

## Monthly Market Review (June 2023)

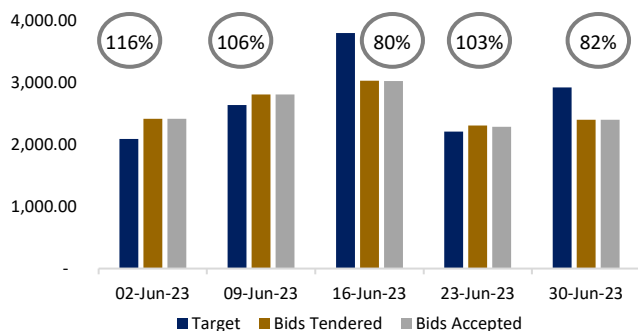
### NEWS HEADLINES

- **Mid-year budget review slated for 27<sup>th</sup> July;** This is in accordance with Section (28) of the Public Financial Management Act, 2016 Act 921 which requires that the finance minister to present a Mid-Year Review to parliament six months after the presentation of the main budget for that fiscal year. Even though the review is expected to improve revenue generation, some market players have cautioned government to withdraw some tax measures. ([CitiBusiness](#))
- **Ghana agrees restructuring deal with banks on some domestic debt;** Ghana has reached an agreement with banks to restructure GH¢15 billion (US\$1.36 billion) of locally issued U.S. dollar bonds and cocoa bills at the end of June. This is to enable Ghana meet an IMF deadline, and focus attention on negotiations with external creditors. ([Reuters](#))
- **Cedi depreciates 11.21% in half-year 2023;** The Ghana cedi ended the first-half of this year with a better performance than the same period last year where depreciation was 29.99% as at half year. Currently, the Ghanaian currency is going for GH¢11.3625 to the dollar. ([Bloomberg](#))

### FIXED INCOME MARKET

- Rates on the short-term bills, on a year-to-date basis, declined by 32.8%, 28.2% and 18.5% for the 91-day, 182-day and 364-day bills, respectively.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)				
Instrument	30 Jun 23	26 May 23	MoM	YTD
91-Day	23.95	20.80	▲15.17%	▼-32.83%
182-Day	25.80	23.62	▲9.20%	▼-28.24%
364-Day	29.25	28.02	▲4.42%	▼-18.55%

Bora Purchase Rates for Clients		
Instruments	Min. Yield (%)	Max. Yield (%)
Under 182 Days	20.00	31.00
Up to 1 Year	23.95	25.44
1-3 Years	29.25	29.25

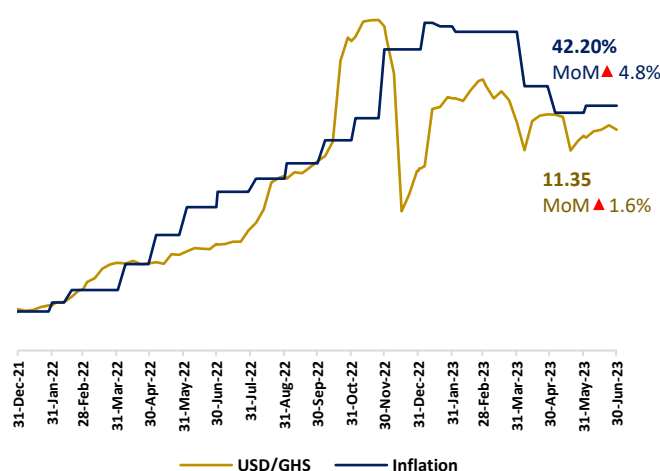
\* MoM – month on month YTD – year-to-date

### KEY MACROECONOMIC INDICATORS

- Annual inflation rate ticked higher to 42.2% in May 2023, after four consecutive months decline from 53.6% in January;
- This was driven by a sharp acceleration in food prices (51.8% in May vs 48.7% in April). Meanwhile, non-food inflation eased (34.6% in May vs 35.4% in April).



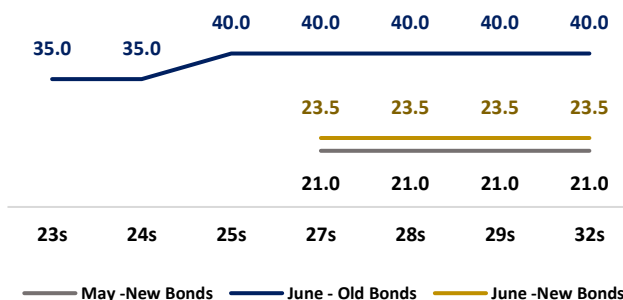
GH¢/US\$ Exchange rate vs. Inflation



### TREASURY YIELD CURVE

- Yields on the old bonds remained stable over the past month. The yields on the new bonds also were at an average of 21% at the end of the June, realizing a 2.5% absolute decline since the end of the previous month, May.

Yield Curve



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### EQUITIES MARKET

- The stock market made significant gains within the month of June, with the GSE Composite Index and the Financial Stock Index increasing by ▲ 11.82% and ▲ 0.87% respectively on a monthly basis;
- Trading volumes and values were however lower as compared to the previous month.

#### Index

<b>GSE-CI</b>	<b>2,808.03</b>	MoM ▲ 11.8%	YTD ▲ 14.9%
<b>GSE-FSI</b>	<b>1,691.90</b>	MoM ▲ 0.8%	YTD ▼ 17.5%
<b>Mkt Cap.</b>	<b>70,238.81</b>	MoM ▲ 6.7%	YTD ▲ 8.8%

#### Top Gainers

<b>GGBL</b>	<b>GH¢ 2.12</b>	MoM ▲ 28.4%	YTD ▲ 3.4%
<b>MTNGH</b>	<b>GH¢1.32</b>	MoM ▲ 21.1%	YTD ▲ 50.0%
<b>CAL</b>	<b>GH¢ 0.60</b>	MoM ▲ 20.0%	YTD ▼ 7.6%




#### Top Losers

<b>ACCESS</b>	<b>GH¢ 3.80</b>	MoM ▼ 5.0%	YTD ▼ 5.2%
<b>SIC</b>	<b>GH¢ 0.23</b>	MoM ▼ 4.1%	YTD ▼ 25.8%
<b>SOGECH</b>	<b>GH¢ 0.59</b>	MoM ▼ 1.6%	YTD ▼ 41.0%



### COMMODITIES MARKET

- Brent crude prices recorded a fourth consecutive quarter of losses amid concerns over sluggish global economic activity and fuel demand.

52-week Low      ■ Current Price      52-week High

	70.12	74.90	116.67
	1,615.05	1,903.25	2,062.83
	2,065.22	3,354.59	3,370.29

### UPCOMING EVENTS

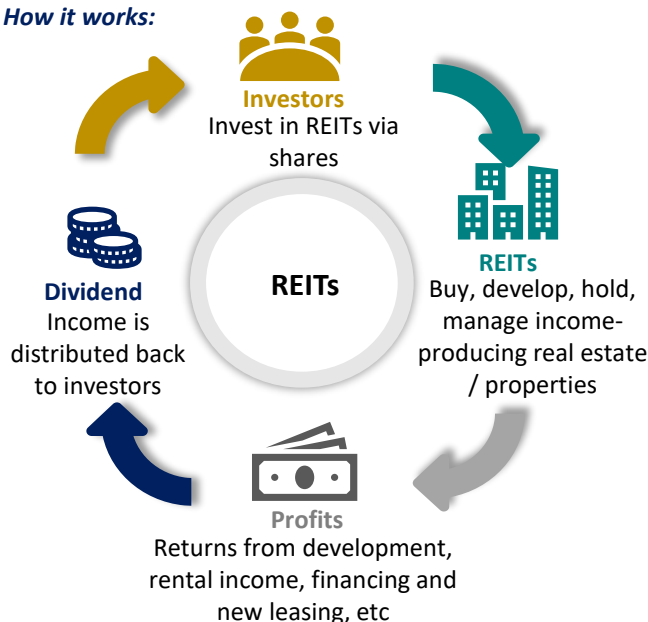
-  MPC Press Release | 24<sup>th</sup> July
-  Mid-year Budget Review | 27<sup>th</sup> July

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

### OUR TAKE – “THE REITs SPACE”

- REITs, or Real Estate Investment Trusts, are companies that own, operate, or finance income-generating real estate;
- They are designed to give individual investors the opportunity to invest in a diversified portfolio of real estate assets without needing to directly own and manage the properties themselves.

#### How it works:



#### Main Types of REITs:

##### Equity REITs:

- These are the most common type of REITs and primarily invest in and own income-generating real estate properties such as residential buildings, commercial office buildings, retail centers, and others;
- Income is generated through rents from tenants;
- The value of equity REITs is primarily driven by the performance and valuation of the underlying real estate properties.

##### Mortgage REITs:

- These focus on investing in real estate mortgages or mortgage-backed securities;
- They provide financing for real estate by originating or purchasing mortgage loans;
- They generate income primarily through interest earned on these mortgage investments.

#### A major risk in investing in REITs – Property Risk

- The property location, quality, tenant mix, lease terms, and market conditions can impact rental income and property values;
- If the properties are in underperforming markets, experiences high tenant turnover, has poor facility management, it may affect the overall performance of your investment.