

# Weekly Market Bulletin

Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	13-Jun-16	06-Jun-16	Change
91- Day	22.81%	22.79%	+0.02%
182- Day	24.69%	24.67%	+0.02%
1 Year Note	24.25%	23.00%	+1.25%
3 Year Fixed Rate Bond	24.50%	24.50%	-

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

Bank of Ghana has issued a directive instructing all exporters, except those with retention agreements and exporters who have been permitted to operate offshore accounts, to repatriate all exports proceeds to their Foreign Exchange accounts. The directive, which takes effect from July 1 2016, is aimed at bolstering Ghana's foreign exchange market.

Given the Cedi's recent depreciation after about eight months of relative stability, this measure if well administered, is likely to restore stability as foreign exchange supply would be enhanced.

According to a report by the World Bank, economic growth in Sub-Saharan Africa is expected to slow down in 2016 from an estimated 3% to 2.5%. The report cites tight fiscal measures and unfavourable commodity prices in key Countries under the sub-region as the major contributors to the forecast. In relation to Ghana, these findings corroborate a recent report by ratings agency Moody's, which handed the country a B3 rating with negative outlook due to slow projected growth in 2016 resulting from economic headwinds and low worldwide commodity prices.



Indicative Local Market Rates		
CCY Pair	Buy	Sell
USD/GHS	3.8100– 3.8300	3.9480 – 3.9500
GBP/GHS	5.3900– 5.4100	5.6200 – 5.6270
EUR/GHS	4.2450 – 4.2650	4.4550 – 4.4600

After a sustained period of stability this year, the Cedi has started depreciating quite rapidly. There has been a recent surge in foreign exchange demand without a corresponding supply-side increase.

In our view, the Cedi is likely to experience slight depreciation in the coming weeks as long as foreign exchange supply does not improve beyond current levels.

Indicative FX Forward Rates (USD)		
Tenor	Bid	Ask
Spot	3.8100	3.9500
<b>Forward Points</b>		
3 Months	0.2006	0.2276
6 Months	0.4300	0.4850

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	25.50%
GTBank Base Rate	25.56%

Overnight Interbank rates averaged 25.50% over the last week as Banks continue to be guided by the Policy Rate in their pricing. With liquidity on the local market at an appreciable level, rates are not expected to increase significantly in the coming days.

CCY PAIR	13-Jun-16	06-Jun-16	Change
GBP/USD	1.4144	1.4513	-0.0369
EUR/USD	1.1208	1.1349	-0.0141
USD/JPY	105.61	106.43	-0.82
USD/CHF	0.9638	0.9744	-0.0106
<b>Commodities</b>			
Gold	1,284.01	1,214.11	+6.99
Oil (Brent)	49.16	49.85	-0.69
Cocoa	3,104.00	3,072.00	+32.00

On the international market, the Pound has come under the spotlight ahead of next week's UK referendum. The uncertainty surrounding the outcome of the referendum has forced some investors to offload into safe-haven assets, hence reducing exchange rates against the major currencies. The US Dollar is also not performing too well after the Fed all but dashed investors' hopes of a rate hike this month.

Gold prices rose by US\$6.99 as investors resort to piling up reserves in the yellow metal due to uncertainties on currency movements in the US and Britain. Given the Ghana Chamber of Mines' revelation of a drop in minerals revenue of about 14% in 2015, a sustained price surge will be beneficial to the country which relies on Gold as one of the major contributors to revenue.

Crude oil slipped marginally last week by US\$0.69. Prices have proved unsustainable beyond the US\$50 per barrel margin due to failure of oil producers to agree on consistent output levels.

International Benchmark	Rates
1-Month LIBOR	0.44205%
3-Month LIBOR	0.65250%
6-Month LIBOR	0.93640%
1-Year LIBOR	1.25925%
US Prime	3.50%

Opt for **GTBank TREASURY SOLUTIONS**  
Invest in GTBank's treasury products and be guaranteed high returns

- Attractive rates on Fixed Deposit & Certificate of Deposit investments
- Attractive yields on GoG Bonds traded on secondary market to match investment needs
- Competitive rates for corporate institutions & Individuals who purchase GoG Treasury Bills and Notes

