

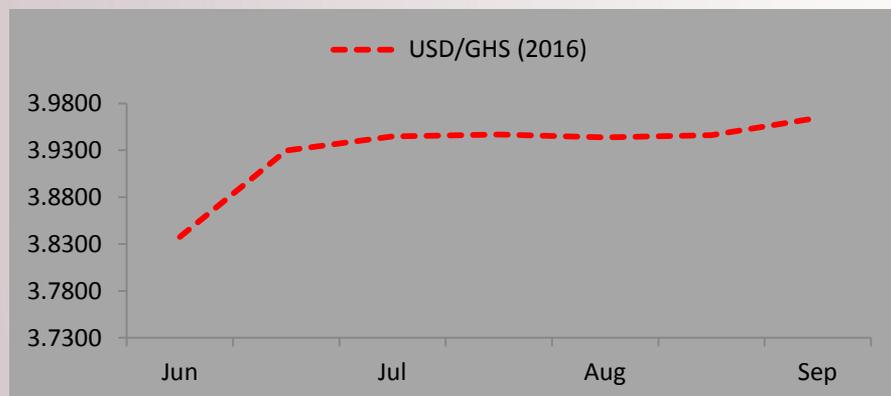
Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	26-Sep-16	19-Sep-16	Change
91- Day	22.87%	22.87%	-
182- Day	24.70%	24.69%	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

As Ghana awaits the disbursement of the third tranche of funds under the International Monetary Fund (IMF) Extended Credit Facility, concerns have been raised that further delay is likely to fuel inflation and escalate the high cost of credit. Meanwhile, International Rating Agency, Moody's has revised Ghana's issuer outlook from negative to stable, upgrading the country's sovereign rating to B3. The stable economic outlook achieved under the ambit of the 3-year Extended Credit Facility (ECF) is one of the key drivers for this revision.

The Ghana National Petroleum Corporation (GNPC) has signed an agreement with the World Bank to provide up to \$500 million in the form of partial risk guarantee should the country default on payments for gas from the Sankofa field. It is projected that Ghana could become the fourth biggest oil producer in Africa by 2020 once two new offshore fields come on stream.



The Ghana Cocoa Board (COCOBOD) has secured US\$1.8 billion syndicated loan from a consortium of banks for the purchase of cocoa beans for the 2016/2017 crop season. It is expected that the loan will improve the Central Bank's reserves. The COCOBOD loan is expected to provide the needed foreign exchange buffer to better withstand external shocks. The Cedi's resilience against the Dollar is thus expected to continue.

On the fixed income market, activities are gradually picking up from the downward trend. Weekly Volumes traded was GHS86 million against GHS66 million recorded previously. The long dated papers were the most traded securities on the market.

Indicative Local Market Rates		
CCY Pair	Buy	Sell
USD/GHS	3.8950 – 3.9150	3.9980 – 3.9990
GBP/GHS	5.0100 – 5.0300	5.2130 – 5.2150
EUR/GHS	4.3300 – 4.3500	4.5350 – 4.5370

The Cedi experienced contrasting trend against the major currencies last week. It depreciated against both the Dollar and the Euro despite edging up against the Pound.

Weekly Interbank Foreign Exchange Rates			
Currency	26-Sep-16	19-Sep-16	Change
USD/GHS	3.9664	3.9572	+0.0092
GBP/GHS	5.1503	5.1663	-0.0160
EUR/GHS	4.4716	4.4232	+0.0484

On the local market, the Cedi made impressive gains against the Pound as it shed 160 pips to trade at 5.1503. On the contrary, the Dollar and the Euro gained 92 and 484 pips to trade around 3.9664 and 4.4716 respectively. As foreign exchange supply continues to meet current demand, we expect the local currency to remain stable.

With inflows from the Cocoa syndicated loan and the \$750 million Eurobond proceeds, the Cedi is expected to further hold its value. However, activities of speculators and traders coupled with the forthcoming election present a dicey outlook on the Cedi's continued stability till year end.

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	25.56%

On the money market, the average interbank rate remains unchanged at 25.51%.

CCY Pair	26-Sep-16	19-Sep-16	Change
GBP/USD	1.2951	1.3028	-0.0077
EUR/USD	1.1221	1.1176	+0.0045
USD/JPY	101.30	101.93	-0.6300
USD/CHF	0.9685	0.9771	-0.0087
Commodities			
Gold	1,343.00	1,319.80	+23.20
Oil (Brent)	47.43	46.57	+0.86
Cocoa	2,845.00	2,872.00	-27.00

Stock prices around the world declined on Monday ahead of the first U.S presidential debate. With the Fed's meeting over, investors are placing premium on assessing political risk to influence their investment decisions. The market thus reacted quickly as investors are weary of the potential implication of a win for either party. Some investors view victory for Trump as bad for global stocks.

On the commodities market, oil prices rebounded ahead of the informal Organisation of the Petroleum Exporting Countries (OPEC) meeting in Algeria on hopes for an output cut. Oil prices gained \$0.86 to trade at \$47.43 compared with \$46.57 recorded last week. Cocoa prices dipped after inching up by \$63 previously. The expectation for the prices to remain relatively stable after bouncing back from the slump looks gloomy as prices fell last week by \$27.

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