

Tuesday, October 12, 2010

Rates

Interest Rates & Inflation

SCB Base Rate	22.00%
Bank of Ghana Policy Rate	13.50%
Ghana Interbank Interest Rates	12.2/12.3%
Inflation (CPI) for August 2010	9.44%
Inflation Target for 2010	9.44%

Treasury Securities Rates

From: Monday 11th October 2010

To: Friday 15th October 2010

Period	Current Yield	Previous Yield	Δbps
91 - Day	12.51%	12.53%	▼0.02%
182 - Day	12.88%	12.94%	▼0.06%
1 - Yr Note	12.90%	13.00%	▼0.10%
2 - Yr Fixed Rate Note	13.00%	13.00%	▲0.00%
3 - Yr Gov. Bond	13.30%	13.30%	▲0.00%

International Interest Rates

	LIBOR	USD	GBP	JPY	EUR
1-Mth		0.26	0.57	0.13	0.71
2-Mth		0.27	0.63	0.16	0.77
3-Mth		0.29	0.74	0.20	0.91
6-Mth		0.46	1.03	0.41	1.17
1-Yr		0.77	1.47	0.65	1.46

FX

Majors Indicative

USD	BID	OFFER	SCB Indicative Rates	GHS	BID	OFFER
GBP/USD	1.5857	1.5861	USD/GHS	1.4130	1.4440	
EUR/USD	1.3810	1.3814	GBP/GHS	2.2406	2.2903	
USD/JPY	81.93	81.98	EUR/GHS	1.9514	1.9947	
USD/CHF	0.9695	0.9699	JPY/GHS	0.0172	0.0176	
AUD/USD	0.9773	0.9778	ZAR/GHS	0.2029	0.2104	
USD/SEK	6.7047	6.7077	XOF/GHS	0.0030	0.0030	
USD/DKK	5.3994	5.4004	SEK/GHS	0.2107	0.2154	

SCB Indicative Forward Rates

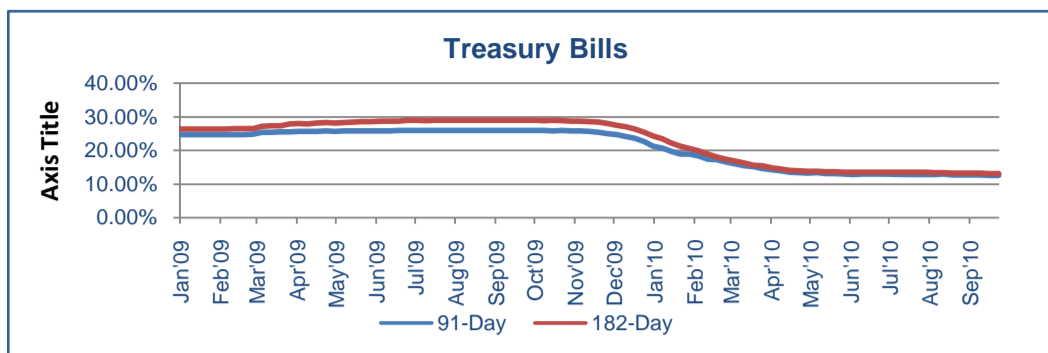
USD/GHS	Swap Points		Forward Rates	
	BID	OFFER	BID	OFFER
1-Wk	0.0020	0.0060	1.4148	1.4500
2-Wk	0.0050	0.0150	1.4180	1.4590
3-Wk	0.0075	0.0220	1.4205	1.4660
1-Mth	0.0110	0.0330	1.4240	1.4770
2-Mth	0.0220	0.0510	1.4350	1.4950
3-Mth	0.0340	0.0720	1.4470	1.5160
6-Mth	0.0655	0.1080	1.4785	1.5520
9-Mth	0.0965	0.1305	1.5095	1.5745

Commodities

International Prices

Commodity	Current Rate	Previous Close	%Δ
Oil (Brent Crude)	82.76	84.21	▼1.72%
Gold (Spot) \$	1344.45	1348.75	▼0.32%
Cocoa (Dec) \$/ton	2853.00	2846.00	▲0.25%
Coffee (Nov) \$/ton	1661.00	1689.00	▼1.66%
Sugar	673.10	689.70	▼2.41%
Palm Oil	2893.00	2922.00	▼0.99%

Additional information may be obtained from [SCB Research](#) and [Bank of Ghana](#) websites.



GHS News : The GHS stabilized mainly due to offshore purchase of USD, balanced out by local supply. The market continues to remain very liquid, we expect the Ghana Cedi to remain largely range bound around 1.4300 levels. Money markets currently trading at 12.20/12.30% overnight, with the market remaining liquid as market awaits the inflation figures expected later on in the week.

Foreign Currency News

USD: The dollar held its ground on the euro and a basket of currencies earlier today, showing signs it may retain gains near-term from a short-covering bounce as players take some short positions off the table. The euro has struggled to clear \$1.40 in the past three sessions, after hitting an eight-month high of \$1.4030 last week, and traders said automatic sell orders were starting to build just below the current price, down at \$1.3830-35. Market players say this means people will now be cautious about selling it aggressively from here and it could bounce if U.S. policymakers sound less dovish than expected. The euro slipped to \$1.3865, well below an eight month high of \$1.4030 hit last week.

GBP: Sterling rose against the euro today, recovering from last week's five-month low ahead of data expected to show UK inflation remains well above the Bank of England's target level. CPI due today is expected to stay at an annual 3.1 percent in September, having held above the 2 percent target since the start of the year. A high figure could dampen prospects of the BoE opting for more quantitative easing, although data released overnight pointed to a still wobbly UK economic recovery. The British Chambers of Commerce said economic activity slowed sharply in the third quarter and it reiterated a call for the BoE to inject more stimulus to shore the recovery up against planned government spending cuts. Against the dollar, sterling was steady at \$1.5872, around the lows recorded on Wednesday, Thursday and Friday last week. Sterling reached a near eight-month high of \$1.6019 last week. UK trade data is also due later in the day and is expected to show a slight narrowing in the trade deficit.

Commodity News

GOLD: Gold prices fell earlier today, pressured by a rebound in the dollar, and gold might enter a phase of consolidation after record-breaking rally. Spot gold was trading at \$1,346 an ounce from the previous close. Gold hit an all-time high of \$1,364.6 last week. U.S. gold futures fell to \$1,346.8. Investors are eyeing the minutes from the Federal Reserve's September policy meeting, due later on today, for clues to the possibility of further monetary easing by the central government. Holdings in the SPDR Gold Trust declined for a third consecutive session to 1,287.327 tones yesterday.

OIL: Oil fell for a second day today, down after Saudi Arabia signaled OPEC would maintain current production levels at the group's meeting later this week, letting the market focus on the stronger dollar. U.S. crude for November slid to \$81.43 a barrel, down \$3 from last week's five-month high of \$84.43. ICE Brent fell to \$82.97. U.S. crude oil stockpiles probably rose for a second straight week last week, adding 1.3 million barrels in the week to Oct. 8 due to higher imports, a preliminary Reuters poll ahead of weekly inventory data showed on Monday.

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