SELECTED ECONOMIC INDICATORS

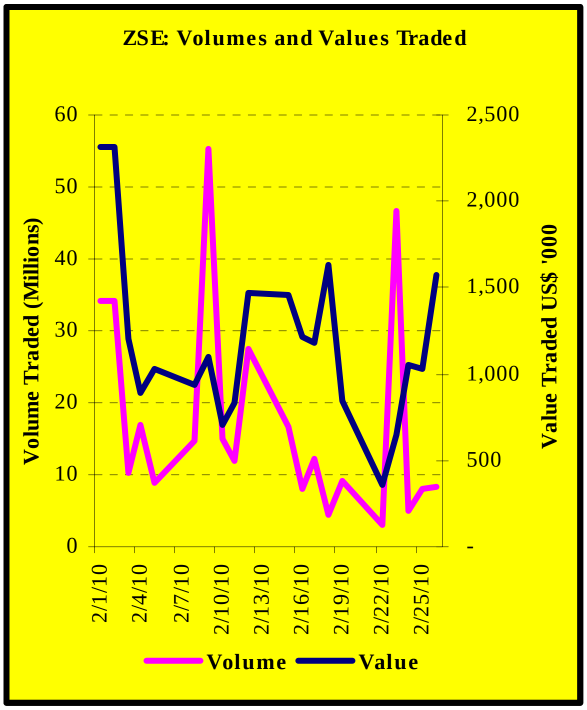
	February 2010 (End Period)
Z.S.E Mining Index	175.08
Z.S.E Industrial Index	140.37
Money Supply (M3) Growth*	29%
Yearly Inflation	-0.7%
Interest Rates (Per Annum)	
Average Lending Rates**	30.62%
Average Demand Deposit Rates	1.15%

Z.S.E: Zimbabwe Stock Exchange

* Provisional December 2009
** Lending Rate— Libor + margin

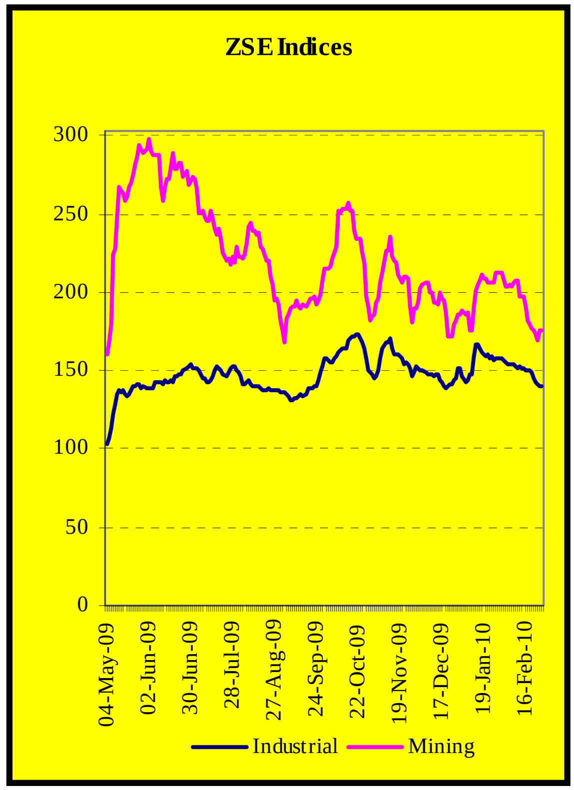
Stock Market Developments

During the month of February 2010, the local bourse was affected by the uncertainty surrounding the indigenisation regulations. The Zimbabwe stock exchange (ZSE) recorded a slowdown in volumes and values traded from



34 million shares at a value of US$2.3 million at the end of January 2010 to 8.3 million shares at a value of US$1.6 million as the end of February 2010.

This resulted in the both the mining and industrial indices falling from 212.27 and 157.36 to 175.08 and 140.37, respectively.



The overall performance of the ZSE will continue to be affected by limited liquidity in the economy and the perceived country risk.

Banking Sector Developments[1]

Broad money (M3) registered a 14.13% monthly growth to US$1.4 billion in December 2009. The growth was underpinned by a 7.1% monthly expansion in demand deposits. Demand deposits rose to US$1 billion and accounted for 75% of broad money.

Total short term deposits accounted for 84%

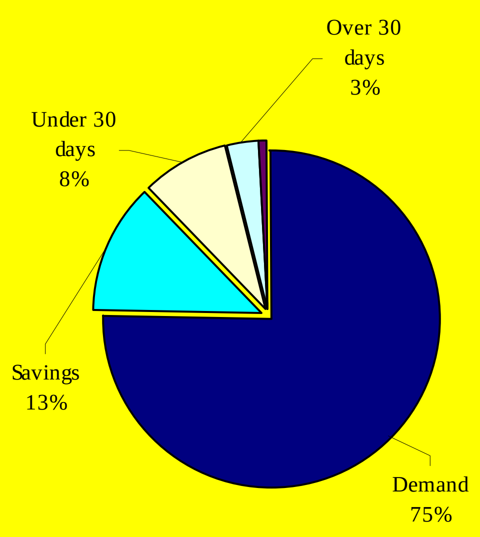
1. All banking statistics are provisional.

of broad money. The current structure of deposits reflects low confidence in the banking system and low incomes in the economy.

The bulk of the deposits, 35.8%, came from the services sector which also includes local authorities and the Zimbabwe Electricity Supply Authority (ZESA). Households contributed 14.7% to total deposits.

Lending to the private sector by banks, increased from $88 million in January to $700 million in December 2009.
Credit to the private sector as a component of total deposits at banks, increased marginally from November's 50.1% to 50.7% in December 2009.

Banking Sector Deposits



Total Deposits as at the end of January 2010 were US$1.4 billion.

Credit to the private sector was mainly to cover liquidity needs of companies. Restocking accounted for 25.9% and procurement of raw materials was 19.6% of total private sector credit.

Companies that accessed credit were mainly in the manufacturing and distribution sectors.

Inflation

Annual inflation rate for the month of February 2010, as measured by the CPI stood at -0.7%, gaining 4.1 percentage points on the January rate of -4.8%. The month-on-month inflation rate stood at 1.0%, gaining 0.3 percentage points on the January 2010 rate of 0.7%.

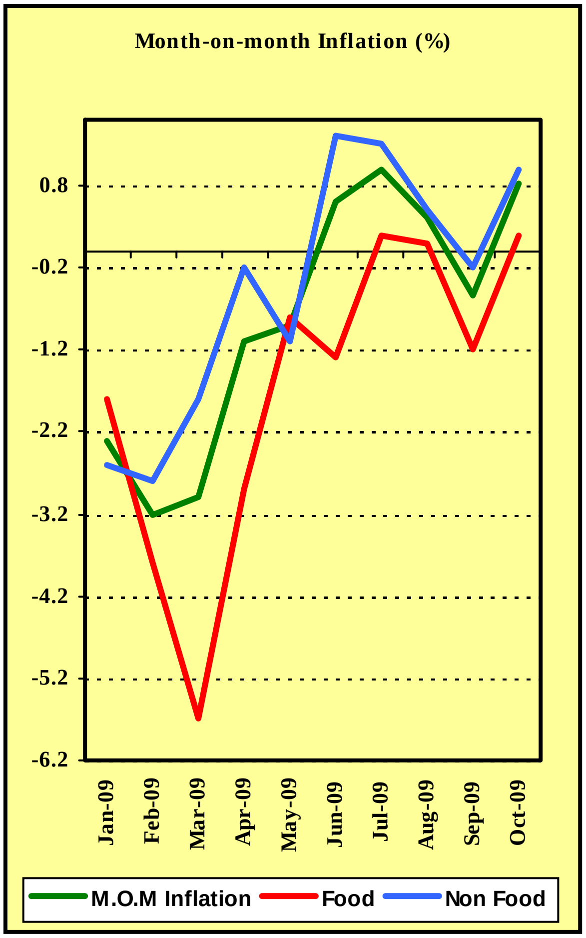
Annual food and non alcoholic beverages inflation was –6.81% in February compared to –12% in January 2010. Contributors to the annual inflation development in this category were bread and cereals, -14.8%; oils and fats, -12.4%; and fish –10.6%.

On a yearly basis, non– food inflation was recorded at –1.3% in January 2010 compared to –4.2% in December 2009. the rise was driven a 0.3% month on month rise in non food inflation.

As the year progresses into the winter where aggregate demand for most CPI major groups including housing, water, electricity and gas, clothing and footwear will outweigh aggregate supply, as well as increased demand for food and non alcoholic beverages

2.DMBs consists of commercial banks, merchant banks and discount houses.
3. OBIs consists of building societies, finance houses and the People's Own Savings Bank (POSB).

and tourism related products ahead of the 2010 south Africa soccer show case, some creeping inflation is expected in the short to medium term.



Furthermore, developments on the external market, with the US dollar's continued depreciation against the ZAR, when most of the country's import requirements are US dollar denominated, is likely to pose some imported as well as cost push inflation in the medium term.

Payments Activity through Cards, Zimbabwe Electronic Transfer and Settlement System (ZETSS) and Cheques for January 2010[4]

Cards

The total value of card based transactions during the month of January 2010 was US$3, 7 million. Out of this, 57% were processed through ATMs and 43 % through Point of Sale (POS) machines.

Zimbabwe Electronic Transfer Settlement System (ZETSS)[5]

A total volume of 91 654 transactions valued at US$ 1,034 billion was processed through the RTGS system, known as Zimbabwe Electronic Transfer and Settlement System (ZETSS) during the month of January 2010.

Mobile and Internet Based Transactions

The total value of mobile based transactions decreased by 17% from US$105,950 recorded in December 2009 to US$87,885 in January 2010, while internet transactions declined by 47 % to US$4,7 million during the period under review.

Cheques

During the month under review, a total of 7864 transactions valued at USD1,8 million were processed.

4.The Zimbabwean economy introduced settlement in USD with effect from 14 April 2009.
5.NB ZETSS still had Zimbabwe dollar transactions while some banks were already issuing foreign currency on ATMs and had POS machines that were operating in foreign currency.

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