



2024 QUARTER 2 ECONOMY AND MARKET RECAP

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Key Macroeconomic Indicators Review: Q2'2024

GDP Q1'2024	4.7%	In Q1 of 2024, Ghana's year-on-year GDP growth rate experienced a significant increase, reaching 4.7%, compared to the 3.1% y/y growth recorded in Q1 of 2023. This represents the strongest growth since Q4 2021. The IMF and the World Bank forecasts end-of-year growth at 3.1% and 3.0% respectively.
Inflation	22.8%	Inflation at the end of Q2 was 22.8%. This indicates a third consecutive decline. April (25.00%) and May (23.10%).
Monetary Policy	29.00%	The MPC maintained the MPR at 29.00%, keeping it unchanged for two consecutive occasions since January 2024. This decision comes amid declining inflation and promising economic growth prospects. The MPC plans to maintain higher rates for an extended period to mitigate inflation risks stemming from the exchange rate's impact on food and non-food prices.
Exchange Rate	Avg. 17.94%	As of Q2 2024, the cedi depreciated against the USD, GBP, and EUR by 18.55%, 17.92%, and 16.00%, respectively. This is an improvement compared to the same period in 2023, when the cedi depreciated by 22.00%, 26.30%, and 23.81% against these currencies.

Source: Ministry of Finance, Bank of Ghana and Ghana Statistical Service

CURRENCY PERFORMANCE

Performance of the Ghana Cedi

EXCHANGE RATES	USD/GHS	EUR/GHS	GBP/GHS
2023 End Year (Depreciation)	27.78%	30.29%	31.87%
Exchange Rate (As at end of Q2)	14.59	15.63	18.44
Year to Q2 Change (Depreciation)	18.55%	16.00%	17.92%

Source: Bank of Ghana

FIXED INCOME MARKET REVIEW

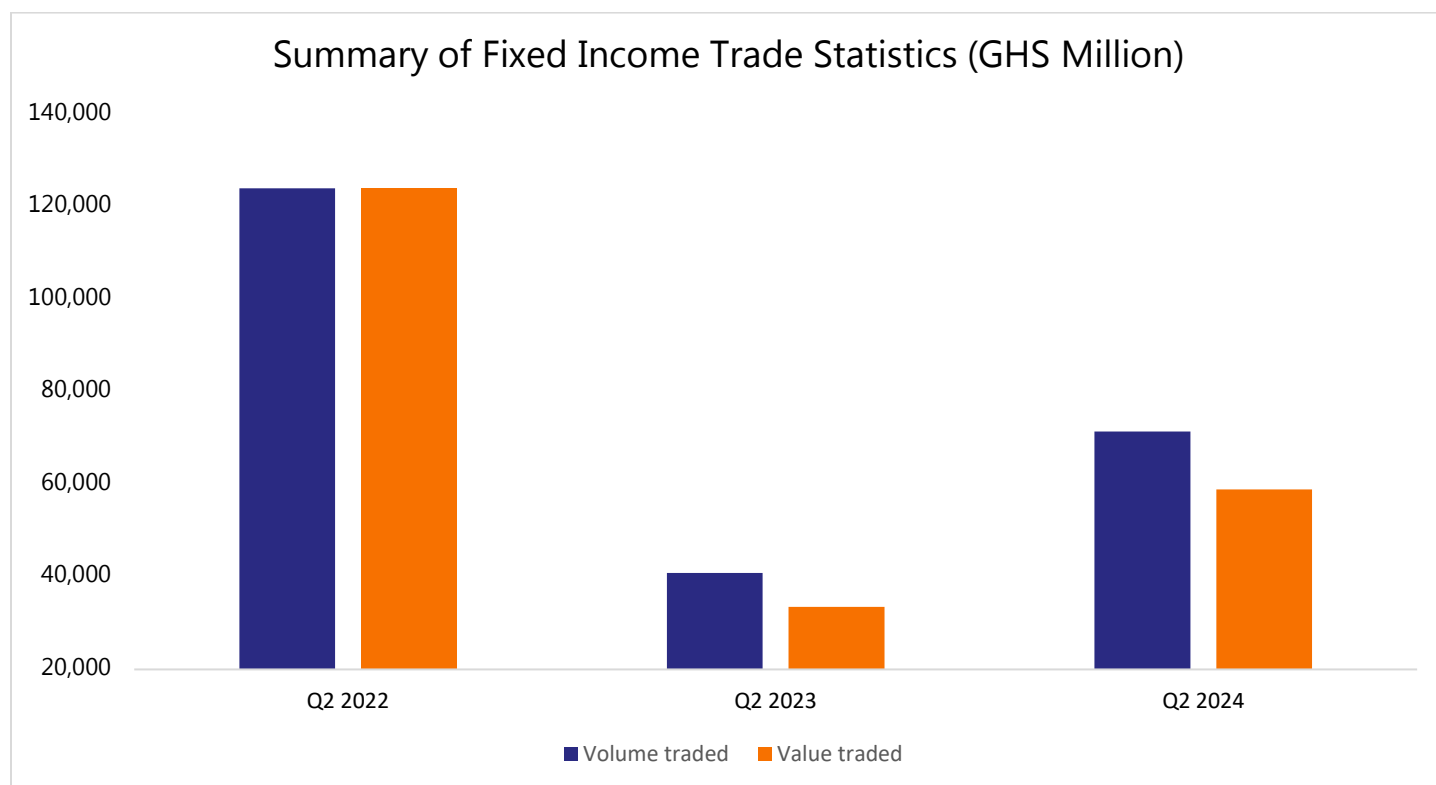
Primary Market Activities for Treasury Bills

Target for Q2	GHS 46.04 Billion
Bids Tendered	GHS 49.17 Billion
Amount Raised	GHS 49.17 Billion

The Government exceeded its Q2 target by 4.69% (GHS 1.65 billion)

Source: BoG

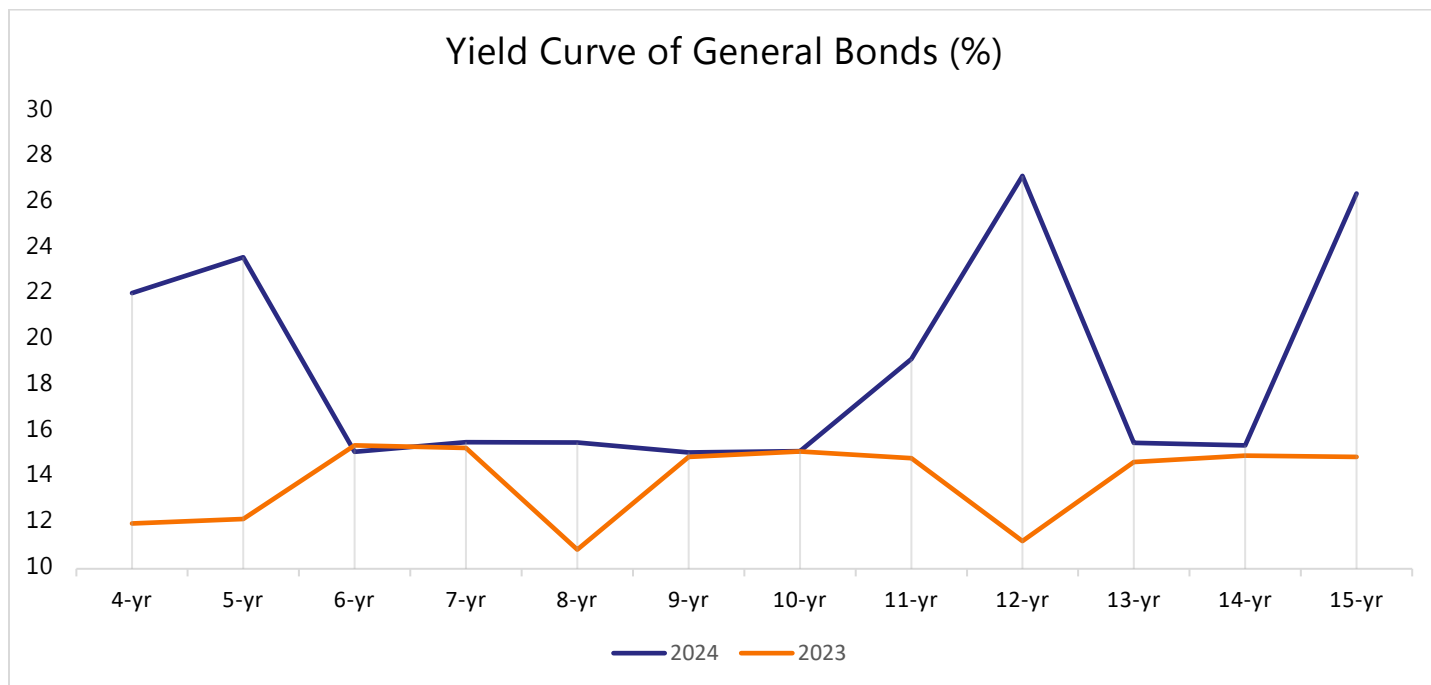
Secondary Market Activities



Source: GFIM

There has been an improvement in trade activity on the secondary market after a dip in activity after the DDEP. Trade volumes and values increased by 74.76% and 75.62% in 2024 respectively compared to the decline of 67.05% and 72.98% over the same period in 2023.

Trend of Yield Curve



Source: Tesah Research with Data from GFIM

The average yields for the General Bond category across all maturity periods at the end of Q2 of 2024 was 18.82% compared to the 13.86% recorded in Q2 of 2023.

Key Takeaways

Fixed Income

- Demand for treasury bills remained high in Q2' 2024. An oversubscription rate of 6.8% which was above the Q2 target of GHS 46.04 billion.
- The high demand by investors was likely due to the high interest rates on the Treasury bill market compared to the other securities on the market and the lack of sophisticated investment products away from Government securities.
- Average Interest rates for the 91-day, 182-day and 364-day bills declined by 443bps, 483bps and 511bps since the beginning of the year to 24.96%, 26.87% and 27.86% respectively.
- Activities on the secondary market improved as volume and value of securities traded increased by 74.76% and 75.62% respectively in Q2' 2024 compared with Q2' 2023. This improvement can be attributed to the renewed confidence of investors in the financial markets

EQUITY MARKET REVIEW

GSE-CI

3,829.61points

YTD Change Return: 22.34%

Q2 Return: +10.62%

GSE-FI

2,115.04points

YTD Change Return: 11.23%

Q2 Return: +5.12%

MARKET CAP

GHS 85,097M

YTD Change Return: 15.16%

Quarter Change: +9.37%

VOLUME TRADED

584.65M

YoY Change: 157.68%

VALUE TRADED

GHS 984.51M

YoY Change: 197.41%

MOST TRADED STOCK

MTNGH

95% of total volume traded

MTNGH

80.99% of total volume traded

Equity Market: Gainers and Losers as at Q2 2024

Gainers

UNIL	+82.12%
GCB	+61.76%
GLD	+57.98%
ACCESS	+41.18%
GGBL	+38.24%

Losers

CAL	-27.08%
MMH	-9.09%
DASPHARMA	-5.00%
SOGEGH	-1.27%

Key Takeaways

Equities

- The GSE-CI continued its bullish rally in Q2' 2024. It closed Q2 with a quarter return of 10.62% although year to end of Q2 return was 22.34%.
- The gains on the bourse were spread across various sectors with the top 5 gainers (YTD) being UNIL (82.12%), GCB (61.76%), GLD (57.98%), ACCESS (41.18%) and GGBL (38.24%).
- It is worthy to note that the top losers (YTD) were spread across various sectors. CAL (-27.08%), MMH (-9.09%), DASPHERMA (-5.00%), SOGEGH (-1.27%).
- Volumes and values traded increased by 157.68% and 197.41% respectively on a YTD basis.
- MTNGH continued to dominate the volumes and value traded with a total of 557 million shares exchanged for approximately GHS 797 million.

OUTLOOK FOR Q3' 2024

- The outlook from the IMF suggests a deceleration in growth to 3.1% by the end of 2024.
- Inflationary pressures are anticipated to decline, and it is expected that the year will end with an estimated inflation rate of 18.0% higher than the Ministry of Finance. Projection of 15%.
- It is anticipated that in the upcoming Monetary Policy Committee meeting, the policy rate will be reduced by a minimum of 100bps, given the recent trend of declining inflation.
- The bullish rally of the GSE is expected to continue into Q3' 2024 with gains likely to be spread across various sectors of the economy. Notable mentions being The ICT and Food and beverage sector.
- We also expect an improvement in the performance of the GSE-FI away from what was recorded in the earlier quarters of the year as banks show improvement in their performance.

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