

# WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING

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## 9<sup>th</sup> February 2024 (Wk. 6)

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## PRIMARY MARKET

Interest rates on treasury securities issued in the primary market experienced a decline for the sixth consecutive week in 2024.

The yield on the 91-day T-bill decreased by 30.2 basis points (bps) from 28.2982% to 27.9966% week-on-week (w/w). Similarly, the interest rate on the 182-day T-bill fell by 35.6 bps from 30.7936% to 30.4381% (w/w).

Additionally, the yield on the 364-day T-bill dropped by 39.9 bps from 31.3995% to 30.9996% w/w.

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

Securities	19-01-24	26-01-24	02-02-24	09-02-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	28.8845	28.5913	28.2982	27.9966	-30.2
182 Day Bill	31.3956	31.0981	30.7936	30.4381	-35.6
364 Day Bill	31.9965	31.7976	31.3995	30.9996	-39.9

Source: The Bank of Ghana

## AUCTION RESULTS

The government exceeded its auction target amount of GH¢ 4.59 billion by 51.82%.

During the auction, investors submitted total bids of GH¢ 6.96 billion, out of which the government accepted bids totaling GH¢ 6.85 billion.

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
4,587.00	6,964.00	6,846.22	1.017	1.5182

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

	Bids (Amt) Tendered	Bids (Amt) Accepted	Percentage of Bid Accepted
Securities	GH¢ million	GH¢ million	
91 Day Bill	3,049.23	2,931.45	43%
182 Day Bill	1,627.32	1,627.32	24%
364 Day Bill	2,287.45	2,287.45	33%
<b>TOTAL</b>	<b>6,964.00</b>	<b>6,846.22</b>	<b>100%</b>

## UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 4,865.00 million
Auction Date	February 16, 2024
Settlement Date	February 19, 2024
Securities	91, 182 & 364 Day T/Bill

## SECONDARY MARKET

Volume of securities traded last week increased by 17% to GH¢3.16 billion, compared to the previous week’s figure of GH¢3.84 billion.

Bills and bonds constituted 49% and 51% respectively. The 91-day May 06, 24 maturity bill recorded the largest volume traded (GH¢378.79 million) of bills. On the bond market, the Feb 15, 28 maturity paper recorded the largest volume traded of GH¢859.87 million.

## INTERBANK FOREX RATES

On the interbank FX market, the cedi underperformed against its major trading counterparts.

The cedi depreciated against the US Dollar by 0.0642 w/w, closing at GH¢12.1178/US\$ compared to GH¢12.0536/US\$ at the beginning of the week. This increased its year-to-date loss from 1.44% to 1.96%. Likewise, the cedi weakened against the British Pound and the Euro, settling at GH¢15.2957/£ and GH¢13.0638/€ respectively.

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	12.0536	12.1178	-0.0642	-1.96
GBPGHS	15.1334	15.2388	15.2957	-0.0569	-1.06
EURGHS	13.1264	13.0079	13.0638	-0.0559	+0.51

Source: The Bank of Ghana

## STOCK MARKET

The GSE-Composite Index closed the week with 3,177.76 points and a year-to-date return of 1.52% while the GSE-Financial Stock Index ended the week with 1,910.16 points and a year-to-date return of 0.45%.

The market capitalization of the local bourse stood at GH¢74.51 billion and a year-to-date return of 0.71%.

		YTD
GSE-Composite Index	3,177.76	+1.52%
GSE-Financial Stock Index	1,910.16	+0.45%
Market Cap (GH¢ million)	74,507.85	+0.71%
Volume Traded	3,848,641.00	-
Value Traded (GH¢)	2,854,141.12	-

Source: Ghana Stock Exchange

## CONCLUSION / RECOMMENDATION

We still expect the strong demand for GOG Treasury bills to continue in the upcoming auction. The government is likely to exceed its auction target of GH¢ 4,865.00 million on Friday.

Regarding the FX market, there has been no immediate response to the disbursement of the second tranche of the IMF bailout loan. Should the current trend continue, we anticipate the cedi to weaken against the US Dollar throughout the week.

We recommend investors to subscribe to the 91 Day bill and 182 Day bill.

## GHANA MACROECONOMIC HIGHLIGHTS

Indicators	Current	Previous	Chg.
GDP Growth Rate (%)	0.5	0.7	-0.2
GDP AGR (%)	2.0	3.2	-1.2
Inflation (%)	23.2	26.4	-3.2
Monetary Policy Rate (%)	29.0	30.0	1.0
Unemployment Rate (%)	3.9	3.9	0.00
Gov't Debt to GDP (%)	92.4	79.2	13.2
Balance of Trade (US\$ mil)	113	119	-6.0
Current Account (US\$ mil)	176	173	3.0
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

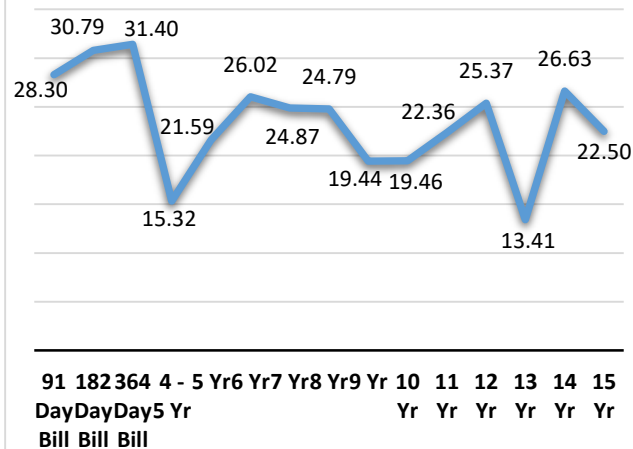
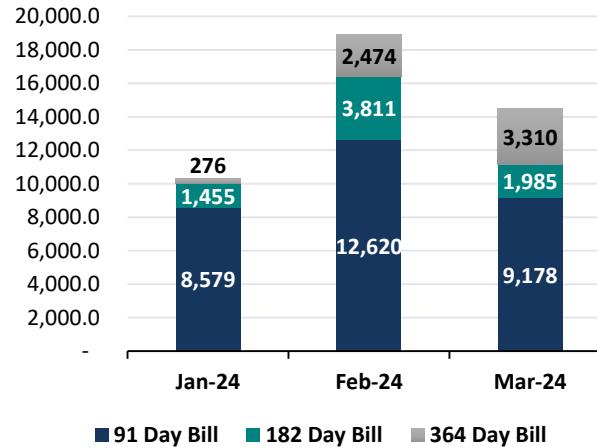
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Upcoming GOG Tbill maturities (Amt in GHC'm)



## 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

## 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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