

THE ACORN REPORT

STOCKS & REITS & ETFS



CORPORATE NEWS

CHASING BLUE CHIPS AND HARD YIELD

Decoding NSSA's New Capital Market Playbook

Strong index gains on the ZSE and VFEX are masking tight liquidity. Here is why, and how to fix it.

THE INDEX IS UP. THE MARKET IS THIN.

Picture a shopping centre with fifty shops. Five are packed. Forty-five are quiet. From the car park, the centre looks busy, so rents rise. That is Zimbabwe's stock market today.

By 30 June the ZSE All Share Index stood at 417.81, up 50% for the year. The VFEX index gained 43.47%. Yet FBC Securities' August report warned that both bourses are rising on thin liquidity, with trading concentrated in a few counters. On 18 August the ZSE traded about ZWG20 million against a market capitalisation near ZWG111 billion. By my arithmetic, that is roughly 0.02% of the market changing hands in a day.



Measure	Latest reading
ZSE All Share, 30 June	417.81, up 50% year to date
VFEX All Share, 30 June	254.12, up 43.47% year to date
Half-year turnover	ZSE ZWG7.6bn; VFEX US\$166.4m
NSSA equity book, 18 September	ZWG18.2bn on ZSE; US\$165.3m on VFEX
NSSA balance sheet	Over US\$1.3bn, from about US\$300m in 2022

Why should a non-investor care? Because the exchange is where companies raise long-term money and where pension savers earn it. If it only looks busy, boards and savers read the wrong signals. Prices are climbing. The exit doors are narrow. Into that room walks NSSA.

WHAT NSSA IS REALLY SAYING

Business Times reported on 1 October that the National Social Security Authority will shed underperforming, non-dividend-paying stocks and add to profitable blue chips. It holds 22 ZSE counters and 13 VFEX counters. Its stakes are heavy: 35.1% of FBC, 36.5% of First Mutual, 26.5% of CBZ and 10.4% of Delta.

Read that plainly. On my arithmetic, NSSA's ZSE book is about one-sixth of the exchange's mid-August market value. NSSA is not a participant. It is the weather. Its message is simple: own companies that earn, pay and are well run, and pay pensions from dividends, not hopes. Call it the hard yield doctrine. The logic is sound. A pay as you go scheme meets pension bills every month. Dividends are cash. Gains on a thin market stay paper until someone buys.

THE MACHINE BEHIND THE PROFITS

Before praising or blaming any board, understand the machine. Five forces decide whether a Zimbabwean company makes money.

- Monetary policy. The RBZ held its policy rate at 35% through 2025. Credit was dear. Since June the rate has fallen 7.5 points, to 27.5% on 28 September, though the Bank calls this realignment, not easing.
- Inflation. ZWG inflation fell to 2.9% in August, the lowest since 1980 according to the RBZ governor, then rose to 3.7% in September on oil. Low inflation means fewer revaluation games and more honest profit.
- Currency. The ZWG launched in April 2024, then lost about 43% in a day that September. In 2026 it has held between ZWG25 and ZWG27 per dollar. Reserves passed US\$2 billion, yet import cover is under two months, against the six needed before any mono-currency move.
- Export surrender. Under Directive FXD5/2026 exporters keep 70% of proceeds and sell 30% to the RBZ at the interbank rate. A Morgan & Co report found consumer-goods producers abandoning exports for domestic dollar sales.
- Hormuz. The Gulf war that began on 28 February shut the Strait of Hormuz and lifted Brent about 65% in March, says the World Bank. Zimbabwe imports its fuel. Diesel jumped from US\$1.77 to US\$2.05 a litre in March and was US\$2.08 in September. Oil above US\$100 pushed September inflation up.



Gold and strong external inflows, up 37.8% to US\$14.3 billion by August according to the RBZ, have so far held the exchange rate steady. Exporters who keep 70% still buy inputs, power and fuel in dollars, so the 30% is not a rounding error. It is the margin. Let fuel stay high or inflows fade, and the arithmetic changes quickly.

| Profit in Zimbabwe is a macro outcome first and a management outcome second.

WHAT THE CHAIRMEN TOLD US

Read three years of chairman's statements and trading updates on the ZSE, VFEX and AfricanFinancials, and the story tells itself.

- 2023, survival. Inncor's profit after tax fell about 41% to US\$37.8 million as margins thinned.
- 2024, reset. The ZWG arrived. ZB's first-quarter update described rising prices and tight policy choking deposits and credit. Inncor still grew profit 27% to US\$48.2 million.
- 2025, discipline. ZB's chairman tied relative stability to the 35% policy rate; profit slipped to ZWG0.679 billion from a restated ZWG1.042 billion. Inncor passed US\$1 billion in revenue yet carried US\$10 million of sugar-tax cost and US\$13.4 million of disputed Zimra assessments.

- 2026, payoff. Delta's chairman, Todd Moyo, called the environment a marked improvement. Earnings rose to US\$152.3 million from US\$114.1 million and the dividend jumped 52%. Business Times says Innscor's profit doubled to US\$102 million. Simbisa, meanwhile, warned that fuel was squeezing margins.

Delta shows what a healthy name looks like. Its twelve-month trading value reached about US\$131 million by May 2026, against about US\$61 million a year earlier, as earnings and dividends rose together. Money follows cash flow.

The winners earn dollars, sell volume and hold cash. The strugglers carry ZWG exposure, import dependence or thin margins. Boards that explained this plainly kept investors' trust. Boards that hid behind "challenging conditions" did not.

THE MISSING OWNER AND THE MISSING DEALER

A market needs two people who rarely get credit: owners who ask hard questions, and dealers who keep prices moving. Zimbabwe has few of either.

Ownership is concentrated. Research on the ZSE found the top 20 shareholders hold at least 83% of shares on average, and over 85% of them are institutions. A 2016 commentary called these institutions passive and AGMs ceremonial. Chambers' 2025 guide notes that the average listed company has no shareholder, or group, able to supervise management.

Without activists, boards drift. Dividend policy stays vague. Capital allocation goes unchallenged. Listings quietly leave: Econet Wireless delisted from the ZSE as Econet InfraCo listed on the VFEX at US\$1 billion, and Old Mutual is moving to the VFEX after six years suspended.

Why does this hurt performance? Scrutiny disciplines cost, capital spending and pay. When owners are few, polite and rarely heard, the only discipline left is the market, and a thin market cannot supply it. An institution holding a third of a company cannot sell without moving the price, so silence becomes the safe choice. Passive ownership and illiquidity feed each other.

Without market makers, the glass is empty. A market maker posts a price to buy and a price to sell, all day, and earns the gap. As far as the public record shows, Zimbabwe has no widely used scheme that obliges and rewards dealers to quote. So one large order moves the price. VFEX turnover fell from US\$89.3 million in April to US\$16.8 million in May. Brokers also say higher transaction taxes discourage trading. Hayek taught that prices carry knowledge. Thin prices carry noise.

NSSA AND THE OTHER COG

Now put a dominant buyer in that room. NSSA wants dividends, so it will press boards on payout, cost and governance, whether it says so or not.

The other cog is the private insurer and pension complex, led by Old Mutual. IPEC told the 2026 ZEDCON that as of June only US\$263 million (short-term insurers), US\$36 million (life assurers) and US\$106 million (pension funds) were available for new investment, and prescribed-asset projects chase the same money.

Regulation adds a twist. IPEC data show pension funds held prescribed assets of about 10.4% in mid-2025, against a 20% minimum. Every dollar steered into a prescribed project is a dollar not bidding for shares.

Put the two together. NSSA is the deepest pocket. Private institutions have little fresh capital. So NSSA becomes the marginal price setter in blue chips, and non-paying small caps lose their most patient holder. Blue chips may climb further, though brokers already call many overvalued. Exited small caps may gap down for lack of buyers. And a state-owned pension scheme owes its members transparency: if it leans on boards, it should say how and why.



WHAT THIS MEANS FOR RETAIL INVESTORS

Retail investors are the most exposed and the least heard. The shake-up helps if you hold dividend payers. It hurts if you hold what NSSA leaves. Either way, know which you own.

- Look at yield, not only price. Dividends will be the market's currency.
- Respect liquidity. If you cannot sell, you own a hope, not a share.
- Use limit orders and avoid chasing the first day of news.
- Check free float and daily trading before you buy.
- Spread your bets through unit trusts and REITs.

WHAT THE MARKET IS SHOWING US

Three truths stand out. First, hard currency wins: the VFEX market capitalisation reached US\$3.91 billion in June, and brokers say demand for dollar assets stays strong. Second, quality is scarce, so money crowds into a few names. Third, local capital is limited, so one big buyer can set the tone. None of this is a verdict on companies. It is a verdict on market design.

THE ROAD AHEAD: NOTES TO THE ROOM

Who	What to do
Boards and chairmen	Put a dividend policy on page one, in plain words. Quantify fuel, surrender and ZWG effects on margins. Publish free float. Meet your top ten holders twice a year and make AGMs real.
Investors	Ask for payout, cash conversion and dollar share of revenue. Vote. Alone you are small through a shareholders' association you are a bloc.
Asset managers	Stop hugging the top five stocks. Publish voting records. Exit small caps in tranches, never all on the same day.
NSSA and IPEC	Publish a stewardship policy and give advance guidance on exits, so small caps are not crushed.
Exchanges and regulators	Set market-making rules, publish liquidity statistics monthly and keep the ZSE and VFEX talking to each other.

A MODEL FOR REBUILDING TRADE

- Quote. Appoint designated market makers on the top 20 counters, with spread limits, quote obligations and fee rebates. NSSA and insurers can lend stock to them, turning idle holdings into trading inventory.
- Float. Set free-float targets and let large holders place shares in tranches, so supply meets demand.
- Own. Adopt a stewardship code for institutions, with disclosed votes and a retail shareholders' association that can speak with one voice.
- Cost. Review the stack of transaction taxes and levies, and consider relief for small retail trades.
- Access. Push low-ticket products, mobile onboarding and one trading view across ZSE and VFEX, and grow ZEEX for smaller firms.

Then measure it: spreads, depth and turnover ratio, published every quarter.

NSSA has chosen yield over noise. Good. But a market cannot live on one big buyer, however well-intentioned. It lives on many owners who ask questions and many dealers who answer. Build those, and the index gains will finally mean something. Until then, remember the shopping centre: count the shoppers, not the shop signs.



SOURCES AND NOTES

- Business Times, “NSSA targets underperformers in portfolio shake-up“, 1 Oct 2026 (holdings, valuations, balance sheet).
- ZSE Group interim results via allAfrica and 263Chat, Sept 2026 (index levels, turnover); African Markets for 18 Aug 2026 ZSE trading and market capitalisation; The Standard/IH Securities and FBC Securities for VFEX data.
- Financial Gazette, “VFEX, ZSE gains mask liquidity risks“, 20 Sep 2026; NewsDay, FBC Securities on VFEX May turnover; Zimbabwe Independent on April turnover.
- RBZ Monetary Policy Committee, 28 Sep 2026 (via The Herald and Zimbabwe Situation); RBZ Directive FXD5/2026 (via ZB Financial Holdings and NMB notices); Bloomberg and IMF on the September 2024 ZWG drop.
- World Bank, Commodity Markets Outlook blog, May 2026; Xinhua and EquityAxis on Zimbabwe fuel prices; Simbisa Brands Q3 2026 trading update.
- AfricanFinancials: Delta Corporation FY2026 and FY2025 results; ZB Financial Holdings 2025 chairman's statement; Innscor FY2024 results. Innscor FY2023 and FY2025 figures via The Independent, NewsDay and Financial Gazette.
- IPEC, 2026 ZEDCON remarks via allAfrica, 1 Oct 2026; shareholding concentration from published academic work on ZSE ownership; Chambers, Shareholders' Rights & Shareholder Activism 2025 (Zimbabwe).
- Calculations marked “my arithmetic“ use ZSE market capitalisation of about ZWG111bn (18 Aug) and NSSA's ZWG18.2bn (18 Sep). Dates differ, so treat them as indicative. The “Innscor profit doubled to US\$102m“ item is taken from a Business Times headline; the full text was not available.



ABOUT THE AUTHOR

Jabulani Simplisio Chibaya

Guest Contributor – Data & AI Consultant

- Jabulani Simplisio Chibaya is a Data and AI Consultant specialising in data science, artificial intelligence, blockchain, and cryptocurrency innovation. He writes regularly on the intersection of technology, regulation, and economic development in Zimbabwe.

LinkedIn: [linkedin.com/in/jabulani-simplisio-chibaya](https://www.linkedin.com/in/jabulani-simplisio-chibaya)