

# Weekly Market Bulletin

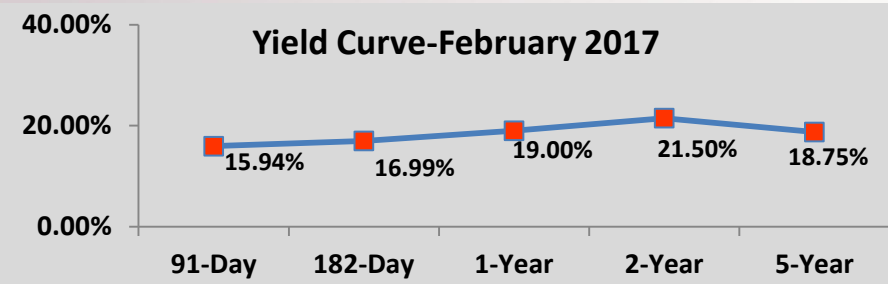
Key Economic Indicators in Ghana (2017 Target)

GDP Growth.....(5.4%)  
 Inflation.....(8+/-2%)  
 Policy Rate.....25.50%  
 Import Cover...≥3 Months

Following significant revenue shortfalls in the books of government for 2016, there is optimism that gold production is on a bounce. Planned projects by Golden Star and Asanko Gold and additional efforts from Goldfields Ghana should spur production by 400,000 ounces to 2.8 million ounces, from 2.4 million ounces in 2016. This should inject additional FX into the economy and boost reserves. This bodes well for the economy which could benefit from the rising gold prices and shore up the country's reserves.

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	27-Feb-17	20-Feb-17	Change
91- Day	15.94%	15.96%	-0.02%
182- Day	16.99%	16.97%	+0.02%
1-Year Note	19.00%	19.00%	-

Government of Ghana securities recorded marginal changes at the last auction. The 91-day treasury bill shed 2 basis points closing the auction at 15.94%. The 182-day also edged up to 16.99%, gaining 2 basis points.



On the fixed income market, trading activities were not robust last week. Alpha seeking investors are gradually shifting to the stock market as they are weary of the low yields offered on the secondary market. Notwithstanding the abysmal performance of the 91-day treasury bill on the secondary market, the 1-year note was the most appreciated paper.

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**Available GoG Securities (Indicative Rates)**

Maturity Date	Security Type	Offer
6-Mar-17	91- Day	17.30%
27-Mar-17	91-Day	16.65%
5-Jun-17	182- Day	18.60%
26-Jun-17	182- Day	17.40%
10-Jul-17	182- Day	17.30%
15-Jan-18	1-Year Note	19.15%

**Indicative Local Market Rates**

CCY Pair	Buy	Sell
USD/GHS	4.3900 – 4.4100	4.6170– 4.6180
GBP/GHS	5.4000 – 5.4200	5.7180– 5.7190
EUR/GHS	4.6050 – 4.6250	4.8840– 4.8850

Demand for foreign exchange remains very high on the local market. Aside the Cedi's accelerated depreciation against the Dollar, the Pound and the Euro also recorded gains against the Cedi for the week under review. The increased foreign exchange demand is associated with the repatriation in the early parts of the year to meet external obligations by multinational firms. Also, some investors are cashing out to invest in the US market which is seen as less risky following the rate hike to 0.75% by the Fed in December last year.

The Dollar and the Pound recorded gains of 844 pips and 863 pips to close the week at a mid-rate of 4.4594 and 5.5439 respectively. Similarly, the Euro is trading in the region of 4.7287, up by 807 pips from last week's mid-rate of 4.6480. Based on previous Q1 trends, this Cedi volatility is not unusual. However, the current pace of depreciation is not conducive for businesses. The Finance Minister is expected to outline measures to halt the slide this Thursday as he presents the government's programme for the year.

Deposit Rates	
Tenor	Rates
O/N	5.00%
1 Month	13.00% - 15.00%
3 Months	15.00% - 18.00%
6 Months	17.00% - 19.00%
1 Year	16.00% - 17.00%
Average Inter-Bank Rate	25.20%
GTBank Base Rate	26.23%

With liquidity on the money market remaining tight, the overnight lending rate steadied at 25.20% over the past weeks.

CCY Pair	27-Feb-17	20-Feb-17	Change
GBP/USD	1.2465	1.2409	+0.0056
EUR/USD	1.0560	1.0614	-0.0054
USD/JPY	112.07	112.83	-0.7600
USD/CHF	1.0076	1.0023	+0.0053
Market Commodities			
Gold	1,261.70	1,237.91	+23.79
Oil (Brent)	56.16	56.13	+0.03
Cocoa	1,977.00	2,000.00	-23.00

The week under review saw a contrasting performance by the Dollar against its peers on the international market. The GBP/USD pair edged higher to trade at 1.2465, whilst the EUR/USD pair retreated to 1.0560.

On the commodities market, oil prices surged to \$56.16 as investors showed confidence that prices would rise further, though the gains were capped by the prospect of faster growth in US oil production. Gold recorded the highest change on the commodity market to trade at \$1,261.70. However, cocoa prices plummeted to close the week at \$1,977.00

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