

# WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING

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## 1<sup>st</sup> March 2024 (Wk. 9)

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## PRIMARY MARKET

Interest rates on GOG treasury bill securities continued its downward trend with the 91 Day bill reaching 26% for the first time since August 2023.

The yield on the 91-day T-bill decreased marginally by 28.4 basis points (bps) from 27.28% to 26.99% week-on-week (w/w). Similarly, the interest rate on the 182-day T-bill fell by 25.2 bps from 29.75% to 29.50% (w/w).

Additionally, the yield on the 364-day T-bill declined by 20.1 bps from 30.30% to 30.10% w/w.

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

Securities	09-02-24	16-02-24	23-02-24	01-03-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	27.9966	27.8933	27.2829	26.9988	-28.4
182 Day Bill	30.4381	30.3946	29.7487	29.4965	-25.2
364 Day Bill	30.9996	30.8988	30.2996	30.0989	-20.1

Source: The Bank of Ghana

## AUCTION RESULTS

The government exceeded its auction target amount of GH¢ 4.14 billion by 19.97%, making it the eight consecutive week in a row.

During last week's auction, the government accepted all bids submitted by investors, which amounted to GH¢ 4.96 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
4,137.00	4,963.25	4,963.25	1.000	1.1997

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	1,833.65	1,833.65	37%
182 Day Bill	1,866.37	1,866.37	38%
364 Day Bill	1,263.23	1,263.23	25%
<b>TOTAL</b>	<b>4,963.25</b>	<b>4,963.25</b>	<b>100%</b>

## UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 4,285.00 million
Auction Date	March 8, 2024
Settlement Date	March 11, 2024
Securities	91, 182 & 364 Day T/Bill

## SECONDARY MARKET

Trading activities surged on the secondary market, witnessing a 27% increase in the volume of securities traded from GH¢2.40 billion to GH¢3.07 billion. Bills dominated the trading landscape, comprising 92% of the total volume traded. The most actively traded instrument was the 91 Day Bill maturing on May 27, 2024, with a face value of GH¢519.06 million. Meanwhile, the bond market contributed 8% to the total trades, with the paper maturing on Feb 05, 2036, recording the highest volume of trades.

## INTERBANK FOREX RATES

On the interbank FX market, the value of the cedi lost grounds against its major trading currencies.

The cedi lost grounds against the US Dollar by 0.1123 w/w, closing at GH¢12.5000/US\$ compared to GH¢12.3877/US\$ at the start of the week. This increased its year-to-date loss from 4.10% to 4.96%. Also, the local currency weakened against the British Pound and the Euro, settling at GH¢15.7731/£ and GH¢13.5230/€, 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	12.3877	12.5000	-0.1123	-4.96
GBPGHS	15.1334	15.7058	15.7731	-0.0673	-4.06
EURGHS	13.1264	13.4031	13.5230	-0.1199	-2.93

Source: The Bank of Ghana

## STOCK MARKET

The GSE-Composite Index closed the week with 3,278.04 points and a year-to-date return of 4.72%, while the GSE-Financial Stock Index ended the week with 1,996.71 points and a year-to-date return of 5.00%.

The market capitalization of the local bourse stood at GH¢ 75.62 billion, with a year-to-date return of 2.56%.

		YTD
GSE-Composite Index	3,278.04	4.72%
GSE-Financial Stock Index	1,996.71	5.00%
Market Cap (GH¢ million)	75,615.69	+2.56%
Volume Traded	2,419,483	-
Value Traded (GH¢)	3,518,087.00	-

Source: Ghana Stock Exchange

### Top Gainers

### Top Losers

Stock	Price	YTD	Stock	Price	YTD
UNIL	10.76	32.68%	DASPHARMA	0.38	-5.00%
GGBL	4.44	30.59%	BOPP	21.53	-2.14%
ACCESS	4.05	19.12%			
EGH	6.10	10.91%			

Source: Ghana Stock Exchange

### **Inflation rate for January increased to 23.5%**

Ghana's inflation rate increased for the first time since July 2023. Inflation for the month of January 2024 increased marginally by 0.3 percentage points from 23.2% in December 2023 to 23.5%.

The Ghana Statistical Service (GSS) attributed it to the increase in non-food inflation drivers, mainly accommodation, electricity, and clothing.

**Our Take:** Should this trend continue, it could reduce the likelihood of a Central Bank rate cut in the upcoming month and potentially impact interest rates on the primary market.

### **CONCLUSION / RECOMMENDATION**

Despite the strong demand for GOG Treasury bills, we expect the government to meet its upcoming auction target of GH¢ 6,268.00 million on Friday.

We recommend investors subscribe to the 364-day T-bill.

### **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 and Services**

- PSL Fixed Income Unit Trust
  - [Brochure](#) | [Prospectus](#) | [Fund Fact Sheet](#)
- Investment Advisory
- Wealth Management
- Pensions Fund Management
- Provident Fund/Welfare scheme Management
- Personal Pension Management (PPM)

## 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 (%)	23.5	23.2	0.3
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

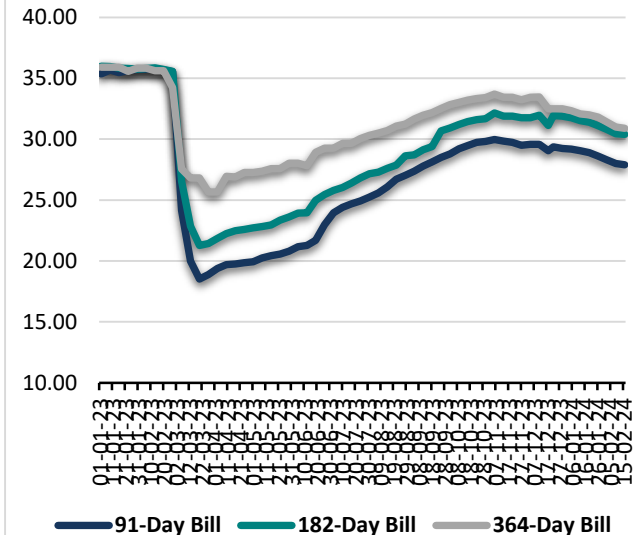
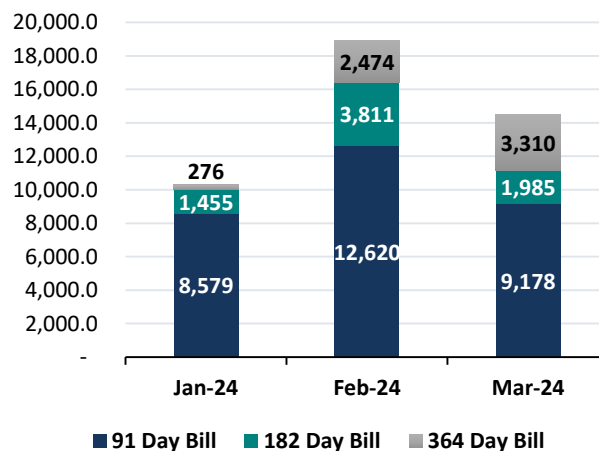
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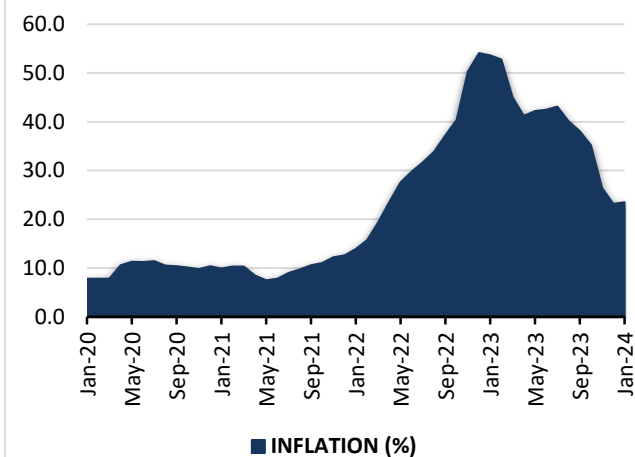
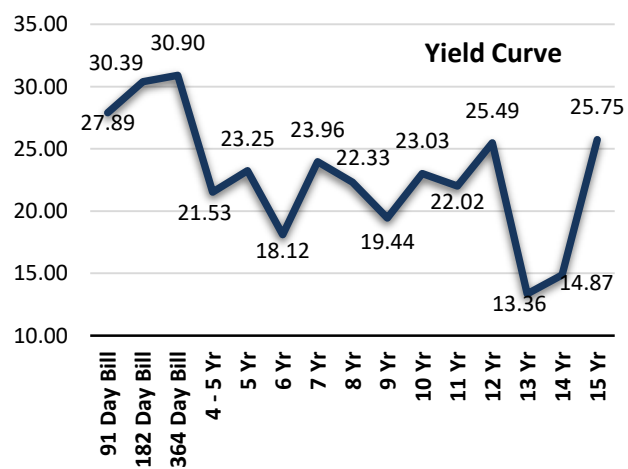
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Upcoming GOG Tbill maturities (Amt in GH¢'m)



Yield Curve



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