

WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING **23rd February 2024 (Wk. 8)**

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PRIMARY MARKET

Interest rates on treasury bill securities declined further as the government exceeded its weekly auction target by 11.20%.

The yield on the 91-day T-bill decreased marginally by 61.0 basis points (bps) from 27.89% to 27.28% week-on-week (w/w). Similarly, the interest rate on the 182-day T-bill fell by 64.6 bps from 30.39% to 29.75% (w/w).

Additionally, the yield on the 364-day T-bill declined by 59.9 bps from 30.90% to 30.30% w/w.

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

Securities	02-02-24	09-02-24	16-02-24	23-02-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	28.2982	27.9966	27.8933	27.2829	-61.0
182 Day Bill	30.7936	30.4381	30.3946	29.7487	-64.6
364 Day Bill	31.3995	30.9996	30.8988	30.2996	-59.9

Source: The Bank of Ghana

AUCTION RESULTS

The government exceeded its auction target amount of GH¢ 6.268 billion by 11.20%.

During last week's auction, the government accepted all bids submitted by investors, which amounted to GH¢ 6.268 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
6,268.00	6,970.08	6,970.08	1.000	1.1120

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	3,411.30	3,411.30	49%
182 Day Bill	1,813.01	1,813.01	26%
364 Day Bill	1,745.77	1,745.77	25%
TOTAL	6,970.08	6,970.08	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 4,137.00 million
Auction Date	March 1, 2024
Settlement Date	March 4, 2024
Securities	91, 182 & 364 Day T/Bill

SECONDARY MARKET

Volume of securities traded on the secondary market decreased by 51% from GH¢4.89 billion to GH¢2.40 billion. Bills and bonds constituted 91% and 9% respectively. The 91-day maturing on May 20, 24 recorded the largest volume traded recording a total amount of GH¢250.99 million. On the bond market, the Feb 05, 36 maturity paper recorded the largest volume traded of GH¢53.58 billion.

INTERBANK FOREX RATES

On the interbank FX market, the cedi depreciated against its major trading currencies.

The cedi lost grounds against the US Dollar by 0.1813 w/w, closing at GH¢12.3877/US\$ compared to GH¢12.2064/US\$ at the start of the week. This increased its year-to-date loss from 2.67% to 4.10%. Also, the local currency weakened against the British Pound and the Euro, settling at GH¢15.7058/£ and GH¢13.4031/€, 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	12.2064	12.3877	-0.1813	-4.10
GBPGHS	15.1334	15.3697	15.7058	-0.3361	-3.64
EURGHS	13.1264	13.1500	13.4031	-0.2531	-2.06

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week with 3,185.18 points and a year-to-date return of 1.76%, while the GSE-Financial Stock Index ended the week with 1,922.90 points and a year-to-date return of 1.12%.

The market capitalization of the local bourse stood at GH¢74.61 billion, with a year-to-date return of 0.82%.

		YTD
GSE-Composite Index	3,185.18	+1.76%
GSE-Financial Stock Index	1,922.90	+1.12%
Market Cap (GH¢ million)	74,606.11	+0.82%
Volume Traded	733,867.00	-
Value Traded (GH¢)	871,017.85	-

Source: Ghana Stock Exchange

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
GGBL	4.44	30.59%	DASPHARMA	0.38	-5.00%
UNIL	9.79	20.72%	BOPP	21.5	-2.14%
ACCESS	4.05	19.12%	SCB	17.5	-0.11%
TOTAL	9.50	5.56%			

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

We expect the government to meet its upcoming auction target of GH¢ 4,137.00 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

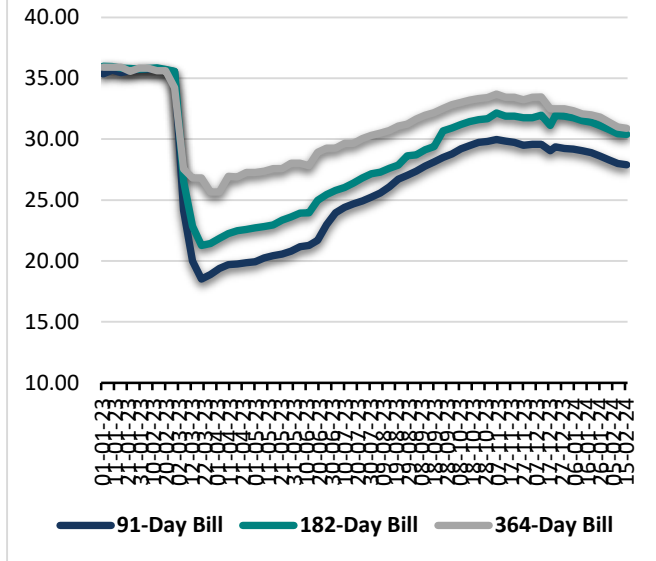
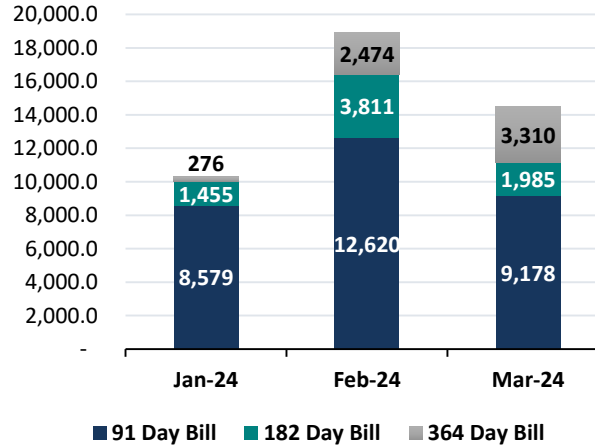
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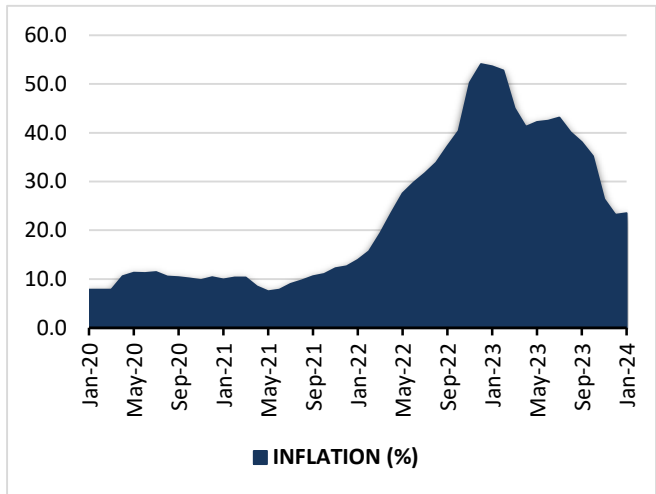
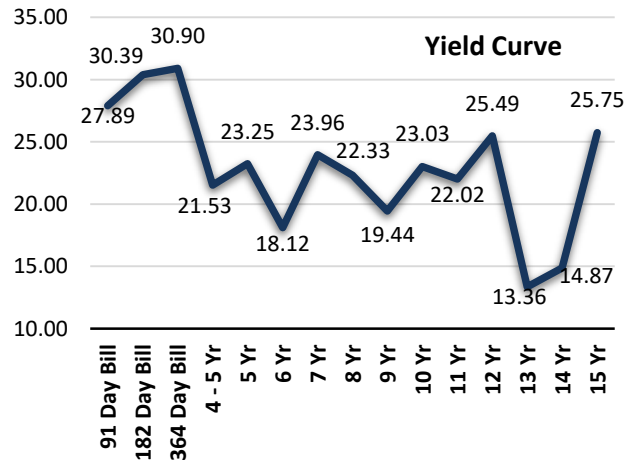
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Upcoming GOG Tbill maturities (Amt in GHC'm)



Yield Curve



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