



# Weekly Market Bulletin

## Government of Ghana Treasury Bills & Notes Rates

Bills & Notes	14-Sep-16	07-Sep-16	Change
91- Day	22.86%	22.87%	-0.01%
182- Day	24.70%	24.69%	+0.01%
2 Year Note	24.00%	24.00%	-

## Key Economic Indicators

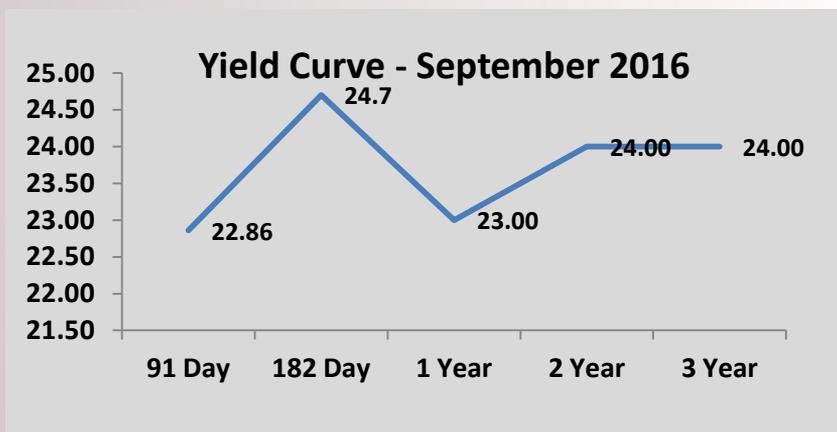
Key Economic Indicators	2016 Target
GDP Growth	5.4%
Inflation	10.1%
Import Cover	≥3 Months

Government is expected to present data on the country's energy sector to the International Monetary Fund (IMF) which is a critical factor of the deal pursuant to the disbursement of the third tranche of the bailout funds. It is expected to update the IMF on progress made in passing legislation to maintain fiscal discipline.

In the wake of incessant strike actions by public sector workers, government has announced a 12.5% base pay increase for employees in the public sector.

Inflation increased marginally to 16.9% in August against 16.7% recorded in July. The increase is due to rising prices of non-food items coupled with high cost of imports.

Yields on government securities have been fairly stable for the past few weeks.



Trading activities on the fixed income market declined sharply this week after the issuance of the 3-year bond and the Eurobond last week. Volumes traded this week was GHS96 million (58% reduction from the previous week's volumes). Activities on the market are expected to gradually pick up in the next few weeks.

## Indicative Local Market Rates

CCY Pair	Buy	Sell
USD/GHS	3.8600 – 3.8800	3.9795 – 3.9785
GBP/GHS	5.1000 – 5.1200	5.3020 – 5.3040
EUR/GHS	4.3000 – 4.3200	4.5050 – 4.5070

The Cedi has been relatively stable against the Dollar this week. It appreciated marginally against the Pound.

## WEEKLY INTERBANK FOREIGN EXCHANGE RATES

Currency	14-Sep-16	07-Sep-16	Change
USD/GHS	3.9550	3.9499	+0.0051
GBP/GHS	5.2206	5.2737	-0.0531
EUR/GHS	4.4520	4.4397	+0.0123

On the local market, the Dollar rose marginally against the Cedi despite appreciating significantly against most major international currencies. The Pound however fell by 0.00531 pips against the Cedi from the previous week. Ahead of the inflows from the syndicated loan expected in the few weeks, the Cedi is expected to strengthen against the Dollar.

## 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 continues to trend flat at 25.51% indicative of sufficient liquidity on the market.

We do not foresee an immediate change in the rate as long as the determinants of overnight lending rates remain unchanged.

## CCY PAIR

CCY PAIR	14-Sep-16	07-Sep-16	Change
GBP/USD	1.3189	1.3437	-0.0248
EUR/USD	1.1215	1.1253	-0.0038
USD/JPY	102.54	102.00	+0.5400
USD/CHF	0.9734	0.9567	+0.0167
<b>Commodities</b>			
Gold	1,325.90	1,345.08	-19.18
Oil (Brent)	46.13	47.09	-0.96
Cocoa	2,809.00	3,143.00	-334.00

The British Chamber of Commerce has slashed its growth forecast for the UK in the light of the Brexit vote. The initial growth estimate of 2.2% for this year has been revised to 1.8%. The original growth forecast of 2.3% in 2017 has also been slashed down to 1%.

On the commodities' market, both gold and oil prices fell by 1.43% and 2.04% respectively.

Cocoa lost US\$334 to trade at US\$2809 this week. There was a slump in cocoa prices as traders anticipated a global surplus in the coming crop year vindicating the stance of major trading houses that the global market will fall into surplus next year after this year's deficit.

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