



Weekly Market Bulletin

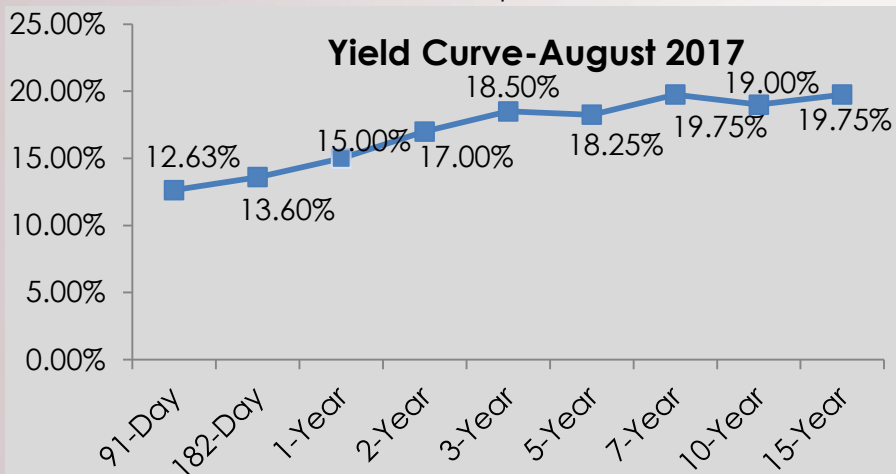
Government of Ghana Treasury Bills & Notes Rates

Bills & Notes	21-August-17	14-August-17	Change
91- Day	12.63%	12.62%	+0.01%
182- Day	13.60%	13.00%	+0.60%
1 -Year	15.00%	15.00%	-

Key Economic Indicators 2017 Target

GDP Growth	6.3%
Inflation	11.20%
Import Cover	≥3 Months

Paperless transaction at Ghana's seaport is set to take off 1st September 2017. The national drive to make the port activities paperless is positive for the development of the maritime economy as this is projected to sanitize the import and export process at all designated ports of entry and further enhance the country's competitiveness within the global trading space. A successful implementation of the paperless system will address the concern of revenue leakages, delays in goods clearance and the high cost of doing business within the port community. It would further reduce bureaucracies and minimize the avenues for corruption.



Short term treasury instruments firmed up this week following a less-than-impressive participation by investors. The target for 91-day and 182-day (GHS669 million) was not attained, closing 25% lower to GHS501 million whilst the 2-year note (target of GHS200 million) was hugely undersubscribed by 88% as investors viewed the yield on short-tenored securities as low and preferred long-dated securities with favourable yields. The 5-year tap-in cleared at a yield of 17.92%-18.35% with government realizing a total of GHS1,386 million against a target of GHS1,500 million. The difference was traded on the secondary market as investors avoided the uncertainty of yields relating to the tap-in. In effect, the 5-year papers traded the most on the GFIM despite a drop in total volume by 4.5% to GHS211 million - GHS84 million of July 2021 traded at a yield of 18.15%-18.48% and GHS16 million of July 22 traded at 18%-18.15%.

Available Securities

Maturity Date	Security Type	Offer
06-May-19	1-Year Note	18.30%
01-Jun-20	3-Year Bond	17.60%
25-Jul-22	5-Year Bond	17.90%

CCY Pair	Buy	Sell
USD/GHS	4.2550 – 4.2750	4.4500– 4.4520
GBP/GHS	5.4400 – 5.4600	5.7570– 5.7590
EUR/GHS	4.9550 – 4.9750	5.2570– 5.2590

The Bank of Ghana continued its fx auction in the week to meet the demand of portfolio investors and businessmen. This however could not hold the Cedi as it depreciated by 79 pips to close at 4.3854. The Euro also extended its gains by 151 pips to settle at 5.1774. The Cedi however benefitted from a gloomy Pound outlook, gaining 195 pips to close the week at 5.6594.

Tenor	Rates
O/N	5.00%
1 Month	8.00% - 10.00%
3 Months	10.00% - 12.00%
6 Months	12.00% - 13.00%
1 Year	13.00% - 14.00%
Average Interbank Rate	20.98%
GTBank Base Rate	24.77%

We expect the interbank rate to hover around current levels (20.98%) for the next week as players remain watchful as a result of recent happenings in the banking industry.

CCY Pair	21-August-17	14-August-17	Change
GBP/USD	1.2868	1.2992	-0.0124
EUR/USD	1.1748	1.1804	-0.0056
USD/JPY	109.33	109.61	-0.2800
USD/CHF	0.9619	0.9716	-0.0097

Market Commodities			
Gold	1,291.79	1,284.30	+7.49
Oil (Brent)	51.76	51.39	+0.37
Cocoa	1,895.00	1,933.00	-38.00

The Sterling lost ground against the Dollar and the Euro as doubts around UK economic growth and Brexit talks continued to weigh on the currency. Uncertainty over the government's handling of the Brexit talks and a collapse in expectations for a rise in Bank of England interest rates this month over the next year have pushed the pound back below \$1.30. The U.S. currency however, firmed against the major currencies in the week but fell for four straight sessions against the safe-haven yen, prized for its liquidity in times of market stress.

On the commodity market, oil prices fell nearly 2% on Monday but held to the \$51 level after surging more than 3% on Friday, pulling back from last week's rally built on signs that the global market is starting to rebalance from the chronic oversupply. Gold, a safe haven, also gained \$7.49 to trade at \$1,291.79, translating into 11% increase in the value of the commodity YTD. Cocoa lost \$38 in the week due to stockpile of the commodity in Ivory Coast as supply outstripped demand.

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