

# WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING

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## 21<sup>st</sup> June 2024 (Wk. 25)

**Prudential Securities Limited**  
Prudential Bank Head Office Building  
No. 8 John Harmond Street, Ring Road Central - Accra, Ghana.  
**Telephone:** 030 276 9623; **Mobile/WhatsApp:** 055 110 2222  
**Email:** [info@prudentialsecurities.com.gh](mailto:info@prudentialsecurities.com.gh)  
**Website:** [www.prudentialsecurities.com.gh](http://www.prudentialsecurities.com.gh)

## PRIMARY MARKET

Interest rates on Government of Ghana (GOG) treasury bill securities continued to decrease as bids experienced slight oversubscription during the week's auction.

The yield on the 91-day T-bill decreased marginally by 0.23 basis points (bps) from 24.8698% to 24.8675%. Similarly, the rate for the 182-day T-bill decreased marginally by 2.79 bps week-on-week (w/w) from 26.8296% to 26.8017%. Additionally, the interest rate on the 364-day T-bill declined by 3.19 bps w/w from 27.8197% to 27.7878%.

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

Securities	31-05-24	07-06-24	14-06-24	21-06-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	25.0385	25.0386	24.8698	24.8675	-0.23
182 Day Bill	26.9173	26.9397	26.8296	26.8017	-2.79
364 Day Bill	27.9093	27.9299	27.8197	27.7878	-3.19

Source: The Bank of Ghana

## AUCTION RESULTS

The government's auction target of GH¢3.56 billion was oversubscribed by 1.39%, equivalent to GH¢49.40 million. All investor bids totaling GH¢3.60 billion were accepted during the auction.

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
3,555.00	3,604.40	3,604.40	1.000	1.0139

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	2,761.36	2,761.36	77%
182 Day Bill	660.62	660.62	18%
364 Day Bill	182.42	182.42	5%
<b>TOTAL</b>	<b>3,604.40</b>	<b>3,604.40</b>	<b>100%</b>

## UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 2.66 billion
Auction Date	June 28, 2024
Settlement Date	July 01, 2024
Securities	91, 182 & 364 Day T/Bill

## SECONDARY MARKET

Trading activities on the secondary market increased by 32% from GH¢2.258 billion to GH¢2.990 billion during last week’s session. Bills and bonds constituted 64% and 36% respectively. The 91-day bill maturing on Sep 09, 2024 recorded the highest volume trades of GH¢ 340.27 million, closing the week at an interest rate of 25.23%. The highest traded bond was the Feb 16, 2027 maturity bond recording a total face value of GH¢239.71 million and closing the week’s session at a yield of 22.06%.

## INTERBANK FOREX RATES

On the interbank FX market, the cedi continued to depreciate against major currencies.

The cedi depreciated against the US Dollar by 0.185 week-on-week (w/w), closing at GH¢14.4865/US\$ compared to GH¢14.3015/US\$ at the beginning of the week, marking a year-to-date loss of 17.99%. Additionally, the local currency weakened against the British Pound, settling at GH¢18.3696/£, and against the Euro, closing at GH¢15.5431/€.

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	14.3015	14.4865	-0.1850	-17.9
GBPGHS	15.1334	18.1379	18.3696	-0.2317	-17.6
EURGHS	13.1264	15.2985	15.5431	-0.2446	-15.6

Source: The Bank of Ghana

## STOCK MARKET

The GSE-Composite Index closed the week with 3,788.84 points and a year-to-date return of 21.04%, while the GSE-Financial Stock Index ended the week with 2,097.73 points and a year-to-date return of 10.32%.

The market capitalization of the local bourse stood at GH¢ 84.54 billion, with a year-to-date return of 15.76%.

		YTD
GSE-Composite Index	3,788.84	21.04%
GSE-Financial Stock Index	2,097.73	10.32%
Market Cap (GH¢ million)	84,537.22	15.76%
Volume Traded	809,634.00	-
Value Traded (GH¢)	2,081,425.33	-

Source: Ghana Stock Exchange

### Top Gainers

### Top Losers

Stock	Price	YTD	Stock	Price	YTD
UNIL	13.43	65.60%	CAL	0.35	-27.1%
GCB	5.50	61.76%	DASPHARMA	0.38	-5.00%
ACCESS	4.80	41.18%	SOGEGH	1.55	-1.27%
GGBL	4.40	29.41%			

Source: Ghana Stock Exchange

## BUSINESS/ECONOMIC NEWS

### Inflation declines marginally to 23.1% in May

Ghana's headline inflation maintained its downward trend in May, decreasing from 25% in April to 23.1%, as reported by the Ghana Statistical Service. Detailed data showed that food inflation was the primary driver behind this decline, falling from 26.8% to 22.6% marking its lowest rate in 13 months. In contrast, non-food inflation edged up slightly from 23.5% in April to 23.6%.

### Ghana Secures Preliminary Agreement to Restructure \$13 Billion International Debt with Bondholders.

According to three sources who spoke to Reuters, Ghana has reached a preliminary agreement with its bondholders to restructure \$13 billion of international debt. This agreement follows a recent deal finalized with official creditors earlier this month. As part of the restructuring, bondholders will accept a haircut on the principal amount of up to 37%, and the maturity of the bonds will be extended.

## CONCLUSION / RECOMMENDATION

We anticipate strong demand for Government of Ghana (GOG) Treasury bills in the upcoming auction. It is likely that the government will exceed its auction target of GH¢2.66 billion on Friday, June 28th, 2024.

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 ([click on items below](#))
  - [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 (%)	1.2	1.0	0.2
GDP AGR (%)	4.7	3.8	0.9
Inflation (%)	23.1	25.0	-1.9
Monetary Policy Rate (%)	29.0	29.0	0.0
Unemployment Rate (%)	3.6	3.5	0.1
Gov't Debt to GDP (%)	84.9	92.4	-7.5
Balance of Trade (US\$ mil)	148	245	-97
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

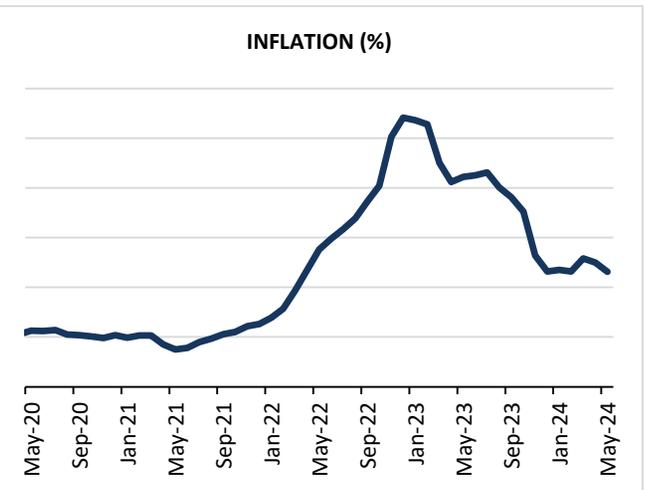
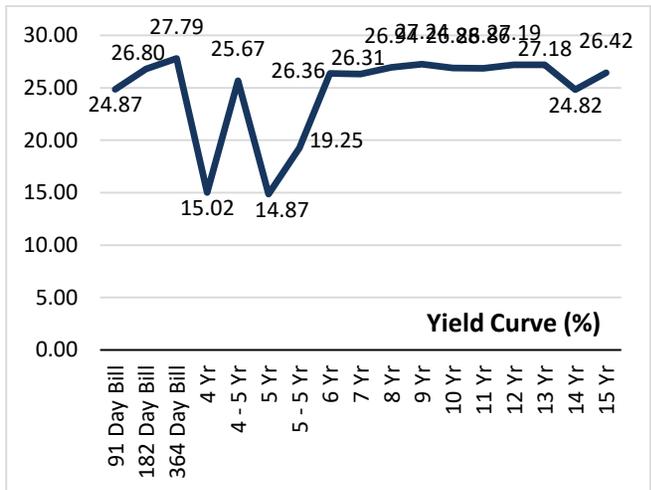
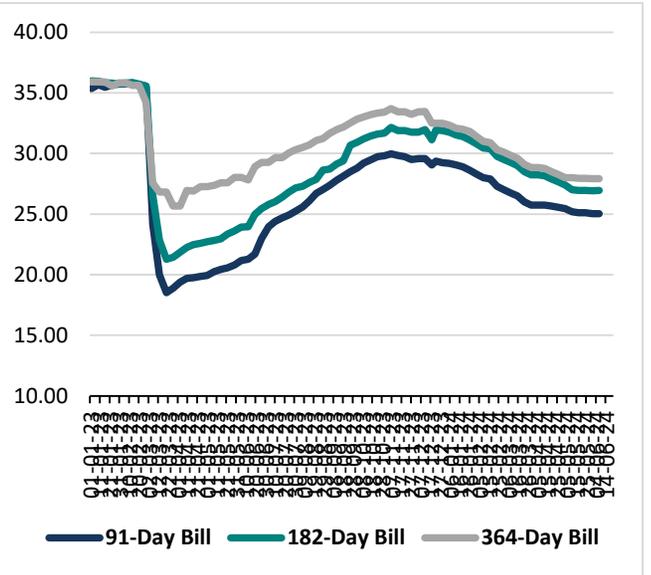
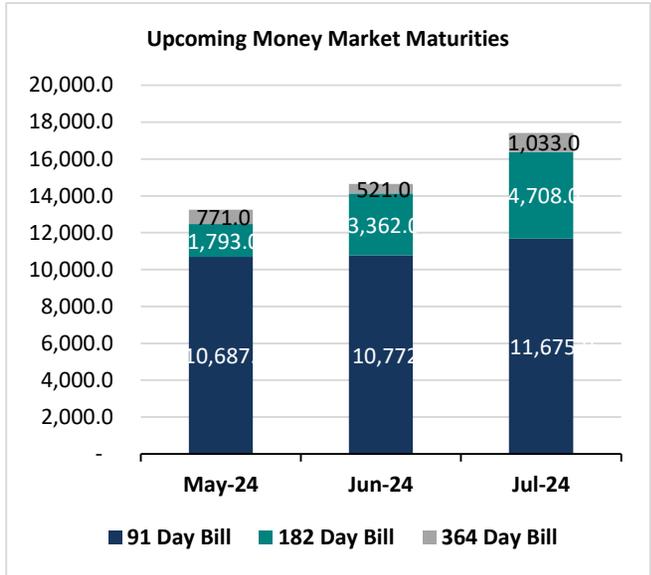
**Research Contact**

Ransford Owusu Adom

Email: [radom@prudentialsecurities.com.gh](mailto:radom@prudentialsecurities.com.gh)

Mobile: +233 247 165 823

Telephone: +233 302 769 623



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