



PRUDENTIAL SECURITIES LTD.

FINANCIAL MARKET RESEARCH REPORT

...FOR THE MONTH ENDING **OCTOBER 2022**...

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GOG SECURITIES MARKET HIGHLIGHT ENDING OCTOBER 2022

The interest rate on the Government of Ghana treasury bills kept its upward trend in October 2022.

The yield on 91 Day Bill and 182 Day Bill inched up from 30.45% and 31.57% to 32.70% and 34.26% respectively. Moreover, the interest rate on the 364-Day Bill also increased from 31.55% to 33.36% in October 2022.

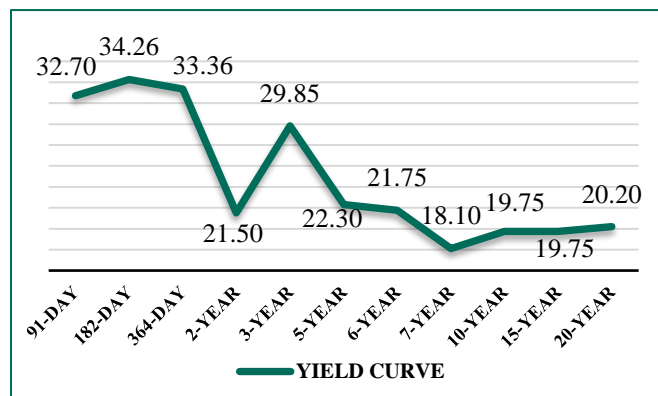
There was no issuance of long-term treasury securities on the primary market during the month.

See the table below for GOG Securities' primary market highlight ending October 2022.

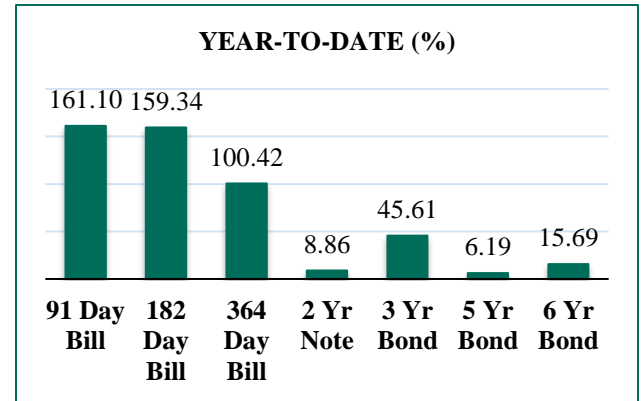
Securities	Month Close	Month Open	Change
	31-10-22	03-10-22	
91 Day T/Bill	32.70%	30.45%	+0.07
182 Day T/Bill	34.26%	31.57%	+8.51
364 Day T/Bill	33.36%	31.55%	+5.71
2 Year Note	21.50%	21.50%	-
3 Year Bond	29.85%	29.85%	-
5 Year Bond	22.30%	22.30%	-

Source: Ghana Fixed Income Market

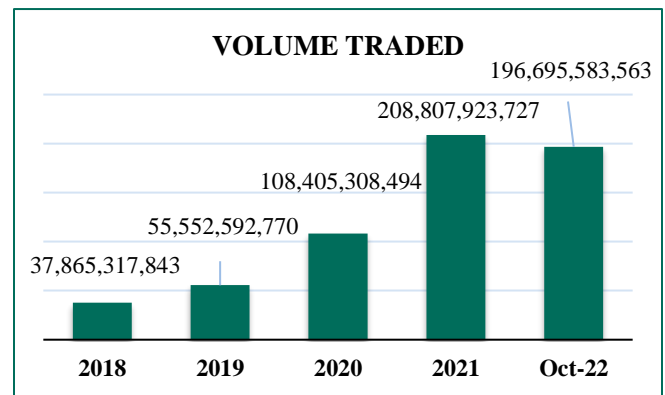
TREASURY YIELD CURVE AS OF OCTOBER 31, 2022.



GOG SECURITIES YEAR TO DATE (%) ENDING OCTOBER 2022.



PERFORMANCE OF GHANA FIXED INCOME MARKET ENDING OCTOBER 2022.



Source: Ghana Fixed Income Market

GHANA MACROECONOMIC HIGHLIGHTS

Ghana Macroeconomic Snapshot (October 2022)

Indicators	Current	Previous	Chg.
GDP Growth Rate	1.1	0.9	+0.2
GDP AGR	4.8	3.4	+1.4
Inflation	40.4	37.2	+3.2
Monetary Policy Rate	24.5	24.5	-
Unemployment Rate	4.7	4.7	-
Gov't Debt to GDP	81.8	78.3	+3.5

CURRENCY MARKET HIGHLIGHTS ENDING OCTOBER 2022.

The value of the Ghana Cedi continued its downward trend against the major trading currency in October. The Cedi traded at GH¢13.0086/\$ at month close, compared with GH¢9.6048/\$ at month open, reflecting year-to-date depreciation of 53.83%. The Cedi further lost grounds against the British Pound Sterling. It traded at GH¢10.7017/£ at month close, compared with GH¢9.5872/£ at month open, showing a year-to-date depreciation of 45.65%. In addition, the cedi declined against the Euro. It traded at GH¢13.0091/€ at month close, compared with GH¢9.4147/€ at month open, representing a year-to-date loss of 47.51%.

See the table below for a summary of the Interbank FX rates

BOG Midrate				
Currency Pair	Year Open	Month Close	Month Open	YTD %
USD/GH¢	6.0061	13.0086	9.6048	-53.83
GBP/GH¢	8.1272	14.9541	10.7017	-45.65
EUR/GH¢	6.8281	13.0091	9.4147	-47.51

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS FOR OCTOBER 2022

The Ghana Stock Exchange Composite Index and Financial Index recorded negative returns in October 2022, closing trading activities with 2,460.31 points and 2,069.89 points respectively. The GSE CI reported a year-to-date loss of 11.8% whilst the GSE FI also posted a year-to-date loss of 3.81%.

The market capitalization of the stock market increased by 1.2%, reporting a total value of GH¢64,727.18 million in October 2022 compared with GH¢63,985.81 million in September 2022.

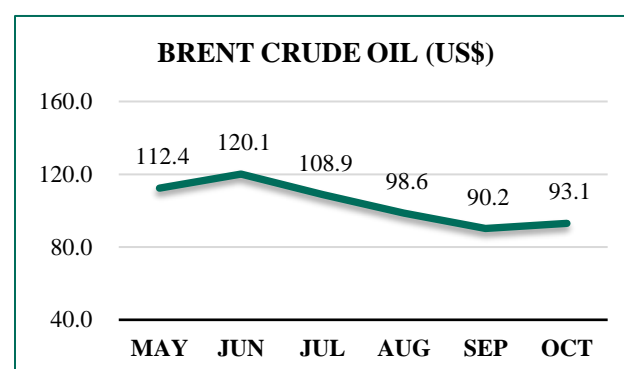
	Oct-22	Sep-22	Chg. %
GSE-CI	2,460.31	2,460.12	0.01
GSE-FI	2,069.89	2,070.10	-0.01
Market Cap (GH¢mil)	63,727.18	63,985.81	1.16

COMMODITY MARKET HIGHLIGHT ENDING OCTOBER 2022.

Crude Oil (Brent)

The price of crude oil (Brent) inched up by 3.22% in October. Brent crude oil prices rose due to a weaker dollar. Further support came from comments by Saudi Arabia's energy minister, Prince Abdulaziz bin Salman, that energy stocks were being used as a mechanism to manipulate markets.

The price of Brent crude oil rose from US\$90.2 per barrel in September to US\$93.1 per barrel in October 2022.

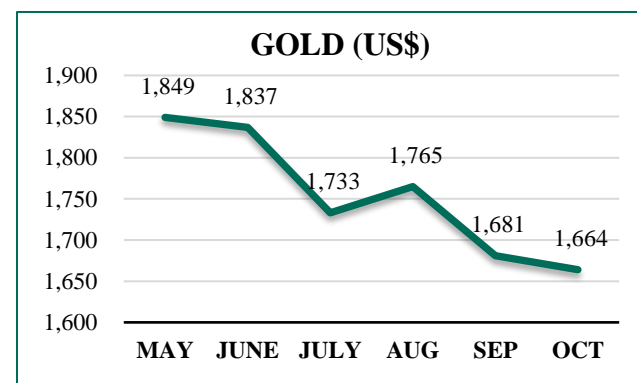


Source: World Bank Commodity Market

Gold

Gold prices fell by 1.01% in October as a result of a stronger U.S. dollar and fears that the Federal Reserve will persist with sharp rate hikes to curb inflation.

The price of the yellow metal fell from US\$1,681 per ounce in September to US\$1,664 per ounce in October.

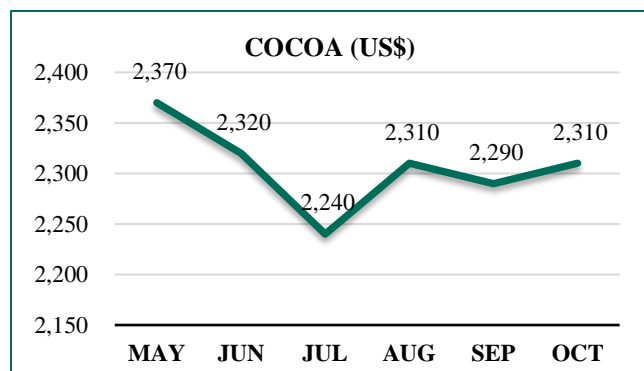


Source: World Bank Commodity Market

Cocoa

Prices of Cocoa beans rose by 0.87% moving from US\$2,290 in September to US\$2,310 in October 2022.

The sharp rise in cocoa bean prices could be attributed to a two-week-long strike by dock workers in the Ivory Coast port of San Pedro which sharply reduce global cocoa supplies.



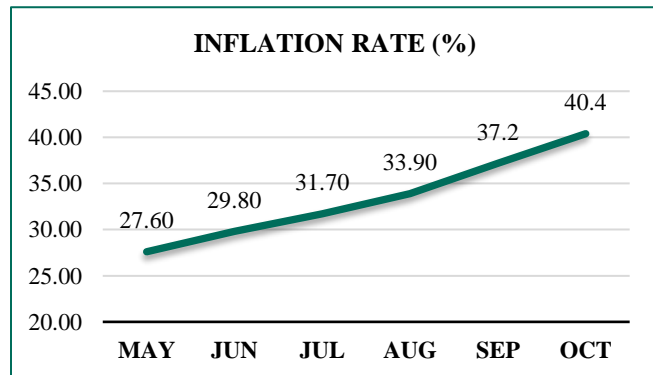
Source: World Bank Commodity Market

ECONOMIC/BUSINESS NEWS

Ghana's inflation rate rises to 40.4% in October 2022

Ghana's inflation rate rose to 40.4 per cent in October from 37.2 per cent in the previous month.

According to the Ghana Statistical Services, the inflation rate was mainly driven by increases in food prices; housing, electricity and fuel.



Source: Ghana Statistical Services

RECOMMENDATION

We expect that the recent inflation trend will continue to put pressure on the central bank to continue increasing borrowing costs.

Moreover, we anticipate that investor interest in Government treasury bill instruments will increase as a result of the assurance made by the President that there will be “no haircut” on investments.

We expect yields on Government of Ghana treasury securities to inch up in the months ahead. We will recommend that investors stay that the shorter end of the yield curve.

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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