

Monthly Market Review (February 2024)

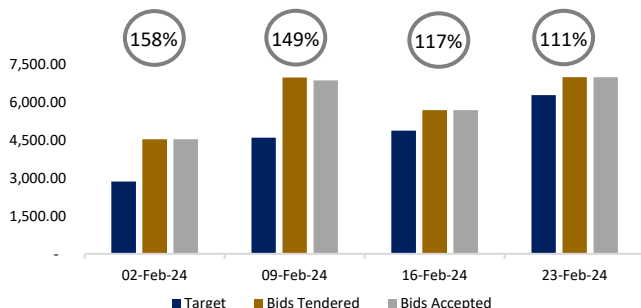
NEWS HEADLINES

- Ghanaian Banks' Profits Help Capital Recovery After Sovereign Default - Fitch;** Ghanaian banks' heightened profitability in 2023 driven by exceptionally high yields on treasury bills is helping a recovery in capitalisation from the large losses due to the domestic debt exchange programme. With dividend payouts likely to be limited, the strong earnings should support a significant improvement in capital at end-2023. ([Fitch](#))
- MTN Ghana records GH¢3.98bn profit in 2023;** According to its audited 2023 Financial Report, the telecom giant made a profit of GH¢3.98 billion in 2023, 39.4% higher than 2022. Service revenue grew by 34.6% driven by voice, data, and Mobile Money (MoMo). MoMo revenue increased by 48.8% to GH¢2.9 billion. MTNGH has declared a final dividend of GH¢0.175 per share for 2023. ([GSE](#))
- Short term bills maintain a downward trend since beginning of the year;** Yields of Treasury bills (T-bills) have maintained a declining trend, marking the eight consecutive week of decline as at the end of February. Yields are however high despite decreasing from their peak. ([BoraResearch](#))

FIXED INCOME MARKET

- The treasury bill rates maintained a downward trajectory over the month under review, subscribed at 129.30%.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)

Instrument	23 Feb 24	26 Jan 24	MoM	YTD
91-Day	27.28	28.59	▼-4.58%	▼-23.49%
182-Day	29.75	31.10	▼-4.34%	▼-17.24%
364-Day	30.30	31.80	▼-4.71%	▼-15.64%

Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
0 - 91 days	26.21	30.00
92 - 182 days	29.74	31.00
Up to 1 Year	30.29	30.29

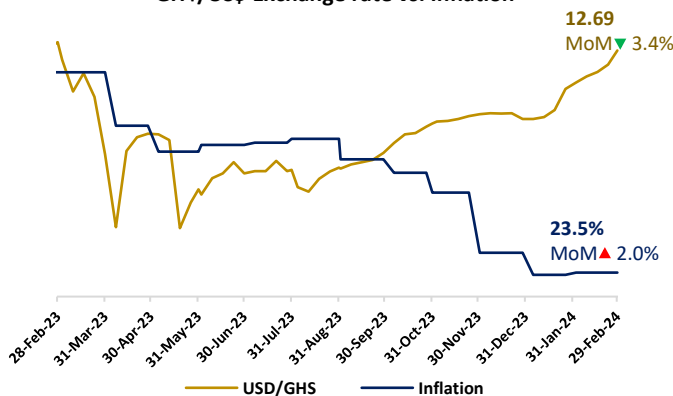
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Annual inflation rate edged up marginally to 23.5% in January 2024, from 23.2% in the prior month. This comes after five consecutive months of decreases. Non-food price growth accelerated to 20.5% in January compared with December's 18.7%, while food inflation eased to 27.1% from 28.7% in December;
- The Monetary Policy Committee reduced the monetary policy rate by 100 bps to 29.0%.



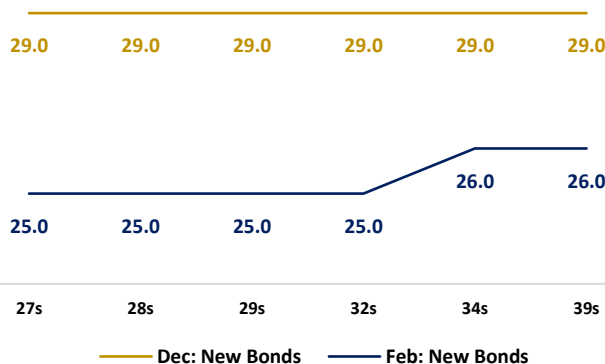
GH¢/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- The yields on the new bonds remained flat over the past month with the long end of the curve maintaining an average rate of 26.0% and the short to medium end remaining at an average of 25.0%

Yield Curve



Monthly Market Review (February 2024)

EQUITIES MARKET

- The stock market was bullish within the month with the GSE Composite Index gaining ▲1.75% and the Financial Stock Index gaining ▲4.38% on a monthly basis;
- Trading volumes and values were however lower as compared to the previous month.

Index

GSE-CI	3,227.85	MoM ▲ 1.7%	YTD ▲ 3.1%
GSE-FSI	1,901.57	MoM ▲ 4.3%	YTD ▲ 4.8%
Mkt Cap.	75,070.11	MoM ▲ 0.8%	YTD ▲ 1.5%

Top Gainers




UNIL	GH¢10.76	MoM ▲ 20.9%	YTD ▲ 32.6%
EGH	GH¢6.05	MoM ▲ 10.0%	YTD ▲ 10.0%
SCB	GH¢19.25	MoM ▲ 9.8%	YTD ▲ 9.6%

Top Losers


DASPHARMA	GH¢0.38	MoM ▼ 5.0%	YTD ▼ 5.0%
BOPP	GH¢21.53	MoM ▼ 0.1%	YTD ▼ 2.1%

COMMODITIES MARKET

- Brent Crude Oil prices gained about 3.9% in February as European diesel demand, constrained by Russian sanctions and shipping disruptions, pulled prices higher in a market jittery with U.S. refinery output limited by planned overhauls.

	52-week Low	Current Price	52-week High
	70.12	83.55	97.69
	1,809.53	2,030.50	2,111.40
	2,467.20	6,907.49	7,392.79

UPCOMING EVENTS

 MPC Press Release | 25th March, 2024

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

THE CASE FOR EXCHANGE TRADED FUNDS (ETFs)

- Exchange-traded funds (ETFs) are a type of investment offering investors easy access to a wide range of markets and assets. They allow investors to buy funds in the same way that you would buy shares in individual companies;
- The basic idea is that an investment firm buys a pool of assets, then issues shares in that pool allowing people to buy and sell them;
- They are popular with those looking to build a low-cost, diversified portfolio.





ETF Share

An ETF share represents a single point of entry to a whole selection of financial markets

Wide Selection of Financial Markets and Assets

S&P 500
10-Yr US Treasury
FTSE 100
GBP/USD
Real Estate
Healthcare
Rates
Gold
Oil
Banking Sector
AI and robotics
etc

Funds are structured to track:

 **Equities**
 **Bonds**
 **Indicies**
 **Commodities**
 **Currencies**
 **Industries, etc**

Are ETFs Costly to Acquire?

ETFs are generally a cheap, cost-effective way to invest. Their expenses vary depending on several factors;

- Expense Ratio:** Like collective investment schemes, ETFs charge an expense ratio, which represents the annual fee as a percentage of the fund's assets.
- Trading Costs:** Investors may still incur trading costs when buying and selling ETF shares.
- Premiums and Discounts:** The market price of an ETF's shares may not always perfectly reflect the value of its underlying assets (known as the net asset value or NAV). This can result in premiums or discounts to NAV, which can affect the cost-effectiveness of investing in ETFs.

Do ETFs pay dividends?

Many ETFs hold dividend-paying stocks or bonds within their portfolios, and as a result, they pass on the income earned from those investments to their shareholders as dividends on a regular basis.