

Monthly Market Review (April 2023)

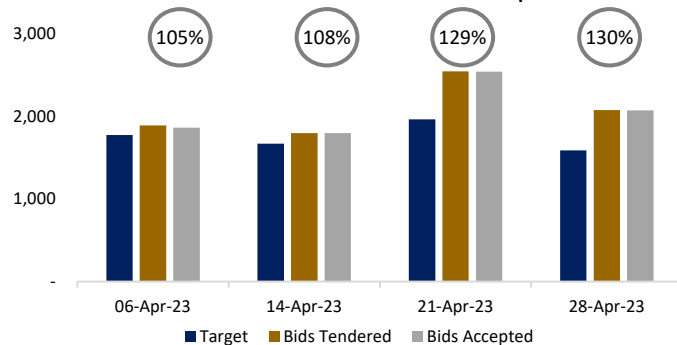
NEWS HEADLINES

- Banking Sector incur losses of over GH¢ 6 billion on the back of about GH¢ 19.5 billion impairments;** Profitability levels in the banking sector declined for 2022 mainly driven by high impairments as a result of their exposure to Government of Ghana Securities. Thus, return on equity averaged -24.8%, compared to 14.6% in 2021. ([BoraResearch](#))
- International Development Association of World Bank provides US\$372m guarantee payment for some Ghana Eurobond holders;** The guarantee on Ghana's US\$1 billion issued back in 2015 was designed to provide extra security under challenging market conditions in case of a default. Ghana defaulted on its coupon payment for the 2030 Eurobond on April 14, 2023, due to the debt moratorium declared on December 19, 2022. ([CitiBusiness](#))
- Ghana's economic growth to slowdown in 2023 – EIU warns;** The Economist Intelligence Unit predicts that Ghana's GDP growth rate will slow drastically to 1.3% in 2023, due to rising prices and monetary tightening leading to a contraction in domestic demand. Thus, resulting in reduced consumption and sustained cedi depreciation. ([EIU](#))

FIXED INCOME MARKET

- Treasury bill auctions in April 2023 were over-subscribed each week;
- Rates on the short-term bills, on a year-to-date basis, declined by 44.06%, 36.82% and 24.09% on the 91-day, 182-day and 364-day bills, respectively.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)

Instrument	28 Apr 23	31 Mar 23	MoM	YTD
91-Day	19.95	19.39	▲ 2.88%	▼ -44.06%
182-Day	22.71	21.86	▲ 3.91%	▼ -36.82%
364-Day	27.26	25.66	▲ 6.23%	▼ -24.09%

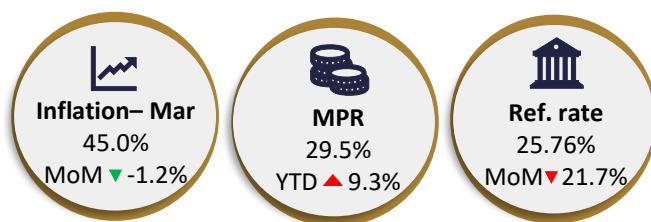
Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	19.00	33.30
Up to 1 Year	21.86	24.77
1-3 Years	26.90	26.90

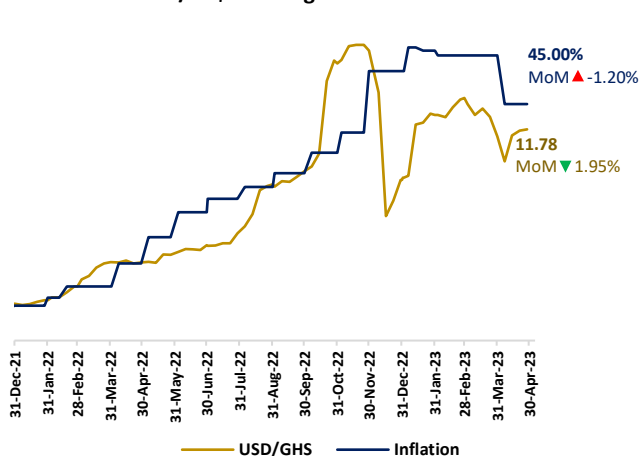
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Year-on-year inflation rate eased for the third month to 45% in March 2023, down from 52.8% in February;
- This is the lowest reading since last October, as a stronger currency was reflected in softer increases in prices of both food (50.8% vs 59.1% in February) and non-food items (40.6% vs 47.9% in February).



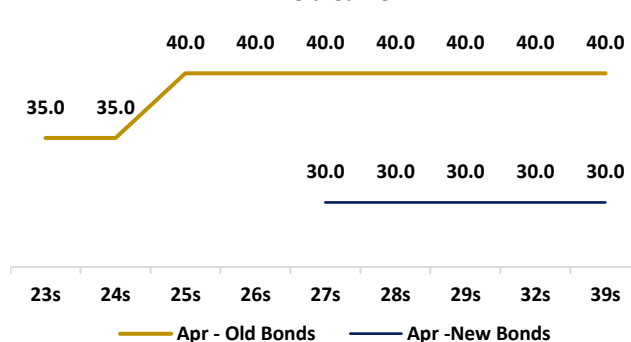
GH¢/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- Yields on the old bonds, having recorded a 17.5 percentage points decrease, to an average of 40% across the curve in March, remained stable over the past month. The yields on the new bonds also remained at an average of 30% over the past month.

Yield Curve



Monthly Market Review (April 2023)

EQUITIES MARKET

- The stock market dipped marginally at the end of the month, with the GSE Composite Index and the Financial Stock Index declining by ▼0.14% and ▼2.68% respectively;
- Trading volumes and values were also lower as compared to the previous month.

Index

GSE-CI	2,741.46	MoM ▼ 0.14%	YTD ▲ 12.18%
GSE-FSI	1,758.28	MoM ▼ 2.68%	YTD ▼ 14.34%
Mkt Cap.	68,278.45	MoM ▲ 0.64%	YTD ▲ 5.82%

Top Gainers




BOPP	GH¢14.11	MoM ▲ 20.9%	YTD ▲ 84.4%
UNIL	GH¢4.80	MoM ▲ 20.0%	YTD ▲ 23.7%
GCB	GH¢ 3.20	MoM ▲ 1.5%	YTD ▼ 18.7%

Top Losers



SIC	GH¢ 0.25	MoM ▼ 19.3%	YTD ▼ 19.3%
FML	GH¢ 1.06	MoM ▼ 17.8%	YTD ▼ 64.6%
EGL	GH¢ 2.70	MoM ▼ 10.0%	YTD ▼ 15.6%

COMMODITIES MARKET

- Brent crude prices ended the month with about a 2% increase after energy firms posted positive earnings and U.S. data showed crude output was declining while fuel demand was growing.

	52-week Low	Current Price	52-week High
	70.12	79.27	125.28
	1,615.05	1,986.95	2,048.27
	1,949.88	2,203.00	2,629.90

UPCOMING EVENTS

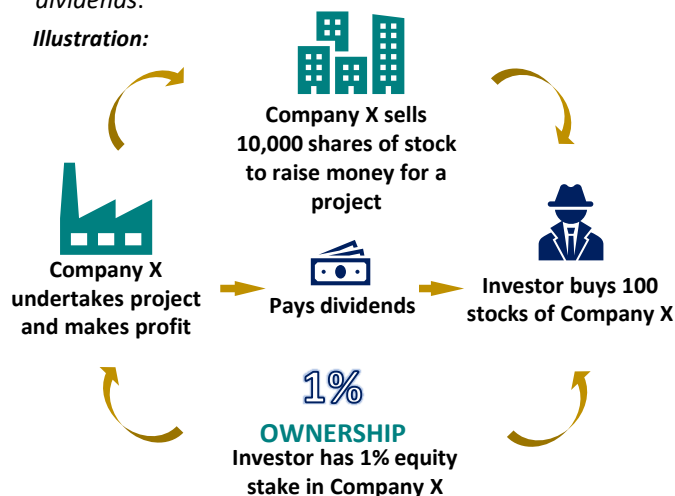
-  MPC Press Release | 22nd May
-  Conclusion of negotiations with IMF | June 2023

* MoM – month on month YTD – year-to-date


OUR TAKE – “THE EQUITY SPACE”


- Equities, also known as stocks or shares, represent *ownership* stakes in a company. Stocks are issued by companies when they decide to raise capital by selling ownership in the company to investors.
- In exchange for buying these shares, investors become partial owners of the company and are entitled to a number of rights, key amongst which is a proportional share in the company's distributed profits, known as *dividends*.


Illustration:





Before you buy those shares;

 **Review Company financials** to gain insights into the company's revenue, profitability, debt levels, etc.

 **Assess the broader industry trends** for potential growth, competition, and any regulatory changes that may impact the industry.

 **Check Company leadership** to ascertain whether the management has the expertise and track record to drive growth and navigate challenges.

 **Value the business** by comparing the company's current stock price to its earnings, revenue, and other key metrics to determine if it is overvalued or undervalued.

 **Know your risk tolerance.** Stocks can be volatile. Be prepared for potential stock price fluctuations.

Some Risks associated with investing in equities:

Company-specific risk: Factors such as competition, management, financial health, and legal issues can all impact a company's performance and, in turn, its stock price.

Liquidity risk: Stocks that are not actively traded may be difficult to sell quickly.