

WEEKLY FINANCIAL MARKET RESEARCH REPORT

30th Sept. - 4th Oct. 2024 (Week 40)

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PRIMARY MARKET

On the primary market, interest rates on Government of Ghana treasury bill securities declined as the auction was undersubscribed by 38.56%. The yield on the 91-day Treasury bill fell by 18.7 basis points, moving from 25.64% to 25.46%. Likewise, the 182-day and 364-day Treasury bill rates declined by 12.5 and 16.1 basis points, respectively, to approximately 26.80% and 28.52%.

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

Securities	13-09-24	20-09-24	27-09-24	4-10-24	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	24.9164	25.0104	25.6439	25.4568	-18.7
182 Day Bill	26.8012	26.8151	26.9248	26.8000	-12.5
364 Day Bill	28.0736	28.0789	28.6785	28.5173	-16.1

Source: The Bank of Ghana

AUCTION RESULTS

In this week's auction, the government fell short of its target by 38.56%, missing the mark by GH¢2.31 billion. Despite the shortfall, the government accepted all investor bids, totaling GH¢3.67 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
5,980.00	3,674.41	3,674.41	1.000	0.6144

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	2,911.51	2,911.51	79%
182 Day Bill	572.95	572.95	16%
364 Day Bill	189.95	189.95	5%
TOTAL	3,674.41	3,674.41	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GH¢ 4.57 billion
Auction Date	October 11, 2024
Settlement Date	October 14, 2024
Securities	91, 182 & 364 Day T/Bill

Source: Ghana Stock Exchange

SECONDARY MARKET

Activity on the secondary market gained momentum last week, with the total value of securities traded rising by 2% from GH¢ 3.59 billion to GH¢3.66 billion. Treasury bills accounted for 66% of the total volume, while bonds made up the remaining 34%. The 91-day bill maturing on December 30, 2024, saw the highest volume traded, amounting to GH¢598.74 million, and closed the week at a price of 94.2181. On the bond market, the February 16, 2027 bond recorded the highest trading activity, with a face value of GH¢ 775.12 million, closing at a yield of 24.97%.

INTERBANK FOREX RATES

On the interbank foreign exchange market, the cedi strengthened against the US Dollar by 0.04 to close at GH¢15.79/US\$, compared to GH¢15.83/US\$ at the beginning of the week, representing a year-to-date loss of 24.8%. Also, the local currency gained grounds against the British Pound and the Euro by 0.5131 and 0.3793 respectively to settle at GH¢ 20.7031/£, and GH¢17.3038/€ in that order.

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	15.8300	15.7900	0.0400	-24.8
GBPGHS	15.1334	21.2162	20.7031	0.5131	-26.9
EURGHS	13.1264	17.6831	17.3038	0.3793	-24.1

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week with 4,364.83 points and a year-to-date return of 39.44%, while the GSE-Financial Stock Index ended the week with 2,198.88 points and a year-to-date return of 15.63%.

The market capitalization of the local bourse stood at GH¢ 99.20 billion, with a year-to-date return of 35.67%.

		YTD
GSE-Composite Index	4,364.83	39.44%
GSE-Financial Stock Index	2,198.88	15.63%
Market Cap (GH¢ million)	99,201.33	35.67%
Volume Traded	4,640,938.00	-
Value Traded (GH¢)	10,919,601.95	-

Source: Ghana Stock Exchange

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
UNIL	16.5	103.45%	CAL	0.28	-41.7%
GCB	6.00	76.47%	EGL	1.99	-16.7%
MTNGH	2.17	55.00%	DASPHARMA	0.38	-5.00%
TOTAL	12.61	40.11%			

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

IMF and Ghana Reach Staff-Level Agreement on Third Review of \$3 Billion Credit Facility

The International Monetary Fund (IMF) and Ghana have reached a staff-level agreement on the third review of Ghana's US\$3 billion extended credit facility, following a two-week assessment of the country's fiscal data. The review found Ghana's performance to be generally satisfactory, with significant progress on debt restructuring. The agreement is subject to IMF Board approval, which could lead to the release of a fourth tranche of US\$360 million, bringing total disbursements to US\$1.92 billion.

Ghana Completes Eurobond Debt Exchange with 98.6% Participation

The Ministry of Finance has announced the successful completion of Ghana's Eurobond debt exchange and consent solicitation process, with 98.6% of bondholders participating. The aim is to restructure Ghana's Eurobond debt as part of its economic recovery efforts. Bondholders were invited to exchange their existing bonds for new ones under two options—Par and Disco. This overwhelming support marks a significant achievement in the country's financial restructuring.

Conclusion/Recommendation

We anticipate mixed results for interest rates on the primary market. Additionally, we expect the government to achieve its target of GH¢4.57 billion in the upcoming auction on Friday. We recommend that investors consider subscribing to the 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 (%)	1.6	1.2	0.4
GDP AGR (%)	6.9	4.8	2.1
Inflation (%)	21.5	20.4	1.10
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)	628	322	306.00
Current Account (US\$ mil)	998	280	718.00
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

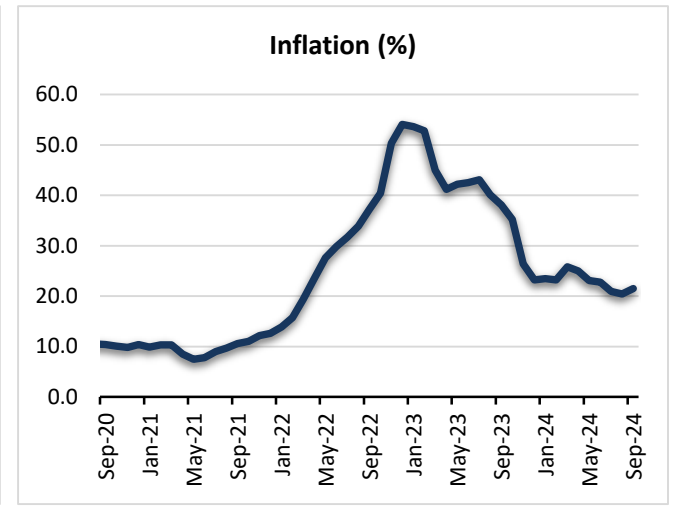
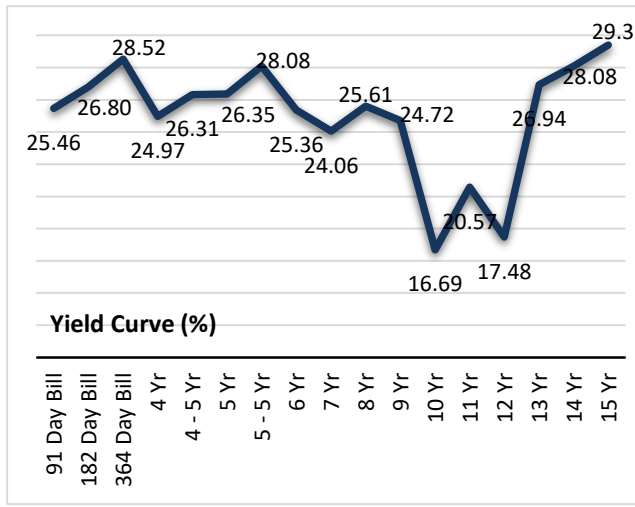
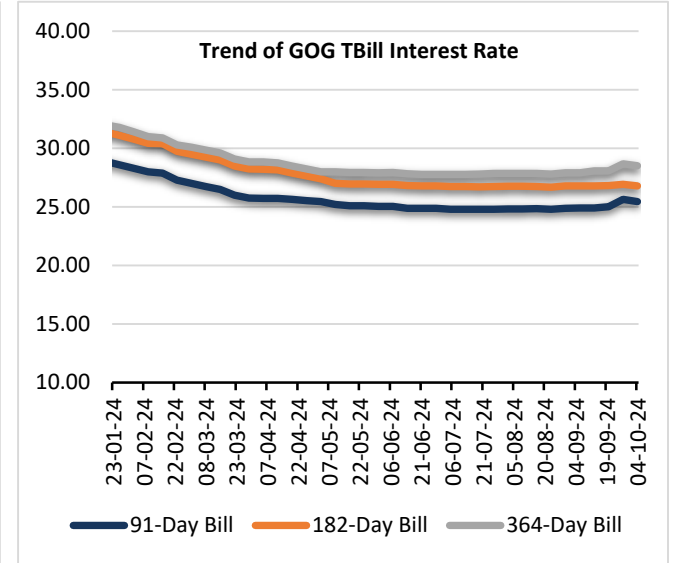
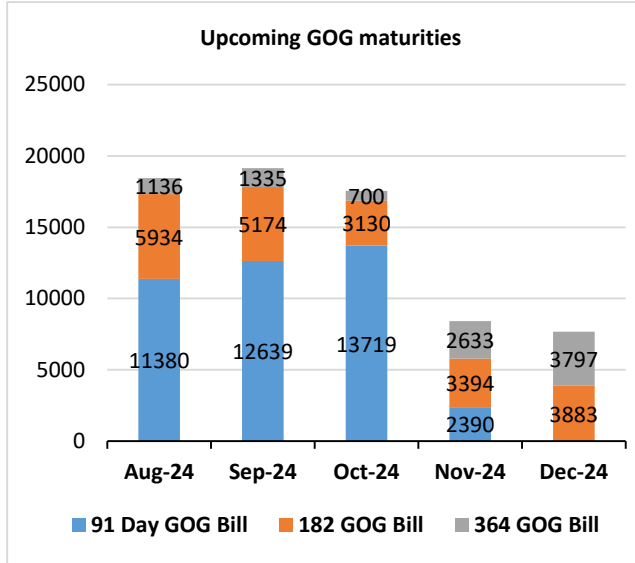
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