Africa: Weekly Fixed Income Update

May 26, 2025

Databank Leadership

ANALYST CERTIFICATIONS AND REQUIRED DISCLOSURES BEGIN ON PAGE 4.

African Treasuries Overview						
	91-Day Bills Latest Yield	Weekly % Change	YTD % Change	182-Day Bills Latest Yield	Weekly % Change	YTD % Change
Egypt	28.57%	0.00%	1.62%	27.08%	0.00%	-0.18%
Ghana	14.93%	-0.18%	-13.49%	15.55%	-0.13%	-13.42%
Kenya	8.32%	-0.05%	-1.27%	8.58%	-0.01%	-1.45%
Malawi	16.00%	0.00%	0.00%	20.00%	0.00%	0.00%
Namibia	7.56%	-0.01%	-0.40%	7.66%	0.00%	-0.35%
Nigeria	18.50%	0.00%	0.50%	19.50%	0.00%	1.00%
Rwanda	4.50%	0.00%	-2.59%	5.26%	0.00%	-2.06%
South Africa	7.33%	-0.06%	-0.43%	7.56%	-0.01%	-0.45%
Tanzania	7.50%	0.00%	-0.26%	8.33%	0.00%	0.05%
Uganda	11.72%	0.23%	1.72%	12.32%	0.00%	-0.66%
Zambia	10.71%	0.00%	-0.47%	11.32%	0.00%	1.69%

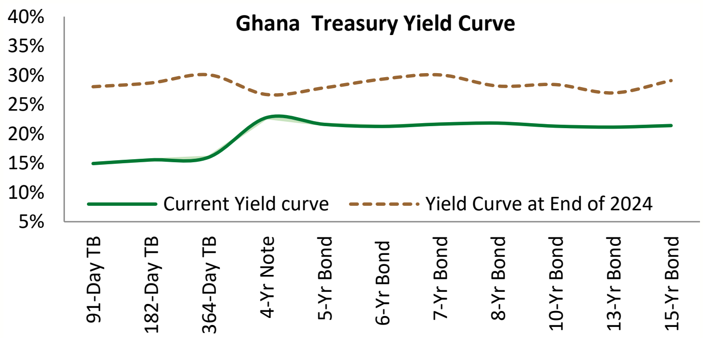
The African Economic Radar

Ghana: BoG's May '25 Summary of Economic Report highlights Ghana's strong start to 2025. The Composite Index of Economic Activity (CIEA) increased to 2.3% in Q1 '25 from 1.5% in Q1 '24. Gross exports surged 60.6% y/y to USD 9.34bn, mainly driven by gold (USD 5.24bn) and cocoa (USD 1.84bn), supporting a trade surplus of 4.7% of GDP, up from 0.9%. The debt-to-GDP ratio declined to 55% from 59.2%, while Gross International Reserves (GIR), including petroleum funds, increased to cover 4.7 months of imports from 4.0 months.

Our views: The improving macroeconomic indicators broadly align with our forecasts. In the near term, we expect this momentum to boost investor confidence, particularly as US exceptionalism wanes. Medium-term prospects look favourable, with ongoing fiscal discipline expected to reinforce macro stability and enhance Ghana's appeal for foreign direct investments (FDIs).

Ghana's Treasury Market			
	Current Week	Previous Week	Change (%)
Interbank Rate	27.02%	27.01%	0.01%
Inflation (Year-on-Year)	21.20%	21.20%	0.00%
Monetary Policy Rate	28.00%	28.00%	0.00%
91-day T-Bill Volume Accepted*	4,581.80	2,093.58	118.85%
182-day T-Bill Volume Accepted*	890.81	513.86	73.36%
364-day T-Bill Volume Accepted*	499.76	154.91	222.61%
91-day T-Bill Rate	14.93%	15.11%	-0.18%
182-day T-Bill Rate	15.55%	15.68%	-0.13%
364-day T-Bill Rate	16.00%	16.79%	-0.79%
Target Upcoming Auction	3,890.00	5,549.00	-29.90%
Upcoming Maturing debt	3,250.02	5,346.48	-39.21%

*GHS millions of Sources: Databank, Bank of Ghana



Review and Outlook of Ghana's Primary Market

- **T-bills oversubscribed after three weeks of weak uptakes.**

Last week, T-bills were oversubscribed despite GHS 566.54mn of bids being rejected out of GHS 6.54bn submitted. The government accepted GHS 5.97bn to meet the GHS 5.55bn target and cover GHS 5.35bn in maturities, resulting in target and maturity coverage ratios of 1.08x and 1.11x respectively. Yield continued to compress, with the 91-day declining 18bps to 14.93%, and the 182- and 364-day bills dropping 13bps and 78bps to 15.55% and 16.00% w/w.

We attribute the oversubscription to the Treasury's increased acceptance amid seasonal end-of-month liquidity pressures, with investor demand closely matching issuance. Going forward, we anticipate modest yield compression, particularly for the 91 and 182-day bills, as market expectations of a bond reopening gain momentum.

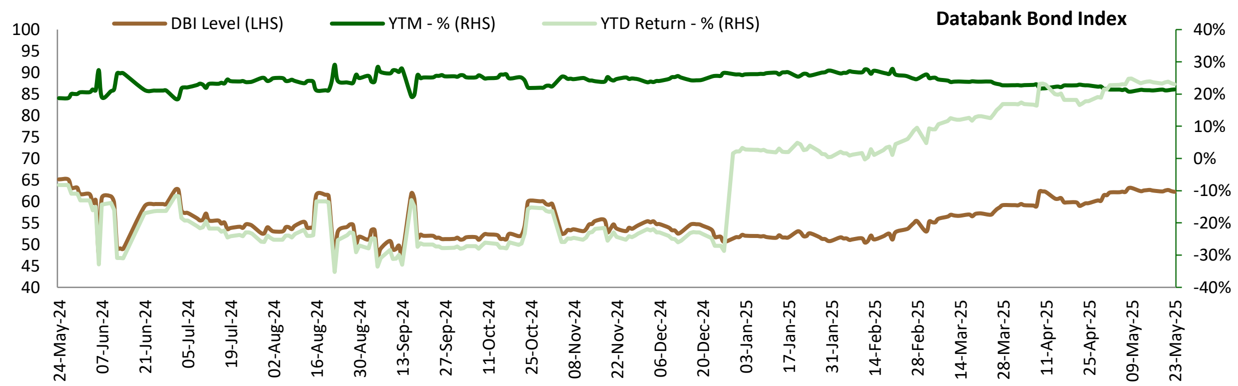
Upcoming Treasury Bill Offer on Friday, 30th May 2025.

The Treasury plans to raise GHS 3.89bn through the issuance of 91-day, 182-day, and 364-day bills to cover GHS 3.25bn in maturing bills.

Ghana Primary Market: Treasury Bills & Notes

Upcoming Auction For Treasury Securities		
Tenor	Upcoming Target Amount	Upcoming Maturities (Next Week)
91-Day Bill		GH¢ 2,379.16million
182-Day Bill	GH¢ 3,890.00million	GH¢ 669.37million
364-Day Bill		GH¢ 201.49million

Indicative Adjusted-Yields for Treasury Bills and Notes		
Tenor	*Year-on-Year USD-Adjusted	*Year-on-Year Inflation-Adjusted
91-Day T-Bill	14.93%	-5.17%
182-Day T-Bill	15.55%	-4.66%
364-Day T-Bill	16.00%	-4.29%
4-Year Note	20.52%	-0.56%



Sources: Databank,CSD

Review and Outlook for Ghana's Secondary Bonds Market

- **The Databank Bond Index (DBI) dipped 0.9pts w/w to 62.25pts, while the avg. YTM edged up 31bps to 21.42%.**
- **Secondary bond market activity eased 22.17% w/w to GHS 1.09bn.**

Trade activity in the secondary bond market remained modest amid banks' end-of-month rebalancing. Activity was spread across all tenors, with the Feb '27 and Aug '27 leading, accounting for 44% of trades at an average YTM of 20.9%.

Overall, the shorter end of the LCY curve contributed 60% of volumes at an average YTM of 20%, while the belly and tail segments made up the remaining 40%, clearing at an average YTM of 21.33%.

We expect trade activity to pick up as expectations for a bond market reopening gain momentum, supported by the positive macroeconomic signals highlighted in the MPC's 124th briefing.

Ghana's Secondary Market Overview

Databank Bond Index			
Week 21 (19.05.25 – 23.05.25)			
Week Start	63.15	-28.71%	21.11%
19-May-25	62.33	23.20%	21.38%
20-May-25	62.55	23.64%	21.13%
21-May-25	62.67	23.87%	21.18%
22-May-25	62.40	23.35%	21.33%
23-May-25	62.25	23.04%	21.42%

Secondary Market Trade Volume			
Week 21 (19.05.25 – 23.05.25)			
Tenor Range	Average Price (GHS)	Estimated Avg Yield	Weekly Volume Traded (GHS)
Old GoG Bonds			
2023 - 2026	-	-	-
2027-2030	-	-	-
2031-2039	-	-	-
New GoG Bonds			
2027 - 2030	74.08	21.24%	585,893,349
2031 - 2034	55.97	21.59%	318,654,153
2035 - 2038	51.49	21.52%	190,090,444

Ghana's Outstanding Eurobond Prices			
Maturity	Mid-Price (USD)	Mid-Yield	Coupon Rate
Jul-2026	96.01	3.75	-
Jul-2029	89.82	8.19	5%
Jan-2030	79.90	4.94	-
Jan-2035	72.14	10.03	5%
Jan-2037	42.83	9.90	1.5%

Treasury Debt Issuance Calendar for Jul - Sep. 2024 (GHS Million)	
Description	**TOTAL TARGET**
Gross issuance Target	-
o/w Rollover maturities	-
Fresh issuance	-
Target tenors for 3Q24	
Tenor	**Frequency**
91-day and 182-day bills	Weekly
364-day Bills	Weekly
2-year to 7-year notes	Subject to market conditions
Issuance of Inflation-Linked Bonds (ILBs)	Subject to market conditions

Indicative Yields and Days-to-Maturity (DTM) for Government of Ghana Bonds							
Maturity	**(Coupon)**	**DTM**	**Yield**	**Maturity**	**(Coupon)**	**DTM**	**Yield**
Aug-27	10.00%	1135	20.37%	Feb-31	8.95%	2409	21.83%
Aug-27	15.00%	1135	26.04%	Feb-32	9.10%	2773	21.77%
Feb-27	8.35%	953	21.13%	Feb-33	9.25%	3137	21.31%
Aug-28	10.00%	1499	21.52%	Feb-34	9.40%	3501	21.72%
Aug-28	15.00%	1499	24.69%	Feb-35	9.55%	3865	21.15%
Feb-28	8.50%	1317	21.61%	Feb-36	9.70%	4229	21.14%
Feb-29	8.65%	1681	21.26%	Feb-37	9.85%	4593	21.77%
Feb-30	8.80%	2045	21.66%	Feb-38	10.00%	4957	21.41%

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