

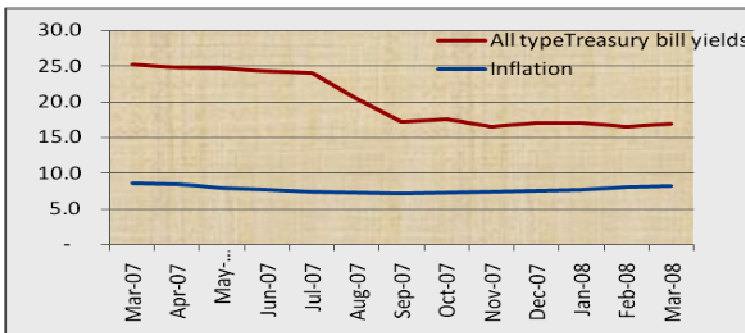


Money Market Returns: Money Market Rates and Inflation

Real money market returns have been on the decline since the beginning of 2007 with real margins declining from 7.98 percent in March 2007 to just about 0.46 percent in March 2008.

Money Market Rates

During the period March 2007 to March 2008, Treasury bill yields exhibited massive declines across all three tenors with the all type yield recording a 47.76 percent decline from 16.5 percent recorded in March 2007 to settle at 8.66 percent in March 2008.



Inflation

Year on year inflation continues to increase but at acceptable seasonal levels with March 2008 recording 8.2 percent up from 8.0 recorded in February 2008. However, when compared to the same period in the previous year a 4.65 percent improvement in inflation levels is depicted as year on year inflation recorded in March 2007 was at 8.6 percent. The increase in Inflation levels during this period can be attributed to the low food supply and the lagged response to soaring global fuel prices.

Market outlook

Inflation levels are expected to ease up as people across the country harvest their crop. Food prices account for 58.1% of inflation. Treasury bill yields on the other hand are expected to remain stable in the short run. However marginal fluctuations are inevitable due to slight fluctuations in liquidity levels. As such, we expect investors to continue earning real returns from their investments in the money market.

MARKET STATISTICS

Treasury Bill Yields

| Tenor days | Current % | Previous % |
|------------|-----------|------------|
| 91 | 09.10 ↑ | 09.01 |
| 182 | 08.55 ↑ | 08.53 |
| 273 | 09.18 ↑ | 08.99 |

RBM Bill Yields

| Tenor days | Current % | Previous % |
|------------|-----------|------------|
| 63 | 08.38 ↓ | 08.43 |
| 91 | 00.00 ↓ | 08.50 |

CDH Investment Rates

| Tenor/Period | Rate % |
|--------------|--------|
| 24 days | 5.50 |
| 52 days | 5.85 |
| 80 days | 6.50 |
| 87 days | 6.50 |
| 129 days | 6.00 |
| 178 days | 6.00 |
| 213 days | 6.50 |

Inflation Rates

| | Feb. 08 | Mar. 08 |
|------------|---------|---------|
| National - | 08.00 ↑ | 08.20 |
| Urban - | 10.40 ↑ | 10.80 |
| Rural - | 06.70 ↑ | 06.90 |

Middle Exchange Rate

| | 23.04.08 | 16.04.08 |
|-----|-------------|-----------|
| USD | K140.4983 ↑ | K140.4960 |
| GBP | K287.4513 ↑ | K282.8122 |
| ZAR | K 19.0642 ↑ | K 18.3310 |
| EUR | K229.4366 ↑ | K225.8873 |

Stock Exchange

Week ending 18th April 2008

| Index | Current Points | Previous Points |
|-------|----------------|-----------------|
| MASI | 5225.34 ↓ | 5167.22 |
| DSI | 4123.66 ↓ | 4077.21 |
| FSI | 521.59 ↔ | 521.59 |

Nominal Treasury bill stock

| In K'-billion | | |
|---------------|--------|--------|
| Jan.08 | Feb.08 | Mar.08 |
| 85.14 | 84.18 | 83.40 |

Source: NSO, RBM, MSE, CDH

Remember!!! Forecasts are not a reliable indicator of future results. Your capital is at risk when you invest in shares; never risk more than you can afford to lose. Please seek independent financial advice if necessary. CDH Asset Management Limited