

WEEKLY FINANCIAL MARKET RESEARCH REPORT

20th Jan. – 24th Jan. 2025 (Week 4)

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PRIMARY MARKET

On the primary market, interest rates continue to rise following a recent auction that was oversubscribed by 47.56% and a spike in December's inflation.

Yields on the 91-day and 182-day Treasury Bills increased by 9 basis points (bps) each, reaching approximately 28.52% and 29.07%, respectively. Additionally, the yield on the 364-day Treasury Bill rose by 12.1 bps, from 30.29% to 30.41%.

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

Securities	3-01-25	10-01-25	17-01-25	24-01-25	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	28.1903	28.3385	28.4173	28.5153	+9.80
182 Day Bill	28.9173	28.9642	28.9713	29.0664	+9.51
364 Day Bill	30.1514	30.1762	30.2867	30.4078	+12.1

Source: The Bank of Ghana

AUCTION RESULTS

The government surpassed its auction target for the fourth consecutive time, receiving GHS 8.86 billion in investor bids. Of this amount, the government accepted GHS 8.16 billion, reflecting an oversubscription of 47.56%, while rejecting GHS 691.5 million. The rejections could be due to higher interest rate demands, debt management objectives, or liquidity considerations.

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
6,001.00	8,855.02	8,163.52	1.085	1.4756

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

Securities	Bids (Amt) Tendered	Bids (Amt) Accepted	Percentage of Bids Accepted
	GHS million	GHS million	
91 Day Bill	4,986.00	4,479.58	55%
182 Day Bill	1,758.26	1,756.28	22%
364 Day Bill	2,110.76	1,927.66	24%
TOTAL	8,855.02	8,163.52	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GHS 6.53 billion
Auction Date	January 31, 2025
Settlement Date	February 3, 2025
Securities	91, 182 & 364 Day T/Bill

Source: The Bank of Ghana

INTERBANK FOREX RATES

On the interbank foreign exchange market, the Cedi weakened against its major trading currencies.

The cedi lost 0.15% week-on-week (w/w) against the US Dollar to close at GH¢15.10/US\$ compared to GH¢14.95/US\$ at the start of the week, recording a year-to-date loss of 2.65%

Additionally, the local currency fell by 0.60% against the British Pound Sterling and 0.47% against the Euro. By week's end, the cedi traded at GHS 18.84/£, reflecting a YTD loss of 2.33%, and at GHS 15.87/€, with a YTD loss of 4.14%

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	14.9500	15.1000	-0.1500	-2.65
GBPGHS	18.4008	18.2353	18.8401	-0.6048	-2.33
EURGHS	15.2141	15.3975	15.8704	-0.4729	-4.14

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week at 5,076.55 points, recording a year-to-date return of 3.85%, while the GSE-Financial Stock Index ended at 2,413.90 points with a year-to-date return of 1.39%.

The local bourse's market capitalization stood at GHS 114.44 billion, reflecting a year-to-date return of 2.77%.

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

		YTD (%)
GSE-Composite Index	5,076.55	+3.85
GSE-Financial Stock Index	2,413.90	+1.39
Market Cap (GH¢ million)	114,443.25	+2.77
Volume Traded	7,542,480.00	-
Value Traded (GH¢)	76,316,424.04	-

Source: Ghana Stock Exchange

TRADING ACTIVITIES

Last week, a total of 7,542,480 shares were traded on the market, amounting to GHS 76.32 million. Benso Oil Palm Plantation (BOPP) emerged as the most actively traded stock, with 5.81 million shares exchanged, valued at GHS 2.21 million.

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
ETI	0.35	12.9%	RBGH	0.60	-9.09%
CAL	0.38	8.57%			
GLD	421.1	7.84%			
MTNGH	2.65	6.00%			

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

Ghana's projected growth rates for the next 5 years by IMF below potential – IEA.

The Institute for Economic Affairs (IEA) has described the projected growth rates for Ghana's economy in the next five years by the International Monetary Fund as below its potential.

In its bi-monthly Economic Outlook, it said Ghana has excess resources and capacities to enable it to grow at higher rates, which are needed to accelerate the country's development and poverty alleviation.

[Source: myjoyonline](#)

Ghana ends 2024 with a \$5bn trade surplus, \$9bn in gross international reserves

Ghana achieved a remarkable trade surplus of \$4.98 billion in December 2024, nearly doubling the \$2.69 billion surplus recorded in the same period in 2023. Ghanaian culture-inspired products.

The impressive surplus was largely driven by a sharp 53.2% year-on-year increase in gold exports, which reached \$11.64 billion. Overall, total exports grew by 21.06%, hitting \$20.22 billion.

[Source: Citi Newsroom](#)

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 6.53 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

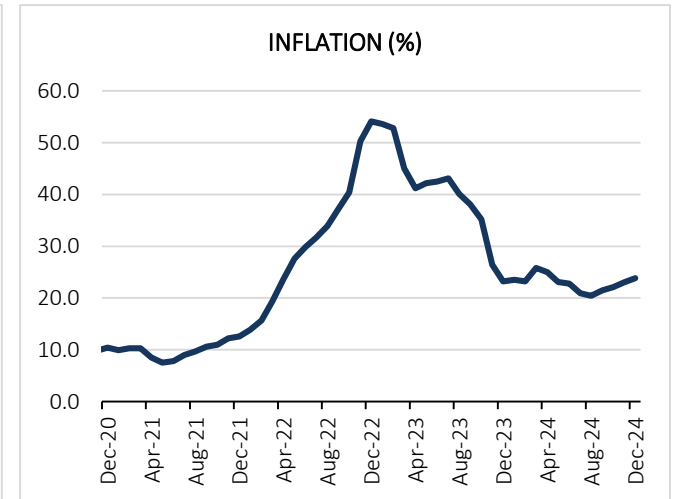
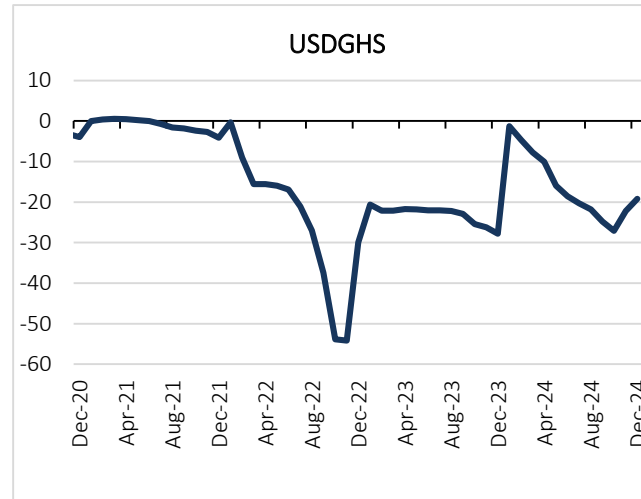
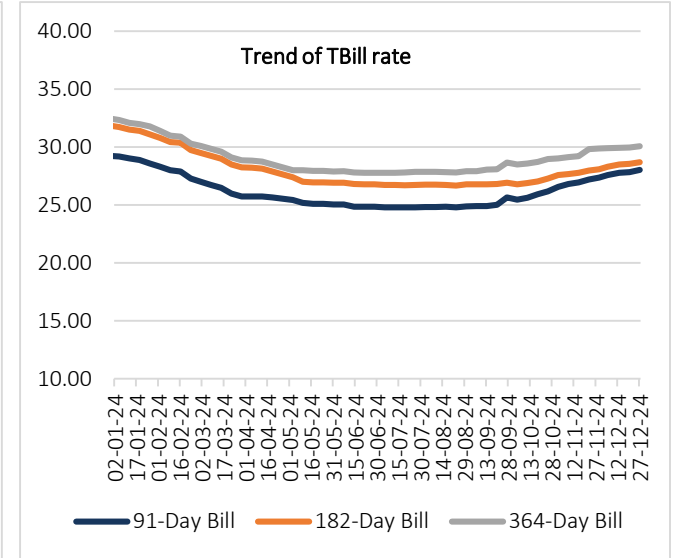
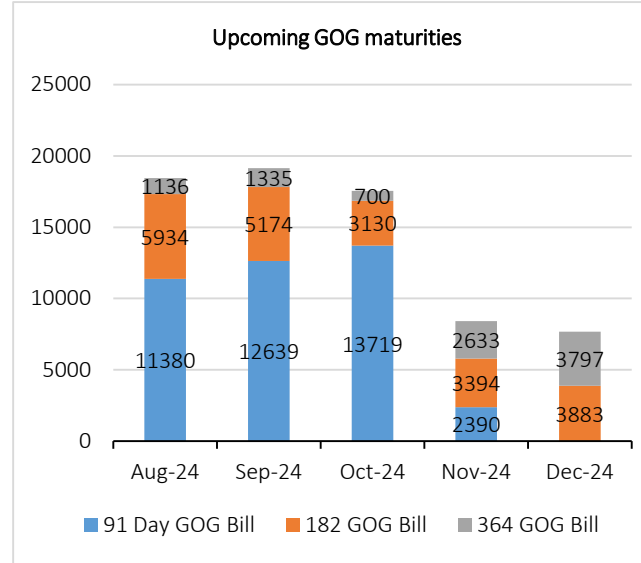
- To provide first-class fund management and investment advisory services in a timely manner through customer service excellence, tailor-made solutions and cutting-edge technology.

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 (%)	1.7	1.6	0.1
GDP AGR (%)	7.2	7	0.2
Inflation (%)	23.8	23	0.80
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)	542	479	63.00
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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