

# SecondSTAX Africa View

From the Chief Economist | Monday, October 14, 2024

## Weekly Recap

**Ghana:** Last week was rough for Ghana's macro portrait. We learned the country's cocoa revenues declined by 75% in the second quarter, which was a significantly steeper decline than expected. On the inflation front, the Bank of Ghana revised up its year-end target by 100 basis points, from 17 percent to 18 percent, citing signs of geopolitics driven deterioration in the macroeconomic environment. The revision by the central bank highlighted the likely policy mistake of the MPC, which cut interest rates by 200 basis points only a week before headline inflation spiked 110 basis points. Databank Research forecasts a year-end inflation rate between 19.5 and 23.5 percent amid a depreciating Ghanaian Cedi, down ~34 percent YTD.

**Kenya:** It was a mixed week for Kenya's economy, with the most dramatic news coming out of the political realm. Deputy President Gachagua was impeached by Kenya's National Assembly in a 281-44 vote on a broad array of corruption allegations. The vote moves over to the Kenyan Senate, which will take up the decision of whether to remove the Deputy President from his post. On the macro front the Central Bank of Kenya cut interest rates by 75 basis points after headline inflation fell from 4.4 percent to 3.6 percent. The rate cut is expected to boost economic activity in Kenya's economy, which just last week, saw a 100 bps downward revision to 2024 GDP growth projections by the central bank, as well as a decline in the growth of credit to the private sector in the second quarter, as Kenyan corporates stayed clear of expensive debt in a falling inflation and interest rate environment.

**Nigeria:** The news out of Nigeria was broadly negative last week, as a decline in bank liquidity spurred a divergence in interbank rates, bank impairments rose 56 percent, and foreign direct investment fell to their lowest levels on record. There were some glimmers of positive news for the bulls, however, as the growth of net forex inflows outstripped that of net forex outflows, 67 percent to 16 percent. Additionally, the government raised its oil production targets from 1.6 mbd to 2.3 mbd by the middle of next year. The increase in the production forecast was attributed to the recent deployment of military personnel to combat crude theft in the Niger Delta.

## Indices

Ghana	W/W	YTD	Kenya	W/W	YTD
GSE Composite Index (GSE-CI)	-0.42%	38.76%	Nairobi All Share Index	1.68%	19.56%
GSE Financials Index (GSE-FSI)	0.20%	15.87%	NSE 10	1.79%	28.79%
Databank DSI-20	2.83%	36.84%	NSE 20	1.89%	20.34%
			NSE 25	1.81%	26.10%

Nigeria	W/W	YTD	Nigeria	W/W	YTD
NGXGROWTH	9.70%	-10.11%	NGX-ASI	0.09%	30.54%
NGXMERIVAL	2.54%	70.00%	NGXINS	0.08%	36.04%
NGXOILGAS	1.57%	107.99%	NGXAFRHDYI	0.07%	81.55%
NGXCG	1.25%	10.71%	NGXASEM	0.00%	147.63%
NGXPENSION	0.80%	24.91%	NGXSOVBND	0.00%	-17.83%
NGXPREMIUM	0.75%	22.80%	NGXINDUSTR	-0.13%	31.99%
NGX30	0.61%	30.91%	NGXLOTUSISLM	-0.16%	28.25%
NGXBNK	0.47%	3.79%	NGXMAINBOARD	-0.28%	39.02%
NGXPENBRD	0.36%	30.23%	NGXAFRBVI	-1.12%	-1.00%
NGXMERIGRW	0.19%	17.47%	NGXCNSMRGDS	-1.25%	38.29%

Treasuries

Ghana			Kenya		Nigeria	
	Yield	W/W	Yield	W/W	Yield	W/W
91-Day	25.62%	0.16%	14.99%	-0.70%	17.00%	0.00%
182-Day	26.90%	0.10%	16.10%	-0.40%	17.50%	0.00%
364-Day	28.58%	0.06%	16.34%	-0.39%	19.86%	-0.14%

Forex

	Ghana (GHS)	W/W	YTD	Kenya (KSH)	W/W	YTD	Nigeria (NGN)	W/W	YTD
USD	15.90	-0.70%	-33.84%	129.20	-0.01%	17.43%	1,620.50	1.02%	-80.18%
GBP	20.79	-0.41%	-37.37%	168.57	0.64%	15.63%	2,118.32	1.41%	-85.18%
Euro	17.40	-0.58%	-32.59%	141.30	0.83%	18.69%	1,772.33	0.63%	-78.20%

Commodities

	Closing Price	W/W	YTD
Crude (Brent/WTI)	\$79.04 / \$75.56	1.27% / 1.59%	2.60% / 4.51%
Gold	\$2,676.30	0.32%	29.18%
Coffee	\$2.52	-2.06%	33.86%
Cocoa	\$7,739.00	9.48%	84.44%

Economic Indicators

	Ghana	Kenya	Nigeria
GDP Growth 2024E	+2.8%	+5.0%	+3.1%
Central Bank Policy Rate	27.00%	12.00% (-75 bps)	27.25%
Inflation (y/y)	Sept: 21.5%	Sept: 3.56%	August: 32.15%
Stocks w/w (GSE-CI/NASI/NGXASI)	-0.42%	1.68%	0.09%

Market Movers

NGX Gainers			NGX Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
MECURE	Mecure Industries Plc	19.53%	TRIPPLEG	Tripple Gee and Company Plc	-59.56%
UPL	University Press Plc	17.51%	DAARCOMM	Daar Communications Plc	-25.00%
LASACO	Lasaco Assurance Plc	17.39%	AFRIPRUD	Africa Prudential Registrars Plc	-13.15%

NSE Gainers			NSE Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
ORCH	Kenya Orchards Ltd.	32.84%	XPRS	Express Kenya Plc	-10.00%
PORT	E.A.Portland Cement Co.	20.10%	CGEN	Car & General Ltd.	-9.09%
EVRD	Eveready East Africa Ltd.	16.67%	EGAD	Eaagads Ltd.	-6.90%

GSE Gainers			GSE Laggards		
Ticker	Company	w/w	Ticker	Company	w/w
GCB	GCB Bank PLC	2.50%	GLD	NewGold	-1.62%
			MTNGH	Scancom PLC	-0.92%

## Recommendations Table

NGX	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (NGN)	Div Yield (%)	Target Price	Last Close	Upside
Nigerian Brew Plc.	NB	BUY	28,465,961	850,857,504	n/a	45.03	29.00	55.28%
Nestle Nigeria Plc	NESTLE	BUY	211,814	178,580,825	n/a	1,213.82	890.00	36.38%
MTN Nigeria	MTNN	BUY	2,929,427	558,309,111	n/a	254.87	191.00	33.44%
Lafarge (Wapco) Plc	WAPCO	BUY	5,304,759	193,437,586	5.23	47.00	36.25	29.66%
International Breweries	INTBREW	BUY	7,040,848	28,917,271	n/a	5.10	4.05	25.93%
Guinness Nig Plc	GUINNESS	ACCUMULATE	12,069,979	743,118,889	n/a	78.81	65.00	21.25%
Dangote Sugar	DANGSUGAR	ACCUMULATE	8,091,645	259,137,877	n/a	36.64	31.00	18.19%
Access Bank Nigeria	ACCESSCORP	ACCUMULATE	148,108,259	2,910,603,275	11.42	22.79	19.70	15.69%
Zenith Bank Plc	ZENITHBANK	ACCUMULATE	73375699	2,747,862,348	12.02	41.70	37.45	11.35%
First Bank Of Nig. Plc	FBNH	ACCUMULATE	15,941,180	409,754,945	1.54	28.70	26.00	10.38%
Stanbic IBTC	STANBIC	HOLD	5,125,930	291,913,136	7.37	60.16	57.00	5.54%
Ecobank Transnational	ETI	HOLD	741,574	18,161,904	n/a	24.99	24.00	4.13%
Guaranty Trust	GTCO	REDUCE	48,077,107	2,315,493,747	7.40	48.62	49.00	-0.78%
Airtel Africa Plc	AIRTELAFRICA	REDUCE	8,966	19,880,595	3.36	1,988.87	2,200.00	-9.60%
Jaiz Bank Plc	JAIZBANK	SELL	22,266,902	54,705,397	1.66	n/a	2.41	n/a
Dangote Cement Plc	DANGCEM	SELL	89,511	38,579,241	6.96	420.00	478.80	-12.28%
Fidelity Bank Plc	FIDELITYBK	SELL	209,898,196	3,126,703,065	9.86	12.36	14.70	-15.92%
Seplat Petroleum	SEPLAT	SELL	564,263	2,972,490,652	3.14	4,323.30	5,217.20	-17.13%
Sterling Bank	STERLNBANK	SELL	74,696,826	379,281,873	n/a	4.06	4.98	-18.47%
Unilever Nig. Plc	UNILEVER	SELL	2,194,160	41,792,823	3.90	15.60	19.25	-18.96%
United Bank For Africa	UBA	SELL	155,348,996	4,238,984,665	16.23	20.75	26.50	-21.70%
Wema Bank Plc	WEMABANK	SELL	13,492,074	106,164,540	6.41	6.09	7.85	-22.42%
FCMB Plc	FCMB	SELL	18,156,958	153,917,374	5.88	6.50	8.50	-23.53%
N.E.M Insurance Co.	NEM	SELL	2,121,108	17,004,437	7.59	5.58	7.90	-29.37%
Consolidated Hallmark	CONHALLP	SELL	4,347,121	6,000,232	3.60	0.96	1.39	-30.94%
Kalambaina Cement	BUACEMENT	SELL	403,302	40,322,110	1.96	74.79	110.00	-32.01%
Okomu Oil Palm Plc	OKOMUOIL	SELL	959,921	329,443,701	6.06	242.74	363.00	-33.13%
Conoil Plc	CONOIL	SELL	1,047,020	162,690,766	2.12	110.89	168.00	-33.99%
Flour Mills Nig. Plc	FLOURMILL	SELL	12,466,254	773,497,057	2.90	38.96	62.00	-37.16%
Aiico Insurance Plc	AIICO	SELL	38,274,234	45,513,988	4.27	0.70	1.17	-40.17%
Total Nigeria Plc	TOTAL	SELL	251,186	154,590,412	3.97	375.35	673.90	-44.30%
P.Z. Cussons Nigeria	PZ	SELL	1,904,450	35,369,006	n/a	10.44	19.70	-47.01%
Cornerstone Insurance	CORNERST	SELL	2,838,872	7,209,366	6.15	1.25	2.60	-51.92%
Presco Plc	PRESCO	SELL	1,316,855	584,938,521	5.72	222.15	485.40	-54.23%
National Salt Co.	NASCON	SELL	4,240,425	128,858,055	3.27	13.44	30.00	-55.20%

GSE	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (GHS)	Div Yield (%)	Target Price	Last Close (GHS)	Upside
Total Petroleum Ghana	TOTAL	HOLD	29	366	5.74	13.84	12.61	9.75%

NSE	Ticker	Rating	Weekly Volume Traded	Weekly Value Traded (KSH)	Div Yield (%)	Target Price	Last Close (KSH)	Upside
Diamond Trust Bank	DTK	BUY	129,950	7,622,760	11.76	116.13	50.00	132.26%
Safaricom	SCOM	BUY	30,389,115	466,257,675	7.89	30.71	15.00	104.73%
Co-op Bank	COOP	BUY	3,331,414	46,311,245	11.03	20.46	13.60	50.44%
I&M	IMH	BUY	473,924	11,918,055	10.63	33.32	24.00	38.83%
BAT Kenya	BAT	BUY	15,249	8,109,925	14.32	460.00	349.75	31.52%
KCB Group	KCB	BUY	2,746,435	112,880,850	4.11	47.26	36.25	30.37%
Equity Bank	EQTY	HOLD	1,565,745	80,969,180	8.79	43.67	45.70	-4.44%
East African Breweries	EABL	HOLD	22,074	41,435,300	4.37	151.28	162.00	-6.62%
Stanbic Bank	SBIC	HOLD	72,820	9,268,425	13.83	108.85	117.50	-7.36%
NCBA Bank	NCBA	HOLD	43,542	5,791,760	11.93	40.68	44.00	-7.55%
Absa Bank	ABSA	HOLD	303,314	4,713,080	10.92	12.89	14.10	-8.58%
Bamburi Cement	BAMB	SELL	38,758	3,486,875	9.43	44.37	57.75	-23.17%
Standard Chartered	SCBK	SELL	29,814	7,570,975	14.42	138.26	214.25	-35.47%

Sources: Afrinvest Research, Databank Research, Kestrel Research

## News Moving the Markets

### GHANA

[MTN Ghana Pursues Partnership with Starlink for Enhanced Internet Access](#) – The High Street Journal

[Cocoa Export Value Drops Over 75% in Second Quarter of 2024](#) – The High Street Journal

[China's Zijin buys Ghana gold mine from Newmont for \\$1 billion](#) – GhanaWeb

[Debt Restructuring: Government announces return to international capital markets for borrowing](#) – GhanaWeb

[Bank of Ghana revises year-end inflation target to 18%](#) – GhanaWeb

### KENYA

[CBK lowers lending rate by 75 basis points to 12% as credit uptake slows](#) – Capital FM

[CBK buys US Dollars from banks to boost reserves](#) – Capital FM

[Central bank cuts 2024 growth prospects to 5.1pc](#) – Business Daily Africa

[Mombasa eliminates minimum tea price to boost exports](#) – Business Daily Africa

[MPs vote to impeach Deputy President Rigathi Gachagua](#) – Business Daily Africa

### NIGERIA

[Nigeria's FDI drops to \\$29.83 million in Q2 2024, lowest level ever on record](#) – Nairametrics

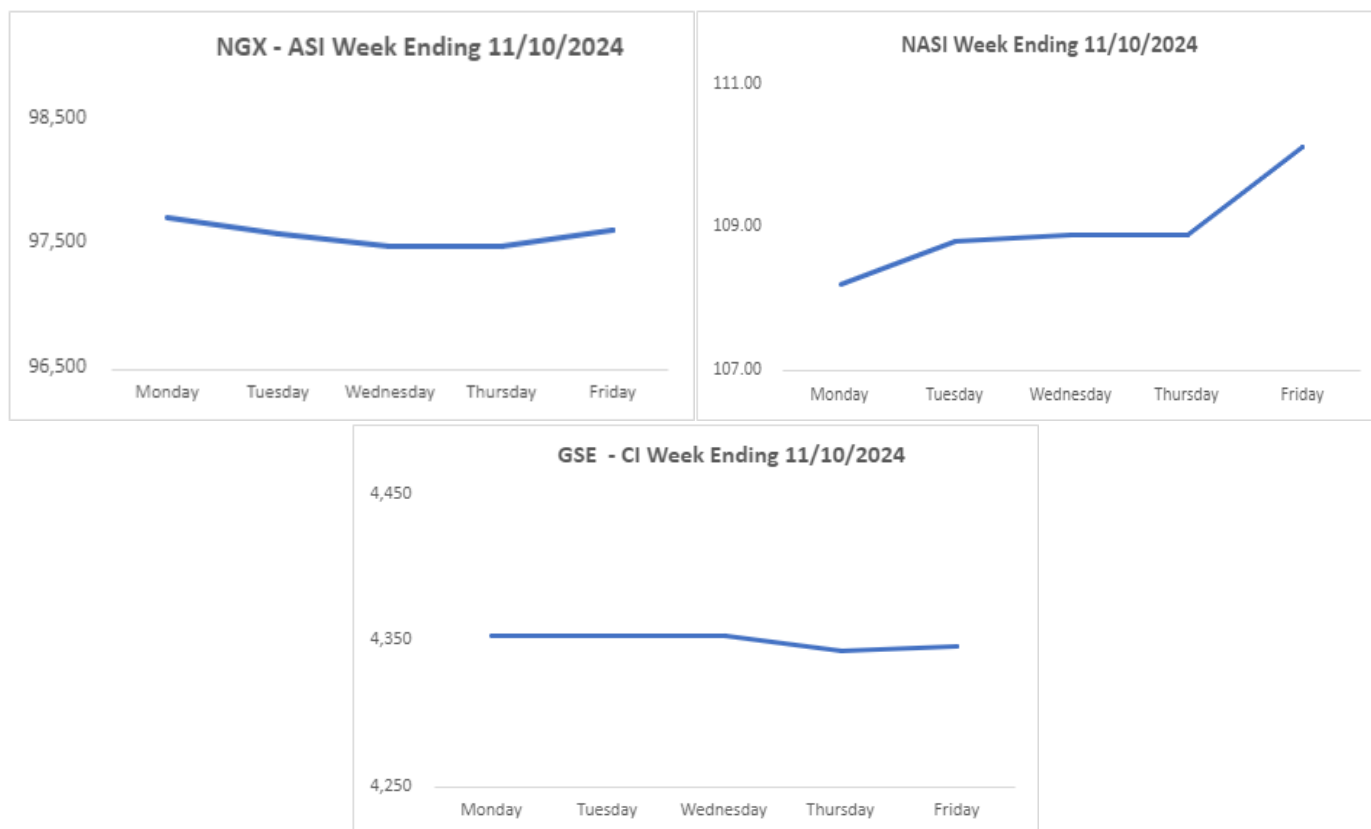
[FG's deficit spending rises 28% to N8.44 trn in H1'24](#) – Vanguard NGR

[Net foreign exchange inflow rises 67% to \\$27.6bn](#) – Vanguard NGR

[Banks' Impairment Charges Soar by 56.3% to N1.03tn on Weakening Economic Variables](#) – This Day

[FG targets 2.3 million barrels per day oil production by 2025](#) – BusinessDay

## SSX Markets Last Week



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SecondSTAX Limited, Aquatec Place, 222 Swaniker Street, Abelemkpe, Accra, Ghana

SecondSTAX Limited, Riverside Park ICEA, Waiyaki Way, 2nd Floor, West Wing, P. O. Box 101650 - 00101, Nairobi, Kenya

SecondSTAX Limited, Suite 401, 4th Floor, Kano House, Plot No. 73 Ralph Shodeinde Street, Central Business District, F.C.T., Abuja

SecondSTAX Inc., 251 Little Falls Drive, Wilmington, DE 19808, US

<https://secondstax.com/> | [questions@secondstax.info](mailto:questions@secondstax.info) | +233 (0) 55 195 0193 | +233 (0) 59 824 1131