

Monthly Market Review (January 2023)

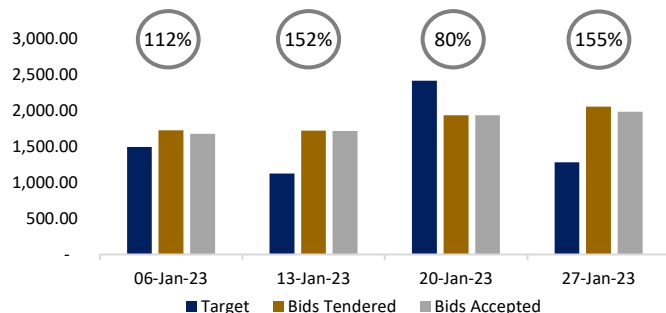
NEWS HEADLINES

- **Government extends deadline for participation in Domestic Debt Exchange to 7th February, 2023, announcing further update to its terms;** Amongst others, the release offered individual bondholders below the age of 59 years instruments with a maximum maturity of 5 years, instead of the earlier 15 years, and a 10% coupon rate. ([Mofep](#))
- **Ghana's debt-to-GDP ratio at 93.5% as external debt component shoots to 62.1% of GDP;** Ghana's total public debt stock went up by GH¢ 108.3bn between September and November 2022, to hit GH¢575.7bn, due to sharp depreciation of the local currency. ([BoG](#))
- **Gross Reserves: Ghana's imports cover declines from 4.4 months in January 2022 to 2.7 months in December 2022;** The country's stock of International Reserves declined from US\$9.77bn at the beginning of the year to US\$6.24bn as at December 2022. This was despite the US\$1.7bn trade surplus recorded in August 2022. ([BoG](#))

FIXED INCOME MARKET

- Treasury bill auctions in January 2023 were mostly over-subscribed;
- Rates on the 91-day bill closed the month with a year-to-date gain of 0.15% while the 182-day and 364-day instruments closed the month with a year-to-date decline of 0.53% and 0.28% respectively.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)				
Instrument	27 Jan 23	30 Dec 22	MoM	YTD
91-Day	35.71	35.36	▲ 0.99%	▲ 0.15%
182-Day	35.76	35.98	▼ -0.62%	▼ -0.53%
364-Day	35.81	35.89	▼ -0.22%	▼ -0.28%

Bora Purchase Rates for Clients		
Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	30.00	37.50
Up to 1 Year	30.00	33.00
1-3 Years	32.00	42.00
Over 3 Years	33.00	33.00

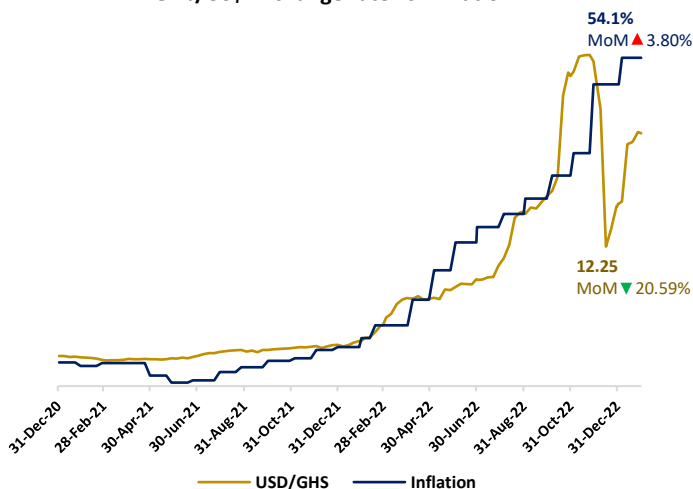
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Inflation surged to 54.1% in December 2022 from 50.3% in November 2022. The hike was driven by prices of transportation (71.4% in December vs 63.1% in November), utilities (82.3% in December vs 79.1% in November) and food products (59.7% in December vs 47.9% in November);
- The Monetary Policy Committee raised the policy rate by 1.0% to 28.0%.



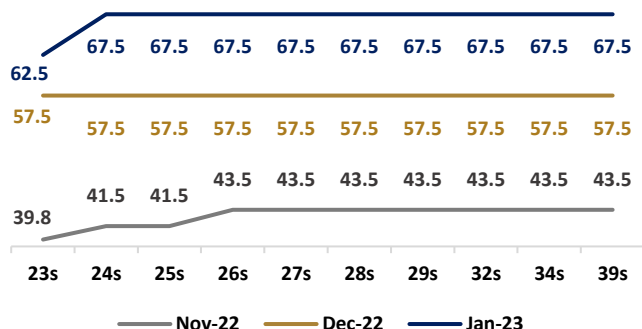
GH¢/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- Volume trades on the secondary market dropped significantly in the month of January. This has been the trend since the announcement of the domestic debt exchange.

Yield Curve



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EQUITIES MARKET

- The stock market declined at the end of the January, with the GSE Composite Index and the Financial index closing the month down by ▼3.68% and by ▼0.81% respectively;
- Trading volumes and values were lower as compared to the previous month.

Index

GSE-CI	2,354.02	MoM ▼3.68%	YTD ▼3.68%
GSE-FI	2,036.05	MoM ▼0.81%	YTD ▼0.81%
Mkt Cap.	63,706.71	MoM ▼1.24%	YTD ▼1.27%

Top Gainers




BOPP	GHC 8.80	MoM ▲15.0%	YTD ▲15.0%
TOTAL	GHC 4.06	MoM ▲1.5%	YTD ▲1.5%

Top Losers


UNIL	GHC 2.50	MoM ▼35.8%	YTD ▼35.8%
FML	GHC 2.50	MoM ▼16.7%	YTD ▼16.7%
CAL	GHC 0.56	MoM ▼13.9%	YTD ▼13.9%

COMMODITIES MARKET

- Brent crude oil prices closed the month steady after recovering from a near three-week low. Crude prices drew support from a weakening dollar and data showing a rise in demand for U.S. crude and petroleum products in November.

	52-week Low	Current Price	52-week High
	75.11	84.54	139.13
	1,615.05	1,927.82	2,070.13
	1,985.50	2,036.00	2,677.72

UPCOMING EVENTS

-  Expiration Date for participating in Domestic Debt Exchange | 7th Feb. 2023

DOMESTIC DEBT EXCHANGE (DDE) SO FAR

- New Deadline for participation: **7th February, 2023**
- New Memorandum to be released: **2nd February, 2023**
- The Government of Ghana has announced variations in the DDE made with stakeholders, including financial sector industry associations and representative groups of individual bondholders. Amongst these are:



Bankers, Insurers & Securities Industry

- Exchange Eligible bonds for 12 New Bonds;
- 5% coupon payment in 2023;
- A single coupon rate for each of the 12 new bonds resulting in an effective coupon rate of 9%;
- Clarity to be provided on the operational framework and terms of access to the Ghana Financial Stability Fund;
- Any improved terms agreed with individual bondholders, in future will be extended to Collective Investment Schemes (CIS).



Retirees (including those retiring in 2023)

- Will be offered instruments with a maximum maturity of 5 years, instead of 15 years;
- Coupon rate of 15%



Individuals below the age of 59

- Will be offered instruments with a maximum maturity of 5 years, instead of 15 years;
- A 10% coupon rate.



Organized Labour and Pension Fund Trustees

- Discussions are underway on a separate arrangement in accordance with the Memorandum of Understanding signed with Organized Labour on 22nd December 2022, and in line with Government's debt management programme.

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