

May 26, 2023

## Ghana

### Market Related News

**Ghana plans 'disciplined approach' to IMF loan, says president:** Ghanaian President Nana Akufo-Addo said on Wednesday his government was planning a much disciplined approach in implementing the International Monetary Fund's loan programme. The President told Qatar's economic forum organised by Bloomberg that Ghana was committed to "rationalisation of expenditure" and the IMF's programme would allow his government to tap international debt markets...[Reuters](#)

**BoG keeps policy rate unchanged at 29.5%; cost of loans to remain high:** The Monetary Policy Committee (MPC) of the Bank of Ghana has kept its policy rate unchanged at 29.5%. It cited a slowdown in inflation as the main reason to the unchanged rate, which is the rate at which it lends to commercial banks...[Myjoyonline](#)

**\$600million IMF cash to go into budget support – Dr. Addison:** The Governor of the Bank of Ghana (BoG), Dr. Ernest Addison has disclosed that all the \$600 million from the International Monetary Fund (IMF), representing its first tranche of disbursement will be advanced to government to support the 2023 budget. He stated that the Bank of Ghana has to manage the liquidity implications of the budget support for the economy....[Myjoyonline](#)

**BoG directs commercial banks to recapitalize by September:** Commercial banks in the country have been given September of this year to show proof of their re-capitalization plan. Banks are expected to raise some GH¢400 million to remain in business despite the negative effect of the Domestic Debt Exchange Programme on their operations...[Citinewsroom](#)

**Bank of Ghana Act to be revised under IMF programme:** Ghana's International Monetary Fund (IMF) programme will among other things revise the Bank of Ghana Act in a bid to strengthen the central bank's independence and mitigate fiscal dominance. The amendments to the BoG Act will feature a stricter limit for monetary financing, mechanisms to monitor and enforce compliance....[GraphicTimes](#)

**Bank of Ghana seeks major reforms:** The Bank of Ghana (BoG) is taking significant steps to restore macroeconomic stability through major monetary and exchange rate policy changes, on the back of approval for a 36-month arrangement under the International Monetary Fund's (IMF) US\$3billion Extended Credit Facility (ECF). These policy changes, if implemented by the Bank of Ghana under the IMF ECF programme, are expected to restore confidence, attract foreign investments and pave the way for stronger and more inclusive economic growth in Ghana..[Thebftonline](#)

### General Business News

**Ghana power producers reject government bid to restructure \$1.58 billion debt:** Ghana's independent power producers have rejected a government proposal to restructure \$1.58 billion in arrears owed them by the state, the head of the group told Reuters on Friday, warning non-payment could lead to a shutdown of their operations. Ghana aims to cut \$10.5 billion in interest payments on its external debt in three years to be able to successfully implement a \$3 billion loan deal from the International Monetary Fund...[Reuters](#)

**Mobile money transactions hit €550.4billion in four months of 2023:** Mobile money transactions for the first four months of 2023 surpassed €550 billion, about 66.2% y/y compared with €331.2 billion recorded during the same period in 2022. If the trend continues, the total mobile money transactions for this year will once again exceed €1 trillion...[Myjoyonline](#)

**E-levy rakes in 11% revenue for Q1 2023:** At the 25 percent mark of the year, data from the Ghana Revenue Authority (GRA) reveals that the Electronic Levy (E-levy) generated GH¢246.9million in revenue, accounting for 11% of the projected GH¢2.24billion for the year. Since its implementation 11 months ago in May 2022, the E-levy had generated a total of GH¢861.47million revenue by March 2023....[Thebftonline](#)

**Ghana to review Gold-for-Oil as IMF proffers stricter monetary financing limits:** Government is to review gold purchases as well as the Gold-for-Oil program and its associated risk for the Bank of Ghana (BoG), stemming from the International Monetary Fund (IMF) 2023 report, of which there will be 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....[Myjoyonline](#)

**Newmont pays over GH¢800million taxes in first quarter:** Newmont Africa has paid GH¢ 843.72 million in taxes, royalties, and levies to government from its Q1 2023, operations in Ghana, stressing it is important, especially in these challenging times, for companies to honour their obligations to the state and various stakeholders, through direct payment of their taxes..[GraphicTimes](#)

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*"An investment in knowledge pays the best interest."* - Benjamin Franklin

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## Kenya

### Market Related News

**IMF staff, Kenya reach agreement on over \$1 billion of new financing:** International Monetary Fund staff and Kenya have reached an agreement that could unlock more than \$1 billion of new financing, which could help relieve pressure on government finances in East Africa's largest economy. Kenya's finances have been under strain from rising debt repayments and the effects of the worst drought in four decades, although the IMF's managing director said earlier this month she was not expecting the country to default...[Reuters](#)

**CBK raises extra Sh10.6 billion from 3-year bond sale:** The Central Bank of Kenya (CBK) has raised Sh10.602 billion from the tap sale of the three-year bond, marginally exceeding its target of Sh10 billion. Subscribers to the second sale of the short-term paper have booked a return of 14.2%, which equals the coupon rate that was set in the primary auction. The first sale of the three-year Treasury bond became the first fully subscribed paper this year outside the tax-free Treasury bond....[Businessdailyafrica](#)

**Eurobond yields defy Moody's downgrade:** Kenyan Eurobond yields have eased significantly since peaking earlier this month despite an adverse credit downgrade by Moody's Investor Service. The ease in yields implies the country could access external financing at more favourable costs if it is to return to the international capital markets. Data from the Central Bank of Kenya (CBK) shows yields on Kenyan Eurobonds have taken a steady downward trajectory with rates on the 10-year Eurobond maturing next June, for instance, easing by 5.5 percentage points in just two weeks...[Businessdailyafrica](#)

**Banks cut mortgage terms by a year, raise interest on defaults:** Kenyan banks have averagely cut mortgage terms by more than a year to 10.9 years, but increased interest rates in the last year, handing consumers a double blow in their dream to own homes. A report from the Central Bank of Kenya (CBK) revealed that banks increased interest rates on home loans from 11.3% in 2021 to 12.3% last year but cut the loan maturity from 12 years to 10.9 years....[Businessdailyafrica](#)

**Banks' profitability hit record high in 2022:** Banks' profitability, measured by their Return on Equity (RoE) or shareholder funds hit a record high last year as lenders continued to defy the impact of interest rate caps and subsequent administrative controls that has stopped them from freely pricing credit as was the case in 2015 and earlier years. According to data from the Central Bank of Kenya, the industry's return on equity (RoE) hit a record 26.5% in 2022, beating 2015's level of 23.9%...[Businessdailyafrica](#)

### General Business News

**Kenya president, facing cash crunch, accuses tax agency of graft:** Kenya's President William Ruto on Friday accused the tax collection agency's staff of cutting government revenue by engaging in corruption, colluding with tax evaders and taking bribes. Ruto, who was elected last August on a platform of helping the poor, has had a rough ride in the first months of his term due to growing government debt repayments, revenue collection shortfalls and persistently high prices of basic commodities...[Reuters](#)

**President Biden pushes President Ruto to open doors for US professionals:** The US government is pushing Kenya to smoothen the licensing regime for American professionals seeking to set up shop in the country as part of ongoing negotiations for a proposed bilateral trade deal. The US negotiators want Kenya to improve transparency and fairness of processes for licensing American professionals such as accountants, lawyers, engineers, engineers and architects to provide services...[Businessdailyafrica](#)

**Tullow Oil Takes Full Control of Project Oil Kenya Following Joint Venture Partner Withdrawals:** Tullow Oil plc, a global independent oil and gas exploration and production firm, has taken full control of the Project Oil Kenya development in Turkana County following the withdrawal of its joint venture partners, Africa Oil Corp and Total Energies. With the departure of its partners, Tullow now holds a 100% equity position in the project, pending approval from the Government of Kenya....[Kenyanwallstreet](#)

**Storm over State plan to tax insurance payouts:** Insurance customers will start parting with 16 percent tax on the money paid to them by insurers as compensation for their losses, if the proposal whose interpretation has split tax experts and insurance firms, is adopted. The Finance Bill 2023 is proposing to introduce a new sub-section to section 17 of the Value Added Tax (VAT) Act to allow for the owner of taxable supplies who is compensated for the loss of the goods to pay 16 percent VAT...[Businessdailyafrica](#)

## Egypt

### Market Related News

**CI Capital concludes securitized bond issuance worth EGP 1.1billion for Al Tameer:** CI Capital announced Sunday the successful conclusion of a EGP 1.1billion worth of securitized bond issuance on behalf of Al Tameer Securitization. The issuance comes in three tranches: the first valued at EGP 196m, with a tenor of 13 months at an AA+ rating from Middle East Ratings and Investor Services (MERIS). The second tranche, valued at EGP 593m, with a tenor of 37 months, received an AA rating. The third tranche, valued at EGP 419 million, with a tenor of 53 months, received a rating of A...[Dailynewsegypt](#)

**Egypt defers payments for wheat imports amid dollar crunch:** Egypt has deferred payments for its large wheat purchases, in some cases by months, as the country grapples with a shortage of hard currency. Egypt is one of the world's biggest wheat importers and uses the purchases to make heavily subsidised bread, a politically sensitive benefit available to tens of millions of people. Most deferred payment cargoes have been shipped and unloaded without interruption so far and Egypt's state wheat reserves used to make subsidized bread have not been impacted...[Reuters](#)

**EFG Hermes hits record revenues of EGP 4.5billion in 1Q23:** EFG Hermes Holding, the financial institution with a universal bank in Egypt and the investment bank franchise in Frontier and Emerging Markets (FEM), announced its results for 1Q. The Group recorded a 129% Y-o-Y increase in revenue to EGP 4.5billion in 1Q23, primarily driven by growth in treasury operations, as well as solid results generated from the Investment Bank and aiBANK during the period....[Dailynewsegypt](#)

**Egypt-Oman joint investment fund to be finalized in Q4 this year:** Finance Ministers of Egypt and Oman have discussed ways of joint cooperations, including joint investments between the Sovereign Fund of Egypt and the Omani Investment Authority. The study of the projects proposed for the partnership will be completed by the end of Q3 this year, and the implementation of joint investments will begin in the last quarter of this year...[Businessstodayegypt](#)

**Egyptian exports to USA dropped by 9.1%, records \$2.3 billion: CAPMAS:** Exports from Egypt to the USA declined in 2022, dropping 9.1% to hit \$2.3 billion, compared to \$2.5 billion the previous year. About 58% were comprised of ready-made clothes, totaling \$1.3 billion in value from the previous year .On the other hand, imports from Egypt to the US saw a positive uptick to reach \$6.8 billion, primarily grains, oil seeds, and medical plants...[Egypttoday](#)

**Egypt ranks 14th among emerging markets in Kearney's report:** Global management consultancy Kearney's published the FDI Confidence Index 2023 report. For the first time, the report included an exclusive emerging market ranking to give business leaders insights into which emerging markets are most appealing to investors now and over the next three years. Egypt ranked 14th among emerging markets in terms of investor confidence, according to the index...[Businessstodayegypt](#)

**Trade exchange between Egypt, France grows by over 60% in 2022:** The Egyptian Commercial Office in Paris released data showing that the value of trade exchange between Egypt and France hit €4.4 billion in 2022 up from €2.7 billion in 2021 with an increase of 60.34 %. Egyptian exports to France grew by 136% to record €2.16 billion, including a 54.13% rise in non-petroleum goods and that is worth €1.163 billion. Those are mostly fertilizers, electronic devices, and home appliances...[Egypttoday](#)

**Egypt and Oman sign MoUs on taxation, financial policies:** Minister of Finance Mohamed Mait and Omani counterpart Sultan Bin Salem al-Habsi signed Monday a Memorandum of Understanding to avoid double taxation and tax evasion, and another pertaining to financial policies and advancements...[Egypttoday](#)

## **Global**

### **White House, Republicans push ahead in US debt ceiling talks:**

Negotiators for Democratic President Joe Biden and top congressional Republican Kevin McCarthy reconvened at the White House on Wednesday to try to close a deal to raise the United States' \$31.4 trillion debt ceiling and avoid a catastrophic default. The policy, known as Title 42, was implemented by Trump's administration in March 2020 - early in the COVID-19 pandemic - as a measure tied to a public health emergency. President Joe Biden's administration allowed the policy to expire last week, with new asylum restrictions taking effect...[Reuters](#)

**Germany endures first recession since Covid on Consumers:** Germany suffered its first recession since the start of pandemic, extinguishing hopes that Europe's top economy could escape such a fate after the war in Ukraine sent energy prices soaring. First-quarter output shrank 0.3% from the previous three months following a 0.5% drop between October and December, the statistics office said Thursday. Its initial estimate, last month, was for stagnation....[Bloomberg](#)

**From Russia with gold: UAE cashes in as sanctions bite:** The United Arab Emirates has become a key trade hub for Russian gold since Western sanctions over Ukraine cut Russia's more traditional export routes, Russian customs records show. The records, which contain details of nearly a thousand gold shipments in the year since the Ukraine war started, show the Gulf state imported 75.7 tonnes of Russian gold worth \$4.3 billion - up from just 1.3 tonnes during 2021....[Reuters](#)

**US Credit Rating at Risk of Fitch Cut on Debt-Limit Impasse:** The tension around the US debt-limit negotiations ratcheted up after Fitch Ratings warned the nation's AAA rating was under threat from a political standoff that's preventing a deal. Fitch may downgrade its assessment to reflect the increased partisanship that is hindering a resolution despite the fast-approaching so-called X date, it said, referring to the point at which Washington runs out of cash. It moved the US to "rating watch negative" under its classification...[Bloomberg](#)

**China Warnings Flash Across Global Markets as Growth Disappoints:** China's muted economic rebound and Beijing's reluctance to deploy large-scale stimulus are reverberating around the globe, crushing commodity prices and weakening equity markets. Investors are pegging back their expectations for the world's second-biggest economy as worries mount that its recovery from pandemic restrictions has lost momentum....[Bloomberg](#)

**US money market funds see big inflows amid debt ceiling caution:** U.S. money market funds saw big inflows in the week to May 24 as investors favored safer bets ahead of a deadline for politicians to agree an increase in the country's debt ceiling. According to Refinitiv Lipper data, U.S. money market funds received a net \$39.9 billion of inflows, the biggest week of net buying in four weeks...[Reuters](#)

**Sterling gains as UK shoppers weather high inflation and rates:** The pound rose on Friday after data showed UK retail sales volumes rose at their fastest pace in nearly two years, as renewed consumer confidence helped offset the sting of high inflation and rates. Between February and April, sales rose 0.8% from the previous three months, the biggest such increase since the three months to August 2021, according to data from the Office for National Statistics. Sterling was last up 0.3% against the dollar at \$1.2355...[Reuters](#)

**JPMorgan is cutting about 1,000 First Republic Bank employees:** JPMorgan Chase informed about 1,000 First Republic Bank employees on Thursday that they will no longer have jobs. JPMorgan acquired most of First Republic's assets earlier this month after the San Francisco-based regional bank was seized by the government. A JPMorgan spokesperson told CNN that the bank updated all First Republic employees on Thursday about their future employment status and the vast majority — or nearly 85% — have been offered a transitional or full-time role...[CNN](#)

**Credit Suisse ordered to pay \$926 million to Georgia's former prime minister:** Credit Suisse was ordered to pay \$926 million to Georgia's former prime minister Friday for losing part of his fortune, in a Singapore court ruling that represents one of the biggest legal awards made against the bank. Singapore's International Commercial Court said a unit of Credit Suisse had not acted in good faith and neglected to keep the assets of Bidzina Ivanishvili safe, in the latest blow to the troubled bank, which is being taken over by UBS (UBS). Credit Suisse (CSGKF) said it would appeal the decision...[CNN](#)