



PRUDENTIAL SECURITIES LIMITED

FIXED INCOME MARKET REPORT

...FOR THE MONTH ENDING SEPTEMBER 2021...

Yields as at Sep 30th / MoM Chg	91-Day 12.49 -	182-Day 13.22 +0.05	364-Day 16.14 -	2 Yr. Note 17.50 -	3 Yr. Note 17.70 -	5 Yr. Note 18.80 -	7Yr.Note 18.10 -
YTD/Last Auction Results for September	91-Day YTD -11.37%	182-Day YTD -6.60%	364-Day YTD -4.86%	2 Yr. Note YTD -5.41%	Target Amt. GHS' m 5,472.00	Amt Tendered GHS' m 7,396.57	Amt Sold GHS' m 7,295.46

GOVERNMENT OF GHANA SECURITIES MARKET HIGHLIGHT FOR SEPTEMBER 2021.

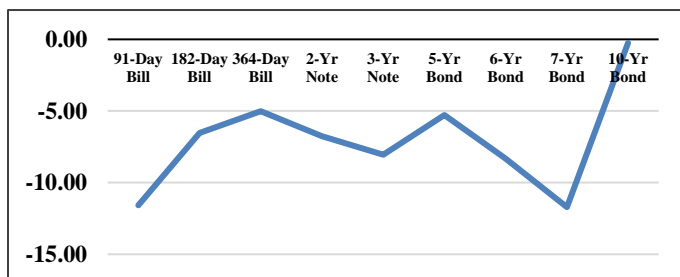
Yields on the Government of Ghana treasury securities posted mixed outturns. Yields on the 91-Day T-Bill and 364 Day T-Bill recorded no change whilst yield on the 182-Day T-Bill rose by 5bps to close the September at 13.22%.

Yields on the 2 Year Note and other long-dated treasury bonds remained unchanged.

Security	Year Open	Month Open	Month Close	YTD
	1/1/21	17/9/21	24/9/21	%
91-Day Bill	14.10	12.49	12.49	-11.37
182-Day	14.15	13.17	13.22	-6.60
364-Day	16.69	16.14	16.14	-4.86
2-Yr Note	18.50	17.25	17.50	-5.41
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	18.80	18.80	-8.33
7-Yr Bond	20.50	18.10	18.10	-11.71
10-Yr Bond	19.80	19.75	19.75	-0.25
15-Yr Bond	19.75	19.75	19.75	-
20-Yr Bond	20.20	20.20	20.20	-

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

GOG SECURITIES YEAR-TO-DATE



ISSUANCE CALENDAR FOR OCTOBER TO DECEMBER, 2021. (GHS' MILLION).

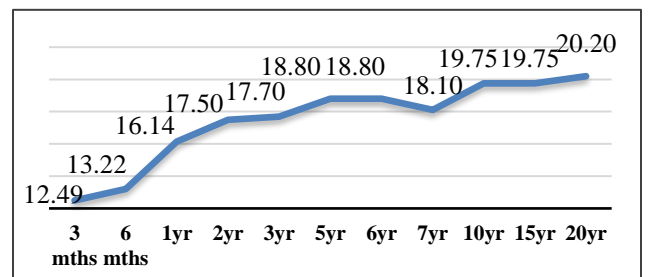
The Government plans to issue a gross amount of GH¢21,170.00 million, of which GH¢20,129.30 million is to rollover maturities. The remaining GH¢1,040.70 million is fresh issuance to meet Government's financing requirements.

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

	OCT 2021	NOV 2021	DEC 2021	TOTAL
91-Day Bill	3,600	3,900	3,300	10,800
182-Day	600	750	620	1,970
364-Day	500	650	450	1,600
2-Yr Note	-	-	750	750
3-Yr Bond	1,300	1,000	-	2,300
6-Yr Bond	1,800	-	-	1,800
7-Yr Bond	-	-	750	750
10-Yr Bond	-	1,200	-	1,200
15-Yr Bond	-	-	-	-
TOTAL	7,800	7,500	5,870	21,170

Note: Securities of 2 Year up to 10 Year will be issued through the book building method

TREASURY YIELD CURVE AS AT SEPT. 2021



EXCHANGE RATE PERFORMANCE IN SEP. 2021

The Ghana Cedi ended September 2021 with a modest depreciation of 1.81% to the US Dollar. This is however lower than the 2.96% depreciation recorded during the same period in 2020.

The cedi traded at GH¢5.8663 per US Dollar on the interbank currency market as at the end of September 2021.

Currency Pair	Year Open	Month Open	Month Close	YTD %
	4/1/21	1/9/21	30/9/21	
USD/GHS	5.7602	5.8517	5.8663	-1.81
GBP/GHS	7.8742	8.0482	7.9140	-0.50
EUR/GHS	7.0643	6.9068	6.7952	3.96

Source: Bank of Ghana

STOCK MARKET HIGHLIGHTS

The Ghana stock market continued its bullish run in September 2021 as both market indices posted positive returns in Q3'2021. The GSE Composite index and Financial index recorded a year-to-date returns of 47.06 percent and 15.28 percent respectively. This impressive performance was supported by price gains observed in telecommunication, energy, and some financial stocks.

The market capitalization of the local bourse improved by a positive gain of 2.03 percent or GH¢1,277.49 million after reporting a value of GH¢64,170.83 in September compared to GH¢62,893.34 in August 2021.

5 Best and 5 Worst Performing Stocks	
Best Performing Stocks	YTD Return
FML	+226.85
SOGEGH	+95.31
MTNGH	+93.75
GGBL	+83.33
TOTAL	+64.31
Worst Performing Stocks	YTD Return
MAC	-9.87
SIC	-12.50
ACCESS	-20.50
UNIL	-28.83
CPC	-33.33

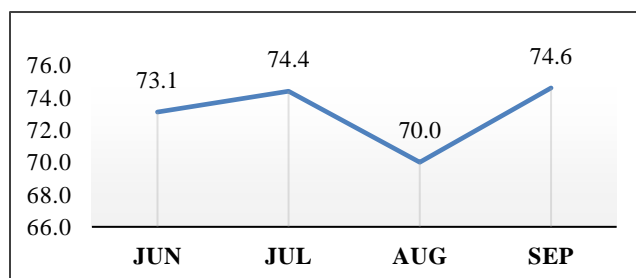
Source: Ghana Stock Exchange Market

COMMODITY NEWS

Crude Oil, Brent

The price of Brent Crude Oil rose in September 2021, rising from US\$70.0 per barrel in August to US\$74.6 per barrel in September, representing a gain of 6.57 percent.

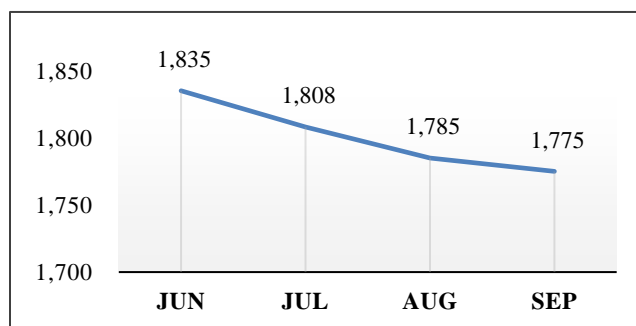
The increase in crude oil price was due to growing fuel demand and a draw in U.S. crude inventories as production remained hampered in the Gulf of Mexico after two hurricanes.



Source: World Bank, Commodities Report

Gold

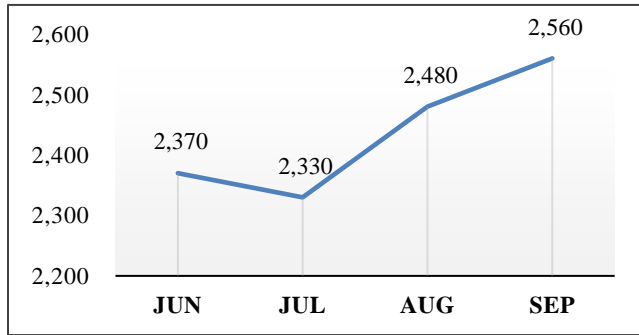
Gold prices went down in September 2021, after losing 0.56 percent, or US\$10.0 to close at US\$1,775 per ounce. The decline in prices of the yellow metal was due a stronger dollar and rising U.S Treasury yields.



Source: World Bank, Commodities Report

Cocoa

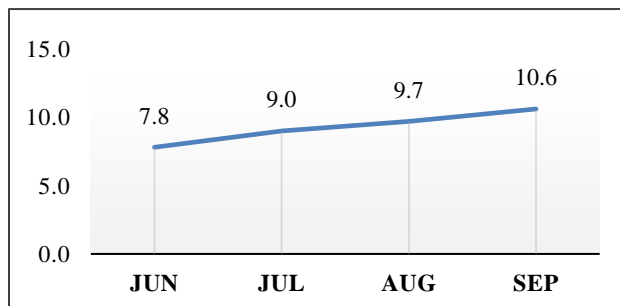
Prices of Cocoa rose sharply in September due to strong demand for cocoa beans and cocoa products. Cocoa prices moved from US\$2,480 per tonne in August to US\$2,560 per tonne in September, representing a gain of 3.23 percent.



ECONOMIC / BUSINESS NEWS

Inflation rate rises to 10.6% in September 2021

Inflation rate recorded in September 2021 was 10.6%, compared to 9.7% in August, representing an increase of 0.90. Thus, making it the highest inflation rate recorded since the COVID-19 pandemic. This high inflation was based on a surge in prices of utilities such as housing, water, and gas.



CONCLUSION / RECOMMENDATION

Though yields on the fixed income securities are generally low, we expect volume trades of GOG securities to remain high due to its safe haven nature. 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 the Ghana stock exchange market to extend its strong performance of the stock in October 2021. We believe that investors seeking higher yields will diversify their portfolios to take advantage of the price appreciation on the equities market.

We expect the Ghana cedi to record some stability against major trading currencies in the coming months. The stability will be as a result of the US\$1.5 billion cocoa syndicated facility which will likely mitigate any potential shocks on the local currency.

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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