BANK OF GHANA

Monetary Policy Summary

JANUARY 2017

PREFACE

The Bank of Ghana's Monetary Policy Summary provides a brief overview of macroeconomic developments and monetary policy considerations, released after each MPC meeting in January, May, July and November. After meetings in March and September, a full Monetary Policy Report is published. The aim of issuing these monetary policy publications is to provide the public with background materials which served as inputs for the policy decision making process and economic assessments at each MPC session. Through the publication of these documents, Bank of Ghana aims to promote accountability of its decision making and build understanding of the monetary policy formulation process among stakeholders.

Monetary Policy in Ghana

The primary objective of the Bank of Ghana is to pursue sound monetary policies aimed at price stability and creating an enabling environment for sustainable economic growth. Price stability in this context is defined as a medium-term inflation target of 8 percent with a symmetric band of ±2 percent, for which the economy is expected to grow at its full potential without excessive inflation pressures. Other tasks for the Bank of Ghana include promoting and maintaining a sound financial sector and payment systems through effective regulation and supervision. This is important for intermediation since risks associated with financial markets are taken into account in monetary policy formulation.

Monetary Policy Strategy

To achieve the objective of price stability, Bank of Ghana was granted operational independence to employ whichever policy tools were deemed appropriate to stabilise inflation around the medium-term target. The Bank of Ghana's framework for conducting monetary policy is Inflation Targeting (IT), in which the central bank uses the Monetary Policy Rate (MPR) as the primary policy tool to set the monetary policy stance and anchor inflation expectations in the economy.

The MPC Process

The MPC is a statutorily constituted body by the Bank of Ghana Act to formulate monetary policy. The MPC consists of seven members – five from the Bank of Ghana (including the Governor who acts as the Chairman) and two external members appointed by the Board of the Bank of Ghana. The MPC meets once in every two months to assess economic conditions and risks to the inflation outlook, after which a policy decision is made on positioning the MPR. Each MPR decision provides a signal of tightening (increase), loosening (decrease) or maintaining (no change) the monetary policy stance. The MPC meeting dates are determined well in advance at the beginning of each year. The policy decision is arrived at by consensus with each member stating reasons underlying a preferred rate decision. An MPC policy statement is published via a press release, and a press conference is held, after each MPC meeting to communicate and explain the Committee's decisions to the financial markets and the general public.

Contents

Moderate recovery continues in global economy

The global recovery process continued at a moderate pace, hindered by heightened policy uncertainties in the US and Euro Area, volatile commodity prices and rebalancing in China. It is however expected that growth in the advanced economies will pick up pace in 2017 on the back of expected tax cuts and increased infrastructure spending, especially in the U.S. The fiscal stimulus will boost trade in the Euro Area and Japan and further strengthen the recovery efforts.

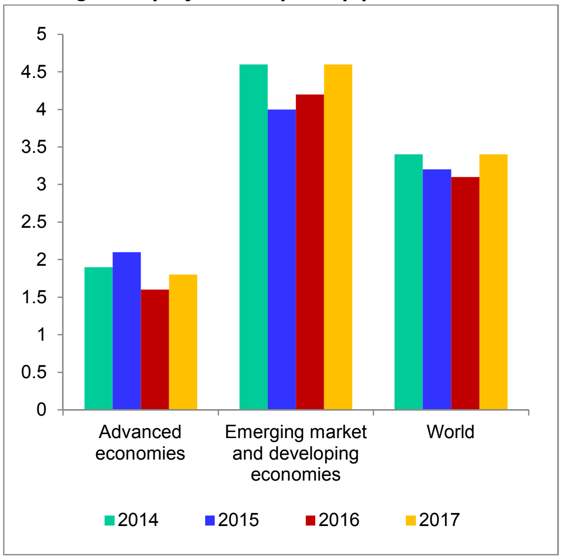
Growth in emerging economies is also expected to pick up in 2017 driven mainly by the recovery in commodity prices, sustained growth in China and India, end of recession in the largest emerging economies such as Russia and Brazil, and a pickup in global trade. However, higher yields and stronger dollar may increase external financing costs. In addition, exports may decline if the US goes ahead with protectionist trade policies. Tighter immigration policies in the US may also reduce remittance flows to emerging economies.

In Sub-Saharan Africa, growth was constrained by mounting domestic imbalances particularly in Nigeria and South Africa, and a slow recovery in commodity prices during 2016. The recent recovery in commodity prices is therefore expected to boost growth in Sub-Saharan African countries in 2017. However, the continuing domestic imbalance in the two largest economies on the African continent will remain a major risk to the regional growth outlook.

Global financial markets have also recovered somewhat, despite lingering doubts about the strength of the recoveries in the Euro Area and Japan. Stocks in the U.S have rebounded due to the stronger than expected growth in the third quarter and the prospects of stronger growth in 2017. The Fed is also expected to continue gradual increases in interest rates as growth prospects strengthen in the U.S.

On the whole, risks to the global economic outlook appear to be broadly balanced. But, upside risks such as a stronger US dollar and rising global bond yields, on the back of expected hikes in the Fed funds rate, could impact adversely on Ghana's balance of payments, fiscal operations and the inflation outlook.

Global growth projected to pick up pace in 2017



Source: IMF World Economic Outlook, January 2017

Commodity prices remain volatile but some may pick up

International prices of Ghana's three key export commodities were volatile throughout last year. Average gold prices recovered in the year due to an increase in financial market volatilities and the expected Fed rate hike, posting a 7.6 per cent annual rise. Brent crude oil prices also rebounded in the later part of 2016, following the consensus reached by OPEC to cut production. On year-on-year basis, crude oil prices moved up by 41.1 per cent. Cocoa prices however, declined on the futures market underscored by projected excess supply. On year-on-year basis, cocoa prices declined by 31.3 per cent.

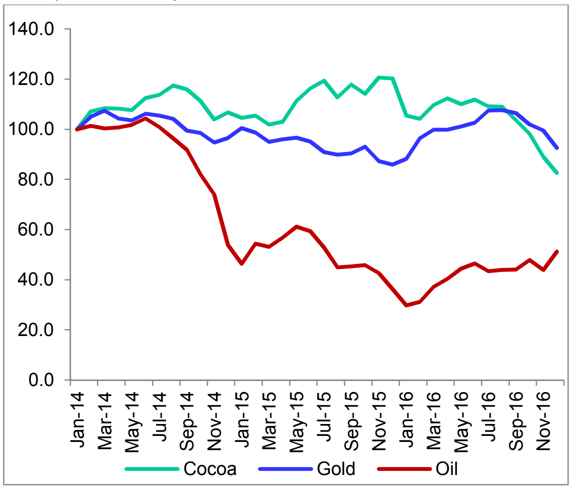
The January 2017 Commodity Markets Outlook by the World Bank indicates that some key commodity prices may pick up in 2017. In particular, cocoa price is projected to average about US$2,940 per tonne in 2017 from US$2,850 in 2016. Underlining this cocoa price projections are declines in output in West Africa and a pick-up in global demand. Oil prices are also projected to increase to US$55 per barrel in 2017 from an average of US$44 per barrel in 2016 because of increased global demand and the OPEC output cut. However, gold prices are projected to decline from an average of US$1,249 per fine ounce in 2016 to US$1,219 in 2017 due largely to an expected strengthening of the US dollar. Some other optimistic forecasts project gold prices to range between US$1,331 - US$1,500 fine ounce on the back of dwindling number of new gold mines and soaring of global investment demand. These price developments, coupled with the expected increase in export volumes, should improve Ghana's trade balance in the short-to-medium term.

Balance of payments turns positive after five years

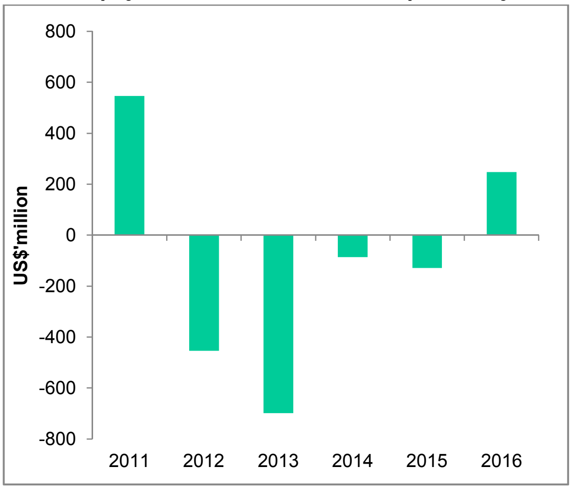
For the first time since 2011, the provisional balance of payments in 2016 recorded a surplus. This largely reflected an improvement in the trade balance driven by a rise in gold export receipts and a fall in oil import prices. The improvement more than compensated for the moderation in the capital and financial accounts arising from lower official foreign inflows.

In 2016, the trade balance improved from a deficit of US$3.1bn in 2015 to a deficit of US$1.7bn due to an increase in exports receipts by 7.2 per cent and a decline in imports by 5.3 per cent. The services and income accounts also recorded appreciable improvement during the year, but the transfers

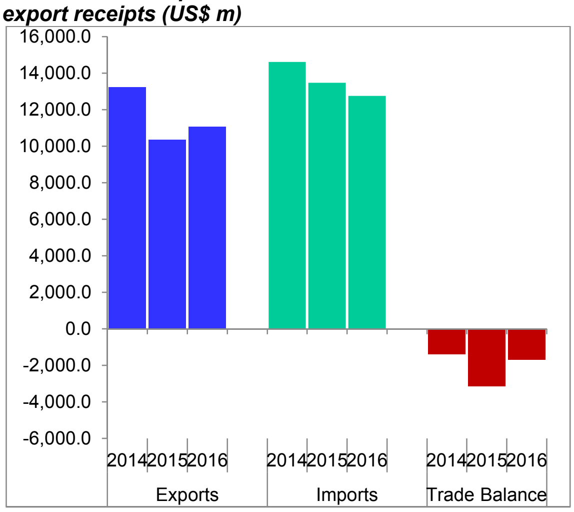
Cocoa, gold, and crude oil prices remained volatile in 2016 (Jan-14=100)



Balance of payments records the first surplus in 5 years



Trade account improves on the back of increased export receipts (US$ m)



account was impacted adversely by delays in grant disbursements and reduced remittance inflows. Consequently, the provisional estimates of the current account deficit improved to US$2.6bn in 2016 compared with US$2.8bn in 2015.

The capital and financial account surplus reduced by 5.8 per cent due to a marginal increase in foreign direct investment coupled with lower portfolio inflows and official loan disbursements during the period.

This notwithstanding, the overall BOP recorded a surplus of US$247mn (+0.6% GDP), compared to a deficit of US$129 mn (-0.3% GDP) in 2015. The improved BOP position translated into external reserves accretion. Gross foreign assets increased to US$6.2bn in 2016, equivalent to 3.5 months import cover. This compares with US$5.9bn in 2015.

The balance of payments outlook for 2017 remains positive given that production levels at the TEN oil fields and the Sankofa Fields are expected to ramp up, resulting in increased volume of oil exports. On the downside, the expected hikes in Fed's rate and the possible appreciation of the US dollar leading to tight external financing conditions and lower portfolio inflows, which may exert downward pressures on the exchange rate and worsen the inflation outlook.

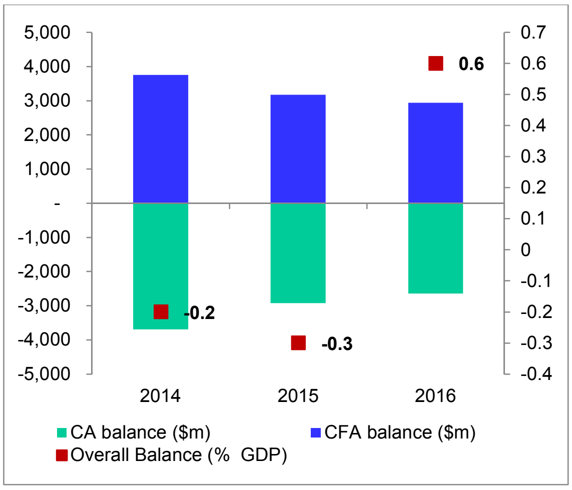
Pace of economic activity subdued but prospects positive

Economic activity remained modest throughout last year, against the backdrop of policy tightness, oil and gas production challenges at the Jubilee field, and lingering consequences of the power supply constraints. The November 2016 update of the Composite Index of Economic Activity (CIEA) points to subdued pace of economic activity, reflecting declines in industrial consumption of electricity, cement sales, tourist arrivals and domestic VAT collection.

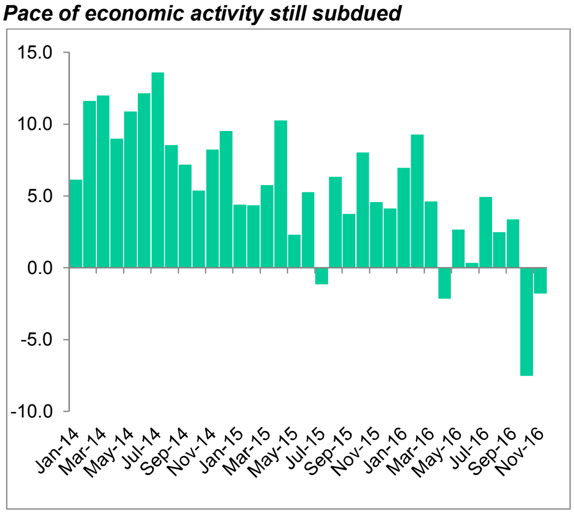
The latest consumer sentiments survey conducted after the December 2016 polls reflected optimism about economic prospects. This was against the back drop of favourable economic outlook and moderating consumer prices.

Economic activity is expected to strengthen in 2017 on the back of gradual rebound in credit extension to the private sector and improvement in the macro fundamentals. In addition, the expected increase in oil production from the TEN

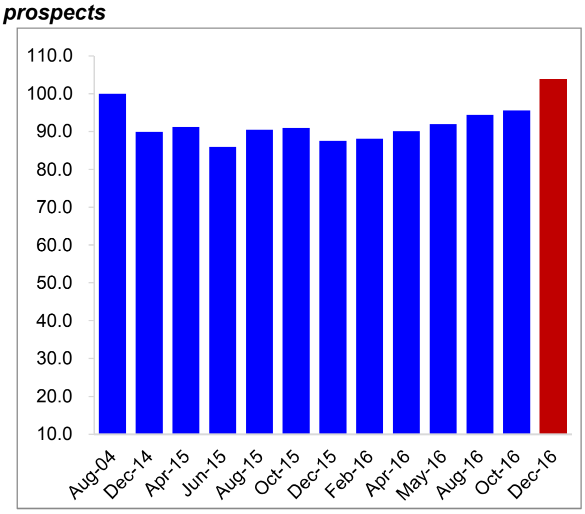
The balance of payments surplus reflects an improved current account balance



Pace of economic activity still subdued



Consumer sentiments reflect optimism about economic prospects



and the Sankofa fields are expected to boost growth further in 2017. However, the major risks to the growth outlook include volatile commodity prices and high utility costs.

Inflation continues to decline

Headline inflation continued to ease in the last quarter of 2016. From the peak of 19.2 percent in the first quarter of 2016 (17.7% in Dec. 2015), inflation broadly slowed to 15.4 per cent in December 2016. This was supported by the monetary policy tightening over the past years and relative stability of the exchange rate for most of 2016 and easing underlying inflation pressures.

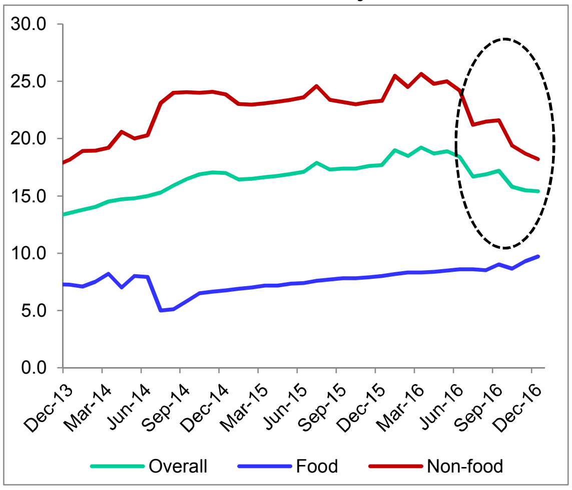
The slowdown in inflation was influenced mainly by non-food. Non-food inflation declined from 23.3 per cent in December 2015 to 18.2 per cent in December 2016, supported by stability in the domestic currency and favourable base effects arising from the upward revision in petroleum products a year earlier. In contrast, food inflation picked up from 8.0 per cent in December 2015 to 9.7 per cent in December 2016, driven largely by domestic food components.

Contributions to the overall consumer price index showed general moderation in all the sub-indices in December 2016, with the exception of food & beverages and medical care & health expenses which exerted slightly higher upward pressures on inflation.

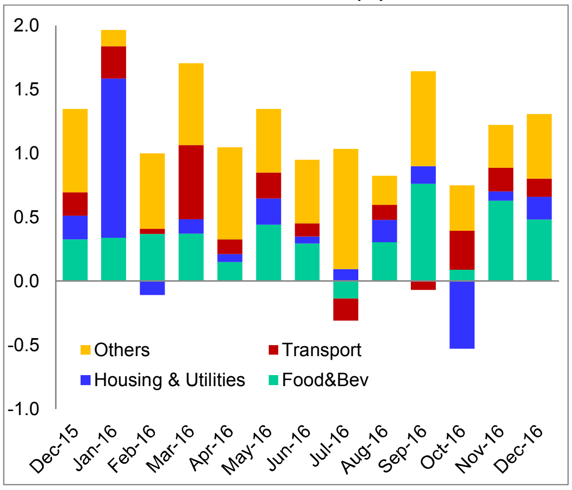
The Bank's main core measure of inflation, which excludes energy and utility prices, significantly declined to 14.6 per cent in December 2016 from 18.6 per cent in December 2015, indicating an easing of underlying inflation pressures.

Similarly, the Bank of Ghana's round of surveys on inflation expectations declined significantly alongside headline inflation during 2016. The consumer inflation expectation index declined to 79.6 in December 2016 from 87.8 in December 2015. Also, the financial sector inflation expectations declined to 14.8 per cent from 18.0 per cent over the same comparative period. The improvement in inflation expectations was mainly attributed to relative stability in the local currency, improving electricity supply and renewed confidence in the economy following another successful election.

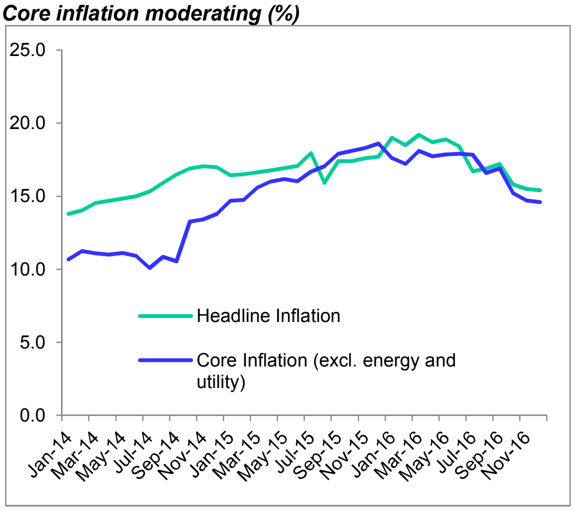
Headline inflation declines, driven by non-food inflation



Moderation in the CPI sub-indices (%)



Core inflation moderating (%)



Fiscal challenges pose risks to the inflation outlook

Provisional fiscal data for the first eleven months of the year show that total Revenue and Grants amounted to GH¢30.1 billion (18.0% of GDP) compared with a target of GH¢34.0 billion (20.4% of GDP); while total expenditures and arrears clearance stood at GH¢41.7 billion (25% of GDP) relative to the target of GH¢42.4 billion (25.4% of GDP).

These resulted in an overall budget deficit which was estimated at 7.0 per cent of GDP as of November 2016, higher than the target of 4.7 per cent of GDP. The deficit was financed mostly from domestic sources that included a drawdown on government deposits with the Bank of Ghana.

The fiscal slippage was mainly attributed to shortfalls in revenues, arising from low international oil prices, weak tax revenue mobilization and lower than expected donor support. The fiscal outturn for 2016 presents upside risks to the inflation outlook.

Available data indicates that the total public debt stood at US$30.1 billion (71.9% of GDP) at the end of November 2016, compared with US$25.6 billion (69.5% of GDP) at the end of December 2015. Of the total, Domestic debt accounted for over 55 per cent, compared with some 40 per cent share in 2015. The rising share of domestic debt in total public debt is a positive development for long term debt sustainability for two main reasons.

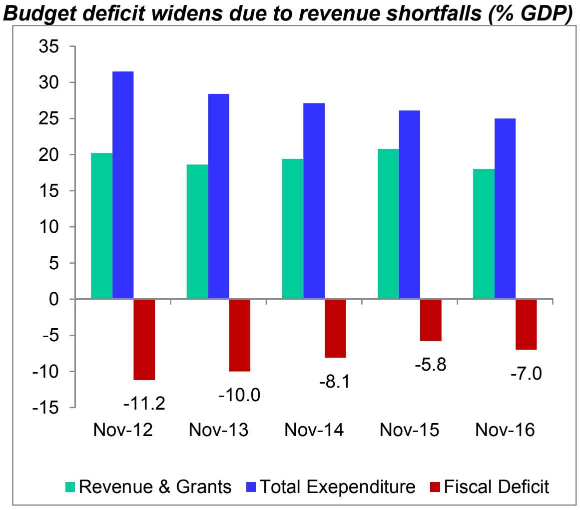
First, it would help minimize the potential impact of unanticipated redemptions, and secondly, lower the sensitivity of the public debt profile to exchange rate volatility. It is however important to manage this process in a manner that does not crowd out the private sector from the loanable funds market.

Money supply growth picks up

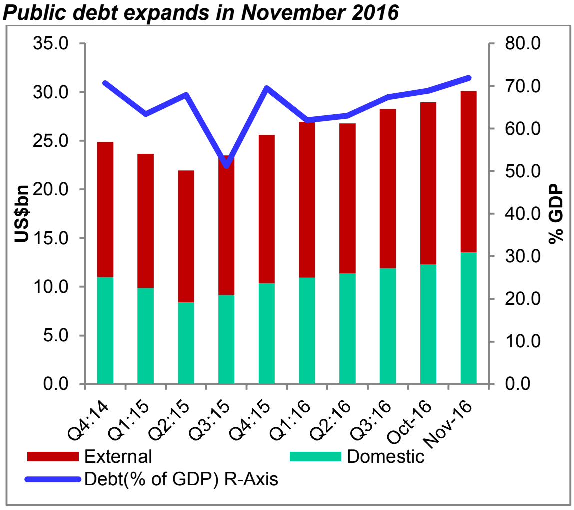
Reserve money growth picked up on account of a higher contribution from the Net Domestic Assets (NDA) of the Bank of Ghana. This was as a result of higher contributions from the OMO sterilization account and other items net.

Broad money supply (M2+) growth also picked up due to a higher contribution from the NDA of the banking system. The rise in M2+ growth was reflected in currency outside banks and demand deposits.

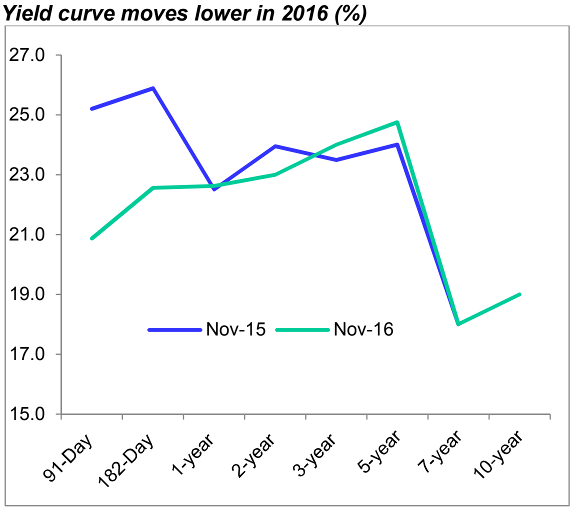
Budget deficit widens due to revenue shortfalls (% GDP)



Public debt expands in November 2016



Yield curve moves lower in 2016 (%)



Money market rates decline with a slight uptick in private sector credit growth

Treasury securities broadly declined during the last year as government reduced its public sector borrowing requirements on the money market.

Bank credit to the private sector moderated for most part of 2016, but gradually picked up in the last two months. Total outstanding credit stood at GH¢34,545.4 million at the end of November 2016, of which the private sector accounted for 84.5 per cent.

Mixed performance of key financial sector indicators as NPLs decline

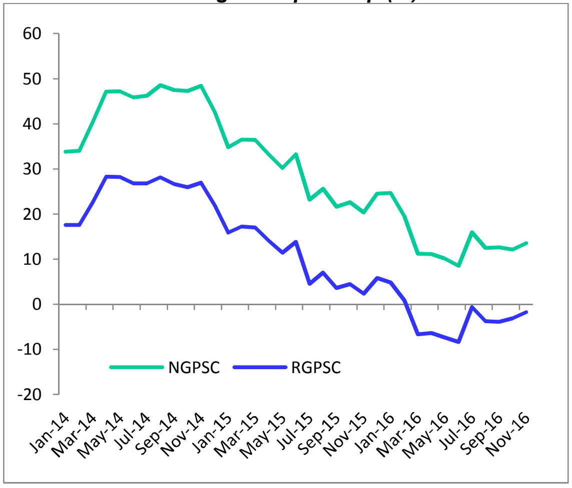
The performance of the banking sector remained relatively strong in 2016 underpinned by asset growth and marginal improvement in liquidity. The strong asset growth was due to increases in banks' investment portfolio and foreign assets.

Banks' solvency, as measured by the Capital Adequacy Ratio (CAR), did not record significant changes over the review period, although asset quality generally deteriorated. However, asset quality started improving in the last quarter of 2016 after restructuring, reclassification and commencement of actual payments of the energy-related State Owned Enterprises (SOEs) debts owed banks.

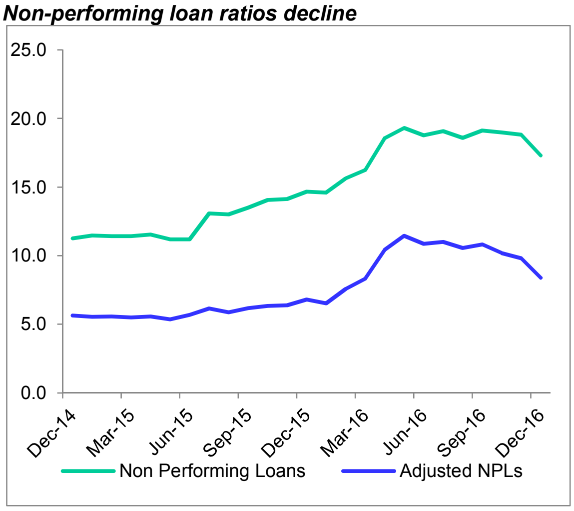
The NPL ratio improved in the last quarter of 2016 from 19.0 per cent as at end September 2016 to 17.3 per cent as at end-December 2016 with the onset of payments of the restructured Tema Oil Refinery (TOR) and Volta River Authority (VRA) debts. Growth in banks' loans and advances remained modest through 2016 despite a slight pick-up in the last quarter on the back of easing stance in bank credit to both enterprises and households.

The banking industry CAR also picked up slightly from 17.0 per cent as at end-September 2016 to 17.8 per cent as at the end of the year. The key profitability indicators, namely, return-on-equity (ROE) and return-on-assets (ROA) however, fell from 20.8 per cent and 4.5 per cent as at September 2016 to 18.0 per cent and 3.8 per cent respectively for the period ending December 2016. Liquidity eased with both core and broad liquidity indicators, pointing towards marginal improvement in liquidity as at end-December 2016 compared with the end-September 2016 position.

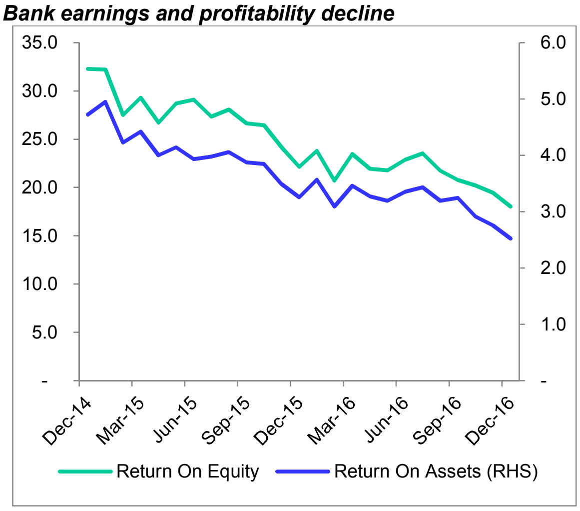
Private sector credit growth picks up (%)



Non-performing loan ratios decline



Bank earnings and profitability decline



Relative stability in the exchange rate is foreseen

The foreign exchange market witnessed some volatility in the run-up to the December polls as demand pressures mounted, but the pace of depreciation has since slowed. In the outlook, the tight monetary policy stance, renewed confidence in the economy and improved balance of payments outturn are expected to support stability in the foreign exchange market.

In 2016, the Ghana cedi recorded a cumulative depreciation of 9.6 per cent against the US dollar, compared with 15.7 per cent in 2015. The Ghana cedi remained relatively stable against the major currencies in December 2016, on the back of tighter monetary policy, improved sentiments and increased foreign exchange inflows.

The first six transaction days in 2017 showed a depreciation of the cedi by 0.81 per cent against the U.S dollar compared to 0.51 per cent depreciation in 2016. However, the cedi's volatility is slightly lower in 2017 compared to 2016. The nominal effective exchange rate remained broadly stable, while the real effective exchange rate reflected some appreciation.

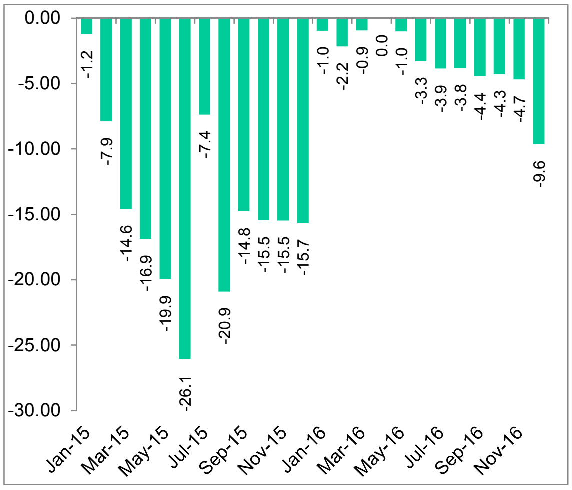
Global policy uncertainties weigh on domestic economy

Although domestic growth conditions remain modest, prospects are positive, underpinned by improved oil and gas production from the new oil fields, the gradual rebound in growth in private sector credit and improved sentiments and expectations. However, upside risks to the global economy which includes policy uncertainties such as Brexit and volatile commodity prices, could weigh on domestic growth conditions in 2017.

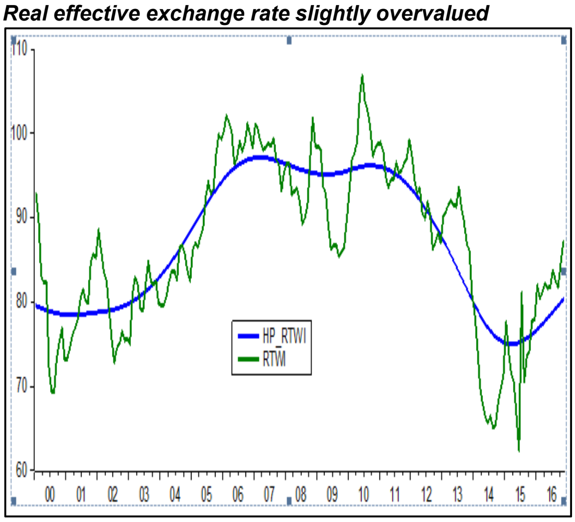
Monetary policy stance unchanged

The developments in headline inflation during the year were broadly in line with the Bank's 2016 forecasts. At this MPC round, however, the BOG's updated January 2017 forecast sees inflation declining to the medium-term inflation target in 2018, compared to the November forecast of meeting the target in 2017. Meeting the inflation target in 2017 would have required a dramatic tightening of monetary policy at the expense of economic growth, which in the Committee's view was not feasible.

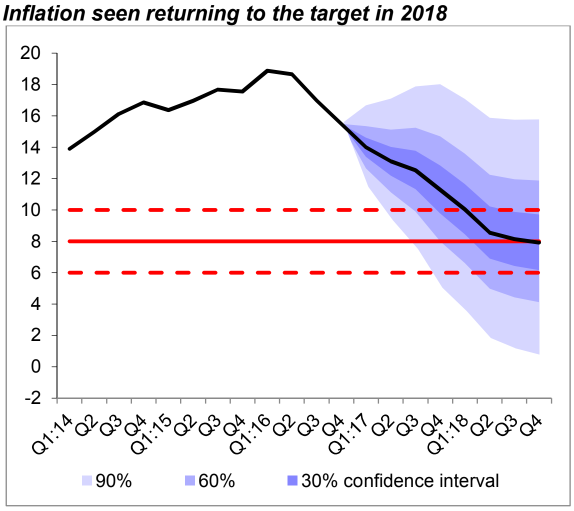
The pace of exchange rate depreciation in 2016 slower than 2015



Real effective exchange rate slightly overvalued



Inflation seen returning to the target in 2018



The January forecast revision incorporated new information that the BOG analysed after the November 2016 forecast round. This comprised the recent upward adjustments in ex-pump prices that were announced after the November forecast, higher than expected end-year exchange rate depreciation and a higher than budgeted fiscal deficit outturn for 2016. This inflation outlook could however improve if the fiscal consolidation process is restored, alongside tight monetary policy and exchange rate stability.

Recent inflation trends are positive but risks exist

The recent downward trends in inflation are positive but there are emerging risks in the outlook. On the upside, rising global yields and stronger dollar as well as the anticipated hikes in the Fed rate in 2017 with its implications on external financing conditions for emerging and developing economies pose risks to the inflation outlook. Also, the impact of the recent exchange rate volatility, persistent increases in food inflation and the higher than targeted fiscal outturn are all upside risks for inflation going forward.

The downside risks to the inflation outlook include the continued improvement in inflation expectations alongside deceleration in core inflation is expected to support the downward trends in inflation in the coming months.

In conclusion, the Committee viewed the declining trends observed in headline inflation, core inflation and inflation expectations as positive, and the risks to inflation and growth as balanced. Hence, the Monetary Policy Rate was maintained at 25.5 per cent at the January MPC meeting. The Committee will continue to monitor developments and take the necessary policy actions required for the attainment of the medium term inflation target of 8±2 per cent.

ANNEXES

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Dec-13	**13.5**	**7.2**	**18.1**	**1.0**	**0.6**	**1.3**
Dec-14	**17.0**	**6.8**	**23.9**	**1.0**	**0.7**	**1.1**
2015						
Jan	16.4	6.9	23.0	3.4	5.7	2.2
Feb	16.5	7.0	23.0	1.2	0.5	1.6
Mar	16.6	7.2	23.1	1.0	0.8	1.2
Apr	16.8	7.2	23.2	1.8	1.5	2.0
May	16.9	7.3	23.4	1.0	1.1	0.9
Jun	17.1	7.4	23.6	1.8	1.5	2.0
Jul	17.9	7.6	24.6	2.3	-0.8	4.1
Aug	17.3	7.7	23.4	-0.7	-1.2	-0.5
Sep	17.4	7.8	23.2	-0.1	-2.9	1.4
Oct	17.4	7.8	23.0	2.7	0.1	4.1
Nov	17.6	7.9	23.2	1.0	1.0	1.1
Dec	**17.7**	**8.0**	**23.3**	**1.1**	**0.8**	**1.2**
2016						
Jan	19.0	8.2	25.5	4.6	5.8	4.0
Feb	18.5	8.3	24.5	0.8	0.6	0.8
Mar	19.2	8.3	25.7	1.7	0.7	1.2
Apr	18.7	8.4	24.8	1.4	1.5	1.3
May	18.9	8.5	25.0	1.1	1.2	1.1
Jun	18.4	8.6	24.2	1.3	1.5	1.2
Jul	16.7	8.6	21.2	0.9	-0.8	1.7
Aug	16.9	8.5	21.5	-0.6	-1.4	-0.3
Sep	17.2	9.0	21.6	0.2	-2.4	1.4
Oct	15.8	8.7	19.4	1.4	-0.2	2.2
Nov	15.5	9.3	18.7	0.8	1.6	0.5
Dec	**15.4**	**9.7**	**18.2**	**0.9**	**1.2**	**0.8**

Source: Ghana Statistical Service

Measures of Core Inflation

	Weight %	2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headline Inflation	100.0	19.0	18.5	19.2	18.7	18.9	18.4	16.7	16.9	17.2	15.8	15.5	15.4
Core 1: Inflation excl Energy and Utility	94.9	17.6	17.2	18.1	17.7	17.9	17.9	17.8	16.6	16.9	15.2	14.7	14.6
Core 2: Inflation excl Energy and Utility and Volatile Food Items	77.3	19.1	18.7	19.7	19.2	19.3	19.3	19.2	17.8	18.4	16.5	15.4	15.1
Core 3: Inflation excl Energy and Utility Volatile Food Items & Transportation	73.1	17.5	17.2	17.1	16.7	16.8	16.7	17.9	16.6	16.9	14.9	14.3	14.1
Core 4: Inflation excl All Food Items, Energy & Utility	51.0	24.2	23.4	24.9	24.1	24.3	24.3	24.0	21.9	21.9	19.0	17.9	17.4

CPI Components									
		2015				2016			
	Weghts (%)	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Overall	**100.0**	**16.6**	**17.1**	**17.4**	**17.7**	**19.2**	**18.4**	**17.2**	**15.4**
Food and Beverages	**43.9**	**7.2**	**7.4**	**7.8**	**8.0**	**8.3**	**8.6**	**9.0**	**9.7**
Non-food	**56.1**	**23.1**	**23.6**	**23.2**	**23.3**	**25.7**	**24.2**	**21.6**	**18.2**
Alcoholic Beverages, Tobacco	1.7	20.1	20.1	20.8	19.2	15.3	15.1	15.7	13.5
Clothing and footwear	9.0	22.4	24.3	24.9	24.1	21.0	22.6	23.2	16.4
Housing, Water, Elect, Gas & Fuels	8.6	26.2	24.8	23.6	24.3	39.6	32.8	28.0	20.2
Furnish, H/H Equipt. Etc	4.7	20.9	23.3	23.4	25.8	22.9	21.4	23.0	18.8
Health	2.4	18.1	16.8	15.7	14.7	13.7	13.9	15.4	18.5
Transport	7.3	25.8	25.5	23.8	27.0	40.0	40.3	27.3	27.2
Communications	2.7	13.8	12.0	15.4	14.0	13.6	12.5	11.3	10.8
Recreation & Culture	2.6	23.1	23.5	27.0	26.9	26.7	27.4	27.6	20.3
Education	3.9	22.9	24.6	29.6	26.8	27.7	33.3	32.5	23.4
Hotels, Cafes & Restaurants	6.1	18.4	19.8	18.0	18.9	15.9	14.9	16.1	13.7
Miscellaneous goods & services	7.1	16.3	19.2	23.0	21.7	18.3	15.5	13.1	14.7

BILATERAL MOVEMENT OF THE CEDI AGAINST CORE CURRENCIES									
				Monthly			Year-to-Year Changes (%)		
	GH¢/$	GH¢/£	GH¢/€	GH¢/$	GH¢/£	GH¢/€	GH¢/$	GH¢/£	GH¢/€
2015									
Jan-15	3.2400	4.9000	3.6700	-1.2	1.6	6.3	-25.9	-20.0	-11.4
Feb-15	3.4700	5.3600	3.9000	-6.6	-8.6	-5.9	-27.4	-21.3	-11.0
Mar-15	3.7500	5.5500	4.0600	-7.5	-3.4	-3.9	-28.5	-19.8	-10.1
Apr-15	3.8500	5.9500	4.2900	-2.6	-6.7	-5.4	-27.5	-20.5	-10.3
May-15	3.9996	6.1000	4.3600	-3.7	-2.5	-1.6	-27.7	-20.7	-9.6
Jun-15	3.4648	6.8208	4.8400	15.4	-10.6	-9.9	-13.4	-25.1	-15.5
Jul-15	3.4500	5.3818	3.5700	0.4	26.7	35.6	-12.2	-4.7	13.7
Aug-15	4.0500	6.2173	4.5400	-14.8	-13.4	-21.4	-22.7	-16.5	-9.0
Sep-15	3.7545	5.6956	4.2257	7.9	9.2	7.4	-14.8	-8.9	-3.9
Oct-15	3.7854	5.7858	4.1526	-0.8	-1.6	1.8	-15.5	-11.5	-3.0
Nov-15	3.7861	5.7009	4.0074	0.0	1.5	3.6	-15.5	-11.8	-0.4
Dec-15	3.7950	5.6265	4.1514	-0.2	1.3	-3.5	-15.7	-11.5	-6.1
Cum. Changes (%) Jan-Dec				**-15.7**	**-11.5**	**-6.1**			
2016									
Jan-16	3.8311	5.4945	4.1825	-0.9	2.4	-0.7	-1.0	2.4	-0.7
Feb-16	3.8787	5.4068	4.2525	-1.2	1.6	-1.6	-2.2	4.1	-2.4
Mar-16	3.8304	5.5252	4.3456	1.3	-2.1	-2.1	-0.9	1.8	-4.5
Apr-16	3.7951	5.5361	4.2986	0.9	-0.2	1.1	0.0	1.6	-3.4
May-16	3.8337	5.6097	4.2700	-1.0	-1.3	0.7	-1.0	0.3	-2.8
Jun-16	3.9230	5.3052	4.3623	-2.3	5.7	-2.1	-3.3	6.1	-4.8
Jul-16	3.9469	5.1673	4.3756	-0.6	2.7	-0.3	-3.9	8.9	-5.1
Aug-16	3.9445	5.1612	4.3968	0.1	0.1	-0.5	-3.8	9.0	-5.6
Sep-16	3.9709	5.1576	4.4653	-0.7	0.1	-1.5	-4.4	9.1	-7.0
Oct-16	3.9643	4.8184	4.3345	0.2	7.0	3.0	-4.3	16.8	-4.2
Nov-16	3.9805	4.9754	4.2196	-0.4	-3.2	2.7	-4.7	13.1	-1.6
Dec-16	4.2002	5.1154	4.3813	-5.2	-2.7	-3.7	-9.2	10.0	-5.2
Cum. Changes (%) Jan-Dec				**-9.6**	**10.0**	**-5.2**			

MOVEMENTS OF SELECTED CURRENCIES AGAINST THE US DOLLAR (%)											
Pt-to-pt. (%)	Advanced Economies			Emerging Markets				SSA			
	Euro	Pound	Yen	Yuan	Rupee	Real	Rand	Kwacha	Gh. Cedi	Naira	Shilling
	Euro zone	UK	Japan	China	India	Brazil	S. Africa	Zambia	Ghana	Nigeria	Kenya
2015											
Jan	-5.8	-3.2	0.9	-0.4	1.0	0.3	-0.5	-2.2	-1.2	-0.8	-1.0
Feb	-2.3	1.2	-0.4	-0.5	0.2	-6.5	-0.2	-4.2	-6.8	-6.5	-0.1
Mar	-4.7	-2.4	-1.4	0.2	-0.8	-10.2	-0.4	-7.8	-7.3	-1.3	-0.3
Apr	0.0	0.1	0.7	0.6	-0.3	3.3	0.8	-0.8	-2.7	0.0	-1.8
May	3.1	3.2	-1.1	0.0	-1.6	-0.8	0.1	1.9	-3.7	0.0	-3.1
Jun	0.7	0.8	-2.3	0.0	-0.1	-1.6	-2.5	-0.9	-7.6	0.0	-2.3
Jul	-2.0	-0.1	0.3	0.0	0.3	-3.6	-1.4	-4.4	25.3	0.2	-2.5
Aug	1.3	0.1	0.3	-2.1	-2.4	-8.3	-3.5	-5.3	-14.6	0.0	-1.2
Sept	0.8	-1.5	2.3	-0.4	-1.6	-9.8	-5.3		7.8		
Oct	0.0	0.0	0.1	0.3	1.8	0.7	1.1		-0.8		
Nov	-4.5	-1.0	-2.1	-0.3	-1.7	2.4	-4.7		0.0		
Dec	1.5	-1.4	0.8	-1.2	-0.6	-2.5	-5.5		-0.2		
Jan-Dec (Cum)	***-11.9***	***-4.2***	***-1.8***	***-4.0***	***-5.9***	***-36.6***	***-22.0***	***-23.8***	***-11.8***	***-8.4***	***-12.3***
2016											
Jan	-0.3	-4.0	3.0	-1.9	-1.2	-4.3	-8.4	-3.2	-1.0	0.3	-0.1
Feb	2.3	-0.5	3.1	0.3	-1.3	2.3	3.7	-1.1	-1.2	0.0	0.3
Mar	0.2	-0.4	1.5	0.7	2.0	7.3	2.5	2.2	1.3	0.0	0.5
Apr	1.9	0.5	3.1	0.4	0.7	3.7	5.4	16.0	0.9	0.0	0.3
May	-0.3	1.5	0.6	-0.8	-0.7	0.6	-4.8	-4.3	-1.0	0.0	0.5
Jun	-0.7	-2.3	3.4	-1.0	-0.6	3.5	1.8	-6.1	-2.3	-30.4	-0.4
Jul	-1.6	-7.5	1.1	-1.3	0.1	4.3	4.6	7.9	-0.6	-9.6	-0.2
Aug	1.4	-0.3	2.9	0.5	0.4	2.3	4.5	-2.2	0.1	2.5	-0.1
Sept	0.1	0.3	-0.6	-0.3	0.3	-1.4	-1.8		-0.7		
Oct	-1.8	-6.2	-2.0	-0.9	0.0	2.1	0.7		0.2		
Nov	-2.1	0.8	-4.3	-1.7	-1.4	-4.6	0.1		-0.4		
Dec	-2.1	0.5	-6.3	-1.1	-0.2	3.9	0.6		-5.2		
Jan-Aug (Cum)	***-2.9***	***-17.6***	***5.5***	***-7.0***	***-1.8***	***19.7***	***8.9***	***9.1***	***-10.0***	***-37.3***	***0.8***

Source: Reuters and Bank of Ghana computation

Selected Economic and Financial Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
(Annual percentage change; unless otherwise indicated)													
National Income and Prices													
Real GDP	4.2	n.a	n.a	4.2	n.a	n.a	2.3	n.a	n.a	4.0	na	na	na
Real GDP_non-oil	4.1	n.a	n.a	6.7	n.a	n.a	6.2	n.a	n.a	4.6	na	na	na
Consumer price index (end of period)													
Overall	17.7	19	18.5	19.2	18.7	18.9	18.4	16.7	16.9	17.2	15.8	15.5	15.4
Food	8.0	8.2	8.3	8.3	8.4	8.5	8.6	8.6	8.5	9.0	8.7	9.3	9.7
Non-food	23.3	25.5	24.5	25.7	24.8	25.0	24.2	21.2	21.5	21.6	19.4	18.7	18.2
Exchange rate ($/¢): (end of period)	3.7944	3.8311	3.8787	3.8304	3.7951	3.8337	3.9230	3.9469	3.9445	3.9709	3.9643	3.9805	4.2002
Exchange rate depreciation (M/M)	-0.20	-0.96	-1.2	1.14	0.92	-1.00	-2.30	-0.40	0.10	-0.66	0.17	-0.41	-4.80
Exchange rate depreciation (YTD, %)	-15.7	-0.96	-2.2	-0.9	-0.02	-1.03	-3.28	-3.67	-3.81	-4.44	-4.29	-4.68	-9.66
Money and credit													
Broad money supply (M2+)	26.1	28.7	23.0	18.1	16.1	16.7	12.0	25.9	20.6	22.4	19.8	20.8	22.0
Credit to the private sector	24.7	24.7	19.5	11.2	11.1	10.1	8.5	16.0	12.4	12.6	12.1	13.5	14.4
Real Credit to the private sector	5.9	4.8	0.8	-6.7	-6.1	-7.4	-8.4	-0.6	-3.8	-2.8	-3.2	-1.8	-0.8
Interest rates (%)													
Monetary Policy rate	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	25.5	25.5
Interbank rate	25.3	23.5	25.4	25.4	25.4	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.3
91-Day treasury bill rate	23.1	22.7	22.7	22.6	22.8	22.8	22.8	22.8	22.8	22.9	22.8	20.9	16.4
182-Day treasury bill rate	24.4	24.5	24.5	24.6	24.6	24.6	24.6	24.7	24.7	24.7	24.3	22.6	17.6
Average lending rate	27.5	28.2	28.2	28.6	32.1	32.3	32.7	33.0	33.0	29.3	32.1	32.0	31.2
3-month average Deposit rate	13.0	13.5	13.5	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
lending - deposit rate spread	14.5	14.7	14.7	15.6	19.1	19.3	19.7	20.0	20.0	16.3	19.1	19.0	18.2
External Sector (cummulative)													
Current account balance ($million)	-2,819	n.a	n.a	-540.4	n.a	n.a	-1,139.8	n.a	na	-1,915.9	na	na	-2,643.6
per cent of GDP	-7.8	n.a	n.a	-1.3	n.a	n.a	-2.7	n.a	na	-4.5	na	na	-6.2
Trade balance ($million)	-3,928.9	-249.2	-397.9	-675.4	-972.8	-1,274.9	-1,395.6	-1,665.5	-1,976.1	-1739.8	-2,142.9	-2,221.2	-1,689.2
Commodity prices (International)													
Cocoa ($/tonne)	3,301	2,895	2,861	3,010.1	3,084.0	3,014.4	3,070.5	2,998.9	2,993.5	2,845.7	2,695.0	2,441.7	2,268.4
Gold ($/ounce)	1,069	1,098	1,199	1,243.0	1,242.8	1,256.2	1,275.2	1,338.3	1,339.2	1,326.7	1,274.6	1,237.6	1,151.2
Crude Oil ($/barrel)	38.9	31.9	33.4	39.8	46.9	47.7	49.9	46.6	47.2	47.2	51.4	47.1	54.9
Gross Foreign Assets (US$ m)	5,884.7	5,838.6	5,531.0	5,696.3	5,951.0	5,498.0	5,199.4	5,049.7	4,903.3	4,788.1	5,917.4	6,099.0	6,161.8
months of import cover	3.5	3.4	3.2	3.3	3.5	3.2	3.0	2.9	2.8	2.8	3.4	3.5	3.5
Net international reserves (US$m)	3,093.7	3,079.5	2,601.0	2,735.0	2,860.0	2,624.4	2,337.5	2,221.4	2,062.0	1,815.1	2,209.0	3,370.8	3,431.0
Fiscal (as at End-Period)													
Net Domestic Financing (GHS Million)	3,814.9	967.7	2,620.9	3,394.5	4,097.2	5,365.6	5,646.9	7,898.0	10,099.1	9,812.3	9,528.9	9,963.2	12,959.1
Per cent of GDP	2.9	0.6	1.7	2.1	2.6	3.4	3.56	4.74	6.06	5.88	5.71	5.97	7.77
Non-Performing Loan(NPL)	14.7	14.6	15.6	16.2	18.6	19.3	18.8	19.1	18.6	19.0	19.0	18.8	17.6
Non-Performing Loan(Excluding Loss)	6.8	6.5	7.6	8.3	10.4	11.5	10.9	11.0	10.6	10.8	10.2	9.8	8.4