

Bora Research - Weekly Market Review (27-Oct-23)

WEEKLY MARKET HEADLINES

- **Private Sector credit (PSC) declines post-Covid;** Per data from the Central Bank's economic and financial summary, even though the PSC has increased by 10.74% over a one-year period, when adjusted for inflation, the PSC has declined by 21.00% over the same period. ([BoraResearch](#))
- **Market concerned about the surge in interest rates;** Treasury bill rates have surged for 35 consecutive weeks. Although the higher interest rates have triggered a higher demand for the short-term financial instruments, it has also raised concerns about the rising cost of domestic debt in the short term. ([BoraResearch](#))
- **Trading activity rebounds in the bond market;** The total volume traded saw a significant jump, reaching a post-Domestic Debt Exchange Programme (DDEP) record high of GH¢1.26 billion at the end of last week. The February 2028 (coupon: 8.5%) and February 2030 (coupon: 8.8%) papers constituted 87% of total market turnover. ([MyJoyOnline](#))

FIXED INCOME MARKET

- The treasury bills edged up further at this week's auction.

| Government of Ghana Treasury Bill Rates (%) | | | | |
|---|-----------|-----------|---------|-----------|
| Instrument | 27 Oct 23 | 20 Oct 23 | WoW | YTD |
| 91-Day | 29.82 | 29.73 | ▲ 0.30% | ▼ -16.38% |
| 182-Day | 31.68 | 31.60 | ▲ 0.24% | ▼ -11.88% |
| 364-Day | 33.42 | 33.34 | ▲ 0.25% | ▼ -6.94% |

| Bora Purchase Rates for Clients | | |
|---------------------------------|----------------|----------------|
| Instruments | Min. Yield (%) | Max. Yield (%) |
| 0 - 91 days | 28.80 | 29.73 |
| 92 - 182 days | 31.60 | 31.60 |
| Up to 1 Year | 32.84 | 32.84 |

EQUITIES MARKET

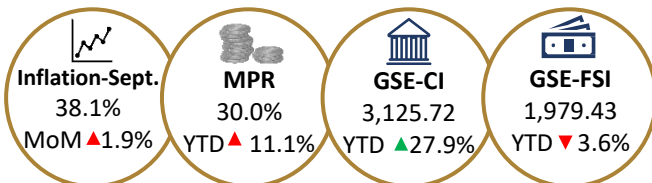
- The stock market declined by ▼ 0.01% at the end of the week under review;
- Trading values and volumes were however higher compared to the previous week's levels;
- EGH (▲ 5.36%; GH¢5.90) led the price gainers this week whiles MTNGH (▼ 0.72%; GH¢1.37) led the laggards.

UPCOMING EVENTS

- 📅 Presentation of 2024 Budget | November 2023
- 📅 MPC Press Release | 27th November, 2023

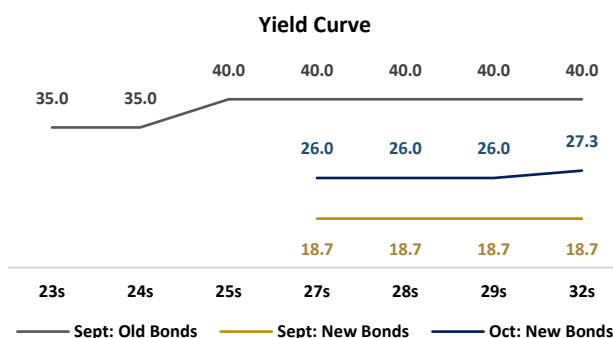
* **WoW** – week on week **MoM** – month on month **YTD** – year-to-date

KEY ECONOMIC INDICATORS



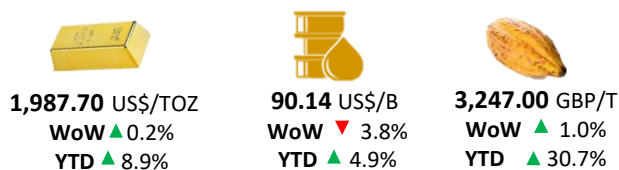
TREASURY YIELD CURVE

- The yields on the shorter dated bonds realised an absolute decline of 0.25% over the past week, whiles the longer dated bonds remained at an average of 27.25% over the same period.

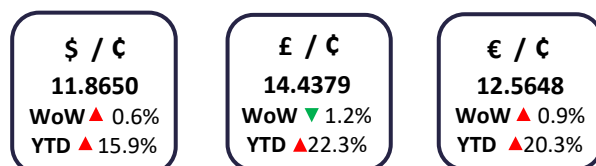


COMMODITIES

- Oil prices dropped after two consecutive weekly gains as fears of a wider Middle East conflict eased at the same time that U.S. demand showed signs of weakening.



CURRENCIES



Source: Bloomberg, xe.com

QUOTE OF THE WEEK

"Diversification should be an offensive contributor to growth, not just a defensive hedge against loss." - **Hendrith Vanlon Smith Jr.**