

Ghana

Market Related News

T-bills auction: Government fails to meet target again; interest rates still surging: The government's heavy borrowing on the treasury market triggered another marginal under-subscription of Treasury bills sales by about 7.21%, as interest rates continued to surge. This is the third week government has failed to meet its T-bills target because of the heavy borrowing on the financial market. The government was looking to rope in €3.43 billion cedis, but got about €3.18 billion...[Myjoyonline](#)

Ghana likely to receive first tranche of \$300 million by September: World Bank Country Director to Ghana, Pierre Frank Laporte, says Ghana is likely to receive the first tranche of \$300 million from the World Bank if the two are able to finally reach an agreement on the conditionality. According to him, the government needs to present a strong reform package before the World Bank will release the \$300 million facility which is expected to serve as budget support...[Myjoyonline](#)

MTN shareholders given choice to convert dividend or take cash: MTN Ghana has secured approval to give shareholders the option to receive their final dividend payment of GHS0.124 per share for the 12-month period ended 31 December 2022, in cash or shares. The new method was approved through a 'scrip dividend' which gives them an opportunity to increase their stake in the company without incurring any capital market-related transaction costs such as fees to brokers...[Citibusinessnews](#)

Fixed investment to grow at a low 1.3% in 2023 – Fitch Solutions: Fixed investment in Ghana will grow by a subdued 1.3% in 2023, below the 2015-2019 average of 2.7%, adding 0.3 percentage points to the headline growth. According to Fitch Solutions, this is due to tighter financial conditions that will weaken activity in the real estate and construction sectors further, placing downside pressure on fixed investment growth...[Myjoyonline](#)

Ghana nears \$2.6 Billion debt revamp deal with Pension Funds: Ghana's pension funds are close to agreeing to a deal to restructure \$2.6 billion worth of government bonds they hold. Under the plan, the pension funds will receive more interest payments, but over a longer period of time, according to Thomas Esso, executive secretary of the Chamber of Corporate Trustees. ...[Bloomberg](#)

Pensioner bondholders reiterate calls to Government: As the pensioner bondholders continue picketing at the Finance Ministry over unpaid coupons, the group has renewed calls for government to borrow from the treasury bills market to pay them. They stated that if government incurs more debt by borrowing from the treasury bills market, it can always repay...[Citibusinessnews](#)

General Business News

World Bank releases additional \$150million for Odaw Basin flood control: The World Bank has released \$150 million to the government as additional funding to improve on flood resilience in the Odaw River Basin. The loan is to fund the Greater Accra Resilient and Integrated Development (GARID) Project aimed, among other objectives, at improving flood risk and solid waste management for over 2.5 million people in the Odaw River Basin....[Myjoyonline](#)

COVID -19 levy must be abolished – Importers & Exporters insist: Despite the government's insistence of maintaining the COVID-19 Health Recovery Levy, the Importers and Exporters Association of Ghana, is calling for the immediate abolishment of the levy. The importers and exporters argue that government must completely do away with the Covid -19 levy as well as the Special import levy and the Financial recovery levy as they place undue burden on individuals and businesses...[Citibusinessnews](#)

Petrol, diesel prices to stay same; LPG to go down 5% – IES: Prices of petrol and diesel are expected to stay the same in the first two weeks of June. However, the price of LPG is expected to decline by roughly 5% during the same period. This follows the Ghana cedi's strong performance on the domestic forex market during the last two weeks, and the drop in the price of LPG on the international market, though international prices of the liquid products shot up...[Myjoyonline](#)

IMF deal makes Ghana's cedi one of May's best currency plays: Ghana's currency is poised for one of the strongest rallies globally after the \$3 billion pact with the IMF gave investors hope it can climb back from last year's debt crisis. The cedi was the best performer worldwide against the dollar in the runup to the IMF deal. That was the latest in a series of violent swings since Ghana unilaterally suspended payments on most of its external debt in December. The currency is poised to end the month with a 5.3% advance, the fourth-biggest of about 150 currencies tracked by Bloomberg...[Bloomberg](#)

Free zones enterprises record US\$1.9billionn export revenue in 2022: Companies under the Ghana Free Zones Authority (GFZA) generated US\$1.9 billion in export revenue last year. In addition to this, the companies have created over 60,000 direct jobs over the years...[Thebftonline](#)

"The wise investor recognizes that success is a process of continually seeking answers to new questions."-Sir John Templeton.

Kenya

Market Related News

World Bank approves \$1 billion loan to Kenya: The World Bank said on Tuesday it approved a \$1 billion loan to Kenya to support its budget as East Africa's economic powerhouse confronts high debts and a weakening currency. The lending will be done through an instrument called a Development Policy Operations (DPO) loan, which commits Kenya to instituting reforms aimed at creating fiscal space, improving agricultural competitiveness and improving governance...[Reuters](#)

Central Bank gets Sh27billionn from third 3-year bond offer: The Central Bank of Kenya (CBK) has mopped a further Sh27.2 billion from the third auction of May's 3-year bond. The second tap sale of the paper which closed on Friday had an equal value of bids to acceptance and beat the advertised Sh20 billion value. Investors in the bond are expected to earn a return of 14.228% which represents the allocated average rate for accepted bids and the paper's coupon rate at the primary auction...[Businessdailyafrica](#)

Central Bank of Kenya Holds Benchmark Interest Rates Steady at 9.5%: The Central Bank of Kenya has maintained the benchmark interest rate at 9.5% during its monetary policy meeting. The bank cited the ongoing transmission effects of the previous tightening of monetary policy in March 2023, which aimed to anchor inflationary expectations in the economy. This move is further supported by recent government measures allowing duty-free imports on specific food items, particularly sugar, to alleviate domestic inflationary pressures and moderate prices...[Kenyanwallstreet](#)

Central Bank targets Sh60 billion from second infrastructure bond: The Central Bank of Kenya (CBK) has set its sights on raising Sh60 billion from the sale of a new 7-year amortised infrastructure bond. The apex bank has floated the tax-free paper for sale until June 13 as it sets itself for the wrap of the domestic borrowing programme for the current 2022/23 financial year. Beyond the tax incentives and redemption structuring, the CBK is expected to bet on renewed investor interest on bonds to meet the paper's full subscription...[Businessdailyafrica](#)

Banks' digital shift roadmap: The Central Bank of Kenya recently released its latest edition of the banking supervision report shedding light on the country's fast-changing financial services sector. Commercial banks continue to invest billions of shillings in resources towards digital transformation with profitable outcomes. The value of total deposits held by commercial banks rose 9% from Sh4.6 trillion in 2021 to Sh5 trillion last year which has been attributed to the mobilisation of funds through digital platforms...[Businessdailyafrica](#)

General Business News

Kenya inflation rises to 8% y/y in May: Kenya's inflation (KECPI=ECI) rose to 8% year-on-year in May, from 7.9% last month, data from the statistics office showed on Wednesday. On a monthly basis, May inflation was at 0.9% compared to 0.5% in April, the Kenya National Bureau of Statistics said in a statement. The government has a preferred inflation range of 2.5%-7.5% in the medium term...[Reuters](#)

Kenya and Russia to sign trade pact, President Ruto says: Kenya will sign a trade pact with Russia aimed at boosting cooperation between businesses. Russia has stepped up its drive to boost economic ties with Africa to help offset a big chill in relations prompted by its invasion of Ukraine, and plans to hold an Africa-Russia summit in St Petersburg in July. It did not say when the pact might be sealed or give details on what it might encompass however, Russia currently sells mostly grain and fertilisers to Kenya...[Reuters](#)

Kenya central bank lowers 2023 growth forecast to 5.5%: Kenya's central bank has lowered its economic growth projection for this year to 5.5%, from 5.8%.in March. The economy expanded by 4.8% last year, lower than the pace of expansion in 2021, weighed on by a contraction in the agriculture sector...[Reuters](#)

Treasury mulls mini-budget to clear Sh641bn pending bills: The Treasury will table a Cabinet memorandum next week spelling out its plans to clear the Sh641 billion bills that the government owes contractors and suppliers. He said the Cabinet is expected to approve the formation of a multi-agency team to review the huge pending bills and establish a budget for clearance of the debts by September this year....[Businessdailyafrica](#)

Kenya eyes more Chinese, Korea investments in fresh deal: Kenya is banking on agreements entered with China and Korea to boost foreign investments in the local manufacturing sector. Kenya Investment Authority (KenInvest) has signed an MoU with the Kenya Chinese Chamber of Commerce and the Kenya Chinese Corporation to allow Chinese wholesale facilities set up in the country...[The Star](#)

Egypt

Market Related News

161% increase in net profit of Suez Canal Bank in 1Q 2023: Net profit of Suez Canal Bank reached EGP 251m in March 2023, compared to EGP 96m in March 2022, a growth of 161%. This was supported by an increase in net income from returns by 90% to reach EGP 707m in March, compared to EGP 373m, as well as an increase in net income from fees and commissions by 228%, to reach EGP 224m, compared to EGP 68m...[Dailynewsegypt](#)

Finance Ministry aims to issue 22 T-bill, bond tenders worth EGP 326.75bn in June: The Ministry of Finance aims to issue 22 tenders of treasury bills (T-bill) and bonds worth EGP 326.75bn in June, comprising 16 T-bill issuances worth EGP 318bn and 6 bond issuances worth EGP 8.75bn. The ministry revealed earlier that it intends to borrow EGP 1.06275trn from the local market in the period from the beginning of April until the end of June 2023, with the aim of financing the deficit of the state's general budget...[Dailynewsegypt](#)

The Egyptian Exchange to list an energy company in 2 weeks: Executive Chairman of The Egyptian Exchange (EGX), stated that an energy firm will be listed within two weeks. El Dokany announced that the stock exchange's board of directors is going to terminate the EGX50 index, and intends to announce an index that complies with the provisions of Islamic Sharia soon...[Businesstodayegypt](#)

Deal to make EGP-denominated debt "Eurocleared" close to finalized, Finance Minister: EGP-denominated debt could become "Eurocleared" before the end of 2023. The Ministry of Finance is finalizing the details to make locally-issued EGP-denominated debt cleared by Europe's biggest settlement. Egypt has been working towards meeting clearinghouse Euroclear's conditions since signing an agreement in 2019, with expectations that it would be completed by the second half of 2022 after delays pushed it from the fourth quarter of 2021....[Egypttoday](#)

Egyptian Islamic banking sector grows 25% YoY in March: Egypt's Islamic banking sector saw significant growth over the year, reaching EGP 544 billion in March 2023, up 25% compared to March 2022. According to the EIFA's latest data, Islamic banking accounts for approximately 5% of the overall Egyptian banking sector. Faisal Islamic Bank of Egypt holds the leading position in the Islamic banking market in Egypt, with a turnover of EGP 169.2 billion, accounting for 31.1% of the total volume of the Islamic banking industry...[Businesstodayegypt](#)

Income Tax Law amended, increases annual income tax exemption to LE36,000: The House of Representatives approved new amendments to the Income Tax Law, with the goal of increasing the annual income tax exemption from LE 24,000 to LE 36,000. Changes included implementing a 27.5% tax on individuals earning an annual income over LE 1.2 million, compared to the previous rate of 25%. The amendments are part of efforts to promote social justice. It also aims to introduce a higher income tax rate for individuals with substantial incomes...[Egypttoday](#)

€8M agreement signed to support e-Government: The Ministry of Communications and Information Technology and the German Agency for International Cooperation in Egypt (GIZ) signed an agreement to implement the first phase of the project to support e-government and innovation in the Public Administration (INNOPA), with a grant of €8 million out of a total of €17.5 million...[Egypttoday](#)

AfDB highlights Egypt's easing inflation, lowers avg. inflation rate forecast for next FY: African Economic Outlook 2023 reveals Egypt's average inflation rate for the coming fiscal year is expected to hit 14%, during the African Development Bank Group's (AfDB) annual meetings. This is lower than the previously forecasted 20%, pointing to high food and nonfood prices and the devaluation of the Egyptian pound against the US dollar. GDP is expected to grow to 4.8% percent in FY2023/2024, slightly higher than the previously forecasted 4.4% for the current fiscal year...[Egypttoday](#)

Egypt's new membership in New Development Bank enhances South-South cooperation: Minister of International Cooperation Rania Al-Mashat said that Egypt is one of the most recent countries to join the New Development Bank (NDB). Egypt has extensive experience in the field of international cooperation and development financing through its relations with multilateral and bilateral development partners. These relationships are founded on increasing efforts of development and financing projects that are a priority for the country...

Global

Dollar hits highest since mid-March on cooling European inflation: The U.S. dollar rose strongly on Wednesday to a more than two-month high after data showed European inflation is cooling quicker than expected and China's recovery is sputtering. The euro fell to \$1.066 earlier in the session, the lowest since March 20. It was last down 0.64% to \$1.06665.[Reuters](#)

JPMorgan cutting about 500 jobs this week: JPMorgan Chase & Co (JPM.N) is cutting about 500 employees this week across its various departments. The layoffs will affect employees across the bank's main businesses -- consumer, commercial banking, asset and wealth management -- as well as technology and operations...[Reuters](#)

US Congress averts historic default, approves debt-limit suspension: The U.S. Senate on Thursday passed bipartisan legislation backed by President Joe Biden that lifts the government's \$31.4 trillion debt ceiling, averting what would have been a first-ever default. The Senate voted 63-36 to approve the bill that had been passed by the House of Representatives, as lawmakers raced against the clock following months of partisan bickering between Democrats and Republicans...[Reuters](#)

US-Taiwan relations: New trade deal signed as China tensions rise: The US and Taiwan signed a new trade deal on Thursday as tensions with China rise. It is the first agreement under a framework for talks between Washington and Taipei called the US-Taiwan Initiative on 21st Century Trade...[BBC](#)

US fines British Airways \$1.1 million over delayed refunds: The U.S. Transportation Department (USDOT) said on Thursday it is fining British Airways \$1.1 million for failing to provide timely refunds to passengers for flights to and from the United States during the COVID-19 pandemic. Since March 2020, USDOT received over 1,200 complaints alleging British Airways failed to provide timely refunds. British Airways, which is owned by IAG (ICAG.L), denied the allegations...[Reuters](#)

China, Argentina agree to jointly promote 'belt and road' initiative: China has signed a cooperation agreement with Argentina on promoting the joint construction of the 'Belt and Road Initiative'. The agreement will deepen China and Argentina's cooperation on areas including infrastructure, energy, economy and trade, as well as finance, the National Development and Reform Commission said in a statement...[Reuters](#)

Sri Lanka Central Bank to hold rates as inflation stays high: Sri Lanka's central bank is expected to keep rates unchanged at its policy meeting this week as it continues to support the debt-laden economy amid persistently high inflation...[Reuters](#)

National Bank of Canada misses profit estimates as bad loans provisions: National Bank of Canada missed analysts' earnings estimates on Wednesday, hurt by higher costs and money set aside for bad loans amid a meltdown in the U.S. banking sector and souring economy. Shares of the Montreal-based bank were down more than 1% in morning trading, tracking broader market declines. The results come after Canada's top four banks reported lower-than-expected earnings as they had to set aside more money for bad loans and incurred higher expenses related to workforce and other tech investments...[Reuters](#)

Australia to hold rates at 3.85% in June, but may raise again soon: Australia's central bank will keep its key interest rate unchanged at 3.85% on Tuesday despite inflation well above the target range, according to a Reuters poll of economists. Reserve Bank of Australia (RBA) raised rates last month after pausing in April, confounding financial markets and a majority of economists who were expecting the central bank to hold....[Reuters](#)

UBS CEO warns of painful jobs decisions after Credit Suisse takeover: UBS (UBSG.S) Chief Executive Sergio Ermotti on Friday warned of painful decisions about job cuts following the takeover of Credit Suisse (CSGN.S), which he said he hoped would be formalised in coming days. "We won't be able to create, short term, job opportunities for everybody. Synergies is part of the story," Ermotti said...[Reuters](#)

Banks break taboo for high-risk bonds: Investors who earned easy money with high-risk bonds invented after the financial crisis are being forced to accept that the rules have changed: they may not get paid. Banks typically sold these perpetual bonds - known as AT1 bonds - with five years before an option to repay was triggered. In the past, investors got their money back, and banks replaced the bonds with new ones, but some are changing tack...[Reuters](#)