

# Key Macroeconomic Indicators Review:

## Q1'2025

### GDP Q4'2025



**5.8%**

Ghana's real GDP expanded by 5.8% year-on-year in Q4 2025, accelerating from the 4.0% growth recorded in the corresponding period of 2024. The services sector remained the primary driver of economic activity, growing by 8.6% and contributing over half of total GDP expansion. This performance was underpinned by strong outturns in information and communication, transport and storage, education, and financial services.

Agricultural output also improved, recording a 5.3% growth rate, supported by increased crop production. Within the sector, cocoa production registered a modest 3.0% increase. In contrast, industrial sector growth remained subdued at 1.9%, as gains in manufacturing and electricity were offset by a notable contraction in oil and gas production.

On a full-year basis, the economy grew by 6.0% in 2025, representing the fastest pace of expansion since 2019 and following an upwardly revised growth rate of 5.8% in 2024. Looking ahead, both the Ministry of Finance and the IMF project GDP growth of 4.8% for 2026, indicating a moderation in economic momentum.

## Inflation



**3.2%**

Ghana's headline inflation moderated further to 3.2% year-on-year in March 2026, down from 3.3% in February, extending the disinflationary trend to a fifteenth consecutive month. This marks the lowest inflation rate recorded since the 2021 CPI rebasing, largely supported by sustained stability in the cedi, which has helped anchor price pressures.

The slowdown was broad-based, with food inflation easing marginally to 2.3% (from 2.4% in February) and non-food inflation declining to 3.9% (from 4.0%). However, inflation for domestically produced goods edged higher to 4.9%, compared to 4.5% in the previous month, indicating some underlying price pressures within the local economy. In contrast, imported goods recorded a deflation of 0.6% following a 0.6% increase in February, reflecting the pass-through effects of exchange rate stability.

On a month-on-month basis, consumer prices increased by 0.1%, a significant deceleration from the 0.8% rise recorded in February. Overall, inflation remains well within the Bank of Ghana's 2026 target band of  $8\pm 2\%$ , suggesting a favorable near-term price outlook.

## Monetary Policy



**14%**

The Bank of Ghana reduced its benchmark policy rate by 150 basis points to 14% at its March 2025 Monetary Policy Committee meeting, marking the fifth consecutive rate cut. This continued easing cycle signals a return toward pre-Russian invasion of Ukraine monetary conditions, following the tightening phase triggered by the global inflation shock.

Headline inflation has recently decelerated to a low of 3.3% in February, in addition elevated gold prices over the past year have bolstered Ghana's foreign exchange inflows, easing depreciation pressures on the cedi. This improved external position has reduced the need for aggressive currency defense and provided the central bank with additional room to sustain its accommodative monetary policy stance.

## Exchange Rate



Average Depreciation

**3.77%**

As at Q1 2026, the Ghanaian cedi depreciated against the USD, GBP, and EUR by 4.98%, 3.11%, and 3.20%, respectively. This reflects a better performance compared to the same period in 2025, when the cedi depreciated by 5.34%, 8.43%, and 9.48% 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
2025 End Year (Appreciation)	40.67%	23.97%	30.89%
Exchange Rate (As at end of Q1)	10.99	12.68	14.51
Year to Q1 Change (Depreciation)	4.98%	3.20%	3.11%

Source: Bank of Ghana

## FIXED INCOME MARKET REVIEW

### Primary Market Activities for Treasury Bills

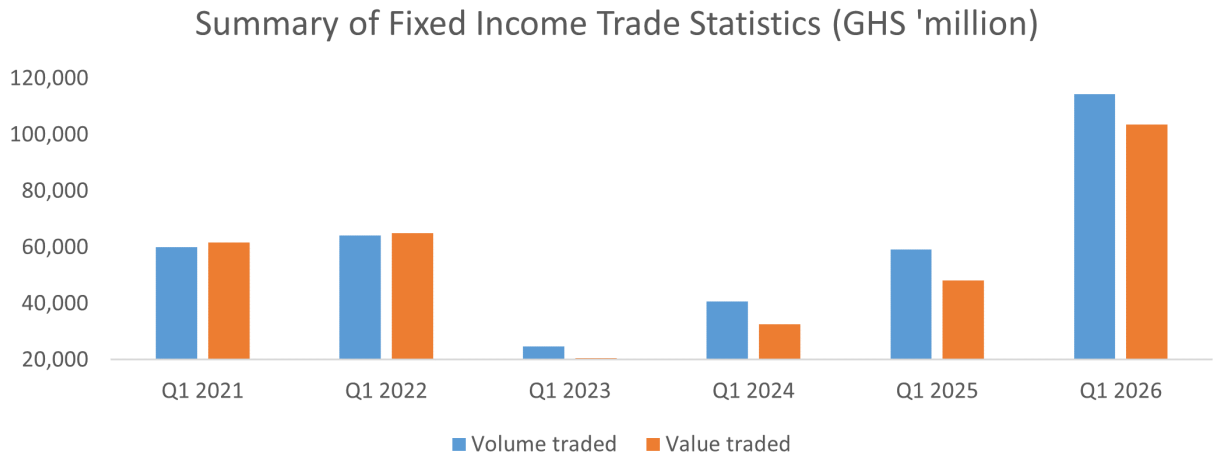
<b>Target for Q1</b>	GHS 85.8 Billion
<b>Bids Tendered</b>	GHS 164.1 Billion
<b>Amount Raised</b>	GHS 104.1 Billion

Source: Bank of Ghana

In Q1 2026, the Government of Ghana exceeded its Treasury bill issuance target, raising GHS 104.1 billion against a planned GHS 85.8 billion—an overperformance of 21.4%. Total bids reached GHS 164.1 billion, reflecting a strong oversubscription rate of 91.3% and sustained investor demand for short-term government securities.

This robust demand has been supported by improved macroeconomic stability and liquidity, contributing to declining yields and a lower cost of domestic borrowing. However, the continued preference for government instruments also suggests a cautious lending environment, with limited credit flow to the private sector.

## Secondary Market Activities

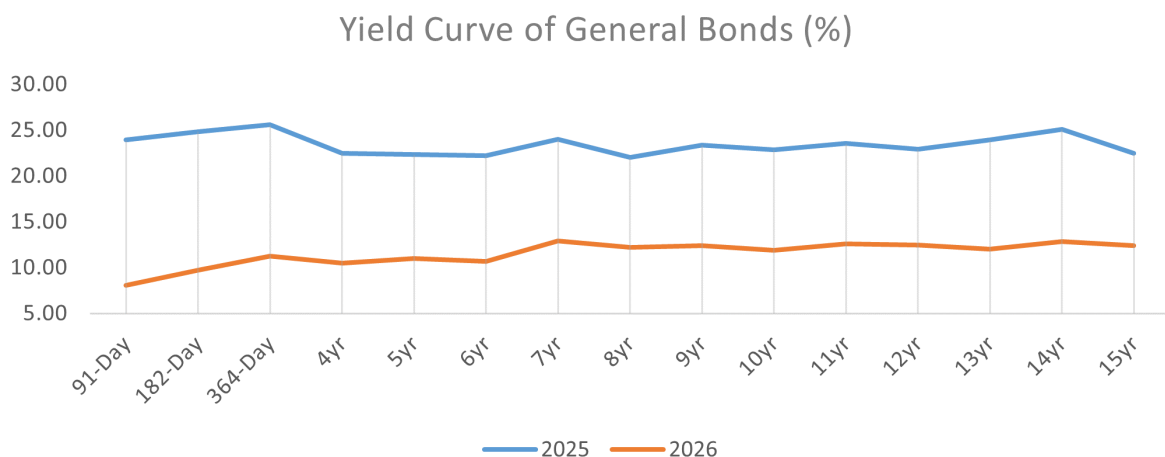


Source: GFIM

Secondary market activity has rebounded strongly following the disruption caused by the Domestic Debt Exchange Programme (DDEP) in Q1 2023. Trade volumes and values stood at approximately GHS 113.4 billion and GHS 103.6 billion, respectively.

In Q1 2026, trade volumes rose by 93.1% year-on-year, while trade values increased by 114.9% over the same period in 2025. This sharp recovery indicates a restoration of market liquidity and investor participation, with activity levels now broadly in line with pre-DDEP conditions.

## Trend of Yield Curve



Source: Tesah Research with Data from GFIM

Ghana's yield curve dynamics in 2026 indicate a marked shift from the conditions observed in 2025. Short-term Treasury bill yields (91-day to 364-day tenors) have declined significantly, reflecting improved inflation expectations, enhanced macroeconomic stability, and easing liquidity conditions within the domestic market. Notably, the average 91-day yield fell from 23.93% in 2025 to 8.08% in 2026, while the 364-day yield declined from 25.59% to 11.22%.

Consequently, the yield curve is transitioning away from the previously inverted structure toward a more normalized and steeper configuration. This re-pricing at the short end signals a recovery in near-term investor confidence and a lower risk premium. However, the relatively elevated yields along the medium- to long-term segment suggest that investors remain cautious, with lingering concerns around fiscal sustainability and the broader macroeconomic outlook.

## Key Takeaways

### Fixed Income

- **Treasury Bill Demand:** Investor appetite for Treasury bills remained strong in Q1 2026, with total bids oversubscribed by 21.4% against a target of GHS 85.8 billion.
- **Drivers of Demand:** The surge in demand was supported by renewed investor confidence following the improvement in the country's macroeconomic environment and the government's commitment to reducing short-term borrowing.
- **Secondary Market Recovery:** Trade volume and values on the secondary market increased by 93.08% and 114.93%, respectively, compared to Q1 2026, signaling a recovery in investor activity and market liquidity.
- **Yield Outlook:** As secondary market activity improves, market liquidity is expected to deepen further, which could contribute to a gradual decline in yields.
- **Investor Caution:** Given the government's focus on reducing short-term borrowing costs-which may not be sustainable-investors should be cautious about locking in long-term rates, as market conditions may shift later in the year.
- **Mutual Fund Performance:** A recovery in the performance of mutual funds and unit trusts is anticipated, supported by mark-to-market valuation gains on previously illiquid bonds.

## EQUITY MARKET REVIEW

### GSE-CI

**13,060.13**

YTD Change Return: 48.91%  
Q1 Return: +48.91%

### GSE-FI

**7,986.84**

YTD Change Return: 71.86%  
Q1 Return: +71.86%

### CAP

**GHS 243,727.50M**

YTD Change Return: +41.67%  
Quarter Change: +41.67%

### VOLUME TRADED

**562.58M**

YoY Change: +817.13%

### VALUE TRADED

**GHS 2.79B**

YoY Change: +489.15%

### MOST TRADED STOCK

**MTNGH**

81.32% of total value traded

**MTNGH**

82.20% of total volume traded

## Equity Market: Gainers and Losers as at Q1 2026

### Gainers (%)

<b>RBGH</b>	262.31
<b>EGL</b>	238.22
<b>ACCESS</b>	187.78
<b>SIC</b>	175
<b>GOIL</b>	164.86
<b>SCB</b>	144.35
<b>GGBL</b>	141.52
<b>CPC</b>	120
<b>CLYD</b>	115.22
<b>EGH</b>	98
<b>ETI</b>	93.51
<b>BOPP</b>	79.15
<b>FML</b>	62.25
<b>SOGEGH</b>	44.54
<b>UNIL</b>	43.81
<b>GCB</b>	34.56
<b>MTNGH</b>	28.57
<b>GLD</b>	13.75
<b>DASPHARMA</b>	7.89
<b>CAL</b>	7.81
<b>FAB</b>	1.69

### Losers (%)

<b>TOTAL</b>	-14.04
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## Key Takeaways

### Equities

- Market Performance: The GSE Composite Index sustained its strong upward trajectory in Q1 2026, delivering a year-to-date return of 48.91%, a significant improvement from the 27.19% recorded in Q1 2025.

- **Sector Performance:** The rally was broad-based, with gains recorded across all sectors and only one decline observed, indicating strong market breadth and improved investor sentiment.
- **Trading Activity:** Market activity strengthened considerably, with trade volumes surging by 817.13% year-on-year and trade values rising by 441.40%, suggesting increased participation alongside larger average transaction sizes.
- **Market Leaders:** MTN Ghana remained the dominant counter, accounting for approximately 462.4 million shares traded and about GHS 2.3 billion in value, reinforcing its central role in market liquidity.
- **Stock Highlight:** MTN Ghana continues to exhibit strong fundamentals, combining consistent capital appreciation with attractive dividend yields, thereby sustaining its appeal to both growth and income-focused investors.
- **Investment Outlook:** Financial stocks are increasingly positioned to offer medium- to long-term value, supported by improving balance sheet resilience and earnings normalization.

## OUTLOOK FOR Q2' 2026

- **Economic Growth:** Ghana's economic expansion is expected to moderate slightly but remain resilient in Q2 2026, following the strong 6.0% full-year growth recorded in 2025 and 5.8% year-on-year growth in Q4. Growth will continue to be driven primarily by the services sector, particularly information and communication, financial services, and trade. Agricultural activity is also expected to remain supportive due to seasonal crop production. However, the outlook for the industrial sector remains mixed, with persistent weaknesses in oil and gas production likely to weigh on overall output. The IMF and Ministry of Finance projections of 4.8% GDP growth for 2026 suggest a normalization in growth momentum.
- **Inflation:** Inflation is expected to remain subdued in Q2 2026, building on the sharp disinflation trend observed in Q1, where headline inflation declined to 3.2%. Continued exchange rate stability, easing imported inflation, and anchored inflation expectations are likely to sustain this trend. However, the slight uptick in inflation for domestically produced goods signals underlying demand-side pressures, which could pose moderate upside risks. Overall, inflation is expected to remain within the Bank of Ghana's target band of  $8\pm 2\%$  in the near term.
- **Monetary Policy:** With inflation firmly contained and macroeconomic conditions improving, the Bank of Ghana is expected to maintain an accommodative stance in Q2 2026. The policy rate, currently at 14.00%, may be held steady in the near term as the central bank assesses the sustainability of disinflation and external stability. Nonetheless, there remains scope for further gradual easing if inflation continues to trend downward and exchange rate pressures remain muted.

- **Exchange Rate:** The Ghana cedi is expected to remain relatively stable in Q2 2026, supported by improved foreign exchange inflows-particularly from gold exports-and a stronger external position. The relatively lower depreciation recorded in Q1 compared to 2025 indicates strengthening fundamentals. However, potential external shocks, including global commodity price volatility and capital flow reversals, remain key risks to currency stability.
- **Fixed Income Markets:** Investor demand for government securities is expected to remain strong in Q2 2026, although at a more moderate pace compared to Q1. With inflation significantly lower and liquidity conditions improving, yields-particularly at the short end of the curve-are likely to continue their downward trajectory. The normalization of the yield curve is expected to persist, although elevated medium- to long-term yields suggest that investors will remain cautious about duration risk amid lingering fiscal concerns.
- **Secondary Market Activity:** Secondary market activity is expected to sustain its recovery in Q2 2026, supported by improved liquidity conditions and renewed investor participation. Trading volumes and values are likely to remain robust, with activity gradually broadening beyond a narrow set of instruments. Continued price discovery and improved market confidence should further deepen the domestic bond market.
- **Equity Market:** The strong bullish momentum on the Ghana Stock Exchange is expected to continue into Q2 2026, following the exceptional 48.91% return recorded in Q1. Positive investor sentiment, improved macroeconomic stability, and earnings recovery-particularly within the financial sector-are expected to support further gains. Banking stocks are likely to benefit from post-restructuring balance sheet improvements, while telecom stocks, led by MTN Ghana, are expected to remain key drivers of market performance. However, the pace of gains may moderate as valuations adjust and investors become more selective.
- **Risks to the Outlook:**
  - Potential reversal in exchange rate stability
  - Fiscal slippages and debt sustainability concerns
  - Global commodity price volatility (especially gold and oil)
  - External financing constraints or delays in reform implementation
  - Geopolitical tensions in Iran and resulting oil price shocks present material risks to Ghana's economy, potentially reducing investment demand and widening interest rate spreads.