



Weekly Market Bulletin

| Government of Ghana Treasury Bills & Notes Rates | | | |
|--|------------|------------|--------|
| Bills & Notes | 10-July-17 | 03-July-17 | Change |
| 91- Day | 11.67% | 12.31% | -0.64% |
| 182- Day | 13.08% | 13.10% | -0.02% |
| 2-Year Note | 17.00% | 17.00% | - |

| Key Economic Indicators | 2017 Target |
|-------------------------|-------------|
| GDP Growth | 6.3% |
| Inflation | 11.20% |
| Import Cover | ≥3 Months |

| CCY Pair | Buy | Sell |
|----------|-----------------|----------------|
| USD/GHS | 4.2500 – 4.2700 | 4.4450– 4.4470 |
| GBP/GHS | 5.4400 – 5.4600 | 5.7530– 5.7550 |
| EUR/GHS | 4.7800 – 4.8000 | 5.0970– 5.0990 |

In the absence of substantial Dollar inflows and insufficient Dollar injection by the Central Bank, rising corporate demand for the greenback continued to outrun supply. The Dollar shot up by 16 pips to close the week at 4.3645, bringing the year-to-date depreciation of the Cedi against the Dollar to 4.39%. The Cedi also depreciated against the Euro shedding 197 pips to close at 4.9706. It however cut its previous losses to the Pound by 174 pips to close the week at 5.6202.

| Deposit Rates | |
|------------------------|-----------------|
| 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 | 22.04% |
| GTBank Base Rate | 24.77% |

The interbank rate remained unchanged at last week levels (22.04%), as demand adequately matched supply on the money market. Going forward, the direction of the interbank rate would be determined by the policy rate decision to be announced later in July.

| CCY Pair | 10-July-17 | 03-July-17 | Change |
|--------------------|------------|------------|----------|
| GBP/USD | 1.2882 | 1.2923 | - 0.0041 |
| EUR/USD | 1.1390 | 1.1351 | +0.0039 |
| USD/JPY | 113.96 | 113.20 | +0.7600 |
| USD/CHF | 0.9673 | 0.9651 | -0.0022 |
| Market Commodities | | | |
| Gold | 1,210.40 | 1,223.56 | - 13.16 |
| Oil (Brent) | 47.26 | 49.61 | -2.35 |
| Cocoa | 1838.00 | 1958.00 | -120.00 |

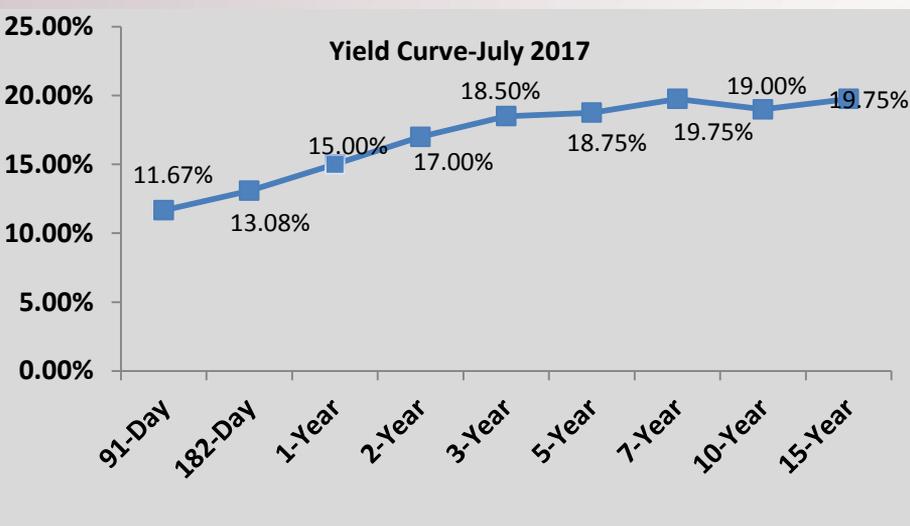
Sterling softened to near 10-day lows against the U.S. Dollar, shedding 41 pips to close at 1.2882 as tepid consumption data and business surveys underlined the challenges facing the British economy. The Dollar also notched a four-month high of 0.9673 against the yen, as investors awaited testimony from Federal Reserve Chair Janet Yellen for clues on when the Central Bank would tighten U.S. monetary policy. The Greenback however depreciated to the Euro, shedding 39 pips to end the week at 1.1390.

Prices of major commodities tumbled in the week under review. Oil dipped on Monday by \$2.35, cutting some earlier losses triggered by rising drilling activity in the United States and no let-up in supply growth from both OPEC and non-OPEC exporters. Gold and Cocoa also lost \$13.16 and \$120 to close the week at \$1,210.40 and \$1,838 respectively.



The Monetary Policy Committee (MPC) of the Central Bank will meet to review the state of the economy on 21st July, 2017. The MPC successively cut rates by 300bps to 22.50% to boost private sector lending and increase consumer spending. Bullish investor sentiment buoyed by favourable macro indicators would continue to underpin the MPC's upcoming decision.

The Ministry of Finance has released the Q3 issuance calendar, with a motive to elongate the yield curve and ease pressure at the short-end (maturing 91-day bills). The plan includes issuance, for 3-year, 5-year and 15-year tenors. Government will raise GHS17.43 billion, comprising a fresh issuance of GHS3.28 billion and maturity rollovers of GHS14.15 billion



The yield on short-tenored securities trended downwards at the auction last week except the 2-year note which remained unchanged. The 91-day bill dipped by 64bps to settle at 11.67% whilst the 182-day bill trimmed by 2bps to 13.08% with the 2-year note holding out at 17%. The week's target of GHS940 million was unrealized as a total of GHS877.52 million worth of bids was accepted, an indication that yields on the primary market remained unattractive to investors. Activities in the secondary market picked up during the week with a total traded volume of GHS150.8 million. 2021 maturities were the most traded securities – GHS8.2 million of July 2021 was traded at a yield of 18.19% whilst GHS5.7 million of March 2021 traded at 18.34%.

| Available Securities | | |
|----------------------|---------------|--------|
| Maturity Date | Security Type | Offer |
| 19-Feb-18 | 1-Year Note | 15.50% |
| 14-May-18 | 1-Year Note | 14.50% |

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