

Agpaytech's Research
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Stability or Sell-Off?

Analyzing the First Week of *Ghana*
Gold Coin Pricing



Introduction



Two countries leading this innovative approach are Ghana and Zimbabwe, both of which have recently implemented gold-backed initiatives in their financial systems.

Amid global economic uncertainty, rising inflation, and fluctuating exchange rates, African countries are looking at gold to provide an alternative that can mitigate risks associated with fiat currency depreciation and global market shifts.

Zimbabwe made a bold move in July 2022 when the country introduced gold coins into the market as a store of value. Following, the Bank of Ghana has launched the Ghana Gold Coin (GGC) as an additional source of investment and monetary tool. This digital gold-backed currencies have emerged as a prominent solution for addressing currency instability, inflation, and economic volatility.

Two countries leading this innovative approach are Ghana and Zimbabwe, both of which have recently implemented gold-backed initiatives in their financial systems. This report examines GGC pricing since its implementation on 25th November. It highlights the denominations trends, changes in price, and its impact on investors' confidence on the pricing trends.

Gold-backed Currency



The Central Bank of Ghana launched a gold-backed currency known as the Ghana Gold Coin (GGC). According to the Governor of the Bank, the GGC is a coin manufactured from dore gold that has been refined to 99.99% purity, which gives the coin the original gold colour.

The GGC is issued and guaranteed by the Bank of Ghana and is available in three different sizes: namely 1 (1.00) oz Coin, ½ (0.50) oz Coin and 1/4 (0.25) oz Coin to suit different investment needs. Each coin has the Ghana Coat of Arms in front and the Independence Arch at the back.

The packing includes the gold coin, a wooden storage box, a transparent coin holder and a certificate of ownership. The GGC issuance enables the BOG to mop up extra cedi liquidity in the banking sector and will supplement the use of the Bank of Ghana Bills and overnight deposits for open market operations. Gold used for the manufacture of the GGC is from traceable, responsibly mined sources in Ghana in line with the BoG's Responsible Gold Sourcing Framework.

Sizes of GGC

**(1.00) oz
Coin**

**½ (0.50)
oz Coin**

**1/4 (0.25)
oz Coin**

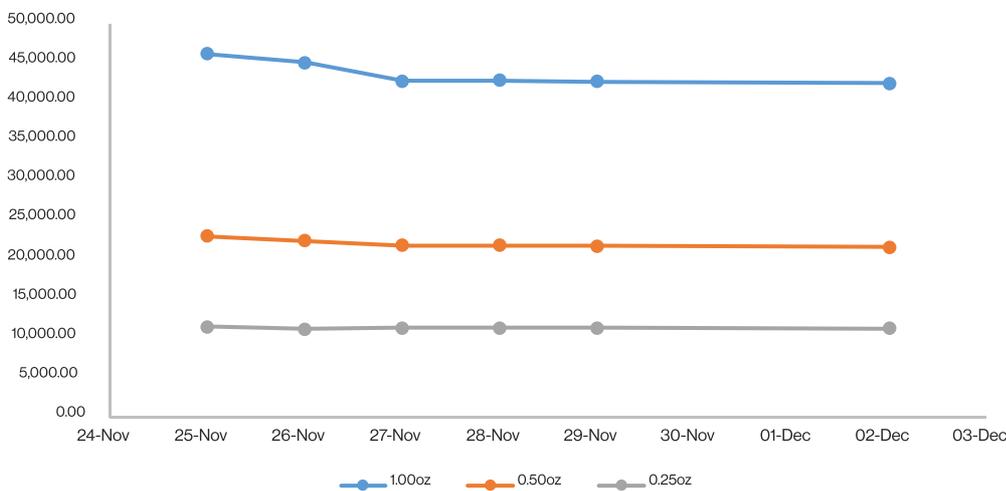
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A Week of GGC: Market Trends and Pricing Insights

The Ghana Gold Coin (GGC) market experienced significant pricing adjustments between November 25th and December 2nd, 2024, reflecting a downward trend across all denominations. The 1.00 oz GGC saw the steepest decline, starting at GHS 46,155.31 on November 25th and dropping to GHS 42,390.15 by December 2nd, resulting in a loss of GHS 3,765.16 or an 8.16% decrease. This sharp decline indicates heightened volatility in the larger denomination, potentially influenced by broader market conditions or fluctuations in gold prices globally.

The 0.25 oz GGC, being the smallest denomination, demonstrated the greatest price stability.

Figure 1: GGC pricing



Source: Agpaytech

Similarly, the 0.50 oz GGC declined from GHS 22,976.86 to GHS 21,606.06 within the same period, a reduction of GHS 1,370.80 or 5.97%. Although the decrease was less pronounced than that of the 1.00 oz, it highlights the sensitivity of mid-range investors to market dynamics. The 0.25 oz GGC, being the smallest denomination, demonstrated the greatest price stability. It dropped marginally from GHS 11,471.63 to GHS 11,245.06, a difference of only GHS 226.57 or 1.98%, suggesting its appeal as a more resilient investment choice during periods of market uncertainty. This trend suggests a stratified investor response based on denomination, with higher denominations facing increased sell-offs,

possibly from institutional investors, while smaller denominations attracted interest from retail investors seeking lower-risk options. The data underscores a compelling narrative for fintech and investors: diversifying into smaller denominations may offer more stability in volatile markets. Furthermore, fintech platforms offering dynamic pricing analytics and real-time updates could gain a competitive edge in catering to both risk-averse and high-stakes investors in the evolving gold coin market.

Table 1: Ghana Gold Coin Pricing

Size	25-Nov	26-Nov	27-Nov	28-Nov	29-Nov	2-Dec	Change in value	% Change
1.00 oz	46,155.31	45,020.48	42,717.75	42,754.40	42,620.57	42,390.15	-3,765.2	-8.16
0.50 oz	22,976.86	22,409.74	21,761.29	21,778.26	21,723.35	21,606.06	-1,370.8	-5.96
0.25 oz	11,471.63	11,188.12	11,314.74	11,321.68	11,306.06	11,245.06	-226.57	-1.98

Source: Agpaytech

Investors and Digital Assets

Enthusiast Confidence in GGC

The observed trends in Ghana Gold Coin (GGC) pricing offer critical insights into investor confidence and the evolving sentiment of digital asset enthusiasts. The substantial decline in the value of larger denominations, particularly the 1.00 oz GGC, reflects a cautious approach from institutional and high-net-worth investors who may perceive the current economic climate as unfavorable for holding significant gold assets

This could be linked to broader macroeconomic factors such as currency fluctuations, inflationary pressures, or shifts in global gold demand, which might influence asset allocation decisions.

Conversely, the smaller price variation in the 0.25 oz denomination suggests a steadier confidence among retail investors and digital asset enthusiasts who are likely drawn to its affordability and lower risk profile. This resilience signals an enduring belief in the intrinsic value of gold as a digital asset, even during periods of economic uncertainty. It also underscores the potential for GGC to act as a bridge between traditional asset-backed investments and the burgeoning interest in digital financial ecosystems.

The economic stability of Ghana will play a pivotal role in shaping future confidence levels. A stable economic environment can bolster trust in GGC as a reliable store of value, while economic volatility might shift preferences toward smaller denominations or alternative assets. For FinTech companies and stakeholders in the digital asset market, this analysis underscores the need to innovate around gold-backed digital products, offering enhanced accessibility, liquidity, and real-time market insights to build investor confidence. With strategic positioning, GGC can strengthen its role as a preferred digital asset, catering to both risk-averse investors and adventurous digital asset enthusiasts seeking stability and diversification.

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Conclusion

The Ghana Gold Coin (GGC) market has demonstrated varying levels of volatility across its denominations over the observed period, reflecting broader market trends and investor behavior.



The sharp decline in the 1.00 oz and 0.50 oz coins highlights the susceptibility of larger denominations to market pressures, possibly driven by institutional sell-offs or external economic factors. In contrast, the 0.25 oz coin's relative stability underscores its appeal as a resilient investment option for risk-averse retail investors.

These trends provide valuable insights for fintechs and investors alike, emphasizing the importance of offering tailored investment solutions that cater to different risk appetites and market conditions. As the gold market evolves, leveraging technology to provide real-time analytics, flexible trading platforms, and diversified investment opportunities will be critical in maximizing returns and navigating uncertainty in the GGC ecosystem.

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About Agpaytech

Agpaytech Ltd. is a company pioneering in the Fintech space with a focused approach to building robust technologies for e-commerce Card Processing Solutions for Payment Service Providers (PSPs). Additionally, we provide Compliance and Regulatory Umbrella, Remittance-as-a-Service (RaaS), Banking-as-a-Service (BaaS), Foreign Exchange, Cross Border Payments, and digital currency technology.

We also provide practical white paper research support to central banks, government and private institutions, economic organizations, and NGOs in Africa. Our services expand from research projects, state-of-industry reports, project assessment, data collection, and consulting services in the fintech space.

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