

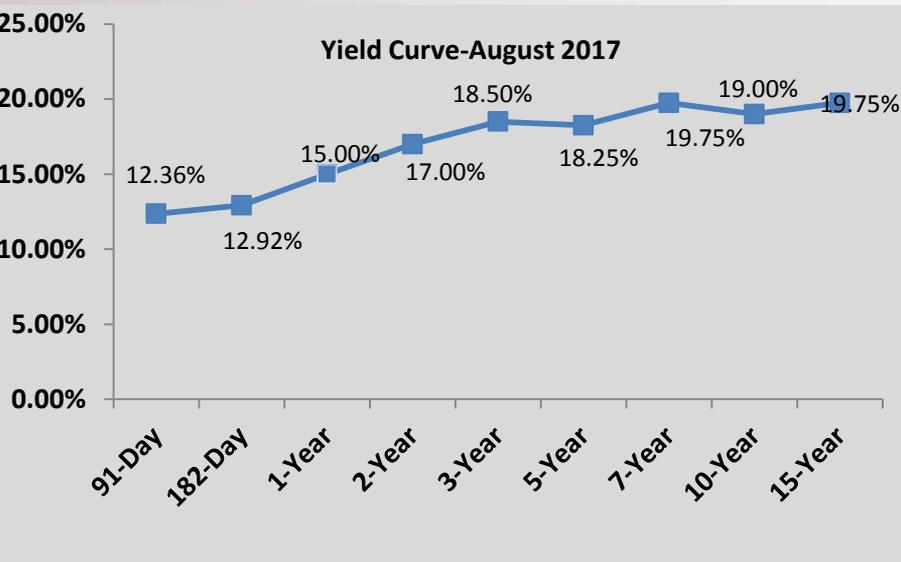
Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	7-August-17	31-July-17	Change
91- Day	12.36%	12.54%	-0.18%
182- Day	12.92%	12.97%	+0.05%
1-Year	15.00%	15.00%	-

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

Ghana's July 2017 inflation dropped to a three and a half year low of 11.90% from 12.10% in June 2017. A drop in non-food component of the inflation basket drove the rate down. Overall, investor confidence in the economy continues to rise, further boosting private sector involvement. Over the 2H'2017, we expect the state of the economy to be driven by the:

- pace of implementation of the Treasury Single Account policy;
- upcoming energy sector bond backed by ESLA receivables and;
- next decision of the MPC due in September 2017.



On the GFIM, trades executed fell by 32% to GHS221 million compared to GHS327 million recorded last week due to the intense activity on the primary market. Government of Ghana raised GHS1.5 billion and GHS1.7 billion in 5-Year bond and 1-Year Cocoa Note issuances respectively. The 2021 maturities saw the most activity – GHS15 million of March 2021 was traded at a yield of 18.34% and GHS14 million of July 2021 traded at 18.56%.

On the primary market, yield on 91-day bill trimmed further by 18bps to 12.36% whilst the 182-day bill rose by 5bps to close at 12.92%. The 1-Year Note however remained unchanged at 15%. The government targets to issue GHS760 million for 91-day and 182-day bills and GHS200 million for 2-year note at the next auction.

Available Securities		
Maturity Date	Security Type	Offer
06-May-19	1-Year Note	18.30%
01-Jun-20	3-Year Bond	17.60%
25-Jul-22	5-Year Bond	18.00%

CCY Pair	Buy	Sell
USD/GHS	4.2400 – 4.2600	4.4350– 4.4370
GBP/GHS	5.5000 – 5.5200	5.8170– 5.8190
EUR/GHS	4.9600 – 4.9800	5.2630– 5.2650

The Cedi depreciated against the major currencies in the week with the exception of the Euro as supply of forex continued to fall short of corporate demand. The Cedi declined marginally by 21 pips to the Dollar, trading at 4.3764 although the Dollar continued to weaken on the international market. The Pound also gained 1345 pips to settle at 5.6972. The Cedi however appreciated against the Euro by 8 pips to close the week at 5.1566.

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	20.99%
GTBank Base Rate	24.77%

Commercial banks shifted their attention to the 1-year cocoa note at a yield of 22%, causing withdrawal of excess funds from the interbank market. The decline in the overnight rate therefore slowed considerably by 6bps to 20.99% compared to above 50bps in the immediate periods after the cut in the MPR.

CCY Pair	7-August-17	31-July-17	Change
GBP/USD	1.3025	1.3212	-0.0187
EUR/USD	1.1766	1.1840	-0.0074
USD/JPY	110.60	111.24	-0.6400
USD/CHF	0.9736	0.9655	+0.0081
Market Commodities			
Gold	1,258.60	1,272.95	-14.35
Oil (Brent)	52.12	51.54	+58
Cocoa	2,042.00	2,023.00	+19.00

The U.S. Dollar edged lower on Monday, but clung to most of its gains in the week following Friday's robust U.S. jobs report, as investors await inflation data this week that may signal a turnaround in the currency's weakness this year. The U.S. Dollar appreciated against the Pound and the Euro by 187 pips and 74 pips to close the week at 1.3025 and 1.1766 respectively. It however lost ground to the CHF by 6400 pips to trade at 110.60.

Oil prices remained above \$50 level, boosted in part by strong U.S payroll report that gives hopes for growing energy demand and as investors digested signs of easing oversupply. Brent crude gained \$0.58 Dollars to settle at \$52.60. Cocoa also extended its gain by \$19 at the back of a weakening Dollar and shortfall in the supply of cocoa beans due to adverse weather conditions in Ivory Coast, the world biggest producer country. Gold on the other hand shed \$14.35 to close the week at \$1,258.60

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