

**LAURUS  
AFRICA**



# Quarterly Economic and Market Report

Q2 2024


# Summary Snapshot

## Macroeconomics

### Macro indicators

	Q3'23	Q4'23	Q1'24
GDP growth %	2.2	3.8	4.7
	Q4'23	Q1'24	Q2'24 <sup>1</sup>
Inflation %	23.2	25.8	23.1
MPR %	30.0	29.0	29.0
	Q4'23	Q1'24	Q2'24
USD/GHC	11.8800	12.8770	14.5860
YTD app+ / dep- %	-6.33	-7.74	-11.72
GBP/GHC	15.1334	16.2617	18.4375
YTD app+ / dep- %	-10.18	-6.94	-11.80
EUR/GHC	13.1264	13.9031	15.6270
YTD app+ / dep- %	-10.28	-5.59	-11.03

### Upcoming events

 MPC Meeting | July 23 – July 26

## Commodities

### International prices

	Q1'24	Q2'24	QoQ Chg. %
Cocoa \$/tonne	9,471.00	7,731.00	▼ -18.37
Gold \$/ounce	2,220.32	2,339.60	▲ 5.37
Oil \$/barrel	87.50	85.00	▼ -2.86

## Fixed Income

### Money market

	Q1'24	Q2'24	QoQ Chg. %
91 Day Bill	25.99%	24.87%	▼ -4.31
182 Day Bill	28.49%	26.80%	▼ -7.27
364 Day Bill	29.10%	27.79%	▼ -4.50

## Equity

### Market activities

Volume traded (Q1'24)	Volume traded (Q2'24)
<b>254,217,012</b>	<b>330,418,635</b>
Value traded (Q1'24)	Value traded (Q2'24)
<b>GHS 365,983,113.48</b>	<b>GHS 618,499,563.40</b>
GSE-CI (Q2'24)	GSE-FSI (Q2'24)
<b>3,829.61 (10.8%)</b>	<b>2,115.04 (5.7%)</b>

### Top winners and losers

GCB	5.5	▲ 60.3%
UNIL	14.77	▲ 24.6%
GLD	345.19	▲ 16.2%
FML	3.68	▲ 15.0%
MTNGH	1.81	▲ 14.6%
CMLT	0.11	▲ 10.0%
SOGEGH	1.55	▲ 1.3%
CAL	0.35	▼ 16.7%

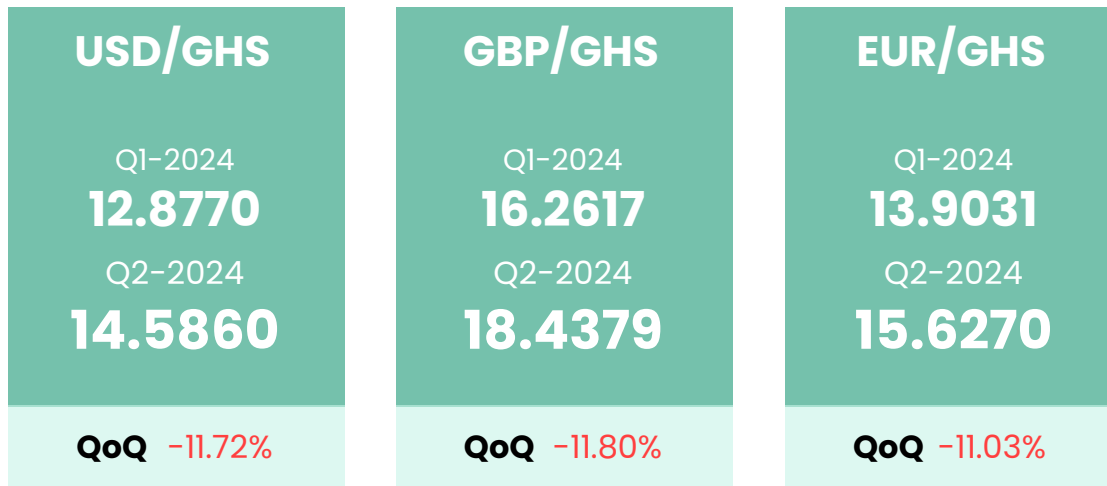
**Note:** <sup>1</sup>Q1'24 Inflation is as of May 2024, Qx means quarter x, YTD means year-to-date, QoQ means quarter-on-quarter, app+ means appreciation, dep- means depreciation, GSE means Ghana Stock Exchange, GSE-CI means GSE Composite Index, GSE-FSI means GSE Financial Stock Index, MPC means Monetary Policy Committee

# Ghana experienced strong economic growth and moderating inflation despite a weakening currency.

GDP grew for the second consecutive quarter in Q1 2024 at 4.70%, marking the fastest growth rate since Q4 2021 (6.10%). Compared to Q4 2023 (3.80%), this represents a 0.90 percentage point rise.

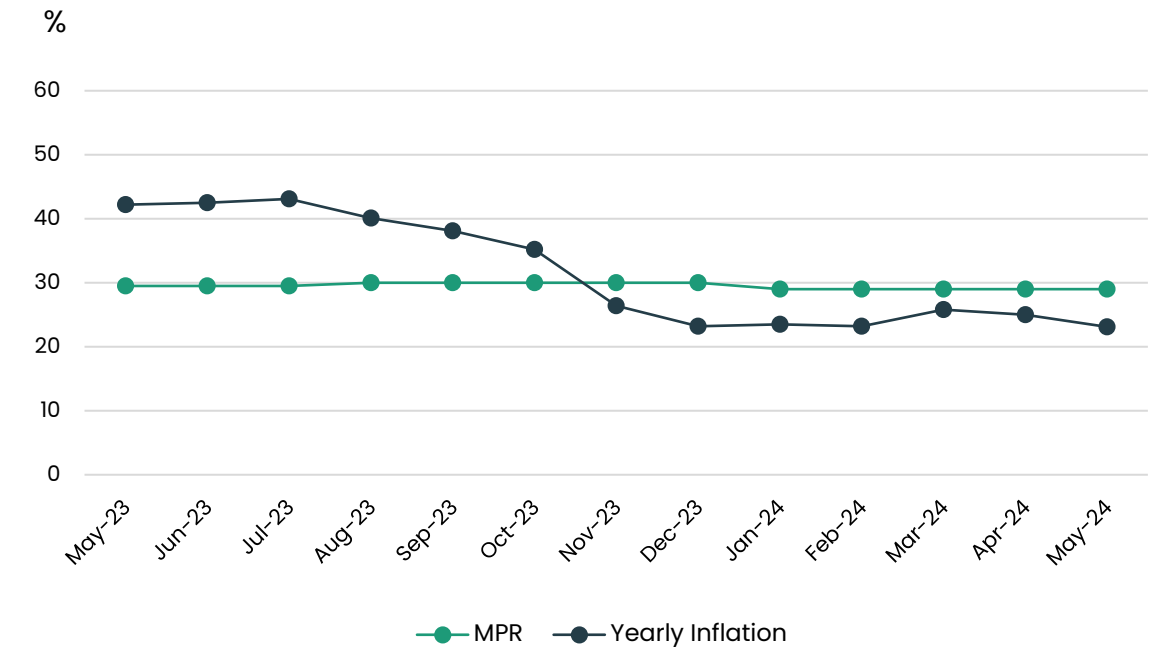
The industrial sector drove growth, expanding from 1.30% in Q4 2023 to 6.80% in Q1 2024. The mining and quarrying sub-sector grew by 12.90%. However, the services and agricultural sectors, which account for roughly 69% of GDP, experienced slowdowns due to exchange rate pressures and adverse weather conditions that affected output.

## Exchange Rates



The local currency faced downward pressure since the start of the quarter due to heightened demand for foreign exchange to finance imports, a decrease in cocoa earnings, and delays in debt restructuring. Meanwhile, the country reached a memorandum of understanding with its official creditors formalizing debt treatment plans agreed in January.

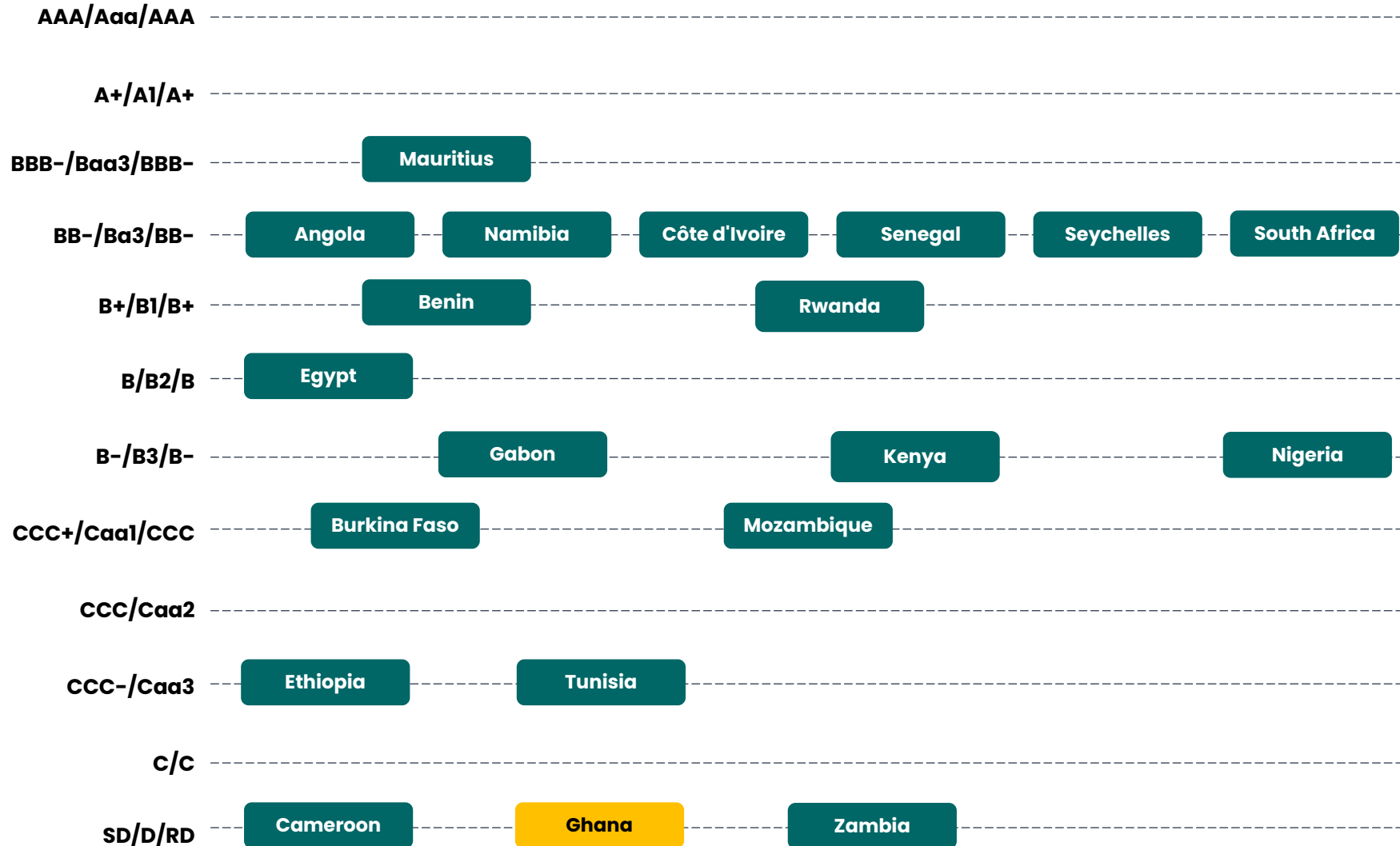
## Monetary Policy Rate & Inflation



Ghana's annual consumer inflation decelerated to an over two-year low of 23.1% in May 2024, compared to 25% in the prior month, though still above the central bank's target band of 6% to 10%. The slight moderation in overall inflation was mainly due to a favorable base effect despite a slumping cedi. Food inflation eased to 22.6% from 26.8%, while non-food inflation increased to 23.6%, up from 23.5%. On a monthly basis, consumer prices climbed by 3.2% in May, the most in ten months, after a 1.8% rise in the prior month.

The Monetary Policy Committee held the MPR at 29% in its May 2024 MPC meetings.

# Ghana's credit rating stands at standard default with stable outlook.



In May 2023, S&P Global affirmed its 'SD/SD' long and short-term foreign currency ratings and its 'CCC+/C' long and short-term local currency ratings on Ghana to reflect the government's decision to suspend interest and principal payments on commercial foreign currency debt.

This followed a downgrade of the long-term issuer default rating from C to RD by Fitch in February 2023, and a downgrade of the country's credit ratings from Caa2 to Ca by Moody's in November 2022.

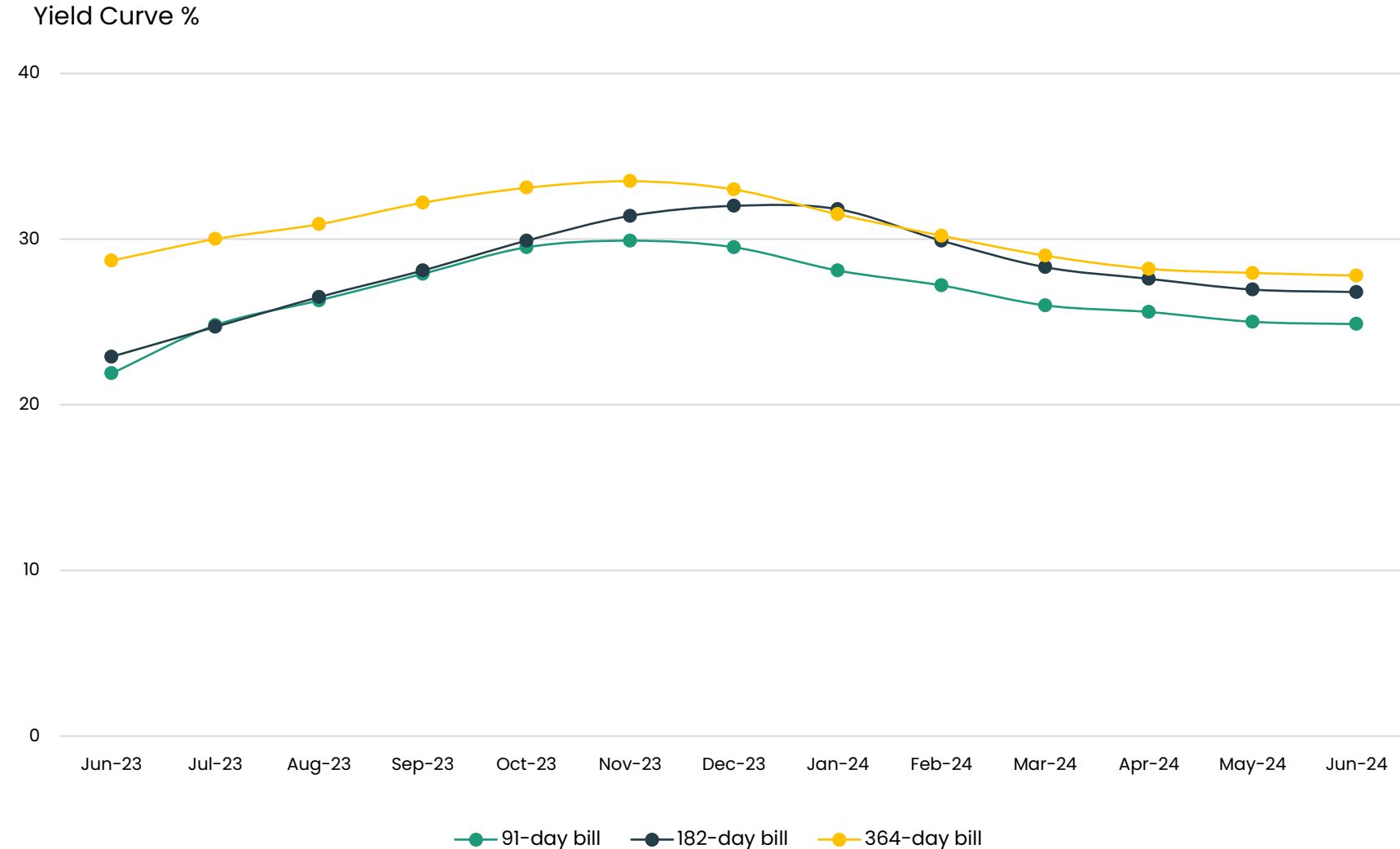
Investors are therefore taking a cautious approach to investing, with most diversifying their portfolios with alternative assets.

Looking ahead, S&P Global expects a stable long-term local currency rating as a result of the government's improved refinancing profile and reduced cost of debt due to the domestic debt restructuring.



# Treasury bill rates continued to decline throughout the second quarter of 2024.

## The Yield on Government Treasury Bills as at June 2024



The government successfully borrowed GHS 49.17B via treasury bills in Q2 2024.

The government overperformed its target in eight of the thirteen auctions settled in Q2 2024, achieving a 16.8% increase in the gross quarterly target.

All bids tendered were accepted, comprising GHS 36.35B, GHS 10.47B, and GHS 2.35B worth of 91, 82, and 364-day bills respectively.

Treasury bill yields settled at 24.87% for the 91-day bill, 26.80% for the 182-day bill, and 27.79% for the 364-day bill.

# The equity market sustained its upward momentum.

## Market Highlight

	Q2 2024	Q1 2024	% Change
GSE-CI YTD Change	20.1%	10.41%	
Volume	330,418,635	254,217,012	29.9
Value (GHS)	618,499,563.40	365,983,113.48	69.0
GSE-CI	3,829.61	3,456.20	10.8
Market Cap (GHS'M)	85,096.58	77,701.17	9.5
GSE-FSI YTD Change	10.7%	5.25%	
GSE-FSI	2,115.04	2,001.47	5.7

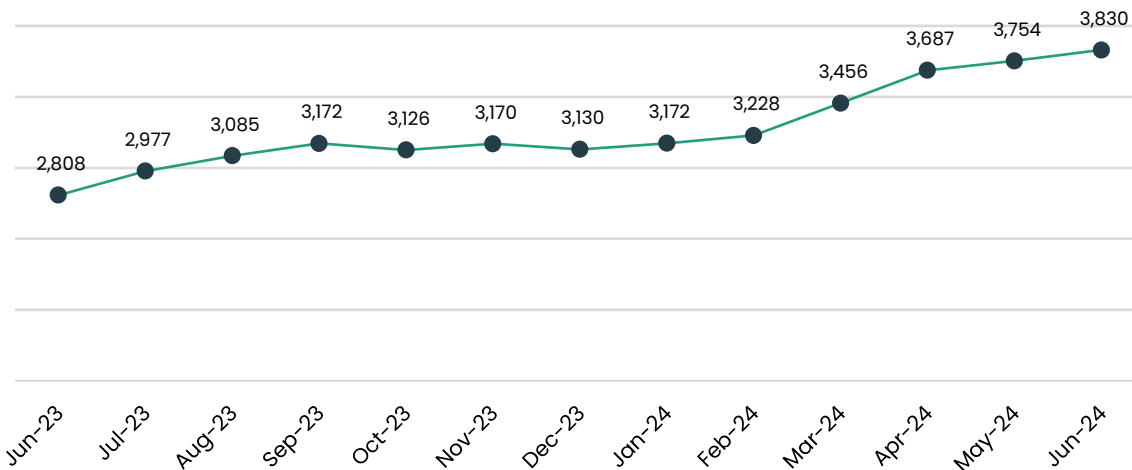
The GSE Composite Index (GSE-CI) advanced by 373.41 points in Q2, closing at 3,829.61, a 10.8% increase from the previous quarter's 3,456.20 points. This resulted in a 20.1% advancement in the year-to-date performance. Market capitalization increased by 9.5% from Q1 to close Q2 at GHS 85.10B.

The Financial Stock Index (GSE-FSI) improved by 113.57 points to close the quarter at 2,115.04 points compared to 2,001.47 points in the previous quarter and a 10.41% year-to-date increase.

330.42M shares exchanged hands in the second quarter of 2024, compared to 254.22M in the first quarter. Shares traded on the market were valued at GHS 618.50M, a 69% increase from Q1 2024.

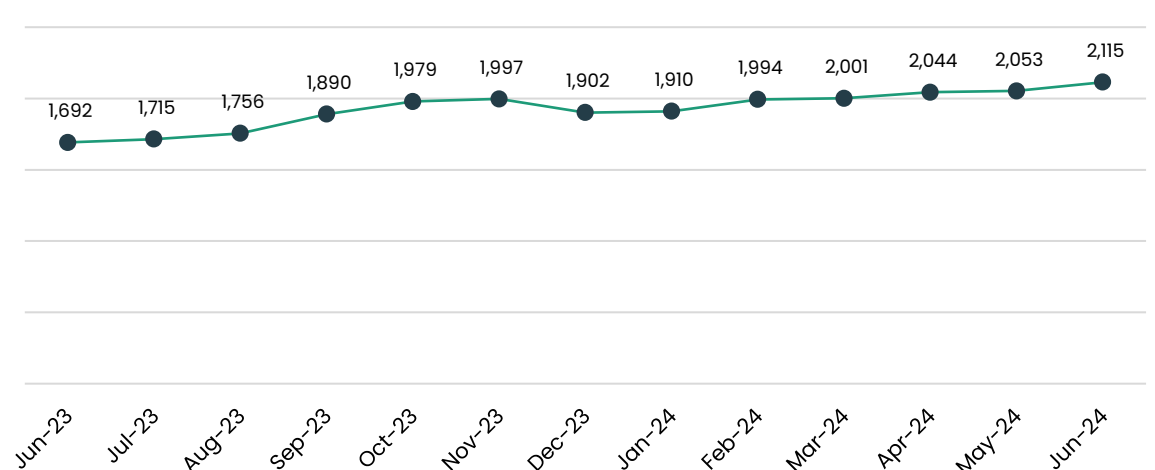
## GSC-Composite Index: June 2023 to June 2024

Index Movement ( $\Delta 36.3\%$ )



## Financial Stock Index: June 2023 to June 2024

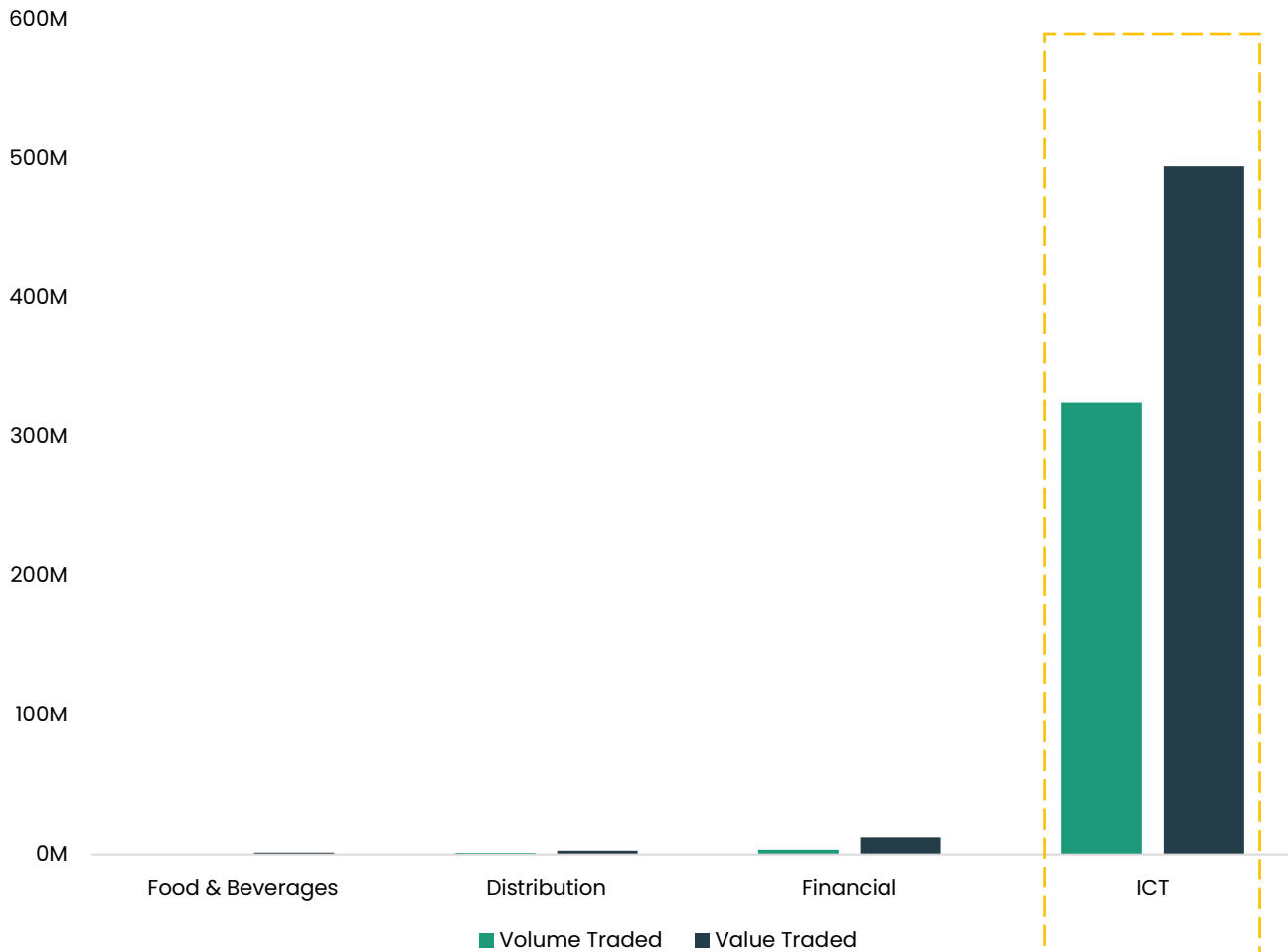
Index Movement ( $\Delta 25.0\%$ )



# The ICT sector maintained its market dominance for the second consecutive quarter.

## Sectorial Distribution of Trades, Q2 2024





Top 4 Sectors







- ICT Sector:** The ICT sector had the busiest counter in the second quarter of 2024, boasting a traded volume of 342,481,166 shares and a traded value of GHS 494,818,812.05. MTN accounted for 99% of the sector's trades and remains the most liquid stock on the Exchange.
- Financial Sector:** Investors maintained a positive outlook on the financial sector, driven by key players reporting strong Q1 earnings. The sector saw a trading volume of 3,312,618 shares, with a total value of GHS 12,406,247.71.
- Distribution Sector:** The distribution sector demonstrated moderate activity, trading 1,062,764 shares for GHS 2,613,925.45. 7% of trading activities were recorded in June, with the remaining occurring in the first two months of the quarter.
- Food & Beverage Sector:** The sector saw 359,748 shares traded, valued at GHS 1,286,513.72. FML<sup>1</sup> dominated trading activities in the sector, significantly boosted by the company's announcement of GHS 0.05 per share in dividends.

# MTNGH was the most dominant counter throughout the second quarter of 2024.

## Top Trades by Volume (Q2'24)

Equity	Traded Volume	% of Traded Volume
 MTNGH	324,448,806	98.19%
 GCB	1,381,663	0.42%
 GOIL	943,321	0.29%
 ETI	585,830	0.18%

## Top Trades by Value Q2'24)

Equity	Traded Value	% of Traded Value
 MTNGH	494,817,842.06	80.00%
 GLD	105,690,125.07	17.09%
 GCB	6,800,857.86	1.10%
 SCB	3,312,004.29	0.54%

Twelve winners and two Losers emerged in the Market in Q2 2024. GCB led the winners, boasting a 61% increase in value. ACCESS followed with an impressive 39.1% rise to GHS 4.8, while UNIL saw a 24.6% increase, closing at GHS 14.77.

Conversely, SOGEGH and CAL declined by 1.3% and 16.7% to close the quarter at 1.55 and 0.35 respectively.

Stock	Beg. 2024	Q1 Price	Q2 Price	QoQ Chg	YTD Chg
GCB	3.40	3.43	5.5	▲ 60.3%	▲ 61.8%
UNIL	8.11	11.85	14.77	▲ 24.6%	▲ 82.12%
GLD	218.5	297.01	345.19	▲ 16.2%	▲ 57.9%
FML	3.25	3.20	3.68	▲ 15.0%	▲ 13.2%
MTNGH	1.40	1.58	1.81	▲ 14.6%	▲ 29.2%
CMLT	0.10	0.10	0.11	▲ 10.0%	▲ 10.0%
ALLGH	-	4.40	4.80	▲ 9.1%	▲ 9.1%
ACCESS	3.40	4.45	4.80	▲ 7.9%	▲ 41.2%
GGBL	3.40	4.44	4.70	▲ 5.8%	▲ 38.2%
SIC	0.24	0.24	0.25	▲ 4.2%	▲ 4.2%
SCB	17.55	19.25	20.00	▲ 3.9%	▲ 14.0%
BOPP	22.00	21.53	22.21	▲ 3.2%	▲ 0.95%
TOTAL	9.00	9.50	9.67	▲ 1.8%	▲ 7.4%
SOGEGH	1.57	1.57	1.55	▼ 1.3%	▼ 1.3%
CAL	0.48	0.42	0.35	▼ 16.7%	▼ 27.1%



# 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
<b>14.77</b>	<b>82.12%</b>
Market Cap	EPS (GHS)
<b>923.13mil</b>	<b>1.55</b>
P/E	Dividend Yield
<b>9.51</b>	<b>2.71%</b>
Key Takeaway	
<b>Impressive price growth</b>	

## 2 Access Bank Ghana

ACCESS

Stock Price	Year-to-Date
<b>4.80</b>	<b>41.18%</b>
Market Cap	EPS (GHS)
<b>835.00mil</b>	<b>4.2</b>
P/E	Dividend Yield
<b>1.14</b>	<b>0.00%</b>
Key Takeaway	
<b>~40% growth in EPS from Q3'23</b>	

## 3 Scancom Ghana Plc.

MTNGH

Stock Price	Year-to-Date
<b>1.81</b>	<b>29.2%</b>
Market Cap	EPS (GHS)
<b>23,892.00mil</b>	<b>0.34</b>
P/E	Dividend Yield
<b>5.50</b>	<b>12.2%</b>
Key Takeaway	
<b>Impressive dividend yield</b>	

## 4 GCB Bank.

GCB

Stock Price	Year-to-Date
<b>5.50</b>	<b>61.76%</b>
Market Cap	EPS (GHS)
<b>1,457.50mil</b>	<b>3.81</b>
P/E	Dividend Yield
<b>1.44</b>	<b>0.00%</b>
Key Takeaway	
<b>8.6% earnings growth above industry</b>	

## 5 Total Energies

TOTAL

Stock Price	Year-to-Date
<b>9.67</b>	<b>7.44%</b>
Market Cap	EPS (GHS)
<b>1,081.92mil</b>	<b>1.74</b>
P/E	Dividend Yield
<b>5.56</b>	<b>0.00%</b>
Key Takeaway	
<b>~142% price appreciation from Jan 23</b>	

## 6 Benso Palm Plantation

BOPP

Stock Price	Year-to-Date
<b>22.21</b>	<b>0.95%</b>
Market Cap	EPS (GHS)
<b>772.91mil</b>	<b>1.63</b>
P/E	Dividend Yield
<b>13.65</b>	<b>10.5%</b>
Key Takeaway	
<b>Positive EPS growth outlook</b>	

# Disclaimer

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