

July 14, 2023

Ghana

Market Related News

Bank of Ghana to auction US\$120 million to BDCs in 2023 third quarter:

The Bank of Ghana will in the third quarter of 2023 sell \$120 million to Bulk Oil Distribution Companies (BDCs) under the FX Forward Auction Calendar for the same period. The calendar, \$40 million each would be auctioned in July, August and September. Further breakdown suggests that \$20 million each will be sold on July 14 and 28. \$20 million each would be sold on August 15 and August 30, respectively... [Citibusinessnews](#)

Govt honours obligations; pays matured coupons of individual bondholders:

The Government has confirmed the settlement of all outstanding arrears owed to members of the Individual Bondholders' Forum. A statement issued by the Finance Ministry on Monday explained that all coupons and principals due up to June 19 have been paid, and instructions for the payment of coupons up until July 10, 2023, have been sent out... [Citibusinessnews](#)

Picketing by Individual Bondholders Forum suspended:

Members of the Coalition of Individual Bondholders Groups have suspended their planned picketing at the premises of the Finance Ministry, to demand payments of their outstanding principals and coupons. This comes after government's payment of all outstanding matured coupons and principals owed the group. [Citibusinessnews](#)

Treasury exceeds financing target in H1 2023:

The Treasury successfully issued new short-term debts amounting to GH¢13.64billion in first-half 2023 (H1 2023), while GH¢30.55billion was utilised to refinance maturing debts. More importantly, exceeded its financing target for H1 2023 by approximately GH¢12.39billion – resulting in a total issuance of GH¢44.19 billion during the period, out of the GH¢47.30billion tendered by investors. [Thebftonline](#)

Ofori-Atta confident Ghana will secure 2nd tranche of \$600m from IMF:

The Minister of Finance, Ken Ofori Atta, is optimistic government will secure a Staff-Level Agreement with the International Monetary Fund for the disbursement of the second tranche of the \$600 million when the Staff visits Ghana in September 2023. The second tranche is based on some conditions that government must satisfy after an assessment by the Fund's Visiting Staff. [Thebftonline](#)

Bond market: Total market turnover declines 48.5% to

¢133.96m: Total market turnover on the secondary bond market declined 48.52% week-on-week to ¢133.96 million last week. This was primarily driven by a 45.00% week-on-week downturn in trades across the new bonds. Moreover, the average yield of the 2027-2030 maturities increased 173 basis points, settling at 12.54%. Notably, the 2031-2033 and 2034-2038 instruments displayed substantial increases in average yields, reaching 12.24% and 12.37% respectively. [Thebftonline](#)

General Business News

Value of loans decline in Q1 2023:

The first quarter of 2023 witnessed a 19.23 percent decline in value of secured loans compared to the same period in 2022, with banks experiencing a significant decrease. According to the Collateral Registry Report published by the Bank of Ghana, the total value of secured loans was GH¢5.26billion in Q1 2023 – down from GH¢6.5billion in Q1 2022. [Thebftonline](#)

Bagbin urges Ofori-Atta to present mid-year budget review before July 27:

The Speaker of Parliament, Alban Bagbin wants the Finance Minister, Ken Ofori-Atta to consider presenting the Mid-year budget review before July 27, 2023, as the House intends to adjourn sine die on August 3, 2023. The Majority Leader, Osei Kyei-Mensah-Bonsu had earlier announced that the mid-year budget presentation was scheduled for July 27 with the house expected to adjourn on August 9, 2023. [Citibusinessnews](#)

Over 420 suspected loan app operators arrested:

Over 420 suspects engaged in loan app operations have been arrested. The Cyber Security Authority, in partnership with the Bank of Ghana and the Economic and Organized Crime Office (EOCO), launched a swoop as part of a combined Cyber security committee operation, which resulted in the arrest of the suspects. The joint operation involved a raid of the premises of some suspected operators of digital lending apps (loan apps) located in the Greater Accra Region. [Citibusinessnews](#)

ECG's GH¢540m 'discretionary spending' baffles ACEP:

The Africa Centre for Energy Policy (ACEP) wants answers to the Electricity Company's (ECG) GH¢540million discretionary spending despite tight liquidity concerns within the power sector. ACEP, in statement, said the power distribution company discretionally spent GH¢540million out of the GH¢1.1billion it retrieved from consumers in March and April this year under the ongoing debt recovering exercise, without justification and in the face of tight liquidity concerns within the power value chain. [Thebftonline](#)

World Bank Managing Director for Operations, Anna Bjerde visits Ghana from July 12 to 15:

This is Anna Bjerde's first visit to Ghana since her appointment as Managing Director on April 3rd, 2023. She will be accompanied by the World Bank Vice President for Western and Central Africa, Ousmane Diagana. The World Bank Managing Director, Anna Bjerde and her delegation will pay a courtesy call to President Nana Akufo-Addo. She will also hold high-level discussions with government officials including the Vice President, Dr. Mahamudu Bawumia and Finance Minister, Ken Ofori-Atta. [Norvanreports](#)

"Saving is a great habit but without investing and tracking, it just sleeps." - Manoj Arora

African Market News Summary

IMF Approves \$189 Million Zambia Payment After Debt Breakthrough:

The International Monetary Fund signed off on an \$189 million payment to Zambia that had been held up for months as the southern African nation negotiated a debt restructuring deal with official creditors including China. Zambia's performance under the loan program remains strong, the IMF said in a statement on Thursday. All performance criteria for the first review of the loan and nine structural benchmarks have been met, with only slight delays in the remaining two, it said... [Bloomberg](#)

Eskom Latest: Intensified Power Cuts Over the Weekend: South Africa's state power utility will continue intensified power cuts over the weekend as demand exceeds expectations on account of a cold front in most parts of the country. Eskom Holdings SOC Ltd. depleted reserves kept for unforeseen events and can no longer buffer the effects of the cold weather and make up for lost generation capacity, the company said in a statement on Thursday. The power utility will remove 6,000 megawatts from the grid - known as stage 6 loadshedding - in order to replenish the emergency reserves to permit possible reduction...[Bloomberg](#)

Where investors made billions in the first six months of 2023: Lending to the Kenyan government and buying hard currency for investment purposes provided the best returns to investors in the first half of this year, beating from property and shares listed at the Nairobi Securities Exchange (NSE). A *Business Daily* analysis of the different asset classes in the six months to June shows returns from government bonds auctioned this year averaged 13.64 percent, up from 12.83 percent in the corresponding period last year... [Businessdailyafrica](#)

South African rand firms on strong local data, weak dollar: South Africa's rand strengthened on Tuesday following improved local manufacturing output and a weak dollar spurred by expectations of an end to rate hikes in the U.S. The rand traded at 18.53 against the dollar at 1443 GMT, up 1.3% on its previous close. Data from Statistics South Africa showed the country's [manufacturing output](#) rose by 2.5% year-on-year in May after advancing by a revised 3.6% in April... [Reuters](#)

Credit rating firm S&P Global sees positive signs in Nigeria, Kenya: Nigeria and Kenya have both had positive economic policy developments in the last couple of months, one of S&P Global's top sovereign rating analysts said on Tuesday, adding that South Africa was a slow-moving story of steadily rising debt to GDP. Nigeria is a country that S&P is now "watching closely" Frank Gill, one of the ratings agency's top sovereign analysts said at the firm's emerging market conference in London... [Reuters](#)

Egypt's headline inflation climbs to all-time high of 35.7% in June: Egypt's year-on-year headline inflation rose to a record 35.7% in June from 32.7% in May, official data showed on Monday, accelerating past the previous high reached in 2017 and reflecting acute economic strains since early last year. Prices have soared as Egypt has struggled through a shortage of foreign currency and repeated devaluations since March 2022, increasing hardships for many Egyptians who have seen their living standards eroded in recent years... [Reuters](#)

Zambia, bondholders advance \$3 billion debt-restructuring talks, sources say: Zambia's overseas bondholders have entered into non-disclosure agreements (NDA) with the government as of Wednesday, according to three sources, a key step marking the beginning of formal talks to restructure over \$3 billion of international bonds. The government is expected to share with some of its biggest international bondholders - members of the creditor committee - detailed information that will form the basis of debt restructuring talks as early as Wednesday, said the sources with direct knowledge, who asked not to be identified because talks are private... [Reuters](#)

Kenya's fuel taxes beat South Africa, US on higher VAT: Kenya has joined the league of countries collecting the highest taxes on fuel, calculated as a percentage of the final price, overtaking bigger economies such as the US and South Africa. An analysis by the *Business Daily* shows that taxes in Kenya now account for 40 percent of the cost of every litre of super petrol and diesel, compared to 14 percent in Illinois State— the state with the highest fuel taxation in the US— and South Africa at 30 percent. Ethiopia does not tax fuel...[Businessdailyafrica](#)

China's Huayou commissions \$300 million Zimbabwe lithium plant: Zhejiang Huayou Cobalt ([603799.SS](#)) on Wednesday commissioned a lithium concentrator in Zimbabwe as it seeks to consolidate its position as one of the world's top battery materials producers. Huayou acquired the Arcadia hard rock deposit, 40 kilometres outside Harare, from Australia-listed Prospect Resources ([PSC.AX](#)) for \$422 million in April 2022. The Chinese company invested a further \$300 million to build a plant to produce 450,000 metric tons of lithium concentrates annually... [Reuters](#)

Egypt announces sale of \$1.9 billion worth of state assets: Egypt has signed contracts to sell stakes in state assets worth a total of \$1.9 billion as part of a programme to boost the private sector and raise scarce hard currency, Prime Minister Mostafa Madbouly said on Tuesday. The stake sales are seen as crucial to Egypt's chances of easing prolonged pressure on the Egyptian pound, attracting badly needed dollars, and launching economic reforms under a \$3 billion IMF loan programme...[Reuters](#)

Nigeria says intercepts vessel with stolen crude, to destroy it: Nigeria's state-owned oil firm NNPC Ltd said on Monday an 800,000-litre (211,338-U.S. gallon) vessel carrying stolen crude had been intercepted offshore while heading to Cameroon and would be destroyed as a deterrent to oil theft. Crude theft from pipelines and wells in the Niger Delta has hobbled the country's output in recent years and is one of the biggest challenges to confront new President Bola Tinubu... [Reuters](#)

Uganda imposes levy on foreign digital companies' income: Uganda's parliament late on Tuesday passed a new tax law that imposes a 5% levy on income earned in the country by foreign providers of digital communications services such as Twitter and Meta's (META.O) Facebook. Authorities in the east African country have been exploring ways of tapping into the fast-expanding digital economy to help boost revenue needed to pay off mounting public debt. The Ugandan parliament said in a Twitter post that lawmaker had passed a new tax law called "The Income Tax (Amendment) Bill, 2023" containing the new levy... [Reuters](#)

Global Market News Summary

Global tin stocks at two-year highs after LME squeeze: The amount of tin sitting in London Metal Exchange (LME) warehouses has more than doubled in the space of a month. Metal has been arriving almost daily in response to a sharp squeeze across the front part of the LME tin curve. The cash premium over three-month delivery flared out to \$1,704 per metric ton in June, the widest it's been since October 2021. The tightness is now dissipating, but it has served to lift LME inventories to an eight-month high of 4,305 metric tons... [Reuters](#)

Dollar hits 2-month low before US inflation data: Bets on a screeching slowdown in U.S. inflation data shortly saw traders shove the dollar to a 2-month low on Wednesday, and push stocks up and bond market borrowing costs down for a third day running. Economists polled by Reuters expect to see June U.S. consumer price inflation due at 1230 GMT (8:30 a.m. ET) slow to 3.1% from 4% in May, which might be enough to convince the Federal Reserve to end its aggressive rate hikes - if not this month, at least soon... [Reuters](#)

Oil settles 2% at 10-week high on weaker US dollar, rising demand forecasts: Oil prices jumped on Tuesday, settling about 2%, boosted by a falling U.S. dollar, hopes for higher demand in the developing world and supply cuts by the world's biggest oil exporters. Brent futures rose \$1.71, or 2.2%, to settle at \$79.40 a barrel. U.S. West Texas Intermediate (WTI) crude rose \$1.84, or 2.5%, to settle at \$74.83. Brent's settlement was its highest since April 28 and WTI's since May 1. Brent was in technically overbought territory for the second time in three days... [Reuters](#)

Stocks rise, the dollar dips ahead of US inflation data: Global shares rose, and the dollar pulled back on Tuesday, a day ahead of U.S. inflation data that could warrant a quicker end to Federal Reserve rate hikes, while the prospect of China propping up growth helped to lift oil and other commodities. Wall Street [posted gains](#) across its major stock indexes. The Dow Jones Industrial Average (.DJI) rose 0.93%, to 34,260.82, the S&P 500 (.SPX) gained 0.67%, to 4,439.25 and the Nasdaq Composite (.IXIC) added 0.55%, to 13,760.70... [Reuters](#)

Mortgage rates jump higher, closing in on 7%: US mortgage rates climbed higher this week, inching closer to 7% and reaching their highest level since November. The 30-year fixed-rate mortgage averaged 6.96% in the week ending July 13, up from [6.81% the week before](#), according to data from Freddie Mac released Thursday. A year ago, the 30-year fixed-rate was 5.51%. Mortgage rates have remained over 5% for all but one week during the past year and even went as high as 7.08%, last reached in November. Rates had been coming down and were under 6.5% for most of the spring... [CNN](#)

Biden administration forgives \$39 billion in student debt for more than 800,000 borrowers: The Biden administration announced on Friday it would automatically forgive \$39 billion in [student debt](#) for 804,000 borrowers. The relief is a [result of fixes](#) to the student loan system's [income-driven repayment plans](#). Under those repayment plans, borrowers get any remaining debt cancelled by the government after they have made payments for 20 years or 25 years, depending on when they borrowed, and their loan and plan type... [CNBC](#)

Global energy demand to rise 23% by 2045, OPEC says: "Global primary energy demand is forecast to increase by a significant 23% in the period up to 2045, which means we will need all forms of energy," he said. "We will require innovative solutions such as carbon capture utilisation and storage, and hydrogen projects in addition to a circular carbon economy, which has received a positive endorsement from the G20." The global oil industry needs \$12.1 trillion in investment during the same period, Al Ghais said, adding the industry was not on track to reach that level of investment yet... [Reuters](#)

Singapore's Temasek reports portfolio value drop, positive on China tech: Singapore investment firm Temasek Holdings (TEM.UL) on Tuesday posted a 5.2% drop in its net portfolio value to S\$382 billion (\$284.65 billion) in the financial year that ended in March. The drop in net portfolio value is its first since the 2020 financial year and came amid intensified global market volatility. Temasek's chief financial officer Png Chin Yee said the company, which is an investor in Chinese finance company Ant Group, was hopeful the China tech sector's troubles were over after signs a regulatory crackdown was ending... [Reuters](#)

China's central bank says consumer prices will likely drop in July: China's consumer prices will likely decline in July before recovering, Liu Guoqiang, deputy governor of the [People's Bank of China](#), told reporters Friday. Official measures of consumer prices have barely changed in the last several months amid tepid demand, in contrast to high inflation in the U.S. and Europe... [CNBC](#)

Hong Kong stocks surge over 2% after U.S. inflation slows more than expected; Asia markets rise: Asia-Pacific markets rose across the board Thursday after the U.S. inflation rate for June came in [lower than expected](#) at 3%, the smallest year-over-year increase in two years. The figure was lower than the 3.1% expected by economists polled by Dow Jones. Month over month, the inflation rate rose 0.2%, less than forecast. Core CPI — which strips out volatile food and energy prices — also rose less than expected... [CNBC](#)