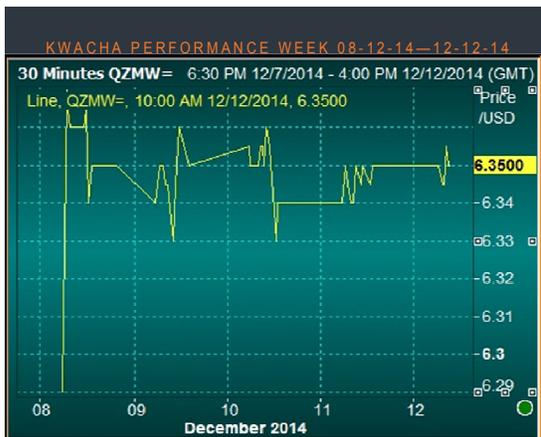




FOREIGN EXCHANGE MARKETS

KEY INDICES



Kwacha opened the week on the back foot losing 1 and half ngwee at the open, and posting a week-low of 6.3700/6.3900 in later sessions. Kwacha did go onto gain 0.6% by midweek. Corporate conversions ahead of the auction where the key driver peaking on Wednesday and helping kwacha up to 6.3250/6.3450, a week high. Importer demand was not suitably matched by corporate supply into the latter part of the week with the larger institutions relatively inactive in the final sessions. The local unit reversed most its gains and settled 2ngwee down at 6.3500/6.3700. The favored interbank quote by the close. Short Term, kwacha is expected range bound between 6.3000/6.4000 in the coming week, with the currency last firmly breaching these technical levels at the end of November, its remains likely to hold its ground. Long term prospects are less clear, the changes to mining tax regimes effective January could have far reaching consequences according to World Bank comments. The Foreign Exchange rate is not immune to any subsequent effects with the currency closely linked to the country's largest export mineral, copper. The proposed mining fiscal regime if approved could lead to a decline in copper output as producer's opt to close down operations, possibly making Zambia a less attractive jurisdiction for investment. On the other hand Moody's Investor service credit analysis pointed to a relatively positive outlook and investment climate, citing only political, fiscal trajectory and single commodity dependence as concerns with Zambia still being seen as credit positive.

T-BILL	RATES
91 DAYS	13.0002%
182 DAYS	17.5102%
273 DAYS	18.0077%
364 DAYS	20.3928%

BOND YIELD	RATES
2 YEARS	15.0000%
3 YEARS	16.2000%
5 YEARS	22.4100%
7 YEARS	21.4700%
10 YEARS	21.9700%
15 YEARS	22.4700%

INDICATIVE OUTRIGHT FWD RATES

	1W	1M	3M
GBP/USD	1.570396/1004	1.570204/0815	1.569416/0043
EUR/USD	1.243278/3481	1.243444/3660	1.243910/4220
USD/ZAR	11.650606/0906	11.706900/7900	11.815900/8900
USD/ZMW	6.354908/6.38991	6.403884/6.432936	6.531576/6.56763

MONEY & CAPITAL MARKETS

Two sovereign bonds issued by Zambia have continued to post positive performances on the international capital markets according to Ministry of Finance with the 1 Billion dollar bond traded at 112.5percent, making it one the best priced bonds amongst African Sovereigns. Money market liquidity measured by the banks aggregate current account balance was its highest on Wednesday at K1,988.77Mn, with statistics posted showing the aggregate balance was lowest on Monday at K1,818.28Mn. Interbank Volumes traded indicated Thursday was again the most active with K415.5Mn traded, Tuesday proved the least active at K325.0Mn. The average overnight interbank lending rate was little changed averaging 11.68% it did not stray more than 7 basis points from this level. A total of K810Mn was on at this weeks T-Bill Auction. Total Bids added up to K424Mn, with the total allocation being K370.02Mn, in an undersubscribed auction. The 182Day and 273Day paper yield rose 1 and 0.7 basis points respectively. The 364day bill however was down 1 basis point to 20.3928.

CROSS	RATES
EUR / USD	1.2430/432
GBP / USD	1.5701/707
USD / JPY	120.39/42
USD / ZAR	11.6400/ 455

LIBOR	RATES
1 MONTH	0.16080
2 MONTHS	0.20750
3 MONTHS	0.23990
6 MONTHS	0.33770
1 YEAR	0.60260

INTERNATIONAL MARKETS

INTERNATIONAL CURRENCIES

USD Cut its losses against the euro, extended gains against the yen and reached an 11-year high against the Norwegian crown on plunging oil prices and stronger-than-expected U.S. economic data on Friday. The U.S. dollar index .DXY bounced from its session lows on the data, trading at 88.348, still off 0.35 percent on the day.

GBP Fell against the euro and was subdued against the dollar on Friday on growing evidence that Britain's economic growth is moderating, a factor that is likely to keep British interest rates lower for longer. Against the dollar, the pound was steady at \$1.5735 , staying away from a 15-month trough of \$1.5585 hit on Monday

EUR Was up 0.5 percent at 79.14 pence and on track for its first weekly gains in two weeks. The euro was being supported against the dollar due to falling U.S. yields and increased buying of Euros versus central European currencies like the Polish zloty and the Hungarian forint.

ZAR Hit a six-year low against the dollar on Friday and bond prices slid on concern that ratings agency Fitch could downgrade the country's debt in its latest review. The rand slumped nearly 1 percent to 11.7225 to the dollar, its weakest since October 2008. It recovered to 11.6800 by 1600 GMT in volatile trade but was still down from Thursday's New York close of 11.6335

INTERNATIONAL COMMODITIES

COPPER Arose on Friday on hopes that China would unleash more stimulus measures after factory output growth slowed more than expected in the world' top metals consumer. Three month copper on the London Metal Exchange ended up 0.46 percent at \$6,490 a tonne. Prices have shed more than 11 percent this year on expectations of mounting supply, making copper the worst performer among LME metals.

CRUDE OIL A 6-month rout in the price of oil accelerated this week, culminating in a 4 percent drop Friday - its third such drop in 5 days - to its lowest level since May of 2009, when the U.S. was still in recession. Friday's trigger was a lowered expectation for oil consumption from the International Energy Agency. The benchmark U.S. oil price closed down \$2.14 to close at \$57.81 a barrel in New York. It is now 46 percent below its late-June high for the year of \$107.26. Brent crude, fell 77 cents to close at \$61.85.

GOLD Edged lower on Friday as some buyers cashed in recent gains, but the metal had its biggest weekly rise in two months as the dollar retreated and sliding oil prices hurt risk appetite. Spot gold was down 0.5 percent at \$1,221.66 an ounce while U.S. gold futures or February delivery settled down 0.3 percent at \$1,222.50.

ECONOMIC TARGETS

INFLATION RATE	7%
GDP GROWTH	7%
DEBT / BORROW-	2.0% GDP

FBZ RATES ZMW USD

POLICY RATE	12.5%	13.0%
DEPOSITS	ZMW	US\$
SAVINGS	2.0%	0.2%
24 HR CALL		1.0%
1 MTH FIXED	3.0%	0.5%
3 MTH FIXED	4.50%	1.2%

MARKET INDICATORS

FOREX	6.2977/6.4224
INTERBANK	11.68.%
T-BILLS (91 days)	13.0002%
BONDS (2yr)	15.0000%
INFLATION (y/y)	8.1%

Michael Bwalya Director Treasury (+260 1) 237582 mbwalya@financebank.co.zm
 Chilemba Zulu Market Making (+260 1) 224990 czulu@financebank.co.zm
 Musonda Chisenga Corporate sales (+260 1) 224264 mchisenga@financebank.co.zm
 Salim Mulla Corporate sales (+260 1) 224990 smulla@financebank.co.zm

HEAD OFFICE
 TEL (+2601)224990/224264
 FAX (+2601)228556
 SWIFT ZFBAZMLU
 WWW.FINANCEBANK.CO.ZM