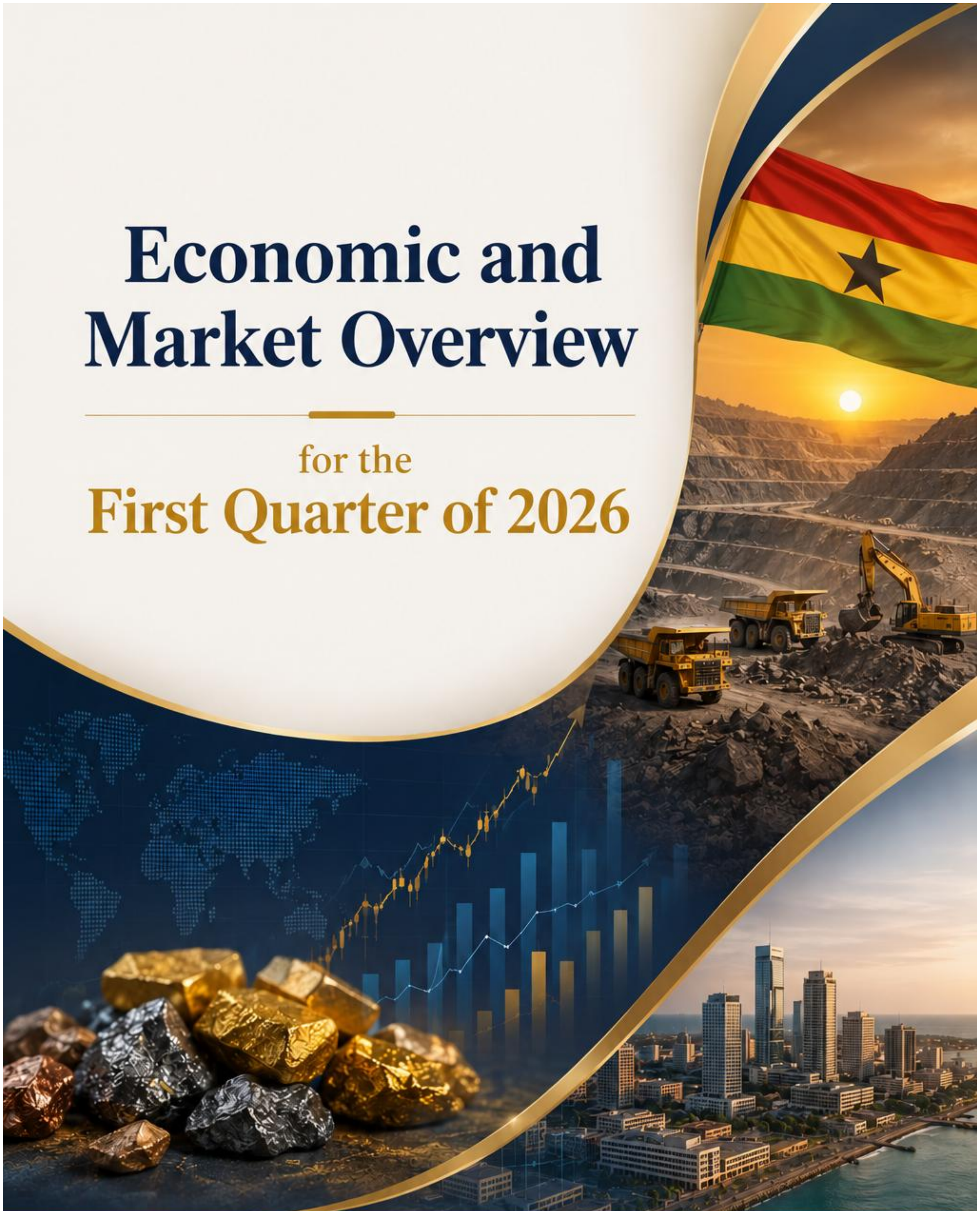
Economic and Market Overview

for the First Quarter of 2026



MIIF | MINERALS INCOME INVESTMENT FUND

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Key Points

- **The global economy exhibited resilient but uneven growth in the opening quarter of 2026 characterized by a gradual stabilization of inflation and central bank policy rates, despite ongoing geopolitical tensions.**

- **Major equities indices dipped in the first quarter of 2026, despite a significant rally by energy, defense and technology stocks on the back of surging energy costs, inflation fears and supply chain disruptions.**

- **The Ghanaian economy recorded appreciable growth with inflation staying below the Central Bank's target as at the end of the first quarter of 2026. The Ghana Stock Exchange (GSE) was Africa's top-performing bourse driven by strong investor interest across the bourse and the Cedi's strong performance.**

- **Yields on domestic Fixed Income instruments moderated sharply, on the back of slowing inflation and monetary policy easing.**

- **In the first quarter of 2026, gold prices remained firm amid continued safe-haven demand, lithium prices showed signs of stabilization after prior declines, and crude oil prices were volatile, influenced by shifting supply dynamics and global demand uncertainty.**

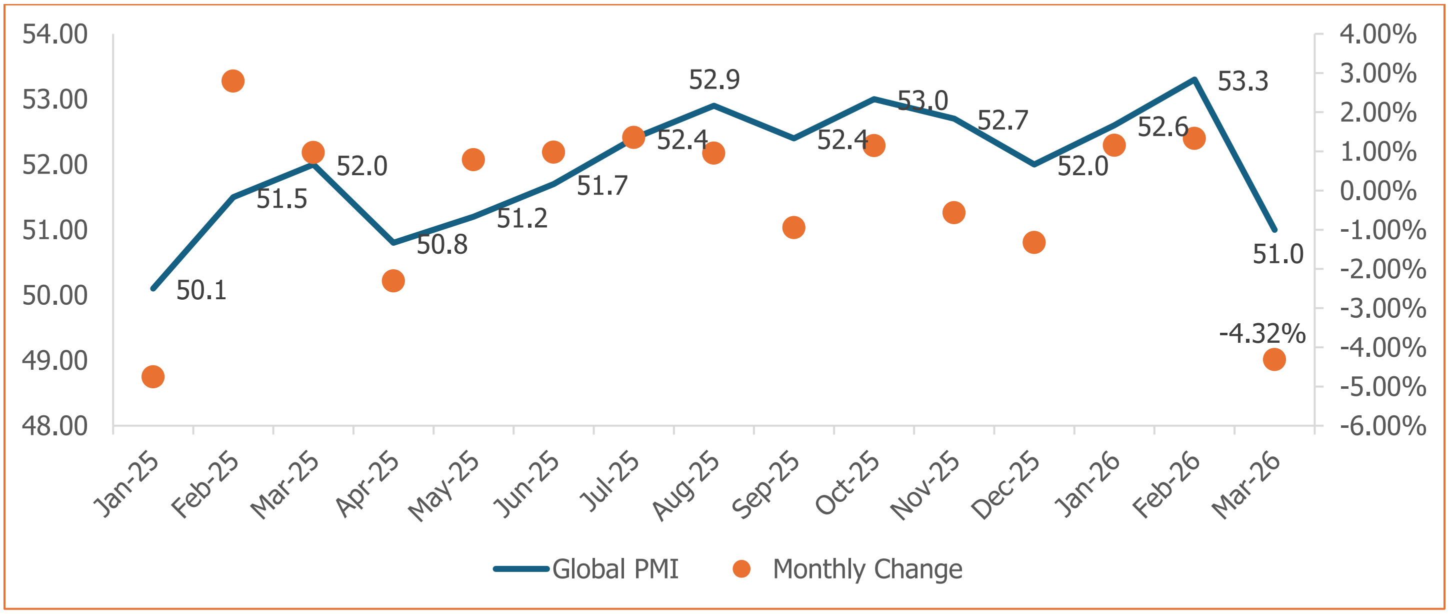
- **Engineers and Planners Limited (E&P) was selected as the successful bidder for the Abosso Goldfields Damang operation following the technical and commercial evaluation process.**

1. Global Economic Review

The global economy recorded a resilient start to the year despite the US-Israel war with Iran which dampened global growth momentum. The Q1-2026 average for global manufacturing PMI was estimated at 51.3, representing an improvement over the 2025 trend, despite March seeing a decline to 51.0 from February's 51.9.

The commencement of the US-Israel war with Iran in the Middle East at the end of February 2026 tested the resilience of the global manufacturing sector gains in the previous two (2) months and undoubtedly had a direct impact on global economic growth in March 2026. Global trade flows nearly stagnated as Strait of Hormoz closed to 20% of global oil supply, leading to input costs surge and supply chains disruptions. Output growth slowed across the consumer, intermediate and investment goods sub-sectors in March 2026, as Global Composite Purchasing Managers Index (PMI) Output Index slowed to 51, representing 4.32% decline.

Chart 1:Global PMI Composite Output Index



Source: Bloomberg, S&P Global, MIIF

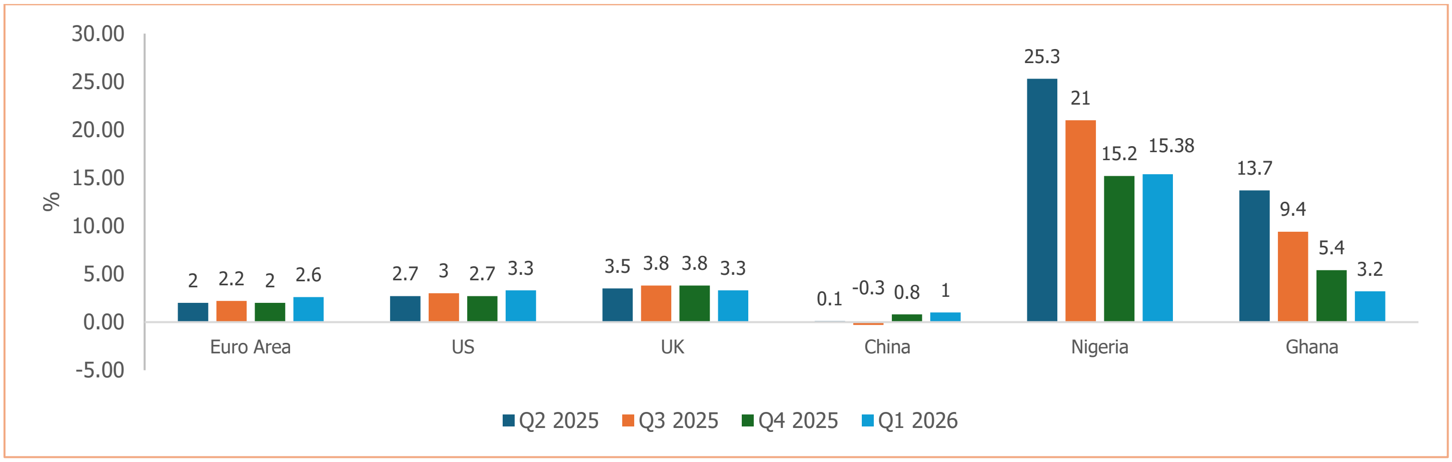
a. Global Inflation Trends

Inflation in many developed economies during the first quarter (Q1) of 2026 inched up relative to the previous quarter, with the Euro Area and the U.S recording rates of 2.60% and 3.30%, respectively. Euro Area inflation fell short of the European Central Bank (ECB) medium term target of 2.0% while the US inflation remained above the Federal Reserve target of 2% in the long run. Ghana however, met its medium-term inflation target band of 8% ± 2%, as March 2026 inflation stood at 3.20%.

Again, China equally experienced inflationary pressures in the first quarter of 2026 compared to the previous quarter, edging to 1% compared to 0.8% in fourth quarter of 2025. Nonetheless, the March 2026 inflation slowed from 1.3% recorded in February 2026 as food inflation slowed and energy surged over a three-year average.

Inflation in sub-Saharan Africa saw further mixed results in the first quarter of 2026, driven largely by currency movement and energy costs. In the case of Ghana, the remarkable recovery of the economy and the Ghana cedi against major trading currencies played a significant role in Ghana's disinflation journey. Ghana recorded a 3.20% inflation rate in March 2026; the lowest level recorded since 2021. It marked the 15th consecutive month of slowing inflation. While overall price increases slowed in the last two years, the region still faced challenges, with countries such as Nigeria (15.38%), Kenya (4.40%) Angola (12.42%) and Zambia (7.10%) experiencing high inflation.

Chart 2: Global Inflation Highlights for First Quarter of 2026



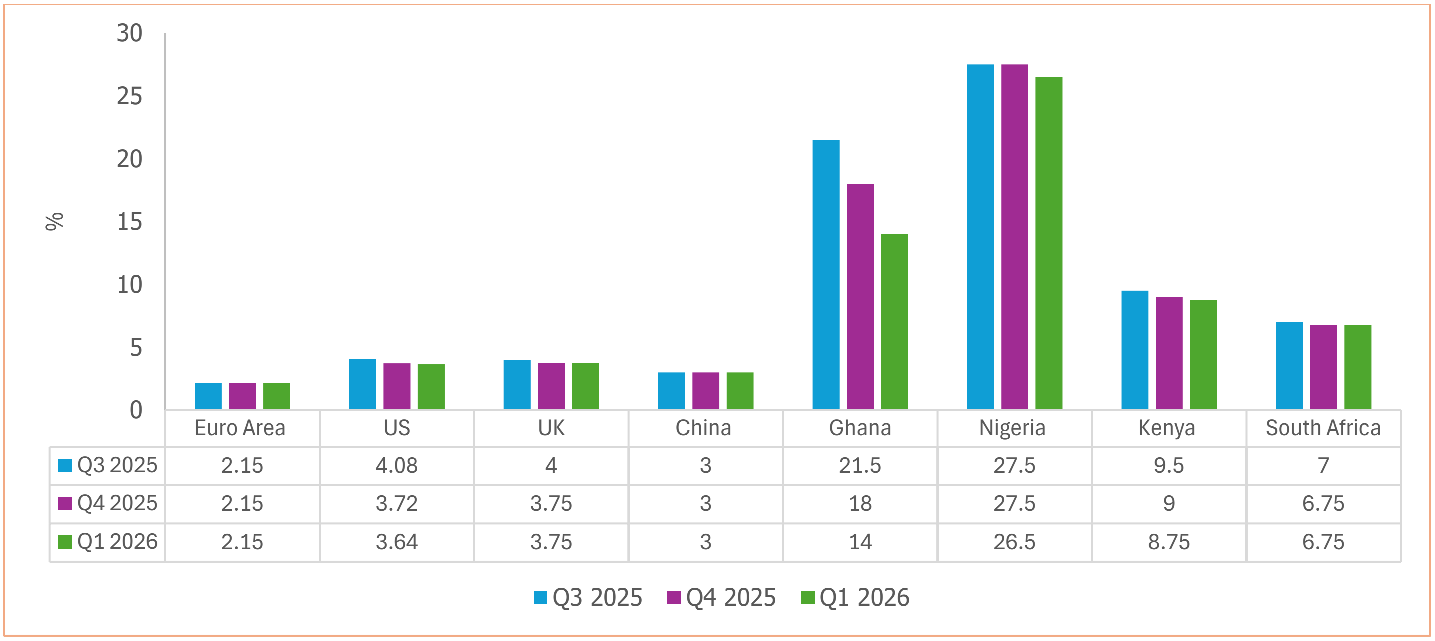
Source: Bloomberg, National Statistics Office

b. Policy Rate Trends

Central Banks (CBs) in developing and developed economies largely maintained or eased their policy rates in the first quarter of 2026, despite persistent inflation fears, especially following the breakout of war in the Middle East. This shift marks a transition from a period of intense global tightening to a more accommodative stance, although some CBs, such as the US Federal Reserve (FED), have maintained a cautious approach to rate cuts. The Bank of Ghana's (BoG) policy rate eased from 18% as at end 2025 to 14% by the close of the first quarter of 2026. The US FED's rate marginally eased to 3.64% as at end March 2026 from the 3.72% recorded as at December 2025. The European Central Bank (ECB) also maintained the main refinancing rate steady at 2.15% as at end March 2026, reflecting a cautious approach to the impact of the US-Israel and Iran war on economic growth and inflation.

Other economies including the United Kingdom (3.75%), China (3%) and South Africa (6.75%) maintained their policy rates of the last quarter of 2025 to end March 2026. A potential deal to end the war between Iran and the US will likely define the monetary policy direction for the rest of 2026.

Chart 3: Policy Rate Snapshots for the First Quarter of 2026



Source: Bloomberg, Central Banks

2. Review of Key Economic Indicators in Ghana

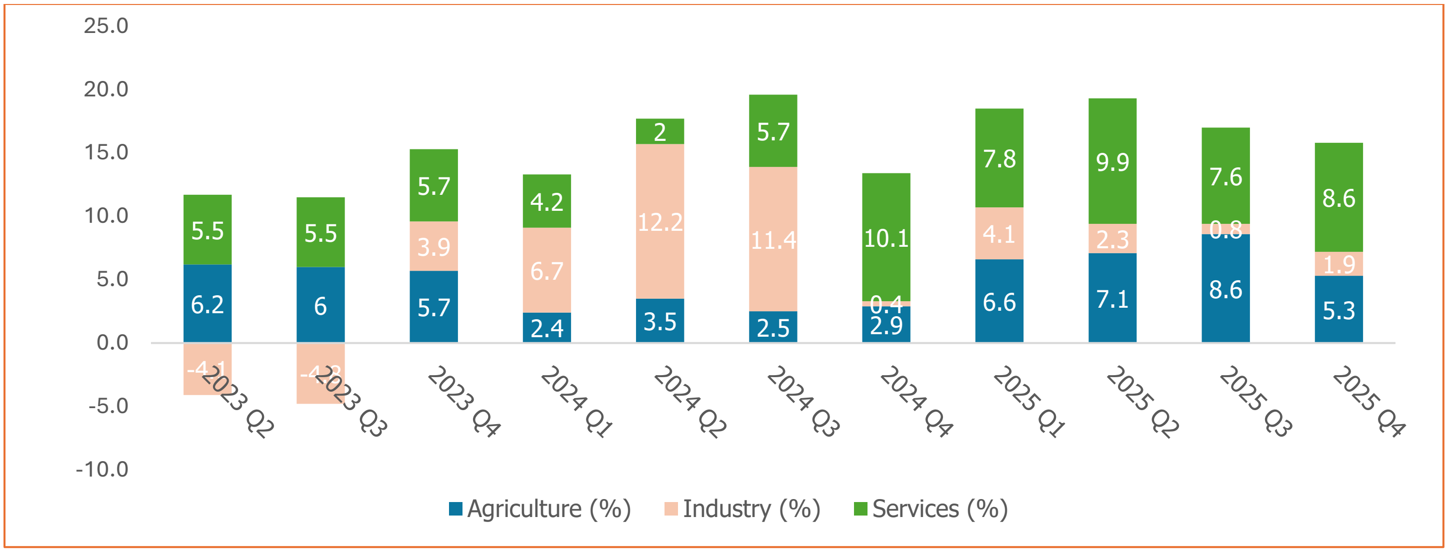
Table 1: Snapshot of Key Economic Indicators

Indicator	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Headline Inflation (%)	**22.4**	**13.7**	**9.4**	**5.4**	**3.2**
Monetary Policy Rate (%)	**27**	**28**	**21.5**	**18.0**	**14.0**
Ghana Reference Rate (%)	**27.9**	**23.8**	**17.9**	**15.9**	**11.7**
YTD Cedi Performance (%)	**-5.16**	**42.03**	**18.45**	**40.5**	**-5.0**
GDP Growth (%)	**6.4**	**6.5**	**5.5**	**7.1**	**n.a.**

a. Gross Domestic Product (GDP) Growth

Data released in the first quarter of 2026 indicates Ghana's economy rebounded to 7.1% growth in Q4 2025, accelerating from 5.5% in Q3 2025 and matching the 7.0% pace of Q4 2024. The rebound was driven primarily by a sharp recovery in services, which surged to 8.6% from 7.6%, reaching its strongest performance in the cycle. Agriculture moderated to 5.3% from 8.6%, but remained solid, while industry marginally improved to 1.9% from 0.8%, reflecting persistent structural weakness in the sector. The non-oil economy strengthened, supporting the overall acceleration. The data indicates that growth momentum returned in the quarter, with services leadership offsetting continued softness in industrial output, while agricultural volatility ranging from 2.5% to 8.6% over four quarters, underscores commodity and weather sensitivity.

Chart 4: Breakdown of Quarterly GDP Growth for Ghana



Source: Bank of Ghana, Ministry of Finance, Ghana Statistics Service

b. Latest Ghana PMI, Bank of Ghana CIEA and Fiscal Operations

In the first quarter of 2026, Ghana's private-sector activity displayed recovery with underlying volatility. The S&P Global Ghana Purchasing Managers' Index (PMI) declined to 48.5 in January 2026 from 51.1 in December 2025, signaling a contraction in business activity as companies reported weaker output and softer growth in new orders. However, the index rebounded to 49.2 in February before strengthening to 51.4 in March, reflecting renewed momentum in the latter part of the quarter. By quarter-end, companies reported higher output, accelerating new orders, stable employment and maintained purchasing and inventory levels, supported by improved customer confidence and easing cost pressures from continued disinflation.

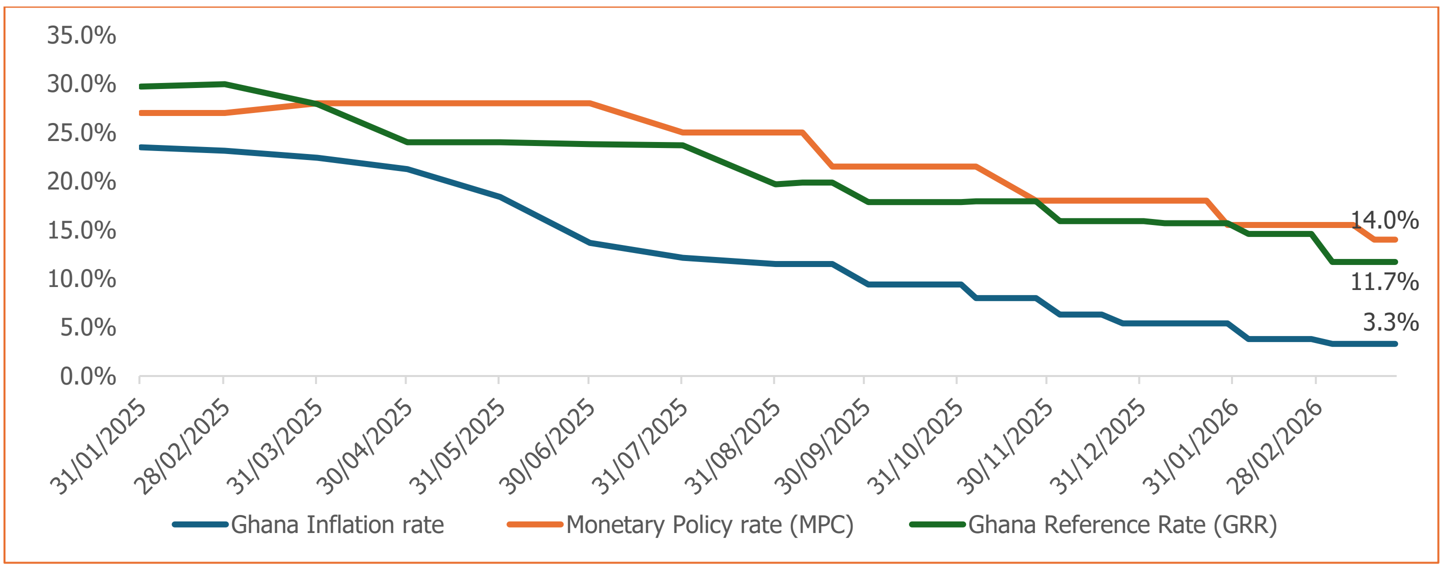
The Bank of Ghana's Composite Index of Economic Activity (CIEA) moderated to 11.8% year-on-year growth in January 2026 from 15.7% in December 2025, reflecting a normalization in the pace of acceleration after the strong close to 2025. The deceleration was broad-based, with contributions from industrial production stabilizing, international trade flows moderating, and private-sector credit growth easing from elevated levels. Despite the slowdown, the CIEA remained elevated relative to historical norms, pointing to sustained underlying economic momentum and a persistently tight output gap.

Ghana's fiscal position continued to benefit from the structural gains achieved through the first nine months of 2025, which included a primary surplus of 1.6% of GDP, a low fiscal deficit of about 1.5% of GDP, and public debt reduced to around 45% of GDP. These improvements were anchored by tight spending control, IMF-supported reforms, and proactive debt management, including early Eurobond repayment and the clearance of energy-sector arrears. The fiscal framework remained credible entering 2026, reinforcing debt sustainability and providing policy space to manage near-term activity volatility.

c. Inflation, Monetary Policy and Ghana Reference Rate Updates

Ghana's disinflation momentum accelerated sharply in the first quarter of 2026, with headline Consumer Price Index (CPI) falling to 3.2% by end-March, down from 5.4% at end-2025 and marking a 13th consecutive month of decline. The moderation was broad-based, reflecting sustained easing in both food and non-food price pressures supported by tight monetary policy and improved supply-side conditions. The Bank of Ghana cut its policy rate twice during the quarter, reducing it from 18% in late January to 15.5% by end-February and further to 14.0% by end-March, reflecting growing confidence in the durability of disinflation and improved macroeconomic fundamentals. The Ghana Reference Rate (GRR) compressed significantly from 15.7% in mid-January to 14.6% in early February and further to 11.7% by early March, before stabilizing around that level, signaling a marked easing in interbank credit costs. Together, these trends point to a substantial moderation in price pressures and a significantly more accommodative monetary stance, with transmission to lending rates likely to follow and supporting prospects for credit expansion and economic growth.

Chart 5: Inflation, Monetary Policy and Ghana Reference Rate

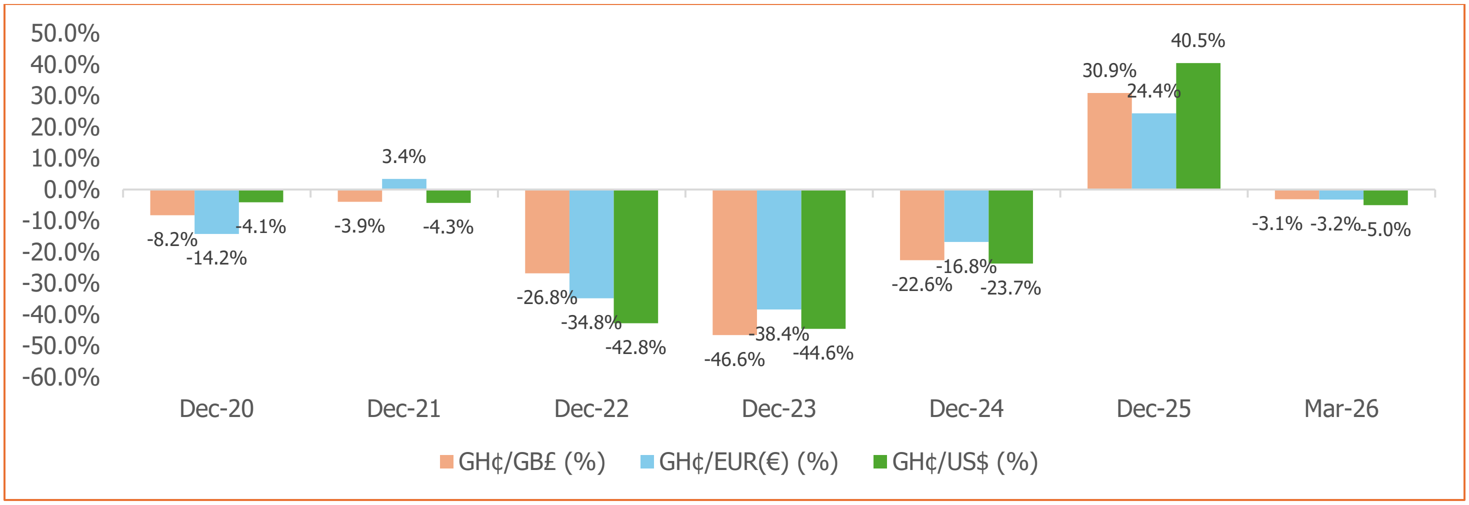


Source: Bank of Ghana, Ghana Statistical Service

d. Currency Update

In the first quarter of 2026, the Ghana cedi came under pressure after the substantial appreciation recorded in 2025. The cedi **depreciated** by **4.98%** against the US Dollar, **3.20%** against the Euro, and **3.11%** against the British Pound by end-March 2026, reflecting normalizing capital flows and seasonal demand pressures following the strong close to 2025. Despite the Q1 reversal, the cedi remained substantially stronger than end-2024 levels, retaining the bulk of the 40.5% appreciation against the US Dollar, 24.4% appreciation against the Euro, and 30.9% appreciation against the British Pound achieved over 2025. The strength of the currency was underpinned by improved macroeconomic fundamentals, strong export earnings, tight fiscal and monetary policies, and rising investor confidence. Early 2026 volatility signals a normalization in sentiment but does not materially undermine the external stability gains secured through 2025.

Chart 6: Performance of Cedi against Major Trading Currencies in the last 6 years



Source: Bank of Ghana

3. Mining and Commodities Update

a. Global Developments

The opening quarter of 2026 cemented a clear sectoral pivot. Mining companies doubled down on energy transition metals such as copper, lithium, and gold, as central banks continued their measured accumulation of bullion amid persistent geopolitical tension.

Major producers pursued selective, high-conviction deals to access premium-quality assets while maintaining disciplined cost and risk management. Dealmaking in Q1 centered on copper and battery metals. BHP and Lundin Mining's Vicuña Corp. co-invested US$800 million in Argentina's Filo del Sol and Josemaría copper mines under an equal 50/50 partnership structure. The venture targets first production by 2030, anchored by a 25-year mine life and a targeted ramp to 300,000 tonnes of copper annually at steady-state capacity.

Across the lithium complex, Albemarle Corporation expanded carbonate production capacity in Western Australia, capitalizing on end-user demand and secured margins. Concurrently, Indonesian HPAL nickel projects attracted material commitments from Asian battery manufacturers, BYD and CATL prominent among them, each seeking assured offtake agreements and feedstock security.

A notable structural trend emerged: joint ventures and minority stakes superseded outright acquisitions. This approach allowed majors to access high-return assets and diversify risk while preserving balance-sheet flexibility. This approach represents a pragmatic response to commodity price volatility and capital discipline imperatives.

On the operational front, renewable energy integration accelerated at Barrick Gold and Newmont Corporation assets, reducing carbon exposure and operational costs. Direct Lithium Extraction (DLE) technology adoption widened across South American projects, promising lower water intensity and faster deployment timelines relative to evaporation ponds. Battery metal recycling programs gained traction, with industry targets now pointing to 10–15% of global lithium supply by 2030 sourced from secondary material, underscoring a meaningful offset to primary production constraints.

b. Ghana Mining Sector Developments

Ghana's mining landscape in Q1 2026 was marked by significant regulatory shifts, strategic project transitions, and operational milestones across gold and lithium assets.

In the first quarter of 2026, the Government through the Ministry of Lands and Natural Resources (MLNR) introduced the sliding scale royalty regime and the reduction of the Growth and Sustainability Levy (GSL) from 3% to 1% of gross revenue. The new royalty regime and GSL are governed by the Minerals and Mining (Royalty) Regulations, 2025 and Growth and Sustainability Levy Act, 2023 (Act 1095), as amended respectively.

Table 2: New Royalty regime (Gold)

Gold Price, US$/oz	Applicable Royalty Rate (%)
Up to US$1,900	5.00
Between US$1,901-US$2,000	6.00
Between US$2,001-US$2,500	7.00
Between US$2,501-US$3,000	8.00
Between US$3,001-US$3,501	9.00
Between US$3,501-US$4,000	10.00
Between US$4,001-US$4,500	11.00
Above $4,500	12.00

Table 3: New Royalty Regime (Lithium Spodumene)

Spodumene Price, US$/tonne	Applicable Royalty Rate
Up to US$1,500	5.00
Between US$1,500 - US$2,300	7.00
Between US$2,300 - US$3,200	10.00
Above US$3,200	12.00

Asante Gold Corporation maintained aggressive operational focus on mine life extension at Bibiani and Chirano. Throughput expansions progressed with crushing system upgrades targeting increases from 3.0 Mtpa to 3.2 Mtpa by end of Q1 2026, 3.8 Mtpa by end of Q2 2026 and 4.0 Mtpa thereafter. Underground mining contractor mobilization commenced with mining targeting February 2026 to deliver a three-year development schedule at the Tano and Akoti Far South mines, with ore production expected by end of Q2 2026.

Atlantic Lithium achieved a critical regulatory milestone during Q1 2026. Ghana's Parliament ratified the mining lease for Atlantic Lithium's flagship Ewoyaa project in March 2026, constituting formal approval of the proposed lithium mine and processing plant. The ratified 15-year lease came with a sliding royalty scale on spodumene concentrate, ranging from 5% when prices fall below $1,500/ ton to 12% when they exceed $3,200, replacing the flat 10% rate previously sought by Ghana. During the March quarter, Atlantic Lithium also secured potential funding of up to US$16.4 million from Ghanaian pension funds and Long State Investments.

Newmont Corporation's Ahafo North project transitioned into early ramp-up phase during Q1 2026, following commercial production achievement in Q4 2025. Operational emphasis remained on execution discipline and ramp-up trajectory toward declared production guidance of 275,000–325,000 oz annually. Ghana's Minerals

Commission mandated that Newmont comply with local content contract mining requirements by December 2026, with the company initially requesting compliance by 2027 but regulators rejecting the extension request.

Azumah Resources advanced Black Volta and Sankofa projects toward construction phase. In December 2025, Azumah Resources signed a US$37 million agreement with FLSmidth for the supply of key processing plant equipment, with delivery scheduled for 2026 ahead of the mine's planned start-up in 2027. Project momentum continued into Q1 2026 with equipment procurement and engineering advancement.

Damang Mine transition progressed toward completion during Q1 2026. Gold Fields formally confirmed in February 2026 that while it had applied for lease renewal, the government preferred transition to Ghanaian ownership. Four companies submitted bids before the March 31, 2026, deadline, with Engineers and Planners Limited (E&P) emerging as the successful bidder after scoring 93.15% in technical and commercial evaluation and securing US$505 million in financing. The government approved the lease award in early April 2026, and the handover ceremony took place on April 18, 2026, marking the first time a major large-scale gold mine in Ghana has moved to full indigenous ownership.

c. Commodities Update

Gold entered Q1 2026 with strength supported by geopolitical risk, central bank demand, and monetary easing expectations. Q1 pricing reflected a complex technical environment, with early-quarter gains moderated by central bank reserve management pressures mid-quarter. The precious metal advanced **8.07%** to **US$4,668.06/oz** during the period up from **$4,319.37/oz**.

Silver demonstrated resilience during Q1 2026, benefiting from dual investment demand and industrial applications. The price of the metal went up by **4.89%** from **US$71.663/oz** to **US$75.169/oz** in the quarter, reflecting supportive industrial demand from solar and electronics sectors.

Lithium prices stabilized during Q1 2026 following the sharp recovery recorded in the previous quarter. Market conditions reflected ongoing inventory normalization and project ramp-ups, with price resilience signaling improving EV demand visibility. The quarter closed at a high of **US$2,100/tonne**.

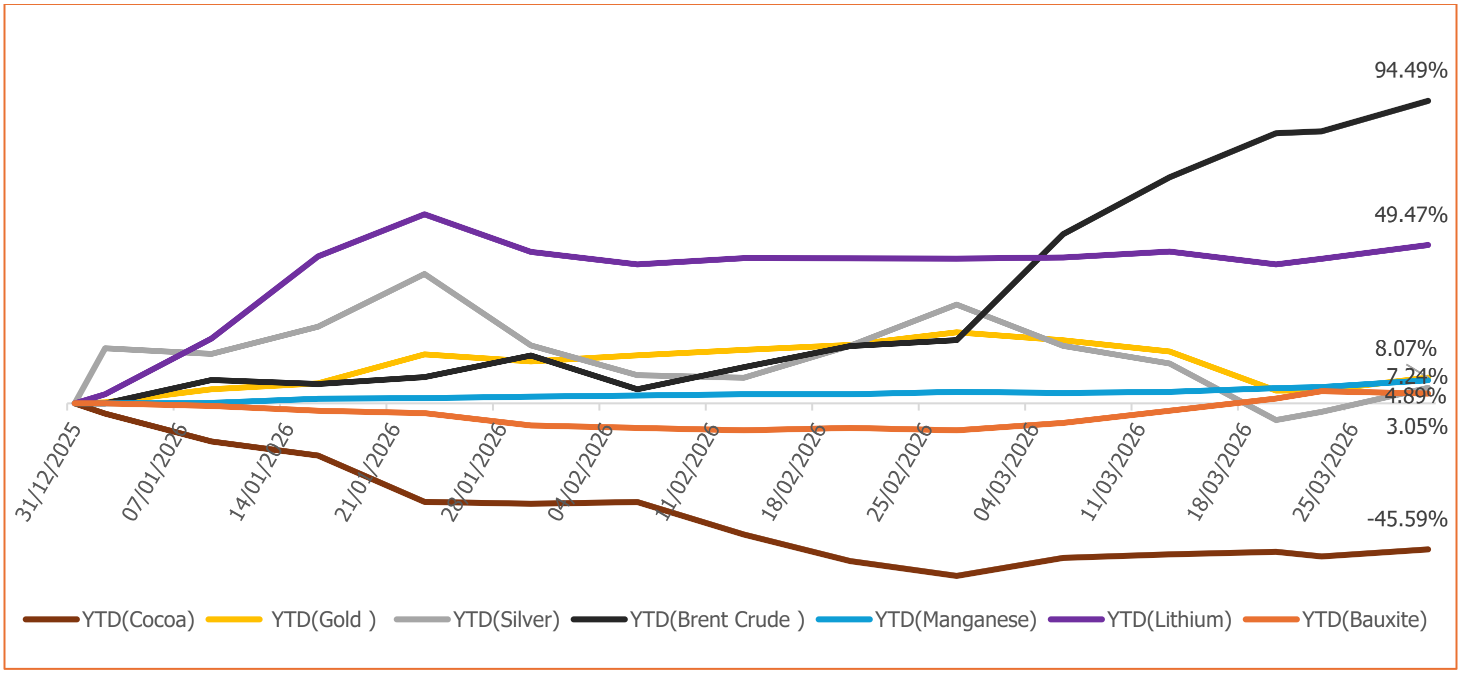
Q1 2026 saw manganese open at **US$6.08/dmtu** and close at **US$6.52/dmtu**, a **7.2% gain.** The commodity benefited from steady steel production and improved supply discipline, with pricing reflecting balanced market conditions and modest upside potential from infrastructure and manufacturing activity.

Brent crude surged **94.5%** during the quarter, rising from **US$60.85/bbl** to **US$118.35/bbl**, as geopolitical developments in the Middle East drove prices up reflecting geopolitical risk premiums and supply disruption concerns.

Cocoa declined sharply, falling **45.6%** from **US$6,065/tonne** to **US$3,300/tonne** as supply normalisation and softer processing demand weighed on prices throughout Q1 2026, extending the retreat from prior peaks.

Bauxite opened Q1 2026 at **US$65.50/dmt** and closed at **US$67.50/dmt**, gaining **3.1%** over the quarter. Soft conditions persisted throughout, reflecting improved supply availability and moderate alumina refinery utilization, with pricing supported by steady demand from global aluminium production.

Chart 7: Commodity Price Performance in First Quarter (Q1) 2026



Source: Bloomberg

4. Equity Markets Review

a. Global Equity Market Review – Q1 2026

Global equities posted strong performance in the early part of the first quarter of 2026 with emerging market indices leading the charge. As at mid-February 2026, the **Standard & Poors (S&P) 500** fell by **0.14%**, the **Financial Times Stock Exchange (FTSE) 100** posted a **5.19%** return, the **Euro Stoxx 50** recorded a gain of **3.35%** and the **MSCI Emerging Markets (EM) index** was up **8.79%**. Despite the relatively positive start to the year, volatility immediately set in following the start of US-Israel war with Iran in late February 2026. Investor sentiment and decisions were readjusted leading to equities' markets depression. Furthermore, Iran's retaliatory attacks against US interests and Gulf nations as well as the closure of strait of Hormuz further heightened uncertainty and market volatility. The corresponding surge in energy prices to US$120 per barrel and inflation fears created panic in global financial markets. The gains recorded in January and February gradually eroded and major global indices ended the quarter in losses.

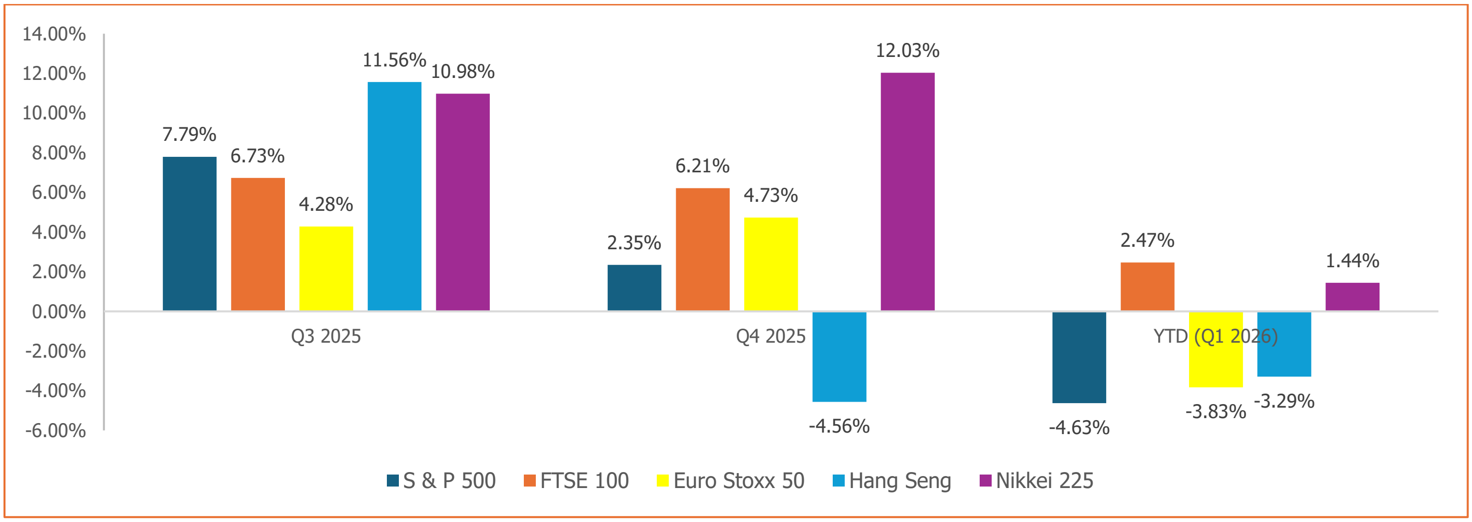
In Europe, the eurozone growth of 1.4% in 2025 was welcome news for equity markets going into 2026. However, the Middle East crisis, US tariff threats and disputes over Greenland's future influenced equity market dynamics. The **FTSE 100** was thus the only major European index to end the first quarter in positive territory of **2.47%**. The **Euro Stoxx 50** and **CAC 40** posted losses of **3.83%** and **4.08%**, respectively.

In the US, the S&P 500's initial rally in the early part of the quarter was driven by strong earnings expectations on the back of Artificial Intelligence (AI) investment and productivity gains as well as rate cuts by the Federal Reserve. In late February, the Index's performance was reversed following rising global economic uncertainties, leading to sell offs. The potential negative impact of AI on labour markets also fed the perception of slower economic growth. The Index fell by **4.63%** as at March 2026.

The Asian markets were also hit hard by the conflict as over 60% of the region's crude oil imports come from the Middle East. With projected energy prices increasing over 62% in the region, the **Hang Seng Index** fell by **3.29%**, the Japan's **Nikkei 225,** however, ended the quarter on a positive note of **1.44%**.

Despite the general downward performance of markets, energy and defense stocks recorded strong performances during the quarter.

Chart 8: Comparing the Performance of Major Global Equities Indices



Source: Bloomberg

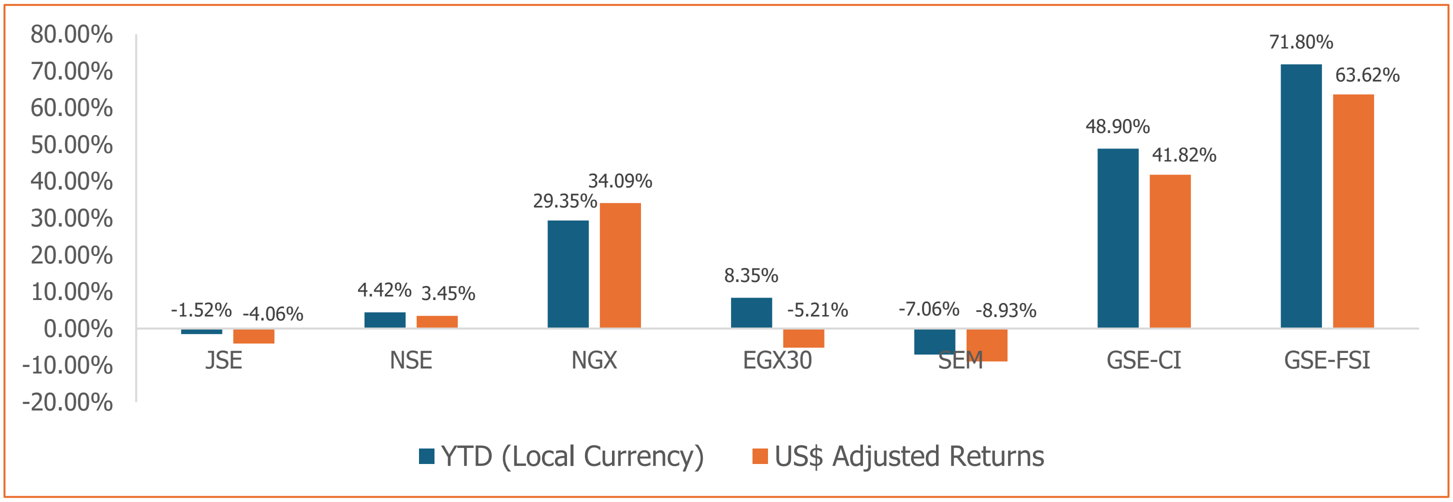
b. Performance of Selected African Stock Markets

The Ghana Stock Exchange Composite Index (GSE-CI) consolidated its position as Africa's leading performer as of March 2026, posting remarkable returns of **48.90%** in local currency and **41.82%** in US$-adjusted terms.

The market turnover for the first quarter was valued at **GH¢2.79 billion** (US$253.46 million) compared to **GH¢473.15 million** (US$30.46 million) for the same period in 2025, representing a year-on-year change of **489.15%.** This strong performance was underpinned by broad market momentum, with the Financial Stock Index (GSE-FSI) also delivering an impressive **71.81%** gain, driven largely by standout performances from Access Bank Ghana PLC (ACCESS), Ecobank Ghana (EGH), Republic Bank (Ghana) PLC (RBGH) and Standard Chartered Bank (SCB) with share price change of 187.78%, 98%, 262.31% and 144.35%, respectively during the period. Top three (3) traded value leaders included Scancom PLC (MTNGH) — 81.32%, GCB Bank Plc (GCB) — 5.94% and Societe Generale Ghana PLC (SOGEGH) — 3.38% of the total value traded during the period. March 2026 saw the highest value traded of GH¢GH¢1.09 billion (US$99.39 million), representing 39.21% of total value traded in the first quarter of 2026.

Elsewhere on the continent, Nigeria's Stock Exchange (NGX) ranked second in local currency performance with a **29.35%** gain with US$-adjusted returns of **34.09%**. On the other hand, Johannesburg Stock Exchange (JSE) and Stock Exchange of Mauritius (SEM) posted negative returns of **1.52%** and **7.06%**, respectively in their local currencies as at end March 2026. These results reflect growing mixed economic recovery of African countries as well as investor confidence across select African markets.

Chart 9: Local Currency vs Dollar Adjusted Returns on Major African Stock Exchanges



Source: Bloomberg

5. Fixed Income Market Review

a. Development on Ghana's Treasury Market

Short-term government securities saw notable downward rate adjustments toward the end of the first quarter of 2026 compared to the same period in 2025, reflecting evolving monetary conditions, inflation dynamics and investor demand. End of March 2026 saw Treasury bill yields at its lowest in a while; 91-day bill posting around **4.81%p.a.** compared to **15.71%p.a.** same period in 2025, the 182-day at about **6.62%**p.a. as opposed to **16.73%**p.a. recorded in March 2025, and the 364-day near **9.77%**p.a., down from **18.85%p.a.** in 2025 over the reporting period.

The Government of Ghana's auction data showed significant participation of investors in the short end of the curve during the quarter. The amount tendered at primary issuance as at March 2026 increased to **GH¢174,983.93 million** compared **GH¢165,227.45 million** as at same period in 2025, representing a **5.90%** surge. As the cost of financing fell, Government increased borrowings by **11.12%** for the short-term instruments to **GH¢109,702.45 million** for the first quarter of 2026, compared to **GH¢98,725.31 million** of accepted tenders as of March 2025. The issuance of a medium-term bond (7-year) by Government in late March 2026 and the first of its kind since 2022 signals Government's intention to elongate the yield curve to reduce rollover risk and create benchmark bonds for the domestic market. This strategy also gives Government the opportunity to lock in long-term financing at cheaper cost of financing. Government accepted **GH¢2.7 billion** out of the bids submitted, at a coupon rate of **12.5%**

Table 4: Primary Market Issuances

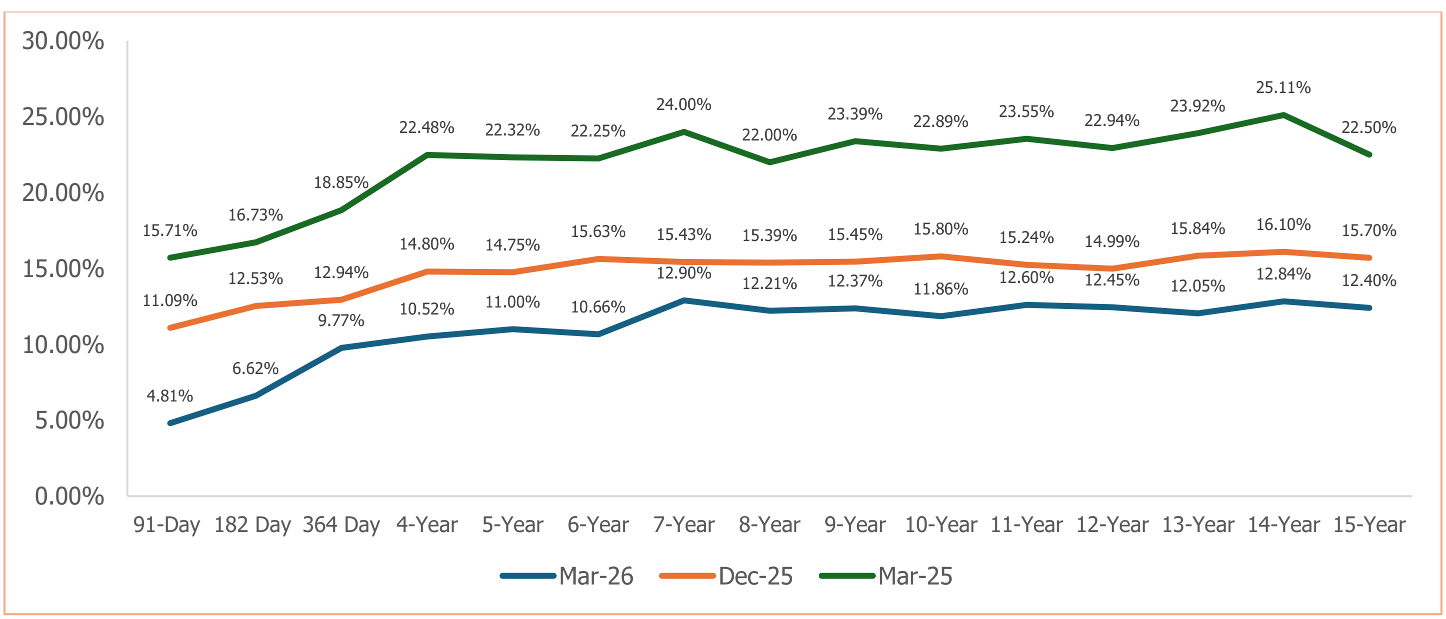
Period	2026		2025	
	Amount Tendered (GH¢ 'M)	Amount Accepted (GH¢ 'M)	Amount Tendered (GH¢ 'M)	Amount Accepted (GH¢ 'M)
91-Day bills	71,373.05	45,183.89	72,829.63	50,605.86
182-Day bills	42,511.68	24,736.89	39,788.03	24,456.52
364-Day bills	61,099.20	39,781.67	52,609.79	23,662.93
Total	**174,983.93**	**109,702.45**	**165,227.45**	**98,725.31**
Y-on-Y Change (%)	**5.90**	**11.12**	-	-

Source: *Bank of Ghana, Ghana Fixed Income Market (GFIM)*

The fixed income market saw increased secondary market turnover in the first quarter of 2026, with cumulative Ghana Fixed Income Market (GFIM) volumes surpassing **GH¢114 billion**. This surge in secondary market trade volumes by **93.08%** compared to same quarter in 2025 signals return of confidence to the domestic debt market, particularly in government securities following events of the Domestic Debt Exchange Program (DDEP). Both corporate and Government securities continue to experience an increase in trade activities on the secondary market.

It is important to note that longer-dated government debt continues to trade with elevated risk premium, with medium-term bonds yielding around 12% in secondary activity, and longer bonds maintaining relatively higher yields as investors price in long-term risks. Credit spreads over government yields have narrowed modestly but remain significant, indicating ongoing pricing of risk in the corporate segment. This pattern highlights improved confidence at the short end of the curve while longer tenors still reflect caution about fiscal sustainability post the IMF program exit.

Chart 10: Ghana's Treasury Yield Curve as at the end of the First Quarter of 2026



Source: Bank of Ghana, Ghana Fixed Income Market (GFIM)

b. Banking sector, Credit, Monetary Policy & Liquidity

Banking sector conditions improved modestly in the first quarter of 2026 as funding costs eased and balance-sheet pressures moderated. Total assets of the banking industry grew by **21%** (year-on-year) to **GH¢465.4 billion** as at February 2026, lower than the 34% growth recorded in the same period of 2025 according to the Bank of Ghana. Investments grew by **57.5% y/o/y??** in February 2026 to **GH¢192.8 billion**, compared to agrowth of **8.6%** recorded in February 2025. The significant growth in investment assets reflected in growth in short-term investments on account of the absence of issuances of medium to longer dated instruments. Long-term investments, however, contracted by 1.4% in February 2026 compared to a growth rate of 14.7% in February 2025. Credit growth slowed in the industry in February 2026. Gross loans and advances grew by 15.6% to GH¢108.2 billion at end-February 2026 from 25.2% in February 2025.

Total deposits rose to GH¢338.5.0 billion as at end February 2026, accounting for year-on-year growth of 18.9%, with most of the funds coming from domestic sources. This reflects macroeconomic stabilization amid cedi appreciation. Deposits remain the primary source of funding for the banking sector.

Private sector credit (private enterprises and households) stood at GH¢103.7 billion as the stock of gross loan and advances grew to GH¢108.2 billion in February 2026, reflecting gradual growth momentum, supported by lower lending rates following significant monetary easing. Asset quality also improved, with the Non-Performing Loans (NPL) ratio declining to 18.4% as end February 2026 from 22.6% same period in 2025, driven by loan restructurings, stronger repayment capacity, and a reduction in the stock of impaired loans. While these trends point to improving banking sector resilience, credit risks remain elevated, and continued regulatory reforms, including recapitalization of undercapitalized banks, remain critical to strengthening the sector. The NPL stock stood at GH¢19.9 billion in February 2026. The liquidity position of the industry remained stable as at end February 2026.

6. Asset Class Performance Summary

a. Performance Of the Key Asset Classes During the First Quarter Of 2026

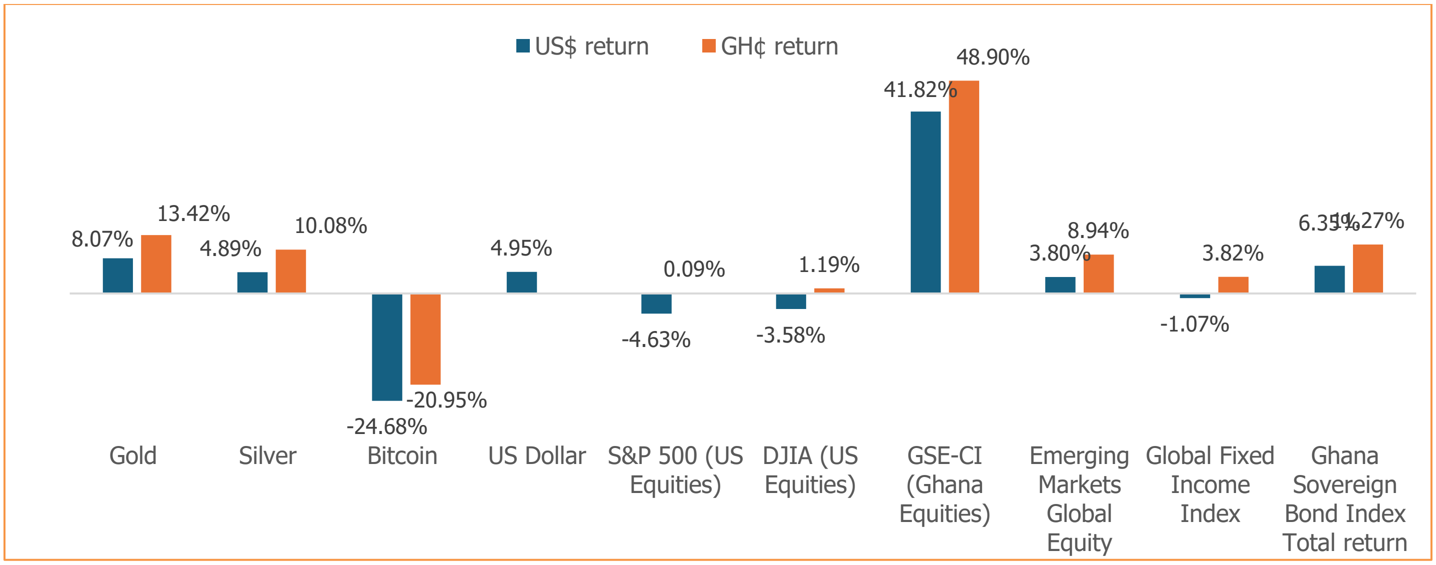
Ghanaian securities and precious metals delivered the strongest returns in Q1 2026 in USD and GH¢ terms. Ghana equities (GSE-CI) gained **41.82%** in USD terms and **48.90%** in GH¢ returns, whilst Ghana Sovereign Bonds delivered **6.35%** and **11.27%** returns respectively.

Gold achieved **8.07%** USD returns, whilst silver posted **4.89%** USD gains. Precious metals sustained their 2025 momentum into Q1, underpinned by safe-haven demand and central bank accumulation.

U.S. equities remained under pressure, with the **S&P 500 declining 4.63%** in USD terms and the DJIA posting a lower **3.58%** decline. Emerging market equities outperformed developed markets, delivering **3.80%** USD returns.

Global fixed income recorded a slight **1.07%** USD **decline** but **positive 3.82%** GH¢ returns. Risk-sensitive assets including **Bitcoin declined 24.68%** in USD terms, reflecting heightened volatility and selective global risk appetite.

Chart 11: Performance of Key Global Asset Classes in First Quarter of 2026



Source: Bloomberg

7. Market Events to Watch for the rest of 2026

- **The Great AI debate:** Investors will continue to scrutinize corporate earnings results for evidence of margin improvements due to AI deployment. The debate as to whether there is an AI bubble is likely to keep valuations modest.

- **US-Israel and Iran war deal:** The first Pakistan mediation between US and Israel failed to secure a deal between the two (2) parties in late April 2026. Strait of Hormuz re-open and unblockage of Iranian ports hinge on a deal to end the war and that will define the market and economic activities for the rest of 2026.

- **Central Bank Interest Rate Decisions as Energy Costs Surge:** Meetings and policy rate decisions by the Federal Reserve, European Central Bank and Central Banks in emerging markets will remain cautious amid inflation fears. Interest rate expectations are expected to be mixed, thereby shaping the pricing of risk and fixed income assets across the globe.

- **IMF & World Bank Spring and Annual Meetings**: The meetings provide forecasts, fiscal policy guidance and global growth outlook whereas the speeches on global economic conditions, trade tensions and geopolitical risk can shift investor sentiment and risk appetite across the various asset classes.

- **OPEC Monthly Meetings and Production Decisions**: The monthly output reviews by oil producers directly influence crude supply expectations and pricing dynamics in energy markets. The United Arab Emirates (UAE) formally exited OPEC and OPEC+ on May 1, 2026, ending nearly six decades of membership.

- **Commodity Supply/Demand Shifts and Regulatory Trends**: Geopolitical tensions in Iran, the Middle East as well as the outcome of talks to resolve the Russia-Ukraine war in addition to structural trends like LNG capacity expansions and EV-related metal demand can sharply influence oil and precious metal prices.

- **Conclusion of the IMF's ECF Program in Ghana**: Investor confidence in Ghana's economy will be tested post May 2026. The Ghana cedi's performance, considering supportive factors such as the Domestic Gold Purchase Programme and overall investor sentiment towards local assets, will be a key point of interest.

8. Economic and Market Outlook

a. Equities Outlook

The 2026 equities outlook is undeniably linked to outlook for economic growth, inflation and policy rates dynamics. Factors that may influence these economic variables, including geopolitics, directly affect equity market performance. The global economy in 2025 experienced relatively stable growth trajectory of about **3.4%.** The recent US-Israel war with Iran has dampened global growth momentum, causing financial institutions, including the International Monetary Fund (IMF) to reconsider growth prospect for 2026.

The first quarter of 2026 equity performance was impacted by fears of global inflation and economic growth, largely due to surging energy prices. However, the prospect of a deal to end the war has begun to give cautious optimism to the markets and potential deal signed before the end of the second quarter of 2026 is likely to build positive momentum in the equity market for the rest of the year. The equities market is projected to recover post the war and maintain a forecast return of 9% on average. Governments' deficits and rising cost of living still pose a risk to global economic growth, but diversification across sectors is also expected to drive earnings growth for investors. Another significant driver of potential stocks returns in 2026 would be the continuous rate easing by Central Banks as inflation generally moderates despite recent spikes due to the energy cost. Lower interest rates are expected to encourage businesses, support spending, and higher equity valuations. The S&P 500 is projected to grow by 12% according to Goldman Sachs while Europe and Japan are both projected to post positive returns. Artificial Intelligence (AI) continues to encourage debates on technology stock valuations, its usability and impact on the labour market as capital expenditure on it remains high. In the end, the stop to the US-Israel war with Iran, the downward trajectory of interest rates, inflation, corporate profitability recovery, investment in AI, and general economic growth present opportunities for equity appreciations in 2026.

b. Commodities Outlook

The 2026 outlook maintains support for a range-bound pricing environment with structural support from energy transition dynamics and selective upside in precious metals, tempered by geopolitical volatility.

Gold is expected to strengthen throughout 2026, with consensus forecasts pointing to **US$4,700/oz** in **Q2**, **US$4,800/oz** in **Q3**, and **US$4,950/oz** in **Q4 2026**. While gold prices will average higher in 2026 compared to 2025, prices will ease later in the year as monetary easing loses momentum, particularly as the US Fed eventually stops cutting rates.

Silver is expected to trade with modest volatility, anchored around **US$75/oz** through **Q2–Q3 2026** before easing toward US$73.75/oz in Q4 and US$67.50–US$66.25/oz through early 2027. After breaking above resistance levels following a 120% surge in 2025, silver has entered price-discovery territory, with a fifth consecutive year of structural supply deficit and accelerating industrial demand supporting targets beyond US$65.

Crude Oil is subject to heightened geopolitical risk. Energy prices were projected to **surge 24%** in 2026 to their highest level since Russia's invasion of Ukraine in 2022, as the war in the Middle East sent a severe shock through global commodity markets. Medium-term forecasts point to **US$90/bbl** in Q2 2026 before declining to **US$79/bbl** in Q3 and **US$74.50/bbl** in Q4, contingent on geopolitical stabilization.

Lithium spodumene (Li_2O 6% CIF) is expected to stabilize around **US$1,643.33/ton** in **Q2 2026**, moderating to **US$1,500/ton** in Q3 and **US$1,435/ton** in Q4. Pricing reflects ongoing inventory normalization, supply discipline, and gradual demand recovery from EV manufacturers.

Manganese is forecast to trend modestly higher through 2026, with consensus pointing to US$4.87/mtu in Q2, US$4.97/mtu in Q3, and US$4.93/mtu in Q4 2026, before moving toward US$5.30–US$5.51/mtu through early 2027.

Overall, the Q1 2026–Q1 2027 outlook is characterized by price stability with selective upside in precious metals, gradual recovery in battery materials capped by supply normalization, and elevated near-term volatility in energy markets driven by geopolitical risk rather than structural supply-demand fundamentals.

	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27
Silver (US$/oz)	4,700	4,800	4,950	5,038	5,000
Gold (US$/oz)	75.00	75.00	73.75	67.50	66.25
Crude Oil (US$/ bbl)	90.00	79.00	74.50	71.67	70.00
Lithium Spodumene (US$/mt)	1,643.33	1,500.00	1,435.00	1,395.67	1,405.67
Manganese (US$/mtu (10kg))	4.87	4.97	4.93	5.30	5.40