

Ghana's News Summary

Afreximbank targets SME traders with US\$400mn China-backed loan:

The African Export-Import Bank (Afreximbank) has signed a US\$400mn term loan facility with the China Development Bank (CDB) which aims to improve access to trade finance for SMEs on the continent. Afreximbank says it will deploy the facility to smaller companies involved in trade, both externally and within Africa, as well as those engaged in productive sectors. Because the facility is provided by CDB at relatively low pricing, it says it can transfer that financial advantage to end beneficiaries...[Norvanreports](#)

T-bills auction: Interest rates hit 31.65%; government achieves 15% oversubscription:

Interest rates continued to surge on the money market, signaling an increasing cost of domestic debt. According to the latest results by the Bank of Ghana, interest rates went up across the yield curve. This is coming after the government forced rates down in March 2023, following the completion of the first phase of the Domestic Debt Exchange Programme. The yield on the 364-day bill went up by 0.41% to 31.65%...[Myjoyonline](#)

Locked up funds in other institutions affecting operations of micro finance, credit unions:

The Swedru Teachers Co-Operative Credit Union is urging government to put up mechanisms to ensure that locked up funds in other financial institutions regulated by the securities and exchange commission are released. According to him some micro finance institutions and credit unions have their funds locked up in these financial institutions thus crippling their very existence...[Citibusinessnews](#)

Cedi expected to maintain modest stability amid multiple influencing factors:

The Ghanaian cedi is anticipated to maintain relative stability against major trading partners, owing to a combination of factors. These include recent coupon payments for new bonds, decreased import demands, and the allocation of foreign exchange (FX) to oil players, which serves to offset growing demands from corporate entities. Despite experiencing a depreciation of approximately 22 percent against the U.S. dollar since the start of the year, the cedi has managed to stay within a fairly steady range, fluctuating between 11.01 and 11.45 against the dollar over recent weeks...[Norvanreports](#)

Value of loans inches up to GH¢5.9bn in 2Q23:

The total value of secured loans granted and registered by banks and special deposit-taking institutions (SDIs) grew by 15.5 percent year-on-year – reaching GH¢5.9billion at end of second-quarter 2023 (2Q23), fresh data from the Bank of Ghana (BoG) have shown. The latest figure represents a 12.7 percent improvement over the GH¢5.26billion recorded in first-quarter 2023...[Bftonline](#)

Banks adopt cautious lending practice amid current economic headwinds:

The banking sector is grappling with a challenging economic environment, prompting banks to adopt more conservative lending practices. CEO of the Ghana Association of Banks (GAB), John Awuah, highlighted several factors contributing to these challenges, including significant losses on government bonds, increased impairments on loans, and rising operational costs...[Norvanreports](#)

Output growth hits 28-month high in August: Ghana's private sector continued to register improving business conditions in August. Moreover, growth gained momentum during the month – with sharper increases recorded in output, new orders, and employment. Firms were helped by cost pressures remaining relatively muted, despite intensifying slightly in August. Selling price inflation meanwhile eased further and was the weakest since November 2020...[Bftonline](#)

Cocoa farmers demand 73% increase in farm-gate prices: Cocoa farmers are demanding a farm-gate price of GH¢1,380 for a 62.5kg bag of cocoa beans, a 72.5 percent increase over the current price of GH¢800. As COCOBOD gets ready to announce new prices for the upcoming 2023/2024 cocoa season in the coming days, a group known as the Ghana Civil Society Cocoa Platform (GCCP) at a press conference in Accra argued that the 72.5 increase will help stop the problem of cocoa smuggling along the country's western and eastern borders, and cushion farmers against rising cost of living and inflation...[bftonline](#)

Total value of secured loans up 15.5% to €5.9bn in half-year 2023 – BoG:

The total value of secured loans granted and registered by banks and Specialized Deposit-Taking Institutions in the second quarter of 2023 was estimated at €5.9 billion, a growth of 15.5% over the previous year. According to the second quarter Collateral Registry Report by the Bank of Ghana, banks accounted for €4.9 billion of total secured loans in the second quarter of 2023, representing a 14.8% increase recorded during the same period in 2022...[Myjoyonline](#)

Bayport Savings and Loans re-enters capital market with €50m bond issuance to strengthen customer support:

Bayport Savings and Loans has demonstrated remarkable resilience in the face of persistent economic challenges and achieved significant milestones in the first half of 2023. As a result, the market responded with strong demand to Bayport's latest bond issuance, despite the institution's absence from the market for several years...[Myjoyonline](#)

BoG lending to government: Some checks and balances:

The Bank of Ghana has defended its breach (in 2022) of the limit on lending to the government by appealing to section 30(6) of the Bank of Ghana Act (2002): "In the event of any emergency, the Governor, the Minister and the Controller and Accountant-General shall meet to decide the limit of borrowing that should be made by the Government and the Minister shall submit a report on the issue to Parliament within seven sitting days..." [Graphiconline](#)

“Time in the market, beats timing the market.”

Ken Fisher, founder of Fisher Investments.

African Market News Summary

Kenya's Ruto urges Africa to seize climate financing opportunities:

Kenya President William Ruto on Monday urged delegates to Africa's first climate summit to see the crisis as a unique opportunity for the continent to attract large-scale investments. Organisers say they anticipate [hundreds of millions of dollars in deals](#) to be announced at the three-day summit in Nairobi, during which they aim to showcase Africa as a destination for climate investment rather than a [victim of floods, drought and famine](#)...[Reuters](#)

Eni to sell Nigerian oil and gas unit NAOC to Oando:

Italian energy group Eni signed on Monday an agreement to sell its unit Nigerian Agip Oil Company (NAOC) to Nigerian counterpart Oando, the group said in a statement. NAOC, which focuses on oil and gas exploration and production, has interests in four onshore blocks and two onshore exploration leases in Nigeria, Eni said without providing the financial details of the accord. After the sale, which is subject to authorization of local and regulatory authorities, Eni will retain NAOC's 5% stake in the Shell Production Development Company (SPDC) joint venture operated by Shell ([SHEL.L](#)), the group added...[Reuters](#)

Nigeria to set up solid minerals corporation to attract investment:

Nigeria plans to set up the Nigerian Solid Minerals Corporation, a state-backed company to help attract investments into the extraction of gold, coal, iron-ore, bitumen, lead, limestone and baryte, a minister said on Sunday. "The proposed corporation will seek and secure partnership investment agreements with big multinational companies worldwide to leverage on the attractive investment-friendly regime operating in the country to secure massive foreign direct investment for the mining sector," Solid Minerals Minister Dele Alake said in a statement...[Reuters](#)

Egypt buys nearly half a million tons of Russian wheat in private deal:

Egypt's state grains buyer bought about a half a million metric tons of Russian wheat in a private deal, four traders told Reuters, succeeding in negotiating lower prices than those offered in the more traditional tenders. One of the world's biggest importers of wheat, Egypt last year started shifting towards direct purchases instead of tenders after the war in Ukraine disrupted its buying...[Reuters](#)

Stock investors gain N1.08tn in one week:

The Nigerian equity market investors saw an appreciation of N1.08tn in their wealth last week. The uptick resulted from bullish trading in select stocks as investors positioned for more half-year earnings reports. Last week, the NGX All-Share grew by three per cent or 1,968.28 basis points to settle at 67,527.19. Also, the market capitalisation appreciated by N1.078tn to N36.958tn at the close of the week...[Punch](#)

N7.71bn rise in naira value of forex deposits shoots up money supply:

Nigeria's money supply rose sharply by 17 per cent in two months to July, driven by an N7.71 trillion increase in the naira value of foreign currency deposits caused by recent forex market reform measures. This development analysts, project, has severe implications for the economy including uptick in inflationary pressure, further hike in the monetary policy rate, MPR, and increased cost of production...[Vanguard](#)

External Reserves Marginally Gained \$1.87m in August:

In August 2023, Nigeria's external reserves experienced a slight uptick of \$1.87 million, thanks to the policies implemented by the Central Bank of Nigeria (CBN) aimed at stabilising the foreign exchange market. The external reserves, as reported by the CBN, commenced the month of August at \$33.95 billion and concluded at the same figure, marking a marginal increase of \$1.87 million or 0.005 per cent...[ThisDay](#)

StanChart waives fees on its money market fund:

Standard Chartered (StanChart) Bank Kenya has waived the one percent upfront fee charge on its online money market fund and halved the minimum entry investment to Sh500 as it looks to expand the reach of the product it launched last year. The lender said that the fund, in which it partners with investment manager Sanlam Investments East Africa, had by the end of August hit Sh2 billion in assets under management...[Businessdaily](#)

Global banks are fueling Africa climate crisis:

As delegates from different African countries converge in Nairobi from Monday for the inaugural Africa Climate Summit, a new report has shown how banks outside the continent finance projects that fuel the climate crisis. The report, How the Finance Flows; the banks fueling the climate crisis, shows that every year, 11 banks from Europe, the Americas and Asia pump in money to finance such projects 20 times more than they do for climate solutions on the continent...[Businessdaily](#)

Centum credit arm lends civil servants Sh200m:

Centum Investment's startup credit business issued over Sh200 million to civil servants in nearly one and a half years, highlighting the fight to lend to borrowers deemed less risky. The diversified investments firm says in the latest annual report that the sum was issued by Jafari Credit, a non-deposit-taking microfinance company that it set up in mid-2021 but started operations last year...[Businessdaily](#)

South African Treasury looks to rein in spending to avert budget blowout:

South Africa's National Treasury warned other government departments that it is confronting significant budgetary challenges and spending needs to be reined in if it is to meet its debt-stabilization targets. An increase in government borrowing and spending hasn't translated into economic growth, more tax revenue or a narrower budget gap, said Edgar Sishi, the head of the Treasury's budget office. ...[Norvanreports](#)

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](#)

South Africa current account deficit widens in second quarter:

South Africa's current account deficit widened to 2.3% of gross domestic product in the second quarter from a revised 0.9% in the first quarter, central bank data showed on Thursday. In rand terms, the current account balance for the April-June period recorded a deficit of 160.7 billion rand (\$8.36 billion) from a revised 63.7 billion rand deficit in the preceding three months...[Reuters](#)

Global Market News Summary

Citigroup's Russian subsidiary to halt ATMs in Russia by year end: The Russian subsidiary of Citigroup Inc said on Monday that it will stop operating cash machines in the country, the last step in the winding up of the lender's retail business in Russia. In a statement, the bank said that all its cash machines in Russia would stop working by the end of 2023, and that customers could use mobile banking for most transactions...[Reuters](#)

Hedge funds drop short trades on U.S. regional banks - Goldman: Hedge funds ditched short bets against U.S. regional banks as of the end of August and turned bullish on the broader U.S. financial sector, according to a Goldman Sachs note, just as bank stock prices began to rise. U.S. financial services companies including banks, trading firms and those working in capital markets were among the most sought-after stocks in the week ended Sept. 1, according to the note by Goldman's prime brokerage desk, which serves hedge funds...[Reuters](#)

Oil stable on prospect of extended OPEC+ supply cuts: Oil prices were stable on Monday on expectations that OPEC+ would keep supplies tight and speculation that the U.S. Federal Reserve will cease its aggressive interest rate hike campaign. Saudi Arabia has spearheaded efforts to support prices, making large voluntary output cuts as part of a production deal agreed by the OPEC+ producer group comprising the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia...[Reuters](#)

Barclays explores sale of stake in \$2.5 billion UK payments unit – sources: Barclays Plc is exploring the sale of a stake in the unit that processes payments for UK merchants as the British bank seeks a partner to help grow the business, four people familiar with the matter told Reuters. The bank is considering bringing in a partner with the strategic "know-how" to expand the business, as well as raising capital, but has yet to decide how big a stake it might sell, said the people...[Reuters](#)

LSEG investors raise \$3.4 bln from share sales: London Stock Exchange Group (LSEG) investors including Blackstone and Thomson Reuters have raised about 2.75 billion pounds (\$3.44 billion) from the sale of shares in the bourse operator, bookrunners said on Thursday. Blackstone and Thomson Reuters, the parent of Reuters News, have been trimming their stakes in LSEG since becoming shareholders through the sale of financial data provider Refinitiv to the British bourse operator in 2021...[Reuters](#)

Biden bets on emerging markets as Xi snubs G20: U.S. President Joe Biden arrives at this weekend's Group of 20 (G20) meeting in India with an offer for the "Global South": whatever happens to China's economy, the United States can help fund your development. Armed with cash for the World Bank and promises of sustained U.S. engagement, Biden hopes to persuade fast-growing economies in Africa, Latin America and Asia that there is an alternative to China's Belt and Road project, which has funneled billions of dollars to developing countries but left many deeply in debt...[Reuters](#)

Tap into growing opportunities in Africa – Mayor of Houston to US businesses: The Mayor of Houston, Texas, in the United States of America (USA), Sylvester Turner, has implored US firms and businesses to take advantage of the growing trade opportunities in Africa. With the African Continental Free Trade Area (AfCFTA) arrangement already taking shape, he said American investors must seize opportunities to pursue more equitable investments...[Bftonline](#)

China's major banks to lower rates on existing first-home mortgages: Five of China's major state banks said on Thursday they will start to lower interest rates on existing mortgages for first-home loans, part of a series of support measures announced by Beijing in recent weeks. Chinese regulators announced the policy last week to help homebuyers amid growing concern over the health of the world's second-largest economy and a series of crises in the nation's property sector...[Reuters](#)

UBS sees end of S&P 500 profit recession, index to 4,700 by June 2024: Earning expectations among companies in the benchmark S&P 500 are back to all-time highs, suggesting that the decline in corporate profits that sparked fears of a U.S. recession in 2023 is over, said David Lefkowitz, head of US equities at UBS Financial Services, in a note Wednesday. "The improving profit picture is one of the key reasons that we think the market can hold on to its year-to-date gains," he said, citing the nearly 20% gain in the S&P 500 for the year to date...[Reuters](#)

Possible Fed overtightening makes recession more likely than not; Deutsche Bank says: Despite recent optimism around the U.S. economy, a recession remains a more likely scenario than a so-called "soft landing" as the Federal Reserve seeks to curb inflation by tightening monetary conditions, Deutsche Bank said on Wednesday. "Given that inflation peaked significantly above target, the Fed should err on the side of tightening too much, rather than too little," Deutsche Bank analysts said in a note. "A US recession remains more likely than not."...[Reuters](#)

Bank of England's Dhingra says rates are already high enough: Bank of England policymaker Swati Dhingra, who has voted to keep borrowing costs unchanged at recent meetings of the Monetary Policy Committee, said interest rates were already high enough and further increases would threaten to hurt the economy. "Policy is already sufficiently restrictive, and the lagged effects of further tightening pose serious risks of output volatility in order to make a small dent on inflation," Dhingra said in an annual report to parliament's Treasury Committee...[Reuters](#)

Buyers sought for Signature Bank's \$33 billion commercial real-estate portfolio: The U.S. Federal Deposit Insurance Corporation (FDIC) is seeking buyers for the \$33 billion commercial real estate (CRE) loan portfolio of failed New York lender Signature Bank; it said on Tuesday. The majority of the portfolio comprises multi-family properties primarily located in New York City, the regulator said, adding that it would be marketing the asset over the next three months...[Reuters](#)