

Week ending April 6, 2016

GTBank

# Weekly Market Bulletin

## Government of Ghana Treasury Bills & Notes Rates

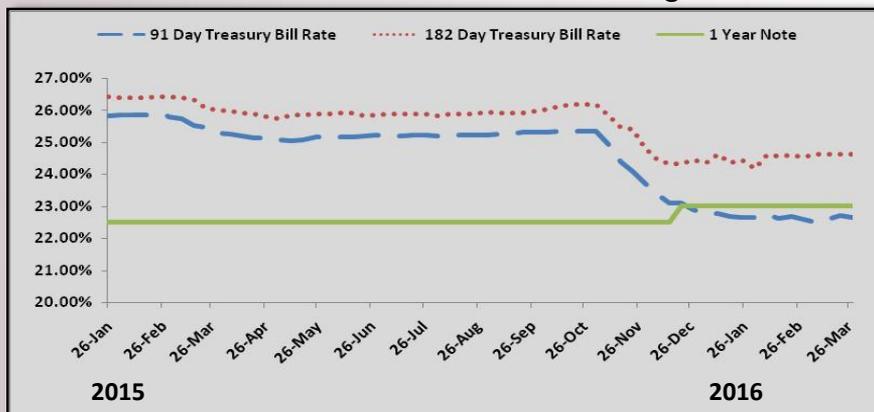
Bills & Notes	28-Mar-16	21-Mar-16	Change
91- Day	22.66%	22.72%	-0.06%
182- Day	24.63%	24.63%	-
1 Year Note	23.00%	23.00%	-
2 Year Note	24.25%	24.25%	-

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

Ghana's economic fortunes in 2016 are dependent on further fiscal consolidation and favourable global commodity prices, according to ratings agency, Fitch. In assessing the country's macroeconomic performance in 2015, the agency outlined a number of challenging areas such as the Cedi's depreciation, high inflation and low global commodity prices, particularly for oil and gold.

Despite showing signs of improvement in 2016, notably in terms of exchange rate depreciation and fiscal deficit control measures, Ghana's economic outlook for 2016 is negative, giving the country a 'B' credit rating. This is an indication that government has its work cut out for it to meet macroeconomic targets set for 2016 and to ensure a more favourable credit rating for Ghana.

Domestic borrowing by government remains a concern with unabating volumes and high interest rates. Contrary to analysts' expectation of a reduction in rates on short-term government securities in order to correct the yield curve, rates remain consistently high. The 91-day bill was the only instrument which saw a reduction in rates at the last auction. All other securities recorded no change in rates.



## Indicative Local Market Rates

CCY Pair	Buy	Sell
USD/GHS	3.7400 – 3.7600	3.8950 – 3.9000
GBP/GHS	5.3300 – 5.3500	5.5750 – 5.5800
EUR/GHS	4.1850 – 4.2050	4.3920 – 4.3970

In the past week, the Cedi recorded gains across the three major currency pairings. Coupled with the fact that foreign exchange supply has been commendably consistent in recent months, demand from the key drivers of foreign exchange rates has dwindled, resulting in a steady local currency.

In the absence of major headwinds on the foreign exchange market, we expect a similarly stable performance from the Cedi.

## Indicative FX Forward Rates (USD)

Tenor	Bid	Ask
Spot	3.7400	3.9000
<b>Forward Points</b>		
3 Months	0.1957	0.2235
6 Months	0.4215	0.4783

## 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	25.41%
GTBank Base Rate	26.42%

The average Interbank rate inched further this week to 25.41% from 25.40%. Liquidity remains tight on the interbank market in a fiscal contraction regime, which points to similar subtle surges in rates on a weekly basis.

CCY PAIR	28-Mar-16	21-Mar-16	Change
GBP/USD	1.4252	1.4382	-0.0130
EUR/USD	1.1196	1.1149	+0.0047
USD/JPY	113.42	113.82	-0.40
USD/CHF	0.9760	0.9868	-0.0108
<b>Commodities</b>			
Gold	1,236.10	1,228.60	+7.50
Oil (Brent)	39.15	40.02	-0.87
Cocoa	2,976.00	3,110.80	-134.80

The US Dollar began this week on an encouraging note for investors. However, the Fed Chief's comments about a cautious approach to interest rate hikes appear to have weakened the Dollar against the other major currencies.

The Yen, which is considered a safe currency, has faced a lot of pressure in the last few days after indications that investors are beginning to feel the effects of negative interest rates in Japan.

Gold received a boost this week gaining US\$7.50 per ounce. Price changes were flat until the Fed Chair's comments triggered a swift rise.

Oil bulls are on the edge again as prices dropped below US\$40 per barrel. The price drop has been attributed to increased production levels in Kuwait and Saudi Arabia.

Cocoa suffered a significant drop from US\$3,110.80 to US\$2,976.00.

## International Benchmark

	Rates
1-Month LIBOR	0.43500%
3-Month LIBOR	0.62860%
6-Month LIBOR	0.91090%
1-Year LIBOR	1.23115%
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

