

## Monthly Market Review (June 2022)

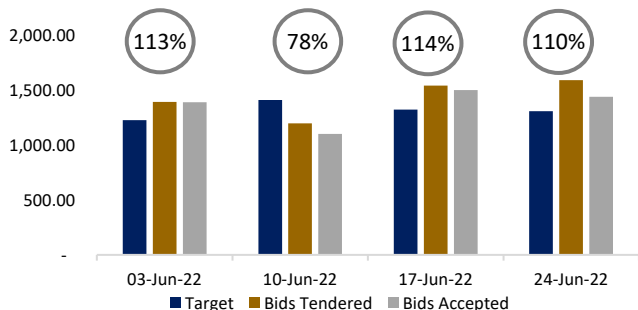
### NEWS HEADLINES

- **Ghana heads to the IMF;** According to the Ministry of Information, “This engagement seeks to provide balance of payment support to the domestic economy as part of a broader effort to quicken Ghana’s build back in the face of challenges induced by the Covid-19 pandemic, and recently, the Russia-Ukraine war”. ([MOI](#))
- **Yields on the secondary market up by about 9% during the first half of the year;** Returns on Government’s bonds on the secondary market have increased, especially during the second quarter of the year. The yields realized about 0.4% increase as at the end of March, and a further 8.6% increase between March and June. ([BoraResearch](#))
- **Value of fraud cases surge by 144% in 2021, despite 12% reduction in the number of attempted cases;** The Bank of Ghana has revealed that the number of attempted fraud cases in the banking industry reduced to 2,347 in 2021. The value of these cases however increased significantly to a total of GH¢ 65mn. ([BoG](#))

### FIXED INCOME MARKET

- Short-term instruments continued to edge higher in June, maintaining their upward trend observed in recent months.
- The Bank of Ghana began to achieve its targets as subscription rates for the instruments increased significantly, after two (2) months of consistent undersubscription.

GoG Securities Auction Results with %subscription



#### Government of Ghana Treasury Bill Rates

Instrument	24 Jun 22	27 May 22	MoM	YTD
91-Day	25.64	19.94	▲28.58%	▲104.69%
182-Day	26.40	22.95	▲15.04%	▲99.83%
364-Day	27.43	24.46	▲12.11%	▲64.79%

#### Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	18.00	26.40
Up to 1 Year	20.50	27.50
1-3 Years	17.50	29.10
Over 3 Years	18.25	30.10

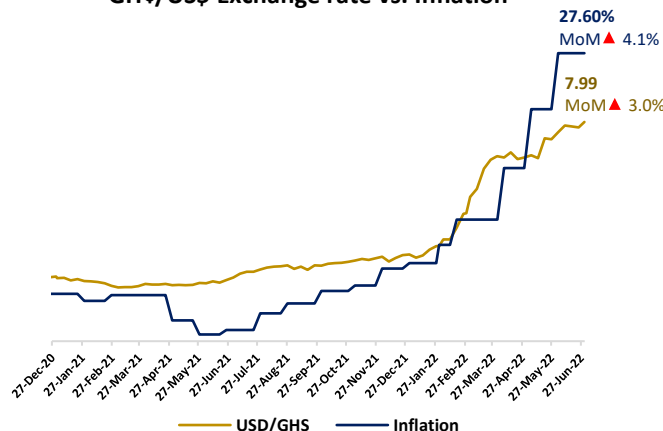
\* MoM – month on month YTD – year-to-date

### KEY MACROECONOMIC INDICATORS

- Inflation climbed to 27.6% in May from 23.6% in April 2022; Transport, was the highest contributor recording an inflation rate of 39.0% whereas Insurance and Financial Services recorded the least rate of 3.1%;
- However, the Month-on-month inflation between April 2022 and May 2022 stood at 4.1%, representing a 1.0% point decline from 5.1% in April.



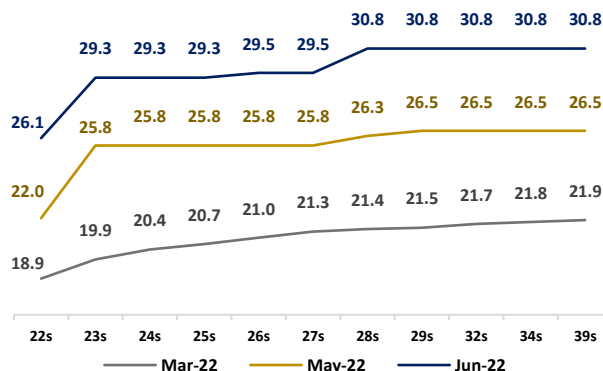
### GH¢/US\$ Exchange rate vs. Inflation



### TREASURY YIELD CURVE

- Yields on the secondary market remained elevated across the curve, compared to the end of the previous month. Yields at the shorter end of the curve ranged between 26.1% and 29.5% as compared to 22.0% and 25.8% in May.

#### 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 ▼0.38%. The GSE Financial index also trimmed ▼0.71% in June;
- Trading values and volumes were lower as compared to the previous month, with MTNGH recording the largest volumes traded.

#### Index

GSE-CI	2,545.48	MoM▼0.38%	YTD▼8.74%
GSE-FI	2,176.97	MoM▼0.71%	YTD▲1.17%
Mkt Cap.	64,841.21	MoM▲4.12%	YTD▲0.54%

#### Top Gainers




SIC	GH¢ 0.31	MoM▲10.7%	YTD▲287.5%
TBL	GH¢ 0.44	MoM▲10.0%	YTD▲29.4%
ACCESS	GH¢ 2.51	MoM▲9.6%	YTD▼20.3%

#### Top Losers

CAL	GH¢ 0.80	MoM▼8.1%	YTD▼8.1%
ETI	GH¢ 0.17	MoM▼5.6%	YTD▲21.4%
GCB	GH¢ 5.00	MoM▼1.2%	YTD▲4.6%

### COMMODITIES MARKET

- Brent crude prices remained volatile during the period but ended the month down by 5%, the first monthly decline since November last year - weighed down by fears of a global economic slowdown.

	52-week Low	Current Price	52-week High
	64.60	110.17	139.13
	1,710.39	1,811.74	2,070.13
	1,498.00	1,706.00	1,919.00

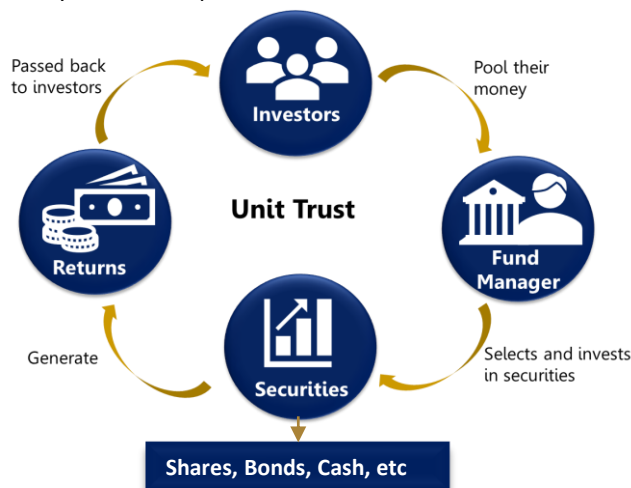
### UPCOMING EVENTS

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



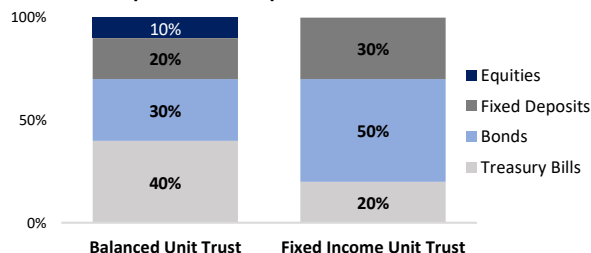
### OUR TAKE – “WHAT TO KNOW ABOUT UNIT TRUSTS”

- A Unit Trust is a form of collective investment scheme that allows investors with similar investment objectives to pool their funds together;
- These funds are invested by professional fund managers in a portfolio of securities according to the fund's objectives and investment strategy;
- Unit trusts may be invested predominantly in Equities or Fixed Income, it can be Balanced (portion of its funds in equities and a portion in fixed income instruments), Money market or specialized.



- Unit trust investments come with various advantages;
  - ✓ It maintains a high level of liquidity,
  - ✓ It is an affordable way to invest as it doesn't require a relatively large amount to start,
  - ✓ It is actively managed by a team of professionals who readily provide information and analysis,
  - ✓ Your funds are immediately diversified into a large base of investments;
  - ✓ an independent trustee keeps custody of the scheme assets, hence providing additional oversight and a safety net for investors.

#### An Example of the Composition of Unit Trusts



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