiation mandates and persistent operational hurdles.

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- **Revenue outlook:** The State of the Mining Industry Survey projects mining revenues of US$13.6 billion in 2026, rising to US$14.6 billion in 2027, supported by vast reserves of gold, platinum group metals (PGMs) and Africa's largest lithium deposits.
- **Beneficiation:** Mining firms have committed US$1.2 billion to local processing to comply with raw-mineral export bans, yet the Chamber of Mines of Zimbabwe warns of an acute funding gap against the US$2 billion needed for full beneficiation infrastructure.
- **Constraints:** High electricity tariffs, daily power outages, steep fiscal charges and costly financing continue to constrain output and squeeze project margins.

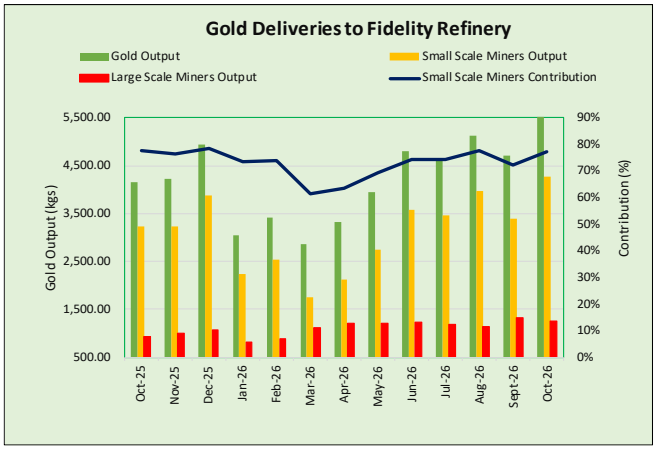
**Gold Deliveries to Fidelity Gold Refinery**

Gold deliveries rose 17.0% month-on-month in October 2026, to 5,519.20kg from 4,715.46kg in September 2026.

- **Artisanal and small-scale miners (ASM):** Output surged 25.8% to 4,273.95kg from 3,398.32kg, driving the overall expansion.
- **Large-scale miners:** Production fell to 1,245.24kg from 1,317.14kg, lowering their share of total refinery deliveries to 23% from 28% in the prior month.

The graph below summarizes trends in gold production activity.

***Gold Deliveries***




***Source: FGR – October 2026***

## 4.3. Agriculture Sector

The sector has been centred on balancing a strong winter wheat harvest with urgent preparations for an anticipated super El Niño-induced dry spell. Agricultural authorities advised farmers against rushing into early planting, emphasizing soil moisture conservation and the rapid rollout of over 14.7 million climate-resilient Pfumvudza/Intwasa plots. Simultaneously, the sector celebrated a near-complete bumper winter wheat harvest exceeding 600,000 tonnes, supported by dedicated irrigation and power supplies, while the Grain Marketing Board expanded strategic storage capacity through new solar-powered, AI-controlled silos. Meanwhile, Growers are urged to shift from subsistence practices to commercial agribusiness, prioritizing value addition and strict adherence to regional agro-ecological crop selection.

## 4.4. Energy Sector

The sector focused on regulatory modernization, grid stability and 2027 strategic planning. Stakeholders validated the updated Grid Code, which proposes public feeder capacity maps, net metering enhancements and revised mining tariffs, while the Zimbabwe Energy Regulatory Authority (ZERA) held pre-strategy consultations and promoted Statutory Instrument 119 of 2026 on energy-efficient appliances. ZESA Holdings launched a nationwide household survey to improve load profiling and distribution reliability, and industry leaders gathered at the Power & Elec Conference (October 28–30) ahead of Zimbabwe Clean Energy Week, which will address bankability, utility-scale storage and smart grid investments. Despite a stabilizing macroeconomy, constrained generation capacity and high-power costs still call for greater private-sector participation.

## 4.5. Manufacturing Sector

Zimbabwe's manufacturing sector is expanding steadily despite persistent cost pressures. Capacity utilisation ranges between 61.2% and 63.2%, and output of approximately US$8.2 billion contributes roughly 16.2% to 17.1% of GDP. Under the Zimbabwe National Industrial Development Policy (ZNIDP) 2026–2030, growth is anchored by heavy industry, metal beneficiation, agro-processing, chemicals and a multi-billion-dollar investment pipeline due online heading into 2027. However, the Confederation of Zimbabwe Industries (CZI) notes that heavy taxes, compliance costs and reliance on imported raw materials inflate production expenses and weaken competitiveness against SADC imports.

## 4.6. Property Sector

The property sector is characterized by severe supply-demand imbalances, a transition toward yield-focused investing, and robust diaspora. Residential rental demand drastically exceeds supply with ratios reaching 26:1 overall and up to 37:1 in high-demand areas especially in Harare, while sales demand is driven by stands at 5:1. Additionally, a stabilizing monetary environment has shifted investor strategy from mere inflation hedging to prioritizing rental yields and cash flow, though due diligence regarding title deeds, tax compliance, and building approvals which remains a critical risk for Harare homes averaging US$160,000.

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# 5. Regional Economies

## 5.1. Sub-Saharan Africa Economic Outlook

Sub-Saharan Africa is projected to post resilient growth outpacing the global average, with the IMF forecasting 4.5% regionally for 2026 and 2027. These gains are anticipated to be driven by exchange rate and subsidy reforms in major markets like Nigeria and Ethiopia, commodity resilience, and improved capital market access that have helped stabilize public debt. However, analysts caution that the recovery remains uneven across non-resource-intensive states, while geopolitical tensions, elevated energy and fertilizer prices, declining foreign aid, high debt service costs, climate shocks, and sluggish per capita income growth around 1.8% continue to constrain poverty reduction and job creation.

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

***Strategic insights and takeaways:***

- *Sub-Saharan economies remain constrained by a lack of economic diversification, heavy dependence on commodity exports, and insufficient shock-absorbing buffers. Overcoming these challenges must be central to policy if sustainable growth is to be achieved.*

## 5.2. Botswana

### 5.2.1. Botswana Economic Outlook

Botswana's macroeconomic outlook reflects a fragile recovery characterized by mounting fiscal pressures and sector-specific shocks. Although the Ministry of Finance forecasts GDP expansion of 3.8% in 2026 and 4.2% in 2027, persistent revenue shortfalls from subdued diamond sales are projected to push public debt toward 45% of GDP. Agricultural contributions to growth have also moderated following Foot and Mouth disease outbreaks, which severely curtailed beef sales. Concurrently, the Bank of Botswana's Monetary Policy Committee indicates that enhanced domestic liquidity continues to sustain above-target inflation, reinforcing the urgency of structural diversification to reduce fiscal dependence on the diamond sector.

| Botswana Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **MoF** *(Nov 2026)* | -0.7 | 3.8 | 4.2 |
| **World Bank** *(Oct 2026)* | -0.7 | 3.4 | 2.5 |
| **IMF** *(Oct 2026)* | -0.7 | 4.4 | 2.2 |

***Strategic insights and takeaways:***

- *The pace of economic diversification and recovery remains too slow to address challenges in the economy. More efforts remain vital for the economy to attain complete restoration.*

### 5.2.2. Inflation Rate

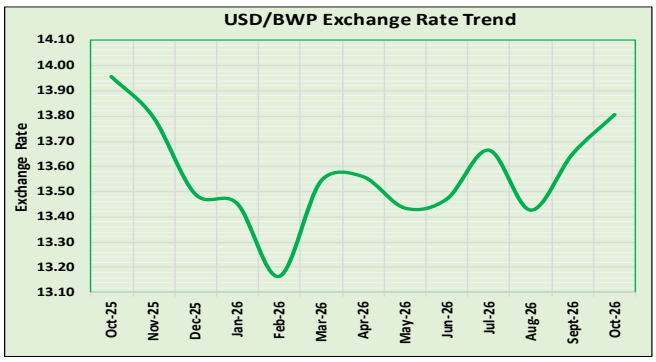
Botswana's annual inflation rate eased to 7.6% in October 2026, down from 7.8% in September 2026, marking the fourth straight month of slowdown. This slowdown was primarily driven by slower annual price increases in alcoholic beverages and tobacco, transport, and imported vehicles. Domestic tradeable

### 5.2.3. Botswana Interest Rates

The Central Bank of Botswana kept the benchmark interest rate steady at 5.5% to anchor inflation expectations amid risks tilted on the upside.

### 5.2.4. 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 depreciated slightly against the dollar, falling by 1.12% to BWP13.81 from BWP13.65 recorded at the end of September 2026. The chart below provides a clear illustration of the USD/BWP exchange rate trend over the past twelve months.




***Source: Bank of Botswana – October 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*

### 5.2.5. Botswana Economic Sectors

#### i. Mining Sector

The sector has largely been defined by a strong diamond-led recovery, De Beers ownership negotiations, base-metal expansion, and tighter environmental rules. Mining output

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surged 77.1% year-on-year in Q2, according to the Statistics Botswana Q2 2026 Mining Production Report, helping improve domestic liquidity. Meanwhile, diversification momentum continues to build through major copper-nickel resource upgrades, alongside the enforcement of mandatory environmental rehabilitation funds and calls for deeper local participation. Moreover, the state continues to plan to double its De Beers stake to 30% alongside the Global Diamond Consortium.

***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 has been characterised by grain farmer liquidity strains, Foot and Mouth Disease (FMD) containment, and economic diversification. The Botswana Agricultural Marketing Board (BAMB) released P60 million of the P100 million owed to grain producers ahead of the planting season, leaving a P40 million balance that continues to pressure commercial farmers, as detailed. In the livestock sub-sector, authorities relaxed earlier FMD controls before imposing fresh movement restrictions in Disease Control Zone 7, prompting beef producers to call for emergency budget support. Meanwhile, policymakers framed agricultural value addition, local horticultural market linkages, and new bilateral cooperation with Côte d'Ivoire as essential to lifting the sector's GDP contribution toward 6%–10% and narrowing Botswana's P11.6 billion trade deficits despite tight public finances.

### iii. Reinsurance

In the reinsurance space, focus is on structural reforms, strict regulatory oversight, and macroeconomic resilience. Under the Botswana Economic Transformation Programme (BETP), policymakers are modernizing legislation and boosting domestic risk retention to establish Botswana as a regional hub for actuarial and climate-risk financing. Regulators at NBFIRA reinforced governance by placing Minet Botswana under statutory management, while the Financial Stability Council confirmed that non-bank financial institutions maintain strong capital buffers despite subdued economic activity. Alongside the P2.13 billion Continental Reinsurance IPO expanding capital market depth, the sector continues to navigate above target inflation and heightened climate-related underwriting pressures.

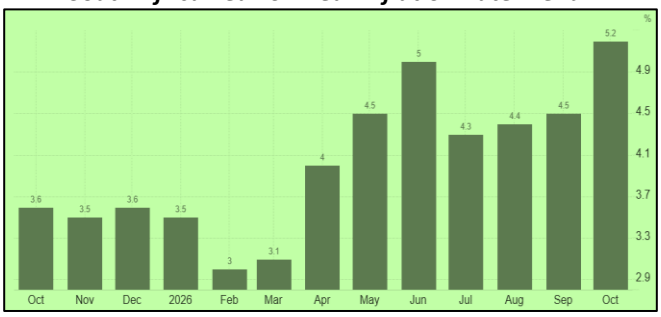
## 5.3. South Africa

South Africa's economic momentum softened as a global energy shock and persistent structural constraints weighed on near-term growth. In its October Medium-Term Budget Policy Statement, National Treasury cut its 2026 real GDP growth forecast from 1.6% to 1.2%, matching the South African Reserve Bank's estimate and slightly above the IMF's 1.0%, after a 0.2% contraction in Q2 and a stubbornly high 33.6% unemployment rate. Fiscally, Treasury projects a 2026/27 budget deficit of 3.9% of GDP and gross debt stabilizing at 78.4% of GDP in 2025/26, supported by a R17.1 billion upward revision in gross tax-revenue estimates to R2.144 trillion. Overall, improved revenue collection helps anchor fiscal consolidation, but structural bottlenecks and external headwinds continue to limit medium-term expansion.

| South Africa Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 1.1 | 1.0 | 1.3 |
| **World Bank** *(Oct 2026)* | 1.1 | 1.0 | 1.5 |

South Africa's annual inflation rate rose to 5.2% in October 2026, up from 4.5% in September, moving further away from the SARB's 3% target and the upper bound of its 2%–4% tolerance band. Transport was the main driver, with inflation accelerating to 15.2% from 10.8% in September, largely due to a sharp rise in fuel prices. On a monthly basis, the CPI increased by 0.7%, following a 0.4% rise in the previous month.

***South Africa Year-on-Year Inflation Rate Trend***




***Source: Statistics South Africa – October 2026***

## 5.4. Zambia

Zambia's economy was anchored by strong growth projections and new production-focused policies, despite external-balance and currency headwinds. The IMF projects full-year real GDP growth of 5.6%, supported by a rebound in agriculture, improved electricity supply and steady activity in key sectors. However, despite firm copper prices, the kwacha faced renewed depreciation pressure and the trade surplus narrowed. President Hakainde Hichilema launched the "Grow Zambia" agenda, prioritising production,

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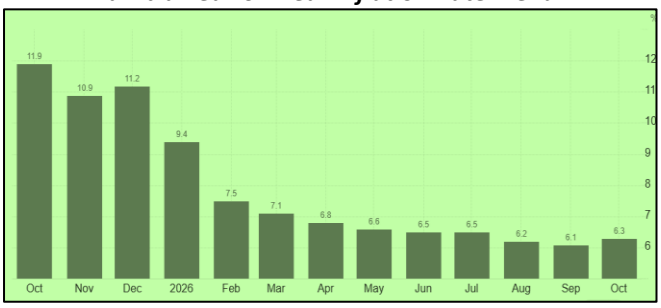
investment, job creation and energy infrastructure, alongside a K19.9 billion supplementary budget. The recovery is resilient, but sustaining it will depend on effective implementation of the agenda and prudent fiscal management into the 2027 budget cycle.

| Zambia Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 3.8 | 5.6 | 4.9 |
| **World Bank** *(Oct 2026)* | 3.8 | 5.6 | 4.9 |

Zambia's annual inflation rate ticked up to 6.3% in October 2026 from 6.1% in September. Non-food inflation quickened to 7.4% from 6.6% the month before, driven by higher global oil prices, a weaker kwacha, and the reintroduction of excise duty on fuel. VAT on petroleum products is scheduled to be reinstated on December 1, 2026. Meanwhile, food inflation slowed to 5.7% from 5.8% in September. On a monthly basis, consumer prices increased by 0.7%, up from a 0.4% rise in the previous month. The following graph illustrates the country's inflation trend.

***Zambia Year-on-Year Inflation Rate Trend***




***Source: Central Statistics of Zambia – October 2026***

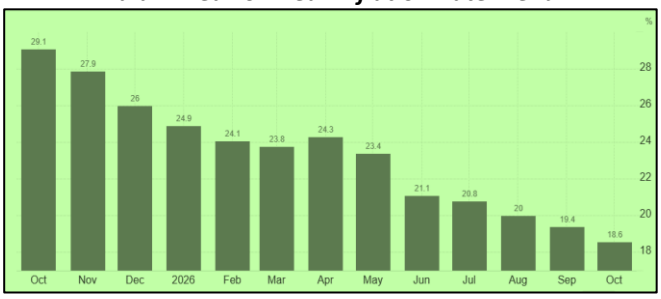
## 5.5. Malawi

Malawi's economic activity remains sluggish as persistent supply-side bottlenecks weigh on businesses and households. Acute foreign exchange shortages, with reserves remaining below one month of import cover, continue to restrict fuel and fertilizer imports, leading to ongoing fuel queues, power outages, and higher operating costs across manufacturing, transport, and retail. While the government is pushing agricultural commercialization, mining, and tourism under its Economic Recovery Plan, it has made progress in narrowing the fiscal deficit to 8.8% of GDP. Meanwhile, private-sector capacity stayed subdued following an underwhelming tobacco marketing season and reduced foreign aid inflows. As a result, full-year 2026 GDP growth projections remain modest at 2.6% to 2.7% according to the IMF and World Bank. The table below shows the latest growth projections:

| Malawi Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 2.5 | 2.6 | 2.3 |
| **World Bank** *(Oct 2026)* | 2.5 | 2.7 | 2.8 |

Meanwhile, Malawi's annual inflation rate continued to decline, falling to 18.6% in October 2026 from 19.4% in September 2026—the lowest level since April 2022. Non-food inflation slowed to 28.7% from 31.5% the month before. Food inflation, however, edged up to 12.8% from September's near five-year low of 12.5%. On a monthly basis, consumer prices rose by 1.6% in October, unchanged from September's increase.

***Malawi Year-on-Year Inflation Rate Trend***




***Source: National Statistical Office of Malawi – October 2026***

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# 6. Global Economy

## 6.1. Global Economic Outlook

The global economy remains defined by uneven growth, rising energy-driven inflation, and tighter financial conditions amid Middle East conflict and heavy artificial intelligence (AI) investment. According to the IMF, global growth is projected to slow to 3.1% in 2026 before picking up to 3.4% in 2027, while global inflation rises to 4.7% before easing to 4.1% next year. While AI capital spending and resilient trade volumes are supporting growth in major economies, energy market disruptions are pushing Brent crude above US$100 per barrel and lifting euro area inflation to 4.0% in October, per the European Commission. Renewed commodity and food price pressures have forced major central banks, including the Federal Reserve, European Central Bank, and Bank of Japan, toward rate hikes rather than easing, leaving heavily indebted governments with narrow fiscal margins to buffer households without stoking further inflation.

| Global Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 3.5 | 3.1 | 3.4 |
| **World Bank** *(Jun 2026)* | 2.9 | 2.5 | 2.8 |

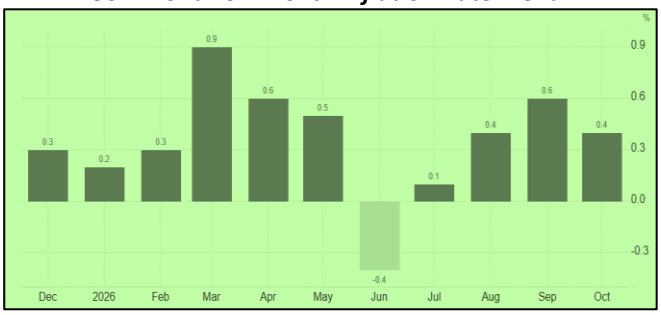
## 6.2. United States of America

The U.S. economy is balancing resilient growth with persistent inflation and tighter financial conditions. Economic momentum carried over from an annualized 3.4% Q3 GDP expansion, driven by steady consumer spending and heavy capital investment in artificial intelligence and data centres. Meanwhile, the labour market is maintaining a steady "low-hire, low-fire" equilibrium, with unemployment holding near 4.1%–4.2% and monthly payroll gains averaging roughly 80,000. On the inflation and policy front, price pressures stayed above the Federal Reserve's 2% target, keeping upward pressure on Treasury yields, fuelling expectations for potential rate hikes, and weighing on equity valuations and rate-sensitive sectors. Looking ahead, the durability of the U.S. expansion will hinge on whether AI-driven productivity and business investment can continue to offset the drag from elevated energy costs, sticky inflation, and higher-for-longer interest rates.

| USA Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | 2025 | 2026 | 2027 |
| **IMF** *(Oct 2026)* | 2.3 | 2.3 | 2.3 |
| **World Bank** *(Jun 2026)* | 2.1 | 2.2 | 2.1 |

On the inflation front, the US did not publish its annual CPI change for October 2026 alongside the November 10 release, after the Bureau of Labour Statistics (BLS) previously announced it would not report 12-month percentage changes for indexes missing October 2025 data. The federal government shutdown had prevented the collection and publication of CPI data for October 2025. Ahead of the release, market analysts had forecast annual headline and core inflation to rise to 3.9% and 2.8%, respectively, up from 3.7% and 2.6% in September. The Cleveland Federal Reserve's Inflation Nowcasting model, by contrast, had projected annual rates of 3.7% for headline CPI and 2.5% for core CPI. On a seasonally adjusted monthly basis, headline inflation slowed to 0.4% in October from 0.6% in September, though it still exceeded market expectations of 0.3%.

***USA Month-on-Month Inflation Rate Trend***




***Source: Federal Reserve – October 2026***

## 6.3. China

China's economy remained sharply divided between booming external trade and sluggish domestic demand. Robust export growth and high-tech manufacturing expansion helped offset moderating industrial output and pushed China's cumulative trade surplus past the $1 trillion mark. Conversely, weak consumer confidence kept retail spending nearly flat, while the ongoing property slump continued to weigh heavily on overall fixed-asset investment. With subdued consumer inflation alongside firmer producer prices and stable employment, heavy reliance on external demand leaves China's growth outlook vulnerable to global trade headwinds.

| China Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **World Bank** *(Oct 2026)* | 5.0 | 4.5 | 4.3 |
| **IMF** *(Oct 2026)* | 5.0 | 4.5 | 4.0 |

Meanwhile, China's annual inflation rate slowed to 0.7% in October 2026 from 0.9% in the previous month. Non-food inflation was unchanged overall, as faster transport costs—reflecting the pass-through of recent fuel price increases tied to higher global oil prices—were offset by softer inflation in

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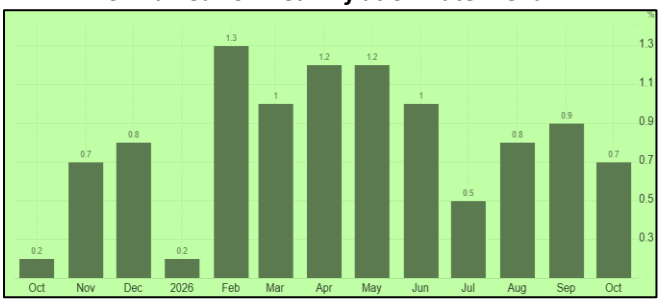
clothing and healthcare. Education costs rose somewhat faster, while housing prices remained weak. Food prices fell for a seventh consecutive month. On a monthly basis, consumer prices were flat, in line with forecasts, after a 0.2% rise in September. The following graph illustrates the country's inflation trend.

***China Year-on-Year Inflation Rate Trend***




***Source: National Bureau of Statistics of China– October 2026***

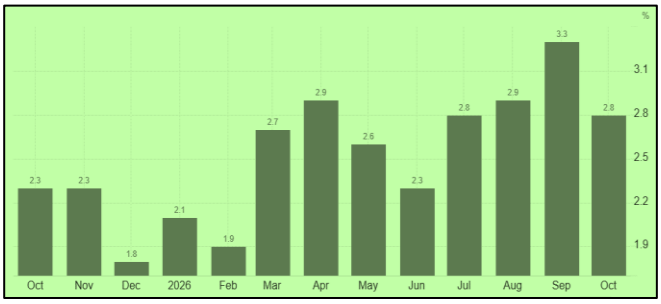
## 6.4. Germany

Germany's economic outlook brightened as both the Federal Government and the IMF raised their 2026 real GDP growth forecasts to 1.3% (followed by projected growth of 1.1% in 2027 and 0.6% in 2028), while the Business Climate Index climbed for a sixth straight month to 90.2, its highest level in over three years. Although cyclical momentum cooled slightly in the third quarter due to low waterway shipping levels and the unwinding of energy-intensive stockpiling, overall recovery has been supported by exports, defence and infrastructure spending. Still, elevated energy prices tied to Middle East disruptions, tighter financing conditions, and projected consumer inflation of 2.7% in 2026 and 3.0% in 2027 continue to weigh on current business conditions and underscore the need for ongoing structural and fiscal reforms.

| Germany Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 0.2 | 1.3 | 1.1 |
| **OECD** *(Jun 2026)* | 0.3 | 0.7 | 1.1 |

Germany's annual inflation rate fell to 2.8% in October 2026 from a near three-year high of 3.3% in September. The decline was partly driven by slower energy price growth after a fuel tax cut took effect at the start of October and is set to remain until the end of the year. Motor fuel prices rose more slowly, though heating oil prices picked up. Food inflation was unchanged at 0.4%. On a monthly basis, the CPI dropped 0.2%, reversing a 0.6% increase in September 2026.

***Germany Year-on-Year Inflation Rate Trend***




***Source: Federal Statistics Office – October 2026***

## 6.5. United Kingdom

UK economic activity gained momentum ahead of the Autumn Budget despite pre-Budget caution and Middle East geopolitical headwinds. Business surveys showed private sector output expanding at its fastest pace since February, led by stronger services demand and a two-year high in manufacturing activity supported by AI-related investment. While October payrolls dipped by 34,000, broader quarterly employment rose alongside 4.6% annual pay growth. The Office for Budget Responsibility is forecasting a real GDP growth of 1.25% in 2026 and 1% in 2027, as the government paired near-term household energy and business rates relief with £20.4 billion in public investment and targeted tax increases. Against this backdrop, below is a tabulated summary of economic growth projections as anticipated by other influential authorities.

| UK Economic Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 1.2 | 1.3 | 1.2 |
| **OECD** *(Jun 2026)* | 1.4 | 0.9 | 1.1 |

Meanwhile, the UK's annual inflation rate climbed to 3.6% in October 2026, up from 3.5% in September 2026. Transport contributed the most to the increase, with inflation accelerating to 7.5% from 6.6%, mainly due to motor fuels. Food inflation, meanwhile, slowed to 0.9% from 1.3%. Core CPI inflation held steady at 2.8%, goods inflation rose to 3.5%—its highest since September 2023—and services inflation remained at 3.7%. On a monthly basis, consumer prices increased 0.5%, after a 0.4% rise in September 2026.

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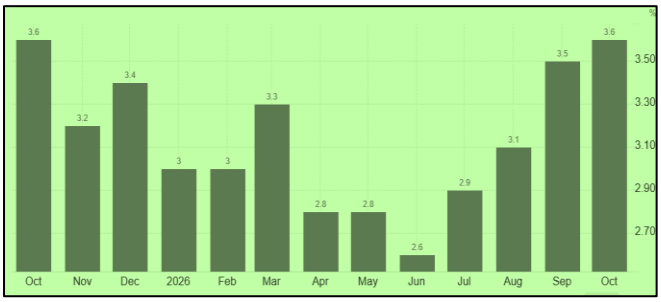
*UK Year-on-Year Inflation Rate Trend*




***Source: Office for National Statistics – October 2026***

## 6.6. United Arab Emirates

The UAE's economy remains defined by regional conflict and Strait of Hormuz shipping disruptions, which weighed on 2026 growth while driving up inflation ahead of an expected 2027 rebound. Official data released in October showed H1 2026 real GDP rose 0.4% year-on-year to AED 961.9 billion, supported by a 1.8% expansion in the non-oil sector which reached 79.2% of total GDP, even as the IMF's October 2026 World Economic Outlook projected a 3.9% full-year contraction before a 7.7% recovery in 2027. Meanwhile, Dubai headline inflation accelerated to 5.5% in October from 5.0% in September—driven by a 19.3% surge in transport costs and 9.1% food inflation—though the UAE's financial and investment fundamentals remained resilient, with total banking assets surpassing AED 5.815 trillion by the end of Q3 and UAE start-ups securing $507 million across 41 deals in Q3. The table below shows economic growth projections as anticipated by the IMF and World Bank.

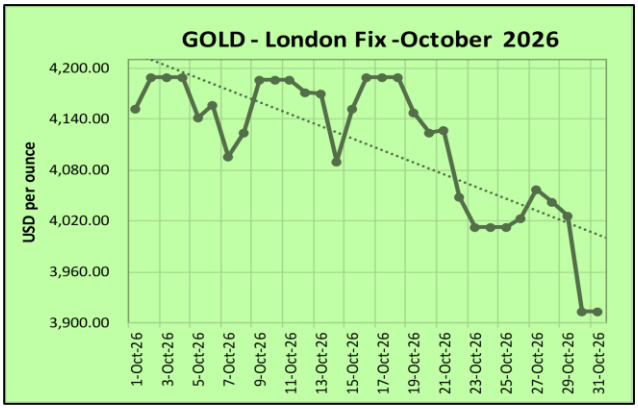
| UAE Growth Forecasts (%) | | | |
|---|---|---|---|
| **Year** | **2025** | **2026** | **2027** |
| **IMF** *(Oct 2026)* | 6.2 | -3.9 | 7.7 |
| **World Bank** *(Jun 2026)* | 6.2 | 2.4 | 4.1 |

# 7. Commodities Markets

| Commodity | Sept-26 Average Price (US$) | Oct-26 Average Price (US$) | Percentage Change |
|---|---|---|---|
| Gold (oz) | 4,332.18 | 4,110.09 | ▼5.1% |
| Platinum (oz) | 1,787.13 | 1,623.21 | ▼9.2% |
| Silver (oz) | 64.8 | 57.39 | ▼11.4% |
| Oil (barrel) | 101.9 | 108.38 | ▲6.4% |

## 7.1. Gold

Gold prices trended downwards in October 2026, continuing the prior month's bearish trend. On a monthly average basis, prices decreased by 5.1%, from US$4,4332.18/oz in September 2026 to US$4,4110.09/oz. This trend was largely due to hawkish Federal Reserve rate expectations, rising Treasury yields, a stronger US dollar, investor liquidation to cover tech stock losses, and broad position unwinding.




***Source: LBMA – October 2026***

## 7.2. Platinum

Platinum prices trended downwards in October 2026, dropping by 9.2% on a monthly average basis from US$1,787.13/oz in September 2026 to US$1,623.21/oz. The decrease was mainly due to persistent inflation and stronger-than-expected U.S. economic data keeping Federal Reserve interest-rate expectations higher for longer, alongside broader market liquidity pressures and technical selling below key support level

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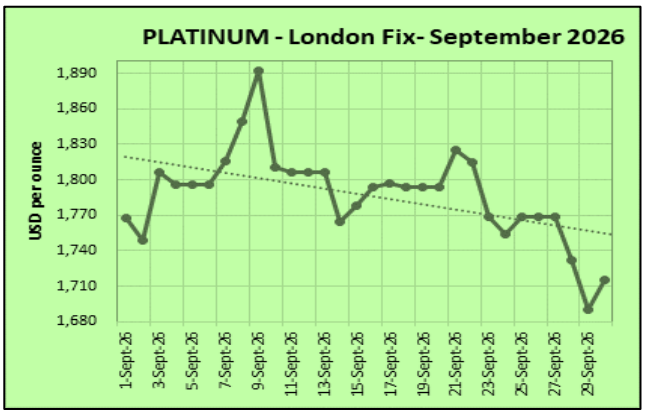
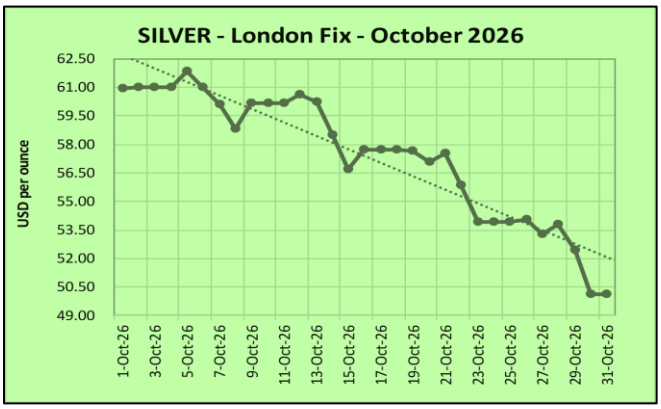



***Source: LBMA– October 2026***

## 7.3. Silver

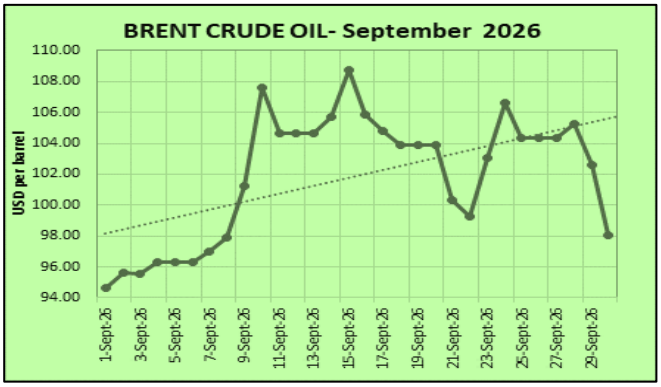
After slipping by 0.9% in September 2026, silver prices continued course in October, further slipping by 11.4% to a monthly average of US$57.39oz from US$64.80/oz in September 2026. The following graph depicts the daily silver price trend for the month under review.




***Source: LBMA– October 2026***

## 7.4. Crude Oil

On a monthly average basis, oil price increased by 6.4%, representing a deceleration from the 15.6% increase observed in September 2026, as the monthly average rose from US$101.90 to US$108.38per barrel. This has largely been driven by an escalation in the US-Israeli war on Iran and subsequent severe disruptions to Middle Eastern energy infrastructure and shipping. The following graph depicts the daily crude oil price trend for the month under review.




***Source: Oilprice.com – October 2026***

***Strategic insights and takeaways:***

- *Persistent disruptions in the energy market remain a major threat to developing countries with no solid buffers to absorb shocks. It remains critical to find alternative energy sources to reduce dependence on the volatile petroleum fuels*

END

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