

# WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING

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## 5<sup>th</sup> January 2024

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## PRIMARY MARKET

Interest rates trended downwards across GOG short-term papers issued on the primary market.

The yields on the 91-day T-bill and 182-day T-bill declined marginally by 5 basis points (bps) and 14 bps to settle at 29.1902% and 31.7437% respectively. Also, the 364-day T-bill declined marginally by 15 bps from 32.4859% to 32.3404%.

See the table below for a summary of interest rates on the primary market as at close of the week.

Securities	15-12-23	22-12-23	29-12-23	05-01-24	Chg.
	%	%	%	%	Bps
91 Day Bill	29.0494	29.3585	29.2419	29.1902	-5
182 Day Bill	31.1373	31.9467	31.8830	31.7437	-14
364 Day Bill	32.4921	32.4923	32.4859	32.3404	-15

Source: The Bank of Ghana

## AUCTION RESULTS

The government exceeded its auction target amount of GH¢2,837.00 million by 13.63%. During the auction, investors submitted total bids GH¢3,223.73 million whilst total bids accepted by the government amounted to GH¢ 3,218.94 million.

See the table below for auction ratios.

Auction Target	Total Bids Tendered	Total Bids Accepted	Bid-to-Cover	Subscription Ratio
GH¢ million	GH¢ million	GH¢ million	x	x
2,837.00	3,223.73	3,218.94	1.001	1.1363

See the table below for the breakdown of the auction results.

Securities	Bids (Amt) Tendered	Bids (Amt) Accepted	Percentage of Bid Accepted
	GH¢ million	GH¢ million	
91 Day Bill	2,143.79	2,143.79	67%
182 Day Bill	595.72	595.72	19%
364 Day Bill	484.22	479.43	15%
<b>TOTAL</b>	<b>3,223.73</b>	<b>3,218.94</b>	<b>100%</b>

## UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢2,632.00 million
Auction Date	January 12, 2024
Settlement Date	January 15, 2024
Securities	91, 182 & 364 Day T/Bill

## SECONDARY MARKET

The past week witnessed a decrease in the trading volume of securities from GHS 3,049.457 million to GHS 2,196.440 on a week-to-week basis. After the trading session, Bills constituted 62% whilst bonds accounted for 38% of total volume trades. The 91-day April 01, 24 maturity bill recorded the largest volume traded of bills (GHS 404.300 million). On the bond market, Feb 03, 37 maturity bond recorded the largest volume traded of GHS 256.078 million.

## INTERBANK FOREX RATES

The cedi showed mixed performances against its major trading currencies on the interbank forex market.

The cedi depreciated against the US Dollar by 0.0046 week-on-week (w/w) to settle at a trading price of GH¢11.8846/US\$, compared with GH¢11.8800/US\$ at the start of the week, recording a year-to-date loss of 0.04%. Additionally, the cedi experienced a 0.0308 w/w depreciation against the British Pound, settling at GH¢15.1642/£. However, the cedi gain grounds against the Euro by 0.0707 w/w to close the week at a trading rate of GH¢13.0557/€.

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

### BOG Mid-Rate

Currency Pair	Year Open	Week Open	Week Close	w/w Chg.	YTD %
USDGHS	11.8800	11.8800	11.8846	-0.0046	-0.04
GBPGHS	15.1334	15.1334	15.1642	-0.0308	-0.20
EURGHS	13.1264	13.1264	13.0557	0.0707	-0.51

Source: The Bank of Ghana

## LOCAL ECONOMIC AND BUSINESS NEWS

### Ghana to Receive \$1.15 Billion from IMF/World Bank by February 2024

According to reports, Ghana is expected to receive \$1.15 billion from the International Monetary Fund and the World Bank by the end of February. Bilateral creditors are on the verge of finalizing terms for the country's debt restructuring. The approval of an agreement with bilateral creditors is crucial for convening the IMF executive board to assess Ghana's performance under its PC-PEG program.

### UPCOMING EVENT

The Ghana Statistical Service (GSS) is set to announce inflation for December 2023 this week.

### CONCLUSION / RECOMMENDATION

We expect strong demand for Government of Ghana (GOG) bills on the primary market. Our expectation is grounded in the belief that the government will achieve its auction target amount of GH¢ 2,632.00 million in the upcoming auction on January 12, 2024.

On the FX market, we expect the Cedi to remain relatively stable against its major trading currency due to the disbursement of the cocoa syndicated loan and the anticipation of a successful negotiations with our creditors as the country awaits the disbursement of the second tranche of the IMF bailout loan.

We recommend investors to stay at the short end of the yield curve.

## GHANA MACROECONOMIC HIGHLIGHTS

Indicators	Current	Previous	Chg.
GDP Growth Rate (%)	0.7	0.8	-0.1
GDP AGR (%)	3.2	3.3	-0.1
Inflation (%)	26.4	35.2	-8.8
Monetary Policy Rate (%)	30.0	30.0	0.0
Unemployment Rate (%)	3.9	3.9	0.00
Gov't Debt to GDP (%)	88.8	79.6	9.20
Balance of Trade (US\$ mil)	113	119	-6.0
Current Account (US\$ mil)	173	676	-503.0
Current Account to GDP	-2.1	-3.2	1.10
Government Budget	-11.8	-12.1	0.30
Corporate Tax Rate (%)	25	25	0.00

## Research Contact

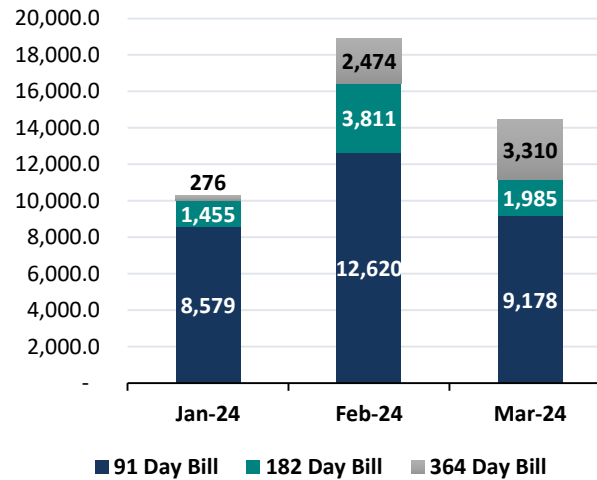
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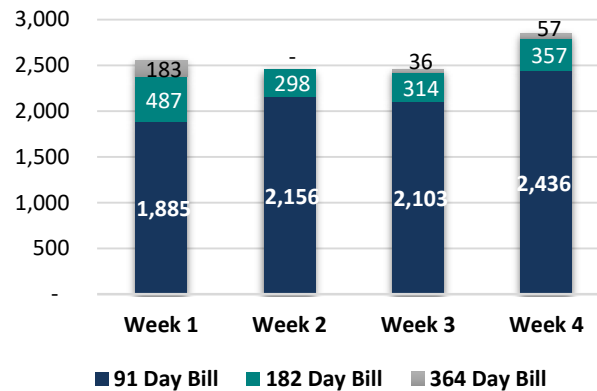
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### Upcoming GOG Tbill maturities



### Upcoming GOG maturities in Jan-24



### About Prudential Securities Limited

Prudential Securities Limited (PSL) was incorporated on 19th November, 2004, as a wholly owned subsidiary of Prudential Bank Limited (PBL). The company is licensed by both Securities and Exchange Commission (SEC) and National Pensions Regulatory Authority (NPRA) to carry out the following business

- To act as a fund manager
- To act as a pension fund manager
- To act as Investment Bankers

### Our Vision

- To be the preferred asset management company that will help stakeholders experience financial wellbeing.

### Our Mission

- To provide first class fund management and investment advisory services in a timely manner through customer service excellence, tailor made solutions and cutting-edge technology.

### Our Product

- PSL Fixed Income Unit Trust
  - [Brochure](#) | [Prospectus](#) | [Fund Fact Sheet](#)

### Our Services

- Investment Advisory
- Wealth Management
- Pensions Fund Management
- Provident Fund/Welfare scheme Management
- Personal Pension Management (PPM)

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