

WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING

8th March 2024 (Wk. 10)

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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 25.3 basis points (bps) from 26.99% to 26.74% week-on-week (w/w). Similarly, the interest rate on the 182-day T-bill fell by 24.8 bps from 29.49% to 29.24% (w/w).

Additionally, the yield on the 364-day T-bill declined by 24.9 bps from 30.09% to 29.84% w/w.

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

Securities	16-02-24	23-02-24	01-03-24	08-03-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	27.8933	27.2829	26.9988	26.7459	-25.3
182 Day Bill	30.3946	29.7487	29.4965	29.2486	-24.8
364 Day Bill	30.8988	30.2996	30.0989	29.8499	-24.9

Source: The Bank of Ghana

AUCTION RESULTS

The government exceeded its auction target amount of GH¢ 4.29 billion by 12.74%, making it the tenth consecutive week in a row.

During last week’s auction, the government accepted all bids submitted by investors, which amounted to GH¢ 4.83 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
4,285.00	4,830.77	4,830.77	1.000	1.1274

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	2,721.72	2,721.72	56%
182 Day Bill	919.40	919.40	19%
364 Day Bill	1,189.65	1,189.65	25%
TOTAL	4,830.77	4,830.77	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 3,891.00 million
Auction Date	March 15, 2024
Settlement Date	March 18, 2024
Securities	91, 182 & 364 Day T/Bill

SECONDARY MARKET

Trading activities on the secondary market declined by 18% from GH¢3.067 billion in the previous week to GH¢2.582 billion. The 91-day bill maturing on June 3, 2024, was the most traded bill with a total face value of GH¢246.64 million. On the bond market, the paper maturing on February 3, 2037, recorded the highest volume of trades with an amount of GH¢644.99 million.

INTERBANK FOREX RATES

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

The cedi depreciated against the US Dollar by 0.0475 w/w, closing at GH¢12.5475/US\$ compared to GH¢12.5000/US\$ at the start of the week. This increased its year-to-date loss from 4.96% to 5.32%. Also, the local currency weakened against the British Pound and the Euro, settling at GH¢16.1236/£ and GH¢13.7275/€, 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	12.5000	12.5475	-0.0475	-5.32
GBPGHS	15.1334	15.7731	16.1236	-0.3505	-6.14
EURGHS	13.1264	13.5230	13.7275	-0.2045	-4.38

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week with 3,341.88 points and a year-to-date return of 6.76%, while the GSE-Financial Stock Index ended the week with 2,002.31 points and a year-to-date return of 5.30%.

The market capitalization of the local bourse stood at GH¢ 76.36 billion, with a year-to-date return of 3.15%.

		YTD
GSE-Composite Index	3,341.88	6.76%
GSE-Financial Stock Index	2,002.31	5.30%
Market Cap (GH¢ million)	76,357.31	3.15%
Volume Traded	1,130,068.00	-
Value Traded (GH¢)	1,645,316.99	-

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	6.20	12.73%			

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

Banks recorded a write-off of GH¢4.33 billion as bad debt in 2023.

According to the Bank of Ghana, banks wrote off GH¢4.33 billion as bad debt in 2023. This represents a 79.2% reduction compared to the GH¢20.8 billion in bad debt recorded in 2022. The bad debt was classified as loan losses, depreciation, and others.

Upcoming Events

Monetary Policy Committee Meeting

- MPC Meeting Dates: 20th – 22nd March 2024
- Press Release: 25th March, 2024

CONCLUSION / RECOMMENDATION

Given the prevailing auction results trend in the primary market and the limited investment options, we anticipate the government will achieve its target (GH¢3.89 billion) for the upcoming auction on Friday. Additionally, we expect the downward trend in Treasury bill rates to persist in the following week.

We recommend investors subscribe to the 182-day bill and 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

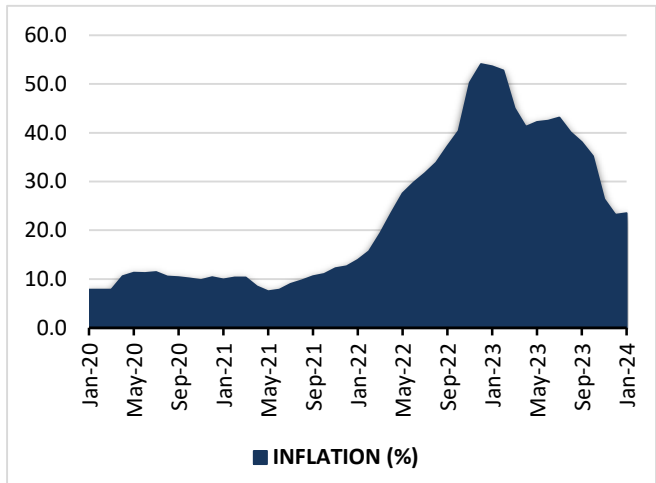
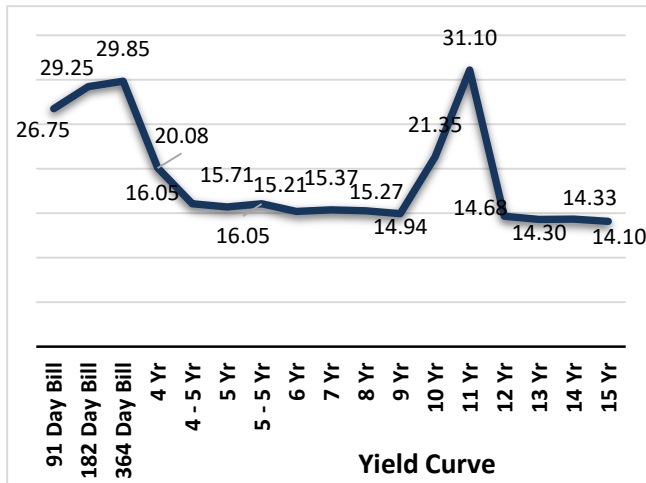
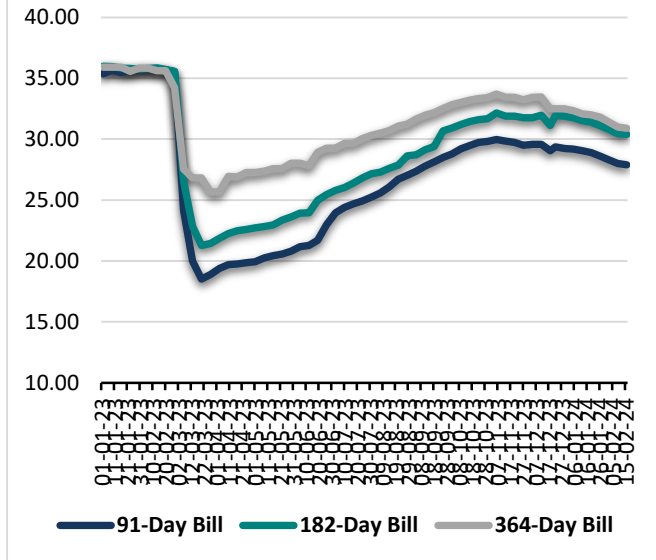
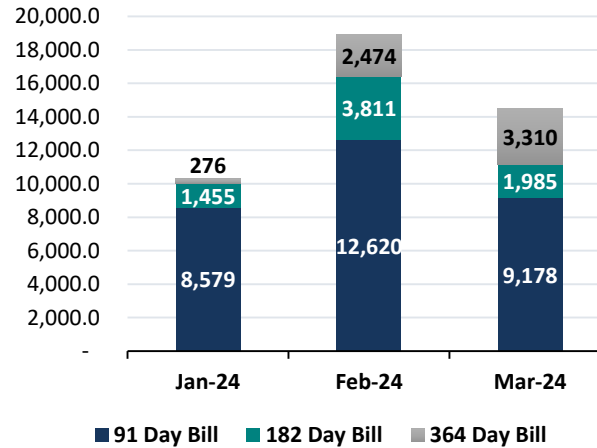
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Upcoming GOG Tbill maturities (Amt in GH¢'m)



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