

Weekly Market Bulletin

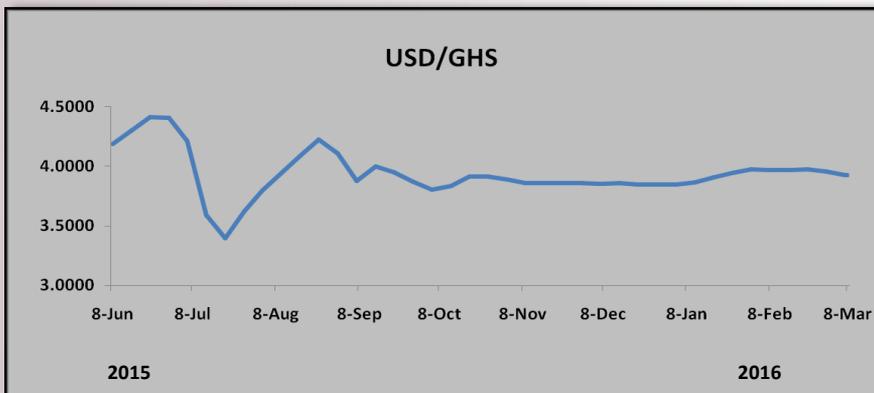
Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	7-Mar-16	29-Feb-16	Change
91- Day	22.51%	22.61%	-0.10%
182- Day	24.65%	24.54%	+0.11%
1 Year Note	23.00%	23.00%	-
5 Year Fixed Rate Bond	24.75%	24.00%	+0.75%

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

Ghana's micro-finance sector has been fraught with a number of challenges lately, prompting some customers who are unable to access funds to seek legal redress. In light of recent events, authorities have cautioned prospective depositors to conduct due diligence on some of these institutions and to be cautious in their quest for unconventional returns on their investments.

Ghanaian importers have expressed displeasure about government's decision to follow through with the implementation of the excise stamp duty. Although government has scheduled a meeting to hold discussions about the matter, importers and manufacturers are not optimistic of a favourable conclusion. The stamp duty is likely to adversely affect consumers' expenditure as importers intend factoring it into the pricing of goods and services.

In keeping with its borrowings schedule for 2016, the Central Bank issued a 5-year bond last Friday. Proceeds of GHS776.44 million from the bond issuance, which attracted a yield of 24.75% are expected to support government capital expenditure and to meet debt servicing obligations.



Indicative Local Market Rates		
CCY Pair	Buy	Sell
USD/GHS	3.7500 – 3.7700	3.9250 – 3.9270
GBP/GHS	5.3600 – 5.3800	5.6270 – 5.6290
EUR/GHS	4.1350 – 4.1550	4.3670 – 4.3690

The Cedi improved slightly against the US Dollar in the past week. The Central Bank's continuous supply of foreign exchange on the local market has contributed towards the local currency's recent relative stability.

Driven by news on the international market, the Cedi leapt 620 pips against the Pound and gained 100 pips against the Euro.

Indicative FX Forward Rates (USD)		
Tenor	Bid	Ask
Spot	3.7500	3.9270
Forward Points		
3 Months	0.1963	0.2252
6 Months	0.4268	0.4861

We expect rates to remain stable in the coming weeks, should the Central Bank continue to supply foreign exchange on the market.

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	25.38%
GTBank Base Rate	27.48%

The average interbank rate remains unchanged at 25.38%. As the Bank of Ghana continues to mop up liquidity on the market, we anticipate a marginal increase in interbank rates.

CCY PAIR	7-Mar-16	29-Feb-16	Change
GBP/USD	1.4264	1.3868	+0.0396
EUR/USD	1.1012	1.0930	+0.0082
USD/JPY	113.45	113.84	-0.39
USD/CHF	0.9961	0.9983	-0.0022
Commodities			
Gold	1,268.00	1,244.00	+24.00
Oil (Brent)	40.30	36.49	+3.81
Cocoa	3,055.51	2,939.99	+115.52

After a strong run in recent months due to uncertainties surrounding the Eurozone, the US Dollar lost momentum this week. The greenback dipped against the major trading currencies except the Pound. Investors are however hopeful that the dollar will rebound on the back of strong US economic data.

Gold prices increased by US\$24 to close at US\$1,268 per ounce. The yellow metal's sustained upward trend is an indication that investors consider it a more lucrative investment option due to its recent consistency.

Talks of a possible production freeze are beginning to yield results for Oil from the speculative angle. As prices breach the US\$40 mark, Oil bulls are confident of making further gains in the coming weeks.

Cocoa rose US\$115.52 to sell at US\$3,055.51. This bodes well for cocoa exporting countries, Ghana inclusive.

International Benchmark	Rates
1-Month LIBOR	0.43800%
3-Month LIBOR	0.63350%
6-Month LIBOR	0.89205%
1-Year LIBOR	1.19400%
US Prime	3.50%

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