

# Weekly Market BULLETIN

GTBank

Guaranty Trust Bank (Ghana) Limited  
Week ending January 13, 2016.

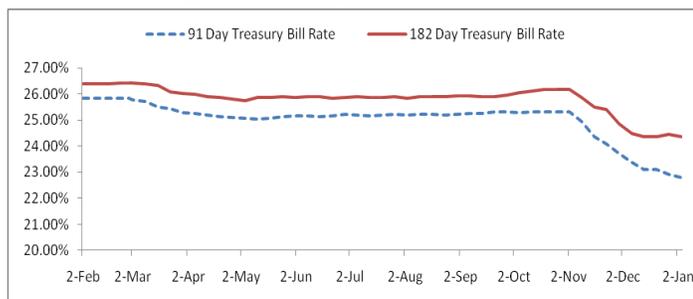
Government of Ghana Treasury Bills & Notes Rates			
Bills & Notes	4-Jan-16	28-Dec-15	Change
91- Day	22.79%	22.90%	-0.11
182- Day	24.36%	24.45%	-0.09
1 Year Note	23.00%	22.50%	+0.50
2 Year Note	23.30%	23.30%	-

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

This year has started on a tough note for Ghanaians with the passing of a new income tax law by Parliament. The law which took effect from January 1 seems to have generated discontent among individuals and companies who are worried about the implications of the taxes on their income. Additionally, the recent increase in utility and fuel prices is sure to have a telling effect on general cost of living.

Meanwhile, there has been an improvement in the power situation over the last month which is a welcome relief for households and businesses after a year of intense load-shedding. Whether or not this is sustainable will be assessed in the coming weeks.

Yields on short-tenored government securities continue to decline, albeit at a slower pace than in the last 2 months of 2015. Interest rates on 1 year notes however, increased by 50 basis points to 23% since government wants to encourage long-term borrowing. On January 7, 2016, the Bank of Ghana also issued a 3-year 500 million Cedi bond for the purpose of debt restructuring and maturity settlement.



Indicative Local Market Rates		
CCY Pair	Rates	
	Buy	Sell
USD/GHS	3.6500 – 3.6700	3.8480 – 3.8500
GBP/GHS	5.4300 – 5.4500	5.6930 – 5.6950
EUR/GHS	3.9650 – 3.9850	4.2070 – 4.2090

On the foreign exchange market, the Cedi remained stable against the Dollar over the last week. Against the Pound and

For further information, kindly contact the Treasury Team on (+233 302) 611560, 680662. E-mail: [gh.treasury@gtbank.com](mailto:gh.treasury@gtbank.com) and [gh.ctu@gtbank.com](mailto:gh.ctu@gtbank.com). The information contained in the report does not constitute a recommendation for investment. It is not intended as financial advice. The information provided constitute a judgement at the date indicated and are subject to change. It may therefore not be accurate or current. The information and opinion contained therein have been compiled from sources believed to be reliable and in good faith but no representation, express or implied is made by Guaranty Trust Bank (Ghana) Limited.

Indicative FX Forward Rates (USD)		
Tenor	Bid	Ask
Spot	3.6500	3.8500
Forward Points		
3 Months	0.1923	0.2220
6 Months	0.4077	0.4683

Euro, the Cedi made encouraging strides, gaining 670 pips and 480 pips respectively. As the dollar strengthens against the major currencies on the international market, we expect the Euro and Pound to continue declining. For the Dollar, we do not anticipate a sharp deviation from current rates.

Deposit Rates	
Tenor	Rates
O/N	5.00%
1 Month	18.00% - 21.00%
3 Months	21.00% - 23.50%
6 Months	19.00% - 23.00%
1 Year	19.00% - 21.00%

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

Interbank rates have been fairly stable after a sustained upsurge in the latter parts of last year owing to the BoG Policy Rate hike. Average lending rates have settled at 25.29% in recent weeks from 25.48% in November 2015.

CCY PAIR	4-Jan-16	28-Dec-15	Change
GBP/USD	1.4674	1.4880	-0.0206
EUR/USD	1.0746	1.0913	-0.0167
USD/JPY	119.05	121.16	-2.11
USD/CHF	1.0056	0.9905	+0.0151
Commodities			
Gold	1,077.50	1,063.90	+13.6
Oil (Brent)	34.58	37.70	-3.12
Cocoa	3,115.17	3,419.98	-304.81

The US Dollar has started the year with an impressive performance against its peers. The Pound fell 206 pips against the dollar while the Euro slid 167 pips, signifying a resurgence of the greenback on the international market.

Gold prices rose by US\$13.60 to close at US\$1,077.50. However, this is hardly an indication that the precious metal is bouncing back as the US Dollar's strong performance is likely to cause gold investors to offload, hence dampening gold prices.

Crude oil prices dropped from US\$37.70 to trade at US\$34.58 per barrel, the lowest since July 2014. However, analysts are expectant of some stabilization in the course of the year.

International Benchmark	Rates
1-Month LIBOR	0.42200%
3-Month LIBOR	0.61710%
6-Month LIBOR	0.85120%
1-Year LIBOR	1.17310%
US Prime	3.50%



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