

WEEKLY FINANCIAL MARKET RESEARCH REPORT

27th Jan. – 31st Jan. 2025 (Week 5)

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PRIMARY MARKET

On the primary market, interest rates on short-term securities fell for the first time since the beginning of the year, with auction bids being oversubscribed for the fifth week in a row.

The yields on 91-day and 182-day Treasury Bills dropped by 10 basis points (bps) and 16.8 bps, settling at 28.41% and 28.90%, respectively. Similarly, the yield on the 364-day Treasury Bill decreased by 3.75 bps, moving from 30.40% to 30.37%.

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

Securities	10-01-25	17-01-25	24-01-25	31-01-25	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	28.3385	28.4173	28.5153	28.4129	-10.24
182 Day Bill	28.9642	28.9713	29.0664	28.8984	-16.80
364 Day Bill	30.1762	30.2867	30.4078	30.3703	-3.75

Source: The Bank of Ghana

AUCTION RESULTS

The treasury bill market has experienced oversubscription for the fifth consecutive week. The government surpassed its auction target of GHS6.53 billion by 43.59%, equivalent to approximately GHS 2.85 billion. Investors submitted bids totaling GHS 9.37 billion during the auction, with the government accepting GHS 8.00 billion and rejecting GHS 1.38 billion.

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
6,527.00	9,372.17	7,995.56	1.172	1.4359

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	5,590.16	5,224.15	65%
182 Day Bill	1,522.45	531.40	7%
364 Day Bill	2,259.56	2,240.01	28%
TOTAL	9,372.17	7,995.56	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GHS 7.26 billion
Auction Date	February 6, 2025
Settlement Date	February 10, 2025
Securities	91 and 182 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 0.20% week-on-week (w/w) against the US Dollar to close at GH¢15.30/US\$ compared to GH¢15.10/US\$ at the start of the week, recording a year-to-date loss of 3.92%

Additionally, the local currency fell by 0.15% against the British Pound Sterling and 0.03% against the Euro. By week's end, the cedi traded at GHS19.00/£, reflecting a YTD loss of 3.16%, and at GHS 15.90/€, with a YTD loss of 4.32%

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	15.1000	15.3000	-0.2000	-3.92
GBPGHS	18.4008	18.8501	19.0003	-0.1502	-3.16
EURGHS	15.2141	15.8704	15.9012	-0.0308	-4.32

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week at 5,229.44 points, recording a year-to-date return of 6.97%, while the GSE-Financial Stock Index ended at 2,475.34 points with a year-to-date return of 3.97%.

The local bourse's market capitalization stood at GHS 117.17 billion, reflecting a year-to-date return of 5.22%.

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

		YTD (%)
GSE-Composite Index	5,229.44	+3.85
GSE-Financial Stock Index	2,475.34	+1.39
Market Cap (GH¢ million)	117,170.63	+5.22
Volume Traded	3,009,693.00	-
Value Traded (GH¢)	3,929,670.83	-

Source: Ghana Stock Exchange

TRADING ACTIVITIES

Last week, a total of 3.01 million shares were traded on the market, amounting to GHS 3.93 million. Cal Bank PLC (CAL) emerged as the most actively traded stock, with 2.42 million shares exchanged, valued at GHS921,784.27.

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
ETI	0.40	29.03%	RBGH	0.60	-9.09%
CAL	0.41	17.14%			
MTNGH	2.75	10.00%			
ACCESS	5.72	10.00%			

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

Debt restructuring: Ghana gains \$2.8bn.

The country has achieved a significant milestone in its debt restructuring efforts as all participating creditor countries have now signed the Memorandum of Understanding (MoU) with the Official Creditor Committee (OCC), marking a crucial step towards the country's economic recovery.

[Source: graphic online](#)

Banks NPLs surge to 21.8% – BoG

The banking industry's Non-Performing Loans (NPL) ratio increased to 21.8% in December 2024, up from 20.6 percent in December 2023.

According to the Bank of Ghana, the elevated credit risk remained the main upside risk to the banking sector. However, the banking sector remained strong, robust and liquid. This was supported by improved domestic macroeconomic conditions.

[Source: myjoyonline](#)

Conclusion/Recommendation

Given the current trend in auction results, we expect the government to surpass its target in the upcoming auction, with marginal declines in interest rates across all short-term securities. We recommend that investors consider subscribing to the 182-day Treasury Bill, as rates are anticipated to decrease further.

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

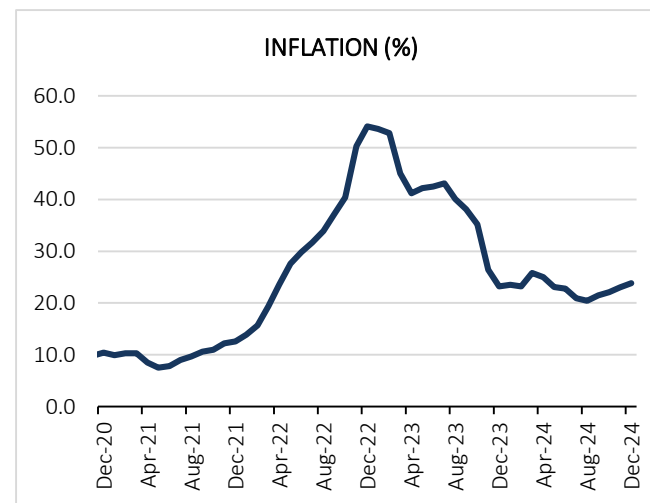
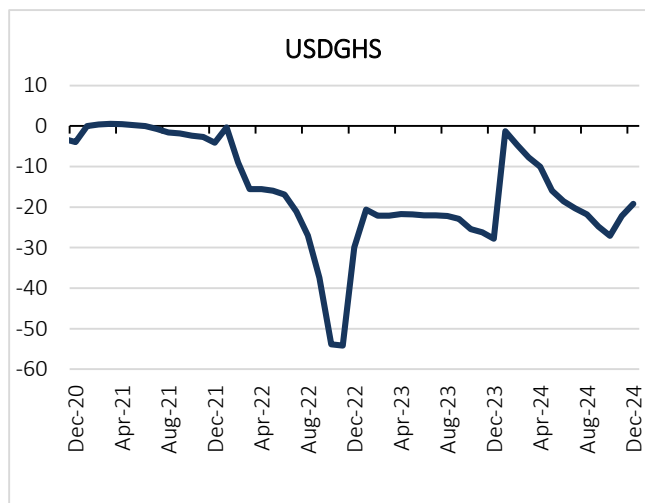
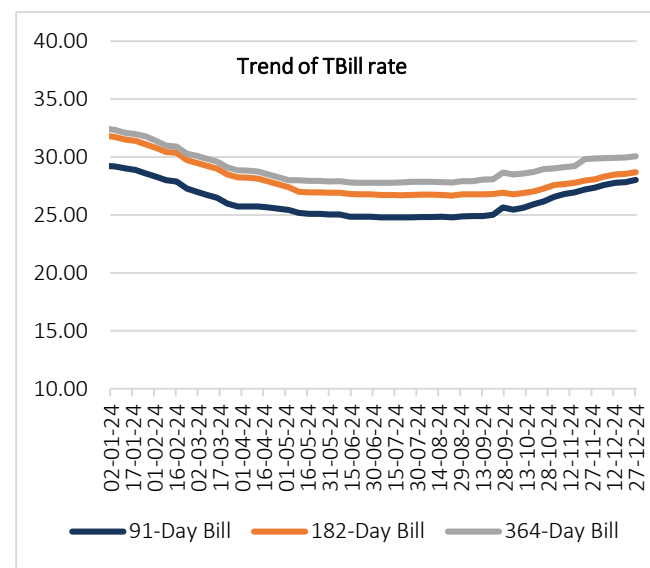
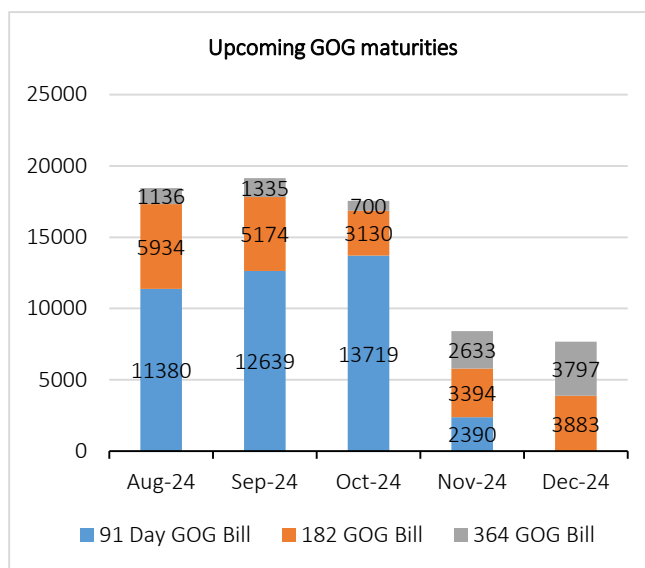
- To provide first-class fund management and investment advisory services in a timely manner through customer service excellence, tailor-made solutions and cutting-edge technology.

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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