

Bora Research - Weekly Market Review (13 May '22)

WEEKLY MARKET HEADLINES

- **Ghana's inflation rate hits 23.6% in April, highest since January 2004;** Transport was the highest contributor, recording an inflation rate of 33.5% whereas Insurance and Financial Services recorded the least rate of 1.0%. ([GSS](#))
- **Local pension funds increase activity on equities market;** Pension funds contributed to 9% of equity trades between January and April 2022 compared to 5% for the same period in 2021. On the other hand, foreign investors contributed 74% of equity market trades as at April 2022 compared to 82% for the same period in 2021. ([GSE](#))
- **Fitch revises fiscal deficit forecast downward to 9.1% of GDP from 9.5% GDP;** Fitch Ratings forecasts Ghana's cash deficit to narrow to 9.1% in 2022, compared to 15.1% in 2020 and 12.5% in 2021 (including 3% of GDP in domestic arrears clearance and payments related to the state-owned energy sector). ([Fitch](#))

FIXED INCOME MARKET

- Short-term instruments edged higher, maintaining the upward trend observed in recent weeks.

Government of Ghana Treasury Bill Rates

| Instrument | 13 May 22 | 06 May 22 | WoW | YTD |
|------------|-----------|-----------|---------|----------|
| 91-Day | 18.23 | 17.88 | ▲ 1.94% | ▲ 45.51% |
| 182-Day | 19.26 | 18.81 | ▲ 2.43% | ▲ 45.80% |
| 364-Day | 21.73 | 20.65 | ▲ 5.21% | ▲ 30.54% |

Bora Purchase Rates for Clients

| Instruments | Min. Yield (%) | Max. Yield (%) |
|----------------|----------------|----------------|
| Under 182 Days | 19.00 | 20.25 |
| Up to 1 Year | 20.00 | 20.00 |
| 1-3 Years | 21.50 | 21.50 |
| Over 3 Years | 22.30 | 22.30 |

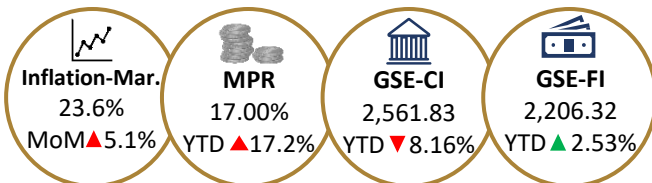
EQUITIES MARKET

- The stock market continued its bearish run with the GSE Composite Index declining by ▼4.80% this week;
- There was active trading this week with higher values and volumes compared to the previous week's levels;
- SIC (▲4.00%; GH¢0.26) was the only price gainer this week whereas TOTAL (▼18.84%; GH¢4.05) was the biggest price loser.

UPCOMING EVENTS

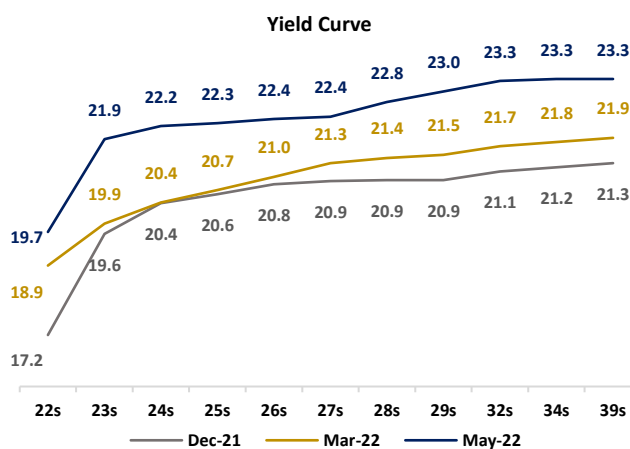
 MPC Press Conference | 23rd May, 2022

KEY ECONOMIC INDICATORS



TREASURY YIELD CURVE

Yields on the secondary market realized increases over the past week with an average of about 2.0% rise in the yields since the beginning of the year.



COMMODITIES

- Brent crude oil prices have been volatile this week, supported by worries that an EU ban on Russian oil could tighten supplies. The commodity however declined by 0.98% at the close of the week.



1811.15 US\$/TOZ
WoW ▼ 3.84%
YTD ▼ 0.98%



111.29 US\$/B
WoW ▼ 0.98%
YTD ▲ 40.91%



1,622.00 GBP/T
WoW ▼ 5.04%
YTD ▲ 4.64%

CURRENCIES

\$ / ¢
7.49727
YTD ▼ 21.21%

£ / ¢
9.18197
YTD ▼ 9.87%

€ / ¢
7.80797
YTD ▼ 11.39%

Source: Bloomberg, xe.com

QUOTE OF THE WEEK

"Measure your investing success by putting in place a financial plan and a behavioral discipline that are likely to get you where you want to go." — **Warren Buffet**

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