

Weekly Market BULLETIN



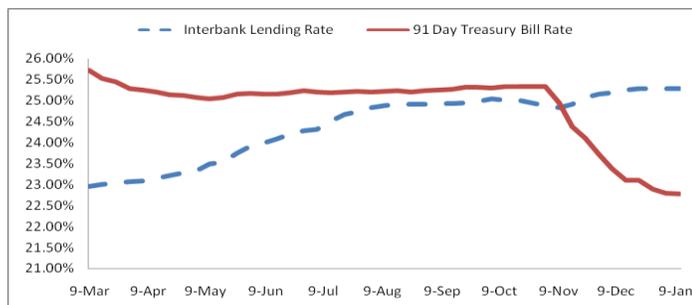
Guaranty Trust Bank (Ghana) Limited
Week ending January 20, 2016.

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	11-Jan-16	4-Jan-16	Change
91- Day	22.78%	22.79%	-0.01
182- Day	24.65%	24.36%	+0.29
2 Year Note	23.00%	23.30%	-0.30
3 Year Fixed Rate Bond	24.75%	24.50%	+0.25

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

Following the announcement of a revision in some income taxes, Government has communicated its intention to reduce withholding tax on services from 15% to 7.5%. This should provide relative comfort for businesses, many of which opposed the tax changes as they were predominantly upward revisions.

Another notable change in the tax law was the imposition of a 1% tax on investment interest which did not go down well with investors. A proposal to reverse the tax has been put before Parliament and investors eagerly await the outcome. Some investment analysts are of the view that the tax imposition could hamper government's borrowing targets for the year. Perhaps, this is causative of the under-subscription of a 3-year Fixed Rate Bond issued last Thursday. Bank of Ghana received bids totaling GHS426million out of an expected amount of GHS500million.



Indicative Local Market Rates		
CCY Pair	Rates	
	Buy	Sell
USD/GHS	3.6600 – 3.6800	3.8650 – 3.8670
GBP/GHS	5.3800 – 5.4000	5.6620 – 5.6640
EUR/GHS	4.0100 – 4.0300	4.2530 – 4.2550

The Cedi continued its volatile trend, retreating this week against the Dollar and the Euro. It shed 170 pips against the Dollar and lost 460 pips to the Euro. However, the Pound's recent struggles on the international market resulted in a 310-pip gain for the Cedi this week. In the absence of a dramatic

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Indicative FX Forward Rates (USD)		
Tenor	Bid	Ask
Spot	3.6600	3.8670
Forward Points		
3 Months	0.1927	0.2228
6 Months	0.4141	0.4759

supply-side intervention by the Central Bank, we expect the local currency to trade in the current regions.

Deposit Rates	
Tenor	Rates
O/N	5.00%
1 Month	16.00% - 19.00%
3 Months	19.00% - 22.00%
6 Months	18.00% - 21.00%
1 Year	19.00% - 21.00%

BoG Policy Rate	26.00%
Average InterBank Rate	25.29%
GTBank Base Rate	26.75%

Average Interbank rates remain unchanged at 25.29% on the interbank market. We do not expect rates to drop significantly in the coming weeks, given the Central Bank's intent to continue tightening liquidity.

CCY PAIR	11-Jan-16	4-Jan-16	Change
GBP/USD	1.4538	1.4674	-0.0136
EUR/USD	1.0856	1.0746	+0.0110
USD/JPY	117.73	119.05	-1.32
USD/CHF	0.9961	1.0056	-0.0095
Commodities			
Gold	1,087.10	1,077.50	+9.60
Oil (Brent)	30.77	34.58	-3.81
Cocoa	2,953.28	3,115.17	-161.89

The Dollar suffered a slight dip against the Euro and the Yen this week. It is however expected to pick up against the Euro in particular, as investors remain uncertain about the European economy which is still struggling to recover from economic challenges faced in countries such as Greece, Italy and Portugal.

After a turbulent few months, gold bulls seem to have bounced back as they enjoyed a second successive week of price increases. Prices climbed US\$9.60 this week to close at US\$1,087.10.

Crude oil's week-on-week plummet continued as prices hit US\$30.77, heightening fears of an implosion of the oil industry.

International Benchmark	Rates
1-Month LIBOR	0.42400%
3-Month LIBOR	0.62210%
6-Month LIBOR	0.85130%
1-Year LIBOR	1.15360%
US Prime	3.50%



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GTBank Ghana

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