

WEEKLY FINANCIAL MARKET RESEARCH REPORT

6th Jan. – 10th Jan. 2025 (Week 2)

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PRIMARY MARKET

On the primary market, interest rates continue to rise, driven by oversubscription of GHS 2.88 billion (55.36%) in the recent auction, where the government raised a total of GHS 8.08 billion.

Yields increased across short-term securities, with the 91-day Treasury Bill rate reaching 28.33%, the highest since February 2024. The yields on the 182-day and 364-day Treasury Bills also saw marginal increases of 4.69 basis points and 2.48 basis points, rising to 28.96% and 30.18%, respectively.

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

Securities	20-12-24	27-12-24	3-01-25	10-01-25	Chg. w/w
	%	%	%	%	Bps
91 Day Bill	27.8521	28.0363	28.1903	28.3385	+14.8
182 Day Bill	28.5725	28.6832	28.9173	28.9642	+4.69
364 Day Bill	29.9569	30.0706	30.1514	30.1762	+2.48

Source: The Bank of Ghana

AUCTION RESULTS

The government exceeded its target of GHS 5.19 billion by 55.36%, raising approximately GHS 2.88 billion more than anticipated, for a total of GHS 8.08 billion. All investor bids were accepted, with GHS 5.51 billion (68%) allocated to the 91-day Treasury bill, GHS 1.42 billion (18%) to the 182-day Treasury bill, and GHS 1.15 billion (14%) 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
5,198.00	8,075.75	8,075.75	1.000	1.5536

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	5,513.76	5,513.76	68%
182 Day Bill	1,416.66	1,416.66	18%
364 Day Bill	1,145.33	1,145.33	14%
TOTAL	8,075.75	8,075.75	100%

UPCOMING GOG SECURITIES AUCTION

Upcoming Auction	
Auction Target	GHS 6.35 billion
Auction Date	January 17, 2025
Settlement Date	January 20, 2025
Securities	91, 182 & 364 Day T/Bill

Source: The Bank of Ghana

INTERBANK FOREX RATES

On the interbank FX market, the cedi remained relatively stable against the US dollar, closing at GHS 14.75/US\$, with a year-to-date (YTD) loss of 0.34%.

However, the local currency appreciated against both the British Pound Sterling and the Euro, gaining 0.2876% and 0.0791%, respectively. By the end of the week, it traded at GHS 17.99/£, reflecting a YTD gain of 2.31%, and at GHS 15.09/€, with a YTD gain of 0.81%.

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	14.7500	14.7500	0.0000	-0.34
GBPGHS	18.4008	18.2775	17.9899	0.2876	+2.31
EURGHS	15.2141	15.1662	15.0871	0.0791	+0.81

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week at 4,902.87 points, recording a year-to-date return of 0.29%, while the GSE-Financial Stock Index ended at 2,385.96 points with a year-to-date return of 0.22%.

The local bourse's market capitalization stood at GHS 111.74 billion, reflecting a year-to-date return of 0.17%.

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

		YTD (%)
GSE-Composite Index	4,902.87	+0.29
GSE-Financial Stock Index	2,385.96	+0.22
Market Cap (GH¢ million)	111,736.66	+0.17
Volume Traded	467,238.00	-
Value Traded (GH¢)	12,568,068.17	-

Source: Ghana Stock Exchange

TRADING ACTIVITIES

Last week, 467,238 shares were traded on the market, with a total value of GHS 12.57 million. MTN Ghana (MTNGH) was the most actively traded stock, with 239,557 shares exchanged, amounting to GHS 600,535.50.

Top Gainers

Top Losers

Stock	Price	YTD	Stock	Price	YTD
CAL	0.37	5.71%	RBGH	0.60	-9.09%
ETI	0.32	3.23%			
GLD	402.4	3.05%			
MTNGH	2.51	0.40%			

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 the incoming John Mahama government will implement in 2025.

[Source: myjoyonline](#)

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

Inflation in November increased 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

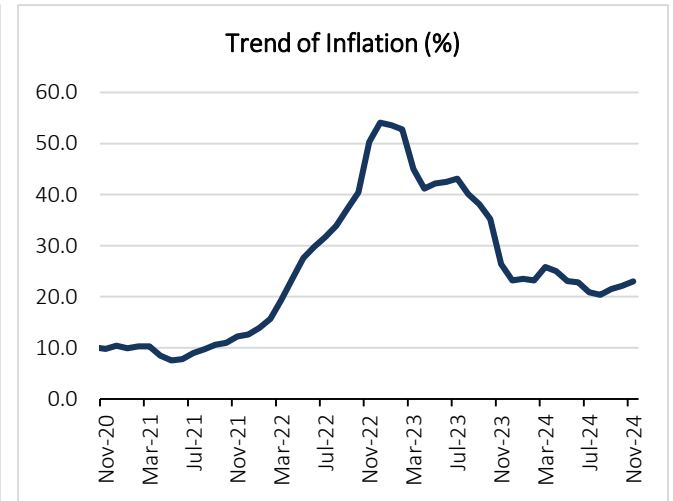
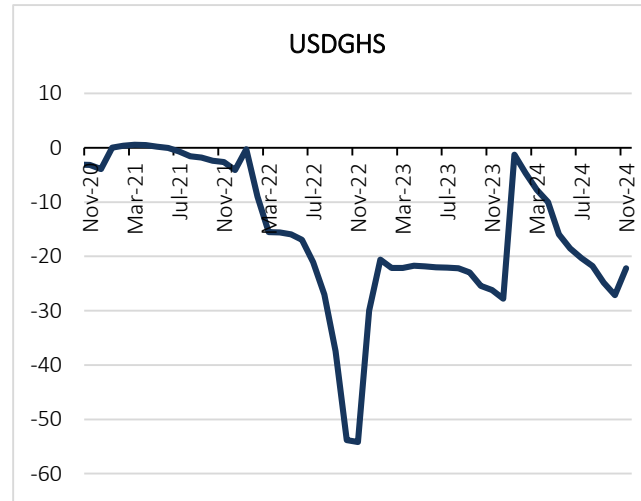
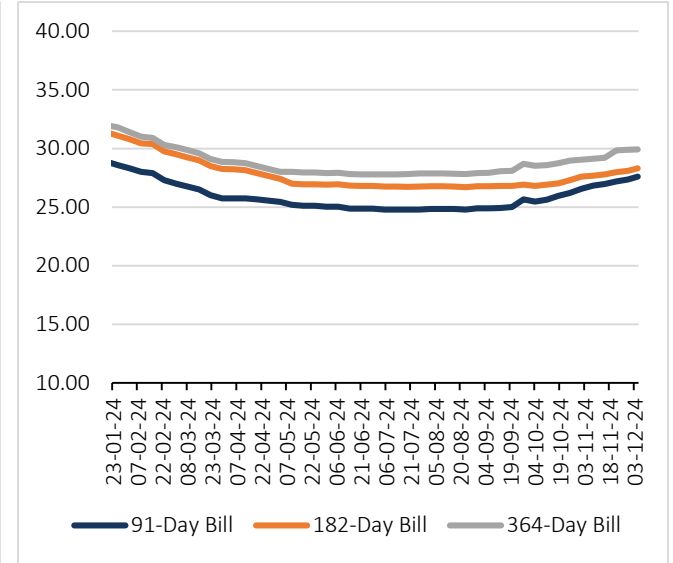
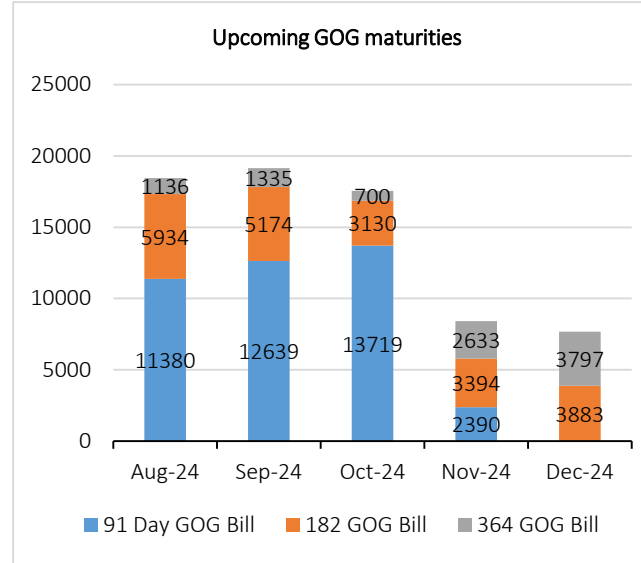
- To provide first-class fund management and investment advisory services in a timely manner through customer service excellence, tailor-made solutions and cutting-edge technology.

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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