



PRUDENTIAL SECURITIES LIMITED

FIXED INCOME MARKET REPORT

...FOR THE MONTH ENDING FEBRUARY 2022...



Yields as at Feb 28th / MoM Change	91-Day 13.03 0.91	182-Day 13.31 0.11	364-Day 16.96 -0.18	2 Yr. Note 19.75 0.00	3 Yr. Note 20.50 0.00	5 Yr. Note 21.00 0.00	6Yr.Note 21.75 0.00
YTD for February	91-Day YTD +4.01%	182-Day YTD +0.71%	364-Day YTD +1.91%	2 Yr. Note YTD -	3 Yr. Note YTD -	5 Yr. Bond YTD -	6 Yr. Bond YTD +15.71

GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR FEBRUARY 2022.

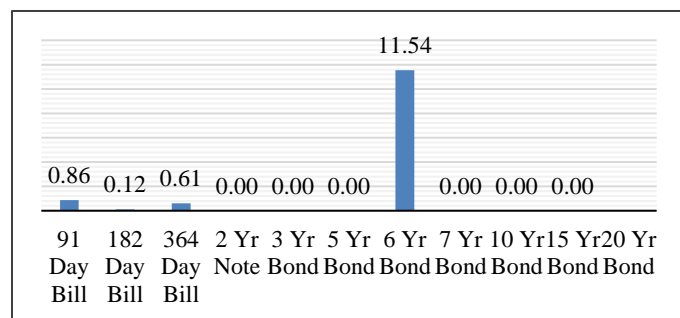
Yields on treasury securities issued by the Government of Ghana posted mixed performance. The 91-Day Bill and 182 Day bill rose by 11ps and 2bps to 13.03% and 13.31% respectively. On the other hand, the yield on the 364 Day bill declined by 3bps to 16.96% at the end of February.

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

Security	Year Open	Previous Yield %	Current Yield %	Chg.
	1/1/22	21/02/22	25/02/22	%
91-Day Bill	12.53	12.91	13.03	▲0.91
182-Day	13.21	13.29	13.31	▲0.11
364-Day	16.64	16.99	16.96	▼0.18
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
15Yr 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).

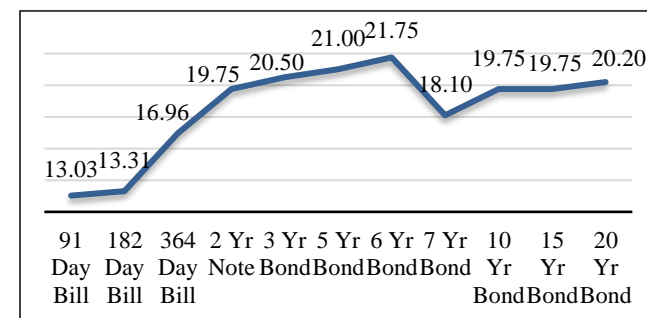
The Government plans to issue a gross amount of GH¢24,500.00 million, of which GH¢20,714.49 million is to rollover maturities. The remaining GH¢3,785.51 million is fresh issuance to meet Government's financing requirements.

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 FEB. 2022



EXCHANGE RATE PERFORMANCE IN FEB. 2022

The Ghana Cedi continued its downward trend on the forex market in February 2022. The local currency lost against the US Dollar, the British Pound, and the Euro with a year-to-date loss of 9.00 percent, 8.24 percent, and 7.85 percent respectively.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	1/1/22	1/2/22	28/02/22	
USD/GHS	6.0061	6.0236	6.6004	-9.00
GBP/GHS	8.1272	8.0882	8.8568	-8.24
EUR/GHS	6.8281	6.7506	7.4100	-7.85

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS

The Ghana Stock Exchange market exhibited negative performance as prices of equities declined in February 2022. The GSE Composite index and GSE Financial Index recorded a year-to-date loss of 3.33 percent and 1.53 percent respectively.

Volume and value traded were 31,108,719 and GH¢26,429,969.61 respectively, both declined by 30.10 percent and 24.97 percent on volumes and values traded compared to same period last year.

The market capitalization of the Ghana Stock Exchange market declined by GH¢1,215.83 after reporting a value of GH¢64,097.80 in January 2022 compared against GH¢62,881.97 in February 2022.

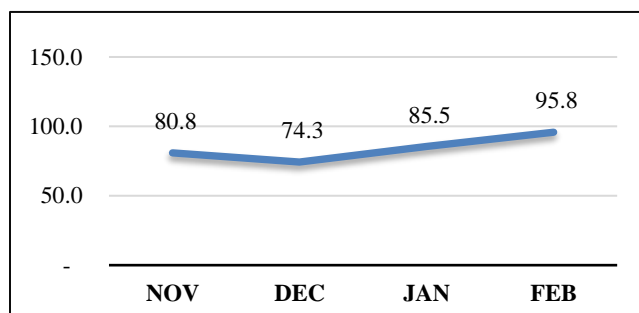
Best Performing Stocks	YTD Return%
SIC	+87.50
EGL	+18.28
GGBL	+17.78
TBL	+17.76
Worst Performing Stocks	
ACCESS	-36.51
PBC	-33.33
FML	-25.00
BOPP	-9.77
ETI	-7.14

COMMODITY NEWS

Crude Oil, Brent

The price of Brent Crude oil increased in February, moving from US\$85.5 per barrel in January to US\$95.8 per barrel. This represents a positive change of 12.05 percent or +US\$10.3.

The surge in Brent crude oil prices was due to the Russia's attack on Ukraine which rose concerns about disruptions to global energy supply.

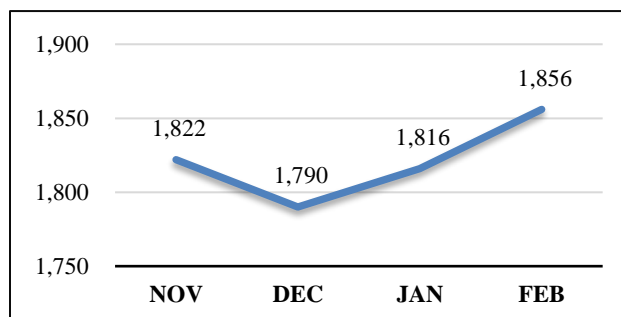


Source: World Bank, Commodities Report

Gold

The price of gold increased in February after Western nations placed sanctions on Russia in reaction to its war on Ukraine, driving up demand for the safe haven asset.

The price of Gold increased by 2.20% in February 2022, to close the month at US\$1,856.



Source: World Bank, Commodities Report

Cocoa

Prices of Cocoa rose by US\$80 or 3.24 percent from US\$ 2,470 in January to US\$2,550 in February 2022. The high demand coupled with tightening supply led to a sharp spike in the price of cocoa.

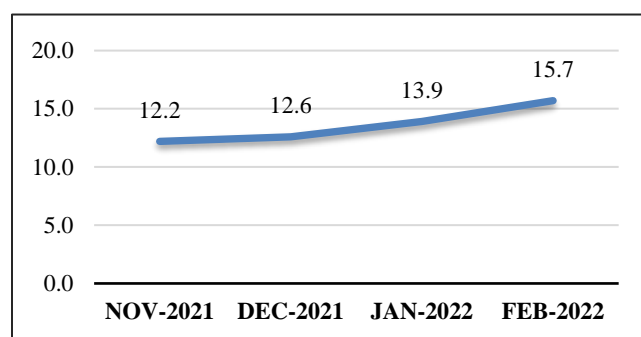
Source: World Bank, Commodities Report

ECONOMIC / BUSINESS NEWS

Inflation rate rises to 15.7 percent in February 2022.

Inflation rose to 15.7 percent in February 2022. This represents a 1.8 percent jump in the inflation rate compared to the 13.9 percent recorded in the first month of this year. The current rate is the highest recorded since the rebasing of the CPI and inflation in August 2019.

February's inflation rate was influenced by increase in housing, water, electricity, fuel as well as transportation fares.



CONCLUSION / RECOMMENDATION

We predict high volume trades of GOG securities to continue. We believe that, regardless of the government's need for funds to service maturing debts and fund development projects, Treasury securities rates will continue to exhibit mixed outcomes in March 2022. We also expect the yield curve to sustain its normality.

We expect the stock market to show mix performances in March. We believe that the dividend announcement by some listed companies will cause price appreciation which will attract investors looking to capitalize on both the dividend payment and capital gains.

We predict that the Ghana cedi will continue to depreciate 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.

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