

**LAURUS
AFRICA**



Monthly Economic and Market Report

July 2024

Summary Snapshot

Macroeconomics


Macro indicators

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

	05'24	06'24	07'24
Inflation %	23.1	22.8	-
MPR %	29.0	29.0	29.0

	05'24	06'24	07'24
USD/GHC	14.1301	14.5860	14.9009
YTD app+ / dep- %	-16.26	-19.39	-21.50
GBP/GHC	17.9996	18.4375	19.1305
YTD app+ / dep- %	-16.30	-18.68	-22.30
EUR/GHC	15.3345	15.6270	16.1065
YTD app+ / dep- %	-14.70	-16.57	-19.55

Upcoming events

 MPC Press Release | 30th September 2024

Commodities

International prices

	06'24	07'24	MoM Chg. %
Cocoa \$/tonne	7,731.00	8,179.84	▲ 5.81
Gold \$/ounce	2,339.60	2,433.98	▲ 4.03
Oil \$/barrel	85.00	80.72	▼ -5.04

Fixed Income

Money market

	06'24	07'24	MoM Chg. %
91 Day Bill	24.87%	24.79%	▼ -0.32
182 Day Bill	26.80%	26.74%	▼ -0.22
364 Day Bill	27.79%	27.86%	▲ 0.25

Equity

Market activities

Volume traded (07'23)	Volume traded (07'24)
35,248,344	45,760,284
Value traded (07'23)	Value traded (07'24)
GHS 18,361,235.27	GHS 125,189,701.69
GSE-CI (07'24)	GSE-FSI (07'24)
4,493.92 (17.3%)	2,101.90 (-0.6%)

Winners and losers

MTNGH	2.34	▲ 29.3%
TOTAL	12.33	▲ 27.5%
ALLGH	6.00	▲ 25.3%
GLD	362.50	▲ 5.0%
BOPP	23.00	▲ 4.1%
GCB	5.60	▲ 1.8%
SCB	20.1	▲ 0.5%
CAL	0.34	▼ 2.9%
FML	3.50	▼ 4.9%
EGL	1.55	▼ 35.1%

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

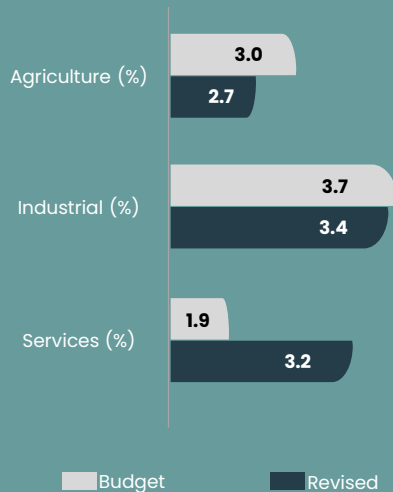
The Ghanaian economy is on the path of recovery.

Snapshot of the 2024 mid-year budget review.

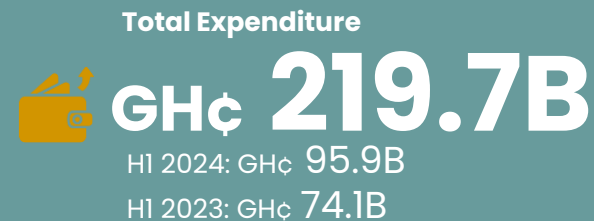
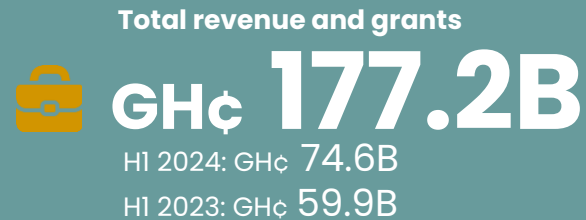
Macroeconomic Indicators

Indicator	H1 2024	2024 Target	Revised Target
Overall GDP growth rate	4.7%	2.8%	3.1%
End of period inflation	22.8%	15.0%	15.0%
Fiscal deficit (% of GDP)	-3.4%	4.9%	4.2%
Import cover (months)	3.1	≥3.0	≥3.0

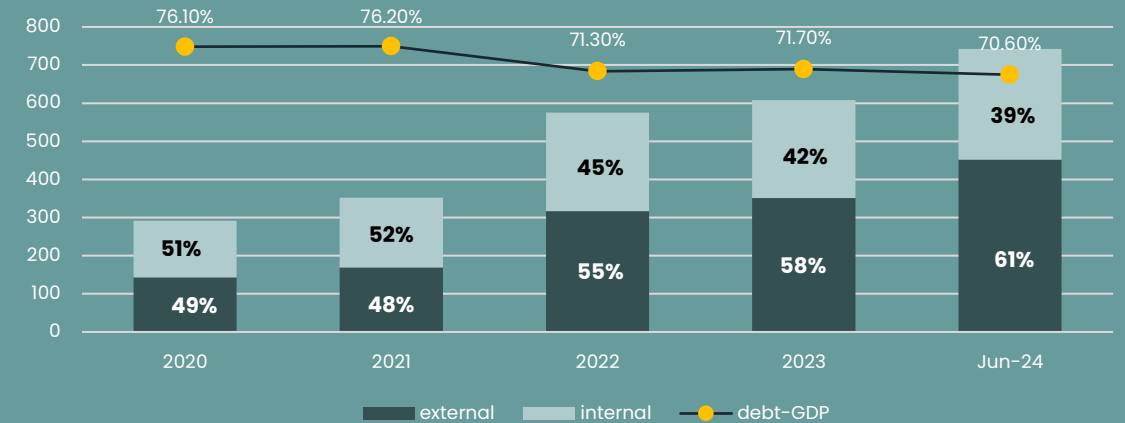
Revised Sector GDP Growth



Revised Fiscal Targets for 2024



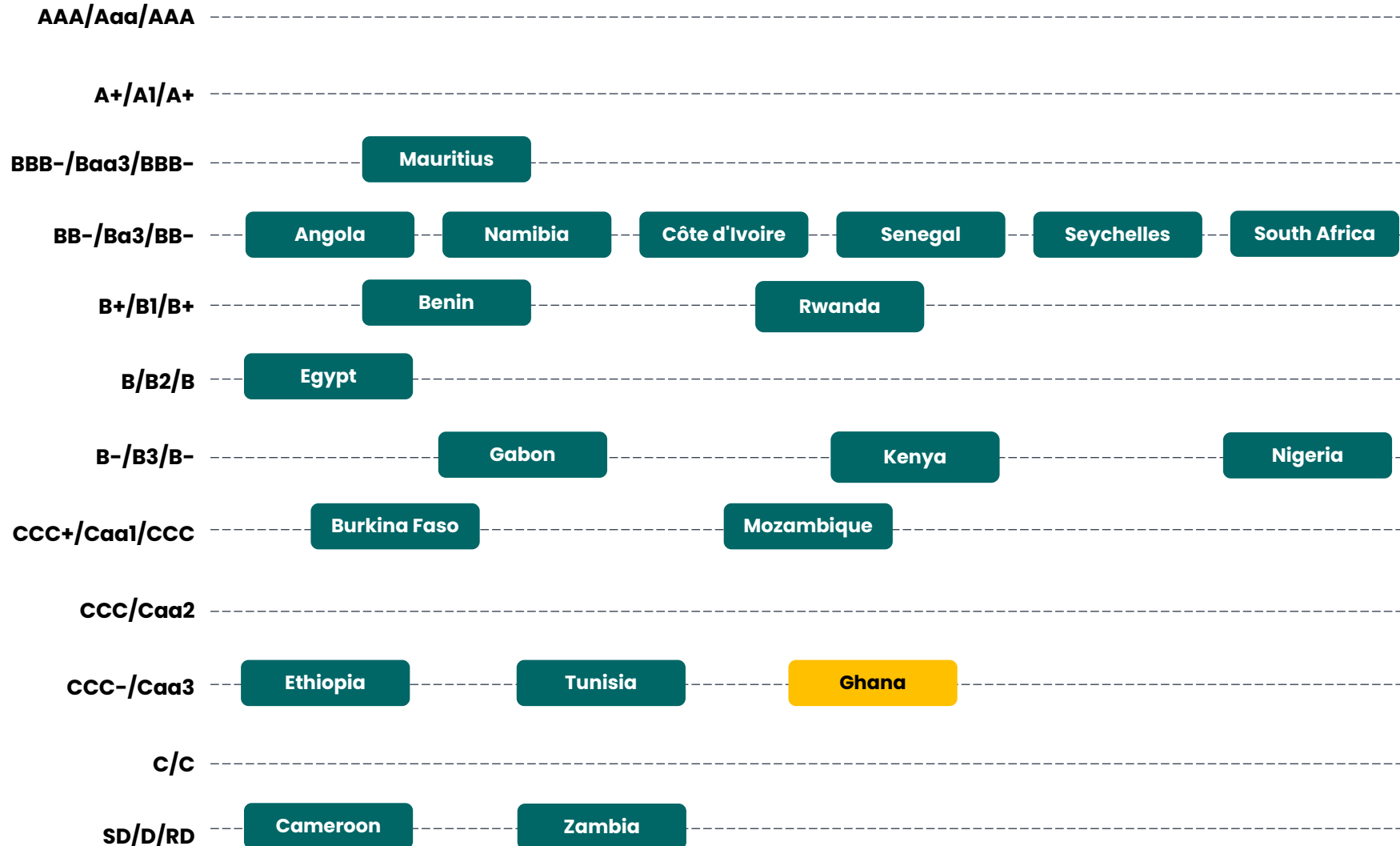
Public Debt Levels



Tax Highlights

1. The government plans to broaden the tax base by launching a digital solution and an electronic bookkeeping system in the second half of 2024.
2. Onboard an additional 2,000 taxpayers onto the electronic invoicing system.
3. The government aims to boost revenue mobilization in the second half of 2024 by enhancing data sharing with other jurisdictions.
4. Develop a framework for the re-introduction of road and bridge tolls in 2025.
5. Expand the Ghana Automotive Development Programme to include manufacturers of two and three-wheeled electric vehicles.
6. Finalize draft Regulations to facilitate the work of the Independent Tax Appeals Board (ITAB).
7. Broaden the scope of VAT exemptions to include active pharmaceutical ingredients, excipients, and other finished pharmaceutical products.

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.

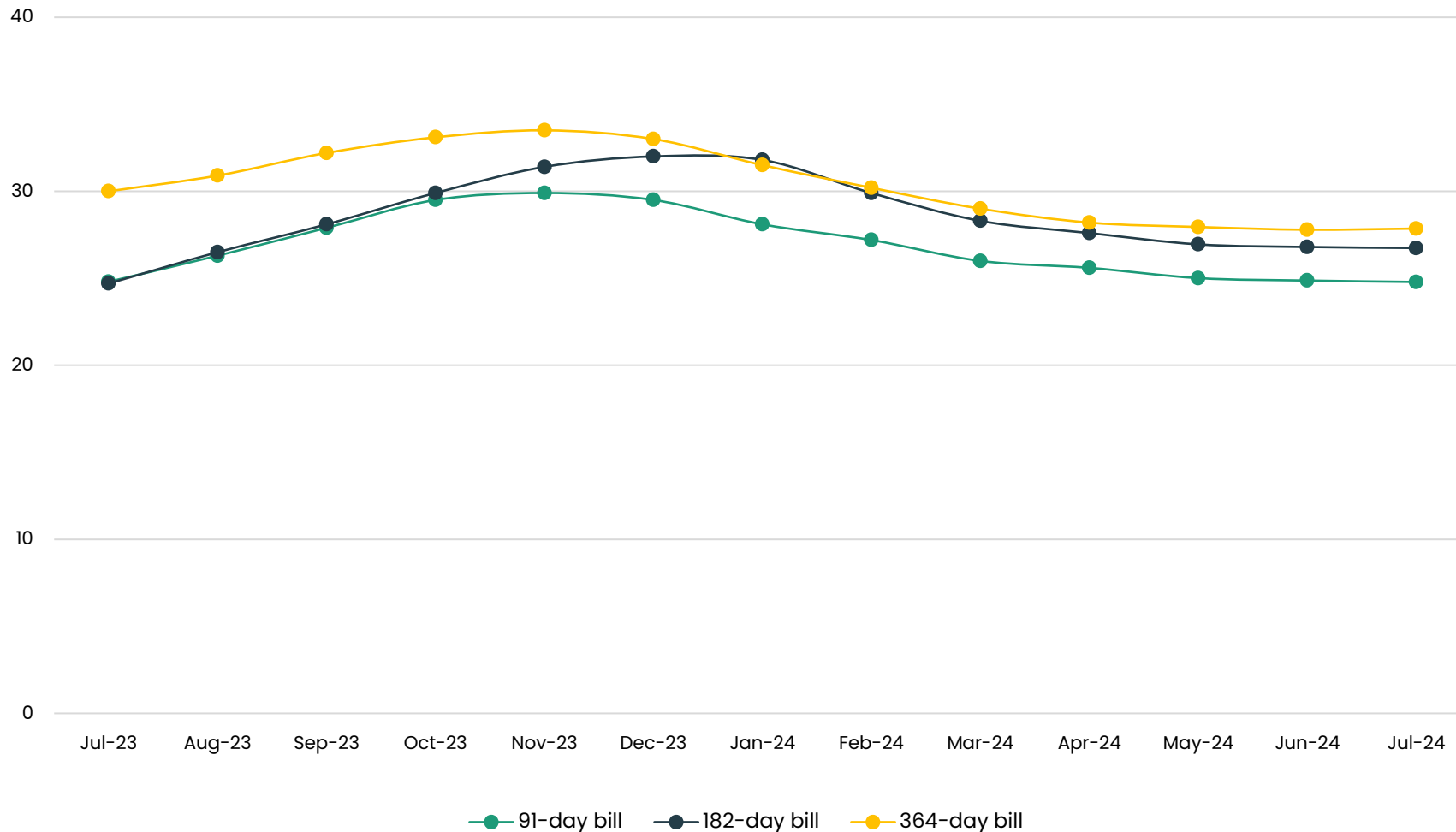
Fitch on the other hand affirmed Ghana's Long-Term Foreign Currency (LTFC) at RD in its rating action commentary published on July 24 2024. The affirmation of the LTFC IDR at RD reflects that Ghana is still defaulting on its outstanding Eurobonds following the expiration of the grace period for a missed coupon payment in February 2023.



Treasury bill rates were relatively stable in July.

The Yield on Government Treasury Bills as at July 2024

Yield Curve %



The government successfully borrowed GHS 15.8B via treasury bills, marking a 6% decrease from June.

The government underperformed its target in three of the four auctions settled in July, achieving a 12.7% decrease in the gross monthly target.

All bids tendered were accepted, comprising GHS 11.4B, GHS 3.31B, and GHS 1.9B worth of 91, 82, and 364-day bills respectively.

Treasury bill yields settled at 24.79% for the 91-day bill, 26.74% for the 182-day bill, and 27.86% for the 364-day bill, marking decreases of 8.2 bps and 5.9 bps month-on-month for the 91-day and 182-day bills respectively, and a 6.6 bps increase in the 364-day bill.

The market continued its upward trajectory through July 2024, showing a strong start to the second half of the year.

Market Highlight

	Jan-Jul 2024	Jan-Jul 2023	% Change
GSE-CI YTD Change	41.7%	21.80%	
Volume	630,409,603	262,135,876	140.5
Value (GHS)	1,109,659,660.56	349,388,623.47	217.6
GSE-CI	4,493.92	2,976.77	50.0
Market Cap (GHS'M)	93,348.22	72,075.71	29.5
GSE-FSI YTD Change	10.1%	-16.44%	
GSE-FSI	2,101.90	1,715.17	22.5

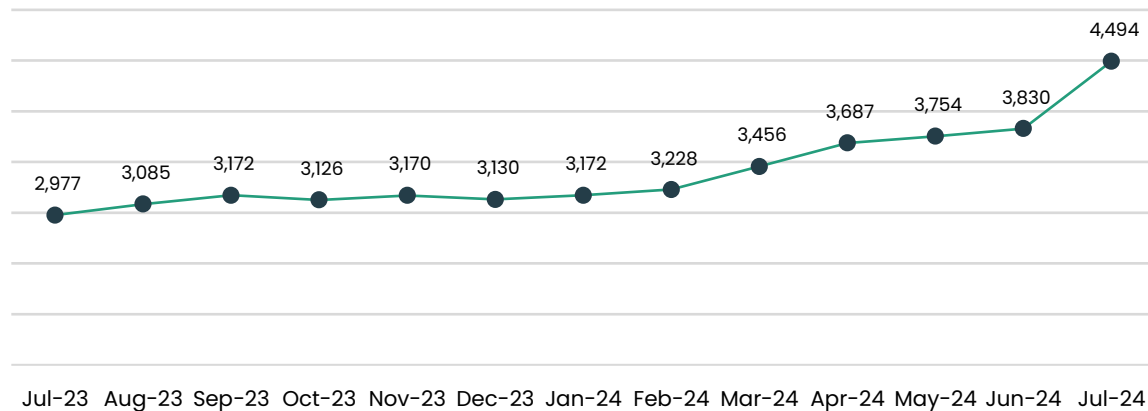
The GSE Composite Index (GSE-CI) advanced by 664.31 points to close the month at 4,493.92 points compared to 3,829.61 points in the previous month, reflecting a 17.3% month-on-month gain. This resulted in a 41.7% advancement in the year-to-date performance. Market capitalization increased by 9.7% from June to close July at GHS 93.35B.

The Financial Stock Index (GSE-FSI) dipped by 13.14 points to close the trading month at 2,101.90 points compared to 2,115.04 points in the previous month, marking a 0.6% month-on-month loss.

630.41M shares exchanged hands year-to-date in July 2024, compared to 262.1M in the same period in 2023. Shares traded on the market were valued at GHS 1,109.66M, a 217.6% increase from the same period in 2023.

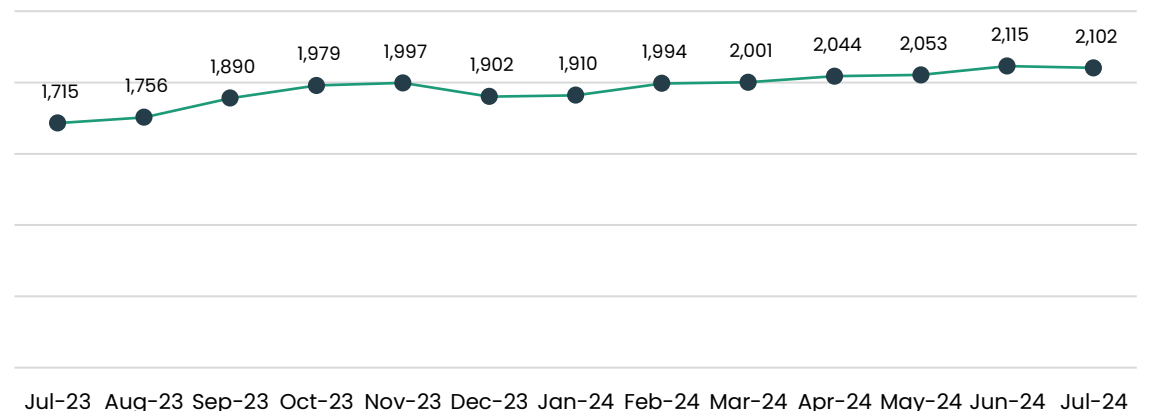
GSC-Composite Index: July 2023 to July 2024

Index Movement ($\Delta 50.9\%$)



Financial Stock Index: July 2023 to July 2024

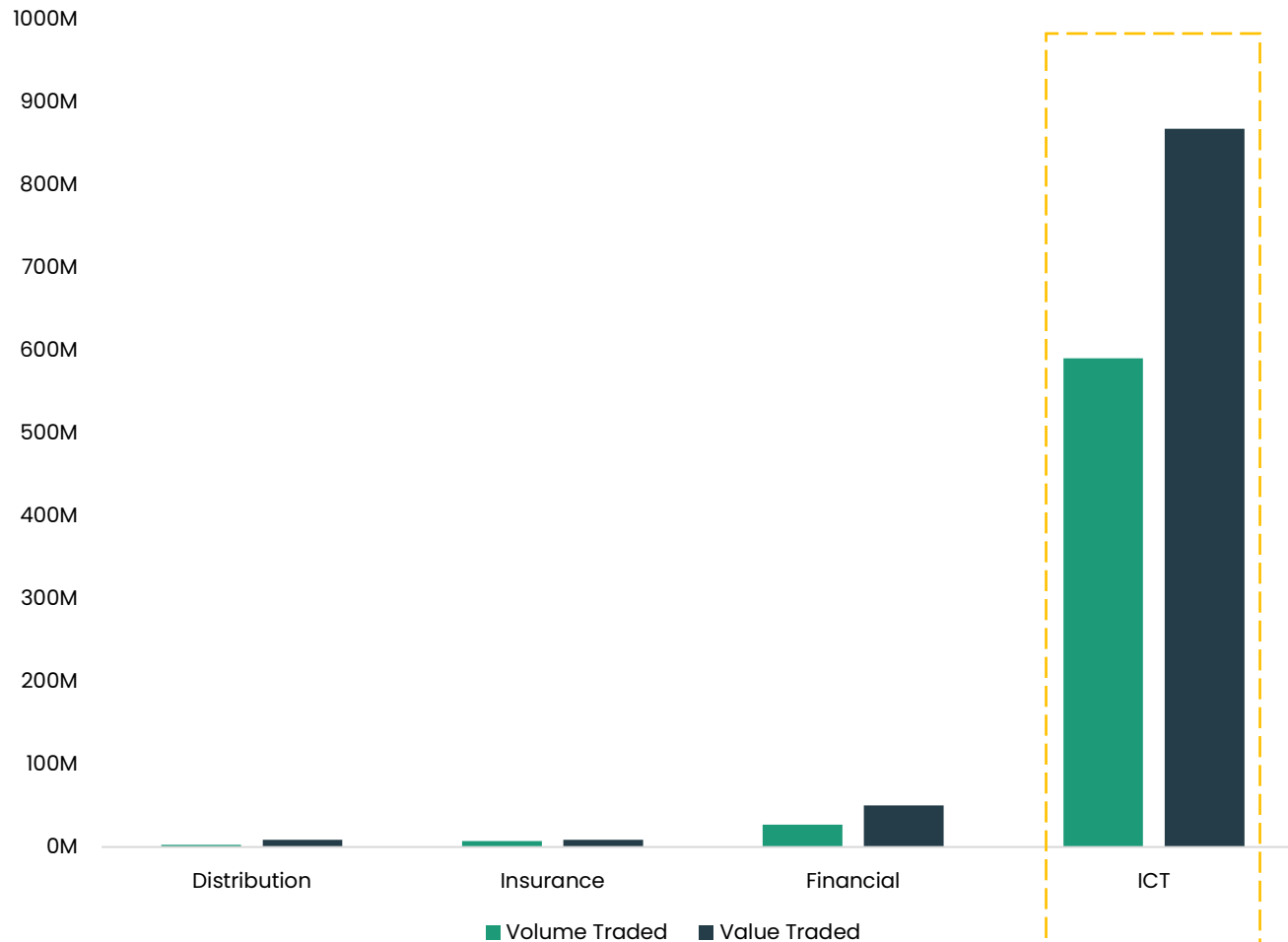
Index Movement ($\Delta 22.5\%$)



The ICT sector was the dominant counter over the trading month.

Sectorial Distribution of Trades, January–July 2024





Top 4 Sectors







- ICT Sector:** The sector remains the dominant counter, boasting a traded volume of 590,945,893 and a traded value of GHS 868,366,839.38 in year-to-date July. MTN accounted for 99% of the sector's trade in July as investors sought to be eligible for its interim dividend payment in September.
- Financial Sector:** The sector recorded a volume of 27,009,007 shares traded, valued at GHS 50,231,173.49. Ecobank Ghana accounted for 87% of the volume traded and 98% of the traded value in July 2024 after the Company reported a 32.1% increase in revenue and a 127.8% increase in profit before tax for the first half of 2024.
- Insurance Sector:** The insurance sector showed moderate activity, trading 7,103,978 shares for GHS 8,652,008.03. Enterprise Group Limited recorded 99% of trading activity in July, after reporting an 8.3% increase in annual revenues and declaring dividends of GHS 0.097 per share.
- Distribution:** The sector recorded a volume of 2,625,992 shares traded, valued at GHS 8,575,895.87. TOTAL accounted for 62% of the traded volume while GOIL contributed to 38% of the volume traded.

MTNGH remains the most liquid stock on the Ghana Stock Exchange.

Top Trades by Volume (July'24)

Equity	Traded Volume	% of Traded Volume
 MTNGH	33,811,104	73.90%
 EGL	6,544,797	14.30%
 EGH	4,372,146	9.60%
 CAL	462,152	1.00%

Top Trades by Value (July'24)

Equity	Traded Value	% of Traded Value
 MTNGH	70,986,269.07	56.70%
 EGH	26,670,090.60	21.30%
 GLD	17,544,469.02	14.00%
 EGL	8,465,364.08	6.80%

Seven gainers and three Losers emerged in the Market in July 2024. Among the gainers, MTNGH led with a significant increase of 29.3%, closing at GHS 2.34. TOTAL followed with a 27.5% rise to GHS 12.33, while ALLGH saw a 25.3% increase, closing at GHS 6.00. GLD, BOPP, GCB and SCB recorded lower gains, with increases of 5.0%, 3.6%, 1.8%, and 0.5% respectively.

Conversely, EGL experienced the largest decline, falling 35.1% to GHS 1.55. FML dropped by 4.9% to GHS 3.50, while CAL decreased by 2.9% to GHS 0.34.

Stock	Beg. of 2024	Beg. of July	End of July	MoM Chg	YTD Chg
MTNGH	1.40	1.81	2.34	▲ 29.3%	▲ 67.1%
TOTAL	9.00	9.67	12.33	▲ 27.5%	▲ 37.0%
ALLGH	-	4.80	6.00	▲ 25.3%	▲ 36.4%
GLD	218.50	345.19	362.50	▲ 5.0%	▲ 65.9%
BOPP	22.00	22.21	23.00	▲ 3.6%	▲ 4.5%
GCB	3.40	5.50	5.60	▲ 1.8%	▲ 64.7%
SCB	17.55	20.00	20.10	▲ 0.5%	▲ 14.5%
CAL	0.48	0.35	0.34	▼ 2.9%	▼ 29.2%
FML	3.25	3.68	3.50	▼ 4.9%	▲ 7.7%
EGL	2.39	2.39	1.55	▼ 35.1%	▼ 35.1%

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	Year-to-Date
14.77	82.12%
Market Cap	EPS (GHS)
923.13mil	1.80
P/E	Dividend Yield
8.22	2.71%
Key Takeaway	
Impressive price growth	

2 Scancom Ghana Plc.

MTNGH

Stock Price	Year-to-Date
2.34	67.1%
Market Cap	EPS (GHS)
30,888.00mil	0.35
P/E	Dividend Yield
6.67	2.77%
Key Takeaway	
Positive PE growth outlook	

3 GCB Bank.

GCB

Stock Price	Year-to-Date
5.60	64.71%
Market Cap	EPS (GHS)
1,484.00mil	3.15
P/E	Dividend Yield
1.87	0.00%
Key Takeaway	
8.6% earnings growth above industry	

4 Access Bank Ghana

ACCESS

Stock Price	Year-to-Date
4.80	41.18%
Market Cap	EPS (GHS)
835.00mil	4.20
P/E	Dividend Yield
1.15	0.00%
Key Takeaway	
~40% growth in EPS from Q3'23	

5 Total Energies

TOTAL

Stock Price	Year-to-Date
12.33	37.00%
Market Cap	EPS (GHS)
1,380.96mil	2.03
P/E	Dividend Yield
6.07	5.87%
Key Takeaway	
Impressive dividend yield	

6 Benso Palm Plantation

BOPP

Stock Price	Year-to-Date
23.00	4.5%
Market Cap	EPS (GHS)
800.40mil	2.29
P/E	Dividend Yield
10.05	10.1%
Key Takeaway	
Positive EPS growth outlook	

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