

September 29, 2023

Ghana's News Summary

Ghana to hold rates at 30.00% on Sept.25 as inflation falls: The Bank of Ghana is expected to complete its hiking cycle later Monday as its economy shows signs of falling inflation after 1,650 basis points of hikes over the last two years, a Reuters poll found on Monday. A majority of 10 out of 12 analysts surveyed over the last week said the Bank of Ghana (BOG) will keep interest rates steady later on Monday, one suggested another hike of 150 basis points, while the other said the Bank should chop rates by 200 basis points...[Reuters](#)

Ghana central bank holds main rate, sees better growth outlook: Ghana's central bank on Monday kept its main interest rate at 30.00% as forecast by a Reuters poll of analysts, citing lower inflation, a stabler exchange rate and relatively strong economic growth. Bank of Ghana Governor Ernest Addison said recent data suggested growth was more robust than expected, projecting GDP would expand by some 3% this year, compared with an International Monetary Fund (IMF) forecast of 1.6%...[Reuters](#)

Ghana's second quarter economic growth dips vs revised first quarter: Ghana's economic growth slowed slightly to 3.2% year-on-year in the second quarter compared with a downwardly revised 3.3% growth rate in the first quarter, the country's statistics agency said on Wednesday. The gold-, oil- and cocoa-producing nation has been battling its worst economic crisis in a generation brought on by spiralling public debt. It sealed a \$3 billion, three-year loan programme with the International Monetary Fund in May...[Reuters](#)

MPR decision to ease T-bill yield pressure: The Monetary Policy Committee's (MPC) decision to hold the benchmark policy rate at 30 percent should provide temporary relief for government financing, with Treasury-bill yields expected to moderate in the interim say market watchers. T-bill rates have been on the rise as government has had limited financing options...[Bftonline](#)

MIF to invest an initial \$32.9 million into Ghana's first lithium mine: The Minerals Income Investment Fund (MIF) has agreed a two-part capital investment totaling \$32.9 million in the first ever lithium mine to be developed in Ghana. MIF announced its intention of investing in Atlantic Lithium, which trades on the alternative market on the London Stock Exchange (LSE) and the Australian Stock Exchange (ASX) at the Africa Down Under Mining Conference in Australia...[Bftonline](#)

Trade with China hits all-time record: Trade between Ghana and China reached an all-time record of US\$10.2billion in 2022 from US\$6.67billion in 2017. More importantly, Ghana's exports to China increased by 60 percent last year, the Chinese Ambassador to Ghana, Lu Kun, has said. The ambassador disclosed this at the celebration of the People's Republic of China's 74th anniversary in Accra, saying cooperation and partnerships between China and Ghana are delivering tangible benefits for both parties...[Bftonline](#)

We still have strong buffers — BoG: The Governor of the Bank of Ghana, Dr Ernest Addison has insisted that the central bank does not need a positive equity to be able to effectively play its role as the lender of last resort. The decision of the central bank to take a 50 per cent hair cut during the Domestic Debt Exchange Programme (DDEP) has resulted in huge losses which has affected the capital of the bank...[Graphiconline](#)

SMEs advised to maintain product standards, scale up production: Small and medium-sized enterprises (SMEs) accessing the US market are being urged to strictly maintain the high quality of their products to put them in a better stead to succeed in such a sophisticated environment. They are also expected to have the capability to scale up production to meet demand at all times, in addition to the necessary certifications...[Graphiconline](#)

UBA Ghana's Credit Ratings Stand Steady as Fitch Gives Nod of Confidence: In its latest update, Fitch Ratings has affirmed the credit ratings of United Bank for Africa (Ghana) Limited (UBA Ghana), maintaining its Long-Term Issuer Default Rating (IDR) at 'B-' with a Stable Outlook. The credit rating agency also affirmed UBA Ghana's Viability Rating (VR) at 'ccc'. UBA Ghana's Long-Term IDR rating reflects the potential support it can receive from its parent company, United Bank for Africa Plc (UBA)...[Norvanreports](#)

Guaranty Trust Bank (Ghana)'s Ratings: A Look Behind the Scenes and What Lies Ahead: Fitch Ratings has recently affirmed the key credit ratings of Guaranty Trust Bank (Ghana) Limited (GTB Ghana). Fitch maintained GTB Ghana's Long-Term Issuer Default Rating (IDR) at 'B-' with a Stable Outlook. This rating reflects the potential support that GTB Ghana could receive from its Nigerian parent company, Guaranty Trust Bank Limited (GTB), as expressed through its Shareholder Support Rating (SSR) of 'b-'. The Stable Outlook is anchored in the stability of GTB's Long-Term IDR. Notably, GTB Ghana's Long-Term IDR mirrors Ghana's Country Ceiling of 'B-', signifying Fitch's perspective on transfer and convertibility (T&C) risk within Ghana...[Norvanreports](#)

"DDEP" Coupon Payments: Key to financial markets recovery: In the realm of Ghana's financial markets, recent developments are signaling a welcome change—a shift from turbulence to stability and the return of investor confidence. At the heart of this transformation is the ongoing Domestic Debt Exchange Program (DDEP), which, after initial apprehension, is now displaying its potential to revitalize the market. The key to this newfound "optimism" lies in the payments of "DDEP" coupons, affirming the government's commitment to fulfilling its financial obligations...[Norvanreports](#)

"The stock market is filled with individuals who know the price of everything, but the value of nothing." — Phillip Fisher

African Market News Summary

South African rand little changed after Tuesday tumble; hawkish Fed poses threat: The South African rand was little changed in early trade on Wednesday, after tumbling on Tuesday on the back of soaring U.S. Treasury yields. At 0553 GMT, the rand traded at 19.0700 against the dollar, about 0.07% stronger than its previous close. [The dollar](#) last traded around 0.08% stronger against a basket of global currencies. On Tuesday, the [rand lost](#) as much as 1.4% against the greenback on the back of a surge in U.S. Treasury yields as investors turned away from riskier assets...[Reuters](#)

'Tightrope' debt situation not unique to Kenya, finance minister says: Kenya's struggle with a heavy debt load and pressure on its hard currency reserves is not unique since other nations are facing the same situation, its finance minister said on Wednesday. Njuguna Ndung'u was responding to a research note by U.S. investment bank JPMorgan which said on Tuesday that the East African nation was "walking a tightrope" to avoid a crisis due to a maturing dollar bond and persistent currency weakness...[Reuters](#)

NCBA Group seeks to buy all shares of insurer AIG Kenya: Kenyan lender NCBA Group intends to acquire all the shares of AIG Kenya Insurance Company, it said late on Monday. Commercial banks in the East African nation have been moving into the insurance business in recent years to seize the opportunities presented by low rates of insurance penetration. The transaction, which will require regulatory approvals, will see NCBA, which is ranked as the third largest lender, take up the two thirds of AIG shares that it doesn't already own, NCBA said in a statement...[Reuters](#)

Nigeria's NNPC, oil majors agree to shorten talks on contracts: Nigeria's state oil firm NNPC Ltd and oil majors on Monday agreed to cut the time for concluding contract talks from three years currently to six months, to speed up investment projects in Africa's major oil producer. Protracted negotiations of major contracts in the oil and gas sector often slow badly needed new investment in Nigeria, hitting government plans to raise production and sometimes litigation when contracts come up for renewal...[Reuters](#)

Egypt launches gas and oil exploration bidding round: Egypt's petroleum ministry launched an international bidding round on Monday for exploration in 23 open blocks, with the offer deadline set for Feb. 25. The round includes 10 areas in Egypt's Western Desert, two in the Eastern Desert, seven in the Gulf of Suez and four in the Red Sea, the ministry said. Egypt, the most populous Arab country, has sought to position itself as a regional energy hub...[Reuters](#)

Uganda in talks with Chinese credit agency for pipeline funds - official: Uganda is in advanced talks with Chinese export credit agency SINOSURE to provide credit for its crude oil pipeline after pressure from environmentalists forced some Western banks to recoil from the project, a top official said on Monday. The 1,445-kilometre (898-mile) East African Crude Oil Pipeline (EACOP) is planned to help Uganda export its crude from oilfields in the country's west via a port on Tanzania's Indian Ocean coast...[Reuters](#)

Nigerian reform drive falters, threatening Africa's biggest economy: Nigerian President Bola Tinubu's lightning-fast reform push after taking office in May sparked hope that his administration would be a business-friendly [antidote](#) to mounting [economic troubles](#) facing Africa's biggest economy. Fast forward to more than 100 days in office, and the key planks of his economic overhaul - unshackling the naira from its rigid regime, and allowing fuel prices to rise - are coming loose...[Reuters](#)

StanChart shuts down SME accounts with low cash flows: Standard Chartered Bank Kenya is closing accounts of small businesses that fail to hit a monthly cash inflow of Sh10 million, a move the institution said has mostly affected inactive clients. The move has seen affected small and medium-sized enterprises (SMEs) seek banking services at other lenders...[BusinessDaily](#)

Kenya debt interest payments rise Sh231.6bn on weak shilling: Interest payments on loans tapped by the State are set to rise by a record Sh231.6 billion, even as a weak shilling forces the Treasury to inflate the size of the budget, adding to spending pressures on the Kenya Kwanza administration...[BusinessDaily](#)

UBA Rolls Out \$6bn Financing Solutions For SMEs Across Africa: United Bank for Africa (UBA) has announced an initiative aimed at providing robust and comprehensive financing solutions to support and boost activities of Small and Medium scale Enterprises (SMEs) across the African continent...[LEADERSHIP](#)

Listed FGN Bonds crash 99.9% to 148bn: The value of listed Federal Government of Nigeria, FGN, Bonds on the Nigerian Exchange Limited, NGX, in the 8 months ended August 31, 2023, declined drastically by 99.9% to N148.2 billion from N1.6 trillion recorded in the corresponding period of 2022. Meanwhile, Vanguard's findings from the data obtained on the NGX showed that the Bonds listing on the Exchange this year were mainly the FGN Savings Bond, and Sukuk while that of the previous year were a combination of both Federal Government Bond and Savings Bond...[Vanguard](#)

Nigeria's VAT rises by 10% to GHS 11.8bn in Q2 2023: In the second quarter of 2023, Nigeria's Value Added Tax (VAT) collections continued their upward trajectory, reaching a total of N781.35 billion (GHS 11.8bn) according to the latest data by the National Bureau of Statistics (NBS). This represents a remarkable 10.11% growth when compared to the previous quarter, which recorded N709.59 billion in VAT collections...[Norvanreports](#)

Nigeria's reform drive falters, threatens economy – Reuters: After taking office in May, [President](#) Tinubu's lightning-fast reform push sparked hope that his administration would be a business-friendly antidote to the mounting economic troubles facing Nigeria, Africa's biggest economy. Fast forward to more than 100 days in office, and the key planks of his economic overhaul – unshackling the naira from its rigid regime and allowing fuel prices to rise – are coming loose...[Norvanreports](#)

Global Market News Summary

Russian bank profits to drop in 2024 as high rates take toll, VTB CFO says:

Consecutive interest rate hikes have seriously damaged Russian banks' prospects, the financial head of Russia's No. 2 bank VTB said on Thursday, anticipating a sharp drop in the sector's profits next year after a bumper 2023. The central bank jacked up rates to 13% this month, as the weak rouble added to already stubborn inflationary pressures from high consumer lending, labour shortages and a wide budget deficit...[Reuters](#)

Bank of England sets out insurance reform to boost investment: The Bank of England on Thursday set out a reform of capital rules for insurers to "unlock tens of billions of pounds" for investments in the economy. The Solvency II rules were inherited from the European Union and their reform is seen by the insurance industry and by lawmakers who supported Britain's exit from the bloc as a "Brexit dividend" to unlock billions of pounds of investment...[Reuters](#)

Bank of America CEO says Fed has won the near-term battle against inflation: The Federal Reserve has won the near-term battle against inflation, but interest rates are likely to stay higher for longer, Bank of America's CEO Brian Moynihan said on Wednesday. While consumer spending growth has slowed from a year earlier the economy is headed toward a soft landing in which it avoids a recession, Moynihan told the Economic Club of New York...[Reuters](#)

China's Shengjing Bank in \$24 billion deal to sell assets to government-backed entity: Chinese regional lender Shengjing Bank said on Wednesday it has agreed to sell a portfolio of assets, including certain loans and investments, among others, for 176 billion yuan (\$24.07 billion) to Liaoning Asset Management. Liaoning Asset will fund the purchase of assets by issuing special-purpose notes to the bank, the lender said...[Reuters](#)

Bank of England delays final Basel bank capital rules to July 2025: The Bank of England on Wednesday said it would delay by six months to July 2025 its roll out of the final leg of international bank capital rules that began after the global financial crisis over a decade ago. The BoE's Prudential Regulation Authority arm had indicated along with the European Union, that it would start implementing the rules, which were set out by the global Basel Committee of banking regulators, from January 2025...[Reuters](#)

Euro zone money supply shrinks as ECB turns off taps: The amount of money circulating in the euro zone shrank by the most on record last month as banks curbed lending and depositors locked up their savings, two tangible effects of the European Central Bank's fight against inflation. Faced with the highest inflation rates in its nearly 25-year history, the ECB has turned off the money taps by jacking up interest rates to record highs and withdrawing some of the liquidity it pumped into the banking system over the previous decade...[Reuters](#)

SoftBank Corp to raise \$800 mln from bond-type shares in Japan first:

SoftBank Corp plans to raise 120 billion yen (\$809 million) in Japan's first public offering of a bond-type class of shares, it said in a regulatory filing on Monday. The shares are designed to avoid diluting common shareholders' stakes as they cannot be converted into common shares at a later date and do not confer voting rights...[Reuters](#)

Australia fines lender ANZ \$9.6 mln for misleading customers over funds:

Australia's corporate regulator said on Tuesday the federal court has ordered ANZ Group Holdings to pay a penalty of A\$15 million (\$9.63 million) for misleading customers about funds available in certain credit card accounts. The Australian lender falsely indicated to customers that they could avail cash advance from funds stated to be their 'Available Funds' without incurring fees and interest, according to the Australian Securities & Investments Commission (ASIC)...[Reuters](#)

Dollar's smile makes Wall Street frown: McGeever: The 'dollar smile' can be a blessing for Wall Street, or a curse. Right now, with the dollar's boom being driven by a destabilizing surge in U.S. bond yields, heightened uncertainty over global growth and rapidly deteriorating investor sentiment, it is the latter. The gist of the 'dollar smile' theory, floated by currency analyst and now hedge fund manager Stephen Jen 20 years ago, is this: the dollar typically appreciates in good times (booming investor confidence and roaring markets) and bad (times of great financial stress and 'risk off' markets), but sags in between...[Reuters](#)

HSBC to acquire Citigroup China consumer wealth business: HSBC is set to acquire Citigroup's China consumer wealth management business, which manages more than \$3 billion in assets, two sources with knowledge of the matter said, in a major boost to the London-based bank's business in that country. The transaction, the financial details of which were not immediately known, will also see Asia-focussed HSBC taking over "a few hundreds" of Citi's China-based staff, said one of the sources...[Reuters](#)

Oil climbs 3% as steep US crude stocks draw adds to supply concerns: Oil prices surged 3% on Wednesday to the highest settlement in 2023, after a steep drop in U.S. crude stocks compounded worries of tight global supplies. Brent crude futures closed \$2.59, or 2.8%, at \$96.55. It breached \$97 a barrel during the session. U.S. West Texas Intermediate crude futures (WTI) climbed \$3.29, or 3.6%, to \$94.68. The session high was over \$94...[Reuters](#)

China is down and oil is out in sovereign wealth fund investing, survey shows: New sovereign wealth fund dealmaking in China slid, while oil fell off the funds' investment radar completely last year, according to a survey released on Thursday. This was the first time since the report launched in 2012 that the sovereign wealth funds it tracks, whose assets under management grew to \$11.6 trillion, made no new oil investments. "It's a very remarkable milestone," said study author Javier Capape, director of sovereign wealth research with the Center of the Governance of Change at Spain-based IE University...[Reuters](#)