

Ghana

Market Related News

IMF Board finally approves Ghana's programme request for \$3billion bailout: The International Monetary Fund (IMF) has granted approval for a US\$3 billion, three-year extended credit facility for Ghana. The Fund approved a Special Drawing Rights of 2.242 billion equivalent to US\$3 billion on May 17, 2023. The success of its debt restructuring talks will play a vital role in determining Ghana's path toward financial recovery and sustainable growth....[Thebftonline](#)

IMF: Ghana targets \$10.5 billion of external debt service relief in 2023-2026: Ghana is targeting \$10.5 billion of external debt service relief from 2023-2026, the International Monetary Fund said, giving first indications of how big a hit investors might face in the coming debt overhaul. The embattled West African country's debt is currently unsustainable, but Ghana aims to restore it to a "moderate" risk of debt distress by 2028, the fund added in its Debt Sustainability Analysis...[Reuters](#)

BoG Act to be revised to strengthen Central Bank's independence, limit monetary financing – IMF: The IMF has indicated that the Bank of Ghana Act will be revised to strengthen the Central Bank's independence and mitigate fiscal dominance by the government. The amendments will feature a stricter limit for monetary financing, mechanisms to monitor and enforce compliance, and a clear definition of emergency situations under which the limit can be temporarily lifted....[Mjoyonline](#)

Market anticipates MPC to hold policy rate at 29.5%: As inflation continues to trend downward, the market anticipates the Bank of Ghana's Monetary Policy Committee (MPC) to adopt a policy-hold strategy at its 112th meeting this week by retaining the rate at 29.5 percent. Consumer prices slowed for the fourth month running in April 2023 to 41.2% y/y, -3.8% from March 2023 – thus 12.9% since start of the year; sustaining the disinflationary run that commenced in January 2023 following a peak of 54.1 percent in December 2022.[Thebftonline](#).

Bond market: trading activity slows down; volume traded falls 97%: Activity on the secondary bond market slowed down last week as no trades were recorded in the new Government of Ghana (GoG) bonds. Aggregate trade volume declined by 97.52% w/w. A total face value of ₵11.38 million changed hands across some segments of the old GoG bonds. According to the market report, new bonds were lifeless on the market last week. Analysts foresee a rebound in trading activity on the secondary bond to improve investor sentiment...[Mjoyonline](#)

Non-bank stocks to maintain GSE rally: Non-bank stocks are projected to be the driving force behind the equities market, potentially resulting in a 12.5% return by end of the year – compared to the 13% loss at end of 2022 – according to a Quarterly Strategy Report published by fund management house DataBank. Investors will continue to seek solace in the stock market, specifically in telecommunications, oil marketing and agricultural stocks, remaining cautious of the debt market and shy-away from banking stocks [Thebftonline](#).

General Business News

Transport operators defy directive to reduce fares by 10%: Transport operators nationwide are yet to comply with the directive issued by the road transport association, calling for a 10 percent reduction in fares. Despite the association's statement on Monday, May 15, 2023, which instructed its members to implement the fare reduction starting from Wednesday, May 17, drivers and conductors are disregarding the directive...[Citinewsroom](#)

Cedi to record gains against dollar as expected IMF deal impacts market: The Ghana cedi is expected to record gains against the dollar and other major foreign currencies this week, as the progress of the International Monetary Fund (IMF) deal favorably impacts the market. According to Bloomberg, the cedi strengthened by 5.3% on May 15, 2023, the most since April 3, 2023. The local currency traded sideways in the early part of last week, but managed to gain some stability, following an announcement of debt relief by Ghana's external creditors, which is crucial for the country to receive approval from the IMF....[Myjoyonline](#)

EU invests about GH₵75 million to strengthen competitiveness of country's exports: The EU Ambassador to Ghana, has indicated that the EU has contributed about GH₵75 million Ghanas, an equivalent of £6.2million, to the West Africa Competiveness Programme (WACOMP) Ghana, to boost the competitiveness of the country's exports .He noted that the move of contributing such an amount is geared towards the goal of supporting sustainable production and processing within the country, with the overreaching agenda being "better access to and becoming more competitive on regional and international market"...[Thebftonline](#)

PURC increases electricity tariff by 18.36%:The Public Utilities Regulatory Commission (PURC) has increased tariffs for electricity and natural gas by 18.36% across the board for all consumer groups.The decision was taken after a review for the second quarter of 2023.PURC in a statement explained that the decision was taken to balance the prevention of extended power outages and their adverse implications on jobs and livelihoods while minimizing the impact of rate increases on consumers....[Citinewsroom](#)

"The best way to measure your investing success is not by whether you're beating the market but by whether you've put in place a financial plan and a behavioral discipline that are likely to get you where you want to go."—Benjamin Graham

Kenya

Market Related News

Moody's Places Kenya's Government Ratings on Review for Downgrade:

Moody's Investors Service has downgraded Kenya's long-term foreign-currency and local-currency issuer ratings to B3 and placed them on review for further downgrade. The agency said the downgrade is due to increased liquidity risks faced by the Kenyan government. The country's domestic funding conditions have worsened, leading to financing shortfalls and delays in government spending. Moody's also lowered Kenya's local currency and foreign currency country ceilings...[Kenyanwallstreet](#)

Stanbic Bank Q1 2023 Profit Up 84% To Kes 3.9 Billion: Stanbic Bank has reported a profit after tax of KShs. 3.9 billion for the first quarter ended 31st March 2023. This marks an 84% increase in earnings, which the bank attributes to strong revenue growth across all business segments and a robust balance sheet and successful execution of the bank's three-year medium-term strategy, which began in 2021. The bank, in collaboration with SBG Securities Ltd, completed a significant transaction resulting in the largest trade in the history of the Nairobi Securities Exchange (NSE).[Kenyanwallstreet](#)

Holland firm to offer corporate debt guarantees: Holland-based fund manager Cardano Development has announced plans to establish a corporate debt guarantee company in Kenya to help firms raise funds from the capital markets. The credit guarantee company set to be operational by year-end seeks to offer up to a 100% guarantee covering debt interest and principal for local currency capital market senior debt in the green (environmentally friendly) space...[Businessdailyafrica](#)

Kenya defends poor Moody's rating, say things looking up: Kenya has defended its ability to repay debt, brushing off a low credit rating handed by Moody's Investors last weekend. The rating firm downgraded Kenya's creditworthiness both in the international and domestic markets to B3 from B2 informed by amplified government liquidity risks. However, on Tuesday, National Treasury PS Chris Kiptoo told the Departmental Committee on Finance and National Planning that things are not bad as demonstrated by Moody's, adding that the liquidity market is gaining stability....[The Star](#)

Microfinance banks lose deposits to private investment vehicles-CBK:

Customer deposits in Microfinance banks have been cannibalized by alternative investment vehicles, which have offered higher returns to customers. Central Bank of Kenya (CBK) customer deposits in the microfinance sector fell by 7.8% to Sh46.5 billion in 2022 from Sh50.4 billion in 2021. The decline in deposits was due to the transfer of funds to alternative attractive investments due to the overall increase in interest rates....[Businessdailyafrica](#)

General Business News

Budget day set for June 15: The government will present its budget for 2023-2024 on June 15, Treasury Cabinet Secretary Njuguna Ndung'u announced Friday...[Nation](#)

Wage bill bursts budget by Sh16bn on President Ruto key hirings: The wage bill for the National Government in Q3e third quarter of this financial year burst the budget by nearly Sh16.55 billion, signalling the expenditure pressure that came with fresh appointments by President William Ruto's administration. Expenditure on salaries and wages amounted to slightly more than Sh152.63 billion in the January-March period against a target of Sh136.09 billion, according to the data the National Treasury published. The over-expenditure of 12.16% came at a time President Ruto was at the tail-end of completing the reconstitution of his government through appointments to key positions...[Businessdailyafrica](#)

KenGen Partners with German Govt to Boost Geothermal Energy by 40MW:

Kenya's leading electricity generating company, KenGen, is set to add 40MW of geothermal energy to the national grid, thanks to Germany's support. The 28-month project aims to increase the capacity of the two power stations from the current combined total of 300MW to 340MW. The German government has financed the 340MW geothermal upgrading project, which involves replacing the existing turbine rotor with new-designed blades, adding 10MW to each unit of the mentioned power plants...[Kenyanwallstreet](#)

Kenya offers 100 dams to private investors in Sh1.7trn project: Kenya has offered private investors a chance to invest in 100 dams and unveiled a set of land incentives as it seeks Sh1.7 trillion to address the country's water scarcity challenges. The Water Cabinet Secretary, said some of the dams are on public land, including forested areas, and will not be sold to them to ensure the project retains its status as a national endeavour...[Businessdailyafrica](#)

Government Figures Out Formula To Bring Fuel Prices Down:

With fuel prices rising uncontrollably, the government of Kenya has adopted a new purchasing model that promises to stabilize and, hopefully, reduce pump prices in the long run. The Cabinet Secretary for National Treasury and Planning, Prof Njuguna Ndung'u, says the government-to-government (G-G) framework being introduced on the importation of petroleum products is an innovative solution to ensure stability and predict pump prices. Under this deal, the CS revealed Kenya is negotiating for better prices, and the oil marketing companies (OMC) would not profiteer from the G-G arrangement...[Businessstoday](#)

Egypt

Market Related News

FRA increases the financing limit for micro-sized entities by 10%: The Financial Regulatory Authority (FRA) increased the maximum financing limit for micro-enterprises by 10% to LE 220,000 up from LE 200,000. The decision will enable small and medium enterprise (SMEs) to have better access to finance developing their businesses to operate and promote production. This move will help SMEs expand their business volume and increase their competitiveness...[Egypttoday](#)

Egypt-Italy sign debt swap program: Egypt and Italy have signed exchange letters to extend the agreement of the debt swap program for development for a third phase, lasting until December 2024. The signing was witnessed by the Minister of International Cooperation, and Ambassador of Italy to Egypt. The Debt Swap Program for Development between Egypt and Italy is a unique model for development cooperation at the bilateral level. Two phases of the program were successfully implemented, under which many \$100 million worth projects were executed in various priority sectors...[Egypttoday](#)

Non-bank financial activities gain luster despite challenges: Despite the challenges facing non-bank financial activities, such as high interest rates and the inflationary environment, expectations indicate a bright increase while maintaining the same growth rates during the current year. Companies operating in the non-banking financial sector rely mainly on borrowing from banks to finance their financial operations, and are affected by the interest rates set by the Central Bank, other than profit margins...[Dailynewsegypt](#)

Fitch downgrades 4 Egyptian banks to B, with negative outlook: Fitch Ratings has downgraded four Egyptian banks' Long-Term Issuer Default Ratings (IDRs) to 'B' from 'B+' and Viability Ratings (VRs) to 'b' from 'b+', with a negative outlook. The four banks are the National Bank of Egypt (NBE), Banque Misr (BM), Banque Du Caire, and Commercial International Bank Egypt (CIB). The four banks' rating downgrade follow a recent similar downgrade of Egypt's sovereign rating, reflecting increasing external financing risks given high external financing requirements...[Dailynewsegypt](#)

Egypt central bank hires Barclays as adviser on sale of its 99% stake in United Bank: The Central Bank of Egypt (CBE) has hired the UK's Barclays Corporate and Investment Bank (Barclays CIB) as the international financial adviser for the sale of its 99% stake in the state-owned United Bank, Barclays CIB, which is part of Barclays International, will cooperate with local financial adviser CI Capital, a leading financial services group, in advising the CBE on the deal.

Finance Min.: Egypt's 2024 budget aims to encourage private sector to increase spending in infrastructure: The Egyptian Minister of Finance, Dr. Mohamed Maait, said, in the financial statement on the state's draft general budget for the fiscal year 23/24 submitted to the House of Representatives, that the fiscal policy works to achieve comprehensive development at the economic and social level despite all the challenges and severe shocks that the economy receives nationally in the current period...[Egypttoday](#)

Egypt's unemployment rate decreases to reach 7.2% in last quarter of 2022: Egypt's unemployment rate decreases to reach 7.2% in last quarter of 2022: Egypt's unemployment rate decreased in the last quarter of the calendar year 2022, to reach 7.2 percent, after it reached about 7.4 percent at the end of the calendar year 2021. This came as Egyptian Minister of Finance, Dr. Mohamed Maait confirmed in the financial statement on the state's draft general budget for the fiscal year 23/24 submitted to the House of Representatives...[Egypttoday](#)

Egypt's Central Bank keeps interest rates unchanged during May meeting: The Central Bank of Egypt (CBE) decided on Thursday to keep the interest rates unchanged. The Monetary Policy Committee (MPC) decided in its meeting to keep the overnight deposit rate, overnight lending rate, and the rate of the main operation at 18.25%, 19.25 % and 18.75% respectively...[Egypttoday](#)

Egypt's business community welcomes new decisions to improve investment climate: Egypt's business community has welcomed the government's new decisions bolstering support for investors in Egypt, while some members have called for more legislative reforms followed by relevant bylaws to see these decisions implemented on the ground. Responding to the requests of Egyptian investors, the Supreme Council for Investment approved 22 decisions to encourage foreign direct investments (FDIs) and private investments in Egypt, including licensing facilities and a host of legislative reforms...[AhramOnline](#)

Global

Biden, McCarthy push forward towards deal on US debt ceiling: President Joe Biden and top U.S. congressional Republican Kevin McCarthy on Wednesday underscored their determination to reach a deal soon to raise the federal government's \$31.4 trillion debt ceiling and avoid an economically catastrophic default. An agreement needs to be reached and passed by both chambers of Congress before the federal government runs out of money to pay its bills, as soon as June 1...[Reuters](#)

EU Backs Tougher Tax Rules On Crypto Transactions: EU ministers agreed stronger rules on Tuesday to crack down on the use of cryptocurrencies in tax fraud, as Brussels bolsters its efforts to regulate the volatile sector. Regulators worldwide are increasingly worried about the lack of oversight of the digital currency sector but the European Union has already taken steps to protect investors with rules to go after individuals who stash their cash where tax authorities have no oversight and close loopholes that allow people to avoid taxation on their income using crypto assets...[International Business Times](#)

Rishi Sunak seeks closer ties with Japan ahead of G7 summit: British Prime Minister has agreed new defence and economic deals with Japan in a visit to Tokyo, ahead of the G7 summit in Hiroshima. The PM announced Japanese firms would be investing almost £18 billion in the UK as well as partnership featuring closer UK-Japanese co-operation between armed forces, cyber-agencies and semiconductor companies...[BBC](#)

Global equity funds post outflows for fifth week in a row: Global equity funds suffered outflows for a fifth straight week in the week to May 17, undermined by uncertainties over U.S. debt ceiling and concerns about global economy, with soft economic data coming out of the U.S. and China. According to Refinitiv Lipper data, global equity funds faced \$8.72 billion worth of outflows in the week to May 17, compared with about \$4.77 billion worth of net selling in the previous week...[Reuters](#)

S&P 500 Could Plunge 20% if US Fails to Raise Debt Ceiling, UBS Warns: Stocks are primed for a precipitous drop if the US fails to raise the debt limit and delays government payments. That's the warning from a team of UBS strategists. Although it's unlikely, if the US formally defaults and delays all payments beyond principal payments for a week, the S&P 500 will fall as much as 20% toward 3,400...[Bloomberg](#)

China's Xi unveils grand development plan for Central Asia: Chinese President Xi Jinping on Friday unveiled a grand plan for Central Asia's development, from building infrastructure to boosting trade, taking on a new leadership role in a region that has traditionally been a Russian sphere of influence. China is ready to coordinate development strategies with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, and promote the modernisation of all, Xi said in an address

Bank of Canada's Macklem says inflation coming down despite April gain: Bank of Canada Governor Tiff Macklem suggested April's inflation increase - the first in 10 months - was an anomaly and said consumer prices would continue to come down, prompting markets to pare expectations for another hike. The central bank has been warning Canadians that rates could go higher. April's unexpected acceleration in inflation to 4.4% from 4.3% in March has some economists forecasting a hike later this year...[Reuters](#)

Fed's Powell in spotlight as pressure mounts to 'fish or cut bait' on rates: Wall Street, small businesses and potential homebuyers may all breathe a sigh of relief if the Federal Reserve chooses not to raise interest rates at its policy meeting next month, as many traders and analysts expect. But U.S. central bank officials are not only still on the fence about a pause in their 14-month tightening cycle, they are only starting to hash out whether to frame that decision as an extended halt to the aggressive run of rate hikes or a mere "skip" to give the economy some breathing room, with more borrowing cost increases coming soon if inflation does not decline...[Reuters](#)

G7 urged to phase out fossil fuels by Netherlands, Chile, others: Group of Seven rich nations must take the lead in phasing out fossil fuels, the leaders of seven countries including. The Netherlands and Chile have said, attempting to build momentum for a global deal this year to gradually quit oil, coal and gas. Countries including the 27-member European Union are hoping all nations will agree at this year's U.N. climate talks to phase out the fossil fuel consumption causing climate change, reviving an idea that gathered some support at last year's climate talks, but was blocked by oil- and gas-rich countries...[Reuters](#)

Germany's DAX Hits All-Time High as European Stocks Stage Rally: Germany's DAX Index closed at a record high, following similar milestones reached by France's CAC 40 and UK's FTSE 100 earlier this year. The index pared gains in the final moments of trading as US debt-ceiling talks hit a roadblock with Republican negotiators abruptly left a closed-door meeting with White House representatives soon after it began. The benchmark closed 0.7% higher at 16,275.38 points, eclipsing the previous high set on Jan. 5, 2022, before Russia's invasion of Ukraine...[Bloomberg](#)

UBS expects \$17 billion hit from Credit Suisse rescue, flags hasty due diligence: USB estimates a financial hit of around \$17 billion from its emergency takeover of Credit Suisse, according to a regulatory filing, and said the rushed deal may have affected its due diligence. In a new filing with the U.S. Securities and Exchange Commission (SEC), the Swiss banking giant flagged a total negative impact of around \$13 billion in fair value adjustments of the new combined entity's assets and liabilities, along with a potential \$4 billion hit from litigation and regulatory costs...[CNBC](#)