

Monthly Market Review (February 2023)

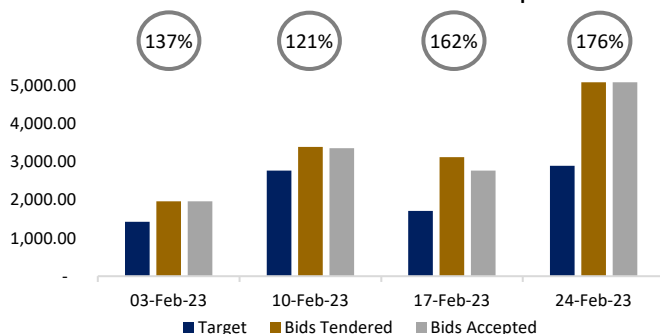
NEWS HEADLINES

- **MTN Ghana (MTNGH) records GH¢2.85 billion net income, proposes final dividend of GH¢0.124 per share;** The leading mobile service provider, MTNGH, recorded a 42.7% year-on-year growth in profit in 2022 to GH¢2.85 billion. It added 3.3 million subscribers to its subscriber base and invested GH¢2.1 billion in total capital expenditure to support the modernisation of infrastructure, improve IT systems and expand network capacity and coverage across the nation. ([AnnualReports](#))
- **Ghana Stock Exchange (GSE) to introduce two new markets;** The GSE is set to introduce the Commercial Paper Market and Private Equity Market in the months ahead. This amongst others, is to provide companies with an alternative to raise short-term funds to meet their financing needs, and also create liquidity for private equity investors seeking to exit. ([JoyOnline](#))
- **New bonds under Domestic Debt Exchange to become new benchmark for the Fixed Income Market;** According to the Ministry of Finance, it will work with stakeholders to ensure that the new bonds become the basis for deepening the domestic sovereign bond market. ([MoF](#))

FIXED INCOME MARKET

- Treasury bill auctions in February 2023 were over-subscribed each week;
- Rates on the short-term bills, year-to-date, declined by 0.31%, 1.08% and 4.74% on the 91-day, 182-day and 364-day bills respectively.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)

Instrument	24 Feb 23	27 Jan 23	MoM	YTD
91-Day	35.55	35.71	▼-0.46%	▼-0.31%
182-Day	35.56	35.76	▼-0.55%	▼-1.08%
364-Day	34.21	35.81	▼-4.47%	▼-4.74%

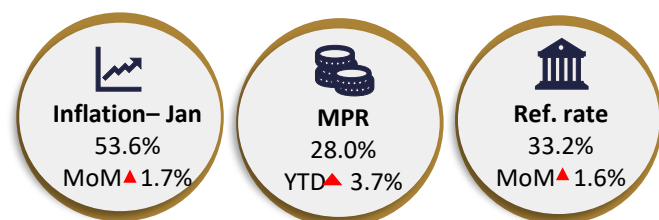
Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	35.00	36.00
Up to 1 Year	31.70	35.72

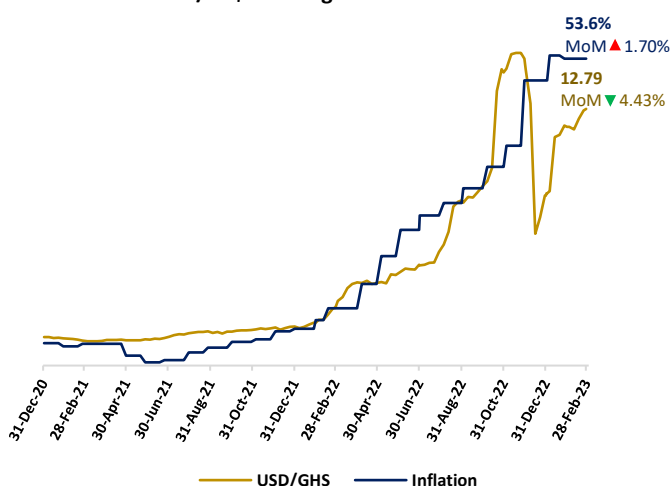
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Year-on-year inflation declined marginally from a two-decade high of 54.1% in December to 53.6% in January, helped largely by a strengthening cedi. On a monthly basis, inflation rose by 1.7%, the least in over a year, following a 3.8% surge in the prior month;
- The Monetary Policy rate remained at 28.0%.



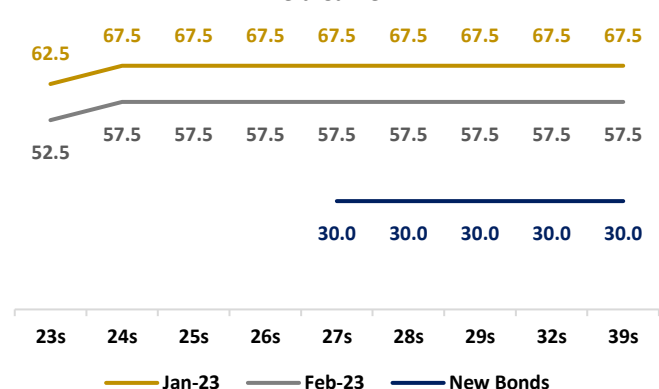
GH¢/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- New bonds under the DDE program started trading after settlement on February 21. Trends from the market has shown the new bonds trading at the long end, especially. The old bonds have however realised about 10 percentage points decrease since the end of the previous month across the yield curve.

Yield Curve



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EQUITIES MARKET

- The stock market made some recovery at the end of the month, with the GSE Composite Index closing the month up by ▲ 2.29%. On the other hand, the Financial Stocks Index declined by ▼ 4.39%;
- Trading volumes and values were higher as compared to the previous month.

Index

GSE-CI	2,408.03	MoM▲2.29%	YTD▼1.47%
GSE-FSI	1,946.57	MoM▼4.39%	YTD▼5.17%
Mkt Cap.	64,235.77	MoM▲0.83%	YTD▼0.45%

Top Gainers




UNIL	GH¢ 2.99	MoM ▲ 19.6%	YTD▼22.9%
TOTAL	GH¢ 4.57	MoM ▲ 12.6%	YTD▲14.3%
MTNGH	GH¢ 0.92	MoM ▲ 12.2%	YTD▲4.6%

Top Losers




GGBL	GH¢ 1.37	MoM ▼ 33.2%	YTD▼33.2%
GCB	GH¢ 3.15	MoM ▼ 29.2%	YTD▼20.5%
FML	GH¢ 2.07	MoM ▼ 17.2%	YTD▼31.0%

COMMODITIES MARKET

- Brent crude prices rose this month, underpinned by optimism that China's economic recovery will spur demand. Investors expect China's oil imports to hit a record high in 2023 amid rising demand for transportation fuel and as new refineries come online.

	52-week Low	Current Price	52-week High
	75.11	82.85	139.13
	1,615.05	1,808.81	2,070.13
	1,949.88	2,094.00	2,629.90

UPCOMING EVENTS

-  State of Nation Address (SONA) | 8th March 2023
-  Resumption of coupons and principals payment of old bonds | 13th March 2023
-  Conclusion of negotiations with IMF | March 2023

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

PORTFOLIO DIVERSIFICATION – CONCEPT & IMPORTANCE

- An investment strategy is not complete without a risk management plan which is very crucial whether you are investing in a stable, declining or a recovering market environment.
- A risk management strategy should factor in at least emergencies that may come up while your funds are still invested and the levels of losses that are acceptable. One such strategy to adopt is the concept of **DIVERSIFICATION**.
- To diversify is to apportion your investments in a manner that ensures that assets in your portfolio would all not be negatively impacted by similar economic trends as illustrated by the diagram below:



A typical diversified portfolio:

