



PRUDENTIAL SECURITIES LTD.

FINANCIAL MARKET RESEARCH REPORT

...FOR THE MONTH ENDING SEPTEMBER 2022...

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**GOG SECURITIES MARKET HIGHLIGHT
ENDING SEPTEMBER 2022**

Interest rate on Government of Ghana treasury bills kept its upward trend in September 2022.

The yield on 91 Day Bill and 182 Day Bill rose from 29.05% and 30.23% to 30.18% and 31.34% respectively. In addition, interest rate on 364 Day Bill also increased from 30.02% to 30.47% in September 2022.

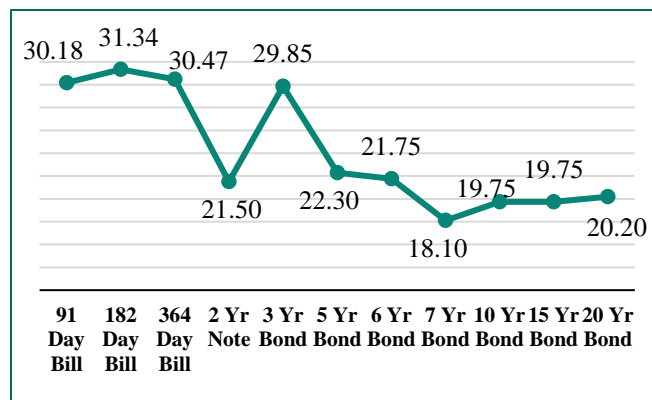
There was no issuance of long-term treasury securities on the primary market during the month.

See table below for GOG Securities primary market highlight ending September 2022.

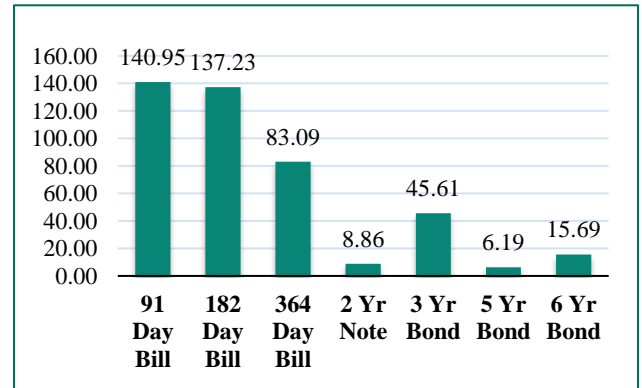
Securities	Month Close	Month Open	Bps
	26-09-22	05-09-22	
91 Day T/Bill	30.18%	29.05%	+1.13
182 Day T/Bill	31.34%	30.23%	+1.11
364 Day T/Bill	30.47%	30.02%	+0.46
2 Year Note	21.50%	21.50%	-
3 Year Bond	29.85%	29.85%	-
5 Year Bond	22.30%	22.30%	-

Source: Ghana Fixed Income Market

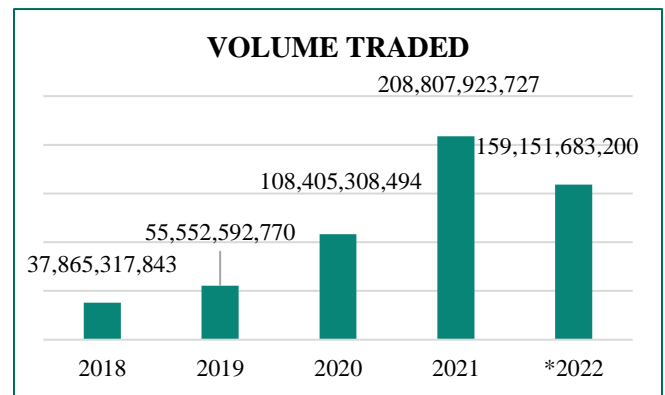
**TREASURY YIELD CURVE AS AT SEPTEMBER
30, 2022.**



**GOG SECURITIES YEAR TO DATE (%)
ENDING SEPTEMBER 2022.**



**PERFORMANCE OF GHANA FIXED INCOME
MARKET ENDING AUGUST 2022.**



Source: Ghana Fixed Income Market

GHAHA MACROECONOMIC HIGHLIGHTS

Ghana Macroeconomic Snapshot (September, 2022)

Indicators	Current	Previous	Chg.
GDP Growth Rate	1.1	0.9	+0.2
GDP AGR	4.8	3.4	+1.4
Inflation	33.9	31.7	+2.2
Monetary Policy Rate	22	19	+3.0
Unemployment Rate	4.7	4.7	-
Gov't Debt to GDP	81.8	78.3	+3.5

CURRENCY MARKET HIGHLIGHTS ENDING SEPTEMBER 2022.

The value of the Ghana Cedi continues to depreciate against US Dollar. The Cedi traded at GH¢9.6048/\$ at month close, compared with GH¢8.2325/\$ at month open, reflecting year-to-date depreciation of 37.47%.

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 24.06%.

In addition, the cedi declined against the Euro. It traded at GH¢9.4147/€ at month close, compared with GH¢8.2909/€ at month open, representing a year-to-date loss of 27.47%.

See 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	9.6048	8.2325	-37.47
GBP/GH¢	8.1272	10.7017	9.5872	-24.06
EUR/GH¢	6.8281	9.4147	8.2909	-27.47

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS FOR SEPTEMBER 2022

The Ghana Stock Exchange Composite Index and Financial Index posted negative returns in September 2022 after closing trading activities with 2,460.12 points and 2,070.10 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 3.80%.

The market capitalization of the stock market declined by 0.71% after reporting a value of GH¢63,985.81 million in September 2022 compared with GH¢64,445.45 million in August 2022.

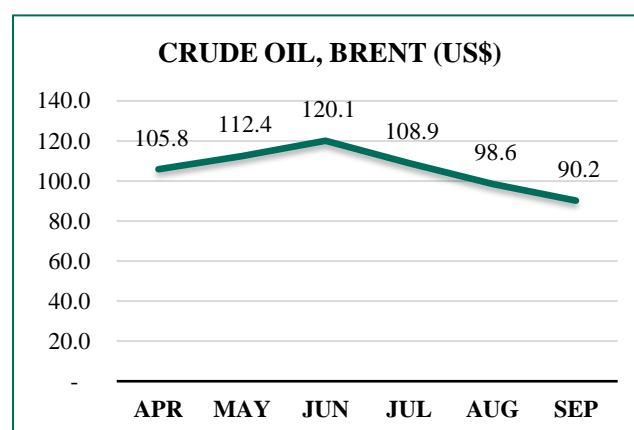
	Sep-22	Aug-22	Chg. %
GSE-CI	2,460.12	2,508.99	-1.95
GSE-FI	2,070.10	2,079.94	-0.47
Market Cap (GH¢mil)	63,985.81	64,445.45	-0.71

COMMODITY MARKET HIGHLIGHT ENDING SEPTEMBER 2022.

Crude Oil (Brent)

The price of crude oil (Brent) fell by 8.52% in September, making it the lowest level since January 2022. The decline in oil prices could be attributed to a deteriorating economic environment, recurring Covid lockdowns in China, and strengthening dollar as market participants await details on new sanctions on Russia.

The price of Brent crude oil reduced from US\$98.6 per barrel in August to US\$90.2 per barrel in September 2022.

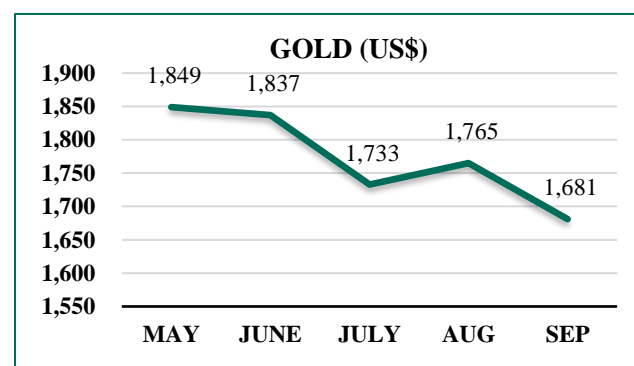


Source: World Bank Commodity Market

Gold

The price of Gold declined as the dollar and treasury yields climbed amid expectations for aggressive monetary policy tightening by major central banks.

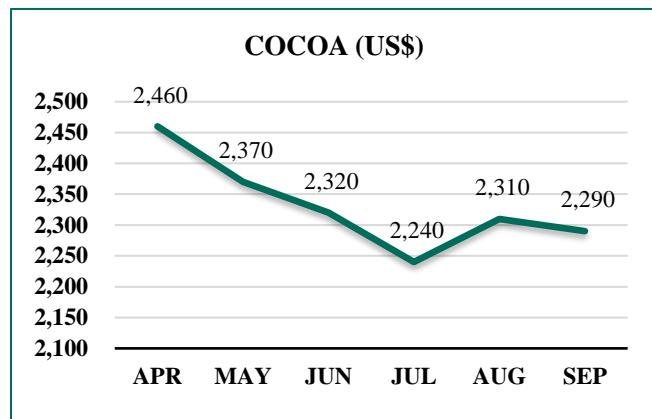
The price of the yellow metal fell by 4.76%, moving from US\$1,765 per ounce to US\$1,681 per ounce.



Source: World Bank Commodity Market

Cocoa

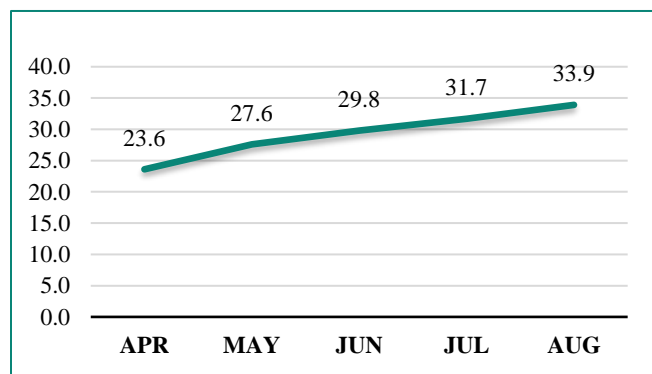
Prices of Cocoa bean decline from US\$2,310 in August to US\$2,290 in September 2022 representing a month-on-month loss of 0.87 percent.



Source: World Bank Commodity Market

ECONOMIC/BUSINESS NEWS

Ghana's inflation rate reached 33.9% in August, making it the highest since 2001. According to the Ghana Statistical Services, the inflation rate was mainly driven by high fuel prices that affected transport fares and utility costs.



Source: Ghana Statistical Services

The IMF has reaffirmed its commitment to Ghana

The International Monetary Fund (IMF) has reaffirmed its commitment to support Ghana. The IMF team said it had constructive discussions on policies aimed at restoring Ghana's macroeconomic stability and laying the foundation for stronger and more inclusive growth.

The key areas of focus included ensuring public finance sustainability while protecting the vulnerable, bolstering the credibility of monetary and exchange rate policies to reduce inflation and rebuild external buffers, preserving financial sector stability, and steps to encourage private investment and growth, including by improving governance, transparency, and public sector efficiency.

RECOMMENDATION

We anticipate that investor interest in Government treasury bill instruments will decline as a result of news about the nation's debt restructuring. Despite this development, we believe that Government of Ghana treasury securities is one of the best option available for investors considering the uncertainties on the financial market.

Moreover, considering the recent trends in the auction results, we still believe that the government will exceed its auction targets for the month of October.

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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