

Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates

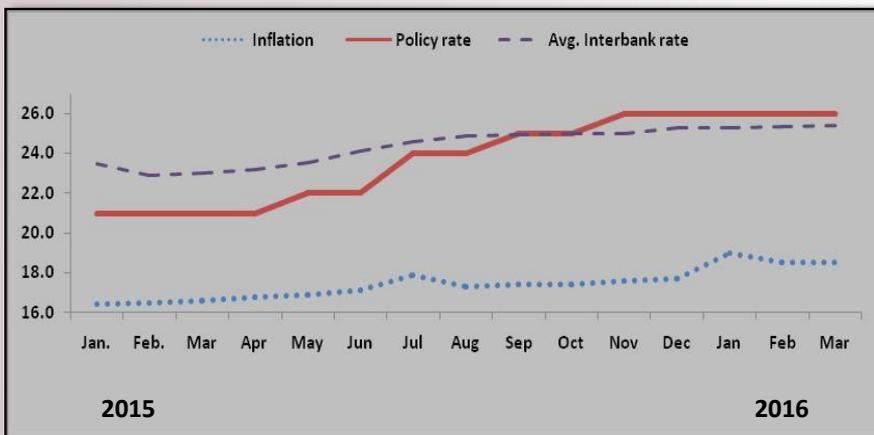
Bills & Notes	04-April-16	28-Mar-16	Change
91- Day	22.68%	22.66%	+0.02%
182- Day	24.56%	24.63%	-0.07%
1 Year Note	23.00%	23.00%	-
2 Year Note	24.25%	24.25%	-

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

The President appointed a new Governor for the Central Bank last Monday, following the immediate past Governor's decision to proceed on leave before retirement. The appointment has elicited various comments and opinions from analysts, most of whom are of the view that, having managed to ensure relative stability of the Cedi this year, the Central Bank still faces a number of challenges including high inflation and interest rates.

Meanwhile, after an impressive first quarter display, the Cedi is likely to remain relatively stable for a greater part of this year. This is evidenced by consistent supply of foreign exchange on the local market, subdued demand and an apparent effort by government to control expenditure in this election year.

Yields on short-tenored government securities recorded slight changes over the past week. The 91-day bill was auctioned at 22.68% while the 182-day bill dropped by 7 basis points to 24.56%.



Indicative Local Market Rates

CCY Pair	Buy	Sell
USD/GHS	3.7600 – 3.7800	3.8750 – 3.8800
GBP/GHS	5.2800 – 5.3000	5.5200 – 5.5250
EUR/GHS	4.2400 – 4.2600	4.4440 – 4.4490

As has been the norm this year, the Cedi held firm against the major trading currencies over the last week. Speculators on the foreign exchange market are likely to be unsettled by the news that, contrary to their expectations, government has no immediate plans of issuing another Eurobond.

In light of this, and in the absence of foreign exchange demand shocks, the local market is not likely to experience a dramatic change in exchange rates in the coming weeks.

Indicative FX Forward Rates (USD)

Tenor	Bid	Ask
Spot	3.7600	3.8800
Forward Points		
3 Months	0.1969	0.2226
6 Months	0.4225	0.4745

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	25.41%
GTBank Base Rate	26.42%

There was no change in the average Interbank Rate of 25.41%. We do not expect a downward change in rates as long as the Central Bank continues to direct its efforts towards mopping up excess liquidity from the local market.

CCY PAIR	04-April-16	28-Mar-16	Change
GBP/USD	1.4159	1.4252	-0.0093
EUR/USD	1.1382	1.1196	+0.0186
USD/JPY	110.32	113.42	-3.10
USD/CHF	0.9580	0.9760	-0.0180
Commodities			
Gold	1,222.43	1,236.10	-13.67
Oil (Brent)	39.79	39.15	+0.64
Cocoa	2,911.00	2,976.00	-65.00

Indications of an unlikely Fed rate hike appears to be taking a toll on the dollar as market participants begin to lose interest in the greenback. It lost 186 pips and 180 pips to the Euro and Swiss Franc respectively in the past week. Investors' attention seems to have tilted in favour of the Yen in recent weeks, causing the USD/JPY exchange rate to fall to 110.32.

Gold prices dipped on the international stage due to strong stock markets in the US and Europe. The precious metal shed US\$13.67 to close the week at US\$1,222.43.

Oil prices have recently steadied around US\$39 per barrel as key oil producers stick to high output levels. The implications of low prices on the Ghanaian economy re-surfaced this week with reports that revenue from oil decreased between 2014 and 2015 despite an increase in production volumes over the same period.

International Benchmark

International Benchmark	Rates
1-Month LIBOR	0.43500%
3-Month LIBOR	0.62860%
6-Month LIBOR	0.91090%
1-Year LIBOR	1.23115%
US Prime	3.50%

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