

# WEEKLY FINANCIAL MARKET RESEARCH REPORT

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**30<sup>th</sup> Dec. 2024 – 3<sup>rd</sup> Jan. 2025 (Week 1)**

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## PRIMARY MARKET

Interest rates on Government of Ghana (GOG) Treasury bills began 2025 on an upward trend, with the government’s auction target being oversubscribed by GHS 1.07 billion.

The yield on the 91-day Treasury bill rose by 15.4 basis points from 28.04% to 28.19%. Likewise, the rates on the 182-day and 364-day Treasury bills advanced by 23.4 and 8.08 basis points, reaching 28.92% and 30.15%, respectively.

The table below summarizes interest rates on the primary market as of the end of the week.

Securities	13-12-24	20-12-24	27-12-24	3-01-25	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	27.7739	27.8521	28.0363	28.1903	+15.4
182 Day Bill	28.4920	28.5725	28.6832	28.9173	+23.4
364 Day Bill	29.9430	29.9569	30.0706	30.1514	+8.08

Source: The Bank of Ghana

## AUCTION RESULTS

The government’s auction target of GHS 4.33 billion was oversubscribed by 24.65%. Out of the GHS 5.39 billion worth of bids submitted by investors, the government accepted GHS 5.37 billion. Of the total accepted bids, GHS 3.53 billion (66%) was allocated to the 91-day Treasury bill, GHS 604.39 million (11%) to the 182-day Treasury bill, and GHS 1.24 billion (23%) to the 364-day Treasury bill.

See the table below for auction ratios.

Auction Target	Total Bids Tendered	Total Bids Accepted	Bid-to-Cover	Subscription Ratio
GHS million	GHS million	GHS million	x	x
4,326.00	5,392.39	5,371.75	1.004	1.2465

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

	Bids (Amt) Tendered	Bids (Amt) Accepted	Percentage of Bids Accepted
Securities	GHS million	GHS million	
91 Day Bill	3,539.17	3,531.54	66%
182 Day Bill	617.40	604.39	11%
364 Day Bill	1,235.82	1,235.82	23%
<b>TOTAL</b>	<b>5,392.39</b>	<b>5,371.75</b>	<b>100%</b>

## UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GHS 5.19 billion
Auction Date	January 9, 2025
Settlement Date	January 10, 2025
Securities	91, 182 & 364 Day T/Bill

Source: The Bank of Ghana

### INTERBANK FOREX RATES

On the interbank FX market, the cedi depreciated marginally against the US dollar by 0.01% week-on-week, closing at GHS 14.75/US\$, compared to GHS 14.74/US\$ at the start of the week. This reflects a year-to-date (YTD) loss of 0.34%.

However, the local currency appreciated against the British Pound Sterling and the Euro, gaining 0.2012% and 0.1555%, respectively. By the end of the week, it traded at GHS 18.28/£ (YTD gain: 0.71%) and GHS 15.17/€ (YTD gain: 0.31%).

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	14.7000	14.7400	14.7500	-0.0100	-0.34
GBPGHS	18.4008	18.4787	18.2775	0.2012	+0.71
EURGHS	15.2141	15.3217	15.1662	0.1555	+0.31

Source: The Bank of Ghana

### STOCK MARKET

The GSE-Composite Index closed the week at 4,890.27 points, recording a year-to-date return of 0.04%, while the GSE-Financial Stock Index ended at 2,383.24 points with a year-to-date return of 0.10%.

The local bourse's market capitalization stood at GHS 111.38 billion, reflecting a year-to-date return of 0.02%.

See the table below for a summary of the week's stock market trading results.

		YTD
GSE-Composite Index	4,890.27	0.04%
GSE-Financial Stock Index	2,383.24	0.10%
Market Cap (GH¢ million)	111,381.79	0.02%
Volume Traded	1,142,015.00	-
Value Traded (GH¢)	3,639,086.49	-

Source: Ghana Stock Exchange

### TRADING ACTIVITIES

Last week, a total of 1.14 million shares were traded, amounting to GHS 3.64 million in value. MTN Ghana (MTNGH) dominated the market as the most actively traded stock, with 950,577 shares changing hands, worth GHS 2.38 million.

#### Top Gainers

#### Top Losers

Stock	Price	YTD	Stock	Price	YTD
CAL	0.37	5.71%			

Source: Ghana Stock Exchange

## BUSINESS/ECONOMIC NEWS

**We expect inflation to hit single digits by the first quarter of 2026- BoG Governor.**

The Governor of the Bank of Ghana (BoG) Dr. Ernest Addison has revealed that the central bank is projecting the inflation rate to reach single digits by the first quarter of 2026. He pointed out that the forecast will depend on the economic programmes and policies that will be implemented in 2025 by the incoming John Mahama government.

[Source: myjoyonline](#)

**Ghana's inflation has risen for the third consecutive time.**

Inflation for November has gone up marginally by 0.90 percentage points from 22.1% in October to 23% in November.

According to the Ghana Statistical Service, vegetables, tubers and plantains were the major drivers of the increment in food inflation.

[Source: Reuters](#)

## Conclusion/Recommendation

We anticipate a modest uptick in interest rates on Government of Ghana Treasury securities on the primary market. We expect the government to meet its auction target of GHS 5.12 billion in the upcoming auction scheduled for Friday. As part of a well-rounded investment strategy, we recommend investors consider subscribing to the 364-day Treasury 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 the Securities and Exchange Commission (SEC) and the 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 well-being.

## Our Mission

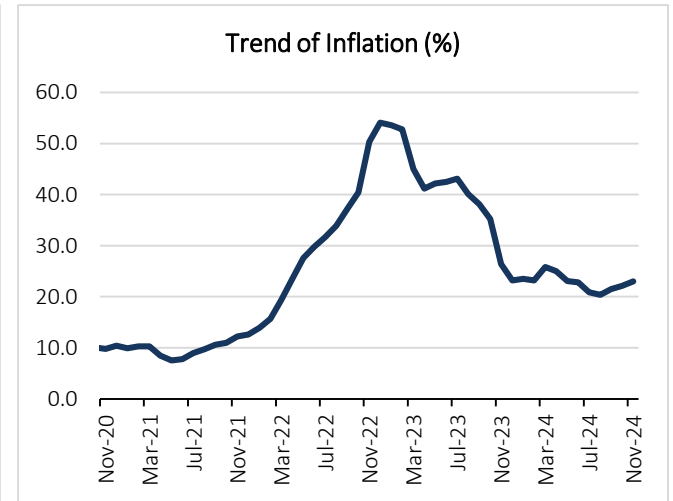
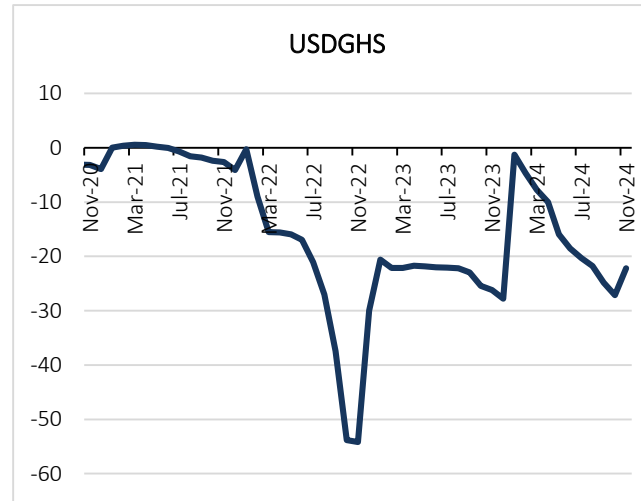
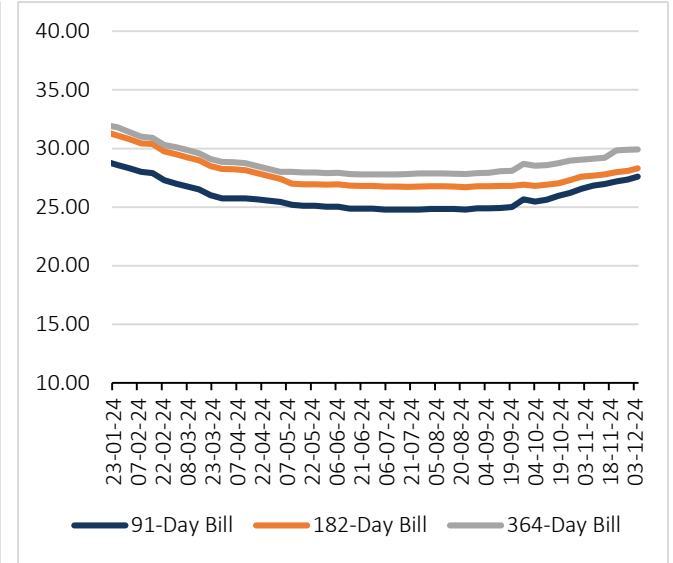
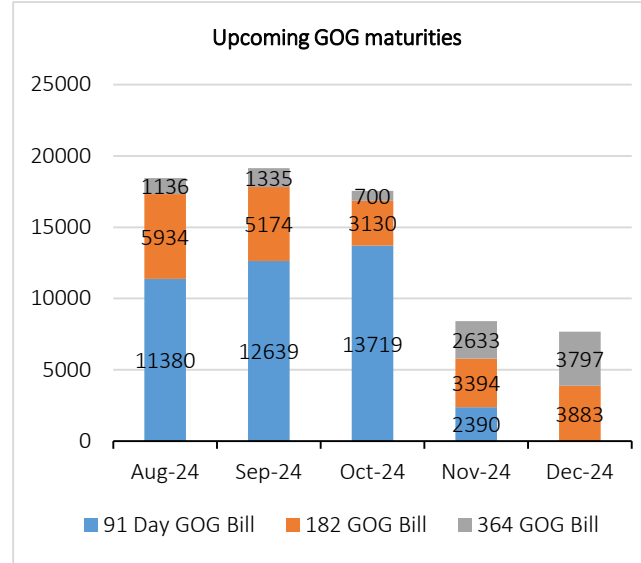
- To provide first-class fund management and investment advisory services in a timely manner through customer service excellence, tailor-made solutions and cutting-edge technology.

## 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 (%)	1.6	1.2	0.4
GDP AGR (%)	6.9	4.8	2.1
Inflation (%)	23.0	22.1	0.90
Monetary Policy Rate (%)	27.0	29.0	-2.00
Unemployment Rate (%)	3.6	3.5	0.10
Gov't Debt to GDP (%)	84.9	92.4	-7.50
Balance of Trade (US\$ mil)	660	261	399.00
Current Account (US\$ mil)	910	952	-42.00
Current Account to GDP	1.4	-2.1	3.50
Government Budget	3.1	-8.3	11.40
Corporate Tax Rate (%)	25	25	0.00



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