



MACROECONOMIC INDICATORS

Index	2016 Close (%)	Previous (%)	Current (%)	Change (%)
Inflation(CPI)	15.40	12.80	13.00	+0.20
Policy Rate	25.50	23.50	22.50	-1.00

MACROECONOMIC TARGETS FOR 2017

Index	(%)
Overall Real GDP(Including Oil) Growth	6.30
Non- Oil Real GDP Growth	4.20
An End of Year Inflation Target	11.20

GOG TREASURY BILL RATES

Fixed Income	Previous Week (%)	Current Week (%)	Change (%)
91 day	11.9077	12.0964	+0.1887
182 day	12.4606	13.1601	+0.6995
1 Year Note	15.5000	15.0000	-0.5000

Source: Bank of Ghana

GSE INDICES AS AT 16-06-17

Index	Week Open	Week Close	Change	YTD (%)
GSE- CI	1,917.27	1,934.12	+16.85	14.51
GSE- FSI	1,785.52	1,797.08	+11.56	16.29

Source: Ghana Stock Exchange

COMMODITIES MARKET

Commodities	Week Open(\$)	Week Close(\$)	Change(\$)
Crude Oil (Brent)(\$/ barrel)	48.33	47.56	-0.77
Cocoa (\$/ tonne)	2,038.00	2,033.00	-5.00
Corn (\$/ bushel)	386.25	387.00	+0.75
Cotton (\$/ pound)	72.34	69.67	-2.67
Gold (Comex)(\$/ ounce)	1,271.00	1,252.30	-18.70

Source: Bloomberg

INTERBANK FOREX RATES

Currency	Buy (GHS)		Sell (GHS)	
	Week Open	Week Close	Week Open	Week Close
US (\$)	4.3192	4.3402	4.3234	4.3444
GB Pound (£)	5.4975	5.5524	5.5046	5.5582
Euro (€)	4.8304	4.8599	4.8353	4.8641

Source: Bank of Ghana

FIXED INCOME SECURITIES

PREMIUM ACCOUNT

The Premium Account is a product designed to help investors build a portfolio of diversified assets at returns above the GOG treasury bill rate.

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MANAGED ACCOUNT

The Managed Account is a product that allows you to accumulate wealth over an extended period of time. It is a long- term investment account designed to help investors create funds and attain reasonable returns on their deposits

NEWS HEADLINES

INFLATION DROPS TO 12.6% IN MAY

Ghana's inflation dropped to 12.6% in May 2017. This is 0.4% down from the 13% recorded in April 2017. The inflation measures the change over time in the general price level of goods and services that households acquire for the purposes of consumption. The Acting Government Statistician, Baah Wadieh explained that the marginal decline in the prices of fuel accounted for the drop in inflation between April and May. "There was a general decline in prices for almost all the major subgroups. A significant driver is the price of fuel which recorded a slight decline in price and inflation and that might have triggered so many of the groups to reduce the inflation rate," he remarked. According to the Ghana Statistical Service, the food inflation for May 2017 comprising categories such as cereals, vegetables, fish and meat was 6.3%. Also, the inflation for non-food categories such as transport, education and health was 15.8%; down from the 16.3% recorded in April. Across the regions, the Greater Accra region recorded the highest inflation of 13.6% while the Upper East region recorded the lowest inflation of 9.1%.

Source: www.citibusinessnews.com

AVERAGE INTEREST ON MORTGAGES STAYS AT 33.2%

The average interest rate for mortgage loans among commercial banks remained at 33.2% in May 2017. According to the Bank of Ghana's Annual Percentage Rate (APR) and Average Interest (AI) report, GCB Bank still offers the highest interest on mortgages. The bank's interest on mortgage loans still stands at 40.3%. It is followed closely by Bank of Africa, the Royal Bank and CAL Bank which placed 2nd, 3rd and 4th with interest on mortgage loans between 35.5% and 40.5%. Barclays Bank placed 5th offering mortgage with interests between 34.2% and 38.5%. Ecobank is 6th with 34.1% and Prudential Bank 7th with 33.6%. The 8th highest interest on mortgage is offered by UT Bank at 33.2%, FBN Ghana with 32.8% placing 9th and HFC with 31.1% occupying the 10th position. At the 11th position is Sahel Sahara Bank offering 29.7% on mortgage loans and Stanbic Bank placing 12th with 25.3%. Eighteen banks, according to the BoG report, do not offer mortgage loans. They include; Access Bank, ADB, Energy Bank, First Atlantic Bank, Capital Bank, Fidelity Bank, First National Bank. Others are; GN Bank, GT Bank, NIB, Omnibank, Sovereign Bank, Standard Chartered Bank, SG Bank, UBA, Universal Merchant Bank, Unibank Zenith Bank.

Source: www.citibusinessnews.com

BOG MOUNTS PRESSURE ON BANKS TO REDUCE INTEREST RATES

The Bank of Ghana (BoG) has begun mounting pressure on banks in the country to start reducing their interest rates in the face of the declining policy rate and the Treasury bill rates. The central bank in May reduced the policy rate from 23.5% to 22.5%. This was after it reduced it from 25.5% to 23.5% in March this year. After the reduction, expectations were high that the decrease would impact on cost of borrowing since the policy rate is the rate at which the central bank lends to banks in the country. However, interest payment has still not seen any significant improvement as cost of borrowing still hovers around over 32%. Speaking at ceremony to open the East Legon branch of Heritage bank, the Head of Other Financial Institutions Supervision Department at the Bank of Ghana Raymond Amanfu pressed on banks to positively respond to the policy rate by reducing interest rates. "We expect banks to respond favorably to the declining monetary policy rate and the Treasury bill rate. This I believe will make credit more affordable and help boost productivity and at the same time have a favorable effect on the non-performing loans structure of banks," he stressed. He explained that the reduction in the policy rate was targeted at having some impact on other macroeconomic indicators. Stressing the need to reduce interest rates, Mr. Amanfu argued that such a move will also have a positive impact on the loan portfolio of banks.

Source: www.citibusinessnews.com

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