

Ghana

Market Related News

Forex licenses of Fidelity Bank, First National Bank restored – BoG: The Bank of Ghana (BoG) has restored the forex licenses of Fidelity Bank and First National Bank. The Central Bank had temporarily suspended the two financial institutions for breaching some sections of the Ghana Interbank Forex Market Conduct rules, according to the Bank of Ghana (BoG). Fidelity Bank and First National Bank were fined a combined 1000 penalty points each and barred from forex trading for 30 days from today, June 29 to July 28, 2023...[Citibusinessnews](#)

Monetary Policy Committee hikes policy rate to 30%: This represents a 0.5 percentage points rise over the previous rate which stood at 29.5 per cent. Addressing the media at the MPC press conference, Governor of the BoG, Dr Ernest Addison said the increase was due to elevated risks to inflation driven by a rise in food prices. After declining consistently between January and April, headline inflation increased in May and June on account of a variety of factors, including high food prices, implementation of new tax measures and utility tariff adjustments...[Myjoyonline](#)

Govt's indebtedness to IPPs increases to US\$ 2.3 billion; prompts emergency meeting: The government's inability to pay arrears owed Independent Power Producers (IPPs) despite assurances has forced the producers to convene an emergency meeting because the debt has risen from US\$ 2 billion to about US\$ 2.3 billion. The meeting is set to take place tomorrow...[Citibusinessnews](#)

Policy rate hike will not tame inflation; industry will rather suffer – GNCCI: The Ghana National Chamber of Commerce and Industry is challenging claims by the Bank of Ghana that the hike in the policy rate is to control inflation and liquidity in the system. According to the Chamber, the method adopted by the regulator to tame down inflation is not effective as inflation rather keeps increasing...[Myjoyonline](#)

Real sector growth to remain depressed in 2023 – Report: Economic activity will remain subdued despite the upbeat growth outturn in the first quarter of 2023. According to GCB Capital, real sector growth will remain broadly depressed through 2023 despite the surprise 4.2% real Gross Domestic Product growth recorded in the first quarter of 2023...[Myjoyonline](#)

Bond market: Total market turnover surges 91.52% to c\$336.8m: Total market turnover on the secondary bond market upsurged by 91.52% week-on-week to c\$336.87 million. This shows that activities on the bond market are improving. The upturn in aggregate market turnover was on the back of a 92.54% week-on-week increase in the volume traded across the short-dated new bonds. The Local Currency Yield curve tilted northward, led by a 113 basis points increase in average yield at the belly of the yield curve...[Myjoyonline](#)

General Business News

Standard Chartered posts strong income growth in 2022; affirms commitment to Ghana at AGM: Standard Chartered Bank Ghana PLC has held its 53rd Annual General meeting to present the Annual Report and Financial Statements for the year ended 31 December 2022 to its shareholders. The Bank reiterates its ongoing commitment to Ghana, while supporting its clients in the market to achieve their ambitions...[Norvanreports](#)

Auditor-General recovers unearned salaries; GHS 11.52m retrieved as disallowance: Ghana's Auditor-General's Recoveries Account, designed to capture disallowed unearned salaries and allowances, has amassed a staggering GH¢11.52 million in just over a year. The specialized account, established at the Bank of Ghana in June last year, aims to ensure real-time monitoring of recoveries made through expenditure disallowances and safeguard the nation's public finances...[Norvanreports](#)

OmniBSIC Bank continues impressive run, profit soars to GH¢96m in second quarter: Indigenous lender, OmniBSIC Bank has taken its stellar performance to the next level with strong results in the second quarter with superior returns to shareholders and guaranteeing higher value to customers. Profit and liquidity soared, and the balance sheet gained more robustness after all indices registered strong growth in the second quarter of this year...[Citibusinessnews](#)

Presentation of mid-year budget review pushed to Monday July 31: The much-anticipated Mid-Year Budget Review by the Finance Minister, Ken Ofori-Atta, has been postponed to Monday, July 31. Originally slated for July 27, 2023, the presentation was later rescheduled to July 25, 2023, only to be cancelled again until further notice. The last-minute cancellation of the budget review has stirred curiosity among Members of Parliament (MPs) and the public alike, with various speculations emerging about the possible reasons behind the delay...[Citibusinessnews](#)

Finance Minister unveils Ghana's mutual prosperity dialogue framework to address investment challenges: Finance Minister, Ken Ofori-Atta, on Monday, July 24, 2023, held a crucial meeting with the Business Community in preparation for the highly anticipated mid-year budget review, scheduled for tomorrow. During the meeting, the Minister unveiled the Ghana mutual prosperity dialogue framework, aimed at fostering a conducive environment for investments from various sectors, including telecommunications and mining companies...[Citibusinessnews](#)

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

African Market News Summary

ArcelorMittal S.Africa reports H1 loss amid power crisis: ArcelorMittal South Africa ([ACLJ.J](#)) swung to a half-year loss on Thursday, blaming the country's electricity crisis, high inflation and weak demand from key steel-consuming sectors. The South African unit of the world's No.2 steelmaker ArcelorMittal ([MT.LU](#)) said it made a headline loss per share of 0.40 rand (\$0.0227) in the six months to June 30, from headline earnings per share of 2.71 rand the previous year...[Reuters](#)

South Africa to ink deal with state-owned firm for internet access: The South African government is close to announcing a deal with partly state-owned telecoms firm Telkom ([TKGJ.J](#)), communications minister Mondli Gungubele said on Tuesday, quashing speculation the government might sell its 40% stake in the company. The country's third biggest telecoms player has seen its market value halve from the highs seen in 2021 as it struggled to gain market share in mobile and fibre connectivity dominated by behemoths Vodacom ([VODJ.J](#)) and MTN ([MTNJ.J](#))...[Reuters](#)

Nigeria opts for small rate hike at first meeting after Emeziele's suspension: Nigeria's central bank raised its main lending rate by a smaller-than-expected 25 basis points on Tuesday, saying it preferred a moderate increase to anchor inflation expectations while continuing to support investment. In the boldest reforms seen in years, new President Bola Tinubu has ended a decades-old petrol subsidy that has seen prices triple and ended restrictions on foreign exchange, which has weakened the naira more than 40%, feeding into inflation...[Reuters](#)

IMF projects Egypt's growth forecast to be 3.7% in 2023: The International Monetary Fund (IMF) projected Egypt's growth to record 3.7 percent this year and then go up to 4.1 percent in 2024. The IMF kept its 2023 growth forecast for Egypt unchanged in its latest World Economic Outlook (WEO) report. In a press conference, the fund stated that the lower growth in 2024 is mostly because of the lack of effects flexibility and the shortages that have developed in the effects market in Egypt, which is making it difficult for imports to happen...[Egypttoday](#)

Zimbabwean president says country has food but grateful for Putin grain offer: Zimbabwean President Emmerson Mnangagwa said on Thursday that his country was food-secure but was grateful for an offer of free grain from Russian President Vladimir Putin at a Russia-Africa summit in St Petersburg. "We are grateful," Mnangagwa told reporters at the summit. "We are not in any grain deficit at all. We are food-secure, he is just adding to what we are already have."...[Reuters](#)

Debt costs fall Sh231.5bn on cheaper loans: The Treasury has attributed Sh231.54 billion in savings on debt repayments budget to a slower-than-projected depreciation of the shilling and increased tapping of concessional external loans amidst reduced domestic borrowing. The William Ruto administration spent Sh1.16 trillion on servicing debt owed to foreign and domestic creditors in the financial year ended June, official data shows, 16.62 percent lower than what had been budgeted by the predecessor regime...[Reuters](#)

South African rand jumps; focus on major central bank decisions: The South African rand strengthened more than 1% against the dollar on Monday, after weaker business activity in the UK, euro zone and United States suggested fewer global rate hikes might be needed. At 1512 GMT, the rand traded at 17.7575 against the dollar, about 1.2% stronger than its previous close. The dollar was firm, trading around 0.2% stronger against a basket of global currencies...[Reuters](#)

Kenya dollars cover up to a high of 11 months: Kenya's official foreign exchange reserves have climbed to 11-month high following recent disbursements in external financing. New data from the Central Bank of Kenya (CBK) show the largely dollar-denominated cover rose to Sh1.12 trillion (\$7.885 billion) last week or an equivalent 4.31 percent to reach the highest level since late August 2022...[Businessdailyafrica](#)

Egypt releases \$131B imported goods, products in 21 months: Egypt's Ministry of Finance revealed the release of imported goods and products through various ports and customs outlets, with a total value of \$131 billion over 21 months, until the end of June 2023. The total value of goods is \$136.4 billion, which means that there are goods worth \$3.5 billion that have not been released yet due to the absence of delivery permits from the foreign source to the Egyptian importer, according to a statement issued by the Ministry of Finance, Wednesday...[Egypttoday](#)

End of Nigerian fuel subsidy set to squeeze Europe's refiners: One of Europe's main markets for gasoline has shrunk, threatening to squeeze European refiners, after Nigeria removed fuel subsidies, which destroyed much of the country's domestic demand and a regional market for smuggled fuel. North America and West Africa (WAF), with Nigeria at the helm, historically have been the top two destinations for petrol exports from Europe, which produces more gasoline than it uses, meaning its refiners rely on exports to support profit margins...[Reuters](#)

Dollar loans and liabilities rise on forex market woes: Banks increased their issuance of loans in foreign currency amid the recent local forex market dysfunction, the International Monetary Fund (IMF) has disclosed. In addition, the banking sector deposits, and other liabilities rose to heighten the industry's exposure to forex risks. The build-up in foreign currency loans is largely attributable to commercial banks seeking to hedge against currency risks which were defined by forex access difficulties in the domestic market...[Reuters](#)

Treasury bill sales perform poorly on reduced liquidity: Investor bids on Treasury bills have plunged to just Sh9.1 billion this week from Sh39.5 billion in last week's auction. The 77 percent drop in bids signals either reduced interest in the Treasury instruments or tightening liquidity in the money markets. The bids rounded off to a performance rate of just 38.1 percent to fall way short of the Sh24 billion offer amount...[Reuters](#)

Global Market News Summary

Fed poised to hike rates as markets anticipate inflation endgame: The Federal Reserve is expected to raise interest rates by a quarter of a percentage point on Wednesday, marking the 11th hike in the U.S. central bank's past 12 policy meetings and possibly a last move in its aggressive battle to tame inflation. The increase, anticipated by investors with nearly a 100% probability, would raise the benchmark overnight interest rate to the 5.25%-5.50% range. That would bring it to roughly the highest level since the approach to the 2007-2009 financial crisis and recession...[Reuters](#)

Dollar's decline throws spotlight on battered commodity currencies: Some investors are zeroing in on the battered currencies of commodity-producing countries such as Norway and Australia to take advantage of more potential weakness in the dollar, which has [recently wobbled](#) on signs the Federal Reserve will soon end its rate-hiking cycle. Many commodity currencies suffered this year when prices for oil and other raw materials fell from their 2022 peaks amid expectations that central banks' fight against inflation would hurt global growth and crimp demand for commodity exports...[Reuters](#)

How hedge funds would trade global real estate woes: Property markets knocked by high interest rates and the end of cheap financing have caught the eye of hedge funds. U.S. and European commercial property markets face lingering [office](#) vacancies, diminished retail activity and higher refinancing costs, while investors are wary of [highly indebted](#) Chinese property. Five hedge funds shared five trading ideas on global property markets, adding that they cannot reveal trading positions for regulatory reasons...[Reuters](#)

France's Total Energies starts commercial drilling at Uganda project: France's Total Energies ([TTEF.PA](#)) said on Wednesday it had begun commercial drilling this month at its Tilenga petroleum project in Uganda's west ahead of an expected start of oil production in the east African country in 2025. Total Energies has faced fierce resistance from environmental protection groups and green energy campaigners who say the Tilenga project, which is partly located in a national park, and a planned crude oil export pipeline are a [disaster](#) for the planet...[Reuters](#)

Oil dips ahead of Fed rate decision: Oil prices edged lower on Wednesday, with investors cautious ahead of an expected Federal Reserve rate hike later in the day and a spike in U.S. crude supplies. Brent crude futures was down 85 cents to \$82.79 a barrel by 1026 GMT, while U.S. West Texas Intermediate (WTI) crude was at \$78.82, down 81 cents. Both hit three-month highs on Tuesday...[Reuters](#)

European Central Bank raises rates by 25 basis points, says inflation set to remain 'too high for too long': The European Central Bank on Thursday announced a new rate increase of 25 basis points, bringing its main rate to 3.75%. The latest move completes a full year of consecutive rate hikes in the euro zone, after the ECB embarked on its journey to tackle high inflation last July. "Inflation continues to decline but is still expected to remain too high for too long," the ECB said Thursday in a statement...[CNBC](#)

Barclays shares sink 5% as the bank expects to earn less interest in the U.K.: Analysts were expecting a net income of £1.4 billion for the quarter, according to Refinitiv. The bank previously reported a net profit of £1.78 billion in the first quarter of the year. The second-quarter performance was supported by the domestic division and by the consumer and cards arm. Both saw revenues higher in the quarter, up by 14% and 18%, respectively. But, going forward, Barclays said that it expects a lower net interest margin in its domestic bank — meaning that the bank is likely to receive less money from the interest it makes on loans and from the interest it pays on deposits...[CNBC](#)

Shares and euro climb ahead of ECB rate meeting: World shares were at a 15-month high, and the euro climbed on Thursday as focus shifted from a widely expected nudge up in U.S. interest rates to what is almost certain to be a similar move shortly by the European Central Bank. With investors sensing that the most aggressive rise in world borrowing costs in the last 40 years is finally cresting, MSCI's 47-country ACWI stocks index ([.MIWD00000PUS](#)) was at its highest level since April last year having surged 30% since November...[Reuters](#)

US twin deficits matter for the dollar, just not that much: The combined U.S. current account and government budget shortfall as a share of the economy now exceeds anything seen over the last 30 years, excluding the periods after the Great Financial Crisis and pandemic when the country required unprecedented fiscal support. It is once again unnerving those in financial markets who say these "unsustainable" deficits could trigger a dollar crisis — a sharp depreciation in the exchange rate, a steep rise in interest rates, and a wave of high inflation...[Reuters](#)

IMF urges Bank of Japan to move away from yield control, prepare for future tightening: The Bank of Japan should start preparing for future monetary tightening by moving away from its yield control policy, the International Monetary Fund's chief economist Pierre-Olivier Gourinchas said on Tuesday. The remarks came ahead of the BOJ's closely-watched meeting on Friday, where the board will release fresh price forecasts and debate whether to tweak its controversial yield curve control (YCC) policy as inflation stays above its 2% target...[Reuters](#)