

WEEKLY FINANCIAL MARKET RESEARCH REPORT ENDING 9th August 2024 (Week 32)

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
Website: www.prudentialsecurities.com.gh

PRIMARY MARKET

Interest rates on the Government of Ghana's treasury bill securities remained relatively stable across all tenures on the primary market, despite the government missing its auction target for the fifth consecutive week.

The yields for the 91-day and 182-day T-bills ended at 24.82% and 26.76%, respectively, while the 364-day T-bill held steady at 27.86%.

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

Securities	19-07-24	26-07-24	2-08-24	9-08-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	24.7879	24.7879	24.8247	24.8251	+0.04
182 Day Bill	26.7129	26.7415	26.7640	26.7642	+0.02
364 Day Bill	27.8075	27.8562	27.8578	27.8575	+0.03

Source: The Bank of Ghana

AUCTION RESULTS

The government missed its auction target of GH¢ 6.56 billion by 19.18%, leaving a shortfall of GH¢ 1.26 billion. However, it accepted all investor bids, which totaled GH¢ 5.30 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
6,558.00	5,300.10	5,300.10	1.000	0.8082

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

Securities	Bids (Amt) Tendered	Bids (Amt) Accepted	Percentage of Bid Accepted
	GH¢ million	GH¢ million	
91 Day Bill	4,101.77	4,101.77	77%
182 Day Bill	967.19	967.19	18%
364 Day Bill	231.14	231.14	4%
TOTAL	5,300.10	5,300.10	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 4.97 billion
Auction Date	August 16, 2024
Settlement Date	August 19, 2024
Securities	91, 182 & 364 Day T/Bill

Source: Ghana Stock Exchange

SECONDARY MARKET

The volume of securities traded on the secondary market last week dropped by 26%, from GH¢3.8 billion to GH¢2.78 billion. Bills accounted for 50.1% of the trades, while bonds made up 49.9%. The most actively traded bill was the 91-day maturity set on November 4, 2024, with a total volume of GH¢381.54 million, closing the week at a price of 94.8953%. The most traded bond was the February 10, 2032 maturity, with a total face value of GH¢659.56 million, closing the session with a yield of 24.5%.

INTERBANK FOREX RATES

The cedi weakened against its major currencies over the week. It declined by 0.1223 against the US Dollar, closing at GH¢15.0919/US\$, compared to GH¢14.9696 /US\$ at the start of the week, marking a year-to-date loss of 21.3%. The local currency also depreciated against the British Pound, settling at GH¢19.2565/£, and against the Euro, closing at GH¢16.4797/€.

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	14.9696	15.0919	-0.1223	-21.3
GBPGHS	15.1334	19.1409	19.2565	-0.1156	-21.4
EURGHS	13.1264	16.3255	16.4797	-0.1542	-20.4

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index declined by 145.50 points over the week, dropping from 4,586.28 points to 4,440.78 points, with a year-to-date return of 41.87%. Meanwhile, the GSE-Financial Stock Index remained steady at 2,115.52 points, maintaining a year-to-date return of 11.25%.

Additionally, the market capitalization of the local bourse decreased by GH¢ 1.58 billion, falling from GH¢ 94.36 billion to GH¢ 92.78 billion, resulting in a year-to-date return of 29.30%.

		YTD
GSE-Composite Index	4,440.78	41.87%
GSE-Financial Stock Index	2,115.52	11.25%
Market Cap (GH¢ million)	92,784.46	29.30%
Volume Traded	578,885.00	-
Value Traded (GH¢)	12,931,017.82	-

Source: Ghana Stock Exchange

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
UNIL	14.77	82.12%	EGL	1.55	-35.2%
GCB	5.9	73.53%	CAL	0.34	-29.2%
MTNGH	2.29	63.57%	DASPHARMA	0.38	-5.00%
ACCESS	4.80	41.18%			

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

Bank of Ghana Requires Ghana Card for Forex Transactions

The Bank of Ghana (BoG) has mandated licensed forex bureaus in the country to comply with new customer identification verification directives. Under these measures, individuals seeking to buy or sell foreign currencies must present a Ghana Card as proof of identification. Foreign nationals must provide their passports and undergo biometric verification. These directives will be effective from Thursday, August 1, 2024. Customers without a Ghana Card will be unable to conduct any forex transactions.

Fitch to Assign Long-Term Local-Currency Rating to Ghana

Rating agency Fitch has stated that it will assign a Long-Term Local-Currency (LTLC) Issuer Default Rating (IDR) to Ghana once the country finalizes an agreement with private creditors on restructuring its foreign currency-denominated external debt. Fitch noted that this rating will be based on a forward-looking evaluation of Ghana's willingness and ability to meet its foreign currency debt obligations.

UPCOMING EVENT:

- PSL Fixed Income Unit Trust 2023 Annual General Meeting
 - Date: 14th August 2024
 - Time: 1:30pm
 - [Financial Statement](#)

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

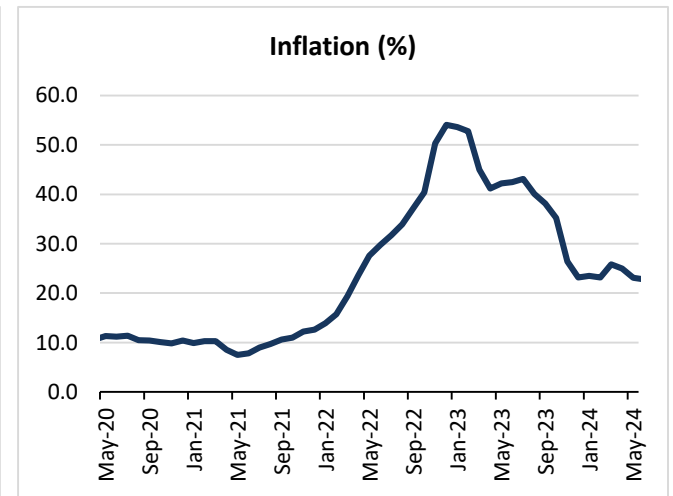
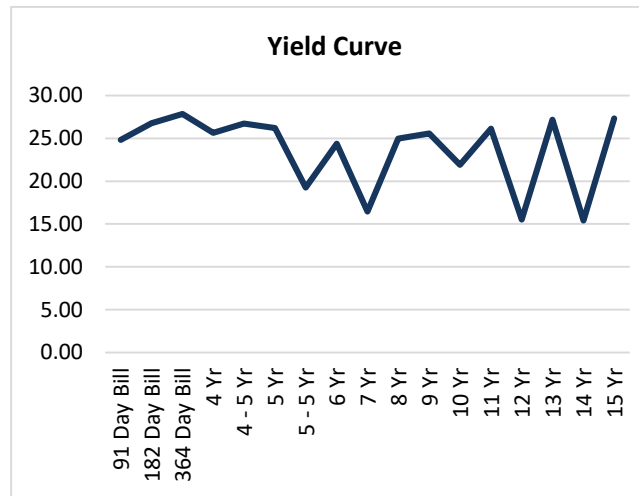
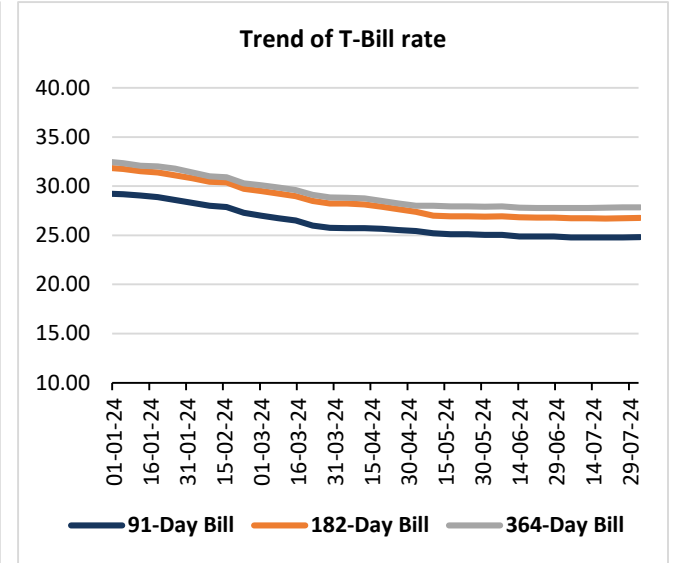
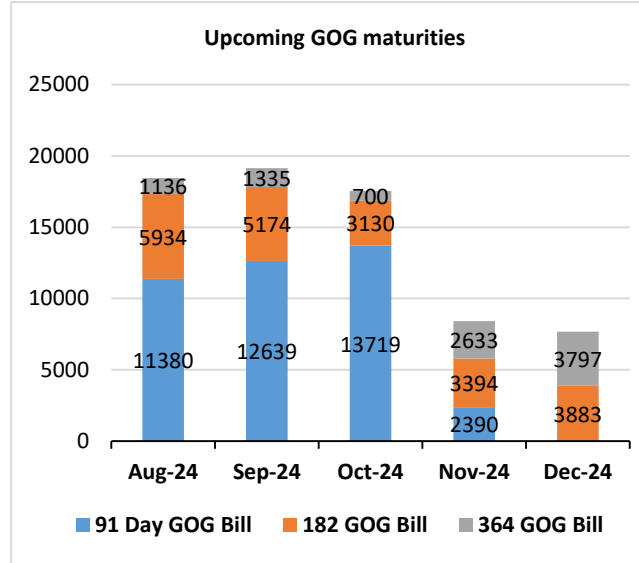
- To provide first class fund management and investment advisory services in a timely manner through customer service excellence, tailor made solutions and cutting-edge technology.

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	0.2
GDP AGR (%)	4.7	3.8	0.9
Inflation (%)	22.8	23.1	-0.30
Monetary Policy Rate (%)	29.0	29.0	0.00
Unemployment Rate (%)	3.6	3.5	0.10
Gov't Debt to GDP (%)	84.9	92.4	-7.50
Balance of Trade (US\$ mil)	70.9	324	-253.10
Current Account (US\$ mil)	176	173	3.00
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



Research Contact

Ransford Owusu Adom

Email: radom@prudentialsecurities.com.gh

Mobile: +233 247 165 823

Telephone: +233 302 769 623

Disclaimer:

This report is intended for general guidance and information purposes only. This report is not intended to be used or considered as financial or investment advice, a recommendation or an offer to sell, or a solicitation of any offer to buy any securities or other form of financial asset. While we take adequate measures to ensure the accuracy of information, there could be inaccurate data from sources which we may not have control over. All information written in the report is provided in good faith, however, we make no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information on this report.