2026 INVESTMENT OUTLOOK

From Recovery to Restraint

EXECUTIVE SUMMARY

The investment environment entering 2026 will be defined less by crisis and more by consequence. Markets have adjusted to a world of higher geopolitical complexity, tighter fiscal constraints, and more selective monetary accommodation. What emerges is not instability, but a period in which returns are harder-earned, dispersion is wider, and portfolio outcomes are increasingly shaped by judgement rather than momentum.

Globally, leadership has broadened. Capital flows are no longer anchored to a narrow set of US assets, as valuation differentials and concentration risks have prompted investors to reassess geographic and sector exposure. This shift underscores a central reality for 2026: diversification has regained its role as a risk-management tool rather than a drag on performance. Investors relying on passive exposure or narrow themes face a more challenging return environment.

Valuation now matters across asset classes. Following strong performance in 2025, many markets—both global and domestic—enter 2026 with less room for error. This does not imply pessimism, but it does demand restraint. The investment task is transitioning from capturing recovery-driven gains to preserving capital, harvesting income, and selectively allocating risk where compensation is clear.

In Ghana, the macro backdrop has stabilised meaningfully. Policy execution has improved, confidence has been restored, and key imbalances have narrowed. The economy commences 2026 on firmer footing, supported by infrastructure activity, services-led growth, and improving financial conditions. At the same time, the opportunity set has evolved: assets that benefited most from the stabilisation phase are now more fully priced, and returns are likely to become more uneven across markets and sectors.

Lower interest rates have reshaped the domestic investment landscape. Fixed income is transitioning from a capital-gains story to one focused on carry, structure, and credit selection. As yields compress, relative value has shifted toward corporate and private credit, where spreads better reflect underlying risk. Equity markets remain constructive but are expected to reward earnings durability, balance sheet strength, and dividend discipline rather than broad participation.

Across real assets and private markets, improving macro conditions and reduced financing stress are reopening opportunity sets that were constrained in prior years. In particular, income-generating assets with inflation linkage and long-term cash flow visibility are regaining strategic relevance within diversified portfolios.

Commodities present a mixed but complementary role. Precious metals continue to serve as portfolio stabilisers amid policy uncertainty, while agricultural and energy markets are normalising after periods of extreme dislocation. These dynamics reinforce the importance of using commodities selectively rather than tactically.

In 2026, investment success will hinge on how portfolios are constructed, not on a single macro outcome. The defining features of the year ahead are likely to be dispersion, discipline, and differentiation. For long-term investors, this is a setting that rewards clarity of objectives, thoughtful risk-taking, and a willingness to look beyond headline performance in favour of sustainable compounding.

MESSAGE FROM THE CHIEF INVESTMENT OFFICER

Dear Investor,

The investment landscape in 2026 is defined by a paradox: surface-level calm masking profound structural shifts beneath. In 2025, markets demonstrated remarkable resilience despite persistent global trade uncertainty, elevated geopolitical risk, and late-cycle monetary dynamics. For long-term institutional investors, this environment demands discipline, diversification, and more deliberate portfolio construction than at any point in the past decade.

Globally and locally, the era of effortless beta appears firmly behind us. Investors will earn returns through allocation choices, selectivity, and risk management rather than broad market exposure.

Theme 1: Global Diversification Has Reasserted Itself—And Is Likely to Persist

International equities (MSCI World Index (USD)) delivered one of their strongest relative performances in over a decade (21.0%) during 2025, decisively outperforming U.S. markets (16%). Valuation re-rating, resilient earnings growth, and a weaker U.S. dollar supported this outperformance. Importantly, this rotation reflects more than a cyclical shift in sentiment.

It signals a structural reallocation of global capital away from an increasingly concentrated U.S. equity market, where a narrow group of mega-cap stocks have dominated returns and index construction has amplified concentration risk. In contrast, international markets offered broader earnings participation, lower concentration risk, and more balanced sector exposure. These features have enhanced their appeal as investors reassess valuation dispersion and portfolio concentration.

For Ghanaian institutional portfolios, this reinforces the case for measured global exposure as a stabilizing force, particularly given the elevated concentration risk embedded in U.S. benchmarks and the persistent valuation gap between U.S. and non-U.S. equities.

Investment implication: Maintain strategic international equity exposure, with an emphasis on regions and sectors where earnings breadth is improving and valuation risk is lower.

Theme 2: Elevated Starting Valuations Demand Realism, Not Retreat

The most significant risk facing investors today is not recession but high starting valuations, particularly in U.S. risk assets. Elevated valuations compress future return potential and reduce tolerance for negative surprises.

This challenge is equally relevant in Ghana. Following exceptional equity and bond market performance in 2025—both delivering returns in excess of 40-60%—local asset prices now reflect much of the positive news. The task in 2026 is therefore not aggressive market participation, but preserving capital while pursuing measured and sustainable growth.

Investment implication: Proactively rebalance portfolios, avoid performance-chasing behaviour, and prioritise assets with resilient cash flows and valuation support.

Theme 3: Fixed Income Returns Will Be Earned Through Management, Not Direction

As global central banks recalibrate expectations around the pace and extent of rate cuts, interest-rate volatility is likely to persist. The lesson from 2025 is clear: fixed income is no longer a one-directional duration trade but a range-bound asset class requiring active management.

In Ghana, the strong post-restructuring bond rally reflects successful coordination between fiscal and monetary authorities. However, forward-looking returns are likely to be lower and more sensitive to inflation and liquidity conditions.

Investment implication:

- Emphasize active duration management.
- Balance short-dated instruments for liquidity with selective intermediate exposure for yield stability.
- For money market investors, prioritize capital preservation and reinvestment flexibility.

Theme 4: Fundamentals Will Reassert Dominance Over Momentum

Market leadership broadened meaningfully in 2025, with returns extending beyond a narrow group of global mega-cap growth stocks. This shift reaffirmed the importance of earnings quality, balance sheet strength, and sustainable business models.

This same principle applies locally. While the Ghana Stock Exchange delivered broad-based gains in 2025, the 2026 environment will likely reward specificity over broad market exposure. Stocks such as MTN Ghana—exhibiting durable earnings growth and structural relevance—stand apart from the broader market.

Investment implication: Shift from broad diversification toward selective exposure in fundamentally resilient businesses, both globally and domestically.

Theme 5: Artificial Intelligence (AI) Is a Macro Force—But Returns Will Broaden and Differentiate

Artificial intelligence has evolved from a thematic opportunity into a macroeconomic force. The next phase of returns will not be confined to technology innovators alone but will extend to enablers and adopters across financials, utilities, healthcare, and industrials.

That said, leadership within the AI ecosystem will continue to evolve, and early winners may not necessarily be long-term beneficiaries.

Investment implication: Maintain exposure to AI-linked growth, but continuously reassess beneficiaries based on monetization, productivity gains, and earnings delivery rather than narrative momentum.

Theme 6: Private Markets and Real Assets Regain Strategic Relevance

As traditional asset classes offer less diversification benefit, private markets and real assets are re-emerging as critical portfolio components. Lower financing costs and improving exit conditions are supportive for private equity, while real estate is recovering from post-pandemic and interest rate-driven repricing.

The introduction of a local REIT product is therefore timely. For pension funds, it offers income visibility, inflation linkage, and diversification away from stretched public markets.

Investment implication: Selectively incorporate real assets to enhance income stability and long-term diversification.

Theme 7: Ghana in 2026—From Recovery to Allocation Discipline

Ghana's recovery phase has been strong, driven by policy coordination and restored confidence. However, with equities, bonds, and gold appearing fully valued, investors now face a capital deployment dilemma.

The next phase requires moving beyond recovery-driven trades toward strategies capable of compounding returns sustainably in a lower-return environment.

Investment implication:

- Rebalance gains accumulated in 2025.
- Prioritize income generation, liquidity, and downside protection.
- Avoid binary positioning in stretched assets.

In 2026, success will depend less on market direction and more on intentional portfolio construction, valuation discipline, and active risk management. For long-term institutional investors, this environment is not a constraint—it is an opportunity to build resilience and compound capital responsibly.

Best regards,
Obed Tawiah Odenteh
Chief Investment Officer

GLOBAL MACROECONOMIC OUTLOOK

Global vulnerabilities tapered by easing trade concerns and lower oil prices

The more things change, the more they remain the same. We expect many of the themes that shaped markets last year to re-emerge in 2026. Pressure on multilateral institutions persists under the Trump presidency, with protectionist policies firmly entrenched and the independence of the US Federal Reserve facing increased scrutiny. Geopolitical risks also remain elevated and unresolved, reinforced by developments such as the arrest of the Venezuelan leader earlier this year.

Offsetting these risks, investment opportunities linked to artificial intelligence (AI) and related technologies continue to gain traction and are expected to support productivity growth in select economies. Earlier, broad-based trade concerns have eased somewhat, as countries increasingly pursue bilateral trade agreements with the United States. Meanwhile, energy prices have remained relatively subdued at around USD 60 per barrel, providing a tailwind for energy-importing economies and creating scope for oil-exporting countries to accelerate economic diversification.

KEY ECONOMIC FORECASTS FOR 2026

Country	Real GDP	Inflation	Current Account	Fiscal Balance	Exchange Rate
USA	2.1%	2.8%	-3.5%	-6.4%	96.1
Canada	1.3%	2.1%	-1.4%	-2.0%	1.4
Mexico	1.3%	3.8%	-0.6%	-4.1%	18.5
Argentina	4.3%	22.1%	-1.4%	0.0%	1700.0
Brazil	2.3%	4.0%	-2.7%	-8.2%	5.5
France	1.0%	1.3%	-0.2%	-5.3%	1.2
Germany	1.0%	2.0%	4.8%	-3.5%	1.2
UK	1.1%	2.5%	-2.7%	-3.8%	1.4
China	4.5%	0.7%	2.8%	-5.8%	7.0
India	7.3%	2.1%	-1.1%	-4.4%	89.2
Japan	0.8%	1.9%	4.5%	-3.2%	147.0
Egypt	4.7%	8.5%	-3.4%	-6.9%	53.9
Ghana	6.4%	9.6%	3.1%	-4.4%	12.4
Kenya	5.2%	4.9%	-2.4%	-5.3%	131.0
Nigeria	4.1%	16.2%	3.6%	-4.0%	1637.2
South Africa	1.6%	3.4%	-1.1%	-4.0%	16.6

Source: Bloomberg

U.S. growth remains robust, while China continues to show resilience

US growth is expected to remain firm, with GDP growth projected at 2.1% in 2026. Investor attention is likely to shift toward the mid-term elections later this year, where a potential Democratic victory in the House of Representatives could constrain President Trump's policy agenda during the remainder of his term. We expect the US dollar to remain on a broadly weaker trajectory, although periods of consolidation or partial recovery cannot be ruled out.

China's economy continues to demonstrate resilience, absorbing domestic property sector weakness and external trade headwinds, while delivering a record trade surplus in 2025. GDP growth is expected to moderate to around 4.5% this year.

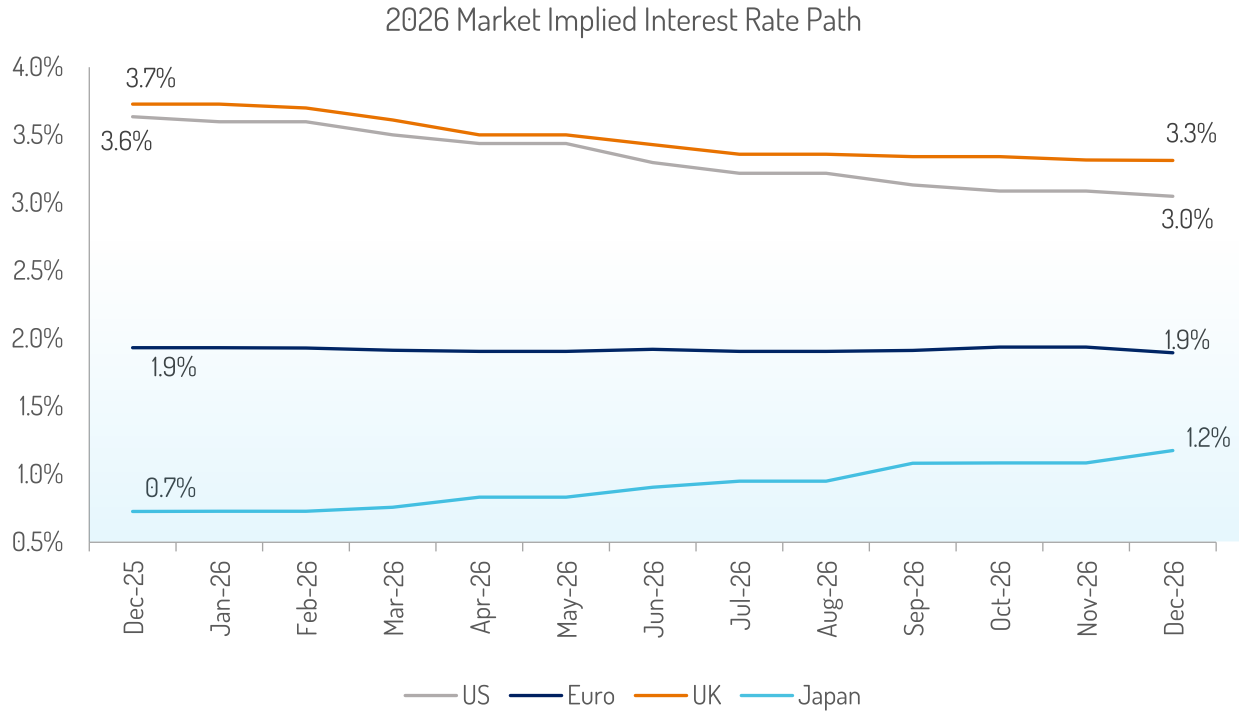
In the euro area, growth will remain resilient despite ongoing trade uncertainties as appropriately target fiscal stimulus in Germany generates positive multiplier effects, providing support to regional activity.

Monetary policy eases globally, though the pace of cuts slows as Japan hikes cautiously

Markets have priced-in two 25bp policy rate cuts by the US Federal Reserve, although the risk of only a single 25bp cut remains. We downplay concerns around the Fed's institutional independence, even in a scenario where President Trump appoints a more dovish successor as the next Fed Chair.

We expect the European Central Bank to remain on hold this year, supported by a more benign inflation backdrop. In Japan, the Bank of Japan is likely to proceed cautiously with policy normalisation, with only modest rate hikes expected in the second half of the year.

On the political front, Japanese Prime Minister Sanae Takaichi is expected to call snap elections in February 2026 as she seeks to consolidate her mandate, supported by recent fiscal stimulus aimed at boosting economic activity.



Source: Bloomberg

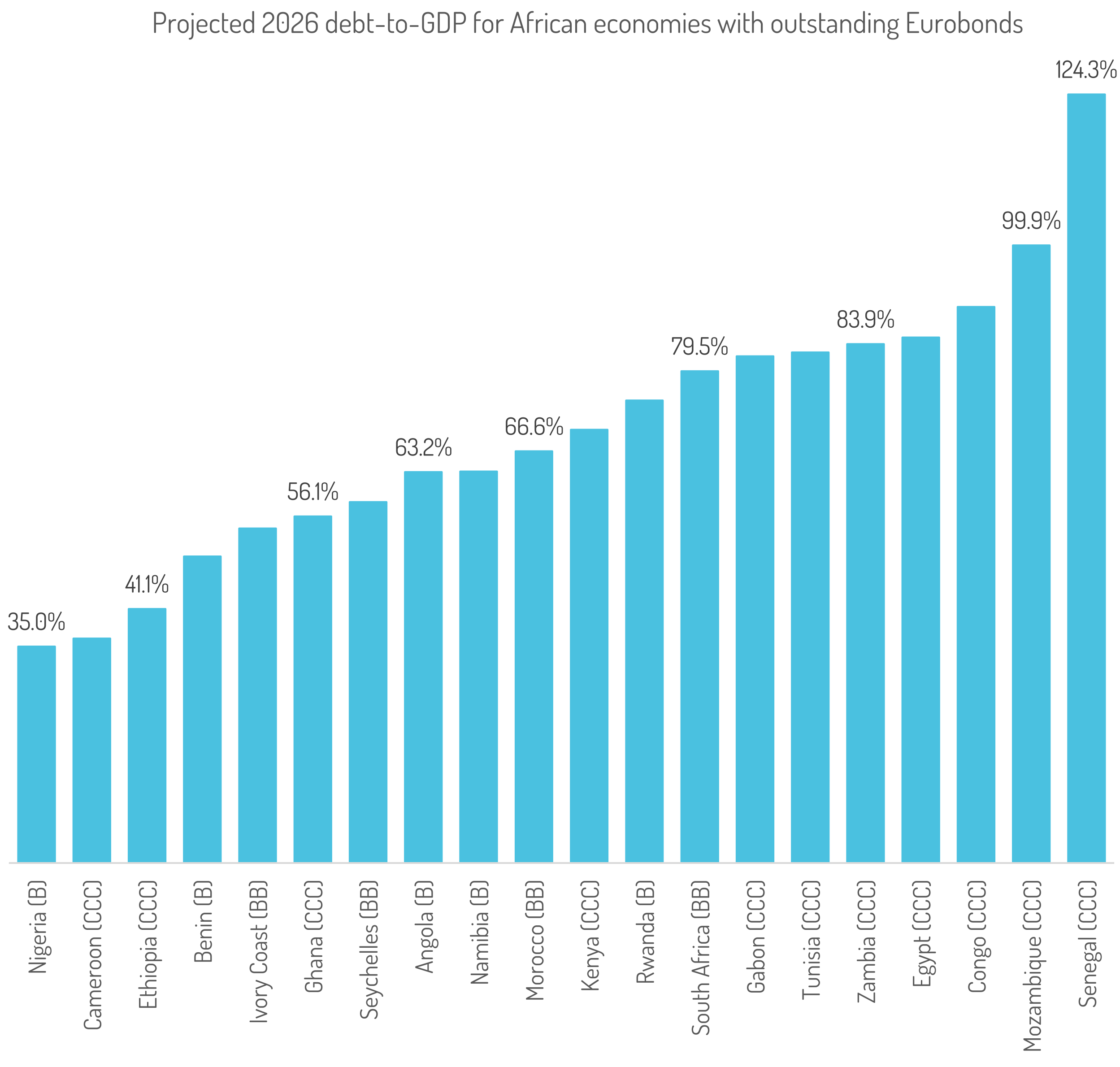
Repairing the fiscus; the only game in town

African hard-currency assets benefited from a weaker US dollar last year, while entrenched disinflation allowed several central banks to pivot toward a more accommodative monetary stance. However, fiscal developments increasingly took centre stage. Encouragingly, countries such as Ghana and Zambia appear to have stabilised their public finances, supported by IMF programmes that have provided a credible policy anchor.

Investor focus is likely to centre on Senegal's discussions with the IMF around a potential new programme, as well as Ethiopia's progress on debt restructuring. In Kenya, the government's push toward privatisation, securitisation, and infrastructure funds marks a clear shift away from debt-financed investment. We do not expect an IMF programme for Kenya in the near term, particularly ahead of the 2027 elections.

In Nigeria, tax reforms planned for 2026 are expected to consolidate the policy changes introduced under the Tinubu administration and should improve revenue performance over time. In Egypt, improved foreign exchange inflows from Middle Eastern economies are likely to continue supporting macroeconomic stability, underpinned by its IMF programme. We expect South Africa to reinforce a fiscal anchor as part of its debt management framework in the FY2027 budget to be delivered in February 2026.

Beyond fiscal policy, trade pressures have persisted following higher US tariffs. However, the expected extension of the African Growth and Opportunity Act (AGOA) to December 2028 should help mitigate these trade-related concerns.



Source: Bloomberg

GHANA 2025 MACROECONOMIC RECAP:

Stabilisation amid structural repair

Ghana exceeded expectations in 2025, underpinned by a policy framework that delivered outperformance against both the authorities' key macroeconomic targets and our FY2025 forecasts. The macroeconomic environment shifted decisively from uncertainty and elevated risk premia toward structural normalisation, reflected in tighter spreads and improved confidence.

The year was characterised by aggressive fiscal consolidation and a calibrated monetary stance anchored in structural and policy reforms. These measures accelerated Ghana's return to macroeconomic stability. Our assessment indicates that 2025 was a year of targeted policy adjustments, institutional reforms, and operational improvements aimed at restoring stability. By year-end, key macroeconomic indicators—including inflation, exchange rates, and nominal interest rates—signalled a firm stabilisation, albeit with residual structural vulnerabilities that shape our FY2026 outlook.

Fiscal consolidation anchored by discipline and a new rule

Fiscal outcomes in 2025 exceeded expectations, driven primarily by spending restraint. The government concentrated cuts in capital expenditure, statutory payments, and goods and services, although payroll costs exceeded budget and remain a structural fiscal risk. As of 9M2025, the Treasury recorded a primary surplus (commitment basis) of 1.6% of GDP, outperforming the FY2025 target of 1.5% outlined in the budget.

This stronger fiscal stance reduced borrowing needs, with net financing at GHS 32.5bn (2.3% of GDP) compared with the planned GHS 55.6bn (4.0% of GDP). Interest expenditure also undershot budget, reflecting sharp compression in Treasury bill rates and the appreciation of the Cedi. Lower domestic yields generated savings of GHS 8.8bn in domestic interest costs, while currency appreciation reduced external interest payments by GHS 1.3bn, partially offsetting payroll overruns.

Revenue underperformed budget by GHS 7.7bn (0.5% of GDP) in 9M2025. However, the authorities maintained firm spending discipline to keep fiscal outcomes aligned with the broader objective of macroeconomic stabilisation. The persistent revenue shortfalls, alongside payroll pressures, remain key structural risks to the fiscal outlook.

A stronger fiscal anchor—execution remains key

In 2025, Parliament amended the Public Financial Management (PFM) Act, which introduced a numerical fiscal rule mandating a minimum primary surplus of 1.5% of GDP (commitment basis) from 2025 onward. This rule underpinned the better-than-expected fiscal performance and provides a credible anchor for the 2026 outlook, contingent on sustained compliance.

Complementing this was the amendment to the Public Procurement Act, which now requires prior commitment authorisation by the Minister of Finance before spending execution by Ministries, Departments and Agencies (MDAs). This reform materially strengthened expenditure controls in 2025. Together, these measures represent credible institutional anchors that should support fiscal discipline and macroeconomic stability into 2026.

Gold sector reform and a structural shift in FX management

The introduction of the GOLDBOD framework—backed by an Act of Parliament and granting monopoly control over artisanal small-scale mining (ASM) gold exports—was one of the most consequential policy changes in 2025. It marked a shift from debt-financed FX reserve accumulation toward revenue-funded reserve build-up, materially strengthening Ghana's external position.

Supported by a sharp rise in gold prices and the new framework, Ghana channelled over USD 10.0bn in ASM gold exports through official channels in 2025. This enabled sustained FX supply and lifted reserves to nearly six months of import cover. We view this as a structural improvement in FX management that will help anchor the Cedi in the short to medium term and reduce excess volatility.

The Cedi's sharp correction in 2025 eliminated the excess depreciation accumulated between 2022 and 2024, settling at 10.45/USD by year-end (+40.7% y/y). Building on improved FX inflows, the Bank of Ghana introduced a new FX operational framework in October 2025 to intermediate gold-related FX flows through commercial banks.

With gold prices likely to remain supported above USD 4,000/oz in 2026, and ASM accounting for roughly half of Ghana's near-5.0 million ounces of annual gold production, we expect gold export earnings to remain a key anchor for the Cedi in 2026.

GHANA: 2026 MACROECONOMIC OUTLOOK

From stabilisation to opportunity: normalisation as a source of alpha

As Ghana enters 2026, the macroeconomic narrative shifts from policy repair to consolidation and selective opportunity. While idiosyncratic risks persist, we believe the current policy framework supports a transition from defensive positioning toward selective alpha generation.

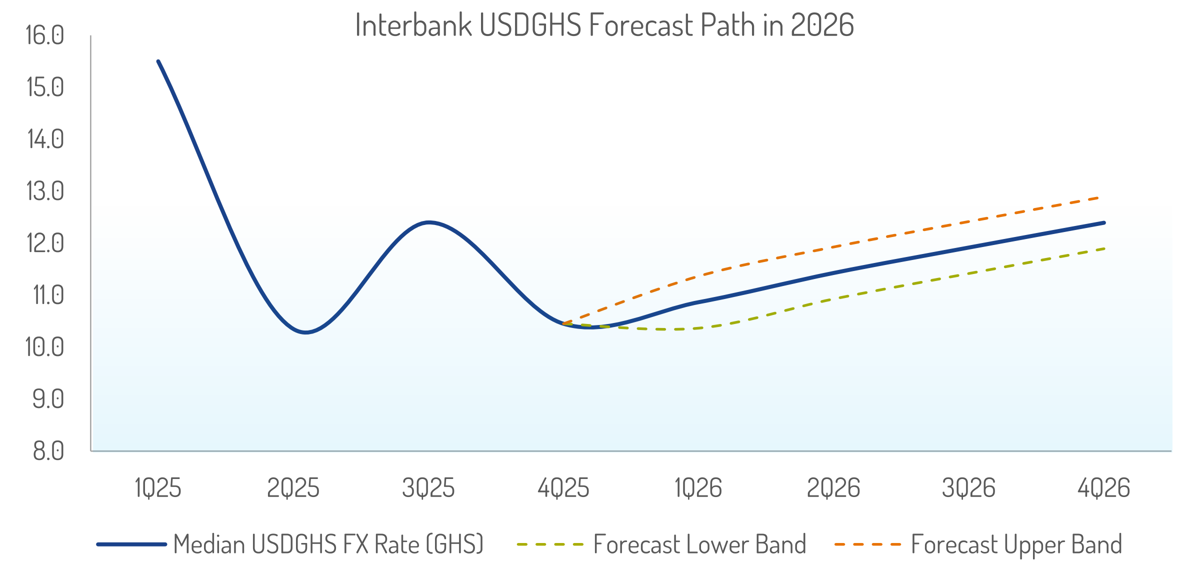
Our 2026 base case assumes:

- continued fiscal discipline anchored by the new 1.5% primary surplus rule;
- gradual monetary easing, conditional on inflation remaining within the 6.0%–10.0% target band;
- broadly range-bound Cedi performance supported by strong FX inflows and market confidence;
- persistently low short-term yields, encouraging the search for duration and risk-taking; and
- robust real GDP growth driven by construction, transport and logistics, banking and insurance, ICT, and consumer spending.

Key risks include potential reform fatigue after the IMF programme concludes in August 2026 (which we assess as low risk), adverse global commodity or financial shocks (moderate risk), and delays in reopening the domestic bond market beyond short-term instruments (low risk).

Exchange rate outlook: stability with episodic pressure

Following the 2025 reset, the Cedi enters 2026 on a firmer footing. Under our baseline, we expect the currency to trade within a narrow range, with modest depreciation toward the mid-11.0/USD level. Accounting for potential market repricing toward fair value, we forecast an FY2026 interbank rate of 12.4/USD (±GHS 0.5), implying a FY2026 depreciation of 15.7% ±4.0pp.



Source: Bloomberg, IC Insights

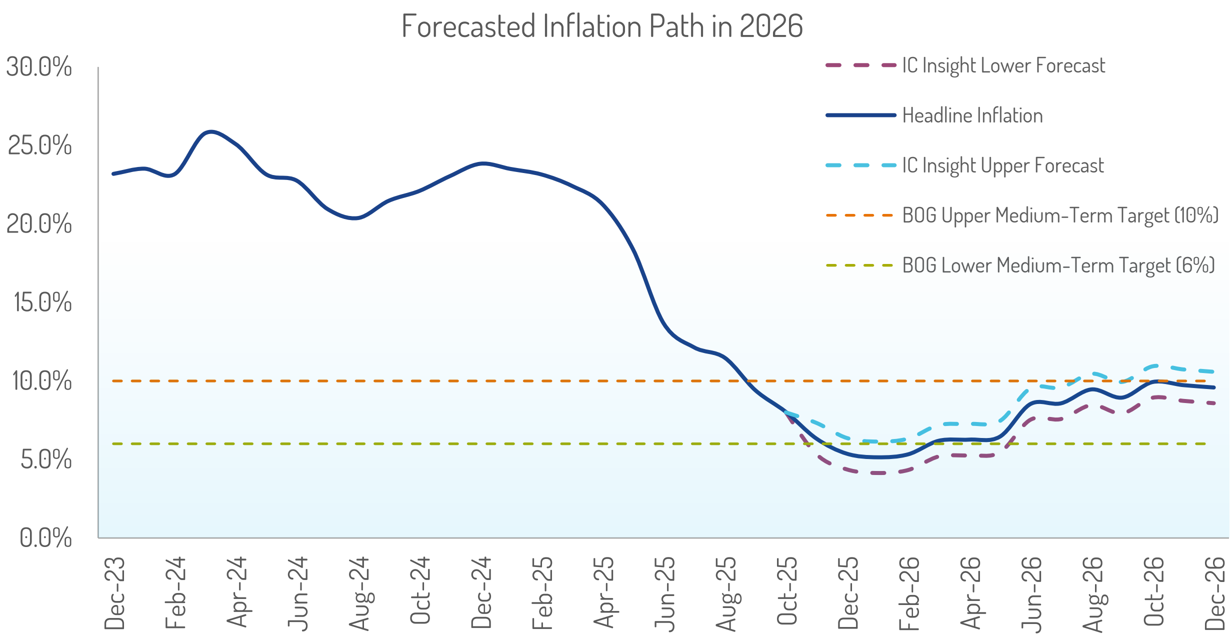
Although global commodity markets remain exposed to shocks, Ghana's terms of trade should stay favourable. Gold prices may not repeat their 2025 surge, but risks remain skewed toward resilience. With oil prices expected to remain subdued in the USD 60–70/bbl range, we expect the impact of higher oil import volumes to be contained.

Foreign exchange market reforms introduced in 2025—including the new FX operational framework, tighter net open position limits, and enhanced oversight—should curb speculative FX demand. That said, elevated external debt service in 2026, particularly Eurobond payments rising to USD 1.4bn and energy sector obligations, may constrain FX intermediation volumes. The authorities are likely to prioritise reserve accumulation, especially ahead of the July 2026 IMF tranche payment of USD 709m, which could intermittently pressure the Cedi. The fiscal authorities' capital expenditure programme in 2026 is likely to raise import demand and foreign exchange requirements as economic activity strengthens, which could place some further pressure on the Cedi.

Finally, we see a risk of exchange rate repricing ahead of the scheduled completion of the IMF programme in August 2026. As investors await the final programme assessment and evaluate policy risks in the post-IMF period, the Cedi could face incremental pressure beyond our baseline forecast of 11.5/USD ± GHS 0.5 to a fair value-reflected 12.4/USD ±GHS 0.5, despite the underlying structural support.

Inflation and monetary policy

Inflation dynamics improved markedly in 2025, supported by strong coordination between fiscal and monetary policy. Fiscal measures targeted supply-side pressures, while monetary tightening restrained demand. Inflation fell below the lower bound of the Bank of Ghana's target (6.0%) range by year-end to 5.4%.



Source: Ghana statistical Service, IC Insights

We expect this coordination to persist in 2026, with cautious policy rate cuts that preserve a restrictive real stance. We forecast average real policy rates of 9.4% in FY2026, remaining in double digits in 1H2026 (~11.6%). VAT reforms—including the removal of the 1.0% COVID levy which has effectively reduced the VAT rate by 190bps to 20%—should moderate cost pressures, while fiscal policy interventions in food crop supply will continue to anchor inflation.

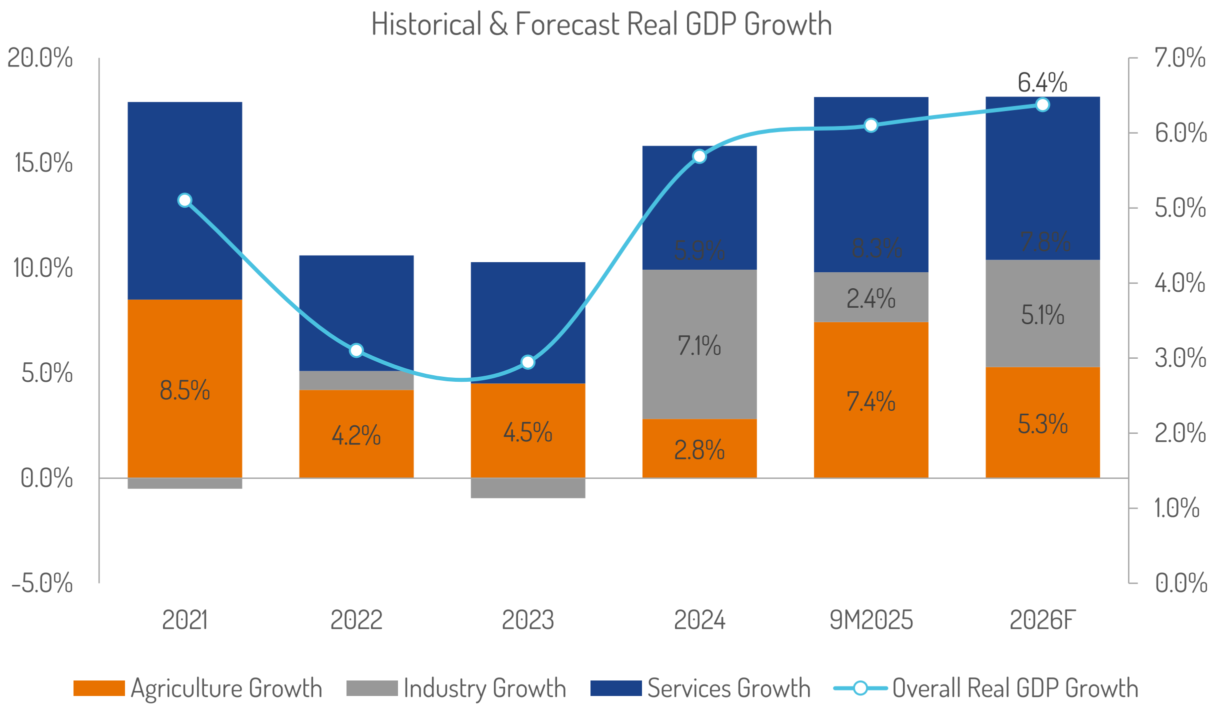
Nonetheless, utility tariff hikes and base effects may lift inflation toward the upper end of the target band. We forecast end-2026 inflation at 9.6% ±1.0pp.

Growth outlook

We forecast overall real GDP growth of 6.4% ±0.5pp in FY2026, well above the authorities' minimum target of 4.8%. Growth will be led by construction activity, with positive spillovers to transport and logistics, banking and insurance, ICT, and trade.

The 2026 budget allocates GHS 30.0bn to the second year of the government's "big push" infrastructure programme, funded partly by oil revenues (GHS 7.3bn) and mineral royalties (GHS 7.4bn). The programme is focused on road infrastructure, which should support growth in transport, logistics, and storage. We also expect stronger fuel demand in 2026, benefiting both midstream and downstream segments of the petroleum sector.

Financial services firms are likely to experience increased demand for credit and insurance as government contractors mobilise funding to execute awarded projects. The gradual easing in banks' credit stance should improve debt affordability for domestic contractors. In addition, the 2026 budget signals a doubling of arrears payments to GHS 29.8bn following the completion of audits on arrears identified in 2024. These payments should strengthen banks' loan performance and support a renewed willingness to lend to the construction sector.



Source: Ghana statistical Service, IC Insights

Continued price and exchange rate stability in 2026 should sustain the recovery in household spending, while the removal of the 1.0% COVID levy will further boost disposable incomes. This should lift demand for both discretionary and non-discretionary consumer goods, with positive spillovers for the fast-moving consumer goods (FMCG) sector. As a result, we forecast manufacturing output to expand by 7.8% y/y in 2026.

We expect the ICT sector to maintain strong double-digit growth as service providers continue to invest in network infrastructure, including spectrum acquisition. Ongoing digitalisation across the public and private sectors, alongside rapid growth in fintech and mobile applications, will underpin this expansion. We forecast ICT sector growth of 15.6% y/y in 2026, providing a meaningful boost to overall economic growth.

ASSET CLASS OUTLOOK

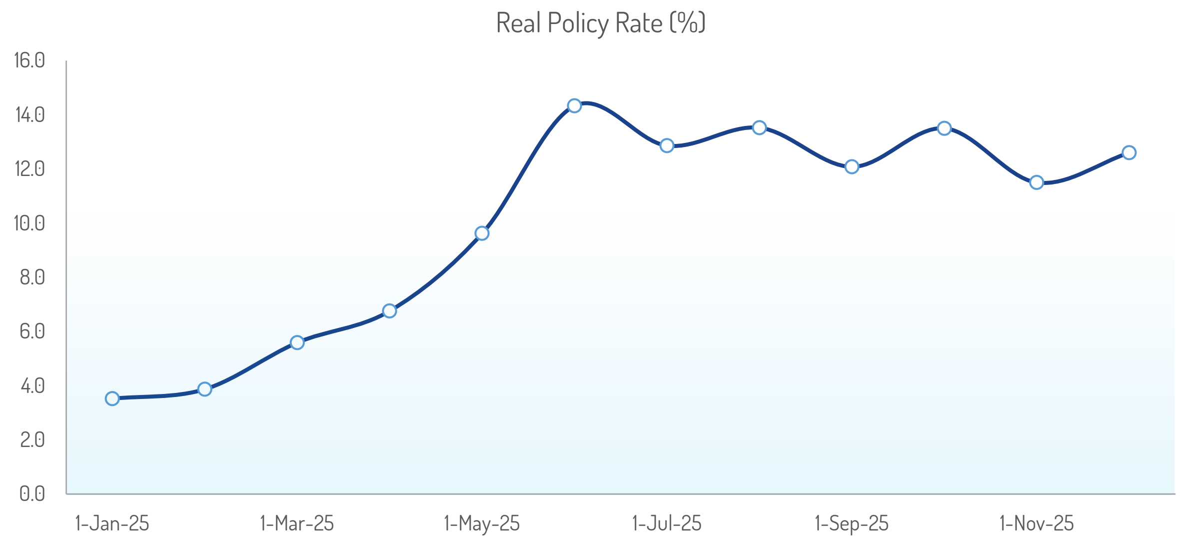
Rates: Market Recap

Ghana's domestic rates market entered 2025 under residual stress from the 2022-2023 Domestic Debt Exchange Programme (DDEP), compounded by election-year fiscal pressures and policy uncertainty. Treasury bill yields remained elevated at the start of the year, with the 91-day bill near 28% and the 364-day bill above 32%, while the yield curve stayed deeply inverted with long dated bonds priced ~26.0%. This configuration reflected continued investor caution toward duration, high short-term refinancing needs, and incomplete confidence in the near-term policy mix.

Market pricing at the time implied a negative term premium, with investors demanding higher compensation for holding short-term instruments relative to longer-dated securities. This signalled acute stress and reflected lingering concerns about inflation persistence, fiscal dominance, and the sustainability of domestic debt dynamics

Policy Credibility and Real Yield Repricing

A turning point for the rates market emerged following the Monetary Policy Committee's January and March 2025 meetings. Despite a visible moderation in headline inflation, the Bank of Ghana adopted a deliberately hawkish posture, maintaining the policy rate early in the year and implementing a 100-basis point hike to 28% in March. This decision was aimed squarely at re-anchoring inflation expectations and restoring policy credibility.

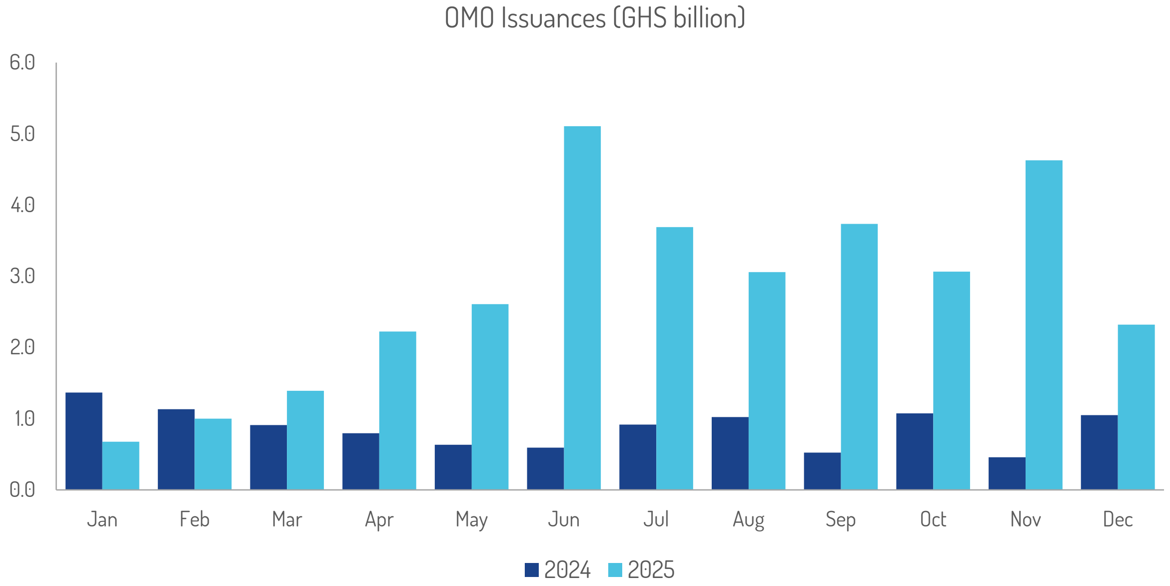


Source: IC Insights

The impact on real yields was significant. As inflation decelerated faster than anticipated, the real policy rate widened sharply, peaking in the low-to-mid teens by mid-year. This created one of the most attractive real yield environments across frontier markets and materially altered the risk-reward calculus for domestic fixed income investors. Demand for government securities increased sharply as investors sought to lock in elevated real returns

Liquidity Conditions and Monetary Transmission

Liquidity dynamics played a central role in shaping market outcomes in 2025. Broad money growth slowed significantly as the combined effects of restrictive monetary policy and fiscal consolidation filtered through the market. The Bank of Ghana reinforced this tightening via aggressive open market operations, with OMO bill issuance rising to approximately GHS 79 billion for the year—nearly 3.6x the 2024 level. This tightening of system liquidity dampened speculative activity and curtailed demand-side inflation pressures

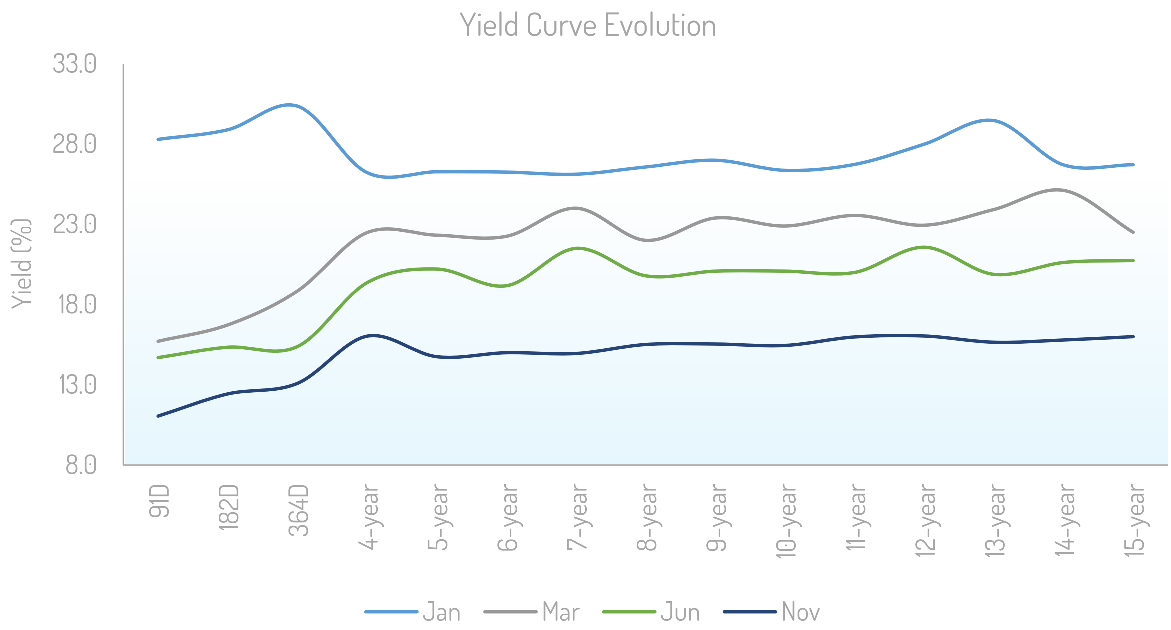


Source: Bank of Ghana

The Pivot: Aggressive Easing and Yield Curve Normalisation

With inflation firmly on a downward trajectory and external buffers strengthening, the MPC pivoted decisively in the second half of the year. The central bank delivered cumulative policy rate cuts of 1,000 basis points between July and November 2025, lowering the policy rate from 28.0% to 18.0%. This easing cycle was complemented with improved fiscal discipline, marking a rare period of alignment between monetary and fiscal policy.

The rates market responded swiftly. Treasury bill yields compressed sharply, with the 91-day bill falling by nearly 1,700 basis points to around 11% by year-end. Longer-dated instruments also repriced, and the yield curve transitioned from inversion to a modestly upward-sloping one. By late 2025, 5-year and 10-year DDEP bonds were trading in the 15.0% – 16.0% range, restoring a positive term premium of roughly 300–400 basis points over short-term bills.



Source: Ghana Fixed Income Market, IC Insights

Market Structure and Secondary Market Recovery:

Secondary market conditions improved meaningfully over the course of 2025. Trading activity on the Ghana Fixed Income Market increased steadily, with cumulative turnover rising to approximately GHS 214 billion by November, representing a near 40% increase year-on-year. Auction dynamics also reflected improved sentiment, with bid-to-cover ratios strengthening during the first half of the year as investors aggressively accumulated government risk.

As yields compressed into low-double-digit territory, demand moderated. Treasury bill auctions in late 2025 saw weaker coverage ratios, reflecting a natural recalibration of return expectations. Notably, short-end yields found a floor in the 10.0% – 13.0% range, underscoring persistent supply pressures, competition from Bank of Ghana bills, and investor resistance to single-digit nominal returns.

Trading in DDEP bonds continued to recover gradually, with activity concentrated in the 4 – 7-year segment of the curve. Medium-term yields settled in the mid-teens, reflecting improved confidence following timely coupon payments, including the February 2025 cash and final payment-in-kind disbursements and subsequent full cash coupon payment in August 2025.

However, the absence of new local bond issuance constrained market depth and limited liquidity at the long end of the curve. As a result, the government remained heavily reliant on Treasury bills to meet its financing needs, reinforcing short-end supply pressures even as broader market confidence improved

2026 Ghana Rates Outlook: Stability with Selective Opportunities

Looking ahead to 2026, our base case is one of relative stability in domestic yields. While the policy rate remains modestly restrictive in real terms, the scope for aggressive further easing appears limited. Inflation is expected to edge slightly higher due to utility tariff adjustments and increased capital spending, constraining further yield compression.

Treasury bill yields are therefore likely to remain anchored in the low-double-digit range. At the same time, improved policy credibility, a stabilising currency outlook, and attractive carry relative to regional peers should continue to support demand for government securities.

A key structural issue shaping the 2026 outlook is the concentration of DDEP bond maturities in 2027 and 2028. Addressing this maturity wall will be a central objective of the government's domestic financing strategy. The authorities have signalled an intention to resume local currency bond issuance in 2026, potentially including infrastructure-linked instruments aligned with the government's capital expenditure agenda. Investor reception will depend on the credibility of the issuance strategy, clarity around use of proceeds, and the extent to which new bonds contribute to smoothing the maturity profile rather than exacerbating refinancing risk.

Source: Ministry of Finance, IC

With the real policy rate still above IMF's neutral estimate of 6.12%, the MPC retains scope for cautious, incremental easing. However, the aggressive 300 - 350 basis point cuts seen at each MPC meeting in 2025 are unlikely to be repeated. Policy rate decisions in 2026 will prioritise stability and credibility over rapid accommodation.

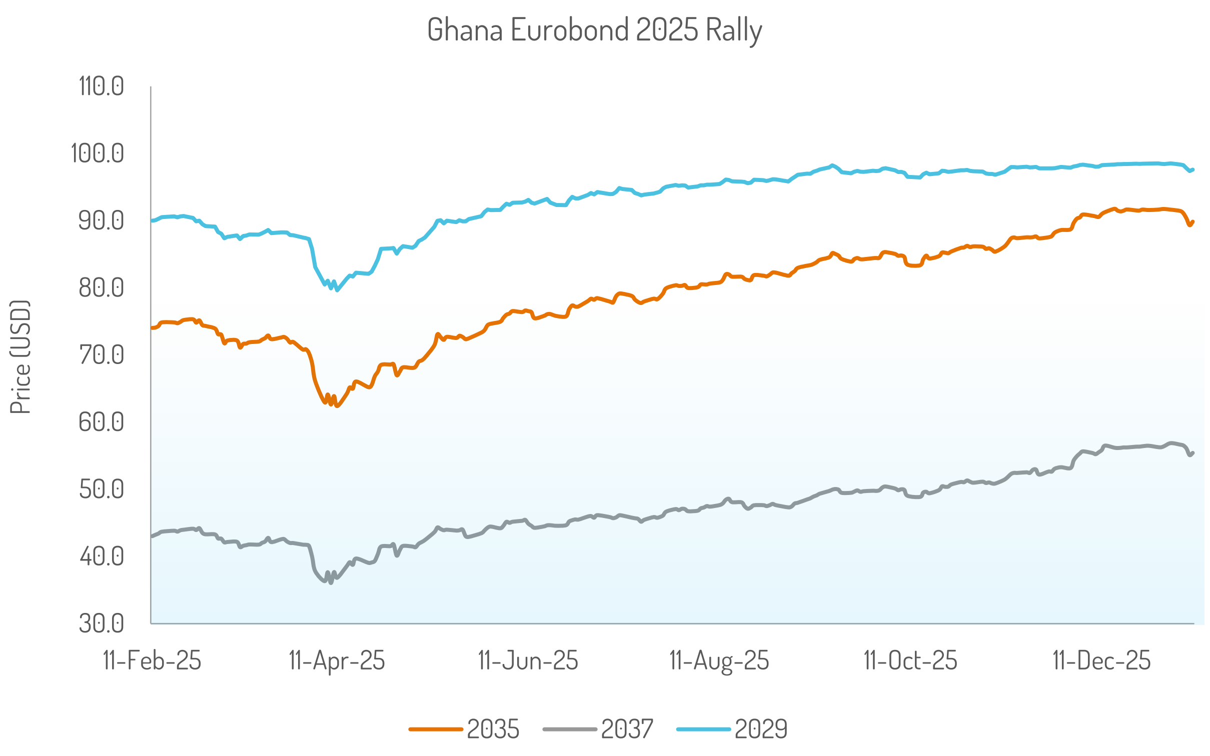
While the macro outlook points to continued, measured policy easing and a gradual normalisation of financing conditions, the key question for rates investors is how these signals are priced across the yield curve.

Our central thesis is that policy easing in 2026 will be carefully calibrated to preserve restrictive real rates for much of the year, anchoring Treasury bill yields in low double digits territory, while the resumption of bond issuance introduces two-way risks for the midsection and long end of the curve. Against this backdrop, the rates market is likely to transition from a compression-driven environment to one defined by carry, curve positioning, and selective duration risk.

Eurobonds – Carry-led returns with selective upside

Ghana's Eurobond performance in 2025 reflected a 're-rating' trade: the market priced a higher probability of a durable exit from distress as the restructuring process advanced and macro-outcomes improved. Major rating agencies upgraded Ghana out of default / restricted default status during the year—most notably Fitch's upgrade to B- with a Stable Outlook in June 2025—supporting the rebuild in global investor risk appetite toward Ghana's hard-currency debt.

Two developments were particularly supportive for Eurobond pricing: (i) evidence of fiscal consolidation under the IMF-supported programme, including a targeted primary balance surplus of 1.5% of GDP in 2025, and (ii) clearer visibility on the restructured Eurobond cash flow path. Together, these reduced near-term tail risk and improved the market's confidence in medium-term debt sustainability.



Source: Bloomberg

2026 outlook: carry-led returns with selective upside

Our base case for 2026 is that Ghana Eurobonds deliver carry-led returns with potential for incremental price upside rather than the outsized capital gains seen during the 2025 re-rating phase. A key underpin for this view is continued affirmation of Ghana's fiscal consolidation durability through disciplined expenditure control, strengthened revenue administration, and adherence to the IMF Extended Credit Facility (ECF) framework as the programme approaches its scheduled conclusion in August 2026. Confirmation of strong post-IMF fiscal performance will be critical to sustaining investor confidence and could support further, albeit more moderate, spread compression and rally potential.

For foreign investors, Ghana's Eurobonds remain primarily a USD carry trade, where returns are driven more by credit risk and global risk sentiment than by local FX dynamics. Under an unhedged framework, the key risks are Ghana-specific credit events and shifts in global frontier market appetite, while hedged investors must assess whether hedging costs erode the carry advantage versus peer EM and SSA credits.

Based on our moderate cedi depreciation expectations in 2026, the opportunity set broadens beyond Eurobonds: local-currency rates can also become attractive, particularly where real yields remain positive. The central takeaway is that currency stability, rather than further policy easing, is the critical condition for renewed and broader foreign participation in Ghana risk, across both hard- and local-currency instruments.

In a regional context, Ghana offers an improving but still transitional credit profile relative to peers, supported by a clearly articulated restructuring framework and the fiscal discipline imposed under the IMF programme, which is scheduled to conclude in August 2026. As Ghana approaches programme exit, investor focus will increasingly shift to the authorities' ability to sustain fiscal consolidation and policy credibility without external anchors, making upside more conditional and potentially uneven.

This contrasts with Nigeria, where elevated yields continue to reflect persistent FX and external constraint risks; Kenya, where near-term refinancing pressures have eased but medium-term fiscal durability remains a key concern; South Africa, which offers lower spreads and lower event risk but limited upside given its mature institutional framework; and Senegal, where valuations remain sensitive to fiscal consolidation capacity and the management of upcoming debt service peaks.

Overall, Ghana sits in the middle of the SSA risk spectrum—offering relatively attractive carry but requiring continued compensation for post-programme execution risk, fiscal slippage risk, and vulnerability to shifts in global risk sentiment.

Equities: Broader Outlook

In 2025, the Ghana Stock Exchange (GSE) recorded its strongest performance in nearly two decades and ranked among Africa's best-performing equity markets. The GSE Composite Index (GSE-CI) and the GSE Financial Index (GSE-FI) rose by approximately 79.4% and 95.2%, respectively. This rally was supported by easing interest rates, improving macroeconomic conditions, and strong corporate earnings. Heading into 2026, we believe there is still scope for further gains, especially if corporates continue to exceed earnings expectations. That said, we do not expect local equities to replicate the outsized gains recorded in 2025. Instead, we project a more modest market appreciation of approximately 30.0% – 40.0% in 2026, driven by the following factors:

1. Lower interest rate environment: A continued decline in interest rates, including the possibility of an early-year policy rate cut, alongside lower fixed-income yields, should sustain investor interest in equities.

2. Supportive macroeconomic backdrop: The 2026 outlook remains broadly positive, supported by relative cedi stability, the commencement of the Big Push Infrastructure Programme, ongoing fiscal consolidation, lower inflation, and supportive tax reforms.

3. Strong dividend prospects: Robust corporate earnings in the 2025 financial year are expected to translate into attractive dividend payouts, supporting total shareholder returns.

4. Rising retail investor participation: Improved market awareness, easier access to trading platforms, and stronger confidence in equities should continue to drive incremental retail demand.

Despite this constructive backdrop, several downside risks remain. These include a sharper-than-expected depreciation of the cedi, renewed inflationary pressures, weaker-than-expected consumer spending, fiscal slippage following the conclusion of the IMF programme, and elevated market valuations.

Overall, while we remain positive on equities as an asset class, we expect returns to be more differentiated across sectors, driven by earnings resilience, balance sheet strength, dividend capacity, and sensitivity to interest rate and FX dynamics.

HOUSE VIEW SUMMARY

	--	-	=	+	++
SECTORS					
Consumer				●	
Banking				●	
Oil & Gas			●		
Telecommunications					●

Legend: ++ High conviction overweight + Overweight = Neutral - Underweight - High conviction underweight

2026 GSE IPO Market Outlook: Conditions remain favourable for new listings

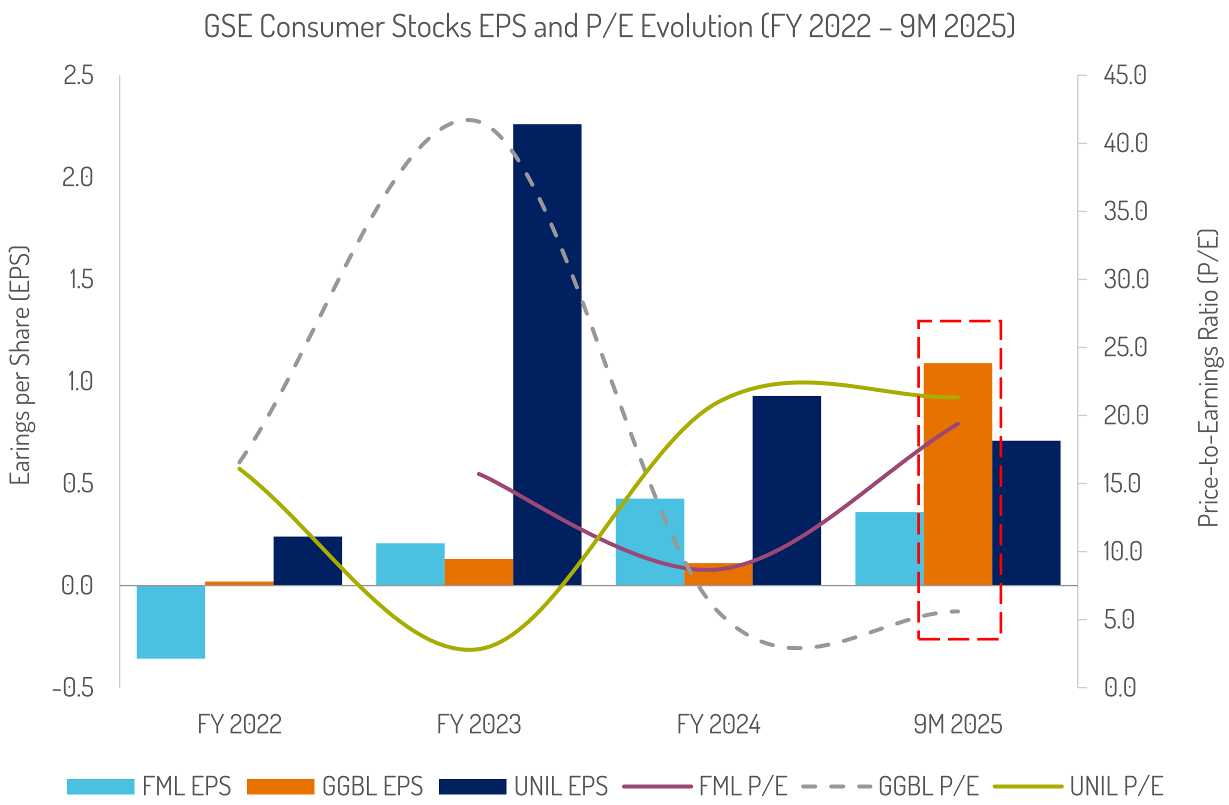
After an eight-year drought, IPO activity resumed in December 2025 with the successful listing of First Atlantic Bank Ghana, which raised approximately GHS 742.1 million through an oversubscribed offer. About 22% of the proceeds were primary capital, earmarked to strengthen the bank's capital base and support regional expansion. The stock listed at GHS 7.30, equivalent to a 3Q2025 price-to-book multiple of 1.44x and has since appreciated by 6,57% as of 21st January 2026. With several large corporates reportedly considering listings, we believe conditions remain favourable for additional IPOs. A more stable macroeconomic environment, strong equity market performance, and improved investor sentiment support this view. While valuations are attractive from an issuer perspective, successful transactions will still depend on disciplined pricing that offers clear value to investors. Continued support from the GSE and the Securities and Exchange Commission, alongside growing retail investor participation, should underpin a healthier listings pipeline over the medium term

Consumer Sector Outlook

In 2025, major consumer stocks on the GSE— FanMilk (FML), Guinness Ghana Breweries Limited (GGBL), and Unilever Ghana (UNIL)—posted gains of 116%, 20%, and 1.5%, respectively. Looking ahead, we believe the sector remains well positioned for continued growth, although elevated valuations may temper enthusiasm among more conservative investors.

Ghana's consumer sector outlook for 2026 is underpinned by a favourable macroeconomic environment. Inflation declined sharply in 2025—from 23.5% in January to 5.4% in December —and is expected to remain within the Bank of

Ghana's target range, supporting purchasing power and stabilizing input costs for consumer firms. Additionally, we project a modest cedi depreciation of ~10% - 15% which should help moderate imported input costs for multinationals like Guinness Ghana and Unilever, preserving margins and reducing the need for price hikes. Structural drivers such as rising disposable incomes, urbanization, and a growing middle class are expected to boost demand for both staples and discretionary products, including premium brands. Policy reforms will also play a critical role: VAT reductions—from 21.9% to 20.0%—should lower costs and improve profitability, while the National Policy on Integrated Oil Palm Development aims to expand local production and processing capacity. This initiative benefits agro-processing firms like Benso Oil Palm Plantation and Twifo Oil Palm Plantation, potentially reducing reliance on imports and stabilizing input prices for consumer goods manufacturers.



Source: Bloomberg, Annual Reports as of 31/12/2025

NB: GGBL's 9M2025 results presented here were reported as Q12026 results but fall within the 9M2025 reporting period

Winning in 2026: The Blueprint for High-Performing Consumer Companies

In our view, the strongest performers in 2026 will be companies that combine effective cost management with disciplined execution. Key differentiators include reduced reliance on imported inputs, well-executed cost-efficiency initiatives, strong and relevant brand portfolios.

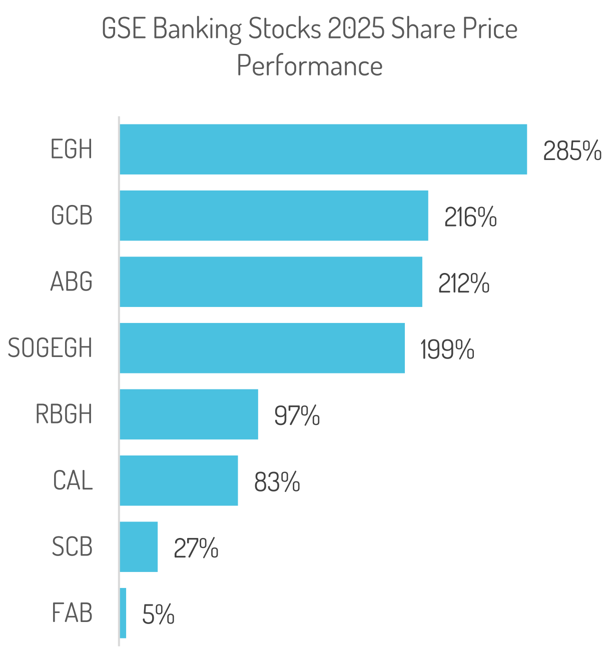
1. Lower reliance on imported inputs and effective FX risk management: Many Ghanaian consumer companies rely heavily on imported raw materials and finished goods, leaving cost structures exposed to exchange rate volatility. For example, industry estimates suggest that breweries import roughly 70% of key inputs—including barley, malt, concentrates, and additives—with only about 30% sourced locally. With the cedi expected to depreciate modestly in 2026, some cost pressure is likely, albeit contained. We believe companies best positioned to outperform will be those that increase local sourcing alternatives, particularly by value rather than volume, while actively managing currency risk through derivative contracts such as forwards to lock in more predictable input costs during periods of currency weakness.

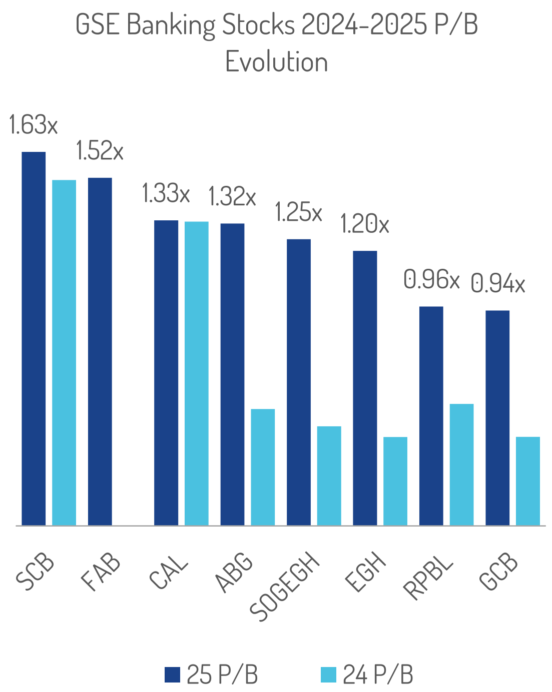
2. Disciplined execution of cost-efficiency initiatives: We expect the strongest performers in 2026 to be companies with management teams focused on delivering sustainable cost efficiencies. Key initiatives include adopting asset-light distribution models, increasing the use of digital marketing channels, and undertaking rigorous reviews of operating processes to identify efficiency gains. Investments in renewable energy solutions can also reduce reliance on grid power and help mitigate the impact of recurring utility tariff increases. While the benefits of these measures may accrue gradually, companies that execute effectively are likely to generate meaningful medium- to long-term value and strengthen their competitive positions.

3. A balanced portfolio of essential, high-quality, and competitively priced brands: Despite easing inflation, Ghanaian consumers remain highly price sensitive but are generally unwilling to compromise on quality. As a result, we expect successful companies to focus on strengthening the relevance and quality of their brands, while selectively introducing new products tailored to local preferences. A balanced brand portfolio—anchored by essential, high-growth, and high-margin products—supports revenue stability and diversification. Leading firms are also likely to optimize their portfolios by exiting or deprioritising non-core brands and reallocating capital toward segments where they hold clear competitive advantages and can generate attractive returns. Given the competitive nature of the sector, maintaining a low-cost structure remains critical to preserving pricing flexibility.

Banking Sector Outlook

The banking sector delivered exceptional returns in 2025, with listed bank stocks rising by an average of 140%. This performance was driven by a strengthening economy, strong earnings, and attractive dividends, alongside a sharp re-rating in valuations. In 2026, we expect banking stocks to continue performing well, though returns are likely to moderate as valuations approach fair value levels. Credit demand should remain healthy, supported by economic growth, infrastructure spending, and lower interest rates. However, softer yields on interest-earning assets may constrain upside.





Source: Bloomberg as of 31/12/2025

NB: 25 P/B multiple is based on 31/12/25 closing price and Q3 25 book value per share (BPS) as FY financials are yet to be pu blished at the time of writing.

Winning in 2026: The Blueprint for High-Performing Banks

1. Lower dependence on interest income and strong non-interest revenue profiles: In a low interest-rate environment, we expect the strongest performers in 2026 to be banks with diversified revenue streams and a meaningful contribution from non-interest income. For most banks—both public and private—interest income still accounts for roughly 70.0% – 80.0% of total revenue. As net interest margins come under pressure, banks with well-developed trading desks across fixed income and FX, as well as those generating recurring fee and commission income, are better positioned to outperform peers.

2. Strong, diversified, and expanding loan books: We project treasury bill rates to average around 11.0% – 13.0% in 2026, reflecting lower policy rates, subdued inflation, and continued fiscal consolidation. Yields on longer-dated fixed-income instruments are also expected to remain well below the elevated levels seen between 2022 and 2024, when banks earned attractive returns by investing heavily in short-dated government securities. Against this backdrop, record-low lending rates and the Bank of Ghana's dynamic Cash Reserve Ratio (CRR) framework—designed to encourage lending to productive sectors—should support loan growth. Several listed banks currently operate with loan-to-deposit ratios below 40%, which requires them to hold 25% of deposits as non-interest-earning cash at the central bank. We expect most banks to move toward or above this threshold by late 2026, unlocking capital and improving returns.

3. Robust deposit growth skewed toward low-cost CASA funding: Industry deposits have grown at an exceptional pace over the past five years, with a compound annual growth rate of approximately 27.0%, driven by improved financial inclusion, effective deposit mobilisation, and stronger digital banking platforms. We expect this momentum to continue into 2026, supported by favourable macroeconomic conditions and improving business confidence. Banks with large and growing deposit bases weighted toward current and savings accounts (CASA), particularly from retail customers, are best positioned to benefit. CASA deposits are the lowest-cost source of funding and reduce reliance on wholesale borrowing, helping to offset pressure on interest income in a low-rate environment.

4. Attractive and sustainable dividend payouts: Dividend income remains a key driver of total shareholder returns in the banking sector. In 2025, five of the eight listed banks declared dividends for the 2024 financial year, and we expect similarly strong dividend payouts for the 2025 financial year, supported by robust earnings performance. Based on our internally constructed Dividend Strength Index, which assesses banks based on dividend consistency, payout ratios, payment frequency, and historical yields, we find that SCB and SOGEGH stand out as the most attractive names in terms of dividend reliability and potential payout size, based on historical performance.

Table 1: GSE Banks Dividend Strength Index

Rank	Bank	Payout Consistency Score	Payout Ratio Score	Dividend Yield Score	Total Score
1	SCB	60%	100%	60%	70%
2	SOGEGH	60%	100%	60%	70%
3	GCB	60%	60%	40%	58%
4	CAL	40%	60%	80%	49%
5	EGH	40%	60%	40%	45%
6	ABG	20%	80%	100%	43%
7	RPB	0%	0%	0%	0%

NB: Criteria Weights: Payout Consistency (65%), Payout Ratio (25%), Dividend Yield (10%)

Oil & Gas Outlook

Like other major sectors, publicly listed oil marketing companies (OMCs) delivered a very strong performance in 2025. GOIL and TOTAL recorded share price gains of approximately 95% and 207%, respectively, supported by improving investor sentiment and attractive dividend payouts. Looking ahead, we expect 2026 to remain broadly positive for both companies from an operational and fundamental perspective.

Despite the strong earnings backdrop, valuations appear to have moved ahead of fundamentals. GOIL currently trades at a price-to-earnings (P/E) multiple of 8.3x, around an 11% premium to its 10-year median. TOTAL's valuation is more stretched, with the stock trading at a trailing twelve-month P/E of 12.6x, well above its historical median of 5.4x. TOTAL also trades at an EV/EBITDA multiple of 7.5x, representing a 10% premium to the peer average. As a result, we see scope for a period of consolidation or a modest pullback—particularly for TOTAL—as some investors take profits. In this scenario, share prices may remain relatively flat even if earnings continue to improve in the near term.

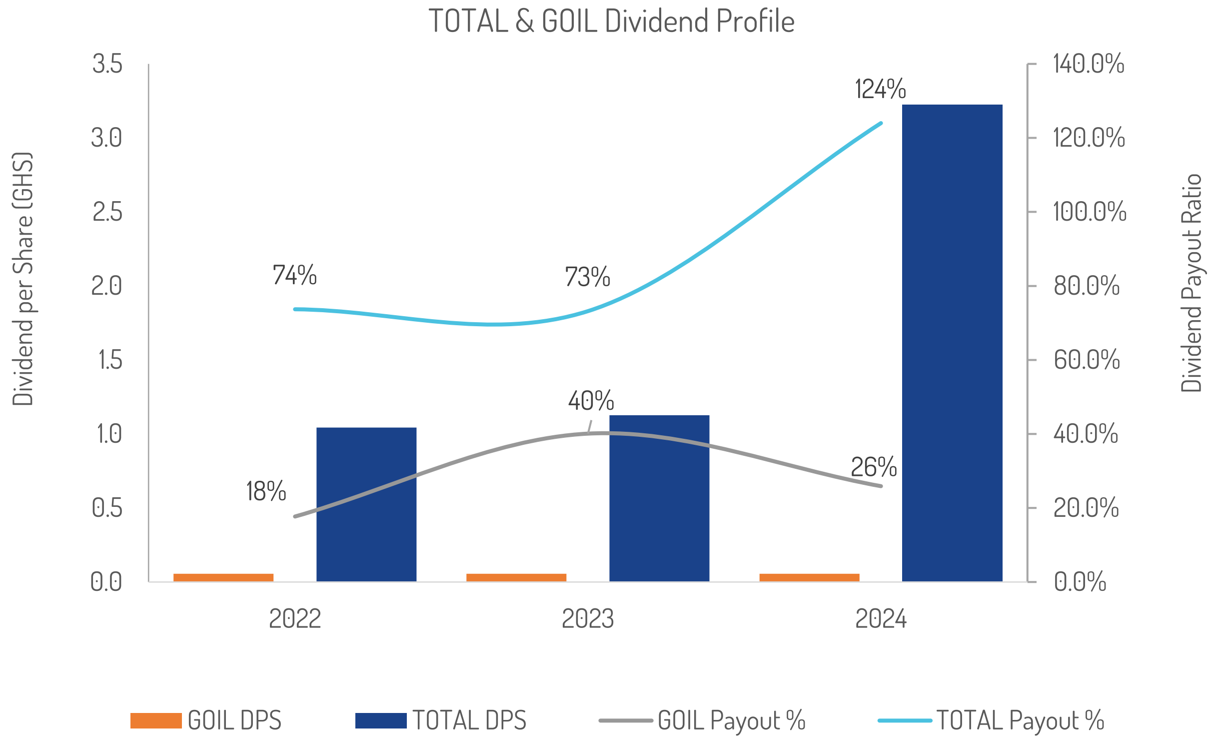
Several risks could weigh on both company-specific and sector-wide profitability. The oil marketing industry remains highly competitive, with more than 190 licensed distributors competing aggressively on price, which continues to pressure margins. In addition, consensus forecasts indicate that global oil prices, as measured by Brent crude, are likely to average below US$60 per barrel in 2026. Combined with a modest depreciation of the cedi, this could increase input costs, limit pricing flexibility, and constrain returns.

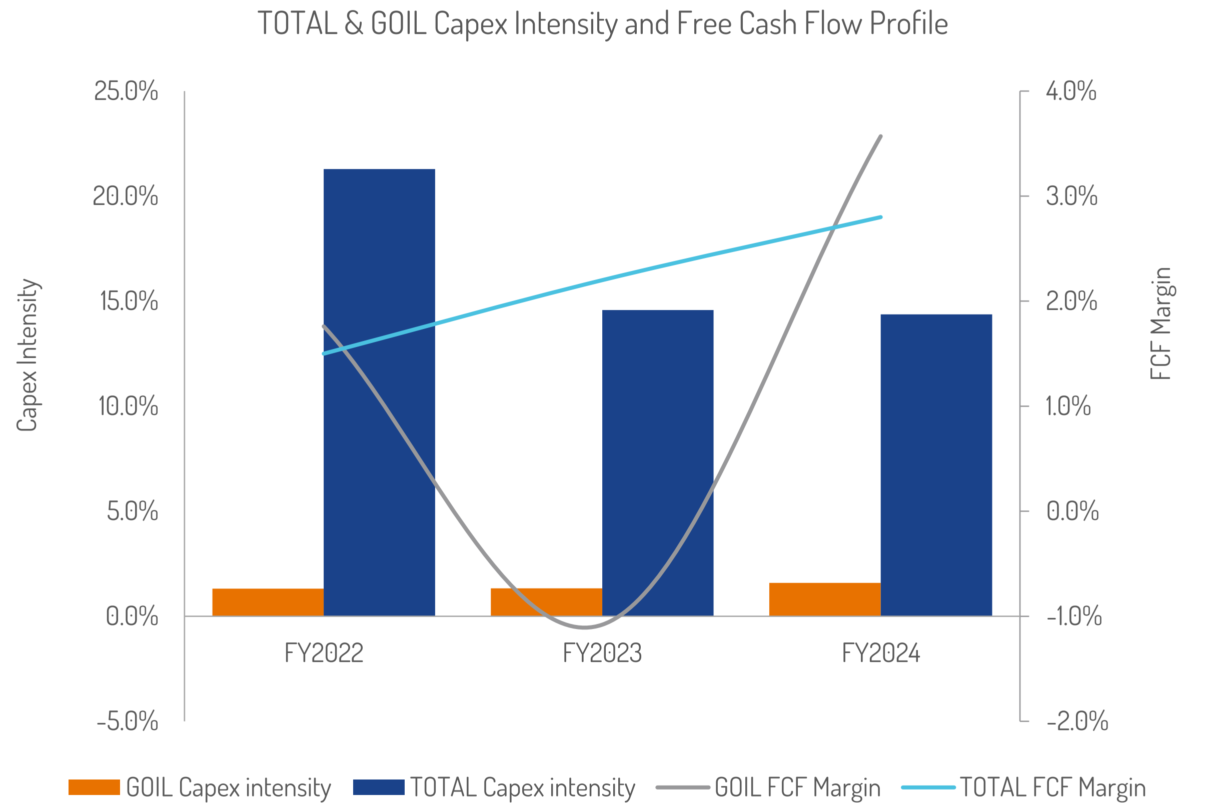
Winning in 2026: The Blueprint for High-Performing Oil Marketing Companies

1. Strong cost discipline and operational efficiency: With margins likely to encounter some headwinds in 2026, driven by a supply-glut-induced moderation in global oil prices, regulatory levies, and a modest depreciation of the cedi, we believe that the winning firm in this industry will demonstrate superior cost and operational efficiency. In particular, companies with strong supplier relationships will be better positioned to import key inputs on relatively favourable terms, thereby mitigating cost pressures. Additionally, the effective use of technology to optimise logistics, inventory management, and distribution efficiency will be a key differentiator. Initiatives such as solarisation of operations, as implemented by TOTAL, demonstrate how energy cost optimisation can meaningfully reduce operating expenses and partially offset margin compression.

2. Low leverage and solid FCF generation provide financial flexibility: Most OMCs rely on a combination of long-term debt and overdraft facilities to finance capital expenditures, project development, and working capital requirements. A significant portion of this debt was contracted during periods of elevated interest rates (~30%), leading to higher finance expenses. We believe the biggest winners will be companies that generate strong and consistent free cash flow, enabling them to refinance expensive legacy debt in the current low-interest rate environment. This refinancing should enhance profitability and dividend-paying potential, strengthen balance sheets, and improve credit profiles.

3. Clear, sustainable dividend-paying capacity: Given that there are only two-listed OMCs, which inevitably results in constant comparisons by investors, dividend-paying capacity becomes a particularly important differentiator for investors. We believe the company with a stronger and more consistent track record of dividend payments—reflected in superior dividend payout ratios and dividend yields—will be viewed more favourably by the market.


TOTAL & GOIL Dividend Profile
Dividend per Share (GHS)
Dividend Payout Ratio
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
140.0%
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
124%
74%
73%
40%
18%
26%
2022
2023
2024
GOIL DPS
TOTAL DPS
GOIL Payout %
TOTAL Payout %


TOTAL & GOIL Capex Intensity and Free Cash Flow Profile
Capex Intensity
FCF Margin
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
FY2022
FY2023
FY2024
GOIL Capex intensity
TOTAL Capex intensity
GOIL FCF Margin
TOTAL FCF Margin

MTN Ghana remains one of our top equity picks for 2026 following another strong year of performance in 2025. Since listing, the stock has delivered exceptional total returns of 800%, underpinned by market leadership, strong margins, and consistent dividends.

Our valuation analysis indicates that MTN Ghana trades at a significant discount to regional peers despite superior profitability and dividend yield. While liquidity constraints may limit a full re-rating, we believe the stock still offers meaningful upside and remains a compelling core holding for long-term investors. From a fundamental perspective, MTN is strategically positioned to outperform for the following reasons:

1. Undisputed Market Leadership: MTNGH remains Ghana's leading telecom operator, supported by robust subscriber growth, extensive network coverage, and strategic CAPEX deployment. In our view, the company is well-positioned to maintain its dominance and drive top-line expansion.

2. Consistent Dividend Payments: Over the past five years, MTNGH has maintained a dividend payout ratio between 65% and 82%, delivering an average yield of 11.8%

3. Strict Cost Discipline Supports Margins: MTNGH has consistently maintained strong cost discipline, ensuring that operating expenses remain closely aligned with revenue growth despite inflationary and foreign exchange pressures. The company's OPEX-to-sales ratio improved from 29.8% in 2019 to 26.5% in 2024, and we anticipate it will average approximately 27.0% over the next five years as macroeconomic conditions stabilize and efficiency gains deepen.

Beyond its strong fundamentals and market leadership, our in-depth valuation analysis shows that MTN Ghana trades at a significant discount relative to key regional peers, underscoring its attractiveness. At current levels, we believe the stock offers an attractive entry point for long-term investors and presents a strategic opportunity to enhance portfolio risk-adjusted returns.

Table 2: Regional Peers Relative Valuation

Company	FY26e year end	26E EV/EBITDA	EBITDA margin	ROE	Dividend yield	P/E
MTN Ghana	Dec-26	2.9x	59.7%	77.5%	16.5%	4.9x
Sonatel	Dec-26	3.3x	42.6%	29.7%	9.0%	6.3x
MTN Nigeria	Dec-26	3.6x	52.1%	N_A	10.7%	6.8x
MTN Group	Dec-26	4.5x	46.3%	19.6%	2.8%	10.8x
Vodacom Group	Mar-26	5.5x	37.4%	20.9%	5.3%	13.4x
MTN Uganda*	Dec-26	5.6x	61.2%	38.6%	10.1%	12.3x
Safaricom	Mar-26	6.2x	50.1%	47.4%	5.9%	13.1x
Maroc Telcom	Dec-26	6.2x	52.4%	25.1%	4.5%	17.3x
Airtel Africa	Mar-26	6.9x	48.5%	21.0%	1.7%	23.1x
Mean		5.2x	48.8%	28.9%	6.3%	12.9x
Median		5.5x	50.1%	27.4%	5.9%	12.3x
Mean-ex SA		4.9x	52.4%	39.9%	8.3%	12.0x

Source: ABSA Research, IC Insights

MTN Ghana currently trades at an estimated 2026 EV/EBITDA multiple of approximately 3.0x, representing an approximate 45% discount to its regional telecom peers, which trade at an average multiple of 5.2x. In our view, this this valuation gap signals potential upside scope given MTN Ghana's superior operating fundamentals, particularly its EBITDA margins and dividend profile. The company's EBITDA margin stands at 59.7%, well above the peer average of 48.8%, while its dividend yield of 16.5% is the highest among comparable operators. These metrics reflect strong operational execution and a consistent track record of returning capital to shareholders.

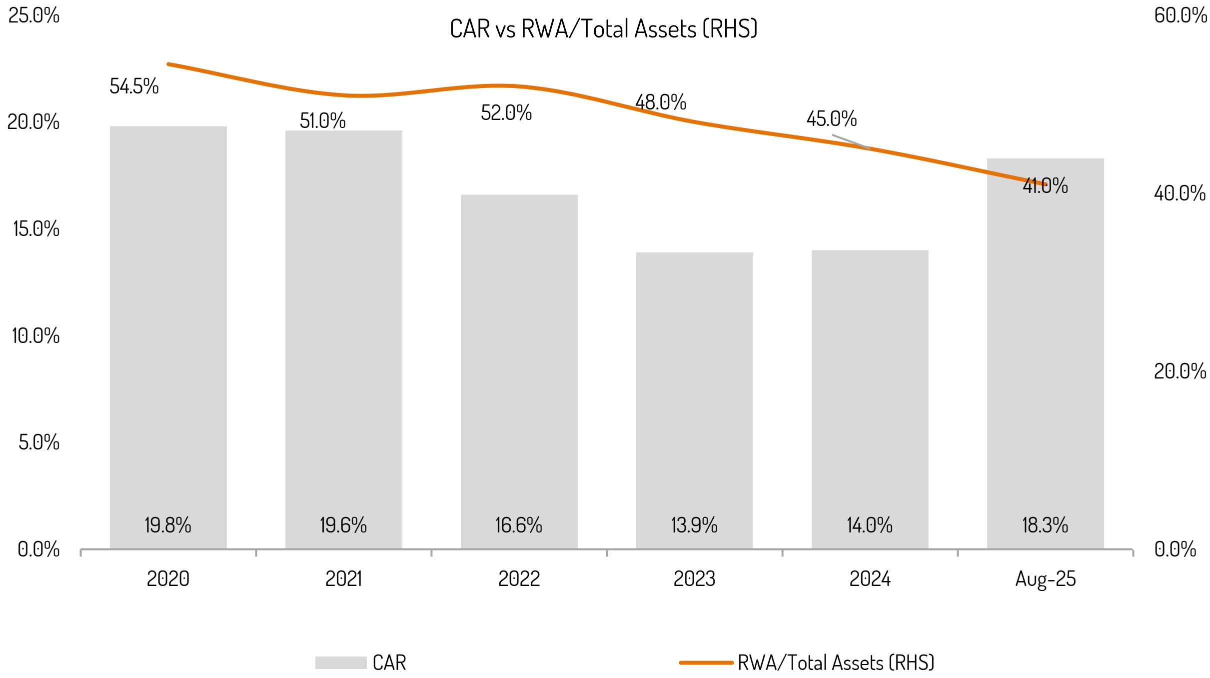
Key risks to our positive outlook include a sharper-than-expected depreciation of the cedi, a renewed acceleration in inflation, heightened regulatory pressure stemming from MTN Ghana's Significant Market Power (SMP) designation, and potential increases in corporate taxation.

Credit: Market Recap

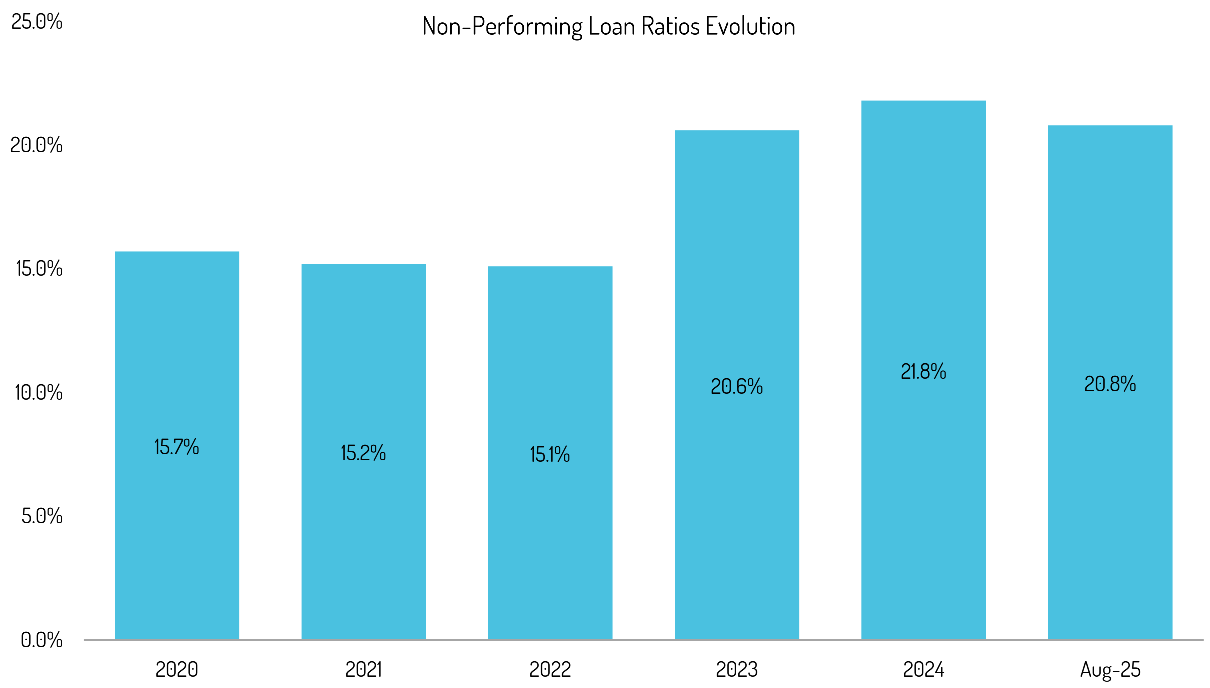
As Ghana's monetary easing cycle extends into 2026, the domestic credit market is undergoing a meaningful repricing. Yield compression across risk-free instruments is reshaping investor behaviour and creating renewed opportunities in structured and corporate credit. Our focus centres on three evolving areas: the broader repricing of credit markets, the banking sector's transition toward improved profitability and capital strength, and the emergence of a private credit opportunity set.

Corporate credit yields are now trending toward the 15.0% – 18.0% range, a decline that reflects lower risk-free rates rather than tighter credit spreads. In fact, spreads have widened materially. Between 2023 and 2025, Treasury bill yields averaged around 28%, leaving little incremental compensation for assuming corporate credit risk. In contrast, in 2026 Treasury bill yields have fallen to approximately 11.0% – 13.0%, while corporate bonds are refinancing at 15.0% – 18.0%. This has driven an expansion in credit spreads from negligible levels of 0-200 basis points to a more attractive 400-600 basis points.

While absolute yields are lower, the improvement in relative value is significant. Wider spreads have restored the attractiveness of corporate credit versus government securities, offering investors risk-adjusted returns not seen since before the DDEP period.



Source: Annual Reports Ghana, IC Insights



As the banking sector continues to stabilise, traditional bank credit instruments remain an important component of portfolios. Fixed deposits and repurchase agreements continue to play a central role in liquidity management, although yields have compressed to around 9.0% – 12.0%. This sharp decline in returns across vanilla bank instruments underscores the growing need for product innovation. Banks that develop structured credit solutions aligned with the current rate environment are likely to see strong institutional demand, particularly for instruments that enhance returns while maintaining robust credit protections.

The banking sector remains a suitable anchor allocation for income-focused credit portfolios, offering stability and predictable cash flows. Portfolio exposure should favour institutions with strong capital buffers, improving asset quality, and disciplined risk management. That said, investors seeking higher returns may find more compelling opportunities beyond traditional bank credit, particularly in the emerging private credit market where risk premiums remain attractive.

Credit Market Development

The evolution of Ghana's private credit market is beginning to generate tangible investment opportunities. Commercial paper issuance is gaining traction as corporates increasingly turn to capital markets to meet short-term working capital needs.

Corporate bonds are also seeing renewed interest, albeit from a low base. At present, only eight active corporate issuers are listed on the Ghana Fixed Income Market, reflecting a long-standing reliance on bank financing and investor preference for government securities. However, we believe the current environment is supportive of market expansion. With bank lending rates still relatively high and low Treasury bill yields, corporates can now issue bonds at yields of 15.0% – 18.0%. This represents a substantial improvement from the 25.0% – 30.0% funding costs seen in 2023–2024, while still offering investors an attractive premium over government securities.

For institutional investors, allocations to private credit can reasonably increase from current low levels as transaction structures incorporating guarantees, collateral, and other credit enhancements gain traction. While these investments typically require longer holding periods, they offer meaningful yield premiums relative to traditional bank and sovereign instruments.

Commodities

GOLD

In 2026, gold prices are likely to be shaped by a balance of supportive structural forces and moderating cyclical pressures. Key tailwinds include continued central bank gold accumulation and renewed inflows into gold ETFs—particularly from Western investors—while competitive pricing from substitute precious metals presents a potential headwind. Overall, these forces point to an upward bias for gold prices in 2026, albeit with periods of volatility.

Gold demand is broadly distributed across four segments: jewellery, technology, investment, and central banks. As of 3Q2025, these accounted for approximately 33.3%, 6.5%, 42.7%, and 17.5% of total demand, respectively. Each segment presents distinct upside and downside risks that will influence price dynamics over the year.

From an investment perspective, geopolitical risk and US macroeconomic conditions remain the dominant drivers. Ongoing geopolitical tensions continue to reinforce gold's role as a safe-haven asset. While the Trump administration is expected to pursue renewed efforts to broker a peace agreement between Russia and Ukraine in 2026, the legacy of previous unsuccessful negotiations is likely to sustain investor scepticism. As a result, uncertainty surrounding the trajectory of the conflict should continue to underpin investment demand for gold.

US macroeconomic developments are also expected to play a central role. Benchmark 10-year US Treasury yields declined by approximately 43 basis points over 2025, reaching around 4.14% as at 31 December 2025. Expectations of continued Federal Reserve rate cuts, alongside renewed debate over the Fed's institutional independence, have contributed to a lower-yield environment that enhances the appeal of non-yielding assets such as gold. With President Trump yet to announce his nominee for the next Fed Chair—and market expectations leaning toward a more dovish appointment—anticipation of further rate cuts in 2026 has strengthened. Against this backdrop, investment demand for gold is expected to remain robust as investors seek to preserve value in a low-yield environment.

A weaker US dollar has further supported gold inflows. Declining interest rates have reduced the attractiveness of dollar-denominated assets, placing downward pressure on the currency and improving the affordability of dollar-priced gold for non-US investors. With the rate trajectory expected to remain downward in 2026, we do not anticipate a meaningful dollar recovery within the year. Continued dollar weakness should therefore remain supportive of gold demand.

Central bank accumulation is expected to provide a significant structural tailwind. In the context of the ongoing de-dollarisation, central banks continue to diversify reserves away from the US dollar and toward gold. According to the 2025 Central Bank Gold Reserves Survey, 95% of respondents expect global gold reserves to increase, while 73% anticipate a reduction in dollar holdings. This sustained accumulation is likely to provide steady upward support to gold prices in 2026.

On the demand side, elevated prices have weighed on jewellery consumption. Jewellery demand declined by 23% year-on-year as of 3Q2025, as consumers increasingly substituted toward other precious metals. While we expect a further softening in jewellery demand in 2026, the price impact is likely to be limited. Importantly, some demand has shifted rather than disappeared, with investors opting to gain gold exposure through lower-cost investment vehicles such as ETFs instead of physical jewellery.

Technology demand declined by 2.0% year-on-year as of 3Q2025. Earlier in 2025, the threat of US tariffs on gold prompted front-loaded purchases, which subsequently resulted in softer demand later in the year. Although tariff risks have since eased, we expect technology demand to remain modestly lower in 2026 due to elevated gold prices. Given that technology accounts for only around 6.0% – 7.0% of total gold demand, weakness in this segment is unlikely to materially affect overall price dynamics.

COCOA

Cocoa was the standout commodity of 2024, outperforming all others by a wide margin and delivering gains of approximately 168%, making it the best-performing commodity of the year.

The picture shifted sharply in 2025. Cocoa prices corrected significantly as demand weakened, supply conditions improved, and prices retraced from the extreme highs reached in 2024. As at 31 December 2025, prices were down 52.4% year-to-date. Elevated prices in 2024 ultimately led to meaningful demand destruction in 2025. According to the European Cocoa Association (ECA), cocoa grindings—a commonly used proxy for demand—declined by 4.8% year-on-year in the third quarter of 2025. The slowdown was more pronounced in Asia, where the Cocoa Association of Asia reported a 17.1% year-on-year contraction over the same period. In the United States, reported grindings increased by 3.2% year on year, although this largely reflected the inclusion of two additional reporting plants rather than a genuine recovery in underlying demand.

On the supply side, prices in 2024 were driven higher by a combination of adverse weather, the spread of swollen-shoot disease, and disruptions linked to illegal gold mining in Ghana. By the third quarter of 2025, however, production conditions had improved materially, with farmers in both Ghana and Côte d'Ivoire reporting more favourable weather and healthier crops. Short-term supply risks were further eased by the postponement of the European Union's Regulation on Deforestation-Free Products (EUDR) and the exemption of cocoa from President Trump's reciprocal tariffs. The delay in regulatory implementation has allowed trade between producers and the EU to continue uninterrupted, while the tariff exemption has reinforced market perceptions of near-term oversupply.

Looking ahead to 2026, seasonally supportive weather conditions are expected to underpin stronger 2025/26 harvests, maintaining downward pressure on prices. Demand is also likely to remain subdued for as long as prices stay elevated relative to historical norms. The combination of improving supply and softer demand should therefore continue to drive cocoa prices toward more sustainable levels over the year ahead.

CRUDE OIL

After decades of dominance, the oil market may be approaching an inflection point as the global transition toward cleaner energy continues to erode long-term demand for fossil fuels. Government policies and incentives supporting renewable energy have played a central role in redirecting demand away from traditional energy sources. In China—the world's largest crude oil importer—the New Energy Vehicle Development Plan (2021–2035) explicitly targets global leadership in new energy vehicle technologies by 2035, reinforcing this structural shift.

On the supply side, persistent oversupply relative to demand has added to downward pressure on crude oil prices. While recent sanctions imposed on Russian producers Lukoil and Rosneft could provide some near-term support in 2026, their impact is likely to be limited. Rosneft and Lukoil account for approximately 6.0% and 2.0% of global crude oil production, respectively, while China alone represents around 16.0% of global crude oil consumption. Against this backdrop, sanctions on Russian supply are unlikely to offset the broader demand slowdown.

As a result, we expect crude oil prices to remain under pressure and deliver a muted performance in 2026, with structural demand headwinds continuing to dominate cyclical supply-side developments.

REAL ESTATE

The African Continental Free Trade Area (AfCFTA), headquartered in Accra, continues to act as a key structural driver of office demand, attracting regional headquarters and trade-related service providers. In parallel, Ghana's commercial real estate market is on track to exceed its US$77.2 billion valuation, supported by a stabilising currency that has reinforced the appeal for dollar-denominated assets as a hedge for international investors.

Office Real Estate Market in Ghana

Ghana's office market has experienced both effective and latent demand, with overall momentum continuing to build from 2025. Following the 2024 election cycle, the market transitioned from a period of caution to one of renewed expansion, as businesses moved from a "wait-and-see" stance to active growth strategies.

This shift has translated into an increase in the average size of office space transacted. While the upper limit of demand stood at approximately 200 sqm in late 2024, leasing activity in 2025 expanded into a broader range of 150–450 sqm. Despite this trend toward larger footprints, demand for smaller, flexible spaces remains strong. Serviced offices and compact units ranging from 40–80 sqm continue to attract startups and firms operating hybrid work models. Multinational occupiers are also increasingly prioritising green-certified and smart-enabled buildings in order to meet global ESG requirements.

At the same time, the market has become more competitive and less accommodating for tenants. The stabilisation of the Ghana cedi and easing inflation have removed the justification for rental discounts that prevailed in 2023 and 2024. As a result, rental floors have begun to rise, with Grade A office rents trending toward USD 35.00/sqm in premium locations. Tenants seeking flexibility—particularly startups and hybrid operators—are increasingly being pushed toward serviced offices and Grade B stock, where rental levels remain more accessible.

Grade A office rents adjusted upward in 2025, reflecting stronger demand and currency stability. Prime offices are currently achieving average rents in the range of US$23.00–US$28.00 per sqm per month, with landmark assets in Airport City and its environs occasionally commanding higher rates (for example, the WAICA Building at approximately US$32.00 per sqm per month). This increase reflects the conversion of latent demand into executed leases as macroeconomic uncertainty has receded. Correspondingly, vacancy rates across the total office stock declined from around 22.0% at end-2024 to approximately 18.0% at the start of 2026, indicating improving absorption.

Investor confidence has strengthened in response to these conditions, prompting the revival of previously stalled development projects. The continued dollarisation of the office market remains a key attraction, offering protection against inflation. Recent completions, including Skyview Tower in Cantonments and the WAICA Building, have attracted strong tenant interest. Looking ahead, supply is set to expand further as major projects—such as the Absa Bank Head Office (owner-occupied), the Energy Exchange Building at West Ridge, the PURC Tower at Ridge Roundabout (owner-occupied), Petroleum Towers at Dzorwulu, and the Empire Business Centre at Airport City—reach completion. This pipeline is expected to add over 50,000 sqm of new space, largely driven by demand from international firms and financial institutions seeking purpose-built, owner-occupied headquarters in Accra.

Conclusion and Outlook

The outlook for Ghana's office real estate market in 2026 is constructive. The sector has moved beyond a period of minimal expansion and is now characterised by active development, firming rents, and improving yields. Dollar-denominated leases continue to provide investors with a compelling hedge and support sustainable, risk-adjusted returns.

As developers increasingly align new projects with modern technological and environmental standards, Ghana's office market is well positioned to maintain its status as a leading commercial investment destination in West Africa. However, tenant bargaining power—particularly among multinational occupiers—is likely to diminish further in 2026. This makes early lease renewals increasingly important, as rental rates may continue to edge higher toward the latter part of the year.

Personal Finance

Your financial plan for 2026: Simplicity, focus, and consistency

Similar to 2025, crafting a clear financial plan remains essential for navigating the year ahead. While tools and market conditions continue to evolve, the fundamentals of sound personal finance remain largely unchanged. In 2026, simplicity is key. Individuals who anchor their financial decisions around a few core principles are better positioned to manage surprises, remain disciplined, and build long-term financial resilience. This includes planning deliberately for personal enjoyment, as well as taking advantage of the economic stability to strengthen your financial position and reduce debt.

Refine your plan or go for a fresh start in 2026.

The new year gives us a unique opportunity to look back and move forward. As we did in 2025, maintaining a clear set of goals and a spending plan is a must, and the current macroeconomic stability may even allow us to plan for some additional discretional spending. While you should surely enjoy the fruits of your labour, it is key that you do so mindfully.

- Reset priorities: Distinguish between essential expenses, discretionary spending and investing for long-term aspirations, and rank them by urgency and importance, then allocate income intentionally across the categories.

- Clarify your goals: Be specific and time-bound. For example, rather than "save more," aim to "build a GHS 50,000 emergency fund by the end of 2026."

- Plan for enjoyment: Deliberately allocate funds for rest, recreation and lifestyle spending. Whether it is a new phone, social activities, or a major trip, enjoyment should be planned to ensure it remains intentional, sustainable, and aligned with long-term financial balance.

- Reduce debt: Whether in local or foreign currency, the current interest rate and foreign exchange levels give borrowers a unique opportunity to make savings. Attempt to renegotiate interest rates on cedi debts or increase your paydown rate on foreign debts to improve your financial position.

- Review regularly: Use digital tools to track and assess spending patterns, making adjustments where necessary.

This approach strengthens control over day-to-day finances while freeing up resources for investments and preparing for unexpected expenses. IC's wealth management team can support you to refine objectives and develop tailored strategies aligned with individual circumstances.

Leveraging technology in money management

Over the last decade, financial management has been increasingly shaped by digital innovation. From intelligent budgeting solutions to investment platforms, technology is enabling individuals to take a more structured and intentional approach to managing their finances.

This is where integrated platforms such as the IC Wealth App stand out. Rather than treating saving, investing, and market awareness as separate activities, the IC Wealth App brings them together within a single ecosystem, allowing you to invest and track your wealth journey more cohesively.

Goal-based planning:

Use the IC Wealth App to create specific financial goals, such as building an emergency fund, paying bills, or planning for travel, by linking these goals to a professionally managed mutual fund. This allows money set aside for future needs to remain actively invested rather than idle.

Long term investing:

The IC Wealth App can help you diversify your portfolio and explore investment opportunities across fixed income and equities, allowing you to fully benefit from the markets.

Automated investing:

Set up automatic transfers in the IC Wealth App so that investing becomes seamless and low-effort, ensuring long-term financial goals remain prioritised regardless of short-term spending pressures.

Market insights and research:

Use the Insights section in the app and website to access timely market research, macroeconomic commentary, and investment insights. These resources equip investors with the context needed to understand market movements and make more informed decisions.

A successful financial plan for 2026 is about clarity, consistency, and informed decision-making. By combining mindful spending, deliberate planning for both enjoyment and obligations, individuals can navigate the year with greater confidence and control. With the right tools and guidance, 2026 can be a year not only of financial stability, but of meaningful progress toward lasting wealth.

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