

SecondSTAX Africa View

From the Chief Economist | Monday, October 21, 2024

Weekly Recap

Ghana: Last week, the World Bank released its October Africa's Pulse report, which contained updated projections for Ghana's near-term growth and debt trajectories. According to the report, the World Bank expects Ghana's 2024 growth to exceed the IMF's projection of 2.8% by 140 basis points (4.2% vs. 2.8%) this year. However, the report highlights significant challenges facing the Ghanaian economy, including high inflation and stubborn debt-to-GDP, which are expected to hover around 23.2% and 79.4% at YE24. Global ratings agencies Fitch and Moody's also took action with regard to the Ghanaian economy last week, with Fitch upgrading the country's Long-Term Local-Currency Issuer Default Rating (IDR) from 'CCC' to 'CCC+', and Moody's raising the country's long term local and foreign currency issuer ratings from Caa3 and Ca to Caa2 with a positive outlook. While the agencies upgraded Ghana's sovereign credit rating, providing a boon to Ghana's post-default economic momentum, both agencies continue to signal significantly elevated credit risk associated with Ghanaian sovereign debt.

Kenya: The World Bank's report seconded the IMF's 5% GDP growth forecast for Kenya this year, citing improving macroeconomic conditions, namely, lower inflation and a stable Kenyan Shilling. The report highlighted the ongoing recoveries in Kenya's tourism and agriculture sectors. However, on the bearish side, the report pointed to concerns with Kenya's fiscal deficit and debt service burden, as well as heightened political risk. On that last note, the Kenyan Senate voted to remove Deputy President Gachagua from office last week after the National Assembly voted to impeach him just one week prior on multiple charges of corruption. President Ruto tapped Interior Minister Kithure Kindiki to replace his impeached deputy, but he will have to wait for court appeals to play out before the appointment may proceed.

Nigeria: The World Bank forecasted Nigeria's 2024 growth rate to be 3.3%, exceeding the IMF's projection of 3.1% by 20 bps. The report pointed to improvements in macroeconomic stability spurred by the ongoing reforms of the Tinubu administration, as well as improvements in the country's dominant oil sector. The report held a warning on the country's inflation, which it suggested could remain elevated due to the removal of Nigeria's fuel subsidies and persistent weakness in the Nigerian Naira, which is down -81.27% YTD against the US Dollar. Inflation in Nigeria rose 55 basis points in September, teeing up the CBN to further raise its policy rate, which currently stands at 27.25%, at its next meeting.

Indices

Ghana	W/W	YTD	Kenya	W/W	YTD
GSE Composite Index (GSE-CI)	0.02%	38.89%	Nairobi All Share Index	3.99%	24.33%
GSE Financials Index (GSE-FSI)	0.00%	15.87%	NSE 10	4.79%	34.95%
Databank DSI-20	0.03%	36.89%	NSE 20	3.04%	24.01%
			NSE 25	4.69%	32.01%

Nigeria	W/W	YTD	Nigeria	W/W	YTD
NGXGROWTH	12.42%	1.05%	NGX30	0.06%	30.98%
NGXCNSMRGDS	1.42%	40.25%	NGXINDUSTR	0.04%	32.03%
NGXAFRHDYI	1.35%	84.01%	NGXLOTUSISLM	0.02%	28.27%
NGXPENBRD	1.12%	31.69%	NGXASEM	0.00%	147.63%
NGXOILGAS	1.08%	110.23%	NGXAFRBVI	-0.09%	-1.09%
NGXMAINBOARD	0.75%	40.06%	NGXCG	-0.21%	10.48%
NGXPENSION	0.62%	25.69%	NGXBNK	-0.51%	3.25%
NGXMERIGRW	0.51%	18.07%	NGXMERIVAL	-0.65%	68.90%
NGX-ASI	0.48%	31.16%	NGXINS	-1.23%	34.36%
NGXPREMIUM	0.23%	23.09%	NGXSOVBND	-3.29%	-20.53%

Treasuries

Ghana			Kenya		Nigeria	
	Yield	W/W	Yield	W/W	Yield	W/W
91-Day	25.94%	0.33%	14.77%	-0.22%	17.00%	0.00%
182-Day	27.03%	0.13%	15.64%	-0.46%	17.50%	0.00%
364-Day	28.74%	0.16%	15.91%	-0.43%	19.86%	0.00%

Forex

	Ghana (GHS)			Kenya (KSH)			Nigeria (NGN)		
		W/W	YTD		W/W	YTD		W/W	YTD
USD	15.99	-0.57%	-34.60%	129.21	-0.01%	17.42%	1,630.30	-0.60%	-81.27%
GBP	20.84	-0.26%	-37.72%	168.25	0.19%	15.79%	2,133.27	-0.71%	-86.48%
Euro	17.37	0.20%	-32.33%	140.05	0.88%	19.41%	1,773.20	-0.05%	-78.29%

Commodities

	Closing Price		W/W		YTD	
Crude (Brent/WTI)	\$73.06 / \$69.22		-7.57% / -8.39%		-5.17% / -4.26%	
Gold	\$2,730.00		2.01%		31.77%	
Coffee	\$2.57		2.08%		36.64%	
Cocoa	\$7,450.00		-3.73%		77.55%	

Economic Indicators

	Ghana	Kenya	Nigeria
GDP Growth 2024E	+2.8%	+5.0%	+3.1%
Central Bank Policy Rate	27.00%	12.00%	27.25%
Inflation (y/y)	Sept: 21.5%	Sept: 3.56%	Sept: 32.70% (+55 bps m/m)
Stocks w/w (GSE-CI/NASI/NGXASI)	0.02%	3.99%	0.48%

Market Movers

NGX Gainers			NGX Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
TRANSPower	Transcorp Power Plc	19.29%	ARADEL	Aradel Holdings Plc	-19.08%
MECURE	Mecure Industries Plc	18.81%	REGALINS	Regency Alliance Insurance	-15.28%
DANGSUGAR	Dangote Sugar Refinery	13.06%	TRIPPLEG	Tripple Gee and Company	-14.93%

NSE Gainers			NSE Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
ORCH	Kenya Orchards Ltd	59.18%	PORT	E.A.Portland Cement Co.	-40.69%
IMH	I&M Group Plc	21.25%	EV RD	Eveready East Africa Ltd	-10.08%
CGEN	Car & General Ltd	17.37%	UNGA	Unga Group Ltd	-9.45%

GSE Gainers			GSE Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
GLD	NewGold	7.07%			
GOIL	Ghana Oil Company PLC	0.67%			
TOTAL	TotalEnergies Marketing Ghana PLC	0.40%			

Recommendations Table

NGX	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (NGN)	Div Yield (%)	Target Price	Last Close	Upside
Nigerian Brew Plc.	NB	BUY	2,384,216	67,809,570	n/a	45.03	28.00	60.82%
Nestle Nigeria Plc	NESTLE	BUY	1,387,066	1,182,225,047	n/a	1,213.82	870.00	39.52%
MTN Nigeria	MTNN	BUY	2,490,875	471,933,045	n/a	254.87	191.00	33.44%
Lafarge (Wapco) Plc.	WAPCO	BUY	2,766,546	100,165,728	5.21	47.00	36.50	28.77%
Guinness Nig	GUINNESS	ACCUMULATE	4,126,376	265,980,720	n/a	78.81	65.00	21.25%
International Breweries	INTBREW	ACCUMULATE	1,959,389	8,031,783	n/a	5.10	4.33	17.78%
Access Bank Nigeria	ACCESSCORP	ACCUMULATE	110,199,613	2,215,879,199	11.22	22.79	20.00	13.95%
Zenith Bank Plc	ZENITHBANK	ACCUMULATE	124028147	4,652,722,703	12.02	41.70	37.45	11.35%
First Bank of Nig. Plc	FBNH	ACCUMULATE	13,799,601	359,896,243	1.54	28.70	26.00	10.38%
Stanbic IBTC	STANBIC	HOLD	18,024,659	1,017,549,816	7.64	60.16	55.95	7.52%
Dangote Sugar	DANGSUGAR	HOLD	5,980,952	203,978,573	n/a	36.64	35.05	4.54%
Ecobank Transnational	ETI	HOLD	1,603,524	38,771,388	n/a	24.99	24.20	3.26%
Guaranty Trust	GTCO	REDUCE	56,191,263	2,848,409,765	7.40	48.62	50.00	-2.76%
Airtel Africa Plc	AIRTELAFRICA	REDUCE	12,951	28,869,792	3.36	1,988.87	2,200.00	-9.60%
Jaiz Bank Plc	JAIZBANK	SELL	24,016,198	55,213,128	1.78	n/a	2.25	n/a
Fidelity Bank Plc	FIDELITYBK	SELL	59,665,450	869,595,403	10.36	12.36	14.00	-11.71%
Dangote Cement Plc	DANGCEM	SELL	38,527	16,605,137	6.96	420.00	478.80	-12.28%
Sterling Bank	STERLNBANK	SELL	77,170,137	380,660,949	n/a	4.06	4.78	-15.06%
Seplat Petroleum	SEPLAT	SELL	1,408,725	6,768,510,917	3.00	4,323.30	5,217.20	-17.13%
Unilever Nig. Plc	UNILEVER	SELL	1,128,211	21,464,161	3.95	15.60	19.00	-17.89%
United Bank for Africa	UBA	SELL	134,294,867	3,377,083,663	17.62	20.75	25.40	-18.31%
FCMB Plc	FCMB	SELL	27,447,488	229,469,053	5.92	6.50	8.45	-23.08%
Wema Bank Plc	WEMABANK	SELL	20,104,996	154,559,063	6.29	6.09	7.95	-23.40%
Okomu Oil Palm Plc	OKOMUOIL	SELL	565,434	192,206,380	6.51	242.74	338.10	-28.20%
N.E.M Insurance Co	NEM	SELL	925,875	7,336,569	7.50	5.58	8.00	-30.25%
Kalambaina Cement	BUACEMENT	SELL	578,922	57,600,396	1.98	74.79	110.00	-32.01%
Consolidated Hallmark	CONHALLP	SELL	3,329,900	4,985,437	3.33	0.96	1.50	-36.00%
Flour Mills Nig.	FLOURMILL	SELL	2,179,887	136,019,778	2.88	38.96	62.00	-37.16%
Conoil Plc	CONOIL	SELL	3,868,937	653,577,300	2.03	110.89	176.95	-37.33%
Aiico Insurance Plc	AIICO	SELL	21,679,476	25,314,609	4.31	0.70	1.15	-39.13%
Total Nigeria Plc	TOTAL	SELL	265,087	167,795,202	3.77	375.35	673.90	-44.30%
P.Z. Cussons Nigeria	PZ	SELL	871,618	15,698,915	n/a	10.44	19.70	-47.01%
Cornerstone Insurance	CORNERST	SELL	5,646,937	14,136,656	6.37	1.25	2.51	-50.20%
Presco Plc	PRESCO	SELL	268,238	119,380,643	5.72	222.15	485.40	-54.23%
National Salt Co.	NASCON	SELL	1,452,743	46,654,494	3.04	13.44	32.00	-58.00%

GSE	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (GHS)	Div Yield (%)	Target Price	Last Close (GHS)	Upside
Total Petroleum Ghana	TOTAL	HOLD	1,000	12,660	5.74	13.84	12.66	9.32%

NSE	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (KSH)	Div Yield (%)	Target Price	Last Close (KSH)	Upside
Safaricom	SCOM	BUY	7,488,300	116,519,560	7.59	30.71	15.55	97.49%
Diamond Trust Bank	DTK	BUY	826,400	41,870,500	11.65	92.65	51.00	81.67%
KCB Group	KCB	BUY	9,823,700	374,235,140	3.85	66.26	38.25	73.23%
Co-op Bank	COOP	BUY	1,818,800	24,960,090	10.71	20.33	13.70	48.39%
BAT Kenya	BAT	BUY	21,400	7,460,050	14.33	460.00	348.25	32.09%
I&M	IMH	BUY	1,415,700	40,139,160	9.73	35.09	29.10	20.58%
Standard Chartered	SCBK	BUY	34,700	7,843,325	13.66	262.64	228.75	14.82%
Equity Bank	EQTY	HOLD	1,597,600	76,427,355	8.33	47.71	49.20	-3.03%
East African Breweries	EABL	HOLD	147,400	25,793,150	4.24	151.28	174.75	-13.43%
Absa Bank	ABSA	SELL	528,100	7,612,360	10.40	11.97	14.55	-17.73%
NCBA Bank	NCBA	SELL	253,500	11,164,580	11.93	36.10	44.05	-18.05%
Bamburi Cement	BAMB	SELL	73,400	4,314,575	9.12	44.37	59.00	-24.80%
Stanbic Bank	SBIC	SELL	68,300	8,366,550	13.07	84.70	122.75	-31.00%

Sources: Afrinvest Research, Databank Research, Kestrel Research

News Moving the Markets

GHANA

[Economies of Ghana, others projected to expand by 4.8% in 2024 – World Bank](#) – My Joy Online

[IIP release: Industry sector grows by 8.2 percent in Q2 of 2024](#) – My Joy Online

[Fitch, Moody's spark confidence in Ghana's credit rating](#) – GhanaWeb

[Government starts Eurobond debt payments](#) – GhanaWeb

[ADB recovers over GH¢500m NPLs in 9 months](#) – Citi Newsroom

KENYA

[Cargo handling at Mombasa Port jumps 12.1% to 29.92mn](#) – Capital FM

[Safaricom expands M-Pesa global payment platform to Ethiopia](#) – Capital FM

[Kenya's Treasury aims to end banks' dominance of bond market](#) – The East African

[EAGH buys extra Sh4.2bn I&M stake](#) – Business Daily Africa

[Global banks cut Kenya's growth outlook on political instability fears](#) – Business Daily Africa

[Starlink Kenya Subscribers Grow Nearly 2000% in a Year](#) – Kenyan Wall Street

NIGERIA

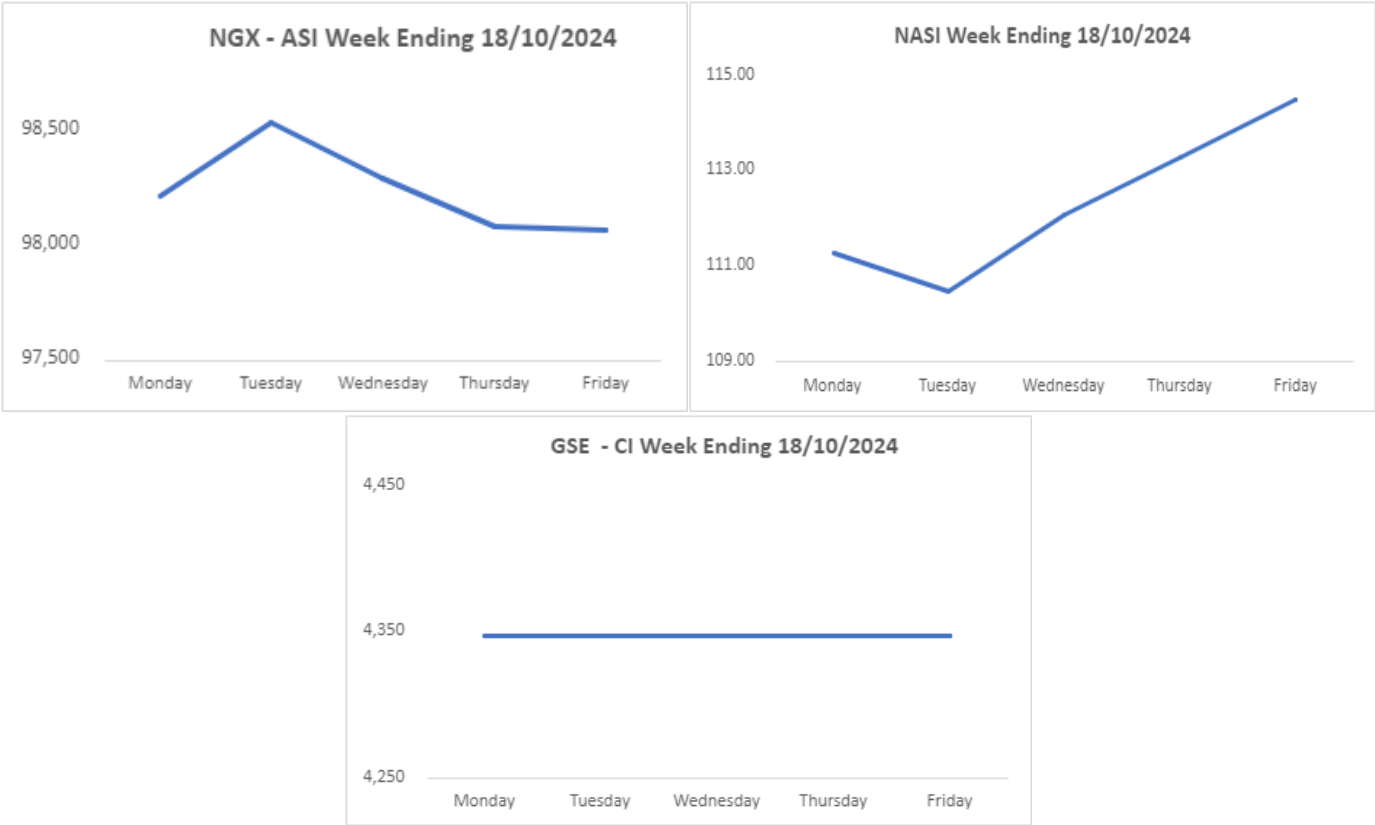
[Nigeria's inflation rate in September rises to 32.70% due to petrol price increases](#) – Nairametrics

[Oil and Gas company, Aradel Holdings list on the NGX Main Board with a N3 trillion market cap](#) – Nairametrics

[Capital importation: Foreign investors prefer "hot money" over FDI as money markets gulp \\$2.68bin](#) – Nairametrics

[World Bank projects Nigeria's inflation to fall to 14.3% on reforms](#) – BusinessDay

SSX Markets Last Week



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