

As at 22 January 2018

Currencies

The rand firmed more than 1% on Monday as the market digested news of the new Eskom board and reports that the ANC's Top 6 are discussing the exit of President Zuma. These developments do create more positives for the local unit ahead of the Moody's announcement in March but it remains to be seen whether this will be enough to help the rand stay in the World Bond Index, said TreasuryOne dealer G Westhuizen. Some of the main focus points on the economic calendar this week will be the US government shutdown (ongoing); the World Economic Forum (from Tues); the Bank of Japan policy decision (Tues); South African CPI data (Wed); Eurozone PMI data (Wed); the ECB policy decision (Thurs) and US and UK GDP data for the 4th quarter of 2017 (Fri). However, analysts agree that the big event to keep an eye out for this week will be any developments on the exit of Zuma, and whether proceedings will start this week.

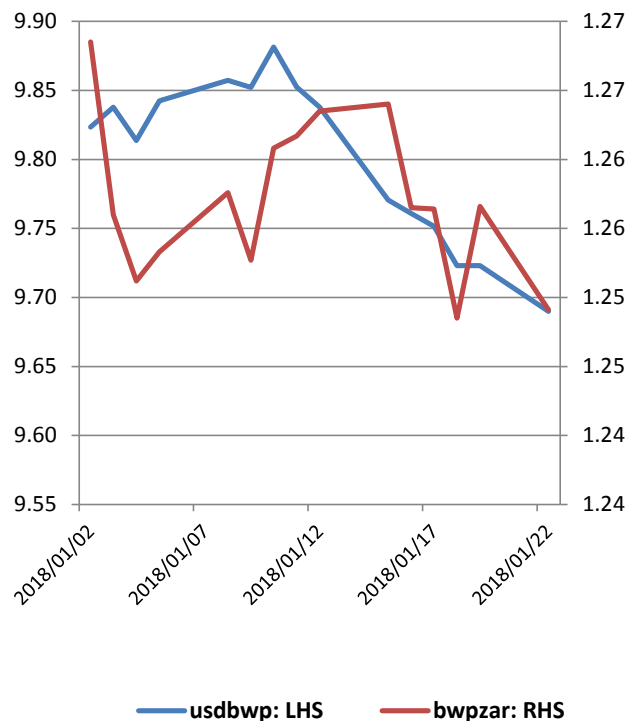
Source: Fin24

One BWP equals of listed currency

	Current	Last Week	Trend	
USD	0.1016	0.0960	↑	5.88%
ZAR	1.2685	1.2795	↓	-0.86%
EUR	0.0845	0.0879	↓	-3.85%

One USD equals of listed currency

	Current	Last Week	Trend	
BWP	9.8233	10.3896	↑	5.45%
ZAR	12.4609	13.7156	↓	-9.15%
EUR	1.2045	1.1736	↑	2.63%



Money Market

The Pula Market Liquidity increased from P1,198 million in the previous week, to P1,844 million in the past week. The increase in liquidity is due to preparation for month end government employees salary payments.

BWP Deposit Rates Offered by Bank Gaborone

	> 1 Mil	> 3 Mil	> 10 Mil
Call	0.85%	1.05%	1.25%
14 Day	1.10%	1.30%	1.50%
28 Day	1.35%	1.55%	1.75%
88 Day	2.65%	2.75%	2.85%
182 Day	4.10%	4.20%	4.30%
365 Day	4.40%	4.50%	4.60%

Bank Gaborone also offers competitive rates on amounts >1million

Indicative rates:	3 Months	6 Months	12 Months
SA Rand Deposit	6.70%	6.95%	7.35%
US Dollar Deposit	0.60%	0.70%	1.10%

Global Market News

US government was forced to shut down amid a dispute between President Trump and Democrats over immigration. Republican and Democratic leaders of the US Senate held talks on Sunday seeking to break the impasse that has kept the US government shut down for 2 days. But the Senate scheduled a vote for Monday at noon (5pm GMT) on a stopgap spending measure, ensuring the federal government will remain closed when US markets open. While many see minimal impact on the economy from a short-term government shutdown, analysts say a prolonged stalemate in Washington could dent investors' confidence in US assets.

Source: Business Day Live

Brent oil advanced after its first weekly slump since mid-December as Saudi Arabia and Russia pledged supply cuts will continue while some banks predict the deal may end early. Output limits should remain through 2018 as rebalancing may be achieved next year, Saudi Arabia's Energy Minister Khalid Al-Falih said in a Bloomberg television interview held with his Russian counterpart on Sunday. Russia is prepared to cooperate with OPEC after the current curbs expire, Energy Minister Alexander Novak said. Neither minister said if the cuts would continue in 2019. OPEC and its allies see merit in maintaining their output limits into 2019, Oman Oil Minister Mohammed Al Rumhy told reporters before a meeting to assess compliance to the accord. The compliance rate among all participants in 2018 will beat the 107% average in 2017, Al-Falih

Source: Fin24

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