

WEEKLY FINANCIAL MARKET RESEARCH REPORT

10th Feb. – 14th Feb. 2025 (Week 7)

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PRIMARY MARKET

Treasury bill interest rates fell by over 100 basis points (bps) for the first time since March 2023. All three tenors experienced yield declines in the recently concluded auction, with bids oversubscribed by 119.38%.

The yield on the 91-day Treasury Bill dropped by 112.6 bps, from 27.98% to 26.86%, while the 182-day Treasury Bill saw a decline of 87.99 bps, from 28.69% to 27.81%. Similarly, the 364-day Treasury Bill yield decreased by 99.61 bps, moving from 30.37% to 29.07%.

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

| Securities | 24-01-25 | 31-01-25 | 7-02-25 | 14-02-25 | Chg. w/w |
|--------------|----------|----------|---------|----------|----------|
| | % | % | % | % | Bps |
| 91 Day Bill | 28.5153 | 28.4129 | 27.9849 | 26.8591 | -112.6 |
| 182 Day Bill | 29.0664 | 28.8984 | 28.6856 | 27.8057 | -87.99 |
| 364 Day Bill | 30.4078 | 30.3703 | 30.3703 | 29.0745 | -99.61 |

Source: The Bank of Ghana

AUCTION RESULTS

The treasury bill market saw oversubscription for the seventh consecutive week, with the government exceeding its auction target of GHS 8.07 billion by 119.38%. Investors submitted GHS 17.70 billion in bids, of which the government accepted GHS 9.43 billion, rejecting the remaining GHS 8.27 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 |
| 8,068.00 | 17,699.41 | 9,434.23 | 1.876 | 2.1938 |

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 | 6,820.71 | 5,226.44 | 55% |
| 182 Day Bill | 4,594.54 | 1,457.36 | 15% |
| 364 Day Bill | 6,284.16 | 2,750.43 | 29% |
| TOTAL | 17,699.41 | 9,434.23 | 100% |

UPCOMING GOG SECURITIES AUCTION

| Upcoming Auction | |
|------------------|----------------------------|
| Auction Target | GHS 7.73 billion |
| Auction Date | February 21, 2025 |
| Settlement Date | February 24, 2025 |
| Securities | 91, 182 and 364 Day T/Bill |

Source: The Bank of Ghana

INTERBANK FOREX RATES

The Cedi weakened against its major trading currencies on the interbank foreign exchange market.

The cedi lost 0.015% week-on-week (w/w) against the US Dollar to close at GH¢15.50/US\$ compared to GH¢15.485/US\$ at the start of the week, recording a year-to-date loss of 5.16%

Additionally, the Cedi declined by 0.33% against the British Pound Sterling and 0.2529% against the Euro, ending the week at GHS 19.55/£ and GHS 16.28/€, with YTD losses of 5.87% and 6.56%, respectively.

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 | 15.4850 | 15.5000 | -0.0150 | -5.16 |
| GBPGHS | 18.4008 | 19.2177 | 19.5479 | -0.3302 | -5.87 |
| EURGHS | 15.2141 | 16.0288 | 16.2817 | -0.2529 | -6.56 |

Source: The Bank of Ghana

STOCK MARKET

The GSE-Composite Index closed the week at 5,351.34 points, delivering a year-to-date (YTD) return of 9.47%. The GSE-Financial Stock Index ended at 2,567.22 points, with a YTD return of 7.83%. The market capitalization of the local bourse stood at GHS 119.88 billion, reflecting a YTD return of 7.04%.

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

| | | Year-To-Date |
|---------------------------|---------------|--------------|
| GSE-Composite Index | 5,351.34 | +9.47% |
| GSE-Financial Stock Index | 2,567.22 | +7.83% |
| Market Cap (GH¢ million) | 119,884.61 | +7.04% |
| Volume Traded | 1,485,784.00 | - |
| Value Traded (GH¢) | 10,654,247.81 | - |

Source: Ghana Stock Exchange

TRADING ACTIVITIES

During last week's trading session, 1.49 million shares were traded on the market, amounting to a total value of GHS 10.65 million. MTNGH was the most actively traded stock, with 744,572 shares exchanged, valued at GHS 2.06 million.

Top Gainers

Top Losers

| Stock | Price | YTD | Stock | Price | YTD |
|--------|-------|--------|-------|-------|--------|
| ETI | 0.47 | 51.61% | RBGH | 0.60 | -9.09% |
| CAL | 0.44 | 25.71% | EGH | 6.25 | -3.85% |
| ACCESS | 6.20 | 19.23% | | | |
| MTNGH | 2.80 | 12.00% | | | |

Source: Ghana Stock Exchange

BUSINESS/ECONOMIC NEWS

IMF sets April 2025 to assess Ghana's progress in meeting key requirements

The International Monetary Fund has indicated that it will formally assess Ghana's progress meeting key commitments in April 2025. This will be in the context of the fourth review of the Extended Credit Facility arrangement. The Fund pointed out this in a statement after a Staff team led by Stéphane Roudet concluded a visit to Ghana to assess the country's macroeconomic performance under the ECF programme.

[Source: myjoyonline](#)

Finance Minister to present 2025 budget to Parliament on March 11

Finance Minister Dr Cassiel Ato Forson is set to present the maiden budget of the Mahama administration to Parliament on Tuesday, March 11, 2025. This follows Parliament's approval of a GH¢68 billion mini-budget in January to cover government expenditures for the year's first quarter. The Presidency has also proposed February 27, 2025, as the date for President John Mahama's first State of the Nation Address under the new administration.

[Source: citinewsroom](#)

Conclusion/Recommendation

Based on the current trend in auction results, we expect the government to exceed its target in the upcoming auction, accompanied by marginal declines in interest rates across all short-term securities. Investors should consider subscribing to the 364-day Treasury Bill, as rates are projected to decline.

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 the Securities and Exchange Commission (SEC) and the National Pensions Regulatory Authority (NPRA) to conduct 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 to help stakeholders experience financial well-being.

Our Mission

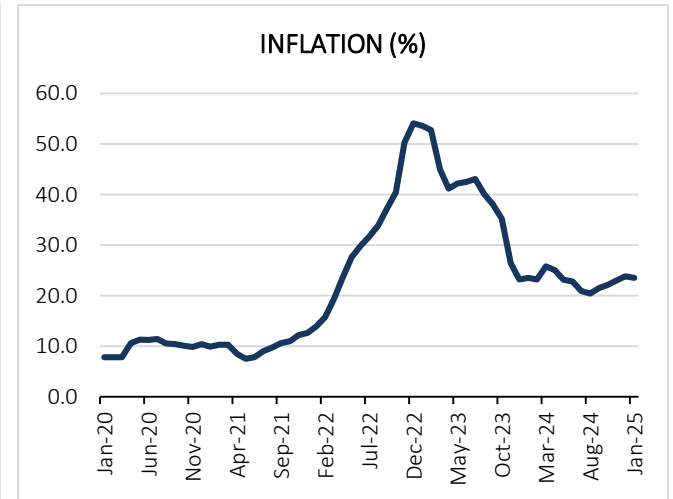
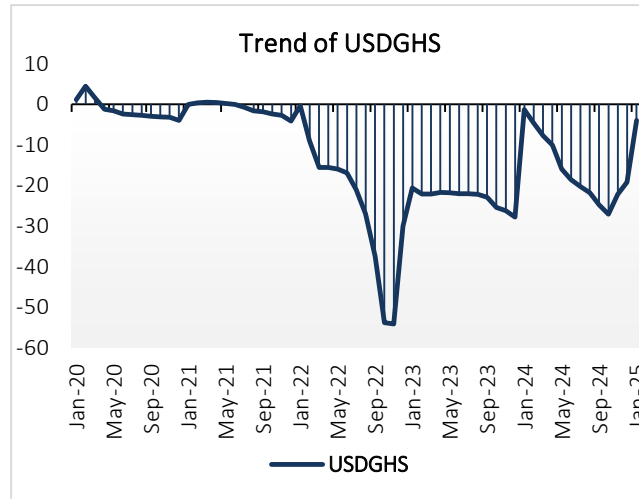
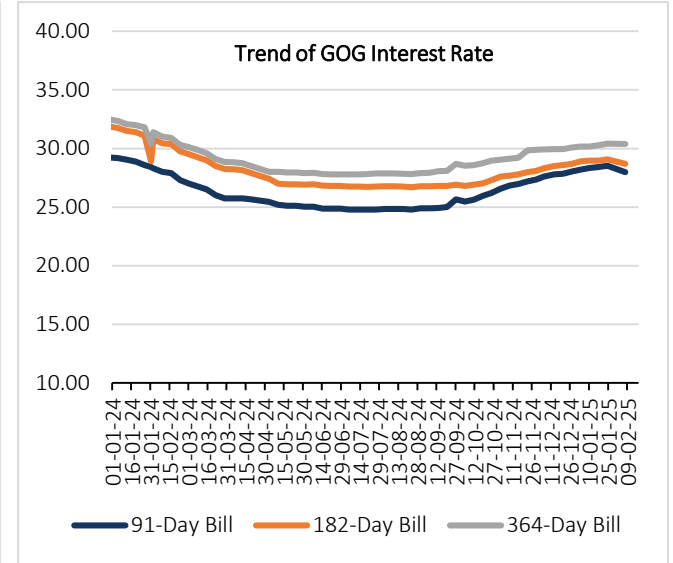
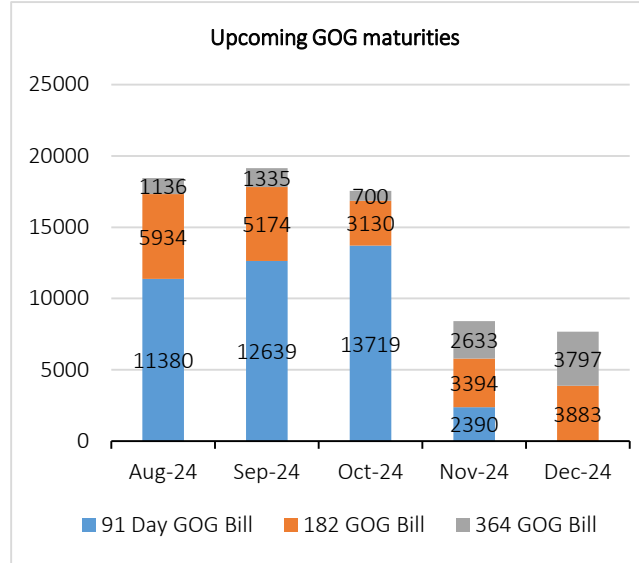
- To promptly provide first-class fund management and investment advisory services through customer service excellence, tailor-made solutions, and cutting-edge technology.

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 (%) | 23.5 | 23.8 | -0.30 |
| Monetary Policy Rate (%) | 27.0 | 27.0 | 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) | 641 | 562 | 79.00 |
| 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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