

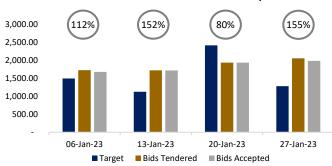
### Monthly Market Review (January 2023)

#### **NEWS HEADLINES**

- Government extends deadline for participation in Domestic Debt Exchange to 7<sup>th</sup> February, 2023, announcing further update to its terms; Amongst others, the release offered individual bondholders below the age of 59 years instruments with a maximum maturity of 5 years, instead of the earlier 15 years, and a 10% coupon rate. (Mofep)
- Ghana's debt-to-GDP ratio at 93.5% as external debt component shoots to 62.1% of GDP; Ghana's total public debt stock went up by GH¢ 108.3bn between September and November 2022, to hit GH¢575.7bn, due to sharp depreciation of the local currency. (BoG)
- Gross Reserves: Ghana's imports cover declines from 4.4 months in January 2022 to 2.7 months in December 2022; The country's stock of International Reserves declined from US\$9.77bn at the beginning of the year to US\$6.24bn as at December 2022. This was despite the US\$1.7bn trade surplus recorded in August 2022. (BoG)

#### FIXED INCOME MARKET

- Treasury bill auctions in January 2023 were mostly oversubscribed;
- Rates on the 91-day bill closed the month with a year-todate gain of 0.15% whiles the 182-day and 364-day instruments closed the month with a year-to-date decline of 0.53% and 0.28% respectively.



GoG Securities Auction	Results with	%subscription
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#### Government of Ghana Treasury Bill Rates (%) 27 Jan 23 30 Dec 22 Instrument MoM YTD 91-Day 35.71 35.36 **A** 0.99% **a** 0.15% 35.76 35.98 **V**-0.62% **V**-0.53% 182-Day 364-Day 35.81 35.89 **V**-0.22% **V**-0.28%

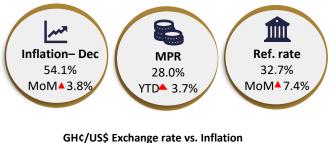
Bora Purchase Rates for Clients				
Instruments	Min. Yield (%)	Max. Yield (%)		
Under 182 Days	30.00	37.50		
Up to 1 Year	30.00	33.00		
1-3 Years	32.00	42.00		
Over 3 Years	33.00	33.00		

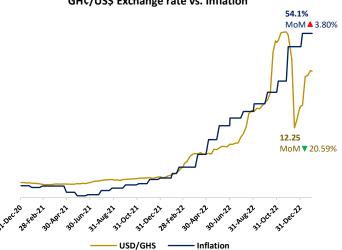
#### \* MoM – month on month YTD – year-to-date

No.3 Dano Court, D29 Boundary Road, East Legon, Accra, GD-231-1920 P.O. Box CT 10524, Cantonments, Accra, Ghana Email: research@boradvisors.com Tel: 0507712343 / 0245382300 Website: www.boradvisors.com

#### **KEY MACROECONOMIC INDICATORS**

- Inflation surged to 54.1% in December 2022 from 50.3% in November 2022. The hike was driven by prices of transportation (71.4% in December vs 63.1% in November), utilities (82.3% in December vs 79.1% in November) and food products (59.7% in December vs 47.9% in November);
- The Monetary Policy Committee raised the policy rate by 1.0% to 28.0%.





#### TREASURY YIELD CURVE

• Volume trades on the secondary market dropped significantly in the month of January. This has been the trend since the announcement of the domestic debt exchange.

#### **Yield Curve**

62.5	67.5	67.5	67.5	67.5	67.5	67.5	67.5	67.5	67.5
57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5
39.8	41.5	41.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5
23s	24s	25s	26s	27s	28s	29s	32s	34s	39s
—— Nov-22 —— Dec-22 —— Jan-23									

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## Monthly Market Review (January 2023)

#### **EQUITIES MARKET**

- The stock market declined at the end of the January, with the GSE Composite Index and the Financial index closing the month down by ▼3.68% and by ▼0.81% respectively;
- Trading volumes and values were lower as compared to the previous month.

#### Index

GSE-CI	2,354.02	MoM <b>▼</b> 3.68%	YTD <b>▼</b> 3.68%
GSE-FI	2,036.05	MoM▼0.81%	YTD▼0.81%
Mkt Cap.	63,706.71	MoM▼1.24%	YTD▼1.27%

#### **Top Gainers**

ворр	GH¢ 8.80	MoM 🔺 15.0%	YTD 15.0%
TOTAL	GH¢ 4.06	MoM 🔺 1.5%	YTD▲1.5%
Top Losers			
UNIL	GH¢ 2.50	MoM▼35.8%	YTD▼35.8%
FML	GH¢ 2.50	MoM▼16.7%	YTD▼16.7%
CAI	GH¢ 0.56	MoM <b>7</b> 13 9%	YTD <b>y</b> 13.9%

#### **COMMODITIES MARKET**

• Brent crude oil prices closed the month steady after recovering from a near three-week low. Crude prices drew support from a weakening dollar and data showing a rise in demand for U.S. crude and petroleum products in November.



#### **UPCOMING EVENTS**

Expiration Date for participating in Domestic Debt Exchange | 7<sup>th</sup> Feb. 2023 No.3 Dano Court, D29 Boundary Road, East Legon, Accra, GD-231-1920 P.O. Box CT 10524, Cantonments, Accra, Ghana Email: research@boradvisors.com Tel: 0507712343 / 0245382300 Website: www.boradvisors.com

#### DOMESTIC DEBT EXCHNAGE (DDE) SO FAR

- New Deadline for participation: 7th February, 2023
- New Memorandum to be released: 2<sup>nd</sup> February, 2023
- The Government of Ghana has announced variations in the DDE made with stakeholders, including financial sector industry associations and representative groups of individual bondholders. Amongst these are:



# Bankers, Insurers & Securities Industry

- Exchange Eligible bonds for 12 New Bonds;
- 5% coupon payment in 2023;
- A single coupon rate for each of the 12 new bonds resulting in an effective coupon rate of 9%;
- Clarity to be provided on the operational framework and terms of access to the Ghana Financial Stability Fund;
- Any improved terms agreed with individual bondholders, in future will be extended to Collective Investment Schemes (CIS).

Retirees (including those retiring in 2023)

- Will be offered instruments with a maximum maturity of 5 years, instead of 15 years;
- Coupon rate of 15%



- Will be offered instruments with a maximum maturity of 5 years, instead of 15 years;
- A 10% coupon rate.

Organized Labour and Pension Fund Trustees

 Discussions are underway on a separate arrangement in accordance with the Memorandum of Understanding signed with Organized Labour on 22<sup>nd</sup> December 2022, and in line with Government's debt management programme.

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

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