

Monthly Market Review (November 2023)

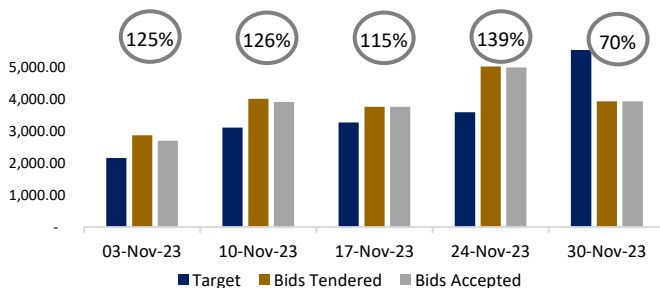
NEWS HEADLINES

- **Treasury Bills (T-bills) undersubscribed by GH¢1.7bn as Government misses GH¢5.6bn target;** The T-Bills were undersubscribed by 30%, the highest within the year, resulting in a total amount raised of GH¢3.9bn. The government's inability to meet its target may have implications for its budgetary planning and financing needs as the 2024 budget suggests that 99.3% of the total financing for 2024 is expected to be sourced from the issuances of T-bills. ([BoraResearch](#))
- **Share price of Ghana Oil Company (GOIL) trading at a five (5) year low of GH¢1.45;** The share price of the petroleum marketing and distribution company, began the year at GH¢1.72 and has since lost 15.7% in terms of year-to-date performance. GOIL posted a revenue of GH¢15.79mn as at September 2023, representing an 82.04% year-on-year increase. The stock is currently trading at a price-to-book ratio of 0.74. ([BoraResearch](#))
- **Ghana to spend 32% of domestic revenue on debt service next year;** According to the Institute of Statistical, Social and Economic Research (ISSER) every 32 pesewas of GH¢1 of domestic revenue generated in 2024 will be used to service the country's debt. This represents 32% of domestic revenue. This is however lower than GH¢0.56 of GH¢1 of domestic revenue spent on debt servicing in 2022. ([MyJoyOnline](#))

FIXED INCOME MARKET

- Despite the decline in rates on the short-term bills within the month, the 182-day and 364-day bills recorded marginal increases by the end of the month.

GoG Securities Auction Results with %subscription








Government of Ghana Treasury Bill Rates (%)				
Instrument	30 Nov 23	31 Oct 23	MoM	YTD
91-Day	29.57	29.82	▼-0.84%	▼-17.08%
182-Day	31.76	31.68	▲0.27%	▼-11.64%
364-Day	33.44	33.42	▲0.07%	▼-6.88%

Bora Purchase Rates for Clients			
Instruments	Min. Yield (%)	Max. Yield (%)	
0 - 91 days	22.69	30.00	
92 - 182 days	27.98	32.33	
Up to 1 Year	33.00	33.60	
Over 1 Year	22.10	22.10	

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

OUR TAKE - SNAP SHOT OF 2024 BUDGET

- The key macroeconomics indicators presented in the budget confirm economic recovery would be gradual, with modest growth targets for 2024.

Macroeconomic Indicator	Q3 2023	2023 Target	2024 Target
 Overall GDP Growth Rate	3.2%	1.5%	2.8%
 Non-oil GDP Growth Rate	3.9%	1.5%	2.1%
 End of Period Inflation	35.3%	31.3%	15.0%
 Fiscal Deficit (% GDP)	3.0%	4.6%	4.9%
 Import Cover (in months)	2.3	≤2.9	≤3.0

2024 Total Revenue & Grants

Targeted at **GH¢ 176.4Bn (16.8% of GDP)**



Q3 2023 Revenue: GH¢ 79.1 Bn

2023 Target: GH¢ 134.9 Bn

Unlike in previous years, the Government seeks an aggressive 45% increase in the mobilization of Taxes from Domestic goods and services.

2024 Total Expenditure (incl. arrears)

targeted at **GH¢ 266.6Bn (21.6% of GDP)**



Q3 2023 Expenditure: GH¢ 104.6 Bn

2023 Target: GH¢ 121.7 Bn

The effect of the DDEP and the suspension of payments on international debt caused in a sharp decline in Interest Payments between January and August 2023, a 27.8% decrease compared to the same period in 2022. Compensation of employees continues to remain high.

➡ The fiscal target leaves a Net Domestic Financing Deficit of GH¢61.4 billion, representing 99.3% of the total financing for 2024. This is expected to be sourced from the issuances of debt at the short end of the domestic market.

➡ This is likely to cause a rise in domestic borrowing (target of treasury bills) and consequently a rise in treasury bill rates, even though the rates have just begun to realise marginal decreases.

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EQUITIES MARKET

- The stock market was bullish within the month with the GSE Composite Index gaining $\uparrow 1.42\%$ while the Financial Stock Index gained $\uparrow 0.89\%$ on a monthly basis;
- Trading volumes and values were higher as compared to the previous month.

Index

GSE-CI	3,169.90	MoM $\uparrow 1.4\%$	YTD $\uparrow 29.7\%$
GSE-FSI	1,996.95	MoM $\uparrow 0.9\%$	YTD $\downarrow 2.7\%$
Mkt Cap.	74,234.27	MoM $\uparrow 0.6\%$	YTD $\uparrow 15.1\%$

Top Gainers




EGH	GHC 7.00	MoM $\uparrow 18.6\%$	YTD $\uparrow 5.4\%$
MTNGH	GHC 1.40	MoM $\uparrow 2.1\%$	YTD $\uparrow 59.0\%$
CAL	GHC 0.51	MoM $\uparrow 2.0\%$	YTD $\downarrow 21.5\%$

Top Losers


SCB	GHC 17.55	MoM $\downarrow 9.9\%$	YTD $\downarrow 12.9\%$
GOIL	GHC 1.45	MoM $\downarrow 3.3\%$	YTD $\downarrow 15.7\%$
ACCESS	GHC 3.40	MoM $\downarrow 0.0\%$	YTD $\downarrow 15.2\%$

COMMODITIES MARKET

- Oil prices settled lower at the end of November compared to the end of October after OPEC+ producers agreed to voluntary oil output cuts for the first quarter next year that fell short of market expectations.

	52-week Low	Current Price	52-week High
	70.12	78.21	97.69
	1,765.70	2,066.65	2,111.40
	2,214.88	4,449.42	

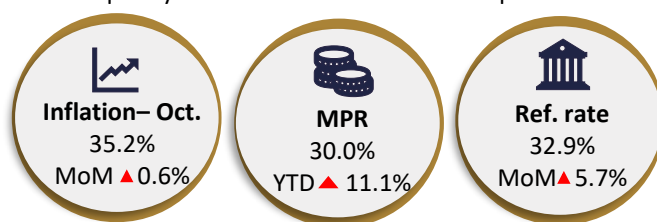
UPCOMING EVENTS

 MPC Press Release | 29th January, 2024

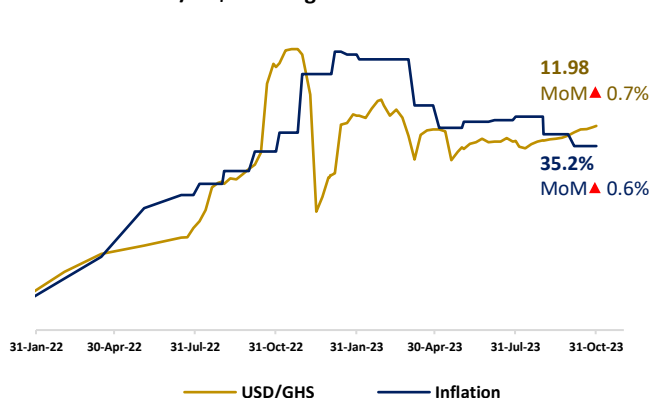
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KEY MACROECONOMIC INDICATORS

- Ghana's annual inflation rate fell for the third consecutive month to 35.2% in October 2023, the lowest in 14 months, down from September's 38.1%
- The Bank Ghana Monetary Policy Committee (MPC) maintained the policy rate at 30% while introducing additional liquidity management measures to address excess liquidity and reinforce the disinflation process.



GHC/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- The new bonds realised an absolute increase of about 1.5% in yields on the short end while the yields increased by an absolute 0.5% on the medium to long end as at the end of November.

