



# Weekly Market Bulletin

## Government of Ghana Treasury Bills & Notes Rates

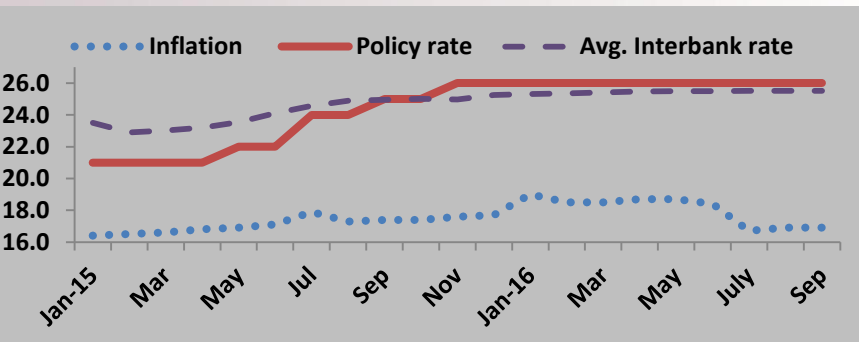
Bills & Notes	19-Sep-16	12-Sep-16	Change
91- Day	22.87%	22.86%	+0.01%
182- Day	24.69%	24.70%	-0.01%
1 Year Note	23.50%	23.50%	-

Key Economic Indicators	2016 Target
GDP Growth	5.4%
Inflation	10.1%
Import Cover	≥3 Months

The Monetary Policy Committee(MPC) of the Central Bank maintained the Policy Rate at 26% at the last MPC meeting. The decision to hold the rate for the 5<sup>th</sup> successive time since November 2015 is in line with the prudent measures taken by the authorities to contain inflation which inched up slightly to 16.95% in August.

Prior to the meeting, there were calls by some analysts and stakeholders in the private sector for a rate reduction to tackle the high cost of credit which is hovering around 33%. They expressed grave disappointment at the Central Bank's stance on the policy rate, agitating it could have been slashed down to relieve businesses off the high cost of operations.

With the Cedi's continued stability and tight credit controls, it is expected that inflation would trend towards government's target faster than projected.



Yields on the 91-day bill rose marginally by 1 basis point while the 182-day bill declined slightly by the same margin. The 1-year note remains unchanged at 23.50%.

Trading activities have not been robust on the Fixed Income Market as weekly volumes continue to fall since the last bond issuance. Volumes traded yesterday was GHS12 million against the daily average of GHS28 million. Activities are expected to gradually pick up in the next few weeks.

Indicative Local Market Rates		
CCY Pair	Buy	Sell
USD/GHS	3.8700 – 3.8900	3.9850 – 3.9870
GBP/GHS	5.0300 – 5.0500	5.2440 – 5.2460
EUR/GHS	4.2800 – 4.3000	4.4850 – 4.4870

The Cedi declined slightly against the Dollar last week. It however, inched up against both the Pound and Euro.

## Weekly Interbank Foreign Exchange Rates

Currency	19-Sep-16	12-Sep-16	Change
USD/GHS	3.9572	3.9550	+0.0022
GBP/GHS	5.1663	5.2206	-0.0543
EUR/GHS	4.0386	4.4520	-0.4134

On the local market, the Dollar gained 22 pips against the Cedi though it weakened against most major international currencies. The year to date depreciation of the Cedi against the Dollar stands at 4.1% compared with 14.8% recorded for the same period last year. The Pound and the Euro however lost 543 and 4134 pips to trade around 5.1663 and 4.0386 respectively. As government plans to issue the first Dollar-denominated bond this month to meet maturing debts and infrastructure development, the Cedi is expected to remain relatively stable against the Dollar.

## Deposit Rates

Tenor	Rates
O/N	5.00%
1 Month	15.00% - 18.00%
3 Months	18.00% - 21.00%
6 Months	17.00% - 20.00%
1 Year	18.00% - 19.00%
BoG Policy Rate	26.00%
Average InterBank Rate	25.51%
GTBank Base Rate	26.38%

On the cash market, the average interbank rate continues to flatten at 25.51% indicative of sufficient liquidity on the market. Rate movements are not expected in the short run as the Policy Rate remains at 26%.

CCY PAIR	19-Sep-16	12-Sep-16	Change
GBP/USD	1.3028	1.3189	-0.0161
EUR/USD	1.1176	1.1215	-0.0039
USD/JPY	101.93	102.54	-0.6100
USD/CHF	0.9771	0.9734	+0.0037
Commodities			
Gold	1,319.80	1,325.90	-6.10
Oil (Brent)	46.57	46.13	+0.44
Cocoa	2,872.00	2,809.00	+63.00

The Dollar weakened and world stock indexes rose as investors expect the United States Federal Reserve to leave interest rates unchanged this week. Yields on U.S Treasury bills dropped ahead of Fed's policy meeting this week.

On the commodities' market, oil prices rose last week as traders reacted to hint of imminent deal to stabilize the market. The Organisation of the Petroleum Exporting Countries(OPEC) will probably revive talks on freezing oil production levels when it meets non-OPEC nations in Algeria.

Cocoa prices inched up by \$63 after bouncing back from multi-week lows.

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