

Monthly Market Review (April 2025)

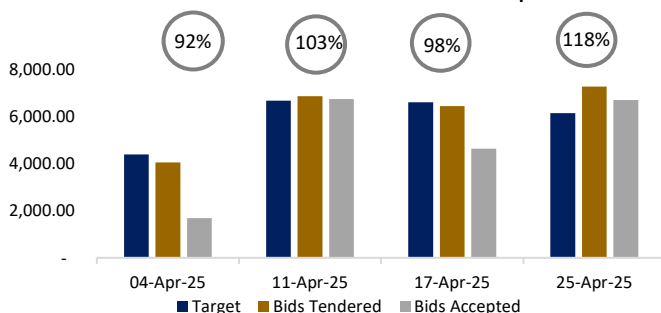
NEWS HEADLINES

- **MTN Ghana records GH¢5.4Bn revenue in first quarter of the year, a 39.4% year-on-year increase;** The telecommunication giant posted a robust financial performance for the first quarter of the year, posting a profit after tax of over GH¢1.7Bn. Service revenue increased by 39.6% to about GH¢5.35Bn compared to the same period last year while Data revenue increased by 54.9%, reaching GH¢2.8Bn. ([MTNGH](#))
- **Société Générale Ghana Records profit after tax of GH¢136.6Mn, 45.2% year-on-year increase;** The Bank's earnings surge was underpinned by a 13% increase in net interest income, which reached GH¢305.0Mn for the period. The bank's asset quality metrics showed notable improvement with non-performing loan (NPL) ratio declining to 17.49% from 22.58% a year earlier. ([SOGEGH](#))
- **Ghana's Gold reserves hit 31.01 tonnes - triple in two years;** This marks a notable increase from 30.81 tonnes recorded at the end of February 2025 and reflects a steady build-up strategy aimed at strengthening the country's foreign reserves and monetary stability framework. ([CitiBusiness](#))

FIXED INCOME MARKET

- The rates on the treasury bills recorded an average 3% decline within the month, subscribed at an average of 103% for the month of April.

GoG Securities Auction Results with %subscription



Government of Ghana Treasury Bill Rates (%)				
Instrument	30-Apr-25	31-Mar-25	MoM	YTD
91-Day	15.32	15.71	▼-2.48%	▼-45.65%
182-Day	16.04	16.73	▼-4.15%	▼-44.54%
364-Day	18.37	18.84	▼-2.52%	▼-39.07%

Bora Purchase Rates for Clients

Instruments	Min. Yield (%)	Max. Yield (%)
0 - 91 days	15.32	23.00
92 - 182 days	16.04	25.00
Up to 1 Year	18.67	27.00

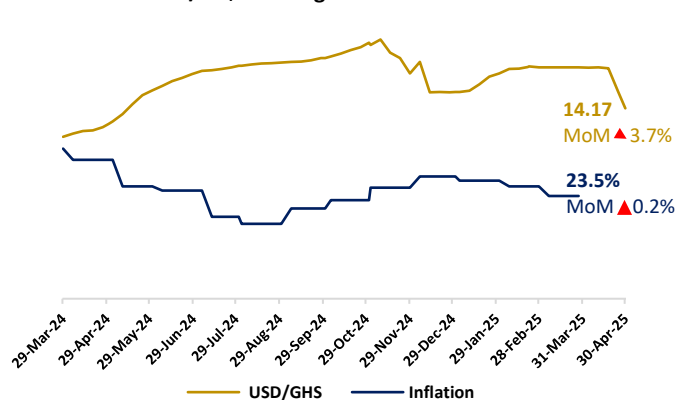
* MoM – month on month YTD – year-to-date

KEY MACROECONOMIC INDICATORS

- Annual consumer inflation fell for the third month to 22.4% in March 2025, reaching the lowest in five months, down from 23.5% in the month of February. Price growth moderated for both food (26.5% vs 28.1% in February) and non-food products (18.7% vs 18.8%);
- The monetary policy committee increased the policy rate from 27% to 28.0% at their last meeting.



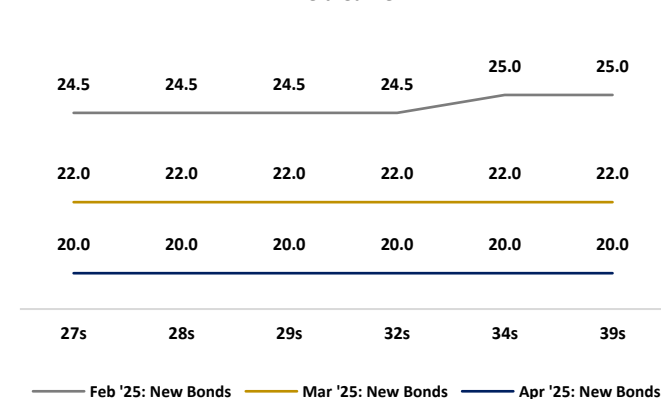
GH¢/US\$ Exchange rate vs. Inflation



TREASURY YIELD CURVE

- Over the past month, the yields on the new bonds realized a 2.00 percentage points decline across the various maturities. Thus, the interest rate on the bonds are at an average of 20.0%.

Yield Curve



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EQUITIES MARKET

- The GSE Composite Index declined by ▼ 1.9% within the month, while the Financial Stock Index gained ▲ 1.7% over the same period;
- Trading volumes were higher as compared to the previous month.

Index

GSE-CI	6,095.57	MoM ▼ 1.9%	YTD ▲ 24.7%
GSE-FSI	3,112.17	MoM ▲ 1.7%	YTD ▲ 30.7%
Mkt Cap.	135.9Bn	MoM ▼ 0.7%	YTD ▲ 22.1%

Top Gainers




SIC	GH¢0.70	MoM ▲ 42.9%	YTD ▲ 159.3%
CLYD	GH¢0.08	MoM ▲ 33.3%	YTD ▲ 166.7%
SOEGEH	GH¢1.76	MoM ▲ 10.0%	YTD ▲ 17.3%

Top Losers


CAL	GH¢0.65	MoM ▼ 13.3%	YTD ▲ 85.7%
MTNGH	GH¢3.02	MoM ▼ 5.3%	YTD ▲ 20.8%

COMMODITIES MARKET

- Oil prices fell by about 16% over the past one month, set for their largest monthly drop in almost three and a half years. This results from the global trade war eroding the outlook for fuel demand, while concerns over mounting supply also weighed.

	52-week Low (\$)	Current Price(\$)	52-week High (\$)
	58.40	62.40	88.79
	2,278.92	3,292.45	3,498.93
	6,415.94	8,321.14	12,475.33

UPCOMING EVENTS

 MPC Press Release | 26th May, 2025

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

THE MPR HIKE AND DECLINING RATES – THE DISCONNECT

On March 31, 2025, the Bank of Ghana (BoG) raised the Monetary Policy Rate (MPR) to 28% to "re-anchor the disinflationary process", despite declining inflation and expectations of a rate hold or cut. Normally, this would lead to higher Treasury bill (T-bill) rates. However, T-bill rates have continued to fall week after week, indicating a disconnect between the MPR hike and the rates.

It's important to note that the relationship between the MPR and T-bill rates isn't always direct or immediate. Other factors can influence T-bill rates independently of MPR changes, sometimes outweighing its impact and leading to unexpected outcomes. For instance;



- Market sentiment** may play a key role, as investors may view the BoG's rate hike as a temporary measure, expecting rates to decrease in the future.



- The Government recently introduced cost-cutting measures** to enhance fiscal discipline and reduce unnecessary spending, resulting in a lower appetite for borrowing and delays in public spending. Thus, driving the interest rates down.



- External factors such as the IMF support**, as well as the debt restructuring, may have boosted investor confidence by reducing perceived risks and prompting investors to accept lower returns on government debt due to improved trust and reduced borrowing pressure.



- The weakening of the dollar** has lowered the currency risk, perhaps making investors more comfortable in holding local investments, further driving demand for T-bills at lower yields.



- Falling inflation rate** and improving inflationary expectations may make T-bills more attractive, even at lower yields, as investors possibly anticipate real returns over the holding period.

In conclusion, the disconnect highlights the complexity of monetary transmission, where multiple factors can influence market outcomes in ways that may not align with the expected impact of the MPR hike.

However, in the current case, only time will reveal if the current declining interest rates is sustainable.