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## LOCAL NEWS



### INFLATION INCREASES

Inflation rate for the month of January 2016 increased significantly to 19% from 17.7% recorded in December 2015. The inflation rate for food and non-alcoholic beverages group increased by 0.2% from 8.0% recorded in December to 8.2% recorded in January 2016. Non-food inflation also surged to 25.5% from 23.3% recorded in December 2015. At the regional level, the Greater Accra Region recorded the highest inflation rate of 23.1% whereas the Upper East Region recorded the lowest rate of 14.1%. [Click to read GSS Report](#)

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### PARLIAMENT APPROVES TAX BILL

Parliament on Wednesday February 10, 2016, approved the Income Tax Amendment Bill. The new bill, when signed by the president into law, will remove a recently imposed 1% tax on interests earned by investors and also cut withholding tax from 15% to 7.5%. [Click to read full story](#)

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### BOG PROPOSES BILL TO PROTECT CLIENTS

The Head of Banking Supervision in charge of Other Financial Institutions at the Bank of Ghana (BoG) says the era of those in small savings bracket losing their money to financial institutions will soon be over as it has prepared a Deposit Protection Bill to be presented to Parliament for approval. The Bill when passed into law will protect the money deposited by clients and help recover part of their funds in the event of institutional failure. [Click to read full story](#)

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### CAL BANK & PRUDENTIAL SIGN AGREEMENT

CAL Bank and Prudential Life Insurance Ghana have signed a long-term partnership agreement to jointly develop their business in Ghana. The agreement will enable CAL Bank's customers to buy Prudential's insurance products in the bank's branches this year. The collaboration is expected to increase CAL Bank's range of life insurance products and advance Prudential's goal of becoming the insurer of choice for Ghanaians. [Click to read full story](#)

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### ZENITH BANK MD TO TAKE A BOW

The Managing Director of Zenith Bank Ghana, Daniel Asiedu, will retire at the end of February 2016 as he ends his tenure of office. Mr. Asiedu was the first Ghanaian employee of Zenith Bank Ghana when he joined as the Chief Operating Officer in 2005. He later became Executive Director of the Bank in July 2009 and was elevated to the position of Managing Director in January 2010. [Click to read full story](#)

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### ACCESS BANK OPENS BOLGA BRANCH

As part of its branch expansion strategy to bring its services closer to customers, Access Bank has opened a branch in the business district of Bolgatanga. The Bolgatanga branch brings the bank's business locations across the country to a total of 45. [Click to read full story](#)

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## STANBIC SUPPORTS OIL & GAS

Stanbic Bank has commissioned a branch in Takoradi in the Western Region comprising of a department and a team of experts to serve the needs of businesses in the oil and gas industry. To ensure that customers are able to expediently deposit money, the Bank has also installed deposit-taking ATMs at some of its branches.

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## FBN AIMS HIGH

FBN Bank Ghana Limited has expressed optimism in becoming one of the best banks in the country. To achieve this vision, the Bank is transforming itself through technology and branding, just to name a few. Board Chairman of FBN, Joseph Yieleh Chireh revealed this at the launch of a second branch on the Spintex Road in Accra which brings the number of branches operating countrywide to 18. According to the Managing Director of FBN Bank, Seyi Oyefeso, the Bank will soon issue and activate personalized MasterCards instantly to customers and introduce new products and services for individuals and the business community.

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## EXIM BANK TO COST GH¢48.9 MILLION

A report by the Presidential Task Force on the establishment of the Ghana Export-Import Bank (Exim Bank) has revealed that an estimated sum of GH¢48.9 million is required to set up and run the proposed Bank in the first year of operations. Out of the estimated amount, GH¢41 million will go into financing the bank's current and recurrent expenditure. [Click to read full story](#)

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## PETRA TRUST LAUNCHES NEW PRODUCT

Petra Trust Company Limited, a trustee company, has introduced a new investment product christened "Savings Booster"; to allow its customers to make long-term savings while benefiting from income tax exemption. The Managing Director of Petra Trust, Mr. Kofi Fynn, said unlike other investment products on the market, the Savings Booster required no minimum deposit and helps individuals to boost their savings by allowing them to add what they would have paid in taxes to their savings. Petra Trust is a corporate trustee licensed by the National Pension Regulatory Authority to offer trustee services. Petra administers Tier Two and Tier Three pension schemes for over 60,000 workers. [Click to read full story](#)

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## EXCHANGE RATES

The cedi recorded a week-on-week depreciation of 0.56%, 0.29% and 1.39% against the dollar, the pound sterling and the euro respectively.

	5-Feb-16	12-Feb-16	W-o-W Change	
Currency	(GH¢)	(GH¢)	%	YTD%
US Dollar (USD)	3.8588	3.8805	(0.56)	(2.60)
Pound Sterling (GBP)	5.5957	5.6120	(0.29)	(0.77)
EURO (EUR)	4.3098	4.3704	(1.39)	(6.62)

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

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## INTEREST RATES

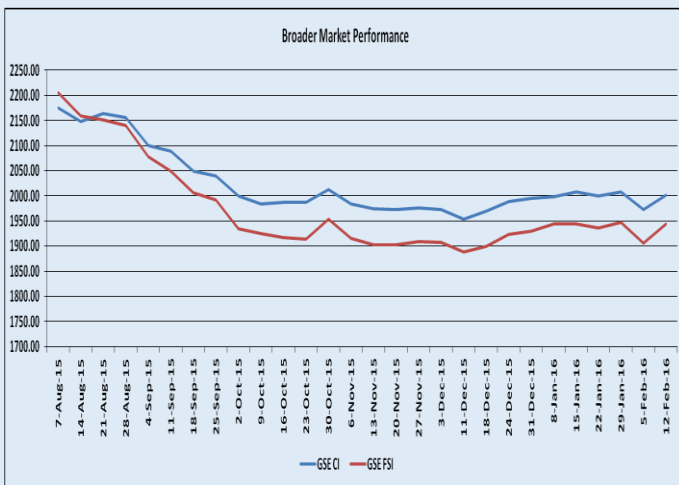
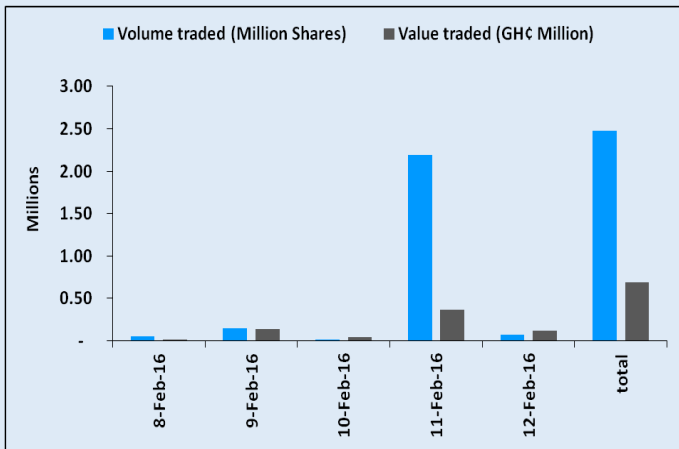
The 91-Day bill, the 182-Day bill and the 1-Year Note increased week-on-week by 10 bps, 43 bps and 105 bps to 22.75%, 24.62% and 24.05% respectively.

Instrument	5-Feb-16 (p.a,%)	12-Feb-16 (p.a,%)	W-o-W Change (basis points)
91 day	22.65	22.75	10
182 day	24.19	24.62	43
1 year	23.00	24.05	105

Source: BoG

## STOCK MARKET

Week-on-week analysis of trading activities on the GSE revealed nine gainers and three losers. ALW emerged as the highest gainer with a w/w gain of 14.29%, whereas GGBL emerged as the highest loser with a w/w loss of 1.01%. The Composite Index (CI) and Financial Stocks Index (FSI) recorded year-to-date change of 0.29% and 0.73% respectively. The aggregate volume of shares traded decreased by 42.47% w/w to 2.47 million whereas total value of shares traded also decreased by 95.52% w/w to GH¢685 thousand.



		Week Close		
		12-Feb-16	W-o-W %	YTD%
Market Cap (GH¢m)	↑	57,091.02	1.25	-0.04
Value Traded (GH¢)	↓	685,927.68	-95.52	
Volume Traded	↓	2,476,682.00	-42.47	
GSE Composite Index	↑	2,000.70	1.45	0.29
GSE Financial Stocks Index	↑	1,944.17	2.03	0.73

Top Gainers		Week Close		
		12-Feb-16	Week-on-Week %	YTD%
ALW	↑	0.08	14.29%	-42.9%
ETI	↑	0.27	12.50%	0.0%
PBC	↑	0.10	11.11%	0.0%
CAL	↑	0.97	4.30%	-3.0%
SOGEGH	↑	0.84	1.20%	5.0%
EGL	↑	2.42	0.83%	0.8%
BOPP	↑	3.07	0.33%	22.8%
GCB	↑	3.71	0.27%	-2.1%
EBG	↑	7.06	0.14%	0.7%

Top Losers		Week Close		
		12-Feb-16	Week-on-Week %	YTD%
GGBL	↓	1.97	-1.01%	-1.0%
TLW	↓	27.93	-0.21%	-0.3%
SCB	↓	16.32	-0.12%	0.1%

Source: GSE

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## INVESTMENT FUNDS

HFC Equity Trust, Future Plan Trust, Unit Trust and REIT recorded gains of GH¢0.0005, GH¢0.0065, GH¢0.0013 and GH¢0.0047 respectively.

Investment Product	4-Feb-15	9-Feb-16	W-o-W Change	YTD/Yield*(%)
	(GH¢)	(GH¢)	(GH¢)	
HFC Equity Trust	0.5003	0.5008	0.0005	1.44
HFC Future Plan Trust	1.6963	1.7028	0.0065	2.50
HFC Unit Trust (Bid)	0.3450	0.3463	0.0013	*25.46
HFC REIT (Bid)	2.4178	2.4225	0.0047	*14.27

Source: HFC ISL

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## FOREIGN NEWS



### MORGAN STANLEY TO PAY \$3.2 BILLION

Morgan Stanley will pay \$3.2 billion to U.S. authorities to settle claims that it misled investors about risky mortgage bonds sold before the financial crisis. Morgan Stanley admitted knowing the mortgages were risky, but was cleared of some culpability by authorities as it neither issued the original mortgages itself nor issued the mortgages to home buyers who could not afford it. The settlement will be spread across state and federal authorities in the form of fines and consumer relief. [Click to read full story](#)

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### CBA MOBILE MONEY LOANS IN OFFING

Commercial Bank of Africa (CBA) in Uganda is looking at replicating its Kenyan model of utilizing information and communications technology to issue micro savings and loans through mobile money platforms. The Bank is currently awaiting approval from the Bank of Uganda to introduce the mobile banking product in partnership with MTN Uganda. The mobile banking platform will enable customers of the bank save and borrow money via their mobile phones. CBA has so far unveiled similar products in Kenya dubbed M-Shwari in partnership with Safaricom and M-Pawa in Tanzania in partnership with Vodacom. [Click to read full story](#)

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### BANKING FRAUD DROPS IN NIGERIA

The introduction of the Bank Verification Number (BVN) in May 2015 has started bearing fruits as the Central Bank of Nigeria (CBN) has disclosed that the value of fraud in the financial sector dropped by ₦4 billion in 2015. CBN's Director of Banking and Payments System Department commenting on banking fraud statistics noted that the actual loss resulting from fraud declined to ₦2.25 billion in 2015 from ₦6.216 billion recorded in the previous year. The BVN, which was enforced by the CBN last year, had the cardinal purpose of using biometric information as a means of verifying individuals with accounts in any Nigerian bank and also as a means of authenticating customers identity at the point of transaction. [Click to read full story](#)

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### BANKS TO PREPARE FOR NEGATIVE RATES

The Federal Reserve is requiring banks to include negative rates in a round of stress test commencing this year, and to also prepare for the possibility of negatively yielding Treasury rate. Negative interest rates are becoming the main policy tool for a number of central banks as they battle falling inflation, rising currencies and economic weakness. [Click to read full story](#)



## THIAM WANTS BONUS SLASHED

Credit Suisse Chief Executive Officer Tidjane Thiam has asked the bank’s board to cut his 2015 bonus by as much as 50%. The move comes in the wake of Credit Suisse’s 2.94 billion Swiss franc (\$2.96 billion) losses in revenue last year, thousands of job cuts and a \$2.6 billion legal settlement in the U.S. for tax evasion, among others.

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## ANXIETY DRAGS DOWN STOCK MARKETS

The index of London’s leading shares (FTSE 100), U.S. and European markets have posted sharp declines amid continued anxiety about the state of the global economy. Analysts said Janet Yellen’s (the Chair of the Board of the Governors of the U.S Federal Reserve System) recent gloomy economic assessment had added to investors’ worries. Earlier this week, Yellen admitted that the financial conditions in the U.S. had become “less supportive” of growth and warned of the “increased volatility” in global financial markets. The FTSE 100 is an index composed of the 100 largest companies listed on the London Stock Exchange. [Click to read full story](#)

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## HSBC SUED

HSBC has been sued by families of U.S. citizens murdered by drug gangs in Mexico, claiming the bank allowed cartels to launder billions of dollars to operate their business. The lawsuit alleges that by participating in the money laundering scheme of the cartels, HSBC knowingly contributed directly to the international drug and trafficking trade during the period of 2010 to 2011. The London-based bank, which was already being monitored for its involvement in money laundering schemes, had paid nearly \$2 billion in penalties in December 2012 to resolve charges that it failed to stop hundreds of millions of dollars in drug money from flowing through the bank in Mexico. [Click to read full story](#)

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## BANKS EYE MORE COST CUTS

U.S. banks are looking at ways to slash expenses further this year as market turmoil and declining oil prices among others have sent the banking sector’s shares down sharply. Since demand for U.S. bank shares began to weaken in November 2015, the sector’s top five stocks have lost 20% or \$120 billion of their market capitalization. Almost 70% of the banks deemed globally significant are trading below their tangible book values. [Click to read full story](#)

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## NIGERIA SEEKS CHINA LOAN

Nigeria is seeking to negotiate a loan of up to \$2 billion with China to help fund the country’s budget spending. The country is hoping to raise about \$5 billion abroad to cover part of its 2016 budget deficit which is projected to increase to \$15 billion. [Click to read full story](#)

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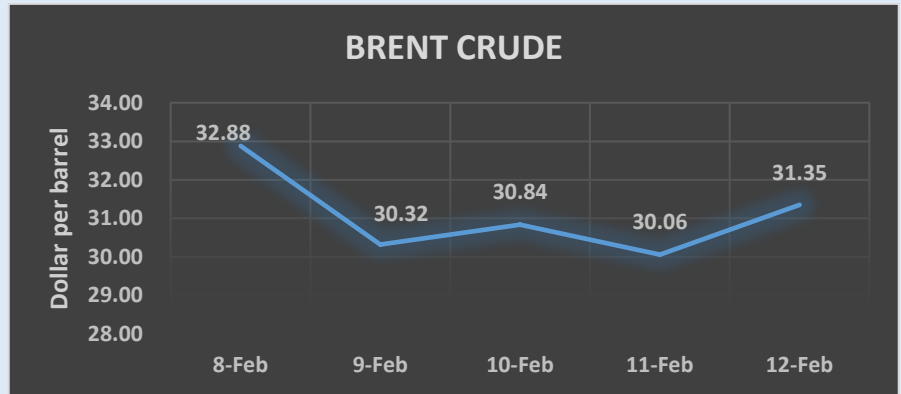
## MOBILE MONEY KEY TO BANK’S SUCCESS

A Moody’s report has stated that the fast growth of mobile money banking within the sub-Saharan Africa region presents an exciting opportunity for banks to push for a greater financial inclusion agenda. Analysts believe the increase in mobile money usage has the potential to support credit quality in the region as a result of a more financially resilient population who are able to maintain a steady contribution to domestic demand and economic growth. [Click to read full story](#)

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## BRENT CRUDE PRICE

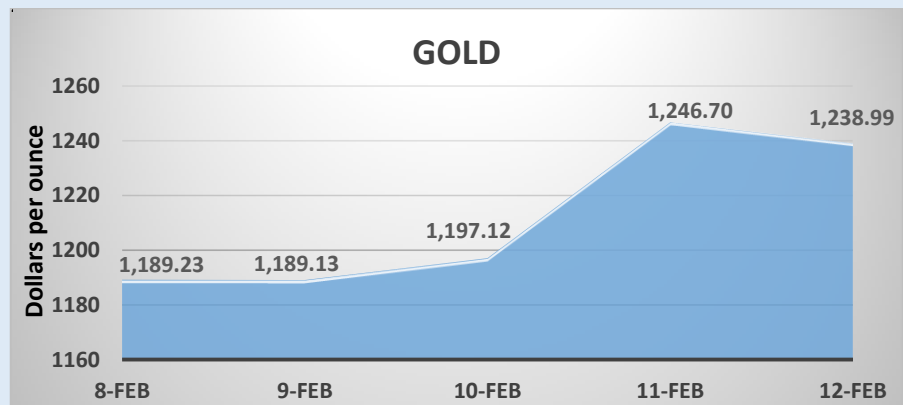
Brent crude price decreased from \$32.88 per barrel to \$31.35 per barrel by close of week. Price change for the week was -4.65%. The commodity recorded a year-to-date decrease of 15.77%.



Source: Bloomberg

## WORLD GOLD PRICE

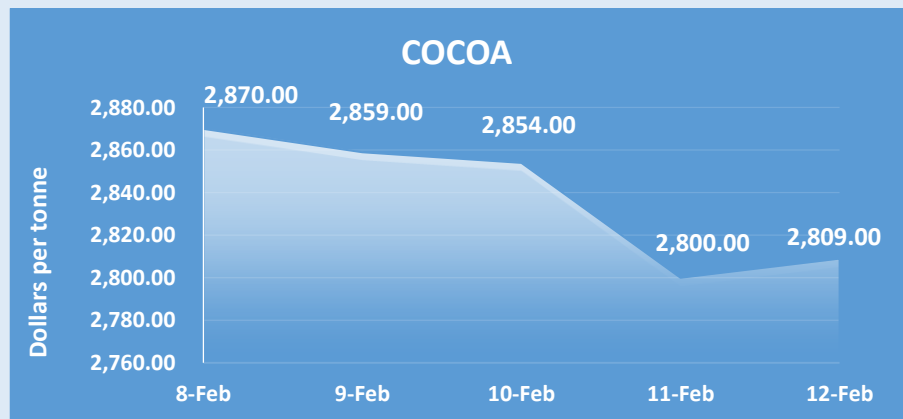
The price of gold, this week, increased from \$1,189.23 an ounce to \$1,238.99 an ounce. Price change for the week was 4.17%. Gold recorded a year-to-date gain of 15.29%.



Source: Bloomberg

## WORLD COCOA PRICE

During the week, the price of cocoa decreased from \$2,870.00 per tonne to \$2,809.00 per tonne. Price change for the week was -2.13%. The commodity recorded a year-to-date loss of 10.08%.



Source: Bloomberg

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Further enquiries can be directed to: HFC Bank Research and Strategic Planning Department: [research@hfcbank.com.gh](mailto:research@hfcbank.com.gh)

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