

## Monthly Market Review (August 2022)

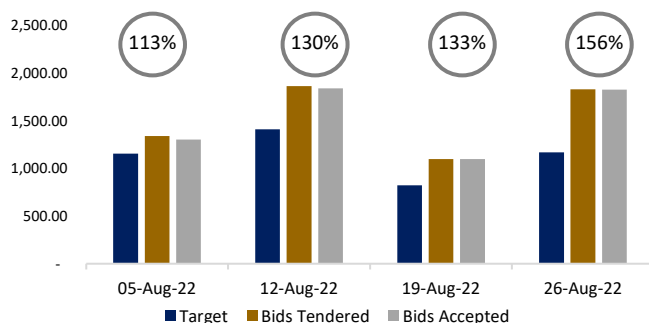
### NEWS HEADLINES

- Growing Inflationary Concerns To Prompt More Rate Hikes In Ghana – Fitch Solutions;** The ratings firm expects that the Bank of Ghana (BoG) will continue its hiking cycle, raising the monetary policy rate to 24.0% by year-end. Fitch also expects inflation to peak in the last quarter of the year, driven by the free fall of the cedi. Thus, incentivizing the BoG to remain hawkish over the coming months. ([Fitch](#))
- Short to medium-term yields on secondary market up by 100% over a one (1) year period;** The bond market has realized significant rises in yields over the past few months, with yields on short (15.9% to 33.9%) to medium-term (18.2% to 36.5%) instruments recording significant increases. Instruments with longer term maturities have yields currently trading at 90% above levels seen a year ago. ([Bora Research](#))
- ACCESS Bank's share price reaches one(1) year high after receding to historical lows earlier this year;** Shares of the bank slipped to a record low of GH¢1.90 in February but ended August at GH¢3.63 per share, making it the highest price gainer on the local bourse for the month. ([GSE](#))

### FIXED INCOME MARKET

- Short-term instruments edged higher in August, maintaining their upward trend observed in recent months, as subscription rates increased significantly.

GoG Securities Auction Results with %subscription



#### Government of Ghana Treasury Bill Rates

Instrument	26 Aug 22	29 Jul 22	MoM	YTD
91-Day	28.61	26.71	▲ 7.11%	▲128.45%
182-Day	29.94	28.26	▲ 5.97%	▲126.63%
364-Day	29.52	-	-	▲77.38%

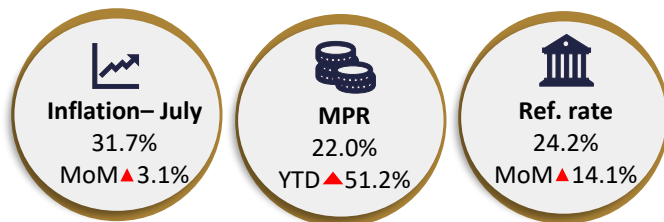
#### Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	27.00	34.30
Up to 1 Year	30.00	34.75
1-3 Years	29.85	38.00
Over 3 Years	32.50	33.30

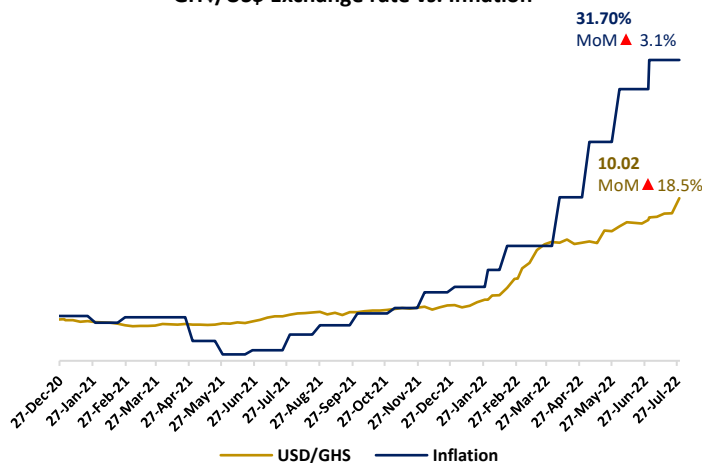
\* MoM – month on month YTD – year-to-date

### KEY MACROECONOMIC INDICATORS

- Inflation rose to 31.7% in July from 29.8% in June 2022; Transportation (rising by 41.6%) largely contributed to the jump in inflation for July. The month-on-month inflation increased by 3.1%, compared to 3.0% between May and June this year;
- The Monetary Policy Committee in an emergency meeting, increased the MPR by 300bps to 22.0%.



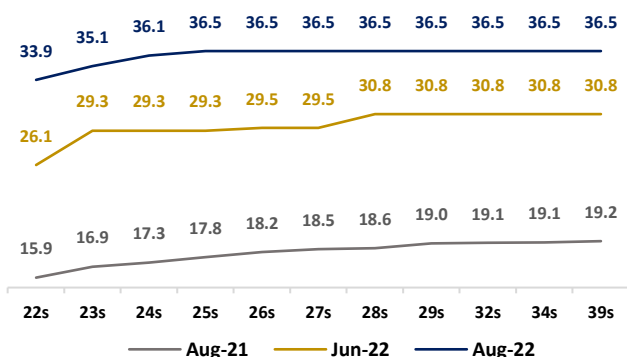
GH¢/US\$ Exchange rate vs. Inflation



### TREASURY YIELD CURVE

- Yields on the secondary market widened by about 6% compared to the end of the previous month across the curve. On a year-on-year basis, yields have increased by an absolute percentage of about 18%.

Trend of Yield Curve



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### EQUITIES MARKET

- The stock market continued its bearish run, with the GSE Composite Index closing the month down by ▼0.39%. The GSE Financial index also trimmed ▼1.12% in August;
- Trading values and volumes were however high as compared to the previous month.

#### Index

GSE-CI	2,508.99	MoM▼0.39%	YTD▼10.05%
GSE-FI	2,079.94	MoM▼1.12%	YTD▼3.34%
Mkt Cap.	64,445.45	MoM▲0.10%	YTD▼0.08%

#### Top Gainers




ACCESS	GH¢ 3.63	MoM▲42.4%	YTD▲15.2%
BOPP	GH¢ 6.34	MoM▲5.7%	YTD▼4.7%
SOGEH	GH¢ 1.09	MoM▲2.8%	YTD▼9.2%

#### Top Losers

GCB	GH¢ 4.05	MoM▼19.0%	YTD▼22.7%
UNIL	GH¢ 5.31	MoM▼9.9%	YTD▼9.9%
ETI	GH¢ 0.15	MoM▼6.3%	YTD▲7.1%

### COMMODITIES MARKET

- Brent crude oil has fallen by about 20% in the past three months as major central banks aggressively raised interest rates to combat surging inflation, and signaled they would tighten further even at the risk of recession.

	52-week Low	Current Price	52-week High
	65.72	96.49	139.13
	1,681.25	1,710.96	2,070.13
	1,498.00	1,800.00	1,919.00

### UPCOMING EVENTS

**Launch of BORA Unit Trusts  
(September 2022)**



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

### OUR TAKE – “BORA’S UNIT TRUSTS”



- The Securities and Exchange Commission (SEC) per its guideline of July 16, 2021, directed Fund Managers to invest clients' funds below GH¢100,000 in a Collective Investment Scheme (CIS);

- Bora will transition the funds of clients who fall under this category into a Unit Trust as detailed below.

#### Thursday, 15<sup>th</sup> September:



- Bora to launch an Initial Public Offer (IPO)

#### Friday, 30<sup>th</sup> September:



- Move client funds into Bora Unit Trust accounts:
  - ✓ Funds that have matured by this date;
  - ✓ Funds that are not matured but will not incur losses upon transfer.

#### After 30<sup>th</sup> September:



- Funds that will incur losses prior 30<sup>th</sup> September transfer will be transferred upon maturity;
- Any withdrawals will be a proportion of units matching withdrawal amount rather than, e.g., interest accrued;
- Investment Statements may have CIS portion and other investments not yet matured or transferred into CIS.

#### Some Advantages of Investing In the Bora Unit Trust:

- Low expense ratio** – Bora’s Unit trusts maintain a low expense ratio which is paramount to ensure that the investor gains the most out of her/his investment.
- No front load charges** – Investors in Bora’s Unit Trusts would not attract any front load charges upon purchase of units.
- Transparency and Reporting** – Bora is committed to sending clients monthly statements. Reports from the Trustee of the fund will also be posted on the Bora website on a monthly basis for clients review. The Bora team is also available to provide any further clarification or reports that the client may need outside of the regular statement updates.

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