Banking | Insurance | Investments

for you

Monthly Economic Update June 2026

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75 Years ANNIVERSARY

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1. Zimbabwe Economic Performance

1.1. Zimbabwe Economic Outlook

Zimbabwe's economy remains notably stable despite persistent logistical and global headwinds. The local business environment has found a more predictable footing under the gold-backed local currency, giving local manufacturers the confidence to expand output, while commercial borrowing has become more accessible following the Central Bank's decision to lower borrowing costs to release productive credit into the private sector.

Meanwhile, the nation's key productive sectors are exhibiting mixed performance. Mining remains the primary economic pillar, the major source of export revenue and substantial foreign exchange inflows. However, growth in the sector is being constrained by moderating gold prices, which have pushed the national current account balance back into a deficit position. Concurrently, agricultural output is recovering yet shipping disruptions and rising freight insurance costs are squeezing margins on high-value exports.

In the labour market, there is mounting pressure as the country grapples with a significant influx of citizens returning from South Africa, driven by ongoing xenophobia-related unrest in the region. Below is a table showing Zimbabwe's economic growth forecasts as projected by the IMF and World Bank:

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

Strategic insights and takeaways:

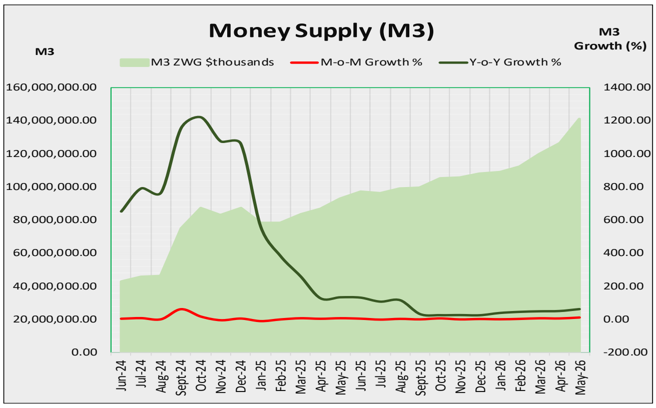
- *The economy remains stable, yet it is still highly susceptible to commodity price shocks and other external headwinds. Strengthening supply-side buffers and broadening the revenue base remains essential to mitigate future shocks.*

2. Zimbabwe Financial Sector

2.1. Money Supply

According to the latest RBZ data, Broad Money (M3) increased by 11.39% month-on-month in May 2026, rising to ZWG141.14 billion from ZWG126.71 billion in April 2026, reflecting increasing money supply pressure compared to prior months. On a year-on-year basis, M3 growth rose to 51.48% in May 2026, up from 45.64% in April 2026. The following graph illustrates these monetary trends from May 2024 to May 2026.

Monetary Developments (ZWG Thousands)



Source: RBZ – June 2026

Strategic insights and takeaways:

- *For the first time in over a year, month-on-month M3 growth has reached a double-digit figure, signalling mounting money supply pressures. Should this prove to be more than a one-off occurrence, it could potentially destabilize markets and undermine recent gains in inflation and exchange rate stability.*

2.2. Interest Rates

As of June 2026, Zimbabwe's benchmark policy interest rate stood at 30%, following a cut from 35% by the Reserve Bank of Zimbabwe (RBZ). This reduction reflects sustained single-digit inflation below 5% since January 2026 and growing confidence in the stability of the ZiG currency. The Monetary Policy Committee (MPC) resolutions from its June 15 meeting, pertaining to interest rates and key monetary instruments, remain in full effect and are outlined as follows:

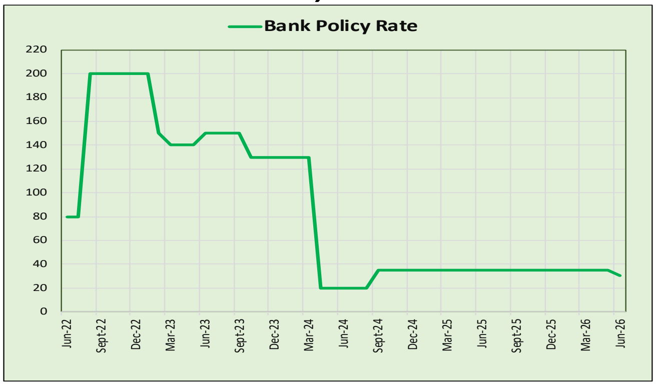
1. Reduction of the bank policy rate from 35% to 30%.
2. Interest rate on the Targeted Finance Facility (TFF), was reduced from 20% to 15%, proportional to the proposed reduction in the Bank policy rate, albeit

with a cap on banks on lending to the productive sectors at an all-inclusive interest rate of 25%

3. Statutory Reserve Requirements maintained at 30% for demand deposits and 15% for savings and time deposits for both local and foreign currency deposits.

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

Bank Policy Rate Trend



Source: RBZ – June 2026

As of 26 June 2026, the weekly average minimum lending rates in local currency were recorded at 44.36% for individuals and 40.46% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 4.35%, 7.03%, and 7.73%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in ZWG.

Average Lending and Deposit Rates (ZWG)

Local Currency (ZiG) Interest Rates (Minimums)					
Week Ending	Lending Rates (%)		Deposit Rates (%)		
	Individual Clients	Corporate Clients	Savings	1-Month	3-Months
5-Jun-26	44.53	40.43	4.35	7.03	7.73
12-Jun-26	44.49	40.5	4.35	7.03	7.73
19-Jun-26	44.47	40.56	4.35	7.03	7.73
26-Jun-26	43.95	40.33	4.35	7.03	7.73
Average	44.36	40.46	4.35	7.03	7.73

Source: RBZ – June 2026

In US Dollar terms, the most recent weekly average minimum lending rates stood at 13.97% for individuals and 10.12% for corporates, whilst the latest average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 2.15%, 4.41%, and 4.95%, 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
5-Jun-26	13.94	10.22	2.15	4.41	4.95
12-Jun-26	13.96	10.14	2.15	4.41	4.95
19-Jun-26	13.99	10.02	2.15	4.41	4.95
26-Jun-26	13.97	10.09	2.15	4.41	4.95
Average	13.97	10.12	2.15	4.41	4.95

Source: RBZ – June 2026

Strategic insights and takeaways:

- *The 30% policy rate signals confidence in macroeconomic stability but remains restrictive to guard against inflation resurgence.*
- *Lower concessional lending rates (15%) create opportunities for productive sector financing.*
- *For Banks and Corporates, the rate cut reduces funding costs but still demands prudent treasury management given high reserve requirements.*

2.3. Foreign Currency Market

On a monthly average basis, the U.S. dollar broadly appreciated in June 2026, reversing the trend from the previous month. It strengthened against 14 of the 18 currencies in our analysis basket, with its most significant appreciation occurring against the Argentine Peso (+3.63). Conversely, it registered its strongest depreciation against the South African Rand (-0.49%). The following table outlines these average monthly changes.

Exchange rate analysis (Monthly Averages)

Exchange Rate Analysis (Averages)			
Currency/US$	**May-26**	**Jun-26**	**Change (%)**
Argentine Peso	1397.9104	1448.6116	3.63
Australian Dollar	1.3918	1.4244	2.34
Botswana Pula	13.5743	13.5330	-0.30
Brazilian Real	4.9922	5.1348	2.86
British Pound	0.7412	0.7507	1.28
Canadian Dollar	1.3718	1.4040	2.34
Chinese Yuan Renminbi	6.8020	6.7755	-0.39
Euro	0.8561	0.8688	1.49
Hong Kong Dollar	7.8332	7.8372	0.05
Indian Rupee	95.4405	94.9951	-0.47
Japanese Yen	158.1563	160.7391	1.63
Norwegian Krone	9.2581	9.5911	3.60
Russian Ruble	73.0521	73.8068	1.03
South African Rand	16.4906	16.4096	-0.49
South Korean Won	1489.6396	1529.8046	2.70
Swedish Krona	9.3030	9.5216	2.35
Swiss Franc	0.7829	0.8000	2.18
Zimbabwean dollar	26.0095	26.7919	3.01
Source: X-Rates; © ZB Financial holdings			

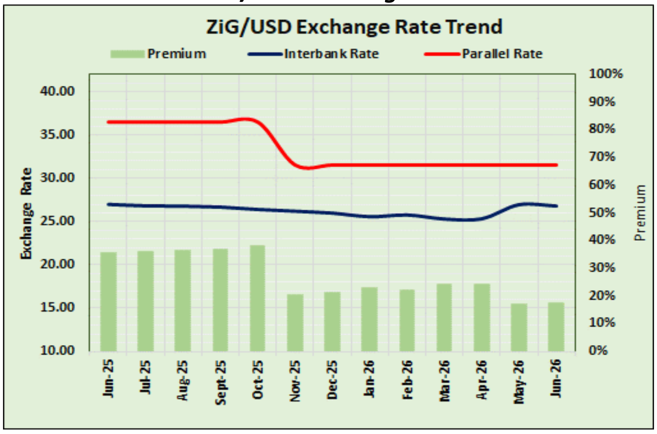
Strategic insights and takeaways:

- *For USD-denominated economies such as Zimbabwe, a stronger dollar presents a double-edged sword. It raises asset values while making exports pricier against rival commodities ultimately depressing export revenue and forex inflows.*

2.4. Zimbabwe Gold (ZiG) Exchange Rate

In June 2026, the ZWG continued to exhibit stability. On the official market, it appreciated by 0.6% against the USD to ZWG26.77 per dollar from ZWG26.92 per dollar recorded at the end of May 2026. Meanwhile, the parallel market rate held steady at an average of ZWG31.50. Consequently, the appreciation of the official rate tepidly widened the exchange rate premium from 17% to 18%. The chart below illustrates the movement of both interbank and parallel exchange rates from June 2025 to June 2026.

ZWG/USD Exchange Rate



Source: RBZ & ZB Financial Holdings – June 2026

Strategic insights and takeaways:

- *The ZWG has remained resilient against mounting pressures from oil market volatility. With oil prices now retreating and that threat subsiding, the currency is expected to exhibit more stability, at least in the short to medium term.*

2.5. Equity Markets

The Zimbabwe Stock Exchange (ZSE) performance improved in June 2026, with local-currency market capitalization rising by 7.81% month-on-month, from ZWG89.56 billion to ZWG96.56 billion. In USD terms, market capitalization also increased from US$3.33 billion to US$3.61 billion. The all-share index gained by 7.33%, from 389.26 points to 417.81 points, reflecting improved activity and improving investor confidence in the bourse.

On the Victoria Falls Stock Exchange (VFEX), performance was also positive with market capitalization rising by 4.08%, from US$3.7 billion in May 2026 to US$3.9 billion, while the all-share index climbed 3.7% to 254.12 points, up from 245.12 points in May 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
Jun-26	417.81	96,558.11	3,606.98	254.12	3,889,173.73
May-26	389.26	89,564.56	3,327.28	245.12	3,736,840.76
Apr-26	365.17	83,459.57	3,293.34	228.92	3,488,041.27
Mar-26	358.55	112,345.38	4,436.86	249.86	3,880,674.73

Source: ZSE & VFEX – June 2026

Strategic insights and takeaways:

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

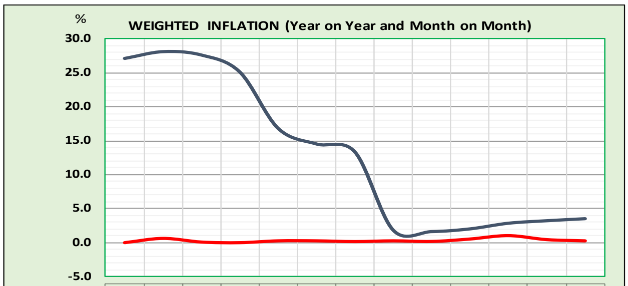
3. Prices and Cost of Living

3.1. Inflation

a. Weighted Inflation

In June 2026, the weighted year-on-year inflation rate based on the all-items Weighted Consumer Price Index (CPI) rose to 3.5%, up 0.3 percentage points from 3.2% in May 2026. On a month-on-month basis, the weighted inflation rate dropped to 0.2% from 0.4% in May 2026. The increase in the month-on-month index was mainly observed on housing, water, electricity, gas and other fuels categories. The following graph illustrates the current trends of weighted inflation in Zimbabwe.

Weighted Inflation Trend



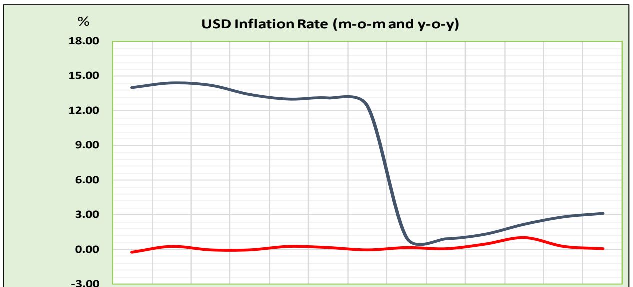
	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
m-o-m	-0.1	0.6	0.0	-0.1	0.2	0.2	0.1	0.2	0.1	0.5	1.1	0.4	0.2
y-o-y	27.1	28.1	27.6	25.1	16.8	14.5	13.3	1.8	1.6	2.0	2.8	3.2	3.5

Source: ZIMSTATS – June 2026

b. USD Inflation

The USD year-on-year inflation rate for June 2026, as measured by the all-items USD CPI, was 3.1%, up by 0.3 percentage points from the May rate of 2.8%. On a month-on-month basis, the USD inflation rate for June 2026 was 0.1%, indicating a 0.2 percentage point decrease from the previous month's rate of 0.3%. The increase in the USD price index was mainly driven by the increase in prices for furniture and equipment. The graph below illustrates the recent trend in USD inflation in Zimbabwe.

Zimbabwe USD Inflation Trend



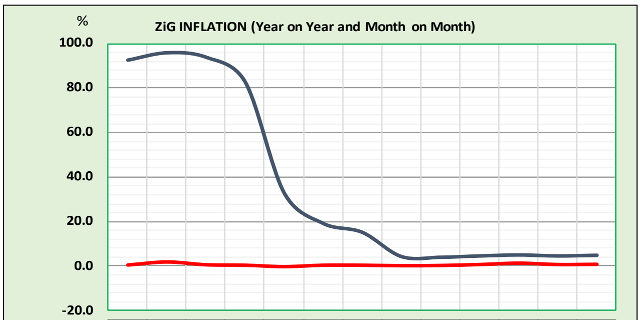
	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
m-o-m	-0.20	0.30	0.00	0.00	0.30	0.20	0.00	0.20	0.10	0.50	1.06	0.30	0.10
y-o-y	14.00	14.40	14.20	13.40	13.00	13.10	12.40	1.00	0.90	1.30	2.16	2.80	3.10

Source: ZIMSTATS – June 2026

c. ZiG Inflation

The ZWG year-on-year inflation rate for June 2026, as measured by the all-items ZWG CPI, was 4.7%, reflecting a 0.3 percentage point increase from the May 2026 rate of 4.4%. Month-on-month, the inflation rate was 0.6%, up by 0.1 percentage points from the May 2026 rate of 0.5%. During the period under review, price increases were primarily observed on the Housing, Water, Electricity, Gas and other fuels categories. The following graph illustrates recent trends in ZWG inflation.

ZWG Inflation Rate Trend



	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
m-o-m	0.3	1.6	0.4	0.2	-0.4	0.2	0.2	0.0	0.1	0.5	1.1	0.5	0.6
y-o-y	92.5	95.8	93.8	82.7	32.7	19.0	15.0	4.1	3.8	4.4	4.8	4.4	4.7

Source: ZIMSTATS – June 2026

Strategic insights and takeaways:

- *By historical measures, inflation remains contained, but the outlook is clouded by elevated risks particularly given the RBZ's decision to ease monetary policy. In this context of fragile stability and significant uncertainty, caution and vigilance are strongly advised for all economic players.*

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 0.6% to ZWG1,345.21 in June 2026, up from ZWG1,337.37 in May 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 0.6% to ZWG921.72 from ZWG916.59 in May 2026. For a six-member household, this amounts to ZWG5,530.32, representing roughly 68.5% 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
Feb-26	1,307.02	0.0	894.01	-0.1
Mar-26	1,312.17	0.4	896.49	0.3
Apr-26	1,329.07	1.3	909.72	1.5
May-26	1,337.37	0.6	916.59	0.8
Jun-26	1,345.21	0.6	921.72	0.6

Source: ZIMSTATS – June 2026

Strategic insights and takeaways:

- *Rising poverty lines imply a widening gap between living costs and fixed nominal incomes. The resulting degradation of living standards poses a structural risk to the realization of the country's vision to transition into an upper-middle-income economy.*

4. Zimbabwe Economic Sectors

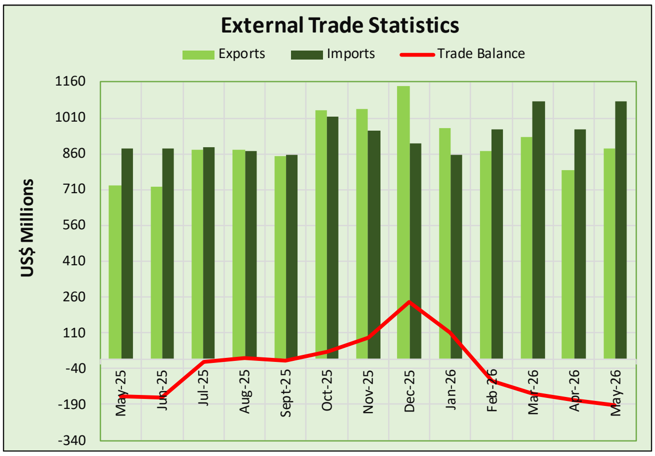
4.1. External Sector

Latest data from ZIMSTAT indicate that Zimbabwe's merchandise exports increased by 11.6% to US$884.00 million in May 2026, from US$792.3 million in April 2026. Among the top ten products exported in May 2026 were semi-manufactured gold, nickel mattes, and tobacco, accounting for 52.5%, 14.3%, and 7.1% of the total export value, respectively.

On the procurement side, merchandise imports increased to US$1.08 billion, up by 11.9% from US$962.2 million in the previous month. Mineral fuels (21.6% of total imports), machinery and mechanical appliances (15.0%) and vehicles (7.8%) were among the top ten imported products in April 2026.

As a result, Zimbabwe recorded a 13.6% increase in trade deficit, which stood at US$193.00 million in May 2026, compared to US$169.7 million recorded in April 2026. The graph below illustrates trends in external trade statistics since May 2025.

External Trade Statistics



Source: ZIMSTATS- June 2026

Strategic insights and takeaways:

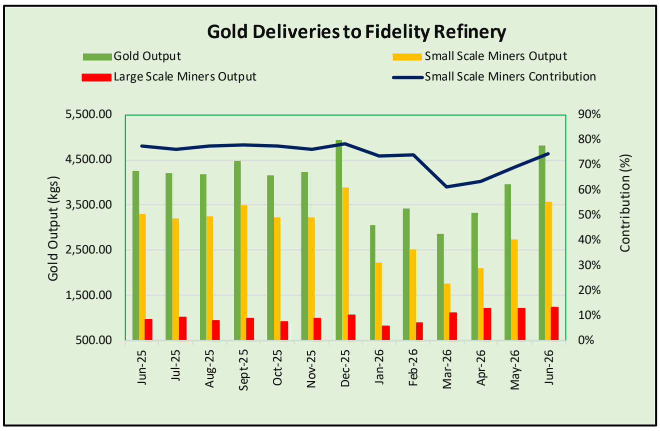
- *Following the drop-in gold export values amid declining prices, trade deficits are becoming more pronounced highlighting the economy's exposure to global commodity prices. Import-substitution and export diversification remain the major critical areas requiring attention if the economy is to attain favourable terms of trade.*

4.2. Mining Sector

The Zimbabwean mining sector continues to serve as the primary engine for hard-currency generation and national macroeconomic stability. Ongoing capital injection and exploration across lithium and gold projects signals massive potential for long-term growth and technical job creation. However, structural challenges, specifically high operational electricity tariffs, global price dips for gold, platinum and lithium, and relatively stiff foreign currency retention policies, continue to pressure immediate corporate profit margins.

Meanwhile, gold deliveries to Fidelity Gold Refinery rose significantly in June 2026, rising by 21.7% to 4,810.07kg from 3,951.01kg in May 2026. Artisanal small-scale miners, who contributed the majority (74%) of total output, recorded the largest increase in production (30.8%) to 3,580.27kg, from 2,740.76kg recorded the previous month. large-scale miners also recorded an output increase of 1.6% from 1,210.26kg to 1,229.79kg. The graph below summarizes trends in gold production activity.

Gold Deliveries



Source: FGR – June 2026

News and Highlights in the Mining Sector.

- To enhance investor competitiveness, the government slashed mineral license and permit fees. Registration fees for precious stones fell from US$15,000 to US$10,000, and general export permit fees dropped from US$1,875 to US$500.
- The government approved a second gold refinery in Bulawayo to boost processing capacity and increase domestic value retention as the country aims for a 50-tonne national gold output target.

4.3. Agriculture Sector

The sector is undergoing structural reform, with the government splitting the land portfolio into two ministries namely Lands and Rural Development, and Agriculture, Mechanisation and Water Resources to boost operational efficiency. Concurrently, new policies now require domestic millers to source at least 40% of grain locally to cut import reliance. Meanwhile, climate threats loom with the international and local agencies forecasting an 88–94% probability of El Niño ahead of the 2026/27 summer season.

News and Highlights in the Agriculture Sector.

- As of 25 June 2026, Zimbabwe’s winter wheat planting reached an exceptional 128,459 hectares, eclipsing the national strategic target of 125,000 hectares by 2.8%.
- Zimbabwe’s has officially made its first-ever shipment of fresh blueberries to China, with a zero-tariff advantage.

4.4. Energy Sector

Zimbabwe's energy sector is defined by an aggressive push to secure US$9.13 billion in renewable energy investments, with a heavy focus on solar power and private captive generation to support the national grid. A major highlight is the development of a US$400 million, 500MW floating solar project on Lake Kariba, designed to generate daylight power so the state can shut down hydropower turbines and conserve critical water. Concurrently, private industrial players and mining companies have thus far deployed roughly 420MW generation capacity to bypass grid unreliability. To accelerate this transition, government officials have engaged international partners—including a high-level diplomatic mission to Azerbaijan to secure green energy expertise.

News and Highlights in the Energy Sector

- The National Oil Infrastructure Company of Zimbabwe (NOIC) announced the ongoing rollout of its second-phase pipeline capacity expansion, targeting a pumping capability of 5 billion litres by late 2027 to lower nationwide fuel transport costs.

4.5. Manufacturing Sector

Zimbabwe's manufacturing sector is experiencing steady momentum, anchoring employment and domestic growth. Backed by the stabilizing ZiG, macroeconomic stability, and relatively improved access to raw materials, sector capacity utilization is oscillating between 53% and 57%. However, Zimbabwe's industrial recovery remains structurally fragile due to a heavy 54% reliance on imported raw materials, leaving local supply chains vulnerable to external shocks and foreign currency constraints. Furthermore, the recovery is highly uneven; while capital-flush large corporations are successfully modernizing through technology upgrades, small and medium enterprises remain severely constrained by a lack of affordable financing.

4.6. Property Sector

The Zimbabwe property market remains segmented and strictly cash-driven, heavily fuelled by diaspora remittances given limited domestic traditional mortgage options. While the traditional Harare Central Business District faces high vacancy rates and a persistent slump due to parking and congestion issues, commercial and residential migration toward suburban office parks and secure cluster developments in prime northern suburbs continues to soar. Emerging and peri-urban areas are experiencing high capital appreciation, with buyers heavily prioritizing properties that feature off-grid infrastructure like solar power and functional boreholes. On the financial side, Real Estate Investment Trusts (REITs) listed on the Zimbabwe Stock Exchange (ZSE), primarily Tigere and Revitus have been witnessing increasing trading activity, signalling strong institutional and retail investor interest in property-backed securities over physical assets.

5. Regional Economies

5.1. Sub-Saharan Africa Economic Outlook

Sub-Saharan Africa's economic trajectory is currently facing significant headwinds primarily driven by geopolitical instability in the Middle East that has constrained access to critical energy and fertilizer inputs. These external pressures are projected to outweigh domestic growth drivers, including ongoing structural reforms and recently enacted trade agreements intended to boost investment and exports. Consequently, the World Bank has trimmed its 2026 growth estimate for the region by 0.1 percentage points to 4.0%. This outlook assumes a de-escalation of geopolitical tensions in the near term and progress on security fronts within fragile states and if the conditions materialize, growth is projected to recover to 4.4% in 2027. Below is a tabulated summary of the region's growth projections.

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

Strategic insights and takeaways:

- *The region remains the most vulnerable to global energy shocks among its peers, reflecting inadequate supply buffers and weak hedging mechanisms against global economic disruptions. Until these structural gaps are addressed, domestic reforms will remain perpetually overshadowed by external volatility. This persistent uncertainty erodes investor confidence and deters much-needed investment inflows.*

5.2. Botswana

5.2.1. Botswana Economic Outlook

Botswana is aggressively pursuing economic stabilization as it attempts to rebound from prolonged diamond sector weaknesses, with 2026 real GDP growth projected to recover to 3.2% according to the World Bank. To combat structural vulnerabilities and a rising fiscal deficit, the Botswana Government is strictly managing public spending while aggressively advancing diversification through initiatives like the €8.0-million EU-backed Green Value Chain Development program and a newly established National Fund of Funds. Monetary policy remains restrictive to anchor inflation and preserve depleted fiscal buffers. Meanwhile, the business and labour environment faces structural shifts as the administration navigates regional trade adjustments, such as lifting vegetable import bans, alongside mounting fiscal pressure to deliver on ambitious socio-economic mandates, including a revised BWP4,000.00 minimum wage and a target of 450,000 new jobs. The following table shows Botswana`s economic growth forecast:

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

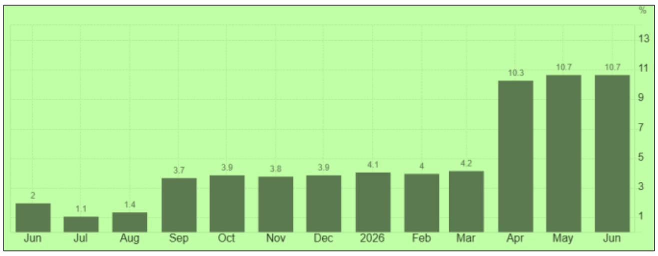
Strategic insights and takeaways:

- *The emerging structural reforms intended to revitalise the state are sound and commendable, with strong potential to turn the economy around. However, their effectiveness hinges critically on proper implementation, tracking, and monitoring, aspects that have traditionally posed significant challenges for most African economies.*

5.2.2. Inflation Rate

In June 2026, Botswana's annual inflation rate held firm at 10.7%, the same as in May 2026. The bulk of inflationary pressures came from transport, miscellaneous items, and food and non-alcoholic beverages, with additional gains seen in alcohol, tobacco, clothing, furniture, and hotels. Offsetting the inflation rise were lower prices for housing, utilities, and communications. Compared with the prior month, the CPI advanced 0.2%, a slight slowdown from May's 0.3% monthly increase.

Botswana Y-o-Y inflation Trend

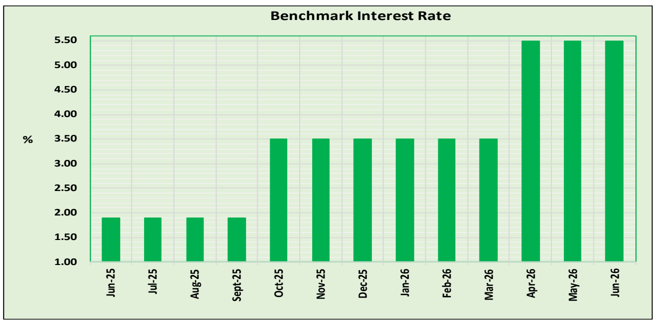


Source: Central Statistics Office, Botswana – June 2026

5.2.3. Botswana Interest Rates

The Central Bank of Botswana kept the benchmark interest rate steady at 5.5% in pursuit of contained inflationary pressures

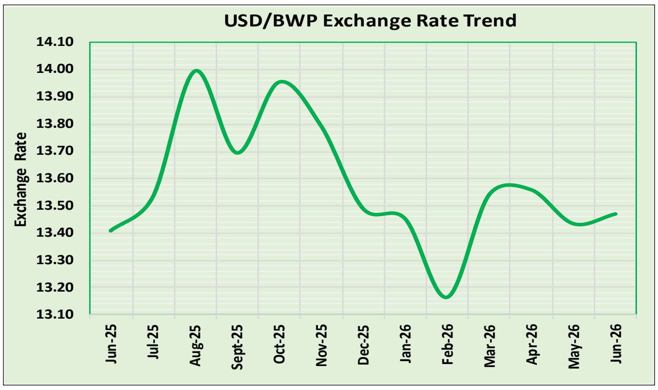
Botswana Benchmark Interest Rate Trend



Source: Central Statistics Office, Botswana – June 2026

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 0.27% to BWP13.47 after a 0.9% gain the previous month. The chart below provides a clear illustration of the USD/BWP exchange rate trend over the past twelve months.



Source: Bank of Botswana – June 2026

Strategic insights and takeaways:

- *The Pula remains relatively firm, despite the 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

Botswana's mining remains characterised by a critical transition, as prolonged diamond oversupply forces amid persistently low prices an aggressive diversification into base metals and critical minerals. This shift is reinforced by stricter regulatory requirements, including 24% local ownership in new licenses and mandated environmental rehabilitation funds, signalling a structural pivot toward long-term fiscal resilience.

Strategic insights and takeaways:

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

ii. Agriculture Sector

Botswana's agricultural sector is undergoing a critical transition to reduce diamond dependency, driven by structural reforms aimed at boosting its GDP contribution from 1.6% toward a 6% target. Key growth drivers include the BWPP130 million Green Value Chain Programme for value-added horticulture, the Botswana Economic Transformation Programme (BETP) targeting large-scale commercial projects, and a nationwide FAO-backed push for Good Agricultural Practices (GAP) certification to unlock high-value export markets. However, despite improved livestock buffer zones to protect trade from foot-and-mouth disease, the sector's commercialization remains constrained by persistent aridity, high input costs, bureaucratic licensing delays, and limited access to commercial financing for smallholders.

iii. Reinsurance

Botswana's reinsurance sector is shifting from defensive survival to active expansion, propelled by the Botswana Economic Transformation Programme (BETP) to establish Gaborone as a regional financial hub. Driven by government initiatives to increase domestic risk retention and buffer against diamond-revenue volatility, the sector is modernizing under strengthened regulatory oversight noted by agencies like GCR Ratings. The market is witnessing significant corporate activity, highlighted by Continental Re relocating its Group Holding Company to Botswana, alongside a broader industry push to diversify beyond traditional life products into specialized lines like cyber claims, digital solutions, and climate-focused parametric coverage.

Strategic insights and takeaways:

- *Botswana is evidently positioning itself as the premier African reinsurance hub, and early movers stand to gain disproportionately*

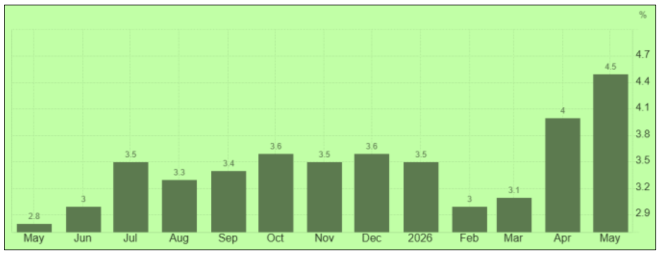
5.3. South Africa

South Africa's economy is demonstrating some strength, highlighted by a 0.5% quarter-on-quarter real GDP increase in Q1:2026 driven by finance, agriculture, and transport, alongside a real GDP growth forecast of 1.0% for the year, according to the World Bank. This growth is supported by steady household consumption and significant fiscal consolidation, which prompted Fitch Ratings to upgrade South Africa's sovereign rating to 'BB' with a stable outlook due to prudent debt management and structural energy reforms. However, long-term risks persist, as lagging manufacturing and utilities sectors, global trade tensions, and structural bottlenecks indicate that sustainable prosperity requires bigger structural changes beyond wealth redistribution policies. The following table shows South Africa`s economic growth forecasts as projected by the IMF and World Bank.

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

Meanwhile, the latest data show that in May 2026, South Africa's annual inflation rate climbed to 4.5%, marking the third consecutive month of increases. The uptick was largely attributed to the transport sector and housing and utilities, driven by the pass-through effects of elevated global fuel prices and Eskom's recent electricity price adjustment. Additional price pressures originated from insurance, financial services, and the hospitality sector. On +the upside, food inflation continued its downward trajectory, dropping to 1.9% from 2.9%. On a month-on-month basis, the consumer price index rose by 0.7%, a moderation from the 1.1% increase recorded in April 2026.

South Africa Year-on-Year Inflation Rate Trend



Source: Statistics South Africa – June 2026

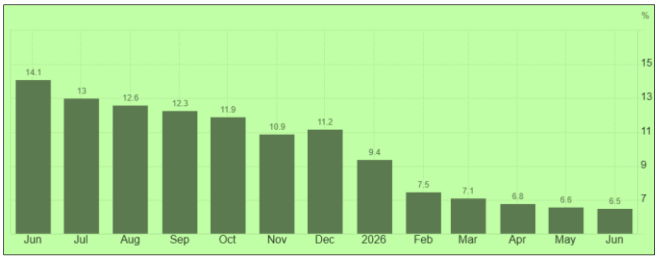
5.4. Zambia

Zambia's economy remains notably resilient, characterised by falling inflation pressures and GDP growth accelerating toward a projected 4.7% to 6.1% due to strong recoveries in agriculture and mining. The Bank of Zambia has successfully anchored price expectations and stabilized the currency, keeping foreign exchange reserves at a healthy 4.4 months of import cover. However, the macro-outlook faces distinct headwinds from pre-election fiscal pressures, with expenditure overruns prompting IMF warnings regarding primary surpluses ahead of negotiations for a successor economic program. Furthermore, while the agricultural rebound has eased local food inflation, Zambia's ambitious plans to scale up copper production remain heavily constrained by persistent domestic energy bottlenecks, highlighting the urgent need for ongoing solar and infrastructure investments. The following table shows Zambia`s annual economic growth forecast as projected by the IMF and World Bank.

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

On the inflation front, Zambia's annual inflation dipped further to 6.5% in June 2026, down from 6.6% in May. Food and non-food inflation both edged lower, aided by a government moratorium suspending fuel taxes until end-June. Monthly CPI ticked up by just 0.1% in June, compared to a 0.25% rise in May. The following graph illustrates the country's inflation trend.

Zambia Year-on-Year Inflation Rate Trend



Source: Central Statistics of Zambia – June 2026

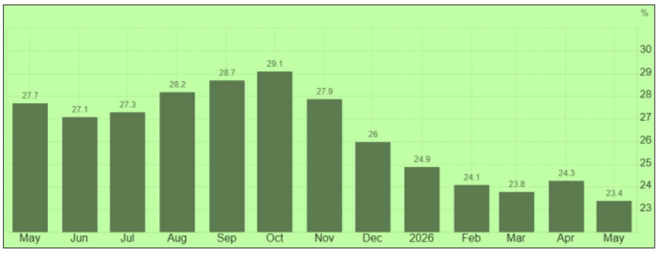
5.5. Malawi

Malawi's economy continues to undergo a difficult macroeconomic stabilization, with the Central Bank maintaining a tight monetary policy. Real GDP growth is projected to be sluggish at 2.3% in 2026, trailing behind population growth and constrained by structural bottlenecks such as persistent foreign exchange shortages, erratic fuel supplies, and reliance on rain-fed agriculture. While high inflation continues to pressure households, recovery efforts are increasingly focused on broadening the economic base under the Malawi 2063 vision, through emerging investments in commercial graphite and rutile mining, tourism, and agro-processing, to build a more resilient, export-driven economy. The table below shows the latest growth projections:

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

Meanwhile, the latest available data indicate that Malawi's annual inflation eased to 23.4% in May 2026, from 24.3% in April. Food inflation—the key driver—cooled to 17.6% (previously 19.1%), driven by lower cereal. Non-food inflation edged down to 33.0% from 33.2%, though housing, utilities, and transport remained under pressure. Monthly CPI fell 0.2% in May, moderating from a 2.9% drop in April.

Malawi Year-on-Year Inflation Rate Trend



Source: National Statistical Office of Malawi – June 2026

6. Global Economy

6.1. Global Economic Outlook

The global economy has largely been defined by a severe Middle East energy shock and prolonged monetary policy tightening, balanced against a resilient AI-driven business investment boom. Major institutions like the World Bank and OECD have downgraded global real GDP growth forecasts due to elevated oil prices. This inflationary pressure has triggered a stark regional divergence across the globe, as tech-heavy economies leverage manufacturing momentum while energy-dependent regions face near-stagnant growth. Consequently, the Federal Reserve and other major central banks have maintained a hawkish stance, delaying anticipated interest rate cuts to combat persistent headline inflation. The following table displays global economic growth projections anticipated by different authorities:

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

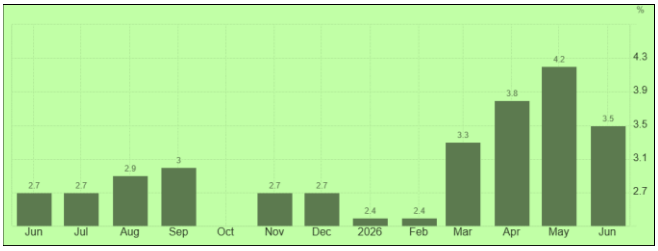
6.2. United States of America

The United States economy is progressing with a mix of cautious optimism and underlying resilience, driven by steady consumer spending and massive investments in technological innovation. While earlier pricing pressures and supply chain vulnerabilities created a complex environment for policymakers, a recent cooling in consumer prices has provided much-needed relief for households and businesses. Labour markets remain solid, allowing Federal Reserve to maintain a steady, observant stance on monetary policy rather than forcing aggressive interventions. Despite broader global trade negotiations and lingering geopolitical tensions, the domestic market is benefiting from robust industrial support and strong regional partnerships that continue to shield major supply networks from external disruptions. Below is a tabulated summary showing USA's growth projections as anticipated by different authorities.

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

In June 2026, the United States' annual inflation rate declined to 3.5, down from May's 4.2% reading. Energy costs rose by 15.7% year-on-year, a significant moderation from the 23.5% increase recorded in the previous month, as the US-Iran ceasefire helped ease upward pressure on the energy component. Price growth also decelerated for shelter and food categories. Meanwhile, core CPI remained flat month-over-month, defying expectations of a 0.2% increase. The following graph illustrates the country's inflation trend.

USA Year-on-Year Inflation Rate Trend



Source: Federal Reserve – June 2026

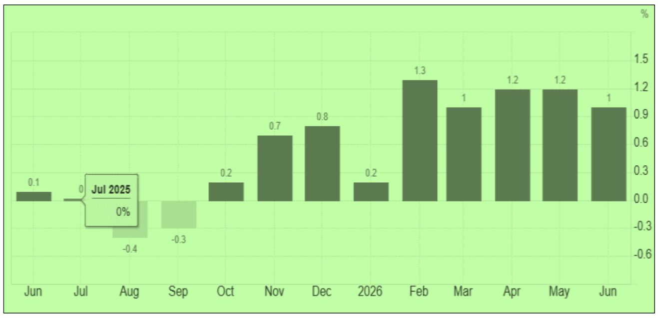
6.3. China

China's economy is experiencing a deep structural divergence, where a booming external sector fuelled by AI-driven high-tech manufacturing is directly colliding with an entrenched domestic downturn. This friction dragged second-quarter GDP growth down to 4.3% year-on-year, lowering the first-half expansion to 4.7% and falling short of Beijing's full-year target. While a global surge in tech and energy demand drove June exports up by 27%, domestic demand remains deeply depressed, as evidenced by a meagre 1.0% growth in retail sales and a devastating 18% first-half contraction in real estate investment, putting heavy pressure on Beijing to introduce stronger economic stimulus measures. The following table displays China`s economic growth projections as anticipated by the IMF and World Bank:

China Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
OECD ***(Jun 2026)***	5.0	4.5	4.3
World Bank ***(Jun 2026)***	5.0	4.2	4.3
IMF ***(Apr 2026)***	5.0	4.4	4.0

Meanwhile, China's annual inflation eased to 1.0% in June 2026, cooling from 1.2% recorded in both April and May. Non-food price gains softened as transport costs moderated, thanks to government cuts to domestic fuel prices in June, which followed a drop in global energy prices amid de-escalation in the Middle East. Food prices also fell, weighed down by persistently low pork prices and continued declines in fresh fruit. On a monthly basis, consumer prices slipped 0.3% in June, after a 0.1% dip in May, and came in weaker than the 0.2% decline forecast by analysts. The graph that follows illustrates the country's inflation trend.

China Year-on-Year Inflation Rate Trend



Source: National Bureau of Statistics of China– June 2026

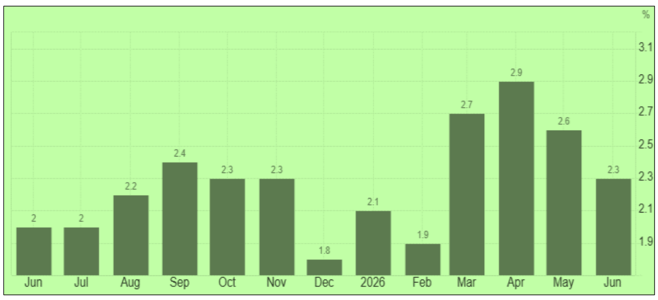
6.4. Germany

Germany's economy is exhibiting modest momentum, with 2026 annual GDP growth forecasts pegged at a modest to 0.7% due to structural headwinds, persistent corporate insolvencies, and high energy costs driven by Middle East conflicts. High OECD tax burdens and weak household demand continue to suppress private investment, leaving public spending on defence and infrastructure as the primary economic driver. Furthermore, export-reliant manufacturing faces severe stagnation from aggressive Chinese competition and increased US tariffs. The following table shows Germany's economic growth projections:

Germany Economic Growth Forecasts (%)			
Year	**2025**	**2026**	**2027**
OECD ***(Jun 2026)***	0.3	0.7	1.1
Germany Government ***(Apr 2026)***	0.3	0.5	0.9

Germany's annual consumer price inflation moderated to 2.3% in June 2026, down from 2.6% in May 2026 and continuing its retreat from April's over-two-year peak of 2.9%. The decline was underpinned by a slowdown in goods inflation to 1.7% from 2.2%, largely reflecting a sharp easing in energy price pressures (3.4% versus 6.6% previously). Food and services inflation remained unchanged, while core inflation—excluding food and energy—held steady at 2.5%. The graph that follows illustrates the country's inflation trend.

Germany Year-on-Year Inflation Rate Trend



Source: Federal Statistics Office – June 2026

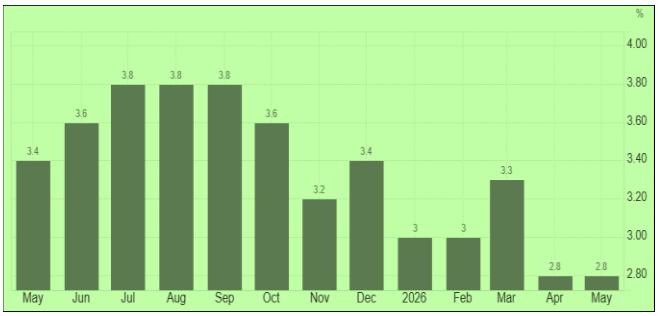
6.5. United Kingdom

The UK economy is moving through a period of cooling activity and cautious business optimism. While the year started positively with Q1:2026 GDP growth estimated at 0.6%, commercial momentum has since slowed as companies delay major investments and pull back on spending due to ongoing global uncertainties. This corporate hesitation is filtering directly into the job market, where finding employment has become more difficult and open positions are increasingly scarce. Consumer spending is weak, causing a noticeable dip in retail activity as households prioritize essential bills over discretionary spending. Overall, the economic climate is defined by flatlining business activity and soft consumer confidence, leaving the country stuck in a pattern of sluggish growth. 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 ***(May 2026)***	1.4	1.0	1.3
OECD ***(Jun 2026)***	1.4	0.9	1.1

The latest data from the Office of National Statistics indicate that the UK's annual inflation remained unchanged at 2.8% in May 2026, matching the prior month's rate. Price growth slowed for housing and household services, food and non-alcoholic drinks, clothing and footwear, and recreation and culture. Offsetting those declines was a notable jump in transport inflation, which rose sharply to 6.8% from 4.5% in April, fuelled by rising fuel costs, higher airfares, and changes to vehicle excise duty. Compared with the previous month, consumer prices rose 0.2% in May, a slowdown from April's 0.7% monthly gain. The graph that follows illustrates the country's inflation trend.

UK Year-on-Year Inflation Rate Trend



Source: Office for National Statistics – June 2026

6.6. United Arab Emirates

The UAE economy remains resilient, pivoting from traditional energy constraints toward independent production and rapid non-oil expansion. This economic decoupling has shielded it from regional geopolitical risks, sustaining solid growth and macroeconomic stability. Cooling retail inflation, strong liquidity from oversubscribed sovereign debt, and a stable currency peg have bolstered consumption and investor confidence. Meanwhile, logistics diversification and a top global business ranking continue to attract foreign capital and wealthy migrants. Moreover, while other economies are struggling, the UAE is converting external shocks into long-term strategic sovereignty and steady growth. Below is a tabulated summary of the UAE's expected growth projections according to the IMF and World Bank.

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

Strategic insights and takeaways:

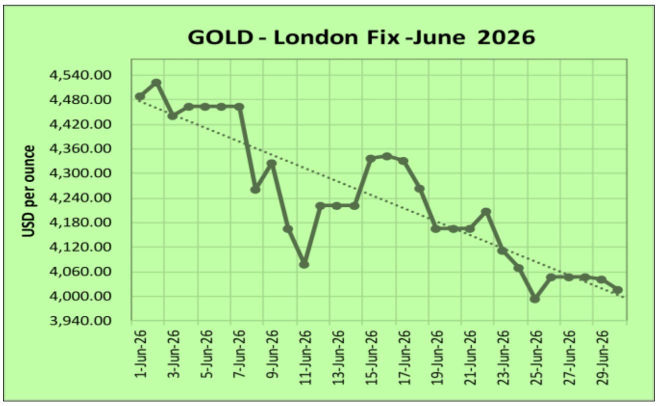
- *Despite regional turbulence, the UAE remains firm and strong, demonstrating resilience and effective risk-shielding strategies. These attributes, combined with other strong economic fundamentals, reinforce its status as a premier investment destination and a formidable economic powerhouse.*

7. Commodities Markets

Commodity	**May 2026**	**June 2026**	**Percentage Change**
	Average Price (US$)	**Average Price (US$)**	
Gold (oz)	4,577.63	4,239.06	▼7.4%
Platinum (oz)	1,984.10	1,679.06	▼15.4%
Silver (oz)	77.30	66.45	▼14.0%
Oil (barrel)	103.35	84.12	▼18.6%

7.1. Gold

Gold prices trended down in June 2026, same as in the prior month, reflecting sustained bearish market sentiment. The metal opened the month at US$4,490.40/oz and declined in a volatile pattern, reaching a monthly low of US$3,994.50/oz before recovering a little to close at US$4,016.70/oz. On a monthly average basis, prices decreased by 7.4%, falling from US$4,577.63/oz in May 2026 to US$4,239.06/oz. This trend was largely driven by shifting Federal Reserve interest rate expectations, a stronger U.S. dollar, and declining safe-haven premiums.



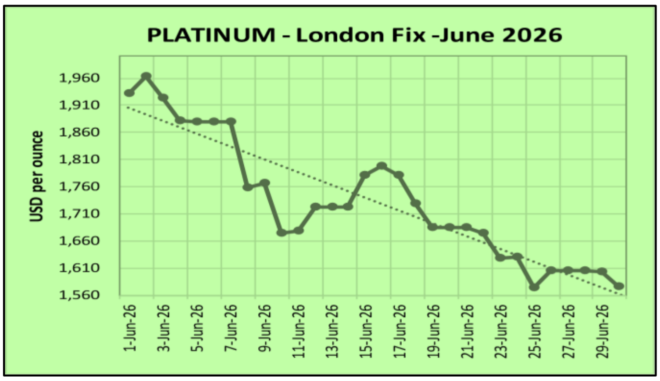
Source: LBMA – June 2026

Strategic insights and takeaways:

- *Gold prices continue to reverse, suppressing export revenues for gold-export dependent economies such as Zimbabwe, which has triggered the return of monthly trade deficits. Consequential reductions in foreign exchange inflows are exacerbating existing forex shortages, putting pressure on the local currency.*

7.2. Platinum

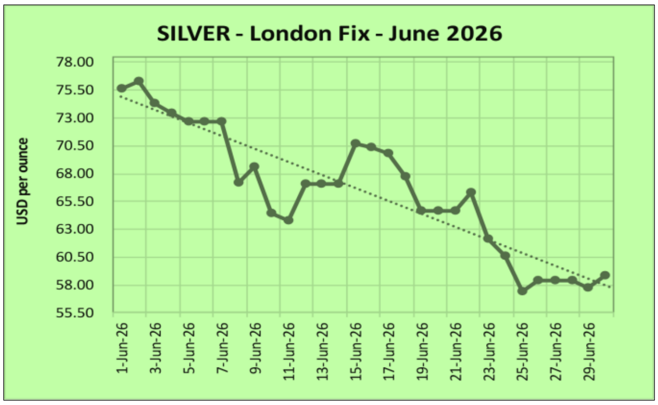
Platinum prices further moderated in June 2026, dropping by 15.4% on a monthly average basis from US$1,984.10/oz in May 2026 to US$1,679.06/oz. Investor profit-taking following an early-year historic rally, a steep decline in ETF holdings, and softer automotive demand remain the leading forces behind the month-on-month decline in platinum prices. The following graph depicts the trend of daily platinum prices during the month under review.



Source: LBMA– June 2026

7.3. Silver

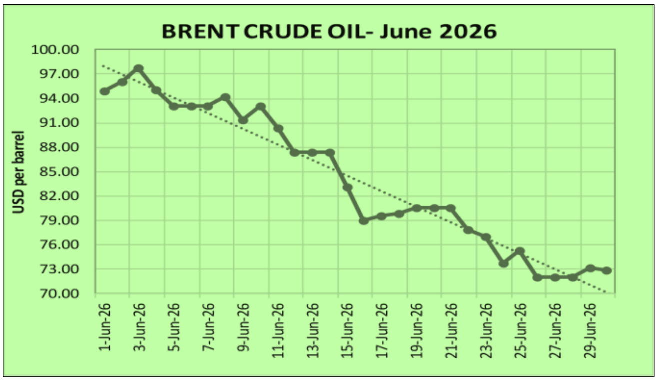
After opening the reviewed month at US$75.66/oz, silver trended downwards to reach a low of US$57.37/oz by mid-month, before tepidly retreating to close the month at US$58.80/oz. On a monthly average basis, silver prices fell by 14.0% to US$66.45/oz from US$77.30/oz in May 2026. The following graph depicts the daily silver price trend for the month under review.



Source: LBMA– June 2026

7.4. Crude Oil

During the reviewed month, oil prices opened the month at US$94.98/barrel, rose to a peak of US$97.81/barrel early in the month before plummeting to close the period at US$72.95/barrel. On a monthly average basis, prices decreased by 18.6% from US$103.35/barrel to US$84.12/barrel. The price drop reflects growing optimism surrounding Washington - Tehran negotiations, which aim to secure a truce and guarantee the free flow of maritime traffic through the Strait of Hormuz. The following graph depicts the daily crude oil price trend for the month under review.



Source: Oilprice – June 2026

Strategic insights and takeaways:

- *Although oil prices are gradually declining, economies should proceed with caution, as the current market stability remains precarious. Maintaining adequate oil buffers and reserves is essential to guard against any sudden disruptions.*
- *Global Benchmarks oil prices.*
  - *OPEC Reference Basket: USD 89.75/barrel (down USD 24.80 from May).*
  - *ICE Brent: USD 84.43/barrel (down USD 19.28).*
  - *NYMEX WTI: USD 81.79/barrel (down USD 16.72).*
  - *Oman Crude: USD 79.25/barrel (down USD 22.85).*
  - *International Commodity Market Average: USD 81.70/barrel, equivalent to USD 0.51 per litre.*
- *Prices fell sharply due to:*
  - *Easing geopolitical tensions in the Middle East.*
  - *Improved supply conditions from non-OPEC producers (US, Brazil, Canada, Argentina).*
  - *Speculative position unwinding: Hedge funds sold ~245 million barrels in futures/options.*

END