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LOCAL NEWS

MPC

ON HOLD

MPC MAINTAINS POLICY RATE

The Monetary Policy Committee (MPC) of the Bank of Ghana at the conclusion of its 71st MPC Meeting has decided to maintain the policy rate at 26%. [Click to read BoG Press Release](#)

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GHANA'S DEBT RISES TO GH¢105.1 BILLION

Ghana's total public debt stock reached GH¢105.1 billion at the end of May 2016, representing 66.4% of Gross Domestic Product (GDP). In January the debt was GH¢101.1 billion and increased to GH¢104.5 billion at the end of April. As at the end of December 2015, the total national debt was GH¢97.2 billion, according to figures released by the Ministry of Finance. [Click to read full story](#)

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BREXIT TO IMPACT TRADE, FDI

The Bank of Ghana (BoG) has warned that Britain's exit from the European Union (E.U.) could negatively impact Ghana's trade sector, Foreign Direct Investment (FDI) and the cedi. The BoG further points out that the country's strong trade relations with both the E.U. and the U.K. could be affected, with Ghana losing some budgetary support from the E.U. [Click to read full story](#)

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BAD LOANS PUT BANKS ON THE BRINK

Non-Performing Loans (NPLs) in the banking sector has risen to a six year high in the month of May, reflecting the continued deterioration of the business operating environment. According to the Bank of Ghana (BoG), the rate of NPLs has been rising consistently from the 14.6% recorded in December 2015 to 19.3% at the end of May 2016. The rise in NPLs has become a grave concern to the central bank, which has advised banks to limit their energy-related risks following revelations that the bulk of banks' credit is owned by firms in the energy sector.

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ROYAL BANK APPOINTS NEW MD

Royal Bank has appointed Mr. Osei Asafo Adjei as its new Managing Director. Mr. Osei Asafo Adjei takes over from Mr. Robert Kow Bentil who is retiring from the Bank in August, 2016. Prior to his appointment, Mr. Osei Asafo Adjei was the Executive Director of Corporate Banking at HFC Bank. [Click to read full story](#)

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UBA CONFIRMS ANWAL AS NEW DEPUTY MD

The Managing Director of United Bank for Africa (UBA), Mrs. Abiola Bawuah, has confirmed the appointment of Mr. Soni Anwal as the Deputy Managing Director of UBA Ghana. Prior to his appointment, Mr. Anwal was the Regional Bank Head for UBA Plc in Lagos, Nigeria. [Click to read full story](#)

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STANBIC LAUNCHES ACHIEVER BANKING

Stanbic Bank has launched a new banking service known as the Stanbic Achiever Banking. According to the Bank, the Achiever Banking is designed for anyone who earns a regular income between GH¢700 and GH¢3,499. Achiever Banking comes with various packages aimed at giving clients swifter access to a wide range of transactional products, digital channels, insurance packages, targeted savings and quick loans all at a bundled cost of GH¢20 per month. [Click to read full story](#)

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MAHAMA INAUGURATES EXIM BANK BOARD



President Mahama has inaugurated a nine-member Board of Directors for the newly established Ghana EXIM Bank. The board is chaired by Professor Richard Bani of the University of Ghana and includes Mrs. Pearl Esua-Mensah formerly of UT Bank, Joseph Enimil-Armah of Enimil Group of Companies, Nana Dr. Apiagyei Dankawaso of the Ghana Chamber of Commerce and Industry, Dr. Johnson Asiamah the Second Deputy Governor of the Bank of Ghana, James Tiigah of the Ghana Export Promotion Authority, Emmanuel Mammara of the Ministry of Trade and Samuel Arkhurst of the Ministry of Finance. The acting Chief Executive of the Bank is Dr. Barfour Osei.

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VRA OWES BANKS \$930 MILLION

The Volta River Authority's (VRA) indebtedness to banks has risen to \$930 million (GH¢3.7 billion) in March this year, compounding fears that the debt levels in the energy sector will mess up the loan books of banks and subdue their growth. The banks the Authority is indebted to include Africa Export-Import Bank (AFREXIM), Ghana International Bank, Ecobank, Standard Chartered Bank, Zenith Bank, Stanbic Bank, Guaranty Trust Bank, United Bank of Africa, Access Bank, First Atlantic Bank, Unibank, UMB, CAL Bank and Fidelity Bank. The VRA's outstanding financial obligation to AFREXIM alone, as at March, was \$120 million whereas its obligation to the remaining aforementioned banks stood at \$810 million. [Click to read full story](#)

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AVOID UNLICENSED BUSINESSES

The Bank of Ghana (BoG) has announced that deposits made at unlicensed institutions are at the risk of the depositor and as such the Government or BoG would not be responsible for such deposits. According to the Communications Department of the BoG, unlicensed institutions engaged in deposit mobilization or any other activity akin to banking were in breach of Section 4 of the Banking Act, 2004 (Act 673). The BoG has announced that Little Drops, Prosperity and Good Health Develop Winners, Royal Foundation Global Leads, Royal Care, Marceph Wealth, JODEQ Network Clear Image and Devine Rain were not licensed and regulated by the Bank. Hence, the BoG has deemed the activities of the aforementioned companies as fraud disguised as some form of banking business. [Click to read full story](#)

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EXCHANGE RATES

The cedi recorded week-on-week appreciation of 0.02%, 0.62% and 0.97% against the dollar, the pound sterling and the euro respectively.

	15-Jul-16	22-Jul-16	W-o-W Change	
Currency	(GH¢)	(GH¢)	%	YTD%
US Dollar (USD)	3.9412	3.9406	0.02%	-4.19%
Pound Sterling (GBP)	5.1888	5.1570	0.62%	7.40%
EURO (EUR)	4.3600	4.3180	0.97%	-5.34%

Source: BoG (Calculations based on interbank mid-rates).

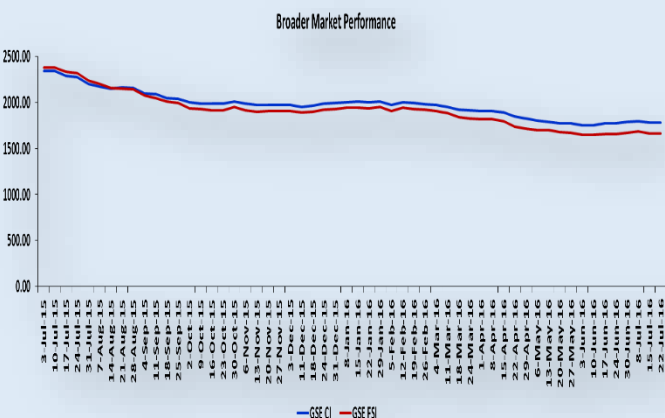
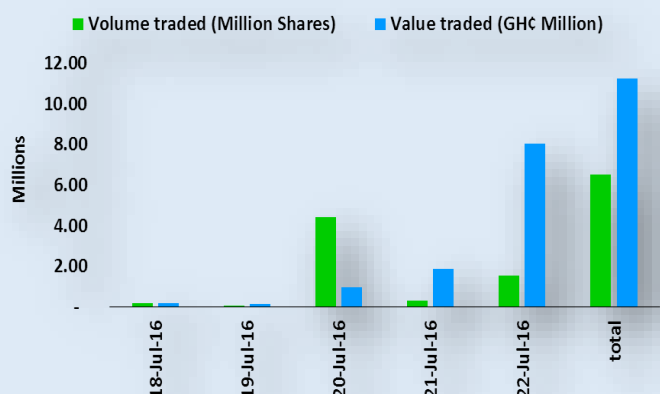
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INTEREST RATES

The 91-Day bill decreased week-on-week by 7 bps from 22.78% to 22.71%. Whereas the 182-Day bill also decreased by 5 bps to 24.63%. The rate for the 1-Year Note this week was 23.00%. Last week, the 24.00% indicated was for the 2-Year Fixed Rate and not the 1-Year Note.

STOCK MARKET

Week-on-week analysis of trading activities on the GSE revealed four gainers and five losers. ALW emerged as the highest gainer with a w/w gain of 7.69%. Whereas TBL emerged as the highest loser with a w/w loss of 14.29%. The Composite Index (CI) and Financial Stocks Index (FSI) recorded year-to-date change of -10.75% and -13.68% respectively. The aggregate volume of shares traded increased by 557.97% w/w to 6.5 million whereas total value of shares traded also increased by 1228.50% w/w to GH¢11.2 million.



Instrument	15-Jul-16 (p.a.,%)	22-Jul-16 (p.a.,%)	W-o-W Change (basis points)
91 day	22.78	22.71	-7
182 day	24.68	24.63	-5
1 year	-	23.00	-
2 year	24.00	-	-

Source: BoG

		Week Close 22-Jul-16	W-o-W %	YTD%
Market Cap (GH¢m)	↓	54,515.80	-0.01%	-4.55%
Value Traded (GH¢)*	↑	11,260,580.70	1228.50%	
Volume Traded*	↑	6,525,984.00	557.97%	
GSE Composite Index	↓	1,780.45	-0.04%	-10.75%
GSE Financial Stocks Index	↓	1,665.93	0.02%	-13.68%

*Total value traded and total volume traded within the week

		Week Close 22-Jul-16	Week-on-Week %	YTD%
Top Gainers				
ALW	↑	0.14	7.69%	0.0%
GCB	↑	3.16	1.94%	-16.6%
SOGEGH	↑	0.79	1.28%	-1.3%
FML	↑	8.51	0.12%	15.8%

		Week Close 22-Jul-16	Week-on-Week %	YTD%
Top Losers				
TBL	↓	0.30	-14.29%	-18.9%
PZC	↓	0.23	-4.17%	-32.4%
HFC	↓	0.80	-2.44%	-11.1%
TOTAL	↓	3.89	-1.52%	-23.7%
SCB	↓	14.23	-0.14%	-12.7%

Source: GSE

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INVESTMENT FUNDS

HFC Equity Trust, Future Plan Trust, Unit Trust and REIT recorded week-on-week gains of GH¢0.0012, GH¢0.0065, GH¢0.0017 and GH¢0.0072 respectively.

	14-Jul-16	21-Jul-16	W-o-W Change	
Investment Product	(GH¢)	(GH¢)	(GH¢)	YTD/Yield*(%)
HFC Equity Trust	0.5120	0.5132	0.0012	3.95%
HFC Future Plan Trust	1.8244	1.8309	0.0065	10.21%
HFC Unit Trust (Bid)	0.3816	0.3833	0.0017	*24.76
HFC REIT (Bid)	2.5861	2.5933	0.0072	*15.69

Source: HFC ISL

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FOREIGN NEWS

BREXIT PLUNGES UK ECONOMY

Britain's decision to leave the E.U. has led to a "dramatic deterioration" in economic activity, not seen since the aftermath of the financial crisis. Data from IHS Markit's Purchasing Manager's Index, or PMI, shows a fall to 47.7 in July, the lowest level since April 2009. The decline in the Index was due to slumps in output and orders in the manufacturing and services sectors. The Markit PMI tracks business conditions and provides advance insight into the private sector economy by tracking variables such as output, new orders, employment and prices. A PMI reading below 50 indicates contraction. [Click to read full story](#)

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UBA, MASTERCARD ANNOUNCE PARTNERSHIP

United Bank of Africa (UBA) and MasterCard have announced a partnership which will see UBA act as the issuer for MasterCard in 18 new markets in Africa. The partnership which came into effect in the second quarter of 2016 will see UBA issue MasterCard credit, debit and prepaid cards across these markets. The partnership will also focus on increasing payment infrastructure across Africa, including the roll out of point-of-sale and mobile-point-of-sale technology. [Click to read full story](#)

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GOLDMAN COST CUT MEASURES INCREASE PROFIT

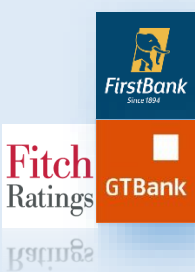
Goldman Sachs Group Inc. reported a higher second-quarter profit this year, as it benefited from a sharp decline in expenses and more activity in some parts of the fixed-income markets. The Wall Street bank's profit rose 78% compared with a year ago. The Bank's profit was buoyed by cost cuts which included a 13% cut in compensation in the second quarter and staff reductions earlier on this year, among other measures. Goldman Sachs's cost-cutting measures is expected to save the Bank \$700 million per annum. [Click to read full story](#)

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FITCH AFFIRMS FISTBANK & GTBANK RATINGS

Fitch Ratings has affirmed the Viability Ratings (VR) of FirstBank Nigeria Limited and Guaranty Trust Bank Plc at "B" and "B+" respectively. The global rating agency explained that the challenging and volatile operating environment in Nigeria and other key rating factors, particularly the banks' financial profiles, constrained the VRs in the highly speculative "B" range. It however affirmed that despite slower asset growth and higher loan impairment charges, the long term national outlooks of the banks remain stable and are expected to remain profitable in 2016 due to strong earnings generation, among others. [Click to read full story](#)

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BOFA SECOND QUARTER PROFITS FALL

Bank of America (BoFA) reported a 19% slide in profit in the second quarter, as persistently low interest rates hurt the bank's loan business. The bank made just \$3.89 billion in profit during the period between April and June, down from \$4.8 billion recorded last year. Generally, profits across U.S. banks have been hit by the Federal Reserve's low interest rate policy. [Click to read full story](#)

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HSBC OFFICIALS IN CURRENCY-RIGGING PROBE

Two senior bankers at HSBC have been arrested in connection with a case involving currency benchmark rigging. Mark Johnson, the bank's global head of foreign-exchange cash trading, faces charges following a three-year investigation into currency trading practices at multiple global banks. In addition, Stuart Scott, former head of cash trading for Europe, the Middle East and Africa, also faces wire fraud conspiracy charges. Johnson and Scott committed the alleged violation on a \$3.5 million trade, which involved an oil and gas company that wanted to exchange U.S. dollars with British pounds. [Click to read full story](#)

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SOCGEN SEEKS TO PUSH BACK TRIAL

French investment bank Societe Generale (SocGen) has asked for an adjournment to push back the date for a trial in a long-running dispute with Libya's \$67 billion sovereign wealth fund over a series of trades entered into between 2007 and 2009. The Libyan Investment Authority (LIA) is pursuing the French bank for some \$2.1 billion in relation to the disputed trades. The LIA alleges that the trades were procured through a "fraudulent and corrupt scheme" involving the payment of \$58.5 million to a Panamanian-registered company called Lenaida, controlled at the time by a Libyan businessman. [Click to read full story](#)

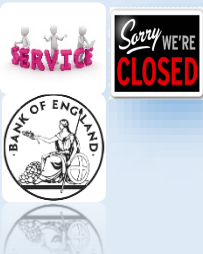
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ECB KEEPS INTEREST RATES ON HOLD

The European Central Bank (ECB) left interest rates unchanged as it seeks to revive growth and inflation with cheap credit to the economy. The ECB kept its rate on bank overnight deposits at -0.40%. The main refinancing rate, which determines the cost of credit in the economy was unchanged at 0.00%, while the rate on the marginal lending facility or emergency overnight borrowing rate for banks remains at 0.25%. The ECB added that it continues to expect its key interest rates to remain at present or lower levels for an extended period of time. [Click to read full story](#)

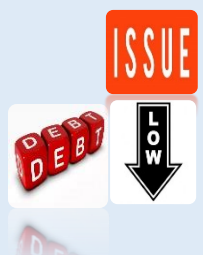
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BOE CLOSES PERSONAL BANKING SERVICES

Employees of the Bank of England (BoE) will no longer be able to access BoE accounts for personal banking services following a cost-cutting review initiated by its governor, Mark Carney. The BoE explained that it could not compete with the range of services, including online banking, offered by high street institutions, and would therefore close all staff accounts by next year on grounds of costs and practicality. This follows its withdrawal from providing retail banking services to government departments and other corporate customers. [Click to read full story](#)

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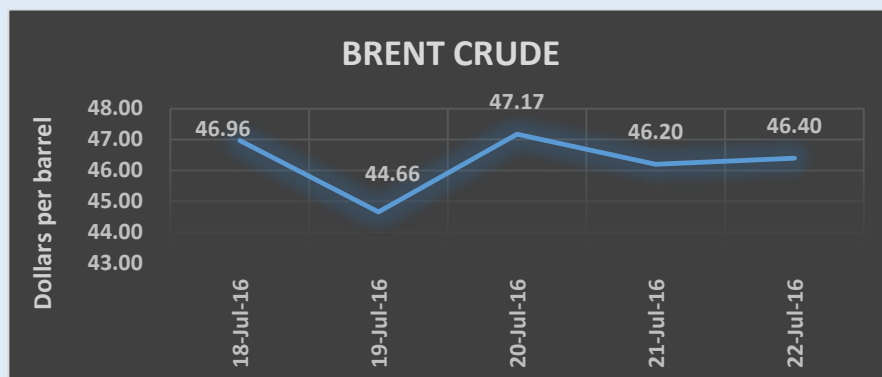
SUB-SAHARAN AFRICA DEBT ISSUANCE DOWN

Debt issuance in sub-Saharan Africa fell in the first half of 2016 as sinking currencies and faltering economies forced borrowers to take a breather. The region raised a total of \$6.9 billion in the first six months of the year, down 10% compared with the same period last year. With the prospect of hikes on U.S. interest rates, slowing economies at home, a gloomy outlook for commodity prices and rising borrowing costs, African states and companies have been more reluctant to tap capital markets this year. [Click to read full story](#)

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BRENT CRUDE PRICE

Brent crude price decreased from \$46.96 per barrel to \$46.40 per barrel by close of week. Price change for the week was -1.19%. The commodity recorded a year-to-date increase of 24.66%.



Source: Bloomberg (The last day figure is taken at midday)

WORLD GOLD PRICE

The price of gold, this week, decreased from \$1,328.85 an ounce to \$1,323.73 an ounce. Price change for the week was -0.39%. Gold recorded a year-to-date gain of 23.18%.



Source: Bloomberg (The last day figure is taken at midday)

WORLD COCOA PRICE

During the week, the price of cocoa decreased from \$3,085.00 per tonne to \$2,913.00 per tonne. Price change for the week was -5.58%. The commodity recorded a year-to-date loss of 6.75%.



Source: Bloomberg (The last day figure is taken at midday)

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