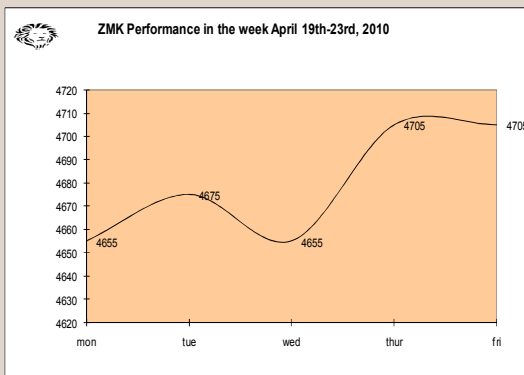




FOREIGN EXCHANGE MARKET

The ZMK ended last week 1.07% weaker on limited US Dollar supply which was surpassed by demand. The local currency opened the week trading at a buy rate of 4635 and a sell rate of 4655 on interbank market. It depreciated marginally on Tuesday to 4655 and 4675 levels before recouping its losses on Wednesday to close at 4635 and 4655 on subdued demand. On Thursday, there was increased interbank activity which saw the ZMK trading weaker touching an intraday low of 4700 and 4720 before closing at 4685 and 4705 levels. It remained unchanged on Friday in a quiet market.



KEY INDICES

T-BILL	RATES
91 DAYS	01.9779%
182 DAYS	02.3726%
273 DAYS	02.6801%
364 DAYS	04.2429%
BOND YIELD	RATES
2 YEARS	07.5656%
3 YEARS	07.5967%
5 YEARS	09.0788%
7 YEARS	16.8092%
10 YEARS	18.3210%
15 YEARS	18.6477%

CROSS	RATES
EUR / USD	1.3393 / 1.3399
GBP / USD	1.5386 / 1.5388
USD / JPY	94.000 / 94.010
USD / ZAR	7.4036 / 7.4336

LIBOR	RATES
1 MONTH	0.26438
2 MONTHS	0.29000
3 MONTHS	0.32063
6 MONTHS	0.49281
1 YEAR	0.97875

ECONOMIC	TARGETS
INFLATION RATE	8.0%
GDP GROWTH	5.8%
DEBT / BORROW-	1.8% GDP

MONEY AND CAPITAL MARKETS

Minimal activity was seen in the overnight money market last week. Overnight yields averaged at 1.6% and BoZ was absent on the liquidity management front.

At the treasury bill auction, K120 billion was on offer while total bids were K 129.74 billion. Owing to very high bid rates, BoZ could only secure K30.7 billion. The 91 days t-bill closed the week at 1.98% from 2.29% previously.

The monthly bond auction bids amounted to K229.7 billion at last week's auction. BoZ was only looking to borrow K120 billion from the market. The overwhelming response pressured the yields to close the week lower.

On Friday, the all share index closed at 2,899.99 points, gaining 0.09%. A turnover of K1.03 billion was recorded after transacting 525,663 shares in 19 trades. SCZ gained K1 to close at K250. Transactions were also recorded in Investrust, Zambeef, Zanaco and Zambia Sugar.

INTERNATIONAL MARKETS

Last week, the Euro recovered from one-year lows against the USD as Greece sought to activate a financial aid package. The Euro was up at \$1.3372. GBP retreated from a 3-month high against the Euro as first quarter UK growth data came in lower than expected. The Euro was trading up at 86.93 pence. The ZAR recouped earlier lows against the USD, tracking in part a firmer Euro. It traded at 7.4455/USD. Copper futures erased earlier losses to close up near their session highs, after surprisingly strong new home sales data boosted sentiment and provided the market with a firm posture. Copper for July delivery rose to

\$3.5305/lb. LME Copper for 3-months delivery closed at \$7,745/tonne. Gold futures rose to a one-week high as stronger risk appetite after an optimistic U.S. housing report more than offset worries related to Greece's debt crisis. Gold for June delivery settles up at \$1,153.70/ounce. Spot Gold was at \$1,156.45. Crude futures settled above \$85/barrel as economic optimism spurred by a big rise in home sales raised new hopes that the economic recovery was on course. June Crude settled up at \$85.12. June Brent Crude ended up at \$87.25/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.



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MARKET INDICATORS

FOREX	4685/4705	
INTERBANK	01.60%	
T-BILLS	01.98%	
BONDS	07.57%	
INFLATION	10.20%	

FBZ RATES ZMK US\$

BASE RATE	21.0%	13.0%
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DEPOSITS ZMK US\$

SAVINGS	1.0%	0.2%
24 HR CALL	0.1%	
1 MTH FIXED	1.0%	0.5%
3 MTH FIXED	2.0%	1.2%
NCD 90 DAYS +	LIBOR +3%	

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