

CSARPONG CAPITAL

2026

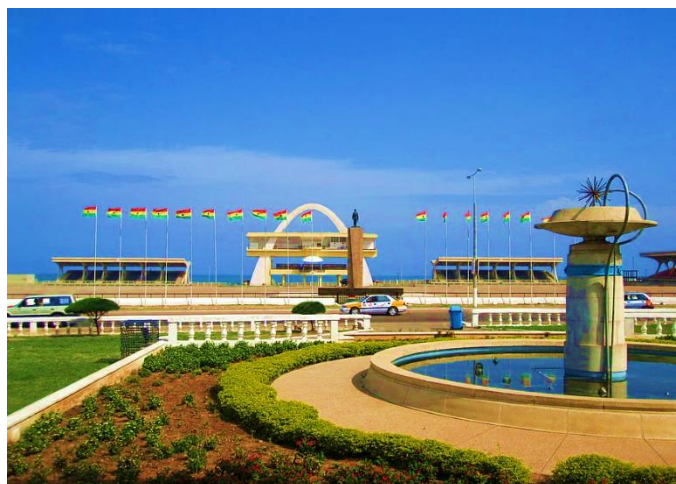
OUTLOOK REPORT



**Balancing**  
discipline with  
expansion

Important disclosures can be found in the Disclosures Appendix

# 2026 Outlook - Balancing discipline with expansion



## Highlight

Following a resilient 2025 marked by fiscal consolidation, Ghana's deficit narrowed to 1.8% of GDP from 7.9%, while public debt declined to 45% of GDP. The cedi also appreciated, supported largely by gold-backed inflows, positioning Ghana for an expansionary 2026.x

We forecast real GDP growth accelerating to 6.3% (including oil) and 7.1% (non-oil), fueled by infrastructure capex doubling to GHS 30.8 billion under the Big Push agenda. This is alongside monetary easing, with policy rates at 12% and inflation stabilising at 5% ± 2 ppts. Sustained trade surpluses at 6.4% of GDP, reserves covering more than 3.5 months of imports, and credit rating upgrades to B and B minus will anchor macro stability.

Weak money-market yields are likely to redirect investor flows into equities, driving rallies in the GSE Composite Index amid new issuances. This late-cycle momentum supports mid-single-digit global equity and bond returns, with Ghana's markets set to outperform on policy stimulus and external resilience

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## 2026 Outlook Summary

### Global

**We expect global real GDP growth to accelerate to 3.8% in 2026, up from 3.2% in 2025, driven by a coordinated shift toward expansionary fiscal and monetary policies across most economies.**

**We expect further easing of both monetary and fiscal conditions to bolster the government's efforts to stimulate consumption and investment throughout 2026.** Central banks are likely to implement at least two cautious rate cuts, scheduled for mid- and late-2026.

**We anticipate sustained geopolitical tensions in 2026, notably between the United States and Iran and the West and Russia, with primary focus on potential escalation between China and Taiwan, which could reshape global market**

### Ghana

**We foresee that the implementation of key fiscal and monetary policies will boost production and consumption in 2026.** Our forecast points to real GDP growth, including oil, of 6.3% y/y and non-oil real GDP growth of 7.1%.

**We expect tighter controls on recurrent expenditure to limit slippage across the public sector in 2026, resulting in a moderate fiscal deviation of 2.1% of GDP amid rising sectoral outlays.** Fiscal containment will largely depend on cedi stability and disciplined expenditure management.

**We expect Ghana's headline inflation to undershoot the Bank of Ghana's target band of 8% ± 200 basis points (bps), settling at 5% ± 200 bps by the end of 2026.**

**We foresee further interest rate reductions, with at least two policy rate cuts in 2026.** In an effort to stimulate economic activity amid weak consumption expectations, we project the monetary policy rate to ease from 15.5% to 12% by year-end.

**Our forecast points to a relatively stable cedi, with the USD/GHS interbank rate expected to close at GHS 12.2 by end-2026, reflecting an approximately 14% y/y depreciation from GHS 10.45 at end-2025.**

**We expect T-bill rates to settle between 5% and 7% on the back of a liquidity rebound amid easing monetary policies and moderating inflation.**

**We foresee the likely issuance of an infrastructure bond in H1 2026 as the catalyst for the reopening.** These bonds will slot between the 15 restructured bonds' profiles, extending the curve while targeting YTM of 10.5 - 14.5% to attract investor interest.

**We forecast an 82% ±300bps return on the GSE Composite Index (GSE-CI) for full-year 2026, targeting 15,950 -16,200 from the 2025 year-end base of 8,770.** The index is poised to trade within a 13,000 - 16,200 band, underpinned by a structurally higher repricing regime driven by sharp yield declines in the Treasury money market.

Table 1: Macroeconomic performance, 2025 indicative figures, 2026 MoF projections and Sarpong Capital Forecast

	FYE 2022	FYE 2023	FYE 2024	FYE 2025*	FYE 2026**	Forecast
<b>The real and monetary sectors</b>						
GDP current (GHS billions) - Rebased	614.34	887.75	1,176.22	1,415.01	1,597,457	1,600,000
Real GDP Growth Rate (%)	3.8%	3.1%	5.7%	5.5%	4.8%	6.3%
End Period inflation - CPI	54.1%	23.2%	23.8%	6.3%	8%	5% ± 2ppts
End Period inflation - PPI	52.2%	28.5%	26.1%	1.4%	-	7.5%
Monetary Policy Rate (per cent.)	27.00%	30.00%	27.00%	18%	-	12%
GHS /USD Exchange Rate - Interbank	8.58	11.88	14.70	11.75	-	12.20 ± GHS 1
<b>Balance of payments (USD millions)</b>						
Merchandise Trade Balance	2,654.7	2,694.5	5,099.8	7,419.2	-	8,143.0
Current Account Balance	(1,740.6)	1,407.1	3,647.5	3,780.4	-	4,565.5
Capital and Financial Account	(1,882.8)	(732.57)	(386.73)	3,856.1	-	2,457.3
Gross International Reserves	6,252.7	5,923.0	9,112.8	13,829.2	-	10,112.0
Months of imports cover	2.7	2.7	4.1	5.7	>3	>3.5
<b>Fiscal Sector (GHS billion)</b>						
Total Government Revenues and Grants	98.08	133.88	186.59	7,419.2	268.09	290.00
Total Government Expenditures	136.92	172.97	226.24	3,780.4	302.46	322.80
Fiscal Deficit (commitment basis) (GHS billions)	(44.53)	(39.09)	(92.64)	(25.25)	(34.36)	(32.80)
Fiscal Deficit % of nominal GDP	(9.9%)	(4.6%)	(7.9%)	(1.8)	(2.2%)	(2.1%)
<b>Public Debt (GHS billion)</b>						
Domestic Public Debt	206.19	257.30	309.85	310.99	-	416.00
External Public Debt	241.82	352.71	416.84	319.19	-	240.00
Total Public Debt	448.01	610.01	726.69	630.18	-	656.00
Gross Public Debt % of nominal GDP	72.9%	68.7%	61.8%	45.0%	-	41.0%

Source: Ministry of Finance, Ghana Statistical Service, Bank of Ghana ; , Reference Year Back cast (2021 = 100), Sarpong Capital Research  
Provisional (\*), Projections (\*\*) FYE = Financial Year End

Table 2: Key Ratios

Deficit to real GDP	(9.9%)	(4.6%)	(7.9%)	(1.8)	(2.4%)	(2.14)
Deficit to nominal GDP	(7.25%)	(4.40%)	(7.88%)	(1.78%)	(2.2%)	(2.05)
Debt to real GDP	112.38%	84.64%	77.89%	45.17%	-	42.84%
Debt to nominal GDP	72.9%	68.7%	61.8%	45.0%	-	41.00%
Trade Balance to nominal GDP	3.71%	3.61%	6.37%	6.16%	-	6.36%
Overall Balance of Payments to nominal GDP	(2.43%)	1.88%	4.56%	3.14%	-	3.57%

Source: MPC Sarpong Capital Research

Note: Ratios calculated as: (Relevant balance/stock + GDP) × 100. Real GDP = Nominal GDP ÷ (1 + inflation). USD amounts converted to GHS using interbank exchange rates before calculation.

Table 3 Credit Ratings

Credit Rating Agency	Date	Foreign Currency Rating	Local Currency Rating	Outlook
S&P Global	14 Oct 2024	SD (Selective Default)	CCC+	Stable
Moody's	11 Oct 2024	Caa2 (Upgraded from Ca)	Caa2 (Upgraded from Caa3)	Positive
Fitch Ratings	10 Oct 2024	RD (Restricted Default)	CCC+ (Upgraded from CCC)	Stable
Fitch Ratings	17 Jun 2025	B- (Upgraded from RD)	B-	Stable
Moody's	10 Oct 2025	Caa1 (upgraded from Caa2)	Caa1	Stable
S&P Global	7 Nov 2025	B- (upgraded from SD)	B- (Upgraded from CCC+)	Stable

Source: Ministry of Finance,

- **The Ghanaian economy has demonstrated marked resilience since 2022.** Despite election-induced fiscal slippages in 2024, the authorities decisively reversed these pressures in 2025 through tight expenditure controls and reform momentum, delivering significant budgetary gains.
- **As a result, the fiscal deficit is expected to narrow sharply to 1.8% of Gross Domestic Product (GDP) from 7.9% in 2024.** This consolidation was complemented by a strong appreciation of the cedi, supported by sizeable gold-backed windfalls from GoldBod - an established state institution - which served as the sole assayer for the purchase and sale of gold from small-scale miners, raking in a gross amount of approximately USD 10 billion as of November 2025 in support of the central bank's reserves.
- **The sharp reduction in public debt-to-GDP from 72.9% (2022) to 45% (2025)** underscores successful debt restructuring, relative currency stability, and constructive engagement with bilateral creditors, whilst persistent trade surpluses (averaging 6% of GDP) and positive current account balances since 2023 underscore external sector resilience amid geopolitical tensions.
- **Our forecast points to modest fiscal slippage to 2.1% of GDP, marginally outperforming official projections of 2.2%.** However, this outlook remains contingent on maintaining expenditure discipline beyond the International Monetary Fund (IMF) programme (post-May 2026), effective policy implementation, and sustained gains in revenue mobilisation.
- **We expect real GDP (including oil) to accelerate to 6.3%**, supported by higher capital outlays on priority infrastructure, notably roads and bridges. This fiscal impulse is expected to be complemented by monetary easing, with the policy rate declining to 12% by year-end as headline inflation moderates to about 5%.
- **However, we firmly believe positive results by the end of 2026 remain contingent on a stable cedi,** effective execution of revenue mobilisation measures, and avoiding procyclical fiscal expansion that could undermine hard-won macroeconomic stability.

## The Global Macroeconomy

### *Global 2025 Overview*

#### **Trump's Tariff Diplomacy Undermines USD Trust, Heralds New Global Order**

In 2025, global markets grappled with deepening trade fragmentation and protectionist measures, driven by U.S. tariff adjustments under President Trump. These actions elicited retaliatory responses from major economies, including China and Canada, effectively signalling an end to the previous era of neoliberal free trade.

The World Bank Global Economic Prospects projects global growth to remain steady at 2.7% in 2025/26, below pre-pandemic levels (3.1–3.5%). This forecast is underpinned mainly by ongoing geopolitical tensions, trade restrictions, and elevated policy uncertainty.

The U.S. equity market saw heightened volatility, with notable selloffs in April and in early December. This was primarily triggered by concerns over Trump's tariffs, investor uncertainty about the financial prospects of artificial intelligence (AI), and mixed earnings from Broadcom (a leading semiconductor and infrastructure software company) and Oracle (a major enterprise software and cloud services provider).

Despite this volatility, notable rallies were recorded in Q3, driven by robust corporate earnings growth and optimism over Fed rate cuts, which propelled the S&P 500 and Nasdaq indices.

Emerging market equities showed resilience, with the MSCI Emerging Markets Index rising 12–15% by mid-2025. Against the backdrop of earlier tariff shocks and US dollar volatility, the index outperformed developed markets in Q2 (+12.7%), supported by China's stimulus measures and AI-related gains in Taiwan and Korea.

Safe-haven demand for key commodities, such as gold, platinum, and rare earths such as neodymium and dysprosium, essential for defence technologies, increased. Gold prices rose over 60% y/y from around USD 2,666 at the end of 2024 to USD 4,328 per ounce by mid-December 2025, while platinum gained nearly 50% y/y to USD 1,824. Prices of neodymium and dysprosium also rose by 20% to 40% amid supply constraints and elevated military spending by leading hegemony.

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**Focus on key economic trends in: Emerging Markets, the United States, Europe, and China.**

### **Emerging Markets in focus** - (Egypt, Zambia, Nigeria, South Africa)

- **Egypt**  
**Egypt's economy strengthened in 2025 relative to 2024**, supported by post-devaluation currency stabilisation, easing inflation to an average of about 12.5%, and a cumulative 625bps reduction in policy rates to around 21%. IMF-backed reforms and a USD 35 billion Ras El Hekma deal lifted growth to 5% in Q2 2025 from 3.5% a year earlier.
- **Zambia**  
**Copper-backed exports supported Zambia's economy in 2025**, providing strong foreign exchange inflows and underpinning growth momentum. External debt fell to about 100% of GDP from 120% via creditor deals, while inflation eased from around 15% in 2024 to about 10%, enabling policy rates to decline to 14po%.
- **Nigeria**  
**Nigeria's economy faced acute price pressures as reform measures, notably fuel subsidy removal, intensified inflation** and prompted tight monetary policy, with only one MPR cut from 27.5% to 27%. Inflation rate later eased to about 16% by October from above 30% mid-year, while the renewed currency swap with China helped curb US dollar demand and support naira resilience.
- **South Africa**  
**South Africa's power situation improved in 2025**, with limited Stage 3 loadshedding. Inflation eased to 4.5% from 5.5% and the repo rate fell to 8%, although legislative delays caused by factionalism within the ruling African National Congress (ANC) and union demands slowed reforms.

### **United States**

- **Core inflation lingered above the 2% target at around 2.8-3.0% in late 2025**, driven mainly by persistent housing shortages, non-housing service constraints, and modest tariff impacts.
- **Amid earlier tensions over rate cuts, softer labour markets, and moderating growth prompted three late cuts** by the Federal Reserve (FED), lowering the federal funds rate from 4.25% - 4.50% to 3.50% - 3.75%, the lowest since 2022.
- **Employment data uncertainties** clouded the 2025 US outlook, unlike 2024's fuller reports and robust hiring.

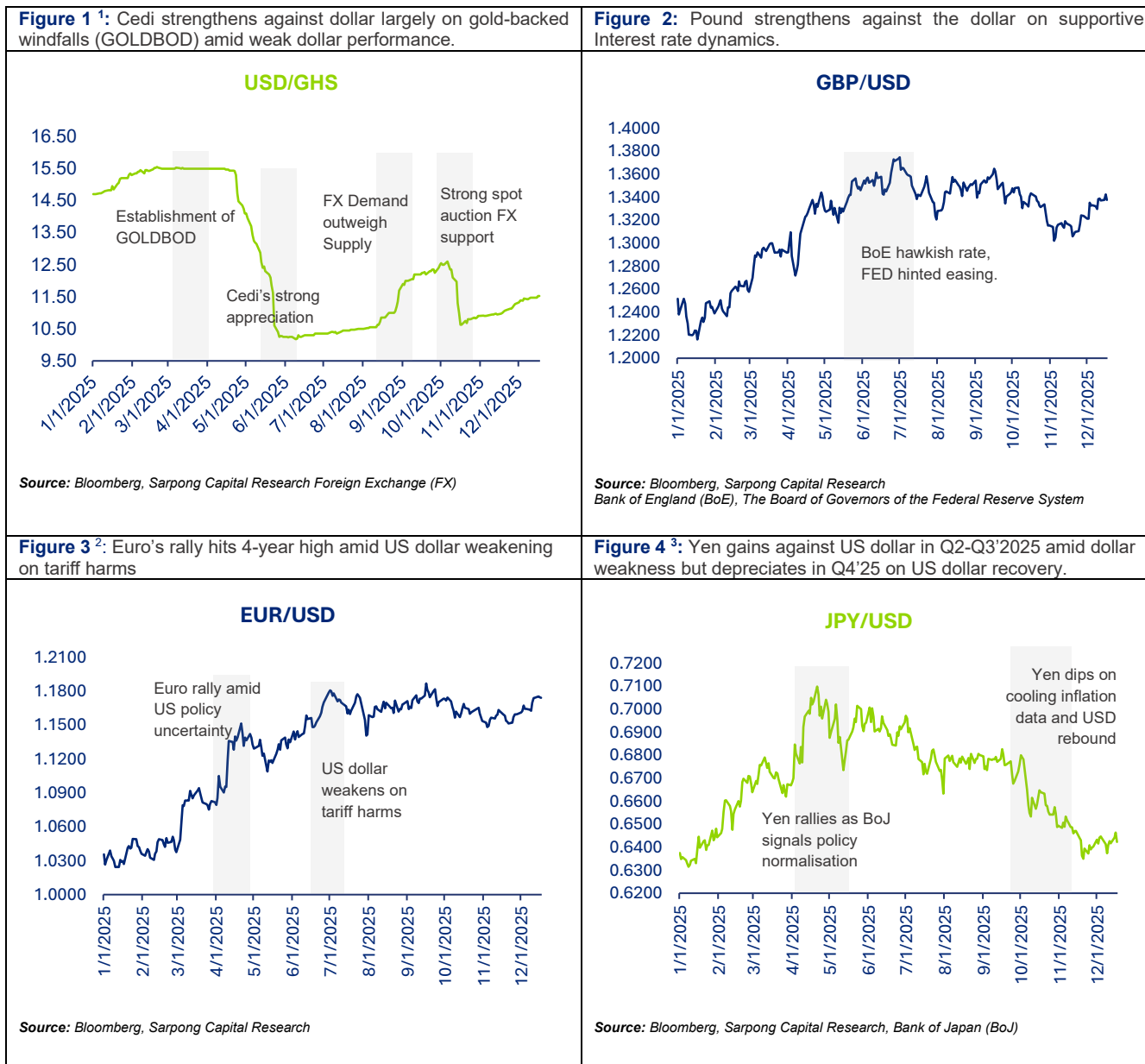
### **Europe**

- **The Eurozone faces sluggish growth projected at around 0.9% to 1.2% for 2025**, hampered by U.S. tariffs potentially shaving 1.5% from GDP.
- **Persistent inflationary pressure kept headline inflation around 2.2 - 2.5% by late 2025** (Eurozone 2.2% in November, EU 2.5% in October). Energy prices stabilised after the Ukraine war spikes, but remained volatile due to reliance on Chinese raw materials

### **China**

- **China maintains dominance in critical mineral refining**, controlling about 90% of global rare earth processing, key among them **permanent magnets**, and significant shares in graphite and lithium, leveraging vertical integration for economic power.
- **BRICS expansion in 2025 boosts China's alliances, representing 45% of the world population and 35% of global GDP**, with agendas focusing on local currency trade and de-dollarisation through the Cross-Border Interbank Payment System (CIPS).

Performance of Key Currencies

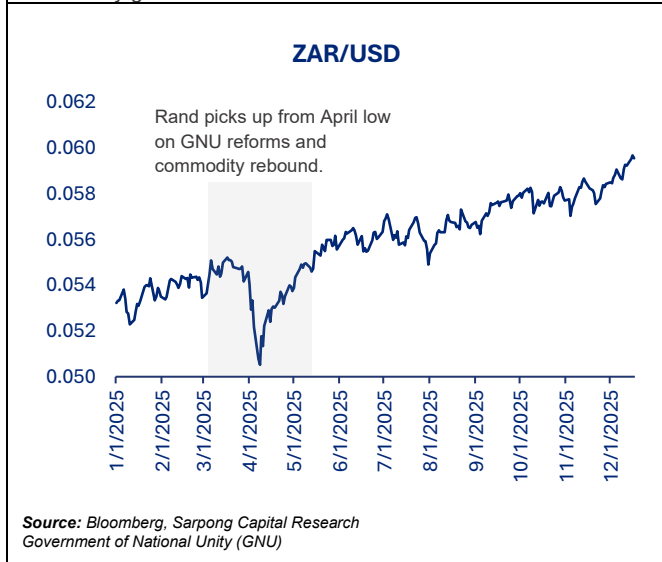


<sup>1</sup> The Ghana Gold Board (GoldBod) was established on April 2, 2025. Parliament passed the GoldBod Act 1140 on March 28 or 29, 2025, with presidential assent following shortly thereafter.

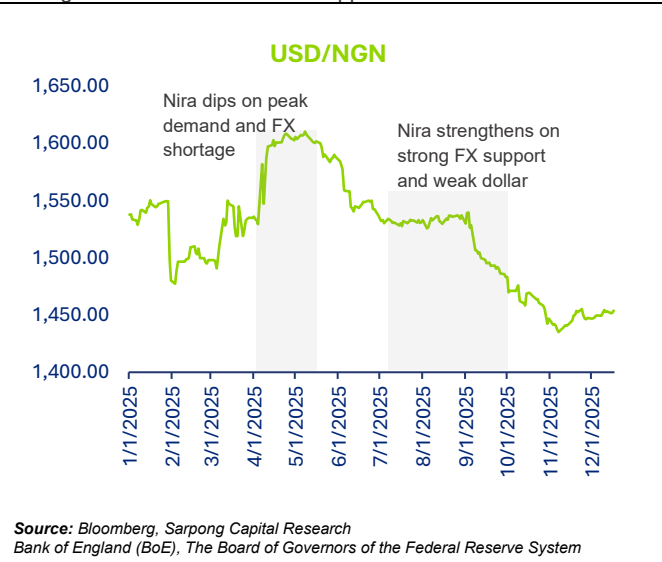
<sup>2</sup> Germany's Bundestag approved a €500 billion infrastructure and climate fund in March 2025, lifting euro confidence as EUR/USD strengthened from about 1.02 to 1.09 by late Q1'2025.

<sup>3</sup> The US dollar rebounded in Q4 2025 on tariff recalibration and seasonal demand, with USD/JPY briefly climbing to 156.85 as softer Bank of Japan tightening expectations and safe-haven inflows reversed earlier 2025 gains.

**Figure 5:** Rand rallies post Q3'2025 on broad dollar weakness, and commodity gains

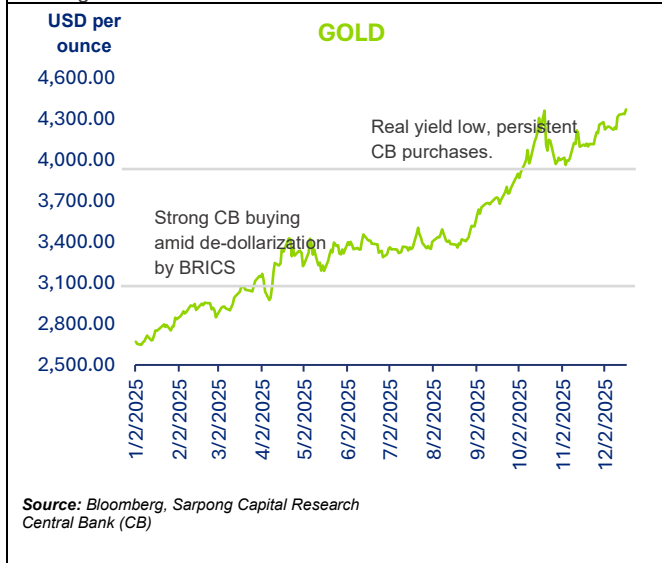


**Figure 6:** Nira depreciate sharply in Q2'2025 but rallies in Q3 on strong oil rebound and CBN FX support

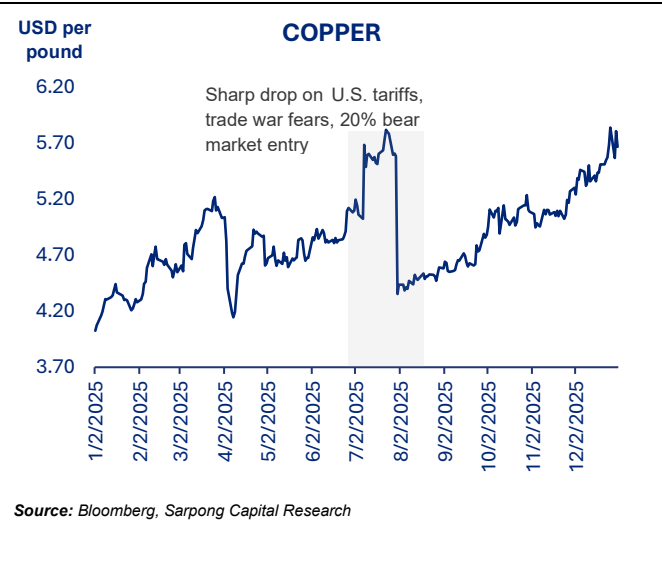


**Performance of Key Commodities**

**Figure 7<sup>4</sup>:** Gold prices break barriers on strong Central Bank buying, diluting US dollar reserve dominance

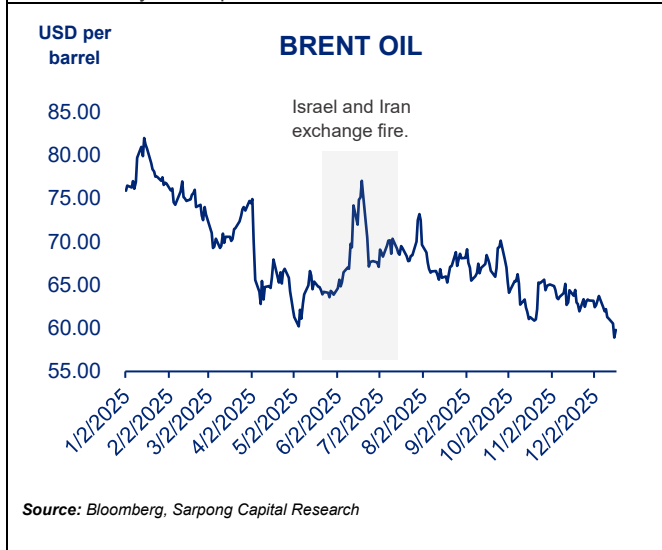


**Figure 8:** Copper shoots on strong demand and defence outlays

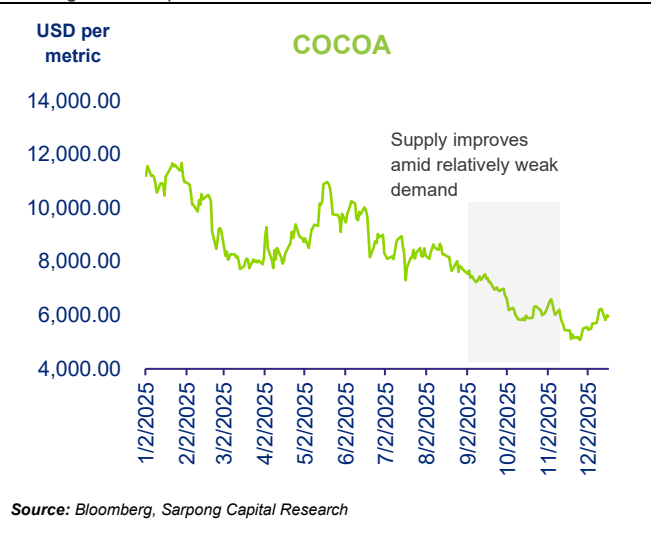


<sup>4</sup> Gold surged ~71% from ~USD 2,658.40/oz to ~USD 4,497/oz highs, driven by central bank purchases (~1,037 tonnes) and USD dilution from tariffs. Geopolitical tensions and Fed easing bets boosted safe-haven demand, surpassing 1979's previous annual gain

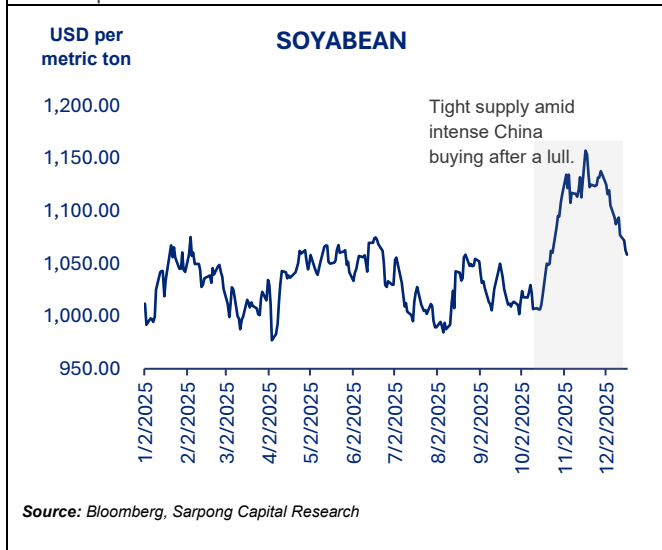
**Figure 9**<sup>5</sup>: International crude oil prices ease on low China demand and inventory build-up



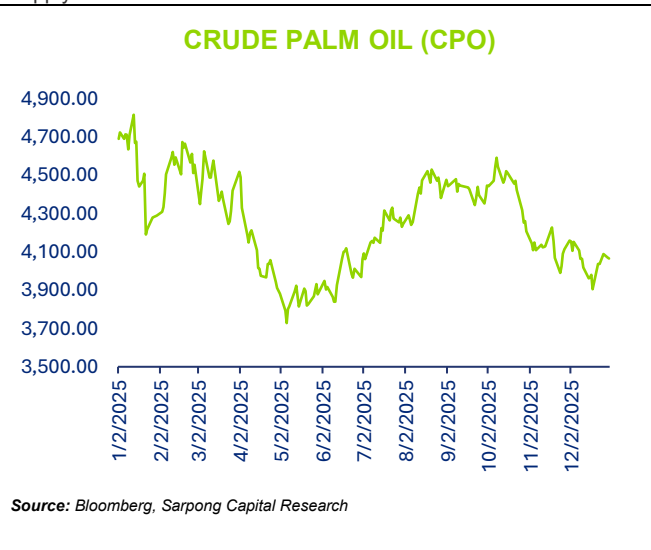
**Figure 10**<sup>6</sup>: Cocoa prices dip amid easing supply constraints and waning demand pressures



**Figure 11**: Soybean demand surge due to strong demand and consumption



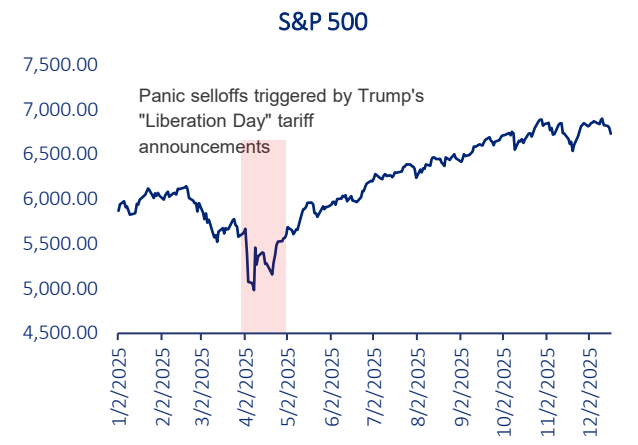
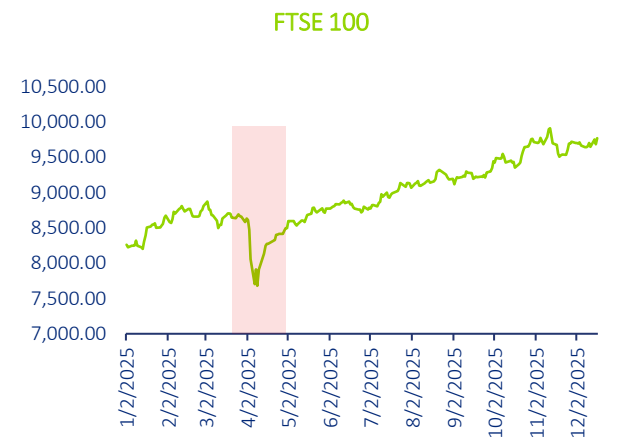
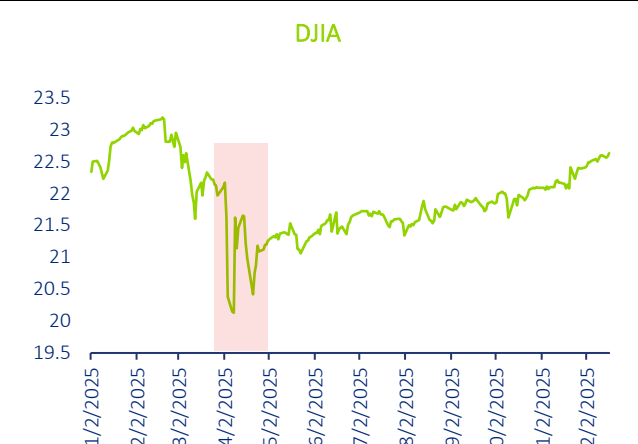
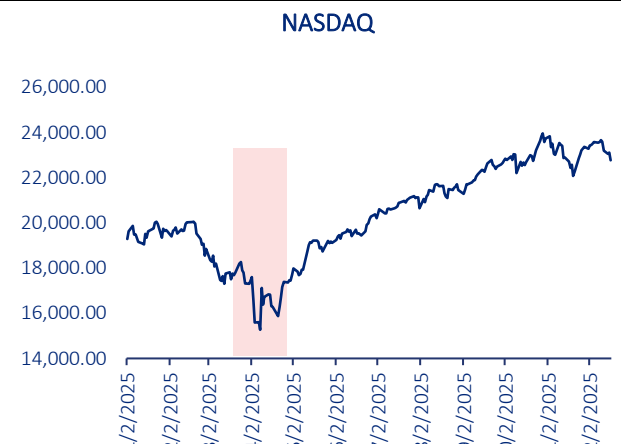
**Figure 12**: Crude palm oil volatility on seasonal dynamics and supply bottlenecks



<sup>5</sup> Brent and WTI (West Texas Intermediate) crude prices pushed down from USD 70 per barrel, amid recalibrated OPEC+ output, with signs of greater production flexibility under Trump's influence compared to stricter discipline under Biden. US shale production hits record levels at 13.6 million barrels per day by mid-2025, while geopolitical tensions and sanctions on Russia's oil were seldom felt amid demand stemming from Asia.

<sup>6</sup> Cocoa upward heat cooled amid fuller inventories and recovering stocks-to-grinding ratios, as falling industrial demand offset earlier supply constraints.

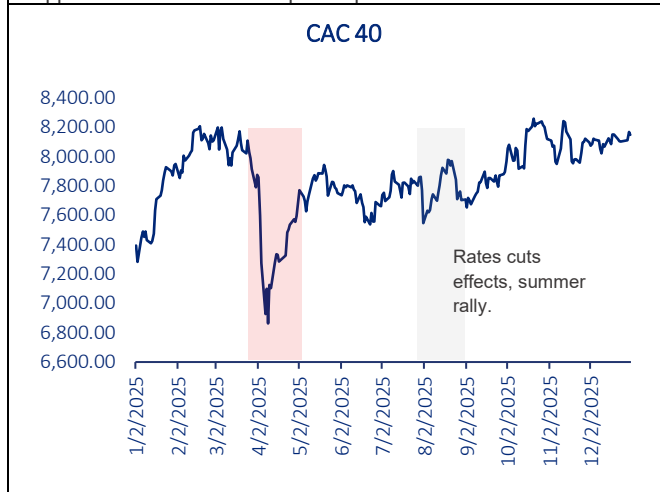
Performance of Key Indices

<p><b>Figure 13</b> <sup>7</sup>: Banking recovery and defence/telecom strength largely</p>  <p><b>S&amp;P 500</b></p> <p>7,500.00 7,000.00 6,500.00 6,000.00 5,500.00 5,000.00 4,500.00</p> <p>1/2/2025 2/2/2025 3/2/2025 4/2/2025 5/2/2025 6/2/2025 7/2/2025 8/2/2025 9/2/2025 10/2/2025 11/2/2025 12/2/2025</p> <p>Source: Bloomberg, Sarpong Capital Research Standard and Poor's Index (S&amp;P 500)</p>	<p><b>Figure 14</b>: Pharmaceutical AstraZeneca and mining major Antofagasta supports FTSE rally.</p>  <p><b>FTSE 100</b></p> <p>10,500.00 10,000.00 9,500.00 9,000.00 8,500.00 8,000.00 7,500.00 7,000.00</p> <p>1/2/2025 2/2/2025 3/2/2025 4/2/2025 5/2/2025 6/2/2025 7/2/2025 8/2/2025 9/2/2025 10/2/2025 11/2/2025 12/2/2025</p> <p>Source: Bloomberg, Sarpong Capital Research Financial Times Stock Exchange index (FTSE 100)</p>
<p><b>Figure 15</b>: DJIA surge largely driven on Nvidia turbocharge and Chevron's oil firepower</p>  <p><b>DJIA</b></p> <p>23.5 23 22.5 22 21.5 21 20.5 20 19.5</p> <p>1/2/2025 2/2/2025 3/2/2025 4/2/2025 5/2/2025 6/2/2025 7/2/2025 8/2/2025 9/2/2025 10/2/2025 11/2/2025 12/2/2025</p> <p>Source: Bloomberg, Sarpong Capital Research Dow Jones Industrial Average Index (DJIA)</p>	<p><b>Figure 16</b> <sup>8</sup>: AI hype, and resilient earning of Big Techs anchors gains, fueling a bullish run to all-time highs in 5 years</p>  <p><b>NASDAQ</b></p> <p>26,000.00 24,000.00 22,000.00 20,000.00 18,000.00 16,000.00 14,000.00</p> <p>1/2/2025 2/2/2025 3/2/2025 4/2/2025 5/2/2025 6/2/2025 7/2/2025 8/2/2025 9/2/2025 10/2/2025 11/2/2025 12/2/2025</p> <p>Source: Bloomberg, Sarpong Capital Research Financial Times Stock Exchange index (FTSE 100), Artificial Intelligence (AI)</p>

<sup>7</sup> The S&P 500 achieved one of its strongest five-year rallies, delivering an annualised return of 16.43% (including dividends) as of May 2025, rising from around 3,756 at end-December 2020 to a record closing high of 6,932.05 as of 24 December 2025.

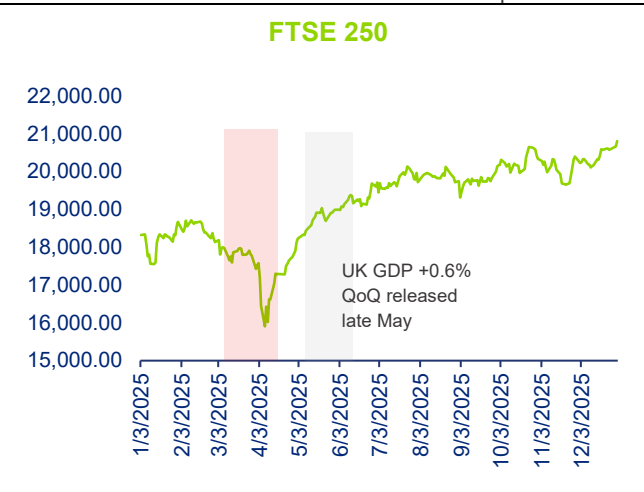
<sup>8</sup> The NASDAQ plunged after Trump's April 2, 2025, Liberation Day tariff announcement, partially rebounded on April 9 on a 90-day tariff reprieve, AI optimism, and short-covering in Nvidia, before slipping again on April 10 amid renewed tariff uncertainty and tech sector financial concerns.

**Figure 17:** Banking recovery and defence/telecom strength largely supported a rebound after April's dip



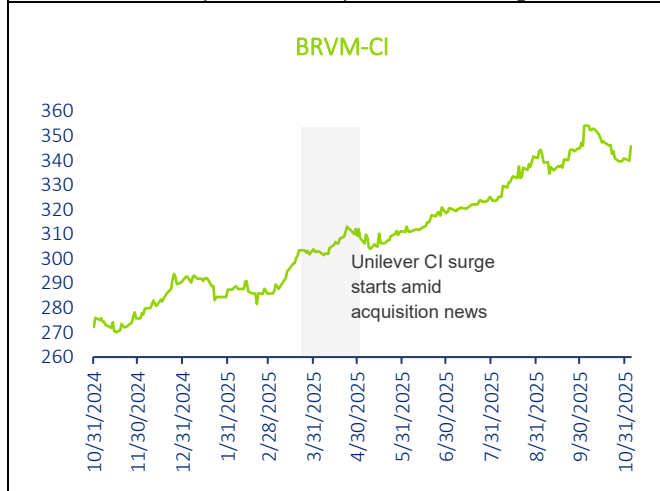
Source: Bloomberg, Sarpong Capital Research  
Cotation Assistée en Continu (CAC)

**Figure 18:** UK equity market resilience on the back of heavy defensive sectors like Financials and Consumer Staples



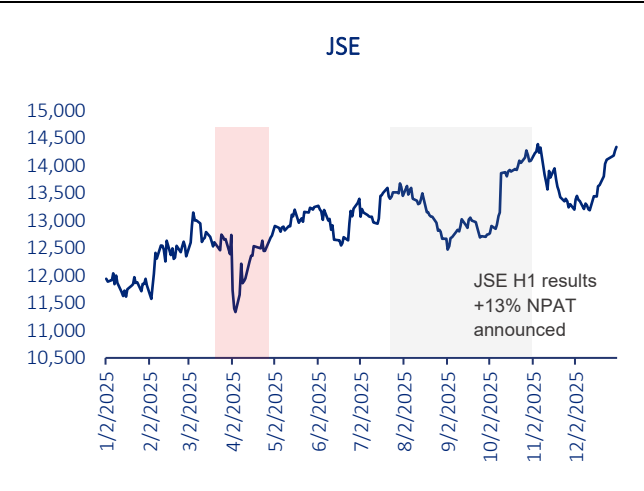
Source: Bloomberg, Sarpong Capital Research  
Financial Times Stock Exchange index (FTSE 100)

**Figure 19:** Liquidity concentrated in large cap names (Unilever) and resilient francophone consumption data sustain gains



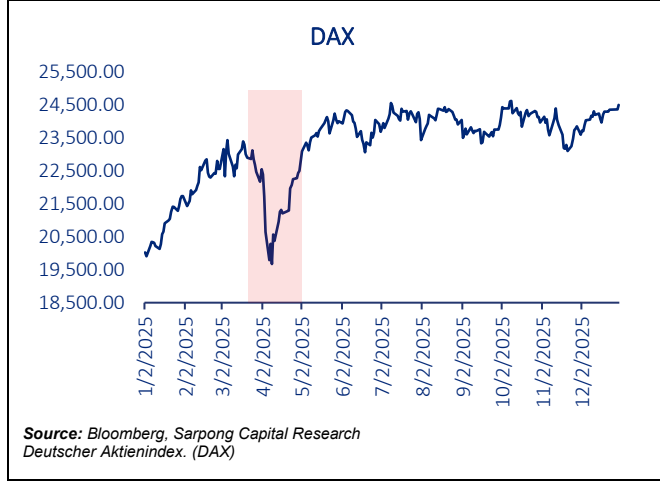
Source: Bloomberg, Sarpong Capital Research  
Bourse Régionale des Valeurs Mobilières

**Figure 20:** JSE records heartbeat performance amid geopolitical uncertainties



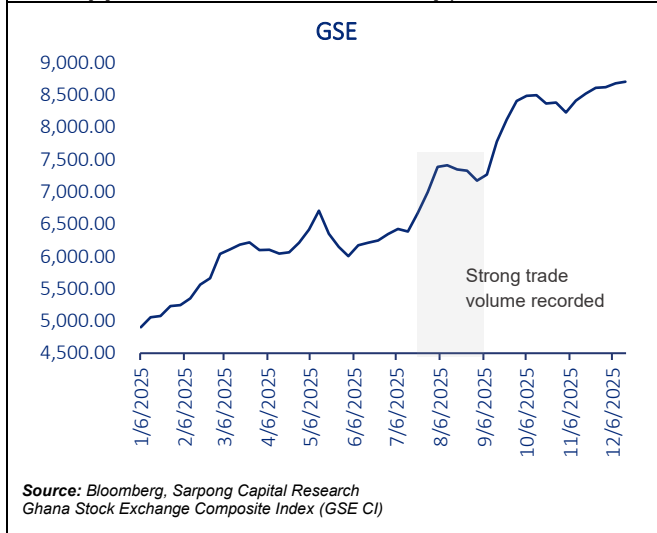
Source: Bloomberg, Sarpong Capital Research  
Johannesburg Stock Exchange. (JSE), Net Profit After Tax (NPAT)

**Figure 21:** Germany's export and manufacturing rebound fuel DAX post April's flash crash

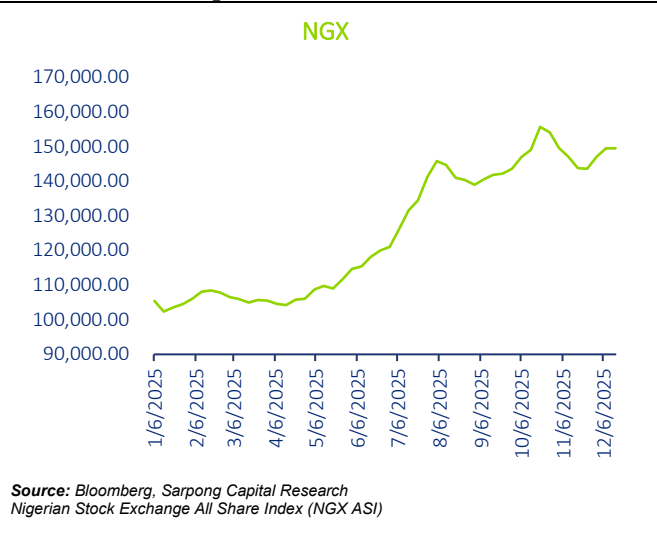


Source: Bloomberg, Sarpong Capital Research  
Deutscher Aktienindex. (DAX)

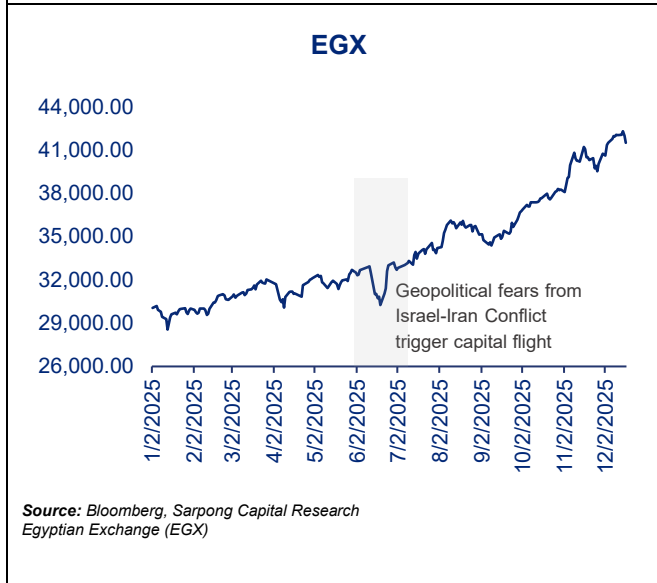
**Figure 22**<sup>9</sup>: GSE CI hits its highest level since 2011 amid a low treasury yield environment and solid industry performance



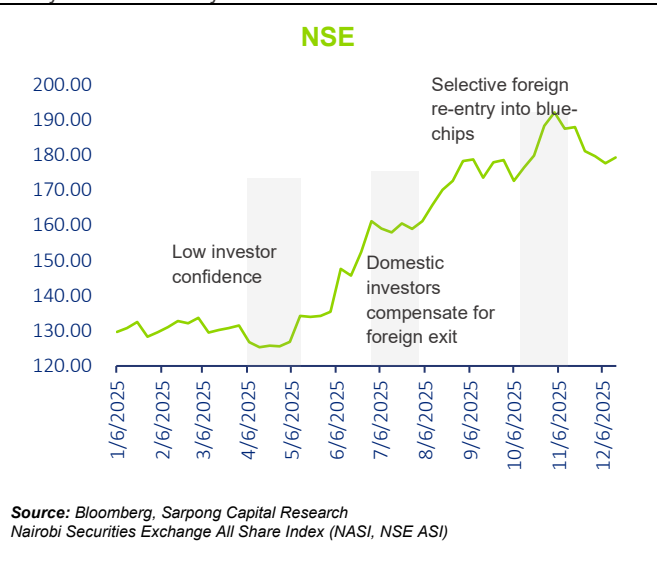
**Figure 23**: NGX ASI rallies on strong banking earnings, foreign inflows and new listings.



**Figure 24**: EGX bullish run fuelled largely by robust bank earnings and retail fervour



**Figure 25**<sup>10</sup>: NASI roars back with a trillion-shilling unlocking Kenya's best market year since 2008



<sup>9</sup> GSE-CI surged 79% year-to-date (YTD) to ~8,756 points by December 2025, lifting market capitalisation to GHS 172 billion, underpinned by robust bank earnings, a 95% rally in the Financial Stocks Index, and persistently low Treasury yields that accelerated portfolio reallocation into equities, with 21 gainers and zero laggards.

<sup>10</sup> Investor wealth rebounded over KSh 1 trillion, including KSh 477 billion in H1, reaching KSh 2.91 trillion by December with 50 percent YTD gains, the strongest since 2008. Central Bank of Kenya (CBK) rate cuts from 11.25 percent to 9.75 percent redirected funds into equities, fuelling the rally.

2026 Global Outlook

**Global Growth Expected to Take a Bold Pivot Towards Fiscal Firepower and Tariff Shields**

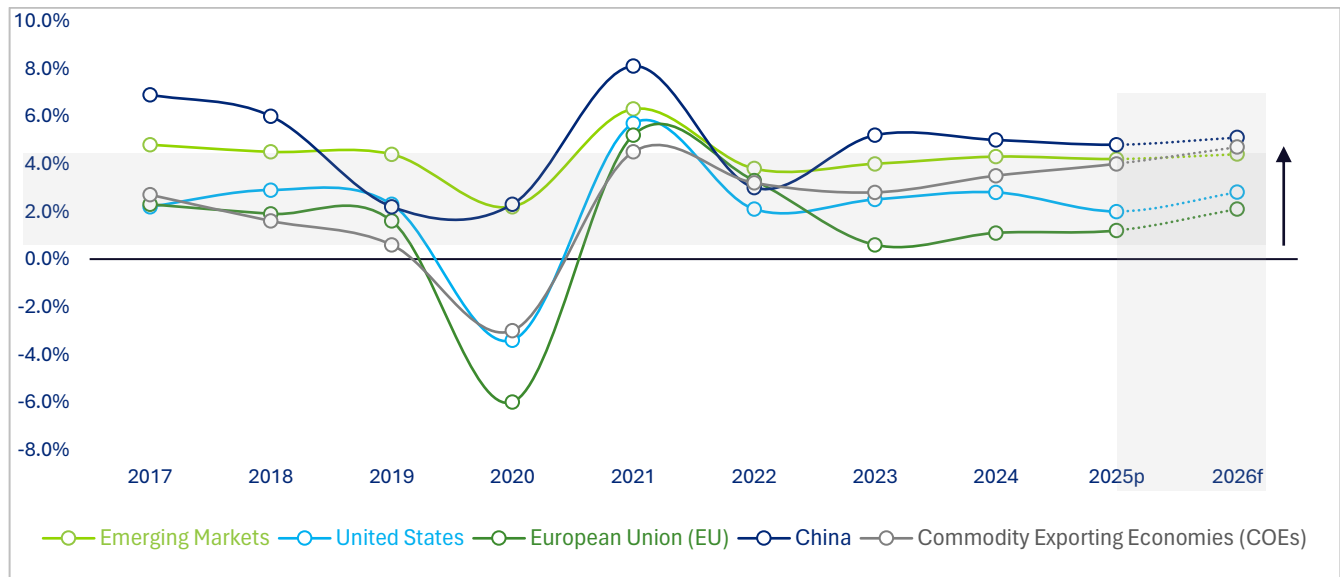
We expect global real GDP growth to accelerate to 3.8% in 2026, up from 3.2% in 2025, driven by a coordinated shift toward expansionary fiscal and monetary policies across most economies. Amid China's aggressive, subsidy-driven industrial strategy and rising protectionist pressures, Western powers are responding with targeted infrastructure investments, tariffs, and front-loaded fiscal stimulus, balancing protectionist measures with multilateral cooperation rooted in national interests and transactional diplomacy.

Germany, for instance, has committed to a €500 billion infrastructure and green transition package, focusing on digitalisation, renewable energy, and transport upgrades. At the same time, the US and Japan have announced similar large-scale capital outlays while emerging frontiers are pursuing targeted investments to strengthen supply chains and technological capacity.

We expect further easing of both monetary and fiscal conditions to bolster the government's efforts to stimulate consumption and investment throughout 2026. Central banks are likely to implement at most two cautious rate cuts, scheduled for mid and late 2026, contingent on a clearer inflation outlook and ongoing labour market improvements. Policy decisions will remain heavily weighted towards supporting employment recovery, with labour revitalisation as a primary objective.

Fiscal measures, such as targeted tax rebates and sector-specific subsidies, particularly in energy, technology, and manufacturing, are expected to reduce the inflationary impact of cross-border tariffs. These actions should dilute the pass-through effect of tariff-induced price pressures, thereby shielding households from a persistent cost burden and anchoring domestic demand.

Figure 26: Global growth rate expected to pick up with China maintaining leadership in key industrial sectors.

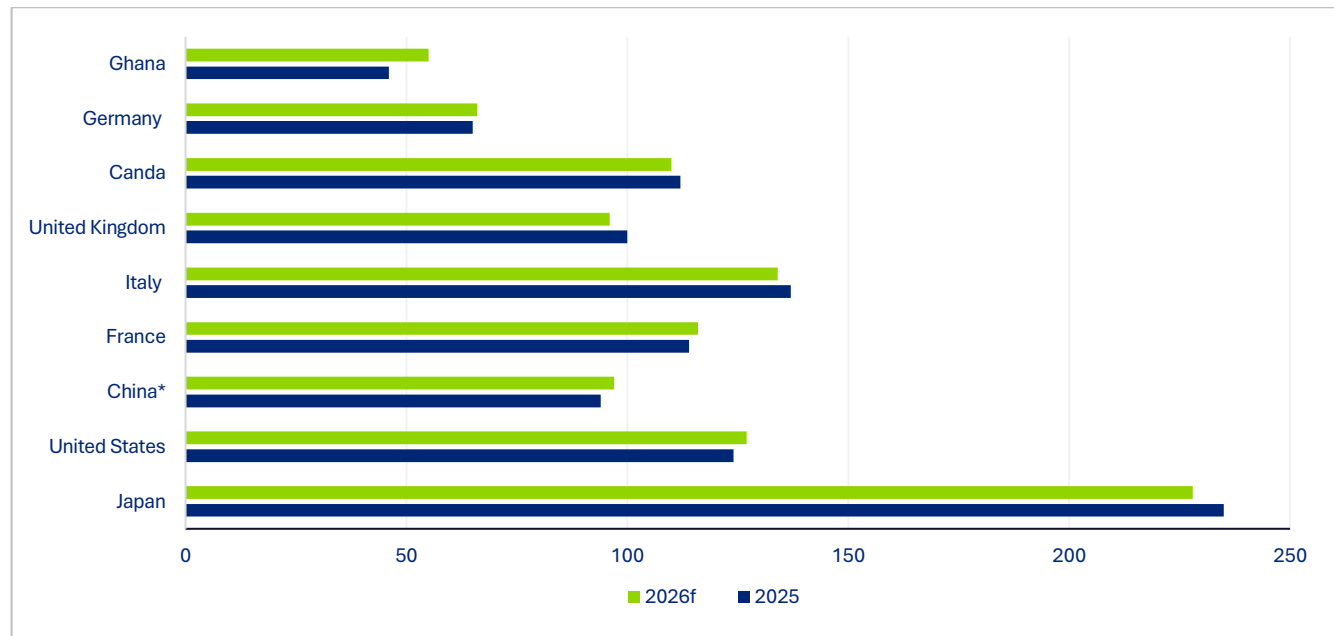


Source: IMF, World Bank, Sarpong Capital Research  
Key Commodity Exporting Economies include India, Russia etc, excluding China and USA

Debt-to-GDP levels in most economies will remain critical, particularly in the advanced bloc, with ratios expected to remain above the 90% sustainability threshold. We expect ageing populations, elevated defence outlays, and higher debt servicing costs to compress fiscal space and reduce the scope for counter-cyclical policy.

The implication is tighter public balance sheets that elevate sovereign risk premia, temper growth expectations below potential, and favour selective positioning in stronger issuers and shorter-dated instruments that are less exposed to fiscal risk.

Figure 27: Global debt trap tightens but set to stay within limits in 2026; Japan leads and others follow



Source: IMF, World Bank, Sarpong Capital Estimates

### AI's Power Loop: Why the Bubble May Not Burst in 2026

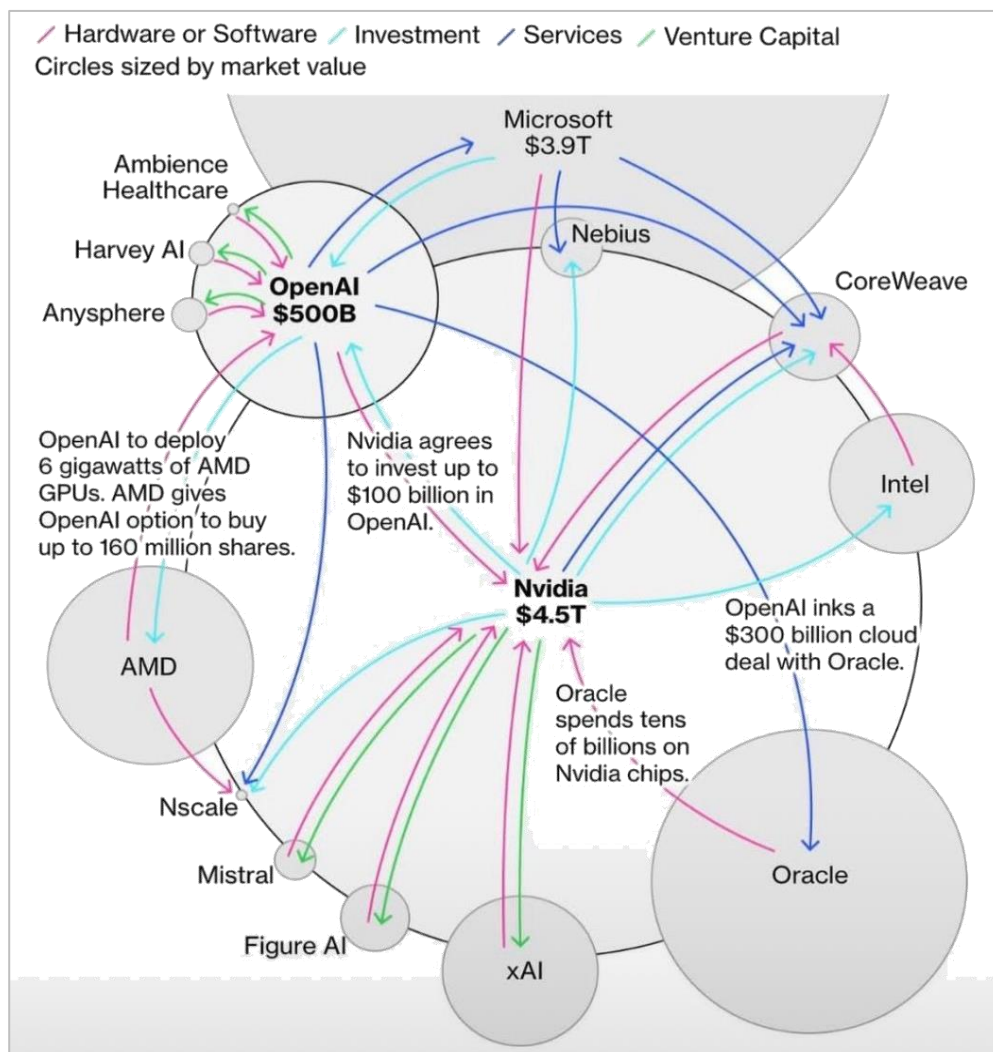
We expect the Magnificent Seven (Amazon, Microsoft, Alphabet, Meta, Apple, Tesla and Nvidia) to remain the core beneficiaries, as global artificial intelligence spending approaches USD 500 billion by the end of 2026, reinforced by a circular revenue loop across cloud, chips and platforms. Valuations remain elevated yet are supported by current profitability, as today's leaders retain earnings depth, unlike the dot-com cohort. Downside risk is expected to be concentrated in power-constrained markets and in firms that depend heavily on internal funding cycles.

We therefore favour continued auto-investing in broad indices to accumulate during drawdowns while avoiding leverage. This stance complements selective exposure to profitable artificial intelligence leaders and energy advantaged markets; while steering clear of highly levered issuers and companies whose growth is vulnerable to electricity cost shocks.

Europe’s nuclear plants, including France, US reactors and Japanese restarts, are driving electricity demand spikes of 15-20% in 2025, reflecting hidden AI data centre loads that are starting to strain grids. While US hyperscalers continue to dominate AI infrastructure with cheaper gas and renewable power, Europe’s nuclear capacity could attract edge computing activity by 2027 and support specialised R&D hubs.

We expect the broader AI ecosystem, including memory chips and GPUs, to continue growing, with supply chains such as Nvidia and TSMC increasingly orienting towards nuclear-rich regions. This supports a portfolio tilt into uranium ETFs and power utilities to capture the energy-driven AI opportunity, while maintaining selective exposure to established AI leaders for sustained growth.

Figure 28 <sup>11</sup>: AI hype or bubble? Circular revenue loops fuel stock price inflation



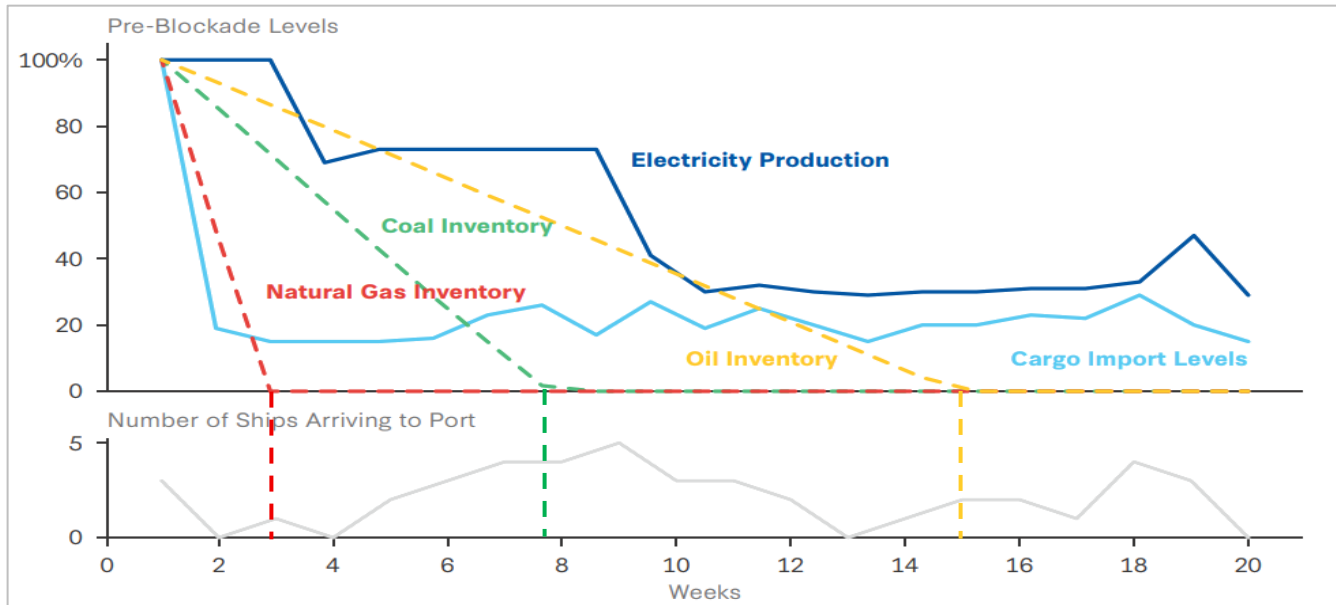
Source: Bloomberg News reporting website

<sup>11</sup> AI bubble speculations based on circular revenue loops, with Nvidia funding OpenAI, which channels cash to Microsoft/Oracle for Nvidia GPUs - borrowed hype inflating valuations without real profits.

### China-Taiwan flashpoint in 2026: Rare Earths Leverage Could Enable an Indirect Quarantine

We foresee further geopolitical tensions in 2026, with a focus on China and Taiwan, while tensions between the West and Russia remain of key economic interest. We foresee a rising probability of a Chinese maritime “quarantine”, with the coast guard enforcing inspections that could choke off Taiwan’s fuel, coal and oil within weeks, as illustrated in CSIS wargames. Backed by recent drills, new naval assets, and leverage over rare earths and critical supply chains, such a move could escalate into a full blockade or wider conflict, with severe implications for global trade, semiconductors and strategic minerals.

Figure 29 <sup>12</sup>: Adverse impact on Taiwan under a potential quarantine scenario



Source: Center for Strategic and International Studies (CSIS) website  
Chart above shows Economic Impacts (1 x 1) base scenario

### Moderate Gains Expected as Equities sustain momentum and Bonds Benefit from Yield Carry

We expect 2026 to mark a late-cycle phase with moderate asset returns, with global equities likely to deliver mid-single-digit gains of about 5% to 8% as growth stabilises rather than accelerates meaningfully. Bonds should return about 4% to 6% as policy rates fall by roughly 50 to 75 basis points and yield curves steepen modestly, supporting carry and some price appreciation. In this environment, we see investors staying selectively risk-on, favouring quality large-cap and income-oriented equities while keeping a neutral to slight overweight in investment-grade and EM hard-currency debt.

<sup>12</sup> From the CSIS wargame chart, hypothetically, a Chinese blockade would leave Taiwan without natural gas within ~3 weeks, coal within ~8 weeks, and oil within ~15 weeks, holding excess buffer stocks constant.

Ghana's Macroeconomy and Markets

Ghana: 2025 Overview

Gold shines amid global uncertainty, anchoring Ghana's growth recovery in 2025

Ghana's real GDP growth, including oil, moderated to 5.5% y/y in Q3 2025 from 7.0% a year earlier, reflecting softer capital expenditure following the election-driven CAPEX surge in 2024. Full-year growth is projected at a conservative median of 4.4% versus 5.7% in 2024. Services momentum and a rebound in agriculture are expected to support further expansion, with nominal GDP forecast at GHS 1.4 trillion in 2025.

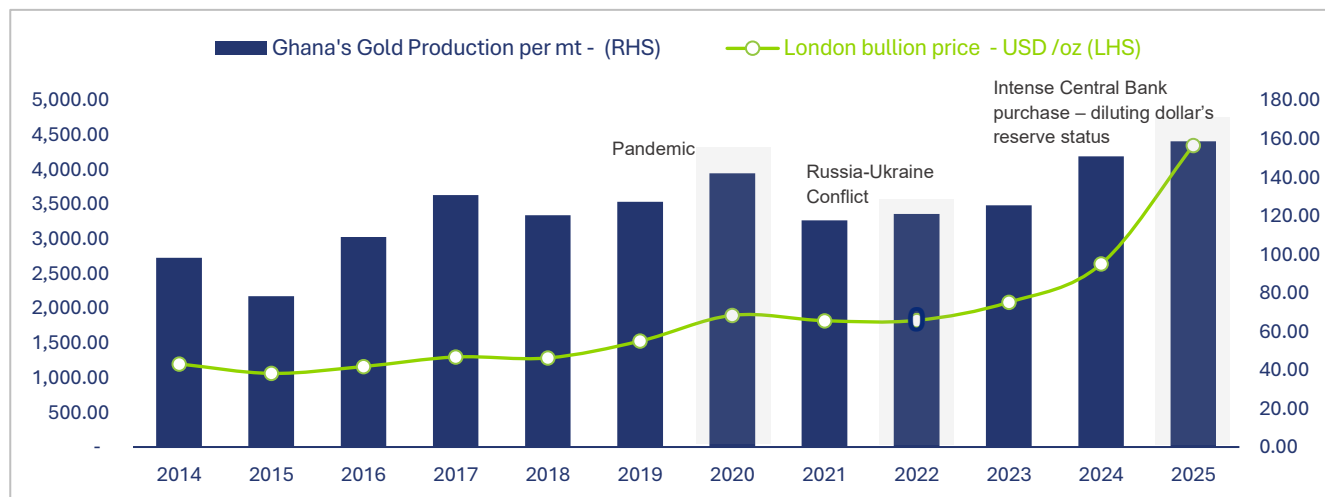
The passage of the Ghana Gold Board Bill in March 2025 and its signing into law as Act 1140 in April 2025 supported foreign exchange reserve accumulation - and cedi stability - through the purchase and sale of gold from small-scale miners. As of November, GoldBod had generated gross inflows of about USD 10bn. The cedi consequently appreciated by ~41% against the US dollar to GHS 10.45, ~31% against the pound sterling to GHS 14.06 and ~24% against the euro to GHS 12.27.

Headline inflation eased sharply from 23.8% in December 2024 to 6.3% in November 2026, supported by currency stability and steady ex-pump prices, which pulled food and non-food inflation into single digits. This disinflation cycle enabled a policy pivot from a hawkish 28% benchmark lending rate to 18%. Despite a sticky non-performing loan ratio of 22% as at November 2025, banks report resilient asset quality and stable capital buffers.

Fiscal consolidation under the IMF anchor delivered a primary surplus of 1.8% of GDP from a 3.9% deficit in 2024. Cuts to government size and CAPEX, alongside tighter recurrent spending through Public Financial Management and Public Procurement reforms, narrowed the fiscal deficit to 1.8% of GDP from 7.9% in 2024.

Ghana's external position strengthened on gold-backed inflows, with gross exports rising to USD 23bn in November 2025 from USD 19bn, of which gold accounted for 65% and cocoa and oil 35%. The current account surplus widened to 4.4% of GDP in September 2025 from 1.8%. Gross international reserves (GIR) increased to USD 13bn, covering 5.7 months of imports, from USD 9bn and 4.1 months, driven by stronger FDIs and export receipts.

Figure 30: Global uncertainty lifts gold demand, but Trump-era US dollar distrust skyrockets prices and production in 2025



Source: Bank of Ghana, Ghana Chamber of Mines website  
Metric tonnes (mt)

Ghana: 2026 Outlook

**Services growth and an agriculture rebound will propel Ghana's real GDP to 6.3% in 2026.**

We expect the implementation of key fiscal and monetary policies to boost production and consumption in 2026. Our forecast points to real GDP growth, including oil, of 6.3% y/y and non-oil real GDP growth of 7.1%.

Table 4: Outlook on various economic segments that support our forecast

	Key Sub-Segments	Expected to thrive	Expected to be relatively stable	Expected to require support	our Views
<b>Energy and Natural Resource</b>	Oil and Gas (Upstream Refining and Services)	•			We foresee further expansion in Ghana's upstream sector on a ~USD 3.5 billion drive to drill 20 new wells, with inventory set to improve by late Q4 2026 up from 2025 levels.
	Metals & Mining	•			We expect the abolition of VAT on mineral exploration, local gold refining, and scrap export curbs to spur mining activity, though output may face headwinds from environmental concerns and wet-season disruptions post-June.
	Power Generation		•		Despite an agreement with IPPs, GHS 4.8bn legacy debt paydown, and a 75% cost-cutting shift from light crude oil to natural gas, we believe stability largely hinges on reliable domestic gas ramp-up and timely execution of upstream investments.
	Forestry and Products		•		By securing Forest Law Enforcement, Governance and Trade (FLEGT) licenses in August 2025, Ghana is set to streamline timber exports to the EU, and we expect this to boost market access and revenues, even as forestry growth remains constrained by ongoing degradation pressures.
	Alternative Energy		•		Considering alternative energy initiatives like Ghana Gas Processing Plant Two (GPP 2) the 1,200MW thermal plant, and solar/mini-grid expansions under tight fiscal constraints, we foresee stability as projects remain in early-stage planning amid funding bottlenecks and execution lags.

<b>Technology, Media and Telecom.</b>	Broadcasting			•	Despite the proposed Broadcasting Bill, digital-first shift, and plans to introduce a Ghana News Agency Act, tight funding is set to mute impact and delay scale-up. We believe outcomes will remain support-dependent in the near term.
	Advertising		•		We expect the reintroduction of the Advertising Bill to intensify regulatory oversight and curb charlatan and deceptive advertising through strengthened inter-agency coordination.
	Film and Entertainment			•	Rampant piracy and weak state support constrain industry growth; a GHS 20 million 2026 seed allocation offers limited backing and does not resolve structural bottlenecks in our view.
	Print Media			•	Cash flow and monetisation pressures have eased, supported by rising consumption across digital media platforms.
	Sports and Entertainment	•			Segment expected to thrive on increased funding for the World Cup tournament by mid-2026, with GHS 150 million allocated to the Black Stars.
	Data and Telecommunications	•			Data and Telecommunications are set to thrive on the back of the government's deployment of 500 new 4G/5G sites nationwide, enhancing connectivity and digital economy growth.

<b>Financial Institutions and Real Estate (Developers &amp; Managers)</b>	Banking	•			With most banks recapitalised by mid-2026 under BoG mandates, confidence is set to rise on GHS 1bn+ state injections for ADB/CBG, CAR improving from 10-12% to 14-16%, improved collateral recovery mechanisms, and policy easing via lower rates to spur lending amid debt restructuring gains
	Insurance		•		We foresee the insurance segment to remain stable despite low business penetration and unmet National Insurance Commission capital requirements (GHS 40-125m) by most firms. We expect gradual sector consolidation and recapitalisation extensions to support stability.
	Savings & Loans		•		We expect improved liquidity as monetary policy eases and reduced contractionary pressures support credit extension. Despite post-clean-up shocks, tight Bank of Ghana regulation should strengthen asset quality and underpin loan recovery.
	Broker Dealers		•		We expect broker-dealer activity to hold firm, supported by new listings and instruments such as green bonds, as upgraded Central

	Asset Managers				Securities Depository platforms and regulatory reforms improve market efficiency.
			•		Asset managers may increase exposure to alternative assets and reissued T-bills, as compressed real yields on T-bills soften potential fund performance, while cautious allocation to safer Real Estate Investment Trusts (REITs) and infrastructure funds supports stability.
	Financing Vehicles (REITs, etc)	•			Despite weak market penetration, limited listings, and low liquidity, we foresee Ghana's REITs gaining traction in 2026 via tax incentives and surging demand for alternative investments, offering diversification from traditional fixed-income assets.

<b>Industrial and Manufacturing</b>	Construction	•			By allocating GHS 30.8 billion to construction under the Big Push infrastructure agenda, doubling 2025's GHS13.8 billion for roads, bridges, and maintenance. We expect the sector to thrive on timely contractor payments, enhanced regional connectivity, and private sector spillovers.
	Chemicals		•		We foresee modest improvement via 150 million cubic feet per day of new Offshore Cape Three Points (OCTP) gas supply supporting ~10-15% capacity uplift for downstream inputs amid AfCFTA export ramps. However, downside risks from funding delays, elevated energy tariffs, and execution slippage in GPP 2 could potentially cap gains.
	Agri-Processing	•			We foresee a boost in agricultural processing on the back of a GHS 828 million allocation for 1,000 kilometres of enclave roads linking farms to factories, GHS 690 million for 50 Farmer Service Centres equipping over 4,000 machines, and seven new yam, cashew, and palm oil plants, which we expect to cut post-harvest losses by 18%
	Packaging		•		The packaging sector has progressed with rising adoption of corrugated boxes and sustainable materials, evidenced by SMEs upgrading from basic wrappers to branded. We expect further improvements on EU Packaging and Packaging Waste Regulation (EU PPWR) compliance by mid-2026, enhancing recyclability and export competitiveness

<b>Consumer Business and Transportation</b>	Retailers (including Supermarket chains and Oil & Gas Retail Outlets)		•		We expect steady demand to sustain turnover, though margins remain pressured by elevated operating costs
	Travel, Leisure and Hospitality	•			We expect rising domestic mobility and event-led travel (World Cup) to lift occupancy and revenue momentum.
	Transportation (including Aviation & Haulage Business)		•		We expect activity to hold firm, supported by trade flows, but constrained by fuel costs and infrastructure gaps.
	Fast Moving Consumer Goods, Food, Beverage and Breweries	•			We expect resilient consumption and price-pass through to underpin top-line growth.
	SMEs			•	We expect funding constraints and high financing costs to continue to weigh on scale-up and productivity.

<b>Agriculture</b>	Crops	•			We expect expanded input support, buffer stock funding and infrastructure investment to bolster crop production and food security growth.
	Livestock		•		We expect modest gains from targeted livestock programmes, but limited scale and structural constraints will temper acceleration.
	By Products			•	We expect by-products (e.g. processed agricultural outputs) to require additional support, as value-chain transformation and investment remain nascent relative to upstream production

<b>Public Sector and Capital Products</b>	Utilities		•		We expect gradual progress in electrification and grid expansion; despite quarter-on-quarter utility adjustments supporting top-line growth, consumption-driven behaviours, including illegal connections, will continue to constrain net sector gains below potential
	Education		•		Allocation rises 14.9%, from an estimated GHS 28.9 billion in 2025 to GHS 33.3 billion in 2026, funding new universities and Technical and Vocational Education and Training (TVET) retooling; steady but not explosive growth amid fiscal discipline, with moderate capital needs for school infrastructure.
	Airports	•			Part of GHS 46.5 billion transport push (15% of budget), with upgrades in major hubs like Kotoka; rising passenger traffic and PPPs drive expansion. We predict strong capital product opportunities in avionics and terminals.
	Seaports and Harbours			•	Takoradi dry-bulk terminal and Boankra inland port tenders are advancing but face time lags and potential funding delays, limiting short-term impacts. Logistics efficiencies via corridors aim to cut freight costs by 40%, yet full realization will extend beyond 2026
	Railway			•	Eastern Line financing in place but delays loom despite utility savings (US\$120M diesel); more PPPs needed. We see rail stock shortfalls.
	Non-Profits			•	Social/water allocations to 1million people hold firm despite utility pressures; security focus steadily. We project modest project funding.

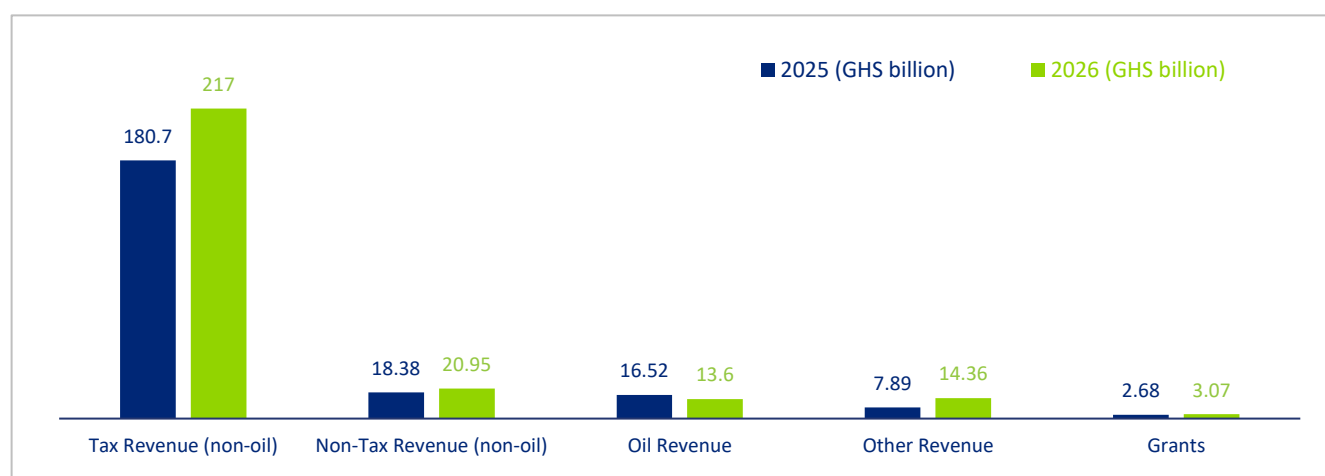
## Ghana: Government Finances

### Where is the funding coming from?

Primarily, the 2026 budget is expected to be financed from statutory domestic revenue sources, with total revenue and grants projected at GHS268.1 billion, equivalent to 16.8% of GDP and up 26.3% from the 2025 projection of GHS226.5 billion. Domestic revenue dominates at GHS265.0 billion, led by non-oil tax revenue of GHS217.0 billion, while non-tax and oil revenues contribute GHS20.9 billion and GHS13.6 billion respectively, with grants remaining modest at GHS3.1 billion.

The sovereign plans to deepen mobilisation through enforcement of tax arrears, a reduction in the effective Value Added Tax rate to 20%, and an increase in the Value Added Tax registration threshold to GHS750,000, with non-tax revenue forecast to rise 14% y/y to GHS20.9 billion.

Figure 31: Breakdown of total revenue sources 2025 vs 2026 projections



Source: 2026 Budget Statement and Economic Policy; Ministry of Finance website

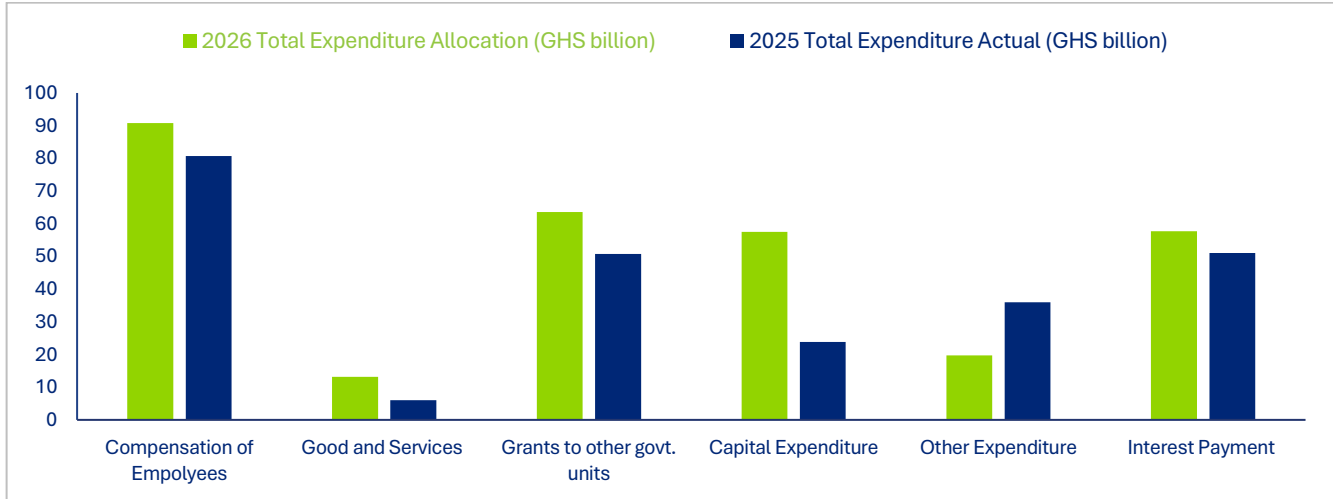
### Where is it ultimately being deployed?

The deployment of funds spanned key social infrastructure projects and policies to improve people's lives. For 2026, substantial budgetary commitments are directed towards transforming education (GHS 53.5 billion) and advancing the GHS 30 billion "Big Push" infrastructure agenda. Key policies, such as energy sector stabilisation and the GHS 6.9 billion National Policy on Integrated Oil Palm Development, are poised to attract significant capital.

Discretionary expenditures in 2026 are projected at GHS 90.43 billion, with Capital Expenditure (CAPEX) reaching GHS 57.53 billion, up from GHS 23.86 billion in 2025, and Goods and Services climbing to GHS 13.16 billion from GHS 6.03 billion. In contrast, non-discretionary commitments remain substantial. Compensation of Employees is set at GHS 90.76 billion, up from GHS 80.70 billion, while Interest Payments rise to GHS 57.71 billion from GHS 51.05 billion.

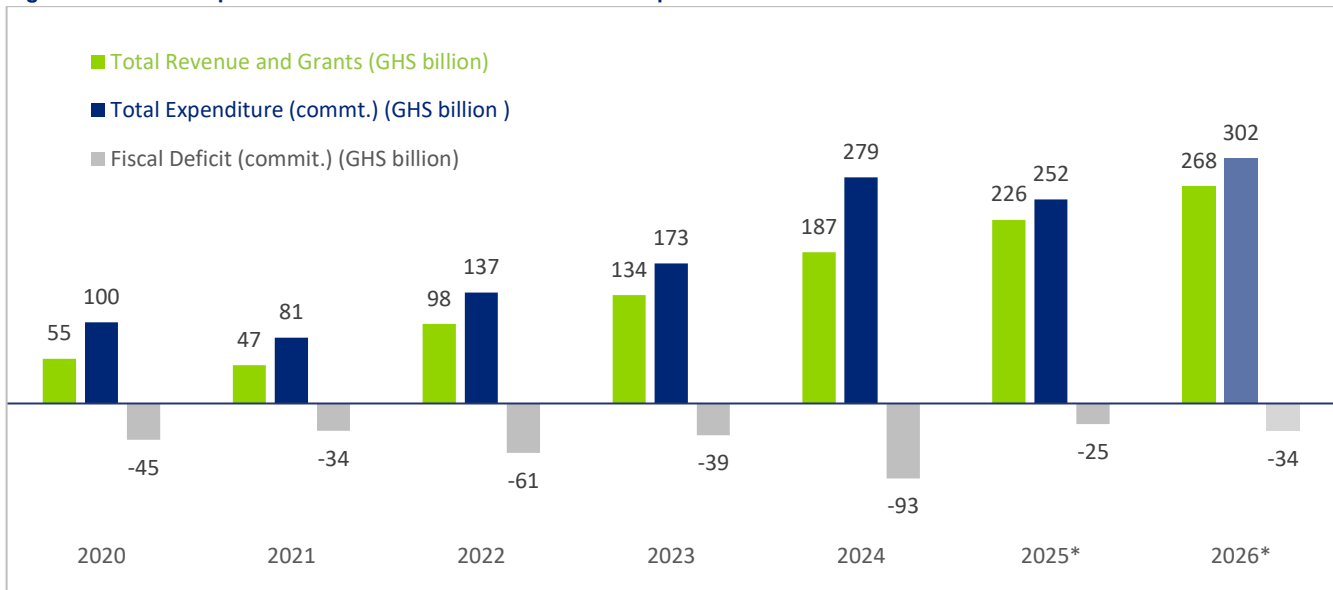
Statutory Grants to Other Government Units total GHS 63.55 billion, increasing from GHS 50.71 billion, with GHS 29.83 billion earmarked for payables and arrears clearance. Overall, total expenditure on a commitment basis reaches GHS 302.5 billion.

Figure 32: Summary of Total Expenditure Breakdown: 2025 vs 2026



Source: 2026 Budget Statement and Economic Policy; Ministry of Finance

Figure 33: Historical performance of Total Revenue and Total Expenditure



Source: 2026 Budget Statement and Economic Policy; Ministry of Finance website  
\* projection

### Fiscal Outlook Tied to Cedi Stability and Tax Compliance Discipline

We expect tighter controls on recurrent expenditure to limit slippage across public sectors in 2026, translating into a moderate fiscal deviation of 2.1% of GDP amid rising sectoral outlays. Fiscal containment will largely depend on cedi stability and disciplined expenditure management.

### Debt Profile

#### Debt profile is expected to stay below 50% of GDP amid near term financing pressures

We forecast Ghana's debt-to-GDP ratio remaining contained below the 45% threshold, settling at 41% through 2026, supported by a stable cedi exchange rate and fiscal discipline enshrined through reforms in the Public Procurement and Financial Management Act.

We expect further gains on the back of strong commitments to pay down outstanding restructured debt, amid good faith with bilateral creditors and Independent Power Producers (IPPs). While we concur that Ghana's debt position remains at high risk in the near term, as flagged by the IMF's fifth Extended Credit Facility (ECF) review, we acknowledge the increased budget allocation to pay down outstanding arrears as a critical step toward reducing the debt portfolio.

The government's strategic debt benchmarks include capping one-year maturities at 10-20% of total debt, maintaining an average time to maturity above 8 years, limiting Treasury bills to 15-25% of domestic debt, and constraining United States dollar-denominated external debt to below 70%. We expect strict adherence to these targets despite sizable gross financing needs averaging 15% of GDP, projected to edge up till 2029.

Of the GHS 68.8 billion in arrears outstanding at end-2024, the sovereign has validated GHS 47.8 billion as legitimate and rejected GHS 10.4 billion on grounds of irregularities, including duplication and unexecuted works. We expect settlement of validated claims to be channelled through the World Bank Development Policy Operation - third tranche.

With the GHS 1 energy levy framework set to gradually dilute a USD 3.1 billion backlog in legacy energy sector debt, including a USD 1.4 billion clearance in 2025, alongside GHS 4.7 billion expected to be paid in 2026 and GHS 25.07 billion earmarked for non-energy arrears, we foresee a progressive easing of debt overhang.

Figure 34: Historical debt to GDP from 2020 to September 2025.

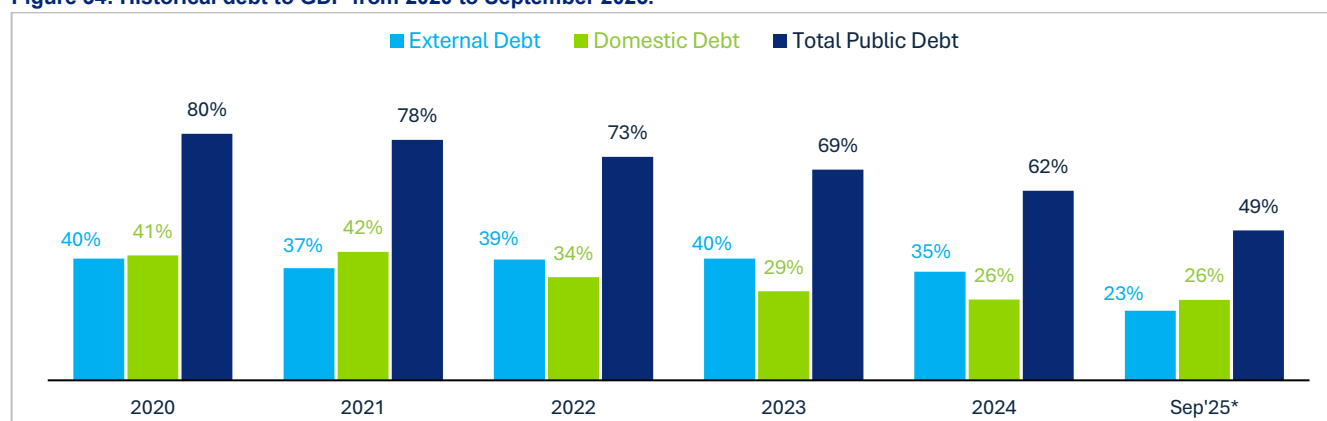
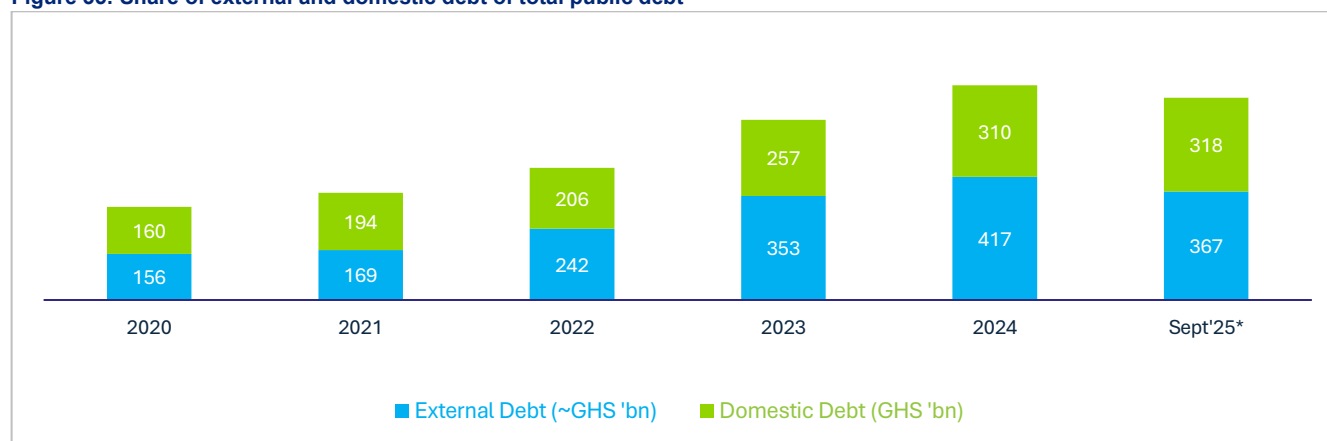


Figure 35: Share of external and domestic debt of total public debt



Source: 2026 Budget Statement and Economic Policy; Ministry of Finance website

Ghana: Rate Environment

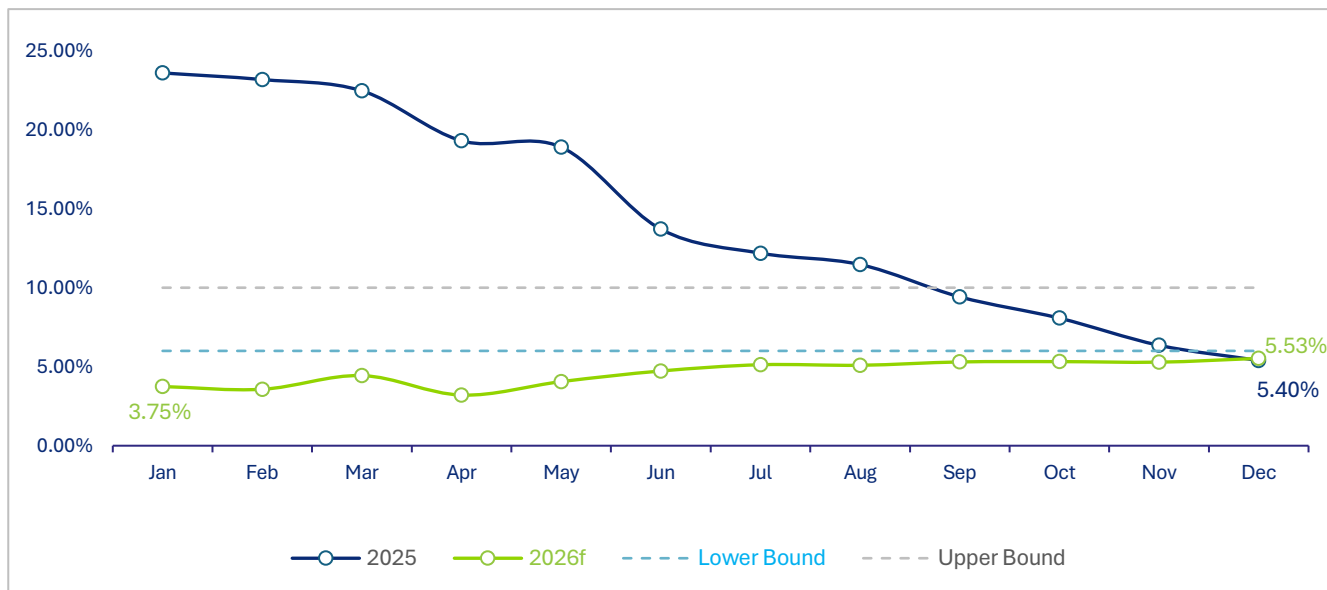
**Inflation**

**Ghana's inflation rate may rise, but will stay within the target band of 8% ± 2ppt**

We expect Ghana's headline inflation to undershoot the Bank of Ghana's target band of 8% ± 200 basis points (bps), settling at 5% ± 200 bps by the end of 2026. Goldbod windfalls are set to bolster external reserves, supporting cedi stability and moderating foreign exchange pass-through to domestic prices. Although seasonal headwinds - particularly in the first and second quarters - could introduce upside risks, we expect coordinated buffer releases and smoother supply chains within regional blocs to soften these pressures.

Amid rising global tensions, we acknowledge the potential for pass-through shocks, particularly from the oil market. However, with regulatory measures anchoring the cedi, we forecast a worst-case inflation outcome of 9.5%, still within the tolerance band.

Figure 36: Ghana's headline inflation rate expected to settle within the target band of 8% ± 200bps



Source: GSS website, Sarpong Capital Research

**Interest Rates**

**Further Rate Cuts to Support Lending Amid Weak Legacy Loan Recovery**

We expect further interest rate reductions, with at least two policy rate cuts in 2026. To stimulate economic activity amid weak consumption expectations, we project the monetary policy rate to ease from 15.5% to 12% by year-end. Sustained low yields on the 91-day Treasury bill should anchor the Ghana Reference Rate (GRR) below 13%, with average lending rates likely to moderate from 22% to around 17%. Although weak legacy loan recovery will necessitate cautious credit extension, we foresee a strengthening of liquidity amid relatively limited investment options, which will support gradual private credit expansion.

**Exchange Rate**

**Cedi's Rise Set to Be Tested in 2026 amid Demand-Pull Pressures**

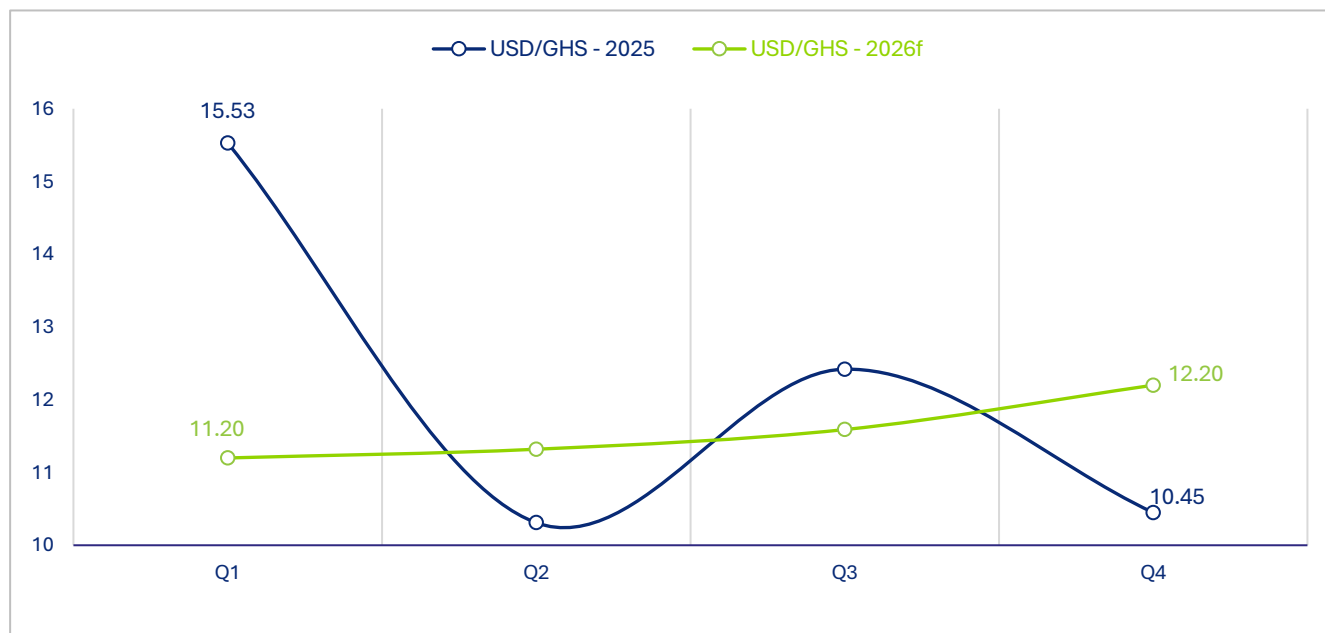
Our forecast points to a relatively stable cedi, with the USD/GHS interbank rate expected to close at GHS 12.2 by end-2026, reflecting an approximately 14% y/y depreciation from GHS 10.45 at end-2025. We foresee a conservative windfall from the GoldBod averaging USD 400 million per month. In addition, proposed forex reforms that leverage other export surrender requirements are expected to address potential shortfalls in GoldBod operations. This, in our view, will ensure reserves remain above three months of import cover, supporting Balance of Payment (BoP) activities and putting less pressure on the cedi.

However, we acknowledge that resurfacing import activities, particularly from fiscal stimulus, will heighten demand pressures, effectively curtailing more nominal gains. This should translate into softer prints, especially in Q2 to Q3, when seasonal repatriation is high, and energy payment outlays are set in.

Recent actions and proposed plans to tighten oversight of import transactions, following widespread abuse of Import Declaration Forms (IDF) that led to over USD 31 billion in transfers abroad without actual imports, have put the sovereign on edge. Amid recent revisions to banks' Net Open Position (NOP) limits from ±5% to 0-10%, which effectively curtail long-term FX exposure, we foresee tighter import regulatory measures to seal FX leakage and support the retention of export receipts.

Finally, reduced reliance on the USD by central banks, amid geopolitical tensions, may provide modest upside support for the USD/GHS pair; however, the magnitude of these gains will ultimately depend on whether FX supply can consistently meet demand at a sustainable equilibrium.

**Figure 37: Quarter on quarter cedi performance against the US dollar and forecast for 2026**



Source: BoG website, Sarpong Capital Research

Ghana: Trader's Perspectives

**Fixed Income Market**

**Trade Activity Rebounds on Strengthening Liquidity and Market Confidence**

Ghana's fixed-income market (GFIM) delivered robust performance in 2025, with trading volume surging 41% y/y to GHS 245.8 billion from GHS 174.0 billion in 2024. The Treasury bill market dominated performance in both the primary and secondary markets, amid modest repo-backed trading in the secondary bond market.

T-bills captured 51.7% of total volume (GHS 127.2 billion, +5.7% y/y) versus bonds at 45.6% (GHS 112.1 billion, +124% y/y turnover).

Corporate bond activity strengthened significantly, rising to GHS 6.6 billion traded (+182% y/y from GHS 2.3 billion), with 78.9% turnover on GHS 8.3 billion outstanding, fueled by issuers such as Letshego and Bayport. However, fresh corporate issuance remained weak. Corporations adopted a wait-and-see stance, exploring a potential recalibration of locked-in high rates amid expectations of further interest rate cuts, which would limit new supply despite rising demand.

Secondary bond market liquidity improved via repos (down y/y but supportive), while overall value traded climbed 46% to GHS 210 billion, signalling deeper market resilience despite a 17% drop in trade count to 448,000 from 2024.

Figure 38: Historical performance of GFIM and projections for 2026

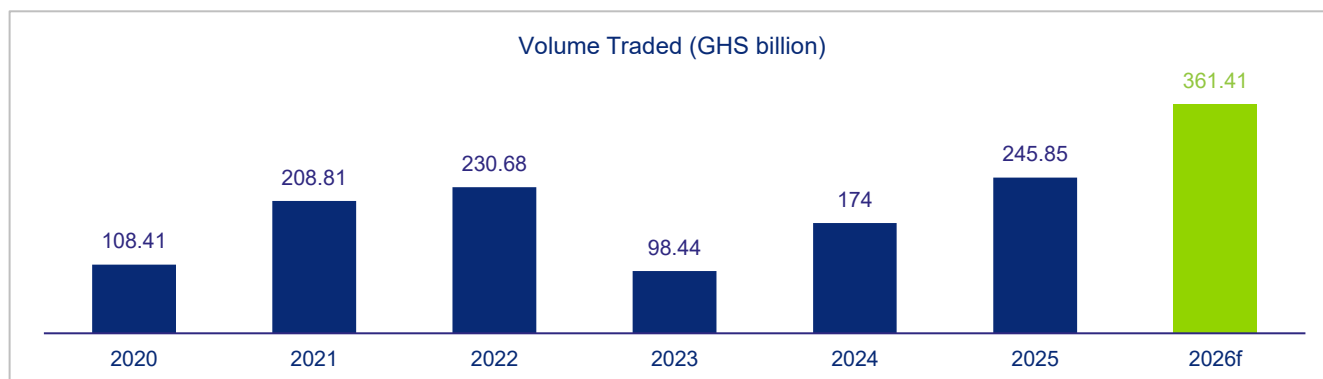
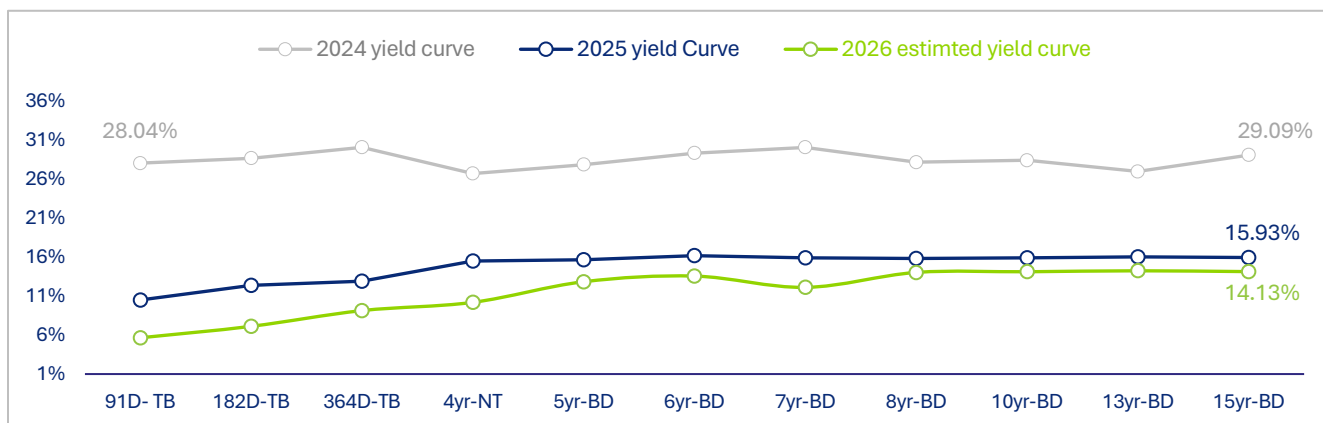


Figure 39: Improved pricing dynamics anchor YTM back to pre-bond restructuring levels



Source: GFIM Daily Report, Sarpong Capital Research Estimates  
 TB – Treasury Bills; NT – Notes ; BD – Bonds ; YTM – Yield to Maturity

### Will the Market Embrace Single-Digit T-Bill Yields in 2026?

Based on our estimates, the market remains reluctant to accept T-bill yields below 10% despite single-digit inflation, as prevailing prices and operating costs keep required returns elevated. Even with positive real yields, investors factor in liquidity constraints, funding costs, and portfolio risk, implying that the “fair” compensation for holding short-term government securities remains above the headline inflation rate.

We expect T-bill rates to settle between 5% and 7% on the back of a liquidity rebound amid easing monetary policies and moderating inflation. With relatively softer upcoming maturities and contained interest costs, we see limited risk of Treasury money demand pushing rates above an average of 10%. Nonetheless, net domestic financing is set to surpass 2025 levels (~GHS 36.9 billion, 2.6% of GDP) while remaining below 20% of total domestic debt.

### GOG Bond Market Reopening: What Investors Can Expect

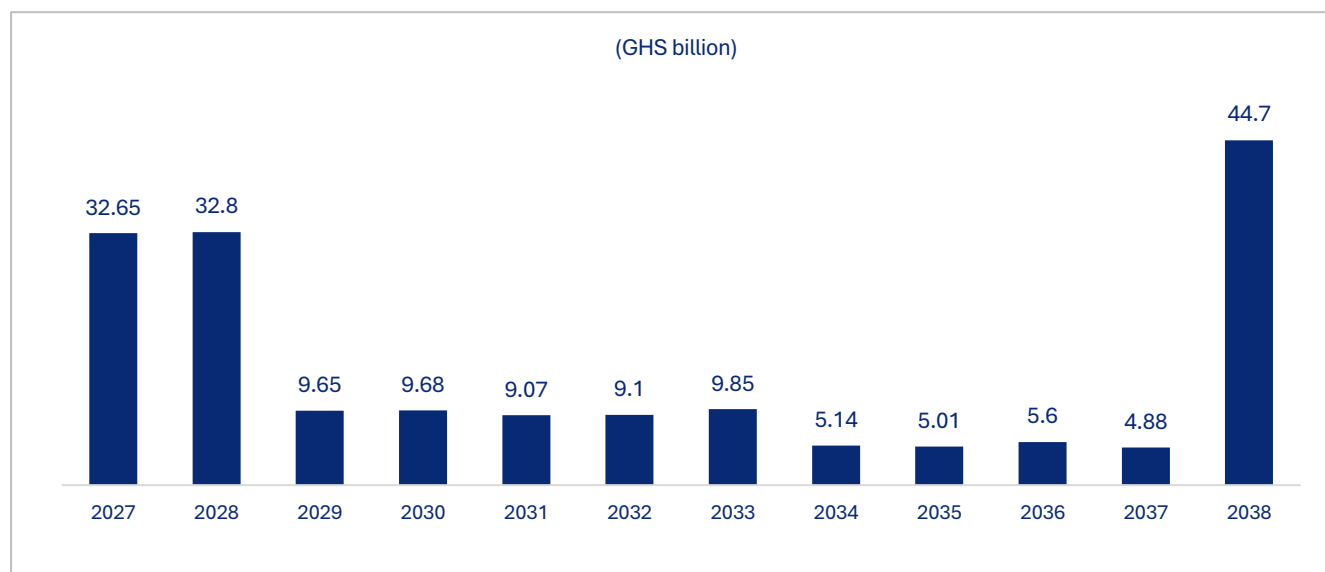
We expect the issuance of the 10 billion infrastructure bond in H1 2026 to be the catalyst for the reopening. These bonds will slot between the 15 restructured bonds' profiles, extending the curve while targeting YTM of 15.5 -16.5% to attract investor interest.

Amid plans to issue two tranches of GHS 5 billion each, maturity will most likely extend beyond 2030. With the H2 tranche targeting longer tenors to align with extended infrastructure projects, we expect clear revenue assurances tied to toll cash flows and levies, backed by sovereign guarantees for investor confidence.

The target market most likely comprises pension funds and insurance companies seeking long-duration, high-yield assets that yield above the relatively risk-free rate to match liabilities.

We anticipate this staged approach, backed by the 2026 budget's debt strategy, will incorporate buybacks and retaps on select restructured bonds to smooth supply absorption and lower rollover risks.

Figure 40: Outstanding domestic bond (restructured) maturities as of 2025



Source: 2026 Budget Statement and Economic Policy; Ministry of Finance website

## Equity Market

### Bullish Turn on the GSE as Investors Favour Equities amid Low Debt Yields

The Ghana Stock Exchange (GSE) delivered a robust performance in 2025, with the GSE Composite Index (GSE-CI) closing at 8,770.25, up 79.40% y/y. Market capitalisation expanded by 54% to GHS 171.56 billion from GHS 111.36 billion.

Similarly, the GSE Financial Stock Index (GSE-FSI) posted a strong bullish run, ending the year at 4,647.17, up 95.19% y/y.

### Key drivers of the rally

#### Disinflation and yield compression

- Inflation eased to single digits, while Treasury bill yields declined to the 10.50% - 12.90% range, prompting a rotation from fixed income into equities.

#### MTN Ghana re-rating

- MTN Ghana dominated trading activity, accounting for about 81% of a GHS 189 million concentration in trading value during the peak period, supported by strong retail and institutional participation.

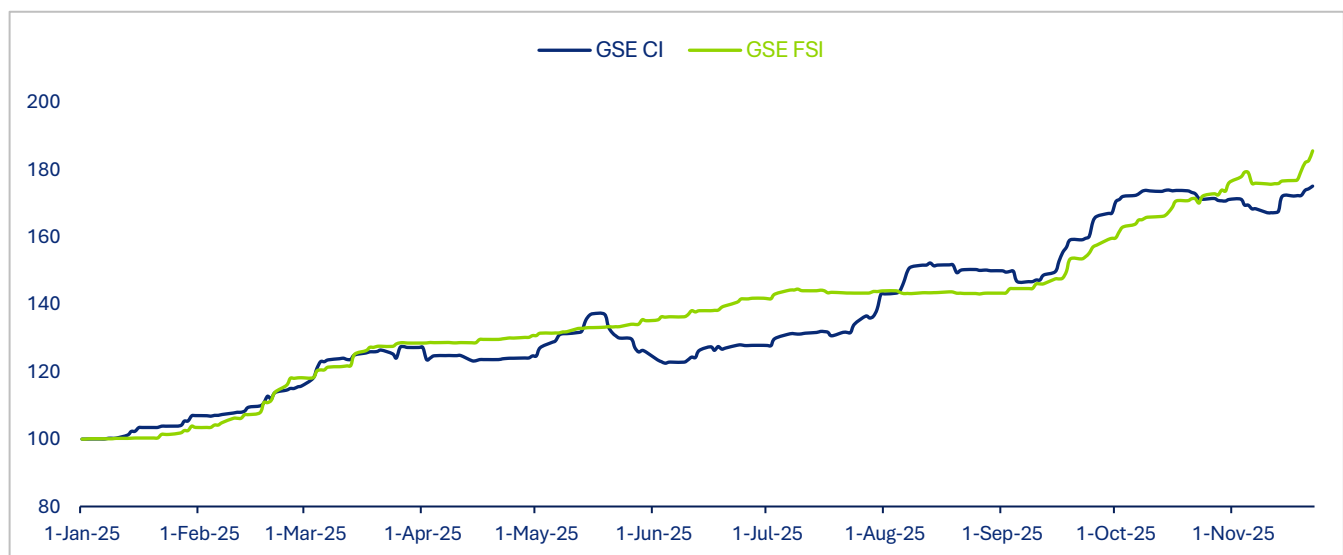
#### Financial sector repricing

- Banking and insurance stocks led turnover with 10,819 transactions, while traded value in financial equities reached GHS 137.8 billion through the third quarter, underpinning the Financial Stock Index surge.

#### Support from non-financial equities

- The Gold Exchange Traded Fund (GLD) recorded GHS 596.5 million in traded value, representing 19.52% of total market activity, while CAL Bank benefited from preference share conversions and improved macroeconomic sentiment.

Figure 41: GSE Records Stellar 79% Rise in 2025



Source: Ghana Stock Exchange (GSE), Sarpong Capital Research Estimates

### What investors should expect in 2026

**We foresee further bullish takeoff from 2025's surge**, driven by sustained disinflation, stable macroeconomic conditions, MTN Ghana's MoMo split unlocking fintech value, and robust financial sector momentum, particularly in banking stocks.

**We forecast an 82% ±300bps return on the GSE Composite Index (GSE-CI) for full-year 2026**, targeting 15,950 -16,200 from the 2025 year-end base of 8,770. The index is poised to trade within a 13,000 - 16,200 band, underpinned by a structurally higher repricing regime driven by sharp yield declines in the Treasury money market.

**We expect this dynamic to favour the GSE**, likely accelerating multiple expansion, with year-to-date gains already at 34.6% (11,806 as at 20 February). With policy conditions easing (Ghana Reference Rate at 17.93%), renewed frontier inflows and prospective new listings, the rally should extend into H2, broadly tracking the strength of the 79% advance recorded in 2025.

**Table 2: Our top 4 recommendations**

Stocks	Key Metric (vs Investor Avg)	2025 Performance	Basis
GCB	P/B 1.2x (vs avg 2.5x); Net Margin 28%	+216% YTD	Banking leader by cap (GHS 3.7 billion); YTD value trades GHS 68M; macro recovery driver
SIC	EPS GHS 0.22 (vs avg GHS 0.10); Yield 0% but +289%	+344% YTD	Insurance rebound beats sector P/E 5x avg; high transaction momentum, high momentum stock
EGH	ROE 25% (vs bank avg 12%); Debt/Equity 0.4x	+285% YTD	Strong balance sheet outperforms FSI peers; dividend appeal
BOPP	P/E 9.38x (vs peer 11.1x); EPS GHS 3.66; Yield 2.64%	+132% YTD to GHS 98.61	Government palm oil push; 3-month +57% momentum
Scancom (MTNGH)	P/E 6.85x; Price GHS 4.23 (Jan 12, 2026)	+69.2% YTD (from GHS 6.50)	MoMo Trust float catalyst; #1 market cap GHS 49.8B; target GHS 5.63

### Key Developments focus on MTNGH

**New Floats:** MoMo Fintech Trust eyes GSE debut post-2026, injecting liquidity; potential banking IPOs follow FSI's 95.19% surge

**Pricing:** Support at 8,500 (50-day MA), resistance 9,500; expect 20-30% rally if volumes hold 3.3M daily avg, fueled by 9.4% inflation stability

#### Investor Positions

**Buy:** MTNGH (target GH¢5.63), GCB (P/B 1.2x); allocate 30-40% portfolio for dividend yield >2%

**Accumulate:** CAL, SIC on dips below 52-week lows; trail stops at 10% for momentum trades.

**Risk:** Monitor cedi volatility; hedge with GLD ETF (19.52% YTD value share). Bullish channel persists above 6,000 supports.

### Brief Update on MoMo MTN split

The "MoMo MTN split" refers to MTN Ghana's (Scancom PLC) restructuring of its mobile money subsidiary, MobileMoney Ltd (MML), into a separate fintech entity called Mobile Money Fintech Ltd (or New FinCo). This separation, approved by shareholders in late 2025, complies with Ghana's Payment Systems and Services Act (2019), which requires mobile money operators to operate as independent, locally owned companies with at least 30% Ghanaian ownership.

### So, What's the Move? Our Investor Positioning Advice

- **For local investors in Ghana**, anchor portfolios in short-duration US Treasury bills yielding 4.5-5% through mid-2026 to capture safe haven flows amid global fiscal strains.
- Germany's €500B infra boom and US/Japan stimulus signal power sector tailwinds; prioritise Enel (Italy), EDF (France), and Vistra (US) for 20-30% upside by Q3 2026 as AI/energy demand surges.
- With 3.8% global GDP acceleration and cautious CB cuts (mid/late 2026), ladder into these power stocks, rotate from T-bills post-Q2 2026 into EM bonds for yield pickup.
- Position defensively with 60% in T-bills and utilities through Q2 2026, then rotate 30% into quality growth equities as tariff pressures ease inflation concerns, while maintaining 10% in liquid reserves for volatility management and opportunistic deployment.
- On AI, we caution local investors with offshore exposure that power constraints and elevated valuations risk 10 - 15% drawdowns in hyperscaler proxies, advising staggered accumulation in broad tech indices and uranium/power ETFs while favouring profitable Magnificent Seven leaders over levered AI peripherals.
- We advise investors to monitor rising China-Taiwan maritime risks and West-Russia flashpoints despite fragile ceasefire efforts. This includes positioning with 5–10% portfolio hedges in gold, USD cash, and volatility overlays while trimming semiconductor and energy supply chain beta to cap drawdowns at 5–10% in an escalation scenario.
- On EM capital markets, position selectively overweight in hard currency bonds through Q2 2026 to capture 6-8% carry as yield curves steepen, then rotate tactically into quality large cap equities mid year as late cycle stability and moderating Fed policy draw capital flows.
- We anticipate capital flight risks in H2 2026 if US terminal rates remain elevated or China's stimulus measures disappoint, triggering risk off sentiment across emerging markets.
- We advise investors to hedge through defensive sectors with robust balance sheets and shift toward shorter dated EM sovereign bonds to cushion against potential outflow pressures and safeguard capital if monetary conditions tighten unexpectedly.

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