

### As at 26 March 2018

#### Currencies

The rand was in a sweet spot on Monday morning, after SA successfully defended its investment grade status. Not only did Moody's Investors Service preserve the country's investment grade status, the ratings agency also upgraded the outlook on SA from negative to stable. Botha said that after South Africa's credit rating was not downgraded by Moody's on Friday, market focus would now switch to whether the South African Reserve Bank's monetary policy committee (MPC) will cut benchmark interest rates. "With inflation under control and the rand not blowing out as the MPC feared, the time is ripe to cut rates this time around," he said. The MPC decision is set to be announced on Wednesday. The local currency could weaken, depending on how the trade war between the US and China plays out.

Source: Business Day Live & Fin24

#### One BWP equals of listed currency

	Current	Last Week	Trend	
USD	0.1050	0.0960	↑	9.42%
ZAR	1.2325	1.2795	↓	-3.67%
EUR	0.0850	0.0879	↓	-3.25%

#### One USD equals of listed currency

	Current	Last Week	Trend	
BWP	9.4715	10.3896	↑	8.84%
ZAR	11.6789	13.7156	↓	-14.85%
EUR	1.2411	1.1736	↑	5.75%



#### Money Market

The Pula Market Liquidity increased from P802 million in the previous week, to P2093 million in the past week. The increase in liquidity in the market is partly due to month end government employee salary payments still yet to be paid out.

#### 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

The dollar had been losing ground against other major currencies, notably the yen, as a prolonged trade war could hit growth in the US and derail a nascent global recovery, analysts said. Those concerns tended to benefit the yen, a popular destination during times of political or economic uncertainty, Dow Jones Newsires reported. Investors were also growing concerned that the Trump administration was increasingly relying on advice from policy hawks and that there were fewer voices of reason with every staffing shake-up at the White House, said Commonwealth Foreign Exchange's chief market analyst, Omer Esiner, in a note to clients.

Source: Business Day Live

Crude oil futures slipped on Monday, but losses were capped by a rebound in stock markets and escalating Saudi-Iran tensions. Brent crude futures were down 10 US cents at \$70.35 a barrel at 10am GMT. US President Donald Trump last week signed a memorandum that could impose tariffs on up to \$60bn worth of imports from China. The market also found support from rising tension in the Middle East. Beyond trade concerns, crude was pressured by a rise in the number of active US oil rigs to a three-year high of 804, implying further rises in production. US oil output has already jumped by a quarter since mid-2016 to 10.4-million barrels a day.

Source: Business Day Live