



PRUDENTIAL SECURITIES LIMITED

FIXED INCOME MARKET REPORT

...FOR THE MONTH ENDING JANUARY 2022...



Yields as at Jan 31st / MoM Change	91-Day 12.63 0.09	182-Day 13.23 0.01	364-Day 16.74 0.04	2 Yr. Note 20.00 0.00	3 Yr. Note 19.00 0.00	5 Yr. Note 18.80 0.00	6Yr.Note 18.10 0.00
YTD for January	91-Day YTD 0.86%	182-Day YTD 0.12%	364-Day YTD 0.61%	2 Yr. Note YTD -	3 Yr. Note YTD -	5 Yr. Bond YTD -	6 Yr. Bond YTD 11.54

GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR JANUARY 2022.

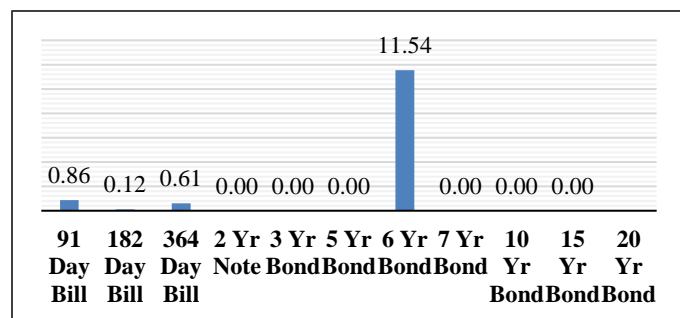
The yields on treasury securities issued by the Ghanaian government were positive. Interest rate on the 91-Day Bill and 182 Day bill rose by 8bps and 2bps to 12.63% and 13.23% respectively. In addition, the yield on the 364 Day bill rose by 4 bps to 16.74% at the end of January.

The 2 Year Note and other long-term Treasury notes' interest rates remained unchanged.

Security	Year Open	Month Open	Month Close	Chg
	1/1/22	24/01/22	31/01/22	%
91-Day Bill	12.53	12.55	12.63	+0.09
182-Day	13.21	13.21	13.23	+0.01
364-Day	16.64	16.70	16.74	+0.04
2-Yr Note	18.50	18.50	18.50	-
3-Yr Note	20.50	20.50	20.50	-
5-Yr Bond	19.85	19.85	19.85	-
6-Yr Bond	19.50	21.75	21.75	-
7-Yr Bond	20.50	18.10	18.10	-
10-Yr Bond	19.80	19.75	19.75	-
15-Yr Bond	19.75	19.75	19.75	-

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).

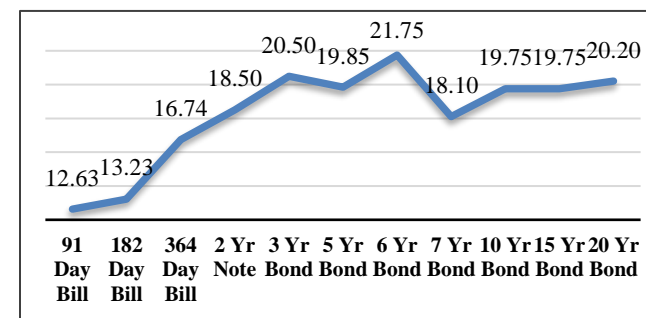
The Government plans to issue a gross amount of GH¢24,500.00 million, of which GH¢20,714.49 million is to rollover maturities. The remaining GH¢3,785.51 million is fresh issuance to meet Government's financing requirements.

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 JAN. 2022



EXCHANGE RATE PERFORMANCE IN JAN. 2022

The Ghana Cedi lost against the US Dollar with a year-to-date loss of -0.29 percent in January 2022. On the other hand, the cedi gained against the British Pound and the Euro with a year-to-date return of 0.48 percent and 1.15 percent respectively in the same period.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	1/1/22	1/1/22	31/01/22	
USD/GHS	6.0061	6.0061	6.0236	-0.29
GBP/GHS	8.1272	8.1272	8.0882	+0.48
EUR/GHS	6.8281	6.8281	6.7506	+1.15

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS

The Ghana Stock Exchange posted negative returns as trading activities slowed down in January 2022. The GSE Composite index and financial index recorded a year-to-date loss of 0.81 percent and 0.93 percent respectively.

The month closed with 34.58 million shares valued at ₵38.8 million changing hands. The figures recorded represented a 64.98% and 45.09% decrease in volume and value traded respectively over the same period last year.

The market capitalization of the local bouse declined by 0.62 percent after reporting a value of GH₵64,097.80 in January 2022 compared to GH₵64,495.20 in December 2021.

Best Performing Stocks	YTD Return%
TBL	+11.76
EGL	+7.53
Worst Performing Stocks	
CAL	-5.75
ETI	-7.14
ACCESS	-9.52
FML	-25.00
PBC	-33.33

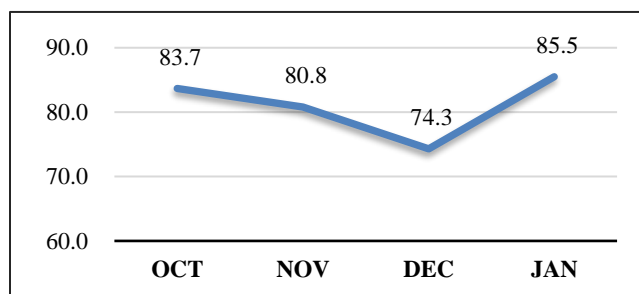
Source: Ghana Stock Exchange Market

COMMODITY NEWS

Crude Oil, Brent

The price of crude oil (Brent) rose in January 2022. Brent crude oil increased from US\$74.3 per barrel in December to US\$85.5 per barrel in January, representing a percentage change of +15.07.

This significant change in Brent crude oil prices could be linked to the political tension between Russia and Ukraine which tighten crude oil supplies thus causing prices to soar high.

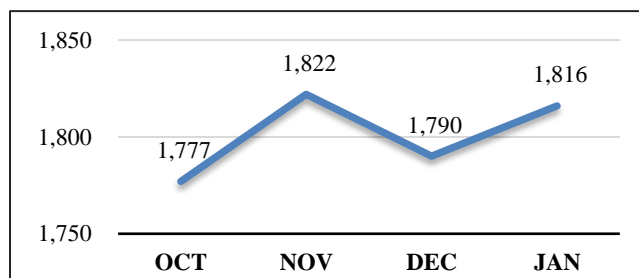


Source: World Bank, Commodities Report

Gold

Gold price rose in January as a weakening dollar, concerns over high inflation, and U.S-Russia tensions over Ukraine boosted the price of the yellow metal.

The price of Gold increased by 1.45% in January 2022, to close the month at US\$1,816.



Source: World Bank, Commodities Report

Cocoa

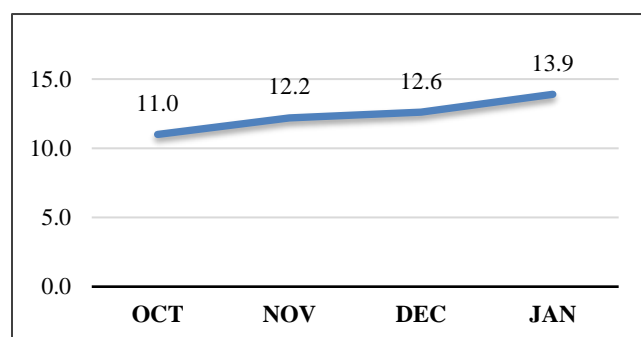
Prices of Cocoa rose by US\$90 or 3.78 percent from US\$ 2, 380 in December to US\$2,470 in January 2022. The high demand coupled with tightening supply led to a sharp spike in the price of cocoa.

Source: World Bank, Commodities Report

ECONOMIC / BUSINESS NEWS

Inflation rate rises to 13.9 percent in January 2022.

Inflation rate in January 2022 rose by 1.3 percent from 12.6 percent in December 2021 to 13.9 percent. The rise in inflation rate can be attributed to increasing prices in utilities (water and electricity) as well as transportation fares across the country.



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 February 2022.

Though the stock market had a slow start in January, we anticipate that the local bourse will pick up in February and exhibit its bullish performance as seen last year.

In February 2022, we predict the Ghana cedi to stabilize 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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