

Monthly Economic Update

February 2026

TABLE OF CONTENTS

1. Zimbabwe Economic Performance	2	5.2. Botswana	10
1.1. Zimbabwe Economic Outlook	2	5.2.1. Botswana Economic Outlook	10
2. Zimbabwe Financial Sector	2	5.2.2. Botswana Interest Rates.....	10
2.1. Interest Rates.....	2	5.2.3. Botswana Exchange Rates	10
2.2. Foreign Currency Market	3	5.2.4. Botswana Economic Sectors	11
2.3. Zimbabwe Gold (ZiG) Exchange Rate	4	5.3. South Africa	12
2.4. Equity Markets	4	5.4. Zambia.....	12
3. Prices and Cost of Living	5	5.5. Malawi.....	13
3.1. Inflation	5	6. Global Economy	14
3.2. Poverty Datum Lines	6	6.1. Global Economic Outlook	14
4. Zimbabwe Economic Sectors.....	7	6.2. United States of America	14
4.1. External Sector	7	6.3. China	14
4.2. Mining Sector	7	6.4. Germany.....	15
4.3. Agriculture Sector.....	7	6.5. United Kingdom	15
4.4. Energy Sector	8	6.6. United Arab Emirates (UAE).....	16
4.5. Manufacturing Sector	8	7. Commodities Markets	17
4.6. Property Sector	8	7.1. Gold.....	17
4.7. Tourism Sector	9	7.2. Platinum	17
5. Regional Economies.....	10	7.3. Silver	17
5.1. Sub-Saharan Africa Economic Outlook	10	7.4. Crude Oil.....	17

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1. Zimbabwe Economic Performance

1.1. Zimbabwe Economic Outlook

The Zimbabwean economy is in a phase of improved but cautious stability, characterized by the continued stability of the ZiG and a single-digit annual inflation. Following a robust 2025, GDP growth for 2026 is projected to exceed 5%, supported by sustained strength in the mining and agricultural sectors as well as a stable macroeconomic environment. However, the hard-earned improvement in the inflation profile now faces significant external headwinds, risking a reversal amid rising oil prices, driven by heightened geopolitical tensions and oil supply disruptions in the Gulf Cooperation Council region. As a net importer of petroleum fuel, Zimbabwe is exposed to these global price shocks, which can feed into domestic transportation and production costs, potentially eroding recent gains in price stability.

Meanwhile, the recently released 2026 Monetary Policy Statement reinforces the targeted stability, with the Reserve Bank of Zimbabwe (RBZ) pledging to keep liquidity tight and align money supply growth with real economic activity. Major resolutions include the introduction of the upgraded "BIG 5" ZiG banknote series to improve durability and a directive to reduce banking cash withdrawal charges. Furthermore, the 2026 framework emphasizes deepening the use of ZiG, reducing the cost of doing business through financial sector reforms, and continuing to collaborate with fiscal authorities to ensure a mutually reinforcing policy environment, backed by an IMF Staff Monitored Program. Against this backdrop, the following table shows Zimbabwe's economic growth forecasts as projected by different authorities:

Zimbabwe Economic Growth Projections			
Year	2024	2025	2026
RBZ (Feb 2026)	1.7	6.6	5.0
IMF (Feb 2026)	1.7	6.6	5.0
World Bank (Jan 2026)	1.7	6.6	5.0

Strategic insights and takeaways:

- The continued collaboration between monetary and fiscal authorities, underpinned by the IMF Staff Monitored Program, provides a crucial credibility anchor. For investors and multilateral partners, this policy coherence signals a reduced risk of abrupt policy reversals, even as external headwinds intensify.
- Zimbabwe's economy shows a stronger growth outlook for 2026 (official and market estimates range from ~5% to 8.5%), driven by mining, agriculture and policy stability, but the recovery is fragile — inflation and

foreign currency (FX) remain key constraints and external shocks (oil, geopolitics, commodity prices) could quickly reverse gains.

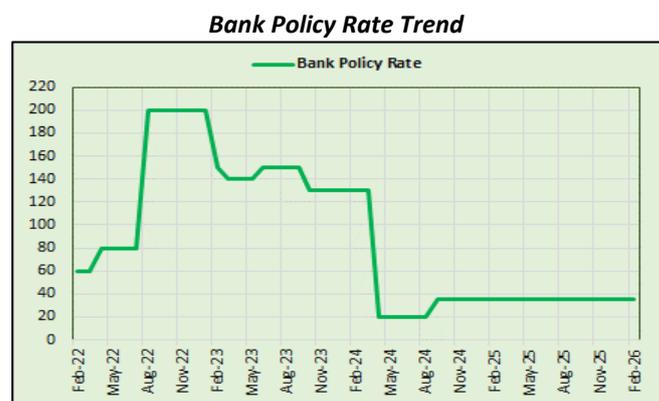
- Policy execution also remains key in the outlook dynamics. The outlook hinges on credible fiscal discipline, RBZ's FX management and timely social protection to avoid second-round effects.
- Informal sector dynamics: The economy remains largely informal. Large informal activity usually mute policy transmission: visible price stability and cash access are needed to shift behaviour.

2. Zimbabwe Financial Sector

2.1. Interest Rates

The 2026 Monetary Policy Statement was released on 27 February 2026 and maintained most of the previous measures in place relative to interest rates and statutory reserve requirements. RBZ maintained the bank policy rate at 35%; the statutory reserve requirements for demand and call deposits (both local and FX) at 30%; the statutory reserve requirements for savings and time deposits (both local and FX) at 15% and 30% for demand and call deposits (both local and FX).

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



Source: RBZ – February 2026

As of 20 February 2026, the weekly average minimum lending rates in local currency were recorded at 43.45% for individuals and 40.35% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 3.81%, 6.49%, and 6.70%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in ZWG.

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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
6-Feb-26	43.34	40.38	3.81	6.49	6.62
13-Feb-26	43.34	40.34	3.81	6.49	6.62
20-Feb-26	43.66	40.33	3.81	6.49	6.87
Average	43.45	40.35	3.81	6.49	6.70

Source: RBZ – February 2026

In US Dollar terms, the most recent weekly average minimum lending rates stood at 13.73% for individuals and 10.32% for corporates, whilst the latest average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 1.75%, 3.77% and 4.25%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in US\$.

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
6-Feb-26	14.07	10.27	1.75	3.69	4.18
13-Feb-26	13.58	10.35	1.75	3.69	4.18
20-Feb-26	13.54	10.33	1.75	3.92	4.40
Average	13.73	10.32	1.75	3.77	4.25

Source: RBZ – February 2026

Strategic insights and takeaways:

- Zimbabwe's interest-rate environment is best described as tight and transitional: the Reserve Bank has kept policy rates relatively high to anchor inflation expectations and defend the currency, which raises borrowing costs across the economy, compresses bank net interest margins where funding costs rise faster than asset yields, and slows credit growth—especially for riskier SME and informal-sector borrowers. At the same time, episodic liquidity and FX pressures mean rates can be volatile in the short term, prompting banks to price in higher risk premia, accelerate provisioning, and favour shorter-tenor lending; for households and firms this translates into more expensive mortgages and working-capital, greater reliance on informal credit, and stronger demand for hedging and foreign-currency savings until price and exchange-rate stability are visibly restored.

2.2. Foreign Currency Market

On a monthly average basis, the U.S. dollar broadly depreciated in February 2026, extending the trend from the previous month. It weakened against 16 of the 18 currencies in our basket, with its most significant depreciation against the Australian Dollar (-4.00%). Conversely, it registered its

strongest appreciation against the Hong Kong Dollar (+0.26%). The following table outlines these monthly changes, highlighting the continued evolution of global foreign exchange trends.

Exchange rate analysis (Monthly Averages)

Exchange Rate Analysis (Monthly Averages)			
Currency/US\$	Jan-26	Feb-26	Change (%)
Argentine Peso	1449.1388	1409.4944	-2.74
Australian Dollar	1.4775	1.4183	-4.00
Botswana Pula	13.4541	13.1657	-2.14
Brazilian Real	5.3524	5.2065	-2.73
British Pound	0.7402	0.7360	-0.55
Canadian Dollar	1.3787	1.3649	-1.00
Chinese Yuan Renminbi	6.9743	6.9136	-0.87
Euro	0.8524	0.8455	-0.82
Hong Kong Dollar	7.7955	7.8159	0.26
Indian Rupee	90.7321	90.7650	0.04
Japanese Yen	156.8054	155.0379	-1.13
Norwegian Krone	9.9611	9.5803	-3.82
Russian Ruble	78.1751	76.7922	-1.77
South African Rand	16.3107	16.0153	-1.81
Swedish Krona	9.1132	8.9857	-1.40
Swiss Franc	0.7907	0.7728	-2.26
South Korean Won	1454.9022	1448.4907	-0.44
Zimbabwean Gold	25.6910	25.6152	-0.30

Source: x-rates.com ; RBZ © ZB Financial holdings

Alternatively, when comparing month-ending exchange rates, the US exhibited some strength, gaining against 10 of the tracked currencies. The table below details these movements, providing insights into closing market dynamics.

Exchange Rate Analysis (End Period)

Exchange Rate Analysis (end period)			
Currency/US\$	30-Jan-26	28-Feb-26	Change (%)
Argentine Peso	1444.045884	1396.684326	-3.28
Australian Dollar	1.418959	1.405443	-0.95
Botswana Pula	13.04818	12.908212	-1.07
Brazilian Real	5.190661	5.132466	-1.12
British Pound	0.724278	0.741662	2.40
Canadian Dollar	1.349266	1.363931	1.09
Chinese Yuan Renminbi	6.948792	6.85904	-1.29
Euro	0.83568	0.846298	1.27
Hong Kong Dollar	7.805917	7.823536	0.23
Indian Rupee	91.793042	91.016361	-0.85
Japanese Yen	153.166168	156.02823	1.87
Norwegian Krone	9.539362	9.511736	-0.29
Russian Ruble	75.915422	77.285521	1.80
South African Rand	15.731086	15.915166	1.17
South Korean Won	1431.065397	1441.512841	0.73
Swedish Krona	8.807368	9.030055	2.53
Swiss Franc	0.764495	0.769355	0.64
Zimbabwean Gold	25.987	25.7733	-0.82

Source: x-rates; RBZ © ZB Financial holdings

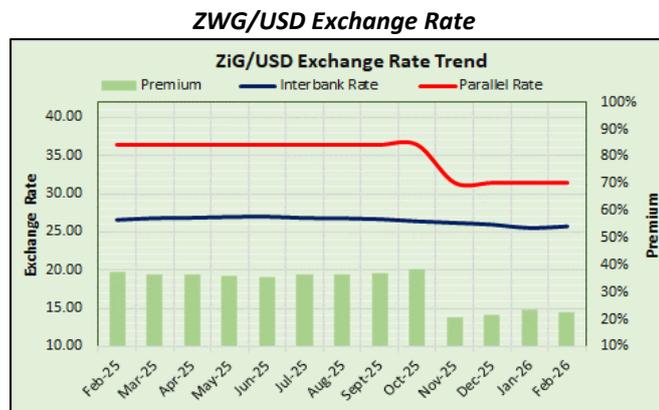
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Strategic insights and takeaways:

- *The US dollar's performance remains anaemic, influenced by escalating economic tensions between the United States and other global regions. This trend poses a significant challenge for dollarized economies such as Zimbabwe, as it translates into reduced export revenue values and eroded savings value.*

2.3. Zimbabwe Gold (ZiG) Exchange Rate

In February 2026, the Zimbabwe Gold (ZWG) remained broadly stable. On the official market, it depreciated slightly by 0.75% against the USD to ZWG25.77 from ZWG25.58 recorded at the end of January 2026. Meanwhile, the parallel market rate held steady at an average of ZWG31.50. Consequently, the modest depreciation of the official rate narrowed the exchange rate premium marginally from 23% to 22%. The chart below illustrates the movement of both interbank and parallel exchange rates from February 2025 to February 2026.



Source: RBZ & ZB Financial Holdings – February 2026

Strategic insights and takeaways:

- *While the exchange rate has been notably stable since the start of the year, the implementation of new monetary policy measures (including new currency note denominations and other liquidity-increasing initiatives) may introduce a degree of volatility during the market adjustment phase.*

2.4. Equity Markets

The Zimbabwe Stock Exchange (ZSE) maintained positive momentum in February 2026, with local-currency market capitalization rising 1.13% month-on-month, from ZWG110.65 billion to ZWG111.90 billion. In USD terms, market capitalization grew by 0.37%, from US\$4.33 billion to

US\$4.34 billion. The All-Share Index advanced by 0.1%, closing at 359.11 points, up from 356.04 in January 2026, reflecting a moderate bullish sentiment among investors.

Meanwhile, the Victoria Falls Stock Exchange (VFEX) also posted positive gains, with market capitalization increasing by 1.99% from US\$2.49 billion to US\$2.54 billion. Meanwhile, the All-Share Index for the USD-denominated bourse rose by 6.01% to 224.06 points, up from 211.36 in January 2026. The table below summarizes the monthly performance of both markets over the past four months:

ZSE and VFEX Market Performance Indicators

Date	ZSE Market Summary			VFEX Market Summary	
	All Share	Mkt Cap ZWG mil	Mkt Cap US\$ mil	All Share	Mkt Cap US\$ '000
Feb-26	224.06	111,894.24	4,341.48	224.06	2,541,968.92
Jan-26	211.36	110,645.38	4,325.36	211.36	2,492,344.81
Dec-25	177.12	87,257.33	3,358.54	177.12	2,097,160.57
Nov-25	174.68	74,763.01	2,854.63	174.68	2,085,310.86

Source: ZSE & VFEX – February 2026

Strategic insights and takeaways:

- *Markets continue to expand gradually, reflecting a growing appetite for the country's stocks. However, the growth remains modest, underscoring persistent structural liquidity constraints that hinder seamless trading.*

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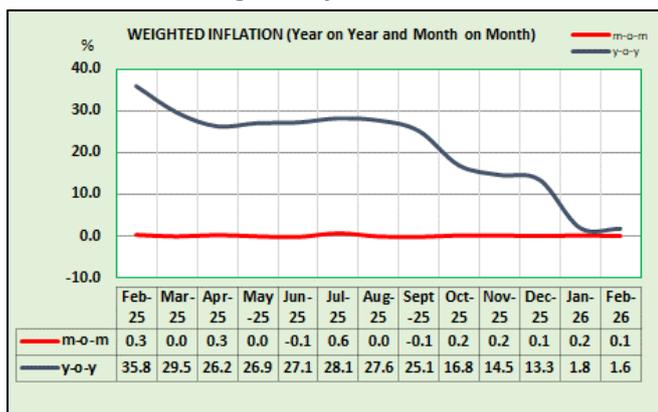
3. Prices and Cost of Living

3.1. Inflation

a. Weighted Inflation

The weighted year-on-year inflation rate for February 2026, as measured by the all-items Weighted Consumer Price Index (CPI), was 1.6%, down 0.2 percentage points from the January 2026 rate of 1.8%. Meanwhile, the weighted month-on-month inflation rate was 0.1%, down by 0.1 percentage points from the January 2026 rate of 0.2%. The monthly increase in the weighted index was primarily driven by upward pressure from three main categories: Hotels and Restaurants (+0.5%), Education (+0.5%), and Miscellaneous Goods and Services (+0.5%). In contrast, the Food and Non-Alcoholic Beverages category recorded a slight decline of 0.1%, providing a marginal offset to the overall inflationary trend. The following graph illustrates the current trend of weighted inflation in Zimbabwe.

Weighted Inflation Trend

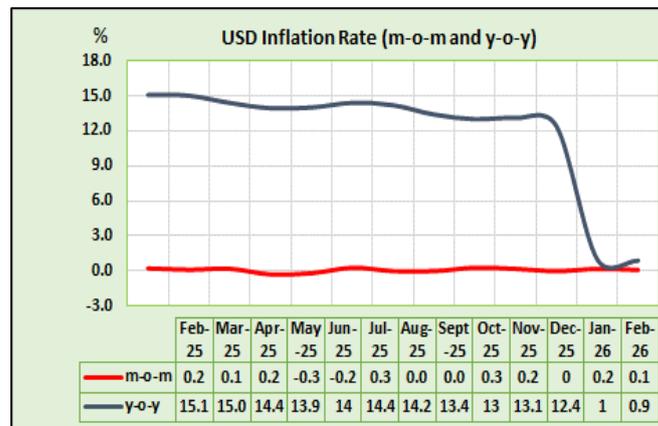


Source: ZIMSTATS – February 2026

b. USD Inflation

The USD year-on-year inflation rate for February 2026, as measured by the all-items USD CPI, was 0.9%, down by 0.1 percentage points from the January rate of 1.0%. On a month-on-month basis, the USD inflation rate for February 2026 was 0.1%, a 0.1 percentage point drop from the previous month's rate of 0.2%. The moderate increase in the US\$ price index was mainly driven by the increase in prices for Education, Hotel and restaurants, as well as Clothing & footwear. The graph below illustrates the recent trend in USD inflation in Zimbabwe.

Zimbabwe USD Inflation Trend

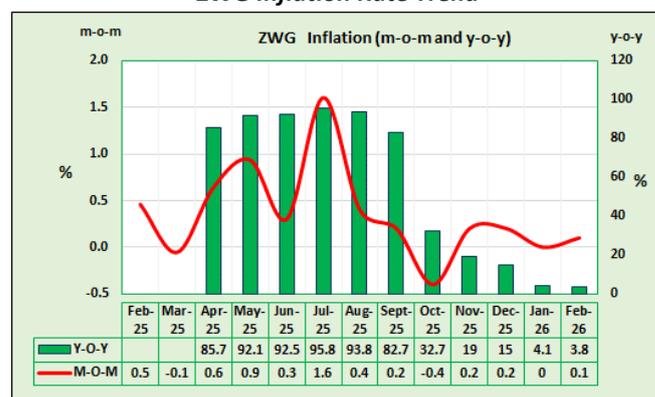


Source: ZIMSTATS – February 2026

c. ZiG Inflation

The ZWG year-on-year inflation rate for February 2026, as measured by the all-items ZWG CPI, was 3.8%, reflecting a 0.3 percentage point drop from the January 2026 rate of 4.1%. The weighted month-on-month inflation rate was 0.1% in February 2026, slightly up by 0.1 percentage points from the January 2026 rate of 0.0%. During the period under review, price increases were primarily driven by the Recreation and Culture, Restaurants and Hotels, and Miscellaneous Goods and Services categories, each recording a 1.0% rise in the price index. The graph that follows illustrates recent trends in ZWG inflation.

ZWG Inflation Rate Trend



Source: ZIMSTATS – February 2026

Strategic insights and takeaways:

- Inflation across all currency denominations remains contained and within target, reflecting overall price stability. However, as demand-inducing measures from the new monetary policy—such as increased mobile money transfer limits and introduction of new currency notes—begin to take effect, some short-term volatility may be witnessed as the market adjusts.

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- Zimbabwe remains exposed to fuel price shocks, exchange-rate swings and supply disruptions that can quickly raise transport and food costs. Oil price shocks emanating from escalating geopolitical tensions in the Middle East are also expected to trigger energy prices increases disrupting the current headline inflation profile.

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 negligibly by ZWG0.01 to ZWG1,307.02 in February 2026, up from ZWG1,307.01 in January 2026. For a standard household of six, this equates to ZWG7,842.12 per month.

Meanwhile, the Food Poverty Datum Line (FPDL), measuring the cost to meet a basic daily-nutritional requirement of 2,100 calories per person, decreased by 0.1% to ZWG894.01 from ZWG895.15 in January 2026. For a six-member household, this amounts to ZWG5,364.06, representing roughly 68.4% of the total household consumption poverty line. Below is a tabulated summary of the poverty datum lines for the past five months:

Month	TCPL	% Change	FPDL	% Change
Oct-25	1,295.30	0.2	883.28	0.7
Nov-25	1,300.95	0.4	889.10	0.7
Dec-25	1,306.23	0.4	894.16	0.6
Jan-26	1,307.01	0.1	895.15	0.1
Feb-26	1,307.02	0.0	894.01	-0.1

Source: ZIMSTATS – February 2026

Strategic insights and takeaways:

- The marginal decline in food costs offers some relief, but the structural reality remains that the cost of survival is prohibitively high, with food consuming most household income, leaving families with zero fiscal buffer against future shocks.

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4. Zimbabwe Economic Sectors

4.1. External Sector

Latest data from ZIMSTAT indicate that Zimbabwe’s merchandise exports decreased by 15.1% to US\$969.4 million in January 2026, from US\$1.14 billion in December 2025. Among the top ten products exported in January 2026 were Semi-manufactured gold (51.5%), tobacco (24.3%), and Nickel mattes (7.5%).

On the import side, merchandise imports decreased to US\$855.7 million, down 5.1% from US\$901.5 million in the previous month. Mineral fuels (22.3%), Machinery & mechanical appliances (13.5%), Electrical machinery (8.5%), Cereals (5.8%), and fertilizers (5.5%) were among the top ten products imported.

As a result, Zimbabwe recorded a 52.7% decrease in trade surplus, which stood at US\$113.7 million in January 2026, compared to US\$240.2 million recorded in December 2025. The graph below illustrates trends in external trade statistics since January 2025.



Source: ZIMSTATS- February 2026

Strategic insights and takeaways:

- While elevated gold prices have helped Zimbabwe achieve a continued external trade surplus, this positive position is vulnerable. To ensure long-term stability, the country must urgently pursue export diversification to protect against a potential downturn in the gold market.

4.2. Mining Sector

Zimbabwe’s mining sector is spearheading a robust economic recovery, with projected 6.3% growth fuelled by record gold production and a strong rebound in platinum group metals and lithium, setting the stage for mineral exports to exceed US\$6.5 billion in 2026. The industry is

experiencing increased capacity utilization, approaching 95%, as the government intensifies its focus on beneficiation and value addition, evidenced by the commissioning of the Manhize steel plant and new 2026 fiscal policies, including increased levies and some bans on raw mineral exports. While the sector benefits from improved investment inflows and rising global commodity prices, sustained growth depends on mitigating energy shortages, stabilizing the ZiG currency, and addressing the 30% export surrender requirements.

News and Highlights in the Mining Sector.

- The government announced an immediate, indefinite ban on the export of all raw minerals, specifically targeting lithium concentrates, to ensure in-country value addition.
- The Reserve Bank of Zimbabwe (RBZ) maintained the 30% export surrender requirement for miners while introducing a new 10% surrender requirement for small-scale gold miners to bring them into the formal system.
- Zimplats commissioned an expanded smelter facility in February, tripling its concentrate processing capacity to 380,000 tonnes per year.

4.3. Agriculture Sector

Zimbabwe’s agricultural sector continues to recover. The 2025/26 season saw record-breaking planting areas, that is, 1.88 million hectares of maize and a record 164,000 hectares of tobacco. However, a mid-season dry spell in early February introduced moisture stress at a critical growth stage, compromising plant development and diminishing yield prospects. Despite these climatic hurdles and high fertilizer costs, the widespread adoption of climate-proofing models like Pfumvudza/Intwasa and a robust winter wheat plan targeting 662,500 tonnes suggests a favourable harvest. Meanwhile, the sector's export profile continues to diversify, with Zimbabwe now ranked among the top five global blueberry producers, signalling a shift toward high-value horticultural growth despite infrastructure challenges in rural distribution networks.

News Highlights in the Agriculture Sector.

- A new digital system has reduced tobacco payment times to a record 30 minutes after sales are concluded, since the 2026 marketing season opened on 4 March.
- Commercial raw milk production reached a 23-year high of 122 million litres in 2025, paving the way for self-sufficiency in 2026nm.

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- Philip Morris International (PMI) returned to Zimbabwe after two decades, signalling renewed investor confidence in the sector, providing technical support to 120,000 smallholder farmers.
- The Presidential Fisheries Scheme saw a surge in fish farming, with 400,000 fingerlings distributed and the number of fish farmers expanding, according to March 2026 reports.

- Centragrid Private Limited was celebrated as an Outstanding Private Sector Developer for its 25MW utility-scale solar PV plant in Nyabira, during the 2026 SADC Sustainable Energy Week.
- Construction of a 600 MW floating solar project on Lake Kariba is scheduled to begin in the second quarter of 2026.
- A new 750-kilowatt solar plant was commissioned at Mater Dei Hospital in Bulawayo.
- Water levels at Lake Kariba are reported to be rising, with improved rainfall performance resulting in 10.08 billion cubic metres of usable storage for electricity

4.4. Energy Sector

Despite the global shift toward green energy, the demand for and consumption of fossil fuels remains high in Zimbabwe. Recent statistics reveal that annual petroleum fuel consumption surged to over 2.1 billion litres in 2025, up from 1.6 billion litres in 2024. This sharp rise is largely attributed to increased demand from the mining, agriculture, transport, and manufacturing sectors, compounded by persistent electricity shortages. The trend highlights the country’s slow transition to sustainable energy alternatives—such as solar power and electric vehicles—primarily hindered by financial constraints.

Meanwhile, February 2026 experienced a 12.1% increase in average daily electricity generation, rising to 1,228 MW from 1,096 MW in the previous month. This rise is mainly due to higher power output at Hwange Power Station, which saw a 17.9% month-on-month increase. At Kariba, the average daily power supply stayed steady at 250 MW, while it decreased for Independent Power Producers by 9.4%. Despite the overall increase in daily average production, electricity supply remains significantly below the national peak demand of around 2,200 MW, indicating ongoing deficits that lead to frequent blackouts across the country. Below is a summary table showing the average daily electricity supply for the reviewed month.

Average Daily Electricity Supply in Megawatts

Power Station	Jan-26	Feb-26	Change
Hwange	776	914	▲ 17.9%
Kariba	250	250	▲ 0.0%
IPPs	70	64	▼ 9.4%
Total	1,096	1,228	▲ 12.1%

Source: ZPC – February 2026

News Highlights in the Energy Sector

- The Zimbabwe Energy Regulatory Authority (ZERA) announced a significant increase in fuel prices effective 4 March 2026, with diesel rising to US\$1.77 per litre and petrol to US\$1.71, driven by global supply disruptions.

4.5. Manufacturing Sector

The Zimbabwean manufacturing sector remains a central pillar of the nation's 5% GDP growth target, driven by the newly launched Zimbabwe National Industrial Development Policy 2 (ZNIDP2). While capacity utilization has climbed toward 60%, the sector faces a complex landscape defined by a push for a 24-hour economy against a backdrop of high borrowing costs and persistent infrastructure gaps. Growth is currently spearheaded by agro-processing and the burgeoning steel manufacturing ecosystem, yet the sustainability of this momentum depends heavily on the government’s ability to stabilize energy supply and ease the taxation pressures introduced in the 2026 National Budget.

4.6. Property Sector

The decentralisation of commercial activity continues, with businesses and medical practices abandoning Harare’s CBD for suburban areas like Avondale, Borrowdale, and Mt Pleasant. This flight has left the city centre with an over 60% vacancy rate, prompting local authorities to explore tax incentives to lure tenants back. In contrast, residential demand remains robust, sustained by a national housing backlog exceeding 1.2 million units and strong diaspora investment, which keeps rental yields competitive. A landmark development was the listing of the Pfuma Real Estate Investment Trust (REIT) on the Victoria Falls Stock Exchange on 4 February—the country’s first retail-focused REIT—offering USD-denominated exposure with projected gross yields of 7–8%. Meanwhile, the government is advancing housing delivery through schemes like the Rangemore Presidential Project in Bulawayo, where over 400 units have been completed, though broader delivery is hampered by land allocation bottlenecks and a city-wide land freeze.

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News Highlights in the Property Sector

- Through the Accelerated Presidential Housing Scheme, the government is targeting 4,000 houses for civil servants in Emthunzini and Rangemore, on the outskirts of Bulawayo.

4.7. Tourism Sector

Zimbabwe, under its National Development Strategy 2 (NDS 2), is actively working to boost international perceptions and attract a wider range of global visitors. This strategic shift underscores the country's commitment to sustainable growth and enhanced tourism experiences, ensuring it becomes a key destination on the global tourism map. An ambitious target of US\$5 billion in annual receipts, 500,000 jobs, and a globally recognised Brand Zimbabwe by 2030 has been set and is expected to catalyse downstream economic activity, support community-based tourism enterprises, and position the sector as a leading contributor to foreign currency earnings and inclusive employment creation.

News Highlights in the Tourism Sector

- Zimbabwe successfully hosted the 2026 SADC Sustainable Energy Week at Elephant Hills Hotel, Victoria Falls, underscoring the country's capacity to host high-profile regional events, reinforcing Victoria Falls' status as a premier MICE (Meetings, Incentives, Conferences, Exhibitions) tourism destination.
- The Zimbabwe tourism Minister won the Tourism Minister of the Year Award - Africa at the 2026 PATWA Awards at ITB Berlin

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5. Regional Economies

5.1. Sub-Saharan Africa Economic Outlook

The Sub-Saharan African economy is defined by a resilient yet uneven recovery, with regional growth projected to accelerate to approximately 4.6% as inflationary pressures finally begin to recede. While East African leaders like Kenya and Ethiopia drive momentum through diversification into services and the digital economy, the broader region remains tethered by a debt sustainability crisis, with over 20 nations facing high distress and interest payments consuming nearly a quarter of government revenues. Monetary policy has shifted towards a cautious pause or easing as single-digit inflation returns to markets like Zambia and Zimbabwe, yet structural hurdles—including the expiration of AGOA trade preferences, persistent food insecurity, and infrastructure gaps—continue to limit the pace of poverty reduction and private sector expansion. The following table shows Sub-Saharan Africa’s economic growth forecast.

Sub-Saharan Africa Economic Growth Forecasts (%)			
Year	2025	2026	2027
IMF (Jan 2026)	4.4	4.6	4.6
World Bank (Jan 2026)	4.0	4.3	4.5

Strategic insights and takeaways:

- The expiration of AGOA trade preferences serves as a critical pivot point, forcing a strategic move toward the AfCFTA framework and other internal regional value chains to mitigate external trade shocks.

5.2. Botswana

5.2.1. Botswana Economic Outlook

Botswana’s economic outlook is defined by a cautious recovery, with Real GDP projected to grow by 3.1% following two years of contraction, according to the Ministry of Finance. This rebound is heavily reliant on non-mining sectors like tourism and agriculture to offset a slump in the diamond market, where low global demand and competition from lab-grown stones have left revenues at a fraction of historical averages. Fiscal pressure is a primary concern, as the 2026/27 Budget anticipates a significant P26.35 billion deficit and rising public debt, prompting the government to propose higher corporate and personal income taxes, along with new VAT measures for digital services. The following table shows Botswana’s economic growth forecast:

Botswana Economic Growth Forecasts (%)			
Year	2024	2025	2026
MoF (Feb 2026)	-3.0	-0.4	3.1

IMF (Dec 2025)	-3.0	-1.0	2.3
World Bank (Jan 2026)	-3.0	-3.0	2.3

Strategic insights and takeaways:

- While necessary for addressing the budget deficit, the proposed fiscal measures risk slowing the economy by crowding out the private sector and curbing consumer spending. Policymakers must therefore carefully balance fiscal discipline with the need for growth.

5.2.2. Botswana Interest Rates

The Central Bank of Botswana left its benchmark interest rate unchanged at 3.50% during its meeting held on February 26, 2026, maintaining the current stance for the second consecutive time. The decision aims to support the domestic economy amid ongoing global uncertainty, while keeping inflation within the central bank's target range of 3%-6% over the medium term.

Botswana Benchmark Interest Rate Trend

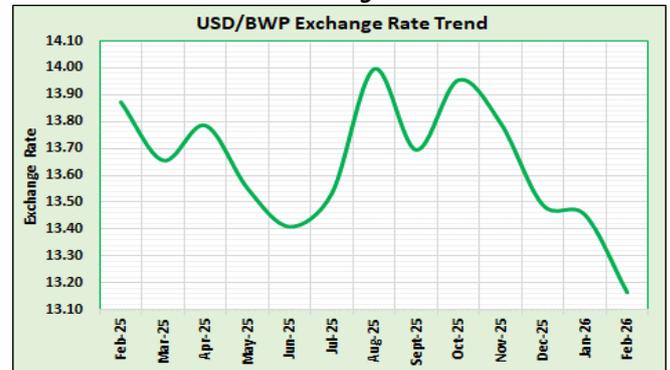


Source: Central Statistics Office, Botswana – February 2026

5.2.3. Botswana Exchange Rates

The Pula remains stable, trading within a range of BWP13.00 to BWP14 per dollar for over a year. In the reviewed month, the Pula accelerated its upward trend against the USD, recording a 2.2% gain after a more modest 0.28% increase in the prior month. The graph below clearly illustrates the USD: BWP exchange rate trend for the past year.

Botswana Exchange Rate Trend



Source: Reserve Bank of Botswana – February 2026

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Strategic insights and takeaways:

- Despite economic meltdown on account of a failing diamond sector, the Pula remains firm, highlighting its resilience. This underscores the nation's remarkable economic stability and the resilience of its broader financial system.

5.2.4. Botswana Economic Sectors

i. External Sector

The most recent data indicate that Botswana's merchandise exports declined to BWP4.64 billion in December 2025, representing a 47.1% decrease from BWP8.76 billion recorded in November 2025. The export basket was dominated by diamonds (65.0%), copper (20.4%), salt & Soda Ash (2.8%), and machinery (2.8%).

On the import side, merchandise imports fell to BWP6.4 billion in December 2025, down 15.0% from BWP7.53 billion in November 2025. Major import categories included Electrical Equipment (19.6%), Fuel (18.2%), and Food, Beverages & Tobacco (17.3%).

As a result, the external trade account recorded a deficit of BWP1.8 billion in December 2025, in contrast to the BWP1.2 billion surpluses recorded in the previous month. Below is a graph illustrating all these trade dynamics.

External Trade Statistics



Source: Central Statistics Office, Botswana – February 2026

Strategic insights and takeaways:

- Diamonds continue to substantially dominate the nation's export basket, underscoring that magnified efforts will be required if the nation is to achieve the targeted diversification level.

ii. Mining Sector

Botswana's mining sector continues to undergo a necessary structural transition, shifting from a diamond-dependent model toward a more diversified portfolio. This drive for diversification is intended to revitalize the sector in response

to sustained pressure from low diamond sales. The strategy is characterized by a pivot toward base metals and an increased focus on local processing.

News and Highlights in the Mining Sector

- A major policy shift requiring that key resources, including diamonds and copper, be processed within Botswana before being sold abroad has been implemented.
- Lucara Diamond Corp reported that it expects revenue from its Karowe mine to fall sharply in 2026, forecasting between \$100 million and \$130 million, down from 2025 levels
- The Botswana Mining & Energy Conference & Expo is scheduled for March 16–17, 2026, in Gaborone.
- Botswana Diamonds has been renamed to Botswana Minerals 44aPlc, reflecting its expanded focus on all critical minerals.
- HMS Bergbau AG's Maatla coal mine started production of high-energy export coal, targeting an initial 1.2 million tonnes annually.

Strategic insights and takeaways:

- The gradual practical implementation of mining sector diversification plans is restoring confidence in Botswana's potential for economic turnaround. This positive momentum potentially generates many investment opportunities across multiple sectors, including mining, finance, construction, etc.

iii. Agriculture sector

The agricultural sector in Botswana is undergoing a strategic reorientation aimed at shifting from a subsistence-dominated, import-dependent model to an export-led, technology-driven industry. This push is central to the Botswana Economic Transformation Programme (BETP), with the government setting an ambitious target to raise agriculture's contribution to GDP from 2 percent to 6 percent.

News Highlights in the Agriculture Sector

- For the first time in five years, the Botswana Meat Commission (BMC) recorded a profit (P54 Million), signalling a potential turnaround in the efficiency and viability of the national beef industry.
- Botswana has eased restrictions on vegetable imports from South Africa, allowing the resumption of cross-border supply of fresh vegetables.

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iv. Reinsurance

The industry is gaining regional prominence following the relocation of Continental Re’s holding company to Gaborone and governance reforms like BIHL’s new constitution, which aims to boost investor transparency. While the recent period of high premiums and strict coverage rules is beginning to ease, reinsurers remain focused on disciplined underwriting and using AI-driven analytics to manage risks. Despite these gains, the sector faces headwinds from rising government debt and a cautious outlook on public infrastructure, shifting the strategic focus toward private-sector commercial lines as the March 2026 financial reporting cycle approaches.

Strategic insights and takeaways:

- In 2026, portfolios will be most resilient if they shift focus from risky government-dependent projects to private-sector commercial investment, which is expected to drive a GDP rebound.

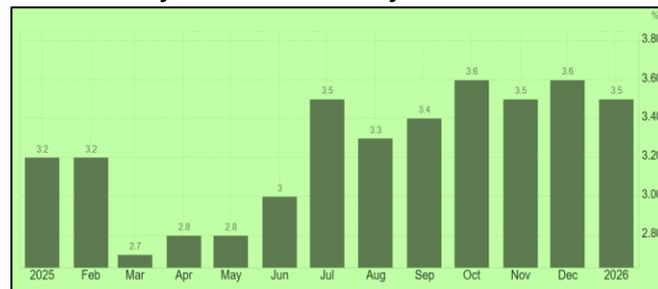
5.3. South Africa

South Africa's economy is characterized by modest recovery and persistent structural challenges. The IMF projects a growth of 1.4% in 2026, supported by resilient private consumption and investment from structural reforms, after recording 1.3% growth in 2025. The fiscal outlook is concerning with public debt projected to rise further, reaching 78.5% of GDP in 2026, despite narrowing deficits. Against this backdrop, South Africa's path to higher and more inclusive growth hinges on credible fiscal consolidation to stabilize debt, resolute implementation of electricity and logistics reforms to remove critical growth bottlenecks, and sustained efforts to improve the business environment and labour market flexibility. The following table shows South Africa’s annual economic growth forecast as projected by some notable institutions.

South Africa Economic Growth Forecasts (%)			
Year	2024	2025	2026
IMF (Feb 2026)	0.5	1.3	1.4
World Bank (Jan 2026)	0.6	1.3	1.4

Meanwhile, the latest data show that in January 2026, South Africa's annual inflation rate declined slightly to 3.5%, down from 3.6% in December 2025. This easing was primarily driven by lower transportation costs. However, price pressures remained strong in major categories such as housing and utilities, as well as food and non-alcoholic beverages. On a month-on-month basis, the Consumer Price Index rose by 0.2%, unchanged from the previous month's increase. The graph that follows illustrates the country's inflation trend.

South Africa Year-on-Year Inflation Rate Trend



Source: Statistics South Africa – February 2026

5.4. Zambia

The IMF-supported program has been completed in Zambia and marks a significant achievement featured by advanced public debt restructuring, strong international reserves, and an intact disinflationary trend. However, growth momentum slowed with estimates for 2025 revised down to 4.5%, hampered by mining sector weakness and persistent energy constraints. For 2026, growth is projected at 5.5%, and while it offers medium-term optimism, it is heavily reliant on a normalization of agricultural output rather than broad-based structural gains. With global oil price volatility and geopolitical tensions threatening to reignite inflation and currency depreciation, the government is urged to resist unsustainable spending and instead focus on building fiscal buffers to preserve stability. The following table shows Zambia’s annual economic growth forecast:

Zambia Economic Growth Forecasts (%)			
Year	2024	2025	2026
IMF (March 2026)	3.8	4.5	5.5
World Bank (Jan 2026)	3.8	5.2	5.8

On the inflation front, Zambia's annual inflation rate for February 2026 dropped to 7.5%, down from 9.4% in the previous month. The decline was driven by moderating price increases across most major categories, most notably in food and non-alcoholic beverages, housing and utilities, household furnishings and maintenance, clothing and footwear, transport, and miscellaneous goods and services. On a monthly basis, consumer prices rose by 0.6%, slightly accelerating from the 0.5% increase seen in January 2026. The graph that follows illustrates the country’s inflation trend.

Zambia Year-on-Year Inflation Rate Trend

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Source: Central Statistics of Zambia – February 2026

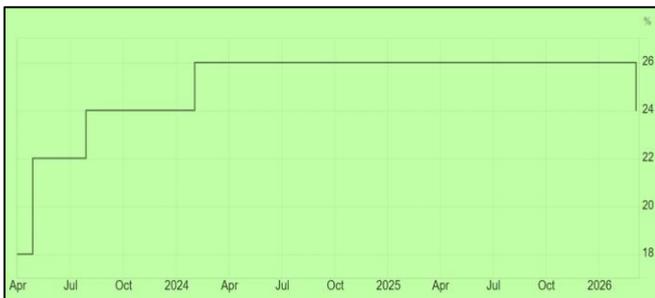
5.5. Malawi

Malawi’s economic landscape has been defined by a fragile recovery as the government pivots toward aggressive fiscal consolidation under the new 2026/27 National Budget, which targets a deficit reduction to 9% of GDP. While the Reserve Bank of Malawi recently implemented a shift towards policy easing by cutting the policy rate, inflation remains a persistent hurdle, significantly eroding household purchasing power. The economy faces a "growth trap" where projected GDP expansion of 2.7% fails to outpace population growth, and although favourable rainfall supports a promising tobacco and maize harvest, chronic foreign exchange shortages and a massive debt-to-GDP ratio exceeding 90% continue to stifle private sector credit and essential imports. The following table displays Malawi's economic growth projections:

Malawi Economic Growth Forecasts (%)			
Year	2024	2025	2026
IMF (Nov 2025)	1.8	2.4	2.7
World Bank (Jan 2026)	1.7	1.9	2.6

In the pursuit of an energized economy, interest rates have been reduced from 26% to 24%, as shown by the illustration below.

Malawi Benchmark Interest Rate



Source: Reserve Bank of Malawi – February 2026

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6. Global Economy

6.1. Global Economic Outlook

The global economy has been demonstrating resilience, with the IMF holding its 2026 growth projection steady at 3.3%. However, this stable outlook is threatened by escalating geopolitical tensions in the Middle East, particularly the conflict involving the U.S., Israel, and Iran. The immediate economic repercussions include sharp oil price shocks, declines in major stock indices, and a downturn in tourism and aviation, among others. These shocks arrive amidst existing headwinds, compounding vulnerabilities created by persistent trade disputes and high global debt. The surge in energy prices threatens to reignite inflation, undoing the post-pandemic progress toward price stability. Consequently, central banks are being forced to reconsider their policy stances, with the IMF urging them to "think the unthinkable" as they navigate this increasingly precarious environment. The following table displays Global economic growth projections:

Global Economic Growth Forecasts (%)			
Year	2025	2026	2027
IMF (Jan 2026)	3.3	3.3	3.2
World Bank (Jan 2026)	2.7	2.6	2.7

Strategic insights and takeaways:

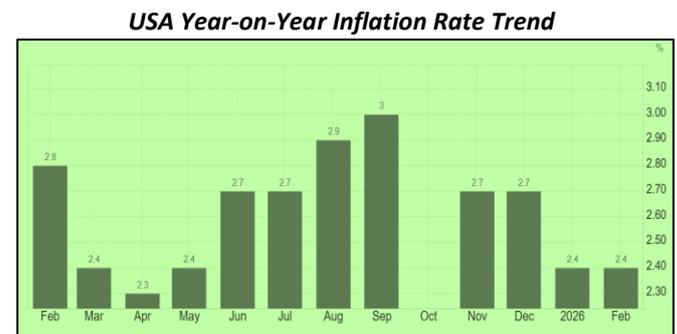
- Ongoing global headwinds present a dual risk for Zimbabwe: higher import costs could drive up domestic prices, while weaker demand for exports would reduce much-needed revenue.

6.2. United States of America

The USA's administration is pursuing economic self-reliance through tariffs, domestic manufacturing incentives, reduced energy dependence, and tighter immigration, which is reshaping the economic landscape. Nevertheless, while intended to boost living standards, higher tariffs have been distorting productive sectors, disrupting global supply chains, and eroding the benefits of global trade. Meanwhile, financial conditions remain loose, with equities near all-time highs, providing a cushion against policy uncertainty and supporting an IMF growth forecast of 2.4 percent for 2026. However, this positive outlook is tempered by escalating global conflicts, driving increased military expenditure, which adds further strain to an already challenging fiscal picture. The current account deficit, while projected to narrow modestly, remains elevated, and the federal deficit is poised to exceed 6 percent of GDP, ensuring the debt-to-GDP ratio climbs steadily. The following table summarises the USA's economic growth projections as anticipated by different authorities:

USA Economic Growth Forecasts (%)			
Year	2025	2026	2027
IMF (Feb 2026)	2.2	2.6	2.1
World Bank (Jan 2026)	2.1	2.2	1.9

Meanwhile, in February 2026, the US annual inflation rate held steady at 2.4% for the second consecutive month. A rebound in energy prices, driven by a smaller decline in gasoline and increases in fuel oil and natural gas, was offset by a sharper decline in used car and truck prices. Inflation for food and shelter remained stable. On a monthly basis, the CPI rose by 0.3%, a slight acceleration from the 0.2% increase in January. Annual core inflation, which excludes food and energy, was broadly unchanged at 2.5%. The graph that follows illustrates the country's inflation trend.



Source: Federal Reserve – February 2026

6.3. China

China's economic performance reflects a strategic "two-speed" recovery, where a surging high-tech export sector contrasts with a persistent domestic property slump. While the government set a conservative 2026 GDP growth target of 4.5%–5.0% under the new 15th Five-Year Plan, industrial output remains resilient, bolstered by a jump in exports—particularly in semiconductors and electric vehicles. This external strength is supporting foreign reserves to get back up, yet the broader economy continues to face headwinds from a contraction in private real estate investment and very low home sales. Consequently, the country's outlook remains cautious, balancing technological self-reliance and robust trade against the ongoing need for more aggressive fiscal measures to revive sluggish household demand. The following table displays China's economic growth projections:

China Economic Growth Forecasts (%)			
Year	2025	2026	2027
World Bank (Jan 2026)	4.9	4.4	4.2
IMF (Jan 2026)	5.0	4.5	4.0

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Meanwhile, in February 2026, China's annual inflation rate rose to 1.3%, a significant increase from 0.2% in January. This uptick was primarily influenced by the Lunar New Year holiday, which pushed up prices in categories such as food, clothing, healthcare, and education. Meanwhile, transport costs saw a much slower decline, even as the drop in housing prices accelerated slightly. On a monthly basis, consumer prices climbed 1.0%, accelerating sharply from 0.2% in January and marking the largest monthly increase since February 2024. The graph that follows illustrates the country's inflation trend.

China Year-on-Year Inflation Rate Trend



Source: National Bureau of Statistics of China – February 2026

6.4. Germany

Germany's economic recovery is gaining stability following 0.3% GDP growth in Q4 2025, with domestic demand and government stimulus, particularly defence and infrastructure spending, now serving as the primary growth engines. While industrial output moderated with a sharp decline in December 2025, a 7.8% surge in new orders, fuelled by large domestic contracts, signals a clear industrial turnaround. Business sentiment is cautiously brightening, with improving manufacturing expectations offsetting a slight slowdown in the services sector, while consumer sentiment is also gradually rising from a low base, supported by recent wage increases. Moreover, foreign trade provided a positive year-end impulse, with goods exports recording their largest monthly increase in over four years. However, Germany's external surplus fell sharply by 36% in 2025 amid fragile global trade conditions and persistent geopolitical uncertainty. The following table shows Germany's economic growth projections:

Germany Economic Growth Forecasts (%)

Year	2025	2026	2027
IMF (Jan 2026)	0.2	1.1	1.5
OECD (Dec 2025)	0.3	1.0	1.5

In February 2026, Germany's annual inflation rate edged down to 1.9% from 2.1% in January. The decline was driven

by a slowdown in goods and food inflation, alongside a faster drop in energy prices. Services inflation remained stable at 3.2%, while core inflation—which excludes food and energy—held steady at 2.5%. On a month-on-month basis, consumer prices rose by 0.2% in February, slightly accelerating from a 0.1% increase in January. The graph that follows illustrates the country's inflation trend.

Germany Year-on-Year Inflation Rate Trend



Source: Federal Statistics Office – February 2026

6.5. United Kingdom

The UK is navigating 2026 on a weak footing following a sluggish 2025 marked by 1.4% growth and an alarming unemployment rate of 5.2%. The Office for Budget Responsibility projects another year of subdued expansion, with GDP forecast at just 0.9%–1.1%. The outlook is plagued by persistent weak productivity and high inflation, which will likely push unemployment higher to between 5.3% and 5.5%. With manufacturing and construction facing contraction, the burden of growth falls almost entirely on the services sector. However, this is threatened by global headwinds, rising labour costs from new regulations, and the government's tight grip on spending. The result is a projected year of near stagnation, with any significant relief not expected until 2027. The following table shows a tabulated summary of the UK's economic growth projections as proposed by different authorities.

UK Economic Growth Forecasts (%)

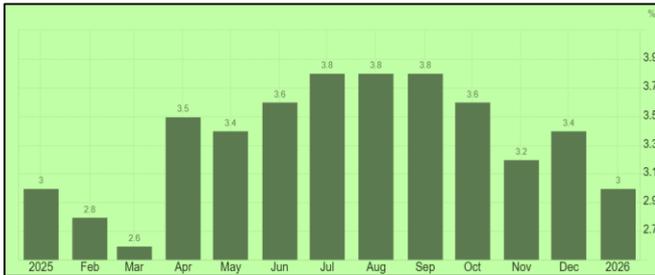
Year	2025	2026	2027
IMF (Jan 2026)	1.4	1.3	1.5
OBR (Dec 2025)	1.5	1.2	1.3

The latest data from the Office of National Statistics indicate that UK consumer price inflation slowed to 3.0% in January 2026, down from 3.4% in December 2025, marking the lowest annual inflation rate since March 2025. The decline was mainly due to slower price increases in food, transport, housing and utilities, and recreation and culture. In contrast, prices in restaurants and hotels rose more quickly during the

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same period. On a month-on-month basis, consumer prices dropped by 0.5%, reversing the 0.4% rise recorded in December. The graph that follows illustrates the country's inflation trend.

UK Year-on-Year Inflation Rate Trend



Source: Office for National Statistics – February 2026

6.6. United Arab Emirates (UAE)

The UAE's economic outlook has been abruptly disrupted by the Iranian attacks in February 2026, which directly challenged the nation's long-established "haven" business model and delivered a severe blow to its vital tourism sector. This shock brought immediate economic paralysis, particularly across tourism and travel. Beyond tourism, domestic capital markets have been disrupted and temporarily closed, triggering broader financial instability. Despite these acute shocks, the 5% GDP growth forecast for 2026 is still in place, a projection underpinned by the UAE's substantial sovereign net asset position—expected to exceed 300% of GDP. The spike in oil prices is also projected to increase revenue for the Middle Eastern powerhouse, further supporting the anticipated growth prospects. The following table shows economic growth forecasts for the UAE:

UAE Economic Growth Forecasts (%)			
Year	2025	2026	2027
IMF (Oct 2025)	4.8	5.0	4.7
World Bank (Jan 2026)	4.8	5.0	5.1

Strategic insights and takeaways:

- The nation's resilience in this tough operating environment highlights a deep-rooted immunity to headwinds. For now, this fundamental strength continues to reinforce the UAE's position as an attractive investment destination.

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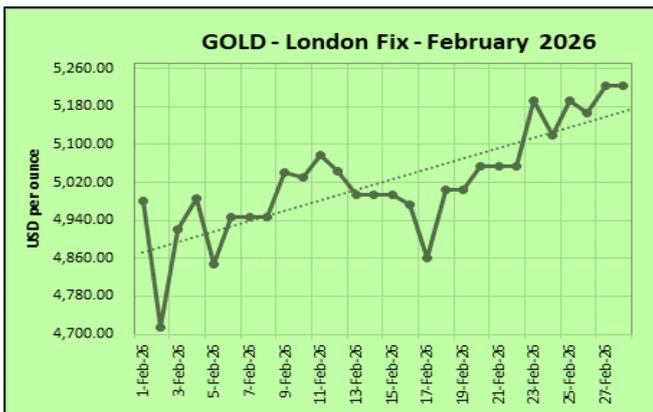
7. Commodities Markets

Commodity	Jan 2026	Feb 2026	Percentage Change
	Average Price (US\$)	Average Price (US\$)	
Gold (oz)	4,714.07	5,020.97	▲ 6.5%
Platinum (oz)	2,401.77	2,139.61	▼ 10.9%
Silver (oz)	90.14	82.48	▼ 8.5%
Oil (barrel)	64.12	69.30	▲ 8.1%

7.1. Gold

Gold extended its rally in February 2026. After opening the month at US\$4,981.85/oz, the price climbed steadily, closing at a monthly peak of US\$5,222.30/oz. On a monthly average basis, prices increased by 6.5%, rising from US\$4,714.07/oz in January to US\$5,020.97/oz in February. Safe-haven demand continues to propel the yellow metal higher, fuelled by escalating geopolitical tensions in the Middle East. The following graph illustrates the daily gold price trend for the month under review.

Gold Price Movements



Source: LBMA – February 2026

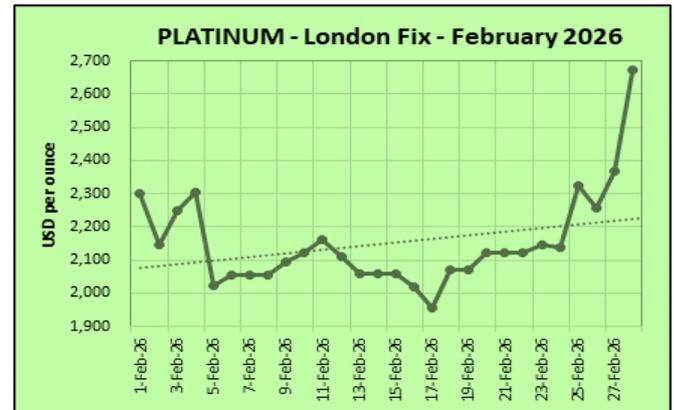
Strategic insights and takeaways:

- *With no signs of immediate de-escalation in geopolitical tensions, gold is well-positioned to continue its ascent, reinforcing its appeal as a preferred investment asset.*

7.2. Platinum

Platinum prices moderated in February 2026, dropping by 10.9% on a monthly average basis from US\$2,401.77/oz in January 2026 to US\$2,139.61/oz. The metal opened at US\$2,300.00/oz and rose gradually, closing the month at a monthly high of US\$ 2,671.00/oz. A combination of reduced industrial demand and a correction in market speculation largely drove the pullback. The following graph depicts the trend of daily platinum prices during the month under review.

Platinum Price Movements



Source: LBMA– February 2026

7.3. Silver

Silver prices exhibited a V-shaped reversal in February 2026. After opening the month at a peak of US\$103.19/oz, the metal trended sharply lower, bottoming out at US\$74.65/oz by mid-month, before staging a recovery to close at US\$89.98/oz. On a monthly average basis, this price action translated to an 8.5% decline, marking a sharp correction following January's historic 38.6% surge. The following graph depicts the daily silver price trend for the month under review.

Silver Price Movements



Source: LBMA– February 2026

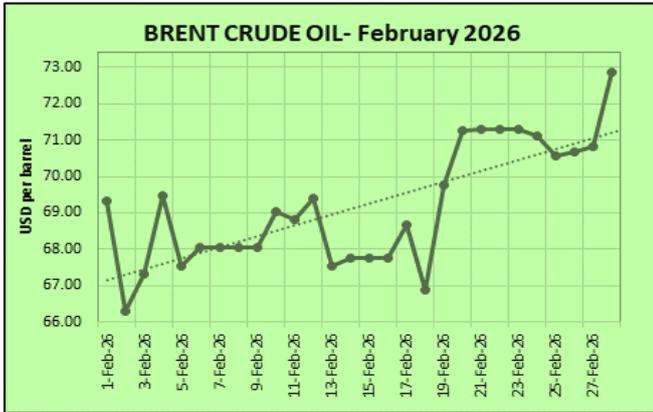
7.4. Crude Oil

In February 2026, oil prices trended upward, opening the month at US\$69.32/barrel. After a volatile ascent, they peaked and closed the month at US\$72.87/barrel. On a monthly average basis, prices increased by 8.1% from US\$64.12/barrel to US\$69.3/barrel. The market volatility stemmed primarily from heightened geopolitical strife in the Middle East. Rising tensions between the US and Iran, the latter being a key OPEC+ member, have spurred market

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speculation regarding potential disruptions to oil supply. The following graph depicts the daily crude oil price trend for the month under review.

Crude Oil Price Movements



Source: Oilprice – February 2026

Strategic insights and takeaways:

- Oil price increases are anticipated to endure amid ongoing production and supply chain disruptions. Consequently, net petroleum importers like Zimbabwe are expected to suffer disproportionately, particularly given the country's lack of strategic oil reserves to cushion against external shocks.

END

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