

## Bora Research - Weekly Market Review (27 May '22)

### WEEKLY MARKET HEADLINES

- **Monetary Policy Committee (MPC) increases Policy Rate by 200 bps to 19.00%**; This is the second consecutive rate hike this year, bringing borrowing costs to the highest level since February 2018. ([BoG](#))
- **Government keeps expenditure at bay but misses revenue target in Q1 2022**: Total expenditures amounted to GH¢27.0bn (5.4% of GDP) below the target of GH¢30.5bn (6.1% GDP). Meanwhile, total revenue and grants was recorded at GH¢16.7bn (3.3% GDP), below the projected GH¢19.3bn (3.8% GDP). ([MoF](#))
- **Local currency projected to depreciate by 22.7% against the US dollar by the end of 2022 – Fitch Solutions**; The ratings agency expect that a substantial depreciation of the Cedi against the US dollar in 2022 will in the near term make private sector investors more reluctant to invest in Ghana's infrastructure and construction. ([Fitch](#))

### FIXED INCOME MARKET

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

#### Government of Ghana Treasury Bill Rates

Instrument	26 May 22	20 May 22	WoW	YTD
91-Day	19.94	19.08	▲ 4.50%	▲ 59.19%
182-Day	22.95	20.76	▲ 10.53%	▲ 73.71%
364-Day	24.46	-	-	▲ 46.98%



#### Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	19.50	23.00
Up to 1 Year	23.00	23.00
1-3 Years	23.00	25.00
Over 3 Years	25.50	25.50

### EQUITIES MARKET

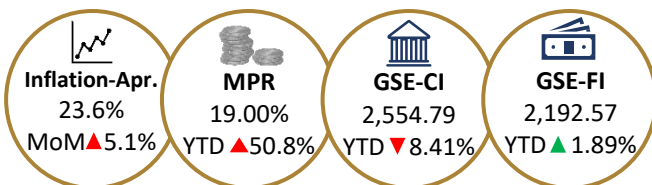
- The stock market retreated this week, failing to sustain gains with the GSE Composite Index falling by ▼ 0.37%;
- Trading values and volumes were however higher;
- TOTAL ( ▲ 0.99%; GH¢4.10) was the only price gainers whereas ETI ( ▼ 5.26%; GH¢0.18) led three (3) laggards.

### UPCOMING EVENTS

-  MTNGH AGM | 30<sup>th</sup> May, 2022
-  TOTAL AGM | 31<sup>st</sup> May, 2022

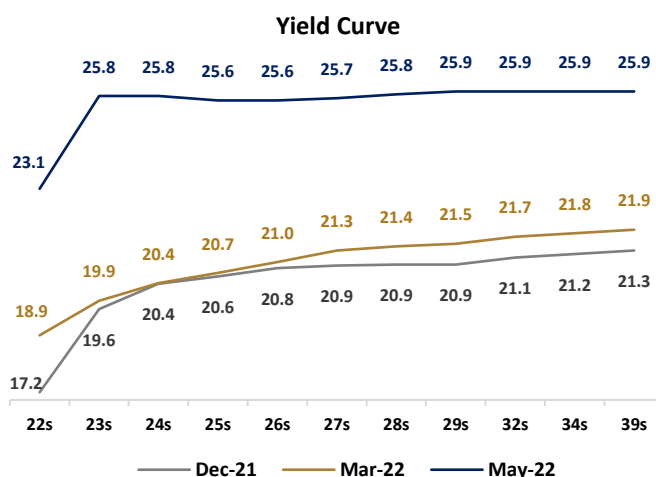
\* **WoW** – week on week **MoM** – month on month **YTD** – year-to-date

### KEY ECONOMIC INDICATORS



### TREASURY YIELD CURVE

Yields on the secondary market continued their upward trend this week. Yields with short-term maturities ranged between 23.1% and 25.8%;



### COMMODITIES

- Commodity prices have remained volatile this week due to the on-going geopolitical tensions. Brent crude oil prices gained 6.69% over the week (YTD 50.7%) to settle at US\$119.1 per barrel.



**1,852.90** US\$/TOZ  
WoW ▲ 0.63%  
YTD ▲ 1.30%



**119.06** US\$/B  
WoW ▲ 6.69%  
YTD ▲ 50.75%



**1,722.00** GBP/T  
WoW ▼ 1.20%  
YTD ▲ 1.23%

### CURRENCIES

**\$ / ¢**  
**7.7535**  
YTD ▼ 25.35%

**£ / ¢**  
**9.7727**  
YTD ▼ 16.94%

**€ / ¢**  
**8.2943**  
YTD ▼ 18.33%

Source: Bloomberg, xe.com

### QUOTE OF THE WEEK

"If you don't study any companies, you have the same success buying stocks as you do in a poker game if you bet without looking at your card." — Peter Lynch