



PRUDENTIAL SECURITIES LIMITED

FIXED INCOME MARKET REPORT

...FOR THE MONTH ENDING DECEMBER 2021...

Yields as at Dec 31st / MoM Change	91-Day 12.50 0.02	182-Day 13.12 0.02	364-Day 16.30 0.07	2 Yr. Note 20.00 0.00	3 Yr. Note 19.00 0.00	5 Yr. Note 18.80 0.00	7Yr.Note 18.10 0.00
YTD for December	91-Day YTD -11.14%	182-Day YTD -6.63%	364-Day YTD -1.89%	2 Yr. Note YTD 6.76%	3 Yr. Note YTD 6.49	5 Yr. Bond YTD 5.29	6 Yr. Bond YTD -3.59

GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR DECEMBER 2021.

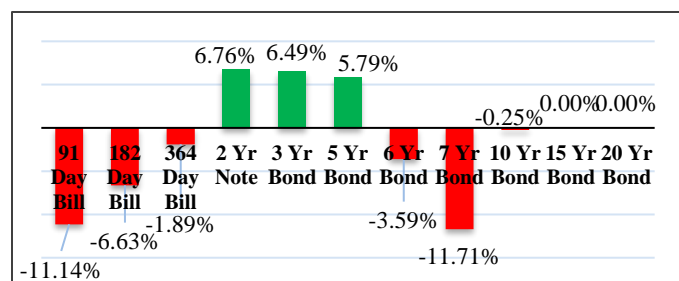
The yields on the Government of Ghana treasury securities posted positive outcomes. Interest rate on the 91-Day Bill and 182 Day bill rose by 2 bps each to 12.50% and 13.12% respectively. In addition, the yield on the 364 Day bill rose by 7 bps to 16.30% at the end of December.

Interest rates on the 2 Year Note and other long-term Treasury bonds stayed steady.

Security	Year Open	Month Open	Month Close	YTD
	1/1/21	29/12/21	31/12/21	%
91-Day Bill	14.10	12.51	12.53	-11.14
182-Day	14.15	13.19	13.21	-6.63
364-Day	16.69	16.57	16.64	-1.89
2-Yr Note	18.50	19.75	19.75	+6.76
3-Yr Note	19.25	19.00	20.50	+6.49
5-Yr Bond	19.85	21.00	21.00	+5.79
6-Yr Bond	19.50	18.80	18.80	-3.59
7-Yr Bond	20.50	18.10	18.10	-11.71
10-Yr Bond	19.80	19.75	19.75	-0.25
15-Yr 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 JANUARY TO MARCH, 2022. (GH¢' MILLION).

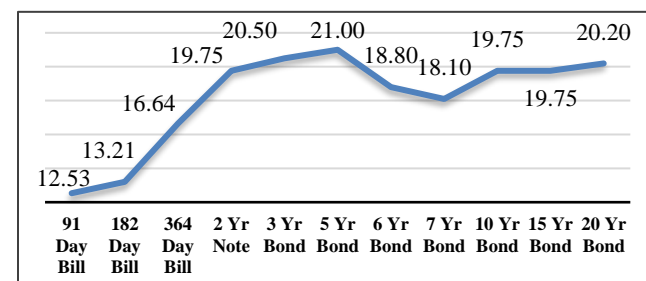
The Government plans to issue a gross amount of GH¢24,500.00 million, of which GH¢20,714.49 million is to rollover maturities. The remaining GH¢3,785.51 million is fresh issuance to meet Government's financing requirements.

The table below provides a summary of the gross borrowing requirement for the period January to March, 2022.

	JAN 2022	FEB 2022	MAR 2022	TOTAL
91-Day Bill	3,700	3,800	3,800	11,300
182-Day	850	550	1,600	3,000
364-Day	500	650	450	1,600
2-Yr Note	1,100	600	450	2,150
3-Yr Bond	-	1,400	-	1,400
5-Yr Bond	-	-	1,000	1,000
6-Yr Bond	2,000	-	-	2,000
7-Yr Bond	-	1,200	-	1,200
10-Yr Bond	-	-	800	800
TOTAL	9,300	7,550	7,650	24,500

Note: Securities of 2 Year up to 10 Year will be issued through the book building method

TREASURY YIELD CURVE AS AT DEC. 2021



EXCHANGE RATE PERFORMANCE IN DEC. 2021

At the end of December 2021, the Ghana Cedi had declined by 4.09 percent against the US Dollar and 3.11 percent against the British Pound. The local currency, on the other hand, gained ground versus the Euro in December, with a year-to-date return of 3.46 percent.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	1/1/21	1/1/21	31/12/21	
USD/GHS	5.7602	5.9172	6.0061	-4.09
GBP/GHS	7.8742	7.9054	8.1272	-3.11
EUR/GHS	7.0643	6.7346	6.8281	+3.46

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS

The Ghana Stock Exchange ended December 2021 as Africa's 2nd best performing stock market. The GSE Composite index and financial index recorded a year-to-date return of 43.66 percent and 20.70 percent respectively. This impressive performance was supported by price gains observed in stocks such as FML, BOPP, GGBL, EGL, and SOGEGH.

The market capitalization of the local bourse improved by 0.05 percent or GH¢33.55 million after reporting a value of GH¢64,495.20 in December compared to GH¢64,461.65 in November 2021.

Best Performing Stocks	YTD Return%
FML	+270
BOPP	+235
GGBL	+100
EGL	+99
SOGEGH	+88
Worst Performing Stocks	
ALW	-9
MAC	-10
ACCESS	-28
UNIL	-29
CPC	-33

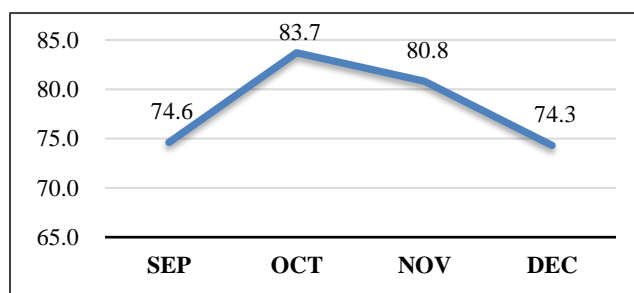
Source: Ghana Stock Exchange Market

COMMODITY NEWS

Crude Oil, Brent

The price of crude oil fell in December 2021. Brent crude oil dropped from US\$80.8 per barrel in November to US\$74.3 per barrel in December, a drop of -8.4 percent.

The decline in Brent crude Oil prices could be associated to the comments made by Moderna's chief regarding the efficacy of COVID-19 vaccines against the Omicron coronavirus strain, causing financial markets to tremble and raising concerns about oil consumption.

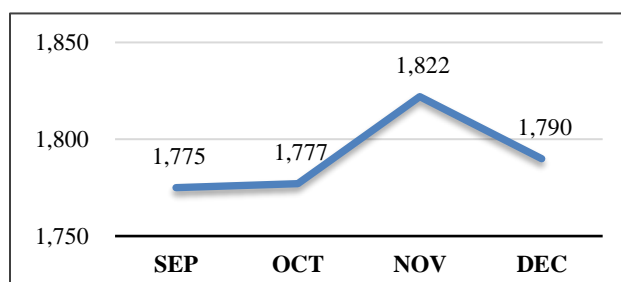


Source: World Bank, Commodities Report

Gold

In December, gold prices fell as investors assessed the impact of the omicron COVID-19 variation and central banks' withdrawal of monetary stimulus.

The price of the yellow metal declined by 1.76% in December 2021, to settle at US\$1,790.



Source: World Bank, Commodities Report

Cocoa

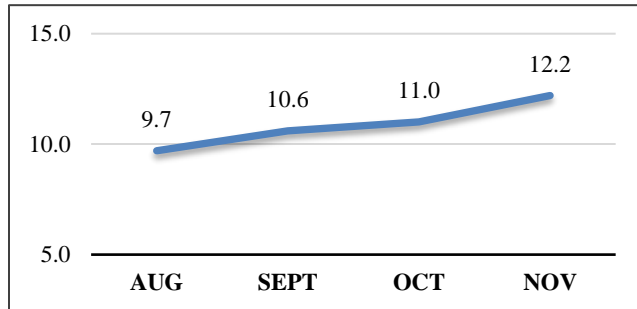
Prices of Cocoa decline marginally in December as a result of excess supply. Cocoa prices moved from US\$2,390 per tonne in November to US\$2,380 per tonne in December, representing a loss of 0.42 percent.

Source: World Bank, Commodities Report

ECONOMIC / BUSINESS NEWS

Inflation rate rises to 12.2 percent in November.

November's inflation rate was the highest since the Ghana Statistical Service rebased the Consumer Price Index in August 2019. In November, the country's inflation rate increased by 120 basis points to 12.2 percent, as a result of increase in housing and transportation.



CONCLUSION / RECOMMENDATION

We still expect volume trades of GOG securities to remain high due to its safe nature. We anticipate that irrespective of the Government's demand for funds to service maturing bills and finance its developmental projects, yields on treasury securities will maintain their downward trend.

We expect the Ghana stock exchange market to extend its strong performance of the stock in January 2022. We believe that investors seeking higher yields will diversify their portfolios to take advantage of the price appreciation on the equities market.

We expect the Ghana cedi to record some stability against major trading currencies in January 2022.

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.

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