



# **PRUDENTIAL SECURITIES LIMITED**

**FINANCIAL MARKET RESEARCH REPORT**

**...FOR THE MONTH ENDING APRIL 2022...**

<b>Yields as at Apr 29th / MoM Change</b>	<b>91-Day</b> 16.78 +2.81	<b>182-Day</b> 17.42 +6.81	<b>364-Day</b> 19.67 +4.41	<b>2 Yr. Note</b> 19.75 0.00	<b>3 Yr. Note</b> 20.50 0.00	<b>5 Yr. Note</b> 21.00 0.00	<b>6Yr.Note</b> 21.75 0.00
<b>YTD for April 2022</b>	<b>91-Day YTD</b> +33.98%	<b>182-Day YTD</b> +31.89%	<b>364-Day YTD</b> +18.20%	<b>2 Yr. Note YTD</b> -	<b>3 Yr. Note YTD</b> -	<b>5 Yr. Bond YTD</b> -	<b>6 Yr. Bond YTD</b> +15.69

**GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR APRIL 2022.**

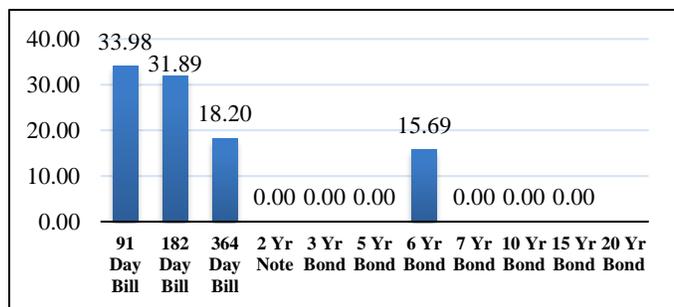
In April, yields on Government of Ghana treasury securities reported positive gains. The interest rate on the 91-Day T-Bill and 182 Day T-bill rose by 45bps and 111bps to 16.78% and 17.42% respectively. In addition, yield on the 364 Day T-Bill also increased by 82bps to 19.67% at the end of April.

Yields on the 2 Year Note and other long-term Treasury notes remained unchanged.

Security	Year Open	Previous Yield %	Current Yield %	Chg.
	3/1/22	18/04/22	25/04/22	%
91-Day Bill	12.53	16.33	16.78	▲2.81
182-Day	13.21	16.32	17.42	▲6.81
364-Day	16.64	18.85	19.67	▲4.41
2-Yr Note	19.75	19.75	19.75	0.00
3-Yr Note	20.50	20.50	20.50	0.00
5-Yr Bond	21.00	21.00	21.00	0.00
6-Yr Bond	18.80	21.75	21.75	0.00
7-Yr Bond	18.10	18.10	18.10	0.00
10Yr Bond	19.75	19.75	19.75	0.00

*Note: The table above shows the yields on Government of Ghana Treasury Securities.*

**GOG SECURITIES YEAR-TO-DATE**



**ISSUANCE CALENDAR FOR APRIL TO JUNE, 2022. (GH¢' MILLION).**

The Government plans to issue a gross amount of GH¢24,696.00 million, of which GH¢20,102.05 million is to rollover maturities. The remaining GH¢4,593.05 million is fresh issuance to meet Government's financing requirements.

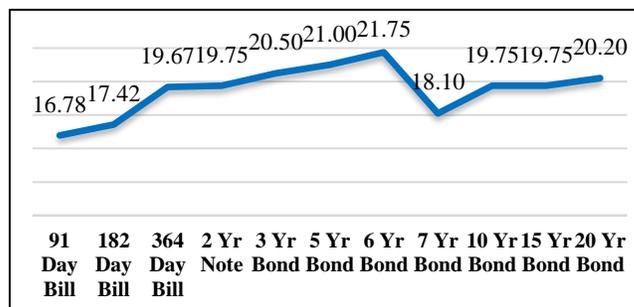
Per this calendar, Government aims to build benchmark bonds through the issuance of instruments as follows:

- The 91-day and 182-day will be issued weekly
- The 364-day will be issued bi-weekly also through the primary auction with settlement being the transaction date plus one working day
- Securities of 2-year up to 6-year will be issued through the book-building method by the Bond Market Specialists (BMS)
- Consistent with the MTDS, Government may announce tap-ins/reopening of other existing instruments depending on market conditions.

Government expects that this April to June 2022 Calendar meets the requirements of market participants.

**TREASURY YIELD CURVE AS AT APRIL, 2022**

The yield curve sustained its normality in April 2022. Yields on long-dated treasury securities were relatively attractive over the short-dated treasury instruments.



## EXCHANGE RATE PERFORMANCE IN APR. 2022

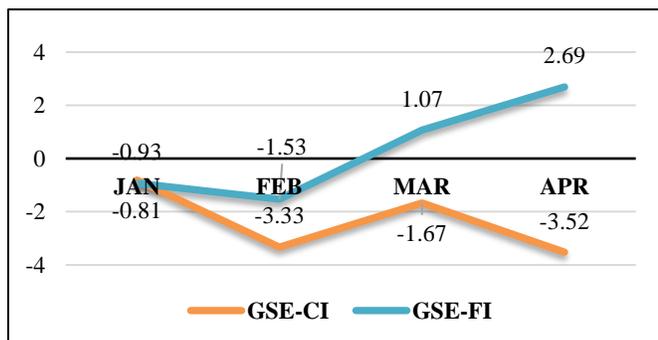
On the forex exchange market, the Ghana Cedi lost grounds against the three major trading currency. The local currency depreciated against the US Dollar, the British Pound, and the Euro recording a year-to-date loss of 15.56 percent, 9.02 percent, and 8.91 percent respectively.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	1/1/22	1/4/22	29/04/22	
USD/GHS	6.0061	7.1122	7.1128	-15.56
GBP/GHS	8.1272	9.3515	8.9333	-9.02
EUR/GHS	6.8281	7.8986	7.4963	-8.91

Source: Bank of Ghana

## STOCK MARKET HIGHLIGHTS

The Ghana Stock market exhibited mixed performance in April 2022. The GSE Composite index reported a year-to-date loss of 3.52 percent whilst the GSE Financial Index reported a year-to-date return of 2.69 percent within the same period.



Source: Ghana Stock Exchange

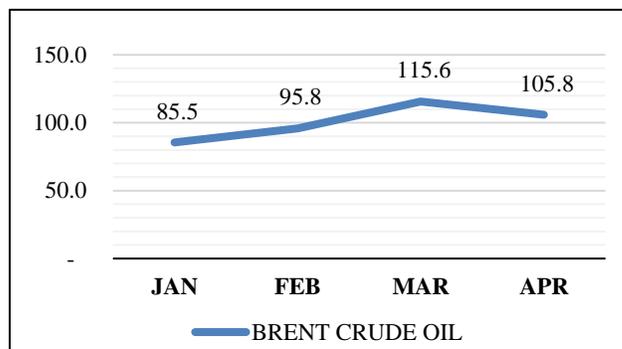
The market capitalization of the Ghana Stock market declined by a value of GH¢212.27 after reporting GH¢64.02 billion in March 2022 compared against GH¢63.82 in April 2022.

## COMMODITY NEWS

### Crude Oil, Brent

The price of Brent Crude oil declined in April from US\$115.6 per barrel in March to US\$105.8 per barrel.

The Brent crude oil prices declined after China, the world's biggest crude importer, reported a number of COVID-19 cases which prompted mass testing, lockdown rumors, and panic buying.

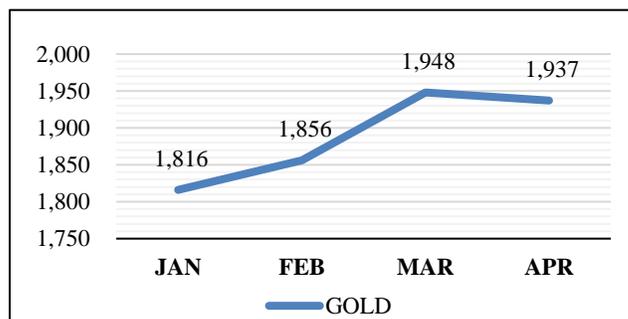


Source: World Bank, Commodities Report

### Gold

The price of gold declined marginally in April. The price of the yellow metal fell from US\$1,948 per ounce in March to US\$1,937 per ounce in April, representing a negative change of 0.56 percent.

The biggest reason for the fall in gold price was a stronger US dollar and rising Treasury yields.

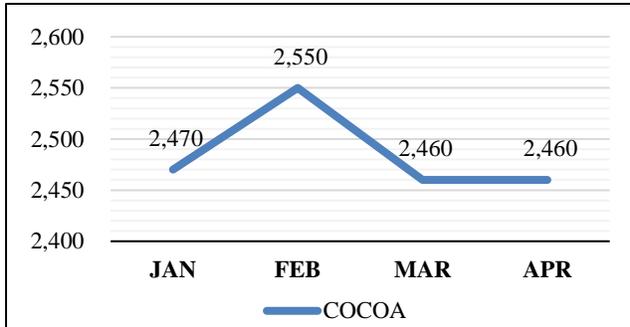


Source: World Bank, Commodities Report

## Cocoa

Cocoa beans price remained stable in April 2022 as supply sentiment improved in Cote d'Ivoire, the world's largest producer. The Ivoirians exported 1.82 million tonnes of beans, which looked to calm market concerns about future supply shortages in Cote d'Ivoire and Ghana.

Prices of cocoa beans remained stable in April at US\$2,460.



Source: World Bank, Commodities Report

## ECONOMIC / BUSINESS NEWS

### SEC in talks with Finance Ministry to exempt investment transactions from e-levy.

The Securities and Exchange Commission (SEC) is urging market operators and players in the investor community to update their customers' investment records using the Ghana cards. This is to help in facilitating potential exemptions of investment transactions from the e-levy. This is because the Commission has begun discussions with the Finance Ministry regarding the potential exemption of investment transactions from the e-levy.

## CONCLUSION / RECOMMENDATION

The large volume trading of GOG securities is expected to continue due to the safe haven nature of the fixed income market. We predict that yields on Government of Ghana treasury securities will remain positive in April 2022 due to the country's rising inflation rate.

In April, we do not expect significant improvement in the stock market. Given the market's price volatility, we believe that higher fixed income rates will entice investors to diversify the majority of their assets away from the stock market.

We predict that the Ghana cedi will be unstable against other major trading currencies.

## ABOUT PSL

Prudential Securities Limited (PSL) is an investment company, licensed and regulated by the Securities and Exchange Commission (SEC) as an Asset/Fund Management and the National Pensions Regulatory Authority as a Pension Fund Manager in Ghana.

### CORPORATE INFORMATION

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