



# Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	29-May-17	22-May-17	Change
91- Day	12.70%	13.21%	-0.51%
182- Day	14.14%	15.02%	-0.88%
1-Year Note	16.00%	16.00%	-

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

CCY Pair	Buy	Sell
USD/GHS	4.1700 – 4.1900	4.3730– 4.3750
GBP/GHS	5.3200 – 5.3400	5.6550– 5.6570
EUR/GHS	4.6100 – 4.6300	4.9130– 4.9150

With rising demand for foreign currencies on the domestic FX market, the Cedi lost ground to most of the major currencies. The USD/GHS pair traded at 4.2989, up by 36 pips from the previous exchange rate of 4.2629. Despite the Euro weakening on the global market due to political uncertainties in the zone, the Euro edged up against the Cedi to trade at 4.8064. The Pound however lost ground to the Cedi as it shed 2175 pips to close the trading week at an exchange rate of 5.5202.

Deposit Rates	
Tenor	Rates
O/N	5.00%
1 Month	10.00% - 12.00%
3 Months	12.00% - 14.00%
6 Months	14.00% - 16.00%
1 Year	14.00% - 15.00%
Average Inter-Bank Rate	22.26%
GTBank Base Rate	25.30%

On the interbank market, the overnight lending rate slid to 22.26%, down by 24 basis points against 22.50% recorded last week. We envisage the rate to hover around the current level albeit marginal changes this week.

CCY Pair	29-May-17	22-May-17	Change
GBP/USD	1.2840	1.2997	-0.0157
EUR/USD	1.1177	1.1235	-0.0058
USD/JPY	111.30	113.29	-1.99
USD/CHF	0.9764	0.9727	-0.0037

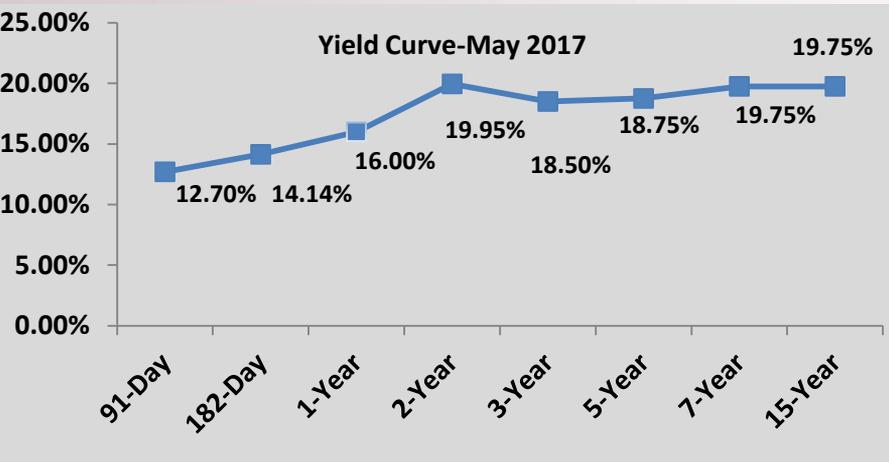
Market Commodities			
Gold	1,266.95	1,261.73	+5.22
Oil (Brent)	52.37	52.93	-0.56
Cocoa	1,911.00	2,026.00	-115.00

The Dollar firmed against a basket of currencies on the global market as the Euro and Sterling were pressured by political uncertainties in the UK and eurozone, despite losing ground against the perceived safe-haven Yen. The Dollar closed the trading week at 1.2840 against the Pound and 1.1177 against the Euro after gaining 157 pips and 58 pips respectively. It however lost 19900 pips to the Yen to close the week at an exchange rate of 111.30.

On the commodity market, oil prices sank from a five-week high after OPEC extended plans to limit production without deepening the cuts. The price decline was fairly predictable once OPEC decided to roll over existing production cuts rather than deepen them. Oil price declined by \$0.56 to close the week at \$52.37. Cocoa also dipped by \$115.00 to close at \$1,911.00. However, gold appreciated by \$5.22 to close trading at \$1,266.95 compared to \$2,026 recorded for the previous week.



The government is expected to issue Cedi denominated long-term debt to refinance the estimated US\$2.5 billion (GHS10 billion) short-term legacy debt owed by the energy sector to mostly financial institutions and trade creditors. The bond is collateralized with the proceeds from the Energy Sector Levies (ESLA). A successful issuance is expected to improve the balance sheet of banks and enhance liquidity.



The 91-day treasury bill closed the last auction at a yield of 12.70%, 51 basis points decrease from the previous level of 13.21%. Similarly, the 182-day treasury bill cleared at 14.14%, reflecting a dip of 88bps from 15.02% recorded previously. The downward trajectory of yields is expected to continue this Friday, where government anticipates to raise GHS1,064 million through the primary auction. The decline in yields is reinforced by the successful issuance of a 3-year domestic bond, which cleared at 18.50%. This is in line with existing price of similar tenored bonds trading on the market. In all, government accepted GHS705 million out of GHS739 million tendered for the auction.

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Maturity Date	Security Type	Offer
19-Feb-18	1-Year Note	16.20%
6-May-19	2-Year Note	17.20%
9-Mar-20	3-Year Bond	18.60%

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