



PRUDENTIAL SECURITIES LIMITED

FIXED INCOME MARKET REPORT

...FOR THE MONTH ENDING JULY 2021...

Yields as at July 30th / MoM Chg	91-Day 12.55 -0.01	182-Day 13.37 +0.01	364-Day 16.40 -	2 Yr. Note 17.25 -0.35	3 Yr. Note 17.70 -	5 Yr. Note 18.80 -	7Yr.Note 18.10 -
YTD/Last Auction Results for July	91-Day YTD -10.98%	182-Day YTD -5.50%	364-Day YTD -3.33%	2 Yr. Note YTD -6.76%	Target Amt. GHS'm 4,783.00	Amt Tendered GHS'm 5,859.43	Amt Sold GHS'm 5,835.56

GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR JULY 2021.

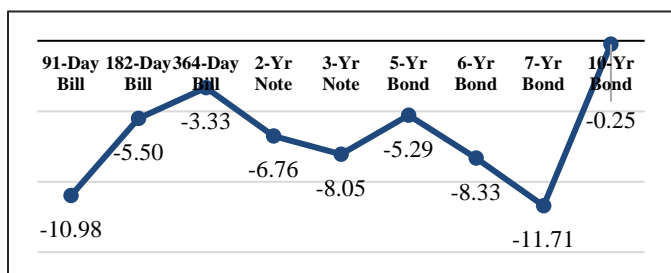
Interest rate on the Government of Ghana treasury securities registered mixed outturns. Yield on the 91-Day T-Bill lost a basis point to end the month at 12.55 percent, while the 182 Day yield went up by a basis point to settle at 13.37 percent.

Yield on the 364-Day Bill remained the same whilst 2-Yr Note eased by 35 basis points to settle at 17.25. Yield on other long-dated treasury bonds remained unchanged in July 2021.

Security	Year Open	Month Open	Month Close	YTD
	1/1/21	23/7/21	30/7/21	%
91-Day Bill	14.10	12.56	12.55	-10.98
182-Day	14.15	13.36	13.37	-5.50
364-Day	16.69	16.40	16.40	-3.33
2-Yr Note	18.50	17.60	17.25	-6.76
3-Yr Note	19.25	17.70	17.70	-8.05
5-Yr Bond	19.85	18.80	18.80	-5.29
6-Yr Bond	19.50	19.25	19.25	-8.33
7-Yr Bond	20.50	18.10	18.10	-11.71
10-Yr	19.80	19.75	19.75	-0.25
15-Yr	19.75	19.75	19.75	-

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

GOG SECURITIES YEAR-TO-DATE AS AT JULY



ISSUANCE CALENDAR FOR JULY TO SEPTEMBER, 2021. (GHS' MILLION).

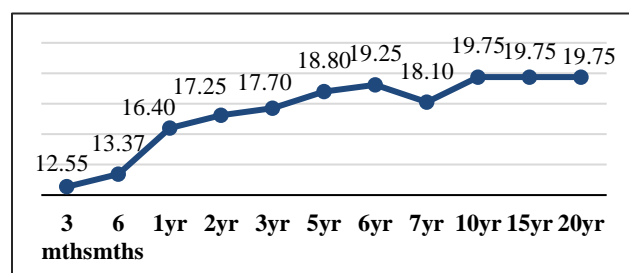
The Government plans to issue a gross amount of GH¢23,230.00 million, of which GH¢22,618.06 million is to rollover maturities. The remaining GH¢611.94 million is fresh issuance to meet Government's financing requirements.

The table below provides a summary of the gross borrowing requirement for the period July to September, 2021.

	JUL 2021	AUG 2021	SEP 2021	TOTAL
91-Day Bill	3,600	3,700	3,800	11,100
182-Day	500	680	1,600	2,780
364-Day	400	400	450	1,250
2-Yr Note	1,800	-	2,500	4,300
6-Yr Bond	-	1,000	-	1,000
7-Yr Bond	-	-	-	-
10-Yr Bond	1,800	-	-	1,800
15-Yr Bond	-	-	1,000	1,000
20-Yr Bond	-	-	-	-
TOTAL	8,100	5,780	9,350	23,230

Note: The 20-year is a shelf offering and will be re-opened based on investor's request.

TREASURY YIELD CURVE AS AT JULY 2021



EXCHANGE RATE PERFORMANCE IN JULY 2021

The Ghana Cedi advanced against the Euro but lost to the US dollar and the British pound on the interbank currency market.

The local currency recorded a year-to-date loss of 0.71 percent against the US dollar in July 2021. The cedi traded at GH¢5.80 per US Dollar on the interbank currency market.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	4/1/21	1/7/21	31/7/21	
USD/GHS	5.7602	5.7626	5.8011	-0.71
GBP/GHS	7.8742	7.9590	8.0633	-2.35
EUR/GHS	7.0643	6.8333	6.8808	+2.67

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS

The Accra local bourse continued its bullish performance in July 2021 as both indices recorded positive gains. The GSE Composite index moved up by 73.63 points to close July at 2,717.30 points, whilst the GSE-Financial index gained 18.74 points to finish July at 1890.15 points.

The GSE-Composite Index and GSE-Financial Index recorded a year-to-date return of 39.95 percent and 6.02 percent respectively. The Market Capitalization of the bourse improved by 1.5 percent to close July at GH¢62,248.75.

5 Best and 5 Worst Performing Stocks	
Best Performing Stocks	YTD Return
MTN Ghana Ltd	95.31%
GGBL	66.67%
SOGEGH	48.44%
TOTAL	41.34%
GCB	33.09%
Worst Performing Stocks	
ALW	-9.09%
SIC	-12.50%
ACCESS	-20.50%
EGH	-25.00%
UNIL	-73.46%

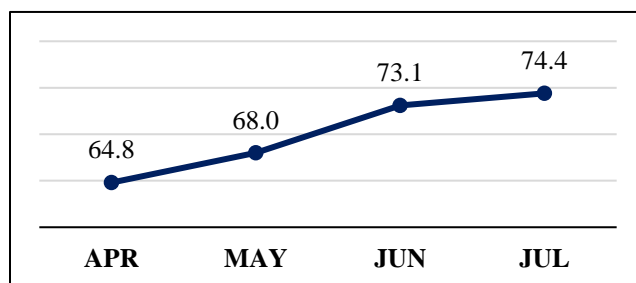
Source: Ghana Stock Exchange Market

COMMODITY NEWS

Crude Oil, Brent

Crude Oil prices edged higher in July, as the commodity posted its fourth monthly gain, with demand growing faster than supply. The demand for oil has risen over the past few months due to a higher vaccination rate which has limited harsh lockdowns across the world.

Crude oil price rose by 1.78%, or US\$1.30 to close July as a trading price of US\$74.4 per barrel.

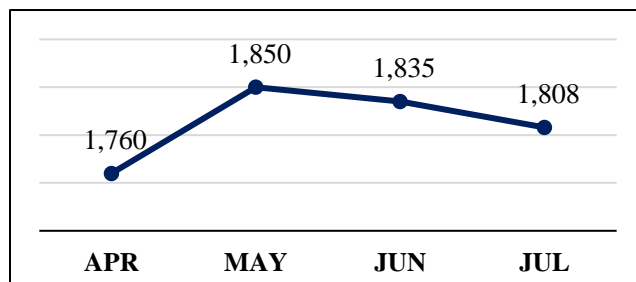


Source: World Bank, Commodities Report

Gold

Gold prices fell for the third consecutive month following the decision by the Federal Reserve to keep interest rates unchanged. Also, U.S. Yields moved slightly higher, which helped buoy the greenback, which in turn paved the way for lower gold prices.

Prices of Gold fell by 1.47 percent, or US\$27 to close at a trading price of US\$1,808 per ounce July 2021.



Source: World Bank, Commodities Report

Cocoa

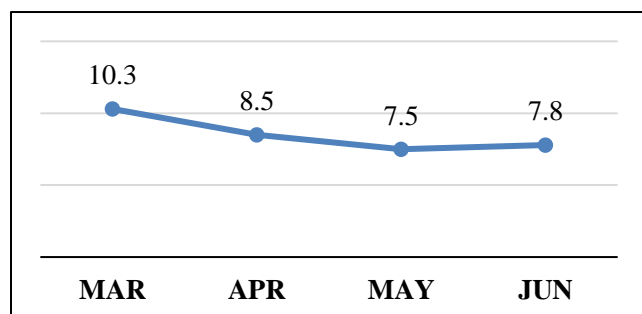
Cocoa prices fell in July 2021 by 1.69 percent, or US\$40 to close at US\$2,330 per tonne.

Prices of cocoa declined in July due to less activity and volatility, influenced by supply issues in Ivory Coast & Ghana.

OTHER ECONOMIC / BUSINESS NEWS

Inflation rate rises to 7.8% in June 2021

Inflation rate rose by 0.3 percentage points higher than 7.5 percent recorded in May 2021. This was due to increases in food prices and transportation fares across the country.



CONCLUSION / RECOMMENDATION

The safe-haven nature of the money market in comparison to other investing markets, has significantly contributed to the demand for Government securities, thus, contributing to the normality of the yield curve. 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 those investors seeking higher returns to rebalance their portfolio in favor of the stock market due to the lower trend of yields on Government of Ghana treasury securities.

We anticipate that the Ghana cedi will continue to remain stable against US Dollar and other foreign currencies in the months ahead due to Bank of Ghana's intervention measure's put in place particularly in the FX forex market.

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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