

**LAURUS
AFRICA**



Monthly Economic and Market Report

August 2024

Summary Snapshot

Macroeconomics


Macro indicators

	2023	2024F	Chg.%
GDP growth %	2.9	3.1	6.9

	06'24	07'24	08'24
Inflation %	22.8	20.90	-
MPR %	30.0	29.0	29.0

	06'24	07'24	08'24
USD/GHC	14.5860	14.9009	15.1899
YTD app+ / dep- %	-19.39	-21.50	-22.50
GBP/GHC	18.4375	19.1305	19.9261
YTD app+ / dep- %	-18.68	-22.30	-26.21
EUR/GHC	15.6270	16.1065	16.7828
YTD app+ / dep- %	-16.57	19.55	-23.51

Upcoming events

 MPC Press Release | 30th September 2024

Commodities

International prices

	07'24	08'24	MoM Chg. %
Cocoa \$/tonne	8,179.84	7,671.00	▼ -6.22
Gold \$/ounce	2,433.98	2,527.60	▲ 3.85
Oil \$/barrel	80.72	76.93	▼ -4.70

Fixed Income

Money market

	07'24	08'24	MoM Chg. %
91 Day Bill	24.79%	24.89%	▲ 0.40
182 Day Bill	26.74%	26.79%	▲ 0.19
364 Day Bill	27.86%	27.91%	▲ 0.18

Equity

Market activities

Volume traded (08'24)	Volume traded (08'23)
22,327,477	92,823,740
Value traded (08'24)	Value traded (08'23)
GHS 175,908,049.50	GHS 125,153,873.29
GSE-CI (08'24)	GSE-FSI (08'24)
4,359.85 (-3.0%)	2,118.06 (0.76%)

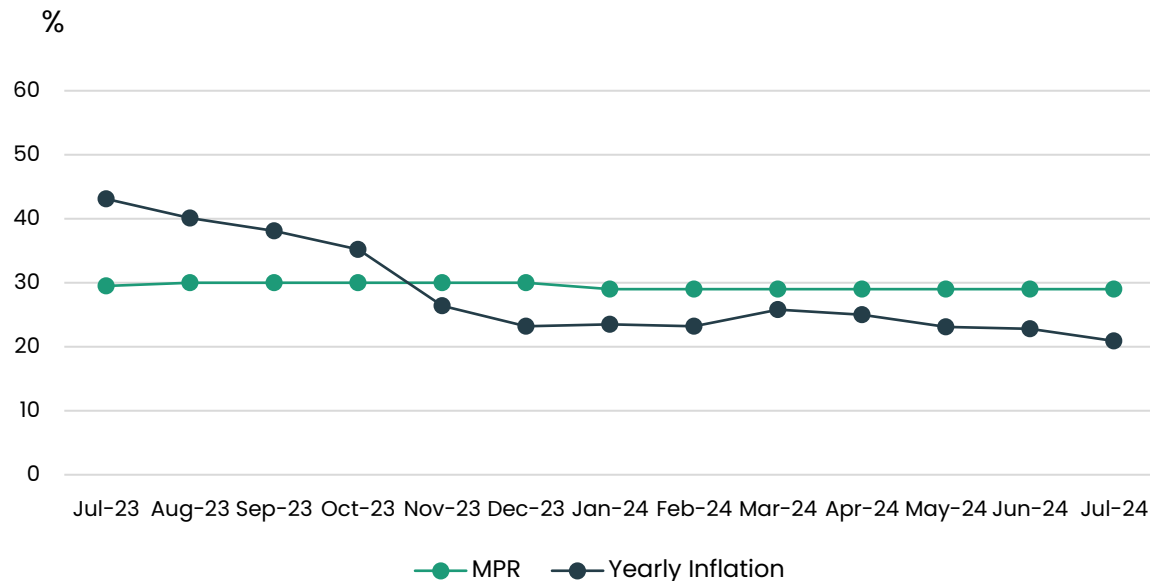
Top winners and losers

GGBL	5.16	▲	9.8%
CMLT	0.12	▲	9.1%
BOPP	25.00	▲	8.6%
UNIL	16.00	▲	8.3%
EGL	1.65	▲	6.5%
RBGH	0.55	▲	5.8%
GLD	382.60	▲	5.5%
GCB	5.91	▲	5.5%
CAL	0.31	▼	-8.8%
MTNGH	2.20	▼	-9.5%

Note: YTD means year-to-date, MoM means month-on-month, app+ means appreciation, dep- means depreciation, GSE means Ghana Stock Exchange, GSE-CI means GSE Composite Index, GSE-FSI means GSE Financial Stock Index, MPC means Monetary Policy Committee

Ghana's disinflationary trend continues despite currency depreciation.

Monetary Policy Rate & Inflation



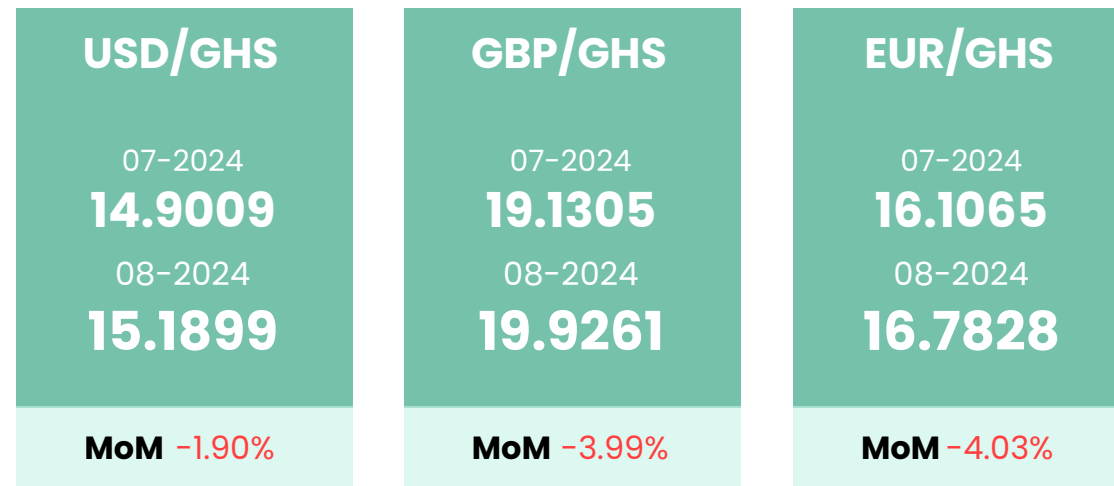
Inflation declined from 22.8 in June to 20.9 in July due to falling food and non-food prices. Key staples like maize, rice, and vegetable oil have become cheaper, and transport costs have decreased with stable fuel prices. Favorable base effects also contributed to this disinflationary trend.

The continued slowdown in inflation is expected to persist in the near term, which could significantly boost consumption. However, sustained currency pressures remain a critical risk that could dampen the positive outlook. For investors, particularly in the consumer goods sector, the anticipated rise in aggregate demand fueled by lower inflation presents a substantial opportunity. Improved consumption patterns could translate into stronger revenue growth, enhanced profitability, and increased market share.

Ghana's inflation is expected to decline towards 15% in the coming months, aligning with the IMF's projections for 2024.

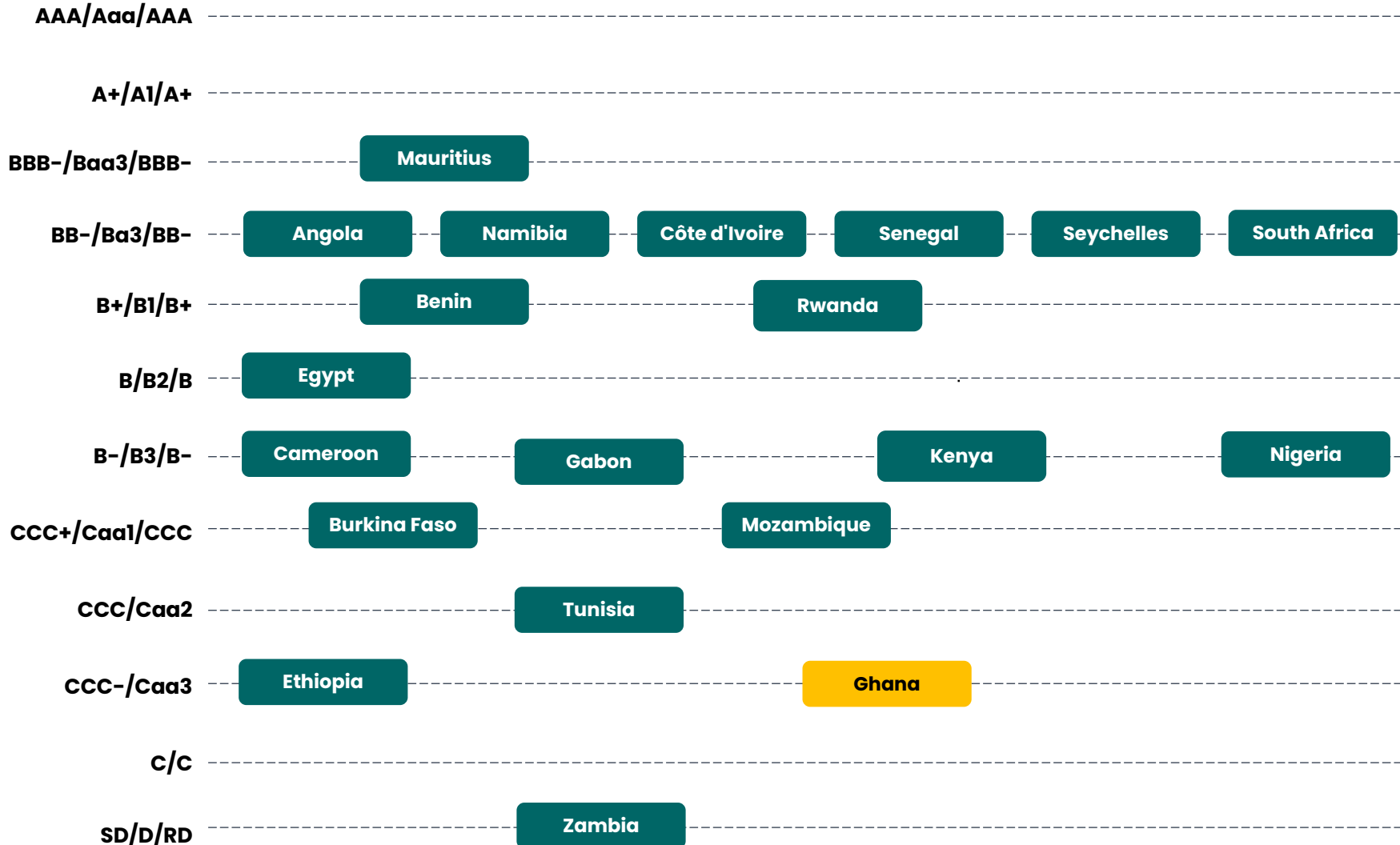
The Monetary Policy Rate (MPR) currently stands at 29.0%. Analysts anticipate a potential rate cut between 25 and 100 bps following the Monetary Policy Committee (MPC) meeting on September 30 2024, aimed at stimulating output growth in the near term.

Exchange Rates



The Cedi depreciated by 1.90% against the Dollar, 3.99% against the Pound, and 4.03% against the Euro, marking its worst monthly performance in 2024. However, this decline is relatively optimistic when compared to its 3-year and 5-year depreciation averages, suggesting a potential rebound in investor confidence in the near term.

Moody's signals potential upgrade of Ghana's credit rating.



On July 5 2024, Moody's indicated a potential upgrade for Ghana's credit rating following the country's Eurobond exchange.

The firm announced that it has completed a periodic review of Ghana's ratings, which include long-term issuer ratings of Caa3 for local currency and Ca for foreign currency. These ratings reflect the government's ongoing debt restructuring under the G20 common framework initiated in December 2022.

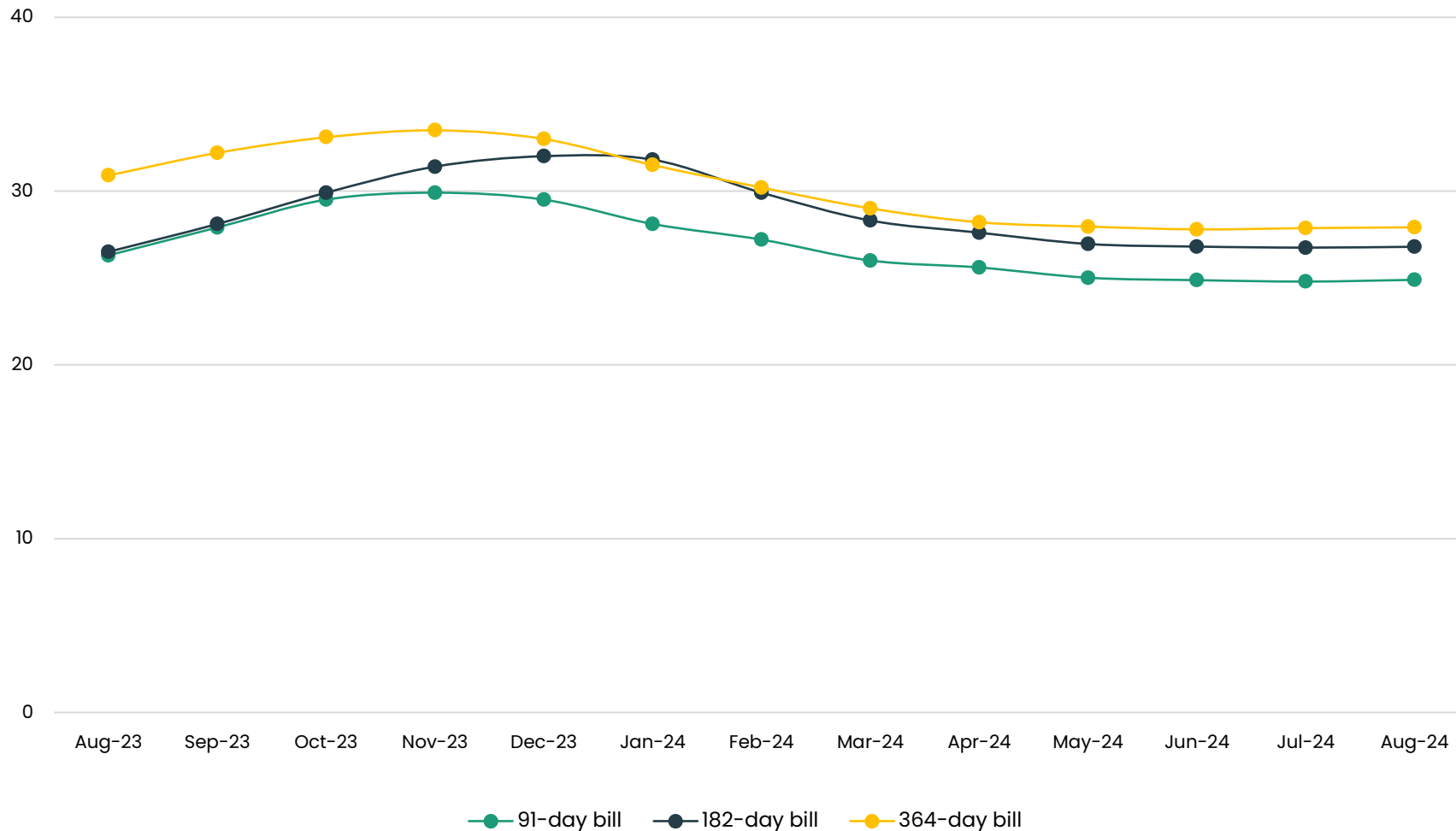
Fitch on the other hand affirmed Ghana's Long-Term Foreign Currency (LTFC) at RD in its rating action commentary published in July 2024. The affirmation of the LTFC IDR at RD reflects that Ghana is still defaulting on its outstanding Eurobonds following the expiration of the grace period for a missed coupon payment in February 2023.



Treasury bill rates recorded a slight increase in August.

The Yield on Government Treasury Bills as at August 2024

Yield Curve %



The government successfully borrowed GHS 23.05B via treasury bills in August 2024.

The government underperformed its target in all five auctions settled in August 2024, achieving a 12.3% decrease in the gross monthly target.

All bids tendered were accepted, comprising GHS 16.35B, GHS 5.48B, and GHS 1.22B worth of 91, 82, and 364-day bills respectively.

Treasury bill yields settled at 24.89% for the 91-day bill, 26.79% for the 182-day bill, and 27.91% for the 364-day bill.

The market's upward rally ends in August, with both the GSE-CI and market capitalization experiencing declines.

Market Highlight

	Jan-Aug 2024	Jan-Aug 2023	% Change
GSE-CI YTD Change	37.4%	26.22%	
Volume	652,737,080	354,959,616	83.9
Value (GHS)	1,285,603,710.06	474,542,496.76	170.9
GSE-CI	4,359.85	3,084.79	41.3
Market Cap (GHS'M)	92,041.99	73,250.18	9.5
GSE-FSI YTD Change	10.9%	-14.44%	
GSE-FSI	2,118.06	1,756.12	20.6

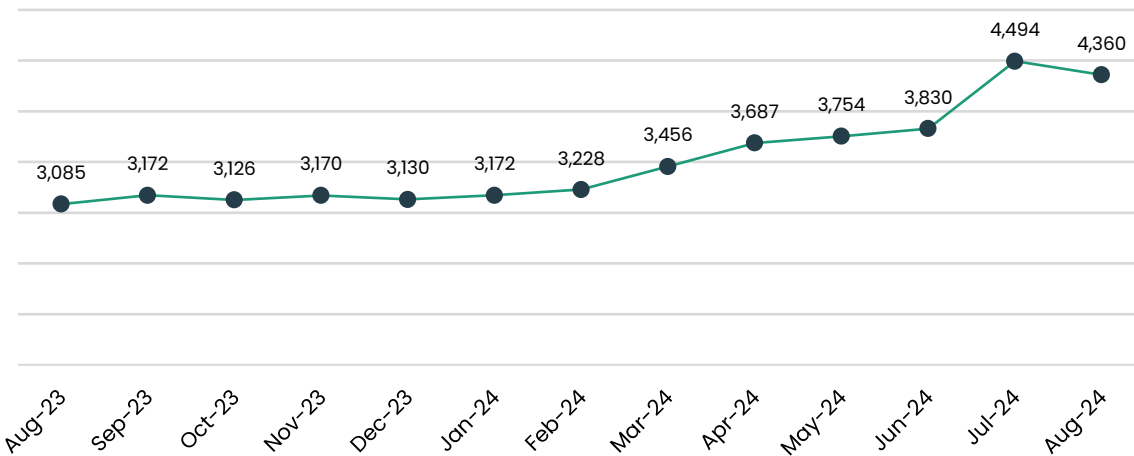
The GSE Composite Index (GSE-CI) fell by 134.07 points to close at 4,359.85, a 3.0% decline from the previous month's 4,493.92 points. This resulted in a 37.4% advancement in the year-to-date performance. Market capitalization also decreased by 1.4% to close the month at GHS 92.04B.

The Financial Stock Index (GSE-FSI) improved by 16.2 points to close the month at 2,118.06 points compared to 2,101.9 points in the previous month and a 10.9% year-to-date increase.

652.74M shares exchanged hands year-to-date in August 2024, compared to 354.96M in the same period last year. Shares traded on the market were valued at GHS 1,285.6M, a 170.9% increase from the same period last year.

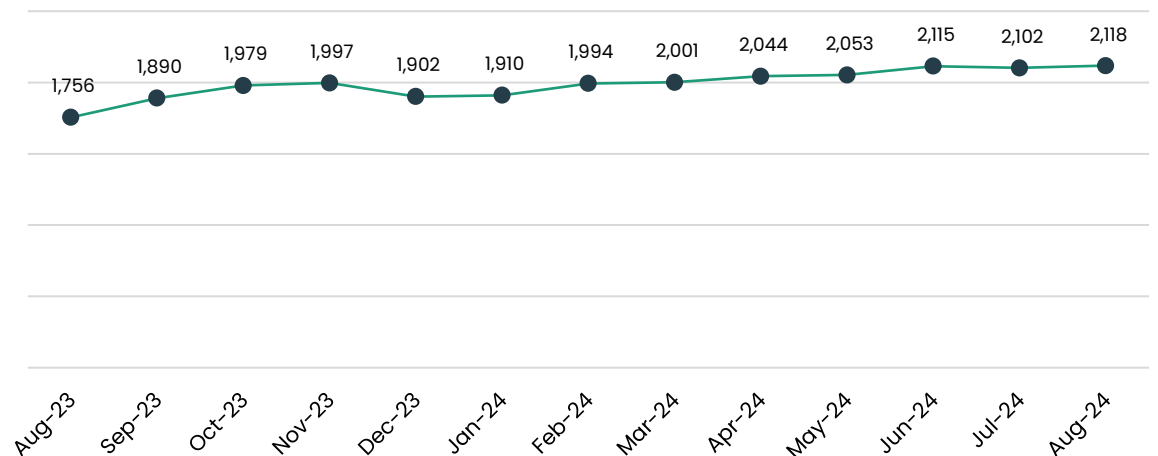
GSC-Composite Index: August 2023 to August 2024

Index Movement ($\Delta 41.3\%$)



Financial Stock Index: August 2023 to August 2024

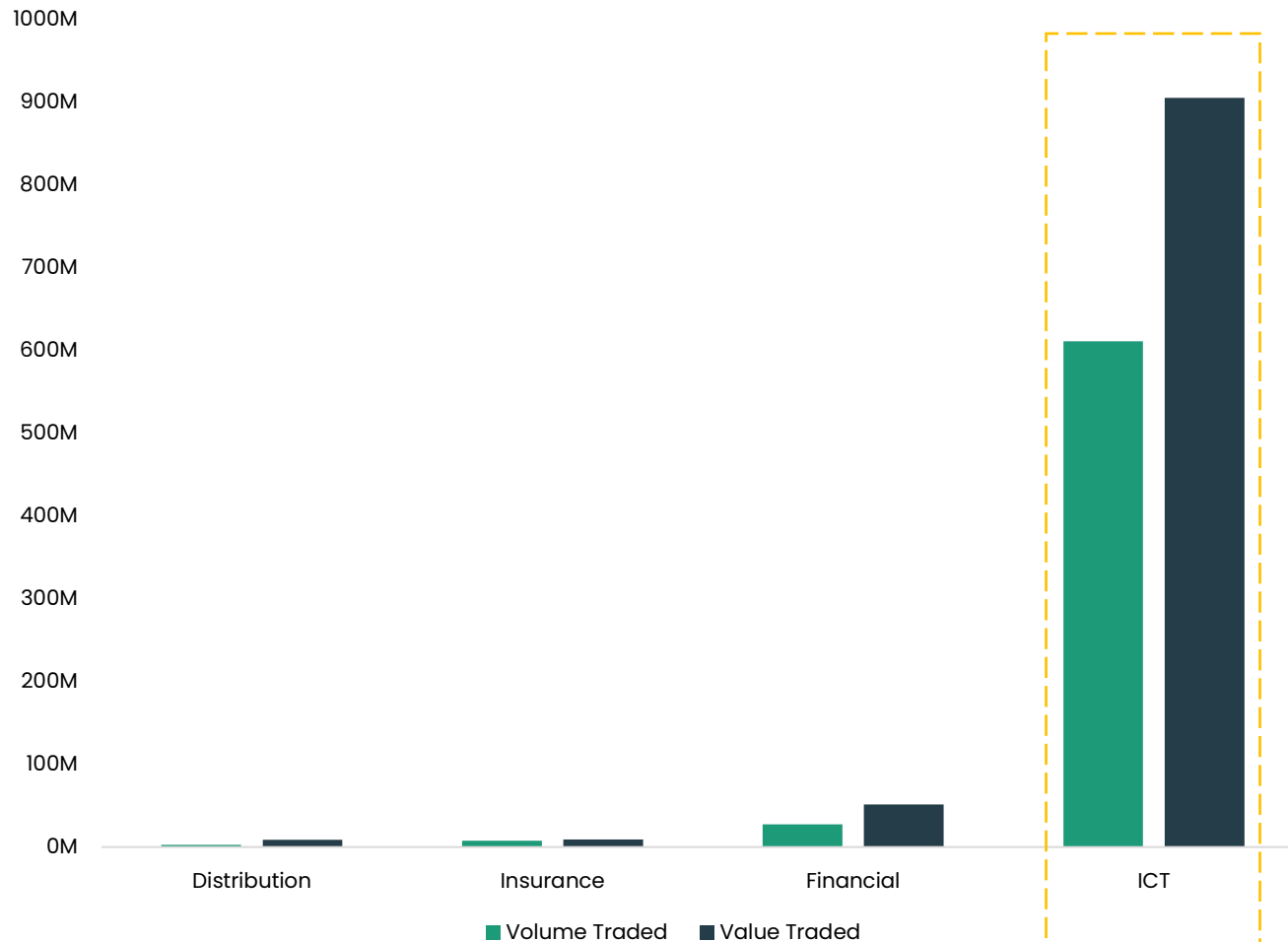
Index Movement ($\Delta 20.6\%$)



The ICT sector maintained its market dominance for the eighth consecutive month.

Sectorial Distribution of Trades, Jan–Aug 2024





Top 4 Sectors







- ICT Sector:** The ICT sector had the busiest counter YTD in August 2024, boasting a traded volume of 611,259,005 shares and a traded value of GHS 905,842,433.30. MTN accounted for 99.9% of the sector's trades in August reflecting its liquidity and the significant interest it continues to generate among investors.
- Financial Sector:** The financial sector maintained its positive outlook. The sector saw a trading volume of 27,594,176 shares, with a total value of GHS51,303,632.79. CAL recorded 42.2% of the sector's trade in August, as the company announced a resilient growth turnaround.
- Insurance Sector:** The insurance sector demonstrated moderate activity, trading 7,561,595 shares for GHS 8,924,273.53. SIC dominated the sector's trade in August, accounting for 74% of total shares traded.
- Distribution Sector:** The sector recorded 2,657,932 shares traded, valued at GHS 8,719,432.88. GOIL dominated the sector, accounting for 72.4% of the total traded volume in August, while TOTAL contributed 27.5%.

MTNGH remains the busiest counter on the Ghana Stock Exchange.

Top Trades by Volume (08'24)

Equity	Traded Volume	% of Traded Volume
 MTNGH	20,301,857	91.00%
 GLD	360,753	1.60%
 FML	341,839	1.53%
 SIC	338,769	1.50%

Top Trades by Value (08'24)

Equity	Traded Value	% of Traded Value
 GLD	134,252,500.00	76.30%
 MTNGH	37,475,260.00	21.30%
 FML	1,196,436.00	0.70%
 GCB	796,079.40	0.50%

Eleven winners and two Losers emerged in the Market in August 2024. GGBL led the winners, boasting a 9.8% increase in value. CMLT followed with a 9.1% rise to GHS 0.12, while BOPP saw an 8.6% increase, closing at GHS 25.00.

MTNGH recorded its largest decline in 2024, falling by 9.5% to close the month at GHS 2.20. CAL followed with an 8.8% fall in value, taking its YTD performance to -35.4%

Stock	Beg. 2024	07 Price	08 Price	MoM Chg	YTD Chg
GGBL	3.40	4.70	5.16	▲ 9.8%	▲ 51.8%
CMLT	0.10	0.11	0.12	▲ 9.1%	▲ 20.0%
BOPP	22.0	23.02	25.00	▲ 8.6%	▲ 13.7%
UNIL	8.11	14.77	16.00	▲ 8.3%	▲ 97.3%
EGL	2.39	1.55	1.65	▲ 6.5%	▼ -31.0%
RBGH	0.48	0.52	0.55	▲ 5.8%	▲ 14.6%
GLD	218.50	362.50	382.60	▲ 5.5%	▲ 77.5%
GCB	3.40	5.60	5.91	▲ 5.5%	▲ 73.8%
ALLGH	-	6.00	6.15	▲ 2.5%	▲ 39.8%
TBL	0.82	0.82	0.83	▲ 1.2%	▲ 1.2%
TOTAL	9.00	12.33	12.40	▲ 0.6%	▲ 37.8%
CAL	0.48	0.34	0.31	▼ -8.8%	▼ -35.4%
MTNGH	1.40	2.43	2.20	▼ -9.5%	▲ 57.1%

Stock Picks

Criteria:

- Trades on the Ghana stock exchange
- Strong forward growth expectations
- Historical EPS growth and positive outlook
- Has a market capitalization of at least GHS 500M and trades at least 500 shares per day on average
- Demonstrated historical growth and financial performance

1 Unilever	UNIL
Stock Price 16.00	Year-to-Date 97.30%
Market Cap 1,000.00mil	EPS (GHS) 1.80
P/E 8.91	Dividend Yield 2.50%
Key Takeaway Impressive price growth	

2 GCB Bank.	GCB
Stock Price 5.91	Year-to-Date 73.80%
Market Cap 1,566.15mil	EPS (GHS) 3.15
P/E 1.88	Dividend Yield 0.00%
Key Takeaway 8.9% earnings growth above industry	

3 Scancom Ghana Plc.	MTNGH
Stock Price 2.20	Year-to-Date 57.10%
Market Cap 29,040.00mil	EPS (GHS) 0.35
P/E 6.22	Dividend Yield 12.2%
Key Takeaway Impressive dividend yield	

4 Access Bank Ghana	ACCESS
Stock Price 4.80	Year-to-Date 41.18%
Market Cap 835.00mil	EPS (GHS) 4.16
P/E 1.15	Dividend Yield 0.00%
Key Takeaway ~40% growth in EPS from Q3'23	

5 Total Energies	TOTAL
Stock Price 12.33	Year-to-Date 37.80%
Market Cap 1,380.96mil	EPS (GHS) 2.03
P/E 6.10	Dividend Yield 5.84%
Key Takeaway Impressive dividend yield	

6 Benso Palm Plantation	BOPP
Stock Price 25.00	Year-to-Date 13.70%
Market Cap 870.00mil	EPS (GHS) 2.29
P/E 10.91	Dividend Yield 9.32%
Key Takeaway Positive EPS growth outlook	

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