



FOREIGN EXCHANGE MARKET

The ZMK opened last week on a bullish note on improved US Dollar supply appreciating from Mondays opening levels of 5565 and 5585 to 5490 and 5510 by close of business on the day. It remained at these levels on Tuesday before paring gains on Wednesday to close the day at weakened levels of 5555 and 5575 on increased demand by takers trying to take advantage of the ZMKs firm levels.

On Thursday, the ZMK posted marginal gains to close the day at 5515 and 5535 for buying and selling on the inter-bank market.

On Friday, the ZMK remained range bound at 5525 and 5545 levels, ending the week 0.7% firmer from Monday's opening.

The ZMK's bullish run during the week was spurred by improved US Dollar supply as well as positive market sentiments as copper prices rallied to their loftiest level of US\$4,165 since November 10, 2008 in intra-day trading on Friday. Though the copper price retreated from these levels, it still closed the week above US\$4,000.00. The ZMK will continue to be influenced not only by demand and supply but also global economic outlook.



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MARKET INDICATORS

FOREX	5525/5545
INTERBANK	10.00%
T-BILLS	13.85%
BONDS	17.32%
INFLATION	13.10%

FBZ RATES ZMK US\$

BASE RATE	21.0%	10.5%
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DEPOSITS ZMK US\$

SAVINGS	3.0%	0.1%
24 HR CALL	3.0%	0.1%
1 MTH FIXED	3.5%	0.5%
3 MTH FIXED	10.0%	1.25%
NCD 90 DAYS +	LIBOR +3%	

MONEY AND CAPITAL MARKETS

Bids received by the central bank at last week's **treasury bill** auction amounted to K75.8 billion. This was a sharp decline from the K132.3 billion that was seen at the previous auction. K65.7 billion was allocated. The benchmark 91 days t-bill now yields 13.85% from 13.90% previously.

Meanwhile, the **overnight money market** index appreciated from 11.8% to close the week at 12.10%. BoZ participated in the short term market through the OMO window in the earlier parts of the week.

There was minimal trading activity on the **equity market** on Friday with only 16 trades recorded. A volume of 26,357 was transacted, yielding a turnover of K5, 173,596. The all share index closed at 2,204.10 points, recording a drop of 0.13% from 2,206.91 recorded on Thursday. Celtel was the only security that recorded a price movement, closing at K322 down by K2. Trading activity was also recorded in AELZ, BATZ, Investrust, Zanaco and Zambia Sugar.

INTERNATIONAL MARKETS

Last week Friday, the **Dollar** rose, posting its largest 1-day gain against the Euro in more than 2 months, boosted by a growing view that the ECB may be the next to purchase its own bonds to stimulate growth. The Euro was down at \$1.3293. The Euro slid against the Yen to 130.13. **Sterling** fell to a 1-week low against the Dollar, dented by data showing the UK suffered the biggest contraction in economic growth since 1980 during the final quarter of 2008. The Pound fell against the Dollar to \$1.4330. **SAR** weakened sharply against a broadly stronger greenback. The Rand was trading at 9.57 against the Dollar.

Copper ended down, backing away from a near 5-month peak, as a general commodity downturn and uncertainties about the strength of real demand from manufacturers, particularly in China, weighed on values. Copper for May delivery fell to \$1.8360/lb. LME, 3-month Copper closed at \$4,050/tonne. **Gold** fell as precious metals came under pressure from a strong Dollar. Gold futures for April delivery settled down at \$923.20/ounce. **Crude Oil** futures ended more than 3% lower. May Crude settled at \$52.38. May Brent Crude ended down at \$51.98/barrel.

(Source: Reuters, Financial Times LUSE & BOZ) Every attempt has been made to ensure that the information provided is accurate. However, Finance Bank Zambia Limited and its employees cannot be held responsible for any errors and no liability is accepted for any losses which may arise from the use of this information.

KEY INDICES

T-BILL	RATES
91 DAYS	13.8537%
182 DAYS	15.7623%
273 DAYS	17.0804%
364 DAYS	18.0966%
BOND YIELD	RATES
2 YEARS	17.3191%
3 YEARS	18.4346%
5 YEARS	19.5000%
7 YEARS	17.2609%
10 YEARS	18.4069%
15 YEARS	19.2499%

CROSS	RATES
EUR / USD	1.3298 / 1.3301
GBP / USD	1.4323 / 1.4328
USD / JPY	97.850 / 97.890
USD / ZAR	9.5647 / 9.6152

LIBOR	RATES
1 MONTH	0.51813
2 MONTHS	0.95625
3 MONTHS	1.22000
6 MONTHS	1.76250
1 YEAR	2.01000

ECONOMIC	TARGETS
INFLATION RATE	10%
GDP GROWTH	5%
DEBT / BORROW-	1.8% GDP

MILES SAMP
MICHAEL BWALYA
PAUL MANGOMBA
CHILEMBA ZULU

DIRECTOR TREASURY (+260 1) 237 582
ASSISTANT DIRECTOR (+260 1) 224 990
SENIOR DEALER (+260 1) 224 264
FOREX DEALER (+260 1) 224 990

msampa@financebank.co.zm
mbwalya@financebank.co.zm
pmangomba@financebank.co.zm
czulu@financebank.co.zm

HEAD OFFICE P.O. BOX 37102
FINANCE HOUSE, CAIRO ROAD, LUSAKA, ZAMBIA
TEL (+260 1) 22 97 33 - 40
FAX (+260 1) 22 44 50 / 75 44
SWIFT ZFBAZMLU
www.financebank.co.zm