

Bora Research - Weekly Market Review (19 Aug '22)

WEEKLY MARKET HEADLINES

- **Monetary Policy Committee (MPC) hikes policy rate by 300bps to 22%;** The MPC's decision at an emergency meeting on August 17th, sent borrowing costs to the highest levels since June 2017. Additionally, the MPC raised the primary reserve requirement of banks from 12% to 15%. This is to be implemented in three (3) phases. [\(BoG\)](#)
- **Yields on the bond market trading between 31.8% and 34.5%;** The secondary market's reaction to inflation for July 2022 has been noticeable particularly over the past week, especially for shorter term bonds. The 2022s and 2023s offered 31.8% and 33.5% respectively as compared to 27.5% and 30.0% respectively, a month ago. [\(Bora Research\)](#)
- **Bank of Ghana (BoG) to boost supply of forex to the economy;** The BoG is working with mining firms, international oil companies, and their bankers to purchase all forex arising from voluntary repatriation of export proceeds from mining, oil and gas companies in an attempt to strengthen the central bank's forex auctions. [\(BoG\)](#)

FIXED INCOME MARKET

- Short-term instruments edged higher, maintaining the upward trend observed in previous months.

Government of Ghana Treasury Bill Rates

Instrument	19 Aug 22	12 Aug 22	WoW	YTD
91-Day	27.72	27.34	▲ 1.39%	▲ 121.32%
182-Day	29.29	28.73	▲ 1.94%	▲ 121.71%
364-Day		28.83	-	▲ 73.19%

Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	29.00	33.00
Up to 1 Year	30.00	30.00
1-3 Years	32.00	33.10
Over 3 Years	33.30	33.30

EQUITIES MARKET

- The stock market closed the week on a negative note with the GSE Composite Index decreasing by ▼ 1.07%;
- Additionally, trading volumes were lower compared to the previous week's levels;
- ACCESS (▲ 10.00%; GH¢3.30) was the highest price gainer whereas GCB (▼ 18.84%; GH¢4.05) was the biggest laggard.

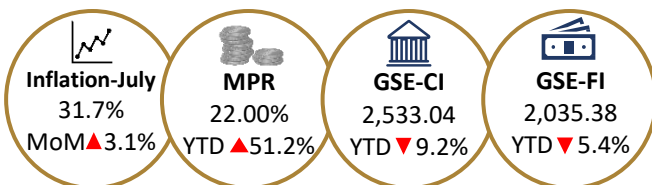
UPCOMING EVENTS

Launch of BORA Unit Trusts
(September 2022)



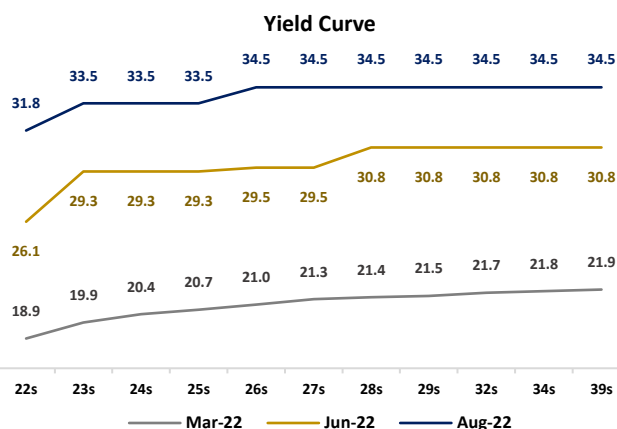
* WoW – week on week MoM – month on month YTD – year-to-date

KEY ECONOMIC INDICATORS



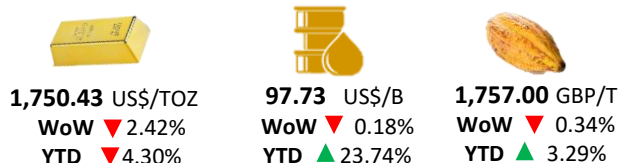
TREASURY YIELD CURVE

Yields on the secondary market realized gains over the past week, widening by about 2.75% on the shorter end of the curve, and 2.00% on the longer end of the curve.



COMMODITIES

- Brent crude oil prices dropped this week, as a steeper-than-expected drawdown in U.S. crude stocks outweighed concerns over rising Russian output and exports as well as recession fears.



CURRENCIES



Source: Bloomberg, xe.com

QUOTE OF THE WEEK

"A good portfolio is more than a long list of good stocks and bonds. It is a balanced whole, providing the investor with protections and opportunities with respect to a wide range of contingencies." — Harry Markowitz.