

August 11, 2023

Ghana's News Summary

COCOBOD extends deadline for debt exchange to August 18: The Ghana Cocoa Board (COCOBOD) has once again revised the deadline for its debt exchange programme to Friday August 18 from the initial announcement of August 3, 2023. The new announcement date has also been revised to Monday, August 21, 2023, while the settlement date now shifted to August 25. On July 14, the Ghana Cocoa Board (COCOBOD) launched a debt securities exchange programme (cocoa bills) to exchange that for a longer-term debt security...[Citibusinessnews](#)

Over GH¢49.5m lost to online impersonation schemes since Jan: individuals targeted by online impersonation have suffered significant losses valued at GH¢49.5million since the beginning of January 2023, according to the Cyber Security Authority (CSA). Online impersonation or identity theft occurs when a malicious actor assumes the identity of a prominent personality such as a politician, businessman, government official, diplomat, or a credible brand for financial gain or to harass, intimidate or threaten victims...[Bftonline](#)

FBN Bank leads peers with highest liquidity ratio of 131%: Per the 2023 Ghana Banking Survey conducted by PwC, Ghana's financial landscape witnessed a stark transformation, with notable implications for liquidity levels within the banking sector. First Bank of Nigeria (FBN) Ghana emerged as the epitome of liquidity, boasting a remarkable liquidity to total deposits ratio of 131% in 2022, far surpassing the industry average by an impressive 54...[Norvanreports](#)

IMF justifies GHS 60billion BoG loss: The International Monetary Fund (IMF) has backed the Bank of Ghana's GHS 60 billion loss incurred in 2022. The Fund says the impairment which was brought on by the government's Domestic Debt Exchange (DDE) was necessary to "restore macroeconomic stability and public sustainability...[Citibusinessnews](#)

Banks remain calm ahead of 2nd round of DDEP — PwC survey: The second phase of the DDEP, which involves local dollar-denominated bonds and cocoa bills, is currently underway, with a memorandum of exchanges issued by the Ministry of Finance and the Ghana Cocoa Board respectively. Unlike the first, which saw the government swap 12 old bonds for new ones at reduced coupon rates and longer tenors, the tenor under the second phase for the eligible instruments is much shorter with arguably improved returns...[Graphicbusiness](#)

SSNIT assures pensioners of regular payments despite DDEP: PENSIONERS under the Tier One Pension Scheme run by the Social Security and National Insurance Trust (SSNIT) will continue to receive their monthly benefits despite the government's intention to rope in pension funds under the second round of the Domestic Debt Exchange Programme (DDEP). Allaying the fears of contributors to the SSNIT scheme about a potential disruption in their benefits, the Director-General of SSNIT, Dr John Ofori-Tenkorang, who gave the assurance, said the government had tabled a new offer with better terms for pension fund managers and indicated that SSNIT intends to subscribe to the bonds...[GraphicBusiness](#)

Economy yet to turn the corner — Experts: Two experts say the economy is yet to turn the corner on account of government's downward revision of its macro-economic targets even though finance minister expressed optimism at last week's mid-year budget presentation. The finance and economic experts agreed that although the economy has seen some form of stability as a result of the implementation of the austere International Monetary...[Graphicbusiness](#)

BoG sensitises customs officials on banking services, consumer rights and responsibilities: In a bid to enhance fair banking practices in the financial sector, the Bank of Ghana held a sensitisation program for officers of the customs division of the Ghana Revenue Authority to address pertinent banking issues of financial crimes. Speaking to Joy Business, Director of Financial Stability Services at the Bank of Ghana Dr. Joseph France stated that having an in-depth understanding of banking and other financial related issues will go a long way to enhance consumer confidence in the financial sector...[Myjoyonline](#)

Ghana's economy in recession, says Prof Lord Mensah: Professor of Finance at the University of Ghana Business School (UGBS), Professor Lord Mensah, has said Ghana's economy is in recession. His assertion is based primarily on the fact that the country's yield curve is inverted with the economy suffering from short-term pressures given the high-interest rates or yields on short-term debts like treasury bills. According to him, the economy has not been calibrated in a manner that makes it easy for one to tell that the economy is in a recession...[Norvanreports](#)

Inflation rises for the third consecutive month; hits 43.1% from 42.5%: Ghana's inflation continues to surge as it rises for the third consecutive month, reaching a new high of 43.1% for the month of July from the previous mark of 42.5%. The new figures were announced on Wednesday, August 9, by the government Statistician Prof. Samuel Kobina Annim. Food prices rose significantly to 55.0%, whereas non-food items saw inflation at 33.8%...[Citibusinessnews](#)

Debt market braces for higher gov't borrowing, refinancing obligations: As the second half of 2023 unfolds, the domestic fixed-income market faces the prospect of increasing state borrowing on the money market even as government gears up to address higher refinancing obligations and fulfil various fiscal activities. Experts anticipate government to refinance maturing bills estimated at GH¢31.01billion in Q3-23, a significant increase from the previous quarter...[Graphicbusiness](#)

" Money grows on the tree of persistence " - Japanese Proverb.

African Market News Summary

S.Africa's Nedbank warns of sticky bad loans, 2025 targets at risk: South Africa's Nedbank Group, amongst the top five lenders in the country, warned on Tuesday that its bad loans would stay elevated for the rest of the year and it could miss its 2025 financial targets. But its shares were up 2.5% in early trading as profit for the six months ended June 30 jumped 11% and CEO Mike Brown projected a drop in bad loans from the first half...[Reuters](#)

After saving economy from inflation crisis, CBK faces rate hike backlash: The Central Bank of Kenya (CBK) may have saved the economy from an inflation crisis following its June increase in its benchmark rate. But it must now face the consequences of its action at its policy-setting meeting on Wednesday after the higher rate translated into adverse effects for consumers. While the apex bank has been widely tipped to leave the benchmark lending rate unchanged as the impact of its last policy decision continues to be felt, market participants have already warned of a downshift in credit growth...[Business Daily](#)

KCB freezes Sh115m payout to former contract workers: KCB Bank Kenya has had a court decision requiring it to compensate former contract workers more than Sh115 million for alleged discrimination suspended. The lender convinced the Court of Appeal to suspend the decision issued in November last year by the Employment Court, arguing that the 29 former workers might not be able to refund the money in case it is successful in its quest to overturn the judgment...[Business Daily](#)

Pension fund returns increase to 6.4 percent: Pension fund returns improved to an average of 6.4 percent in the year to June 2023 compared to less than one percent a year earlier following the improved performance of equities and offshore assets. Industry surveys carried out by Actuarial Services East Africa (Actserv) and pension fund administrator Zamara shows that while the weighted average return for equities remained in the red over the period, there was an improvement from the double-digit decline seen in the 12 months to June 2022...[Business Daily](#)

Shareholders support holding of First Bank's AGM: Some shareholders of First Bank Nigeria Holding, FBNH Plc, have kicked against the move by some aggrieved shareholders to stop the forth coming Annual General Meeting, AGM scheduled to hold on August 15, 2023, asking that the regulatory authorities in the financial sector should intervene. The shareholders group under the aegis of Trustee Shareholders Association of Nigeria, TSAN, yesterday, at the First Bank's Head Office in Lagos staged a peaceful protest under the guidance of the Nigeria Police asking that the company's AGM must hold as it is statutory...[Vanguard](#)

Emerging Africa Capital Redeems N1.86bn Commercial Paper: Emerging Africa Capital Limited has successfully redeemed its N1.86 billion Series II Commercial Paper (CP) issued on November 1, 2022, on the Nigerian debt capital market through FMDQ Securities Exchange Limited platform under its N15 billion CP issuance programme. The 269 days Series II CP was issued at a discount rate of 17.43 per cent and achieved a 100 per cent subscription rate as a first-time issuer...[ThisDay](#)

SMEs non-performing loans hit N1.32tn, blame economic challenges: Banks non-performing loans hit N1.32tn as of the end of April 2023, figures obtained from the Central Bank of Nigeria have revealed. According to figures obtained by The PUNCH from the CBN, this figure represented 4.3 per cent of the total credit in the banking sector which stood at N30.64tn...[Punch](#)

South African rand jumps after U.S. inflation data: The South African rand strengthened against the dollar on Thursday, helped by dollar weakness after data showed a moderate rise in U.S. inflation in July. At 1514 GMT, the rand traded at 18.7375 against the dollar, up about 1.33% on its previous close, having risen as much as 1.7% to the dollar earlier. But it is still down almost 5% so far this month. The dollar was last trading around 0.15% weaker against a basket of global currencies...[Reuters](#)

Analysts put buy rating on listed bank stocks on high profitability: Stockbrokers have put a buy recommendation on most of the banks listed on the Nairobi Securities Exchange, citing increased profitability driven by higher interest rates. Lenders are set to announce their results for the half-year ended June, with Absa Bank Kenya, Standard Chartered Bank Kenya and NCBA Group due to declare interim dividends...[Business Daily](#)

EFG Holding reports strong results for 2Q23, lifting top-line, bottom-line growth in 1H23 by 89% Y-o-Y: EFG Holding, the leading financial institution with a universal bank in Egypt and the leading investment bank franchise in Frontier and Emerging Markets (FEM), announced on Thursday its results for the second quarter of 2023. EFG Holding booked a robust revenue increase of 51% Y-o-Y to EGP 3.1bn on the back of broad-based growth across the Investment Bank (EFG Hermes), the commercial bank (aiBANK), and the Non-Bank Financial Institutions (NBFIs) platform (EFG Finance) in 2Q23...[DailyNewsEgypt](#)

The Egyptian economy and the way out: As Egypt continues to grapple with a deepening economic crisis, it is important to examine the underlying reasons for this crisis and to propose effective solutions to address it. It is also important to understand that the most important goal of the coming economic reform is promoting the ease of doing business in Egypt and introducing policies and incentives that aim to promote the economic conditions of the private sector...[DailyNewsEgypt](#)

IMF sounds alarm about grain crisis: August 2023: Minister of Finance Mohamed Maait said that the performance of the Egyptian economy is balanced, in light of the unprecedented global challenges. The finance minister stated that Egypt's government debt-to-GDP ratio is expected to reach 97 percent in Fiscal Year (FY) 2022/2023. Maait also indicated that Egypt achieved positive growth rates over the course of 7 years, reaching 6.6 percent of the gross domestic product in FY21/22, and is expected to reach 4.1 percent in FY22/23...[Egypttoday](#)

Nigeria oil output drops 12% in July: Crude oil production in Nigeria dropped by 12.56% in July to 1.29 million barrels daily from 1.48 million barrels daily in June, Business Day has [reported](#), citing data from the Nigerian Upstream Petroleum Regulatory Commission...[Norvanreports](#)

Global Market News Summary

Russian banks lost around \$25 billion from Ukraine conflict, central bank official says: Russia's banks have lost an estimated 1.5 trillion roubles (\$25.5 billion) as a result of the fallout from the conflict in Ukraine, a central bank official said on Friday. Maxim Lyubomudrov, who heads the regulator's department that supervises the country's largest banks, said this was an "acceptable" level of losses and that the government had plans in place to support Russia's lenders through the crisis...[Reuters](#)

Oil slips as weak China data offsets tightening supply: Oil prices fell by more than 1.5% on Tuesday after data showed China's imports and exports fell much more than expected in July in yet another sign of a sluggish post-COVID rebound for the world's largest oil importer. Brent crude futures were down \$1.33, or about 1.6%, at \$84.01 a barrel at 1047 GMT. U.S. West Texas Intermediate crude was down \$1.23, or about 1.5%, at \$80.71...[Reuters](#)

Europe stocks dip as Italian banks hit by windfall tax: European shares dropped on Tuesday as Italian banks came under pressure after the cabinet approved a 40% windfall tax on lenders, while sticky inflation print from Germany and weak China trade data further soured investor sentiment. Italian banks such as Intesa Sanpaolo, Banco BPM and UniCredit fell between 6.5% and 8.3% after Deputy Prime Minister Matteo Salvini [said](#) a 40% levy on banks' extra profits will feed items such as a reduction of the tax wedge, tax cuts and financial support to holders of mortgages on first homes...[Reuters](#)

US banking industry starts to pick its battles against new capital rules: Now that regulators in Washington have unfurled a [hefty reform package](#) of post-financial crisis capital regulations, banking industry advisers are honing in on what they consider most disruptive, including risk management requirements that could affect real estate lending, consumer credit and wealth management. In a joint proposal on July 27, the top three U.S. bank regulators [proposed](#) a thousand-page overhaul that would in aggregate require banks to set aside an additional 16% in capital the regulators believe is needed to strengthen the financial system...[Reuters](#)

Atlantic Lithium says it is confident of getting mining lease in Ghana (Aug 7): Atlantic Lithium said on Monday the Africa-focused company was confident of getting a lease for a lithium mine in Ghana following the approval of a green minerals policy by the country's government. The company said the new policy included "changes to the mining royalty rate and the state's carried interest in minerals projects" and that Atlantic Lithium was in talks with Ghana's Minerals Commission...[Reuters](#)

Dutch lender De Volksbank faces fine over money laundering safeguards: De Volksbank's systems to prevent money laundering have been deemed insufficient by the Dutch central bank (DNB) and it will likely face a fine, the Dutch state-owned bank said on Friday. The bank, which incorporates several smaller Dutch banks such as SNS and ASN, disclosed the findings along with its first-half results. "We regret that we were not able to fulfil our gate watcher role with respect to client integrity and that we are at this moment in violation of certain legal obligations with respect to money laundering" laws, Chairman Martijn Gribnau said in a statement...[Reuters](#)

Dubai's GDP rises 2.8% in Q1 to reach \$30 bln: Dubai's economy grew by 2.8% in the first quarter, year on year, to hit 111.3 billion dirhams (\$30.3 billion), according to official data published on Tuesday, supported by growth in the transportation and storage sector. The city state, widely regarded as the trade and tourism hub of the Gulf region, launched a 10-year economic plan known as D33 in January aiming to double the size of the economy and make Dubai one of the top four global financial centres in a decade...[Reuters](#)

Euro zone consumers expect lower inflation, sluggish housing prices - ECB poll: Euro zone consumers expect inflation to keep slowing in the next months and years but remain pessimistic about their purchasing power and house prices, a European Central Bank survey showed on Tuesday. The ECB's monthly Consumer Expectations Survey added to evidence that the central bank's steepest ever streak of interest rate hikes was slowly starting to succeed in preventing the current, high rate of inflation from taking root in people's minds...[Reuters](#)

Moody's warning on US banks a wake-up call for sanguine investors: The slide in U.S. bank stocks this week appeared to catch traders in the options market by surprise, data shows, raising questions over whether bank investors have become a little too comfortable with the sector that only months ago was in crisis. U.S. bank shares dropped on Tuesday after ratings agency Moody's [downgraded](#) credit ratings of several U.S. regional lenders and placed some banking giants on review for potential downgrade...[Reuters](#)

'BRICS bank' looks to local currencies as Russia sanctions bite: Hobbled by the impact of sanctions against founding shareholder Russia, the New Development Bank (NDB) set up by the BRICS countries needs to increase its local currency fundraising and lending, South Africa's finance minister told Reuters. South Africa will host leaders of the other BRICS nations - Brazil, Russia, India and China - as the bloc aims to widen its influence at a Johannesburg summit later this month...[Reuters](#)

IMF sounds alarm about grain crisis: Once again, a grain crisis hit the world as Russia refused to extend the Ukrainian grain agreement because the involved parties did not adhere to the quotas of poor and needy countries. European countries seem to have obtained more than 80% of the total quantities of grain that Russia sold to Ukraine...[DailyNewsEgypt](#)