



MACROECONOMIC INDICATORS

Index	2016 Close (%)	Previous (%)	Current (%)	Change (%)
Inflation(CPI)	15.40	12.30	11.90	-0.10
Policy Rate	25.50	22.50	21.00	-1.50

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	13.3113	13.3279	+0.0166
182 day	13.8639	13.5612	-0.3027
1 Year Note	15.0000	15.0000	0.0000

Source: Bank of Ghana

GSE INDICES AS AT 19-12-17

Index	Week Open	Week Close	Change	YTD (%)
GSE- CI	2,520.78	2,546.82	+26.04	50.78
GSE- FSI	2,227.16	2,270.29	+43.13	46.91

Source: Ghana Stock Exchange

COMMODITIES MARKET

Commodities	Week Open(\$)	Week Close(\$)	Change(\$)
Crude Oil (Brent)(\$/ barrel)	63.49	63.95	+0.46
Cocoa (\$/ tonne)	1,923.00	1,912.00	-11.00
Corn (\$/ bushel)	351.00	348.00	-3.00
Cotton (\$/ pound)	73.53	75.38	+1.85
Gold (Comex)(\$/ ounce)	1,252.60	1,267.20	+14.60

Source: Bloomberg

INTERBANK FOREX RATES

Currency	Buy (GHS)		Sell (GHS)	
	Week Open	Week Close	Week Open	Week Close
US (\$)	4.4090	4.4093	4.4134	4.4137
GB Pound (£)	5.9151	5.9067	5.9223	5.9148
Euro (€)	5.1841	5.2115	5.1873	5.2150

Source: Bank of Ghana

FIXED INCOME SECURITIES

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MANAGED ACCOUNT

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NEWS HEADLINES

BOG TARGETS LOWER INTEREST RATE WITH GHS400M CAPITAL

Governor of the Bank of Ghana, Dr. Ernest Addison has assured that the increased minimum capital requirement will result in reducing the lending rates by banks. Dr. Addison argues that the requirements will create stronger banks which will lead to bigger banks and lower unit cost. "Lending rates are still high but the explanations are the high non-performing loans. We have to accept that banking is a very expensive business. The banks have to pay rent, they have to hire labour, they have to use software, technology, so economy of scale matters in trying to bring unit cost associated with banking down" he said. The BoG has increased the minimum capital requirement from 120 to 400million Ghana Cedis. Addressing a gathering at a post-budget symposium, the Governor, Dr. Addison said the central bank is putting in efforts to reduce lending rates for businesses. "This is one of the reasons why we are trying to encourage consolidation in the sector with a new higher minimum capital requirement which will lead to bigger banks and lower unit cost and hopefully see that comes through in terms of its impact on the lending rate" he added. The commercial banks have December 2018 to meet the new minimum capital requirement. **Source: www.citibusinessnews.com**

BOG CLOSING DOOR AFTER BEIGE BANK

The Central Bank has placed a freeze on licensing of new banks and other financial institutions as part of its aim to strengthen supervision, which will come as a blow to investors seeking to enter the financial space without recourse to existing institutions. "To rationalise the banking sector to ensure efficiency, we are not going to licence or considering licensing any new banks, savings and loans or microfinance institutions during the next year as we implement the recapitalisation of banks or the existing banks, Dr. Ernest Yedu Addison, Governor of the Central Bank," said. Speaking at the official outdoor of The Beige Bank, the latest bank to join the fray, Dr. Addison explained that the Central Bank cannot allow potentially insolvent banks to enter the industry. "We need to manage entry to ensure that down the line we would not have to then manage exit as we did this year. This would help us to ensure solvency and stability in the banking sector," he told bankers and other financial industry players. The Central Bank, in August this year, withdrew the licences of two banks –Capital and UT banks– due to capital deficiency, weak risk management system, and weak corporate governance structures. Dr. Addison explained that at the end of the reform and recapitalisation process, which will come to an end in December, 2018, the BoG will introduce a new licensing regime that would align with the overall financial sector landscape. "The new regime will seek to deliver a strong, solid, well capitalised and geographically diverse financial landscape that is well positioned to support the government's transformational agenda," he added. **Source: www.thebftonline.com**

EOCO PROBES AGT MICROFINANCE

The Economic and Organized Crime Office (EOCO) has taken over a case involving AGT Microfinance over the company's inability to pay customers whose investments are due. Information from the central bank show that this issue has been going on for at least the past one year. The challenge has also been attributed to the management decision to diversify its operations. The locked up money is estimated to be in tens of thousands of Ghana cedis. Even though the company is still in operation, it is only involved in collecting unpaid loans and to fulfill the agreement with EOCO to settle all outstanding claims by liquidating the assets of AGT Microfinance. The BoG also explains that the company has since been restricted from taking fresh deposits. Meanwhile, efforts by Citi Business News to reach the management team of AGT Microfinance Company for a response have been unsuccessful. **Source: www.citibusinessnews.com**

INSTITUTIONAL FUNDS

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