

Monthly Market Review (July 2022)

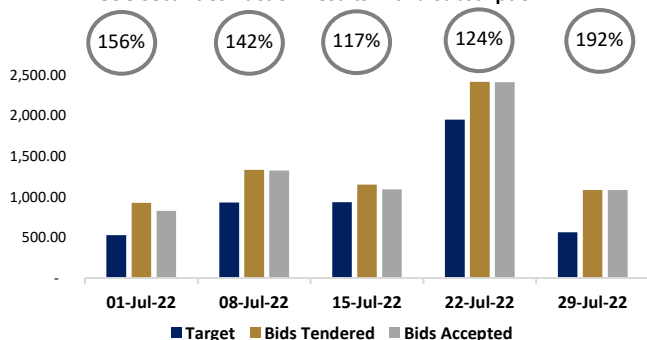
NEWS HEADLINES

- **Government forecasts narrower economic growth, from 5.8% to 3.7%;** According to the Finance Minister, this revision has become necessary as the deferment of the passage of proposed revenue measures undermined the credibility of the Budget, leading to heightened investor concerns, credit rating downgrades and closed access to the international capital markets. ([MoF](#))
- **Interest Payments dominates Government expenditure in the first half of 2022;** Per the Mid-year budget review, the Government spent GH¢ 20.4bn as interest on loans at the end of June 2022, representing 4.5% of Gross Domestic Product (GDP) and 54.2% of Revenue. This was higher than the targeted amount of GH¢ 19.1bn. ([MoF](#))
- **Ghana's reserves down by 20.8% at the end of the first half of 2022;** The Bank of Ghana's (BoG) Banking sector report revealed that the country's reserves has been on a decline since the beginning of the year. The reserves declined from US\$9.67bn at the end of December 2021 to US\$7.68bn as at the end of June 2022. ([BoG](#))

FIXED INCOME MARKET

- Short-term instruments edged higher in July, maintaining their upward trend observed in recent months, as subscription rates increased significantly;
- Additionally, the 3-Year Bond issued during the month settled at 29.85%.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates

Instrument	29 Jul 22	24 Jun 22	MoM	YTD
91-Day	26.71	25.64	▲ 4.20%	▲ 113.28%
182-Day	28.26	26.40	▲ 7.02%	▲ 113.87%
364-Day	-	27.43	-	▲ 64.79%

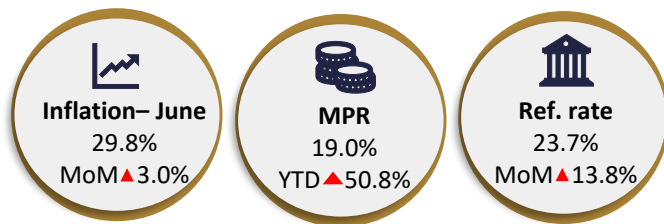
Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	27.00	28.00
Up to 1 Year	27.50	30.00
1-3 Years	27.20	31.50
Over 3 Years	27.03	31.00

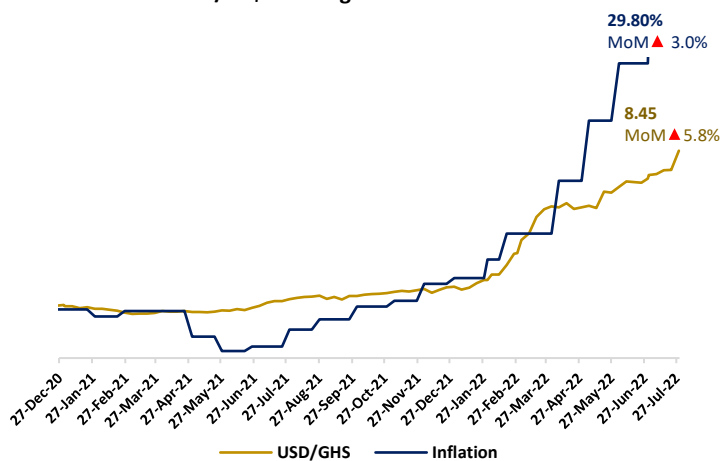
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Inflation climbed to 29.8% in June from 27.6% in May 2022; Transportation (rising by 41.6%) largely contributed to the jump in inflation for June. The month-on-month inflation however declined to 3.0%, compared to 4.1% between May and June this year;
- The Monetary Policy Committee maintained the MPR at 19.0% in order to observe the impact of the recent 5.5% increase in policy rate since November 2021.



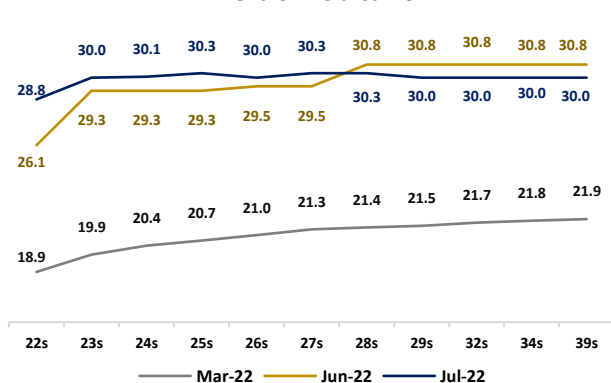
GHC/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- Yields on the secondary market were about 1% higher than the previous month on the short to medium end of the curve. Maturities from 2028 rather realized marginal declines of about 0.8% as compared to the previous month.

Trend of Yield Curve



Monthly Market Review (July 2022)

EQUITIES MARKET

- The stock market continued its bearish run, with the GSE Composite Index closing the month down by ▼1.05%. The GSE Financial index also trimmed ▼3.37% in July;
- Trading values and volumes were however high as compared to the previous month.

Index

Index	Value	MoM	YTD
GSE-CI	2518.85	▼1.05%	▼9.70%
GSE-FI	2103.58	▼3.37%	▼2.24%
Mkt Cap.	64383.34	▼0.71%	▼0.17%

Top Gainers




TBL	GH¢ 0.48	▲9.1%	▲41.2%
SIC	GH¢ 0.32	▲3.2%	▲300.0%
ACCESS	GH¢ 2.55	▲1.6%	▼19.1%

Top Losers

SOGEGH	GH¢ 1.06	▼10.2%	▼11.7%
ETI	GH¢ 0.16	▼5.9%	▲14.3%
GCB	GH¢ 0.10	▼9.1%	▼9.1%

COMMODITIES MARKET

- Fears about global economic recession failed to impact oil prices during the month with Brent crude ending July down by 5%. This was the second consecutive monthly decline since November 2021.

	52-week Low	Current Price	52-week High
	64.60	109.50	139.13
	1,681.25	1,762.15	2,070.13
	1,498.00	1,704.00	1,919.00

UPCOMING EVENTS

**Launch of BORA Unit Trusts
(September 2022)**



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

OUR TAKE – “BORA’S UNIT TRUSTS”



- The Securities and Exchange Commission (SEC) per its guideline of July 16, 2021, directed Fund Managers to invest clients' funds below GH¢100,000 in a Collective Investment Scheme (CIS);
- Bora has received approval from the SEC to launch two (2) Unit Trusts.



BORA FIXED INCOME UNIT TRUST

The Trust: An open-ended Unit Trust that will primarily invest in a diversified portfolio of Fixed Income Securities.

Objective: To preserve and enhance unit holders' wealth to meet medium to long term financial goals, while creating liquidity to meet short term needs.

Preliminary/Exit Charges: The Trust imposes no front load upon subscription of units or back load upon exit.

Taxation: Exempted from tax.



BORA BALANCED FUND UNIT TRUST

The Trust: An open-ended Unit Trust that will primarily invest in a diversified portfolio of Fixed Income and Equity Securities.

Objective: To grow unitholders' wealth to meet medium to long term financial goals. Under normal market conditions, 55% of the Trust's net assets shall be invested in fixed income securities and the residual 40% in equities.

Preliminary/Exit Charges: The Trust imposes no front load upon subscription of units. An exit load of 3% shall be charged on funds redeemed within the first year of investment and 2% on redemption during the second year of investment. There shall be no charge after the third year.

Taxation: Exempted from tax.

Email: research@boradvisors.com
Tel: 0507712343 / 0245382300
Website: www.boradvisors.com