



Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	13-Mar-17	6-Mar-17	Change
91- Day	16.44%	16.38%	+0.06%
182- Day	17.16%	17.09%	+0.07%
2-Year Note	21.33%	21.50%	-0.17%

Key Economic Indicators		2017 Target
GDP Growth		6.3%
Inflation		11.2%
Import Cover		≥3 Months

Indicative Local Market Rates		
CCY Pair	Buy	Sell
USD/GHS	4.4100 – 4.4300	4.6620 – 4.6630
GBP/GHS	5.3900 – 5.4100	5.7150 – 5.7160
EUR/GHS	4.6800 – 4.7000	4.9870 – 4.9880

On the interbank local market, the Cedi's plight against the major currencies continued notwithstanding the \$20 million injection last week. The Cedi lost 519 pips to the Dollar to close the week at 4.5939 compared to 4.5420 recorded previously. The Pound and the Euro are trading at the mid-rate of 5.6154 and 4.8999, gaining 866 and 1008 pips respectively from the previous week's mid rate.

Deposit Rates	
Tenor	Rates
O/N	5.00%
1 Month	13.00% - 15.00%
3 Months	15.00% - 18.00%
6 Months	17.00% - 19.00%
1 Year	16.00% - 17.00%
Average Inter-Bank Rate	25.20%
GTBank Base Rate	25.27%

The money market has been relatively stable over the past weeks, with the interbank lending rate averaging 25.20%.

CCY Pair	13-Mar-17	6-Mar-17	Change
GBP/USD	1.2161	1.2234	-0.0073
EUR/USD	1.0671	1.0582	+0.0089
USD/JPY	114.80	113.87	+0.9300
USD/CHF	1.0109	1.0124	-0.0015

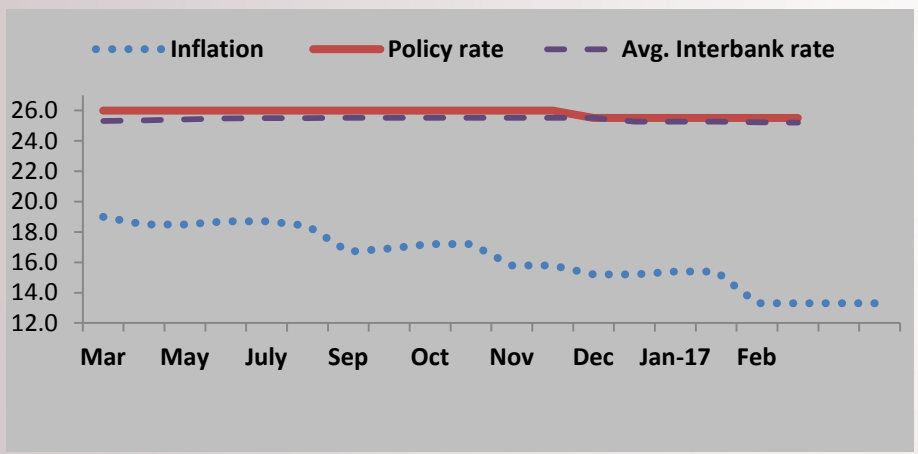
Market Commodities			
Commodity	13-Mar-17	6-Mar-17	Change
Gold	1,204.22	1,217.50	-13.28
Oil (Brent)	51.30	55.99	-4.69
Cocoa	2,017.00	1,911.00	106.00

On the global market, the Pound experienced a downward pressure against other major trading currencies despite the revised forecast of GDP by the British Chamber of Commerce to 1.4% instead of 1.1% projected earlier this year. The Dollar gained 73 pips and 93 pips against the Pound and Yen respectively amidst growing expectation of interest rate hike by the Fed in its meeting this week. Also, the global economic growth outlook is expected to see a favourable boost following the 8.2% growth in China's output as it introduced new services index.

On the commodities market, gold prices declined by \$13.28, ending the week at \$1,204.22. Oil prices slid to 3 months low to trade at \$51.30, after OPEC reported a rise in global crude stocks and a surprise rise in production from its biggest member, Saudi Arabia, despite output curbs by the production cartel. However, cocoa prices edged higher to trade at \$2,017 against \$1,911 recorded last week. The rising prices of cocoa on the world market augurs well for the domestic economy as the country seeks to develop its agricultural sector to improve its export earnings.



The Ghana Revenue Authority has expressed optimism in achieving its revenue collection target, notwithstanding the numerous tax cuts. The commission has been tasked to mobilise GHS34 billion for 2017 fiscal year. Last year, the commission did not meet the GHS29 billion revenue target, attributing the shortfall to the challenges that crippled most sectors of the economy. In our view, there is a dicey outlook on the commission's ability to meet its target amidst the numerous tax reductions. Without strict compliance and enforcement of the tax laws to mitigate the spate of tax avoidance and tax evasion, revenue shortfall may be apparent. Meanwhile, Ghana has signed a double taxation agreement with Mauritius which is expected to increase FDIs in the country to spur economic growth and development at large.



At the last auction, yields on the short-tenored Government of Ghana securities were on the surge. The 91-day treasury bill gained 6 basis points, closing the auction at 16.44%. The 182-day treasury bill also edged up to 17.16%, gaining 7 basis points. However, the 2-year note and the 3-year bond slid to close the auction at 21.33% and 21.50% respectively. Notwithstanding the trimming of the yields at the last auction, the yield curve has failed to attain a normal pattern as the 2-year note and the 3-year bonds are higher than the last 5-year bond issued. The MPC meeting scheduled for next week would be critical in determining the future direction of interest rates.

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Available GoG Securities (Indicative Rates)		
Maturity Date	Security Type	Offer
5-Jun-17	91-Day	18.20%
26-Jun-17	182- Day	17.50%
19-Feb-18	1-Year Note	18.75%
24-Jan-22	5-Year Bond	18.65%
11-Mar-19	2-Year Note	20.50%

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