

# MARKET OUTLOOK

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## 1. 2018 IMANIFESTO REPORT

### 2018 IMANIFESTO REPORT

SOURCE: IMANI AFRICA, MYJOYONLINE

- ✓ The 2018 imanifesto report, imani's assessment of the manifesto promises of the New Patriotic Party (NPP), reveals the governing party scored high marks in delivering on its promises on **agricultural production, education but performed poorly at job creation.**
- ✓ The analyses, according to the think tank, were undertaken along eight broad themes: **Economy, Job creation, Agriculture Governance, Education, Health, Energy and Infrastructure.**
- ✓ "Data sources for the assessment included, the 2016 Manifesto, 2017 and 2018 Budget Statements, the Coordinated Programmes for Economic and Social Development, and project and news reports," IMANI said in the report.

### ECONOMY

- ✓ The macro economy stayed on a recovery path in the first year of the NPP administration. Estimates for debt to GDP ratio (68.3%) indicates a return to sustainable levels - sustainable threshold for debt to GDP is 70%. Meanwhile, exchange rate was relatively stable with the Ghana Cedi depreciating at an average rate of 4% (as at October 2017) compared to 4.4% in the same period in 2016. Though inflation was generally on a downward trend, average lending rates remained high even with a significant reduction in the Monetary Policy Rate.

### JOB CREATION & AGRICULTURE

- ✓ Concerning promises relating to job creation, performance in the first year was not encouraging. Despite the numerous promises targeted at creating massive employment, there is little evidence to suggest the actual number of jobs created in the first year. On the other hand, performance in the agriculture sector has been fairly good given the successful implementation of a number of programmes such as the Planting for Food and Jobs (PFJ) and the significant reduction in the prices of selected agricultural inputs. There was, however, a slow pace in implementing projects relating to irrigation and fisheries.

### GOVERNANCE

- ✓ On Governance, the special prosecutor was established to help combat corruption. Public sensitization was also carried out in 2017. However, little progress was made on other anti-corruption measures or governance issues in the first year.

### EDUCATION

- ✓ Under the education sector, the NPP government initiated steps to implement most of the 25 promises. These included the implementation of the Free SHS policy. The policy had implementation challenges in the form of infrastructure deficit, congestion, inadequate furniture, high preference for boarding status and raised questions concerning the sustainability of funding and quality assurance.

### HEALTH CARE

- ✓ The Government also made efforts in achieving some of the promises in the health sector, however many gaps exist in the first-year performance of the government. Efforts made to achieve the promises included the re-introduction of the nursing trainee allowance and the partial settlement of the NHIS debt.

### ENERGY & INFRASTRUCTURE

- ✓ For the energy sector, significant strides were made in the implementation of promises made in the Manifesto. Specifically, the institution of the energy bond which contributed to the reduction of the energy sector debt as well as the commencement of the Accelerated Oil Capacity Development Programme and the Ghana Upstream Internship Programme to develop local capacity.
- ✓ It is noted however that debt reduction gains may be eroded if net debt accumulation remains positive for the State Owned Enterprises (SOEs) in the sector. Further, the manner in which oil revenues have been allocated towards the Infrastructure for Poverty Eradication Programme is likely to negatively affect the tracking of spending regarding oil revenue.

## 2. ECONOMICS & FINANCE INDICATORS

SOURCES: Ghana Stock Exchange

### GHANA STOCK EXCHANGE (MARKET PERFORMANCE)

THIS WEEK IN FOCUS

Friday, 26 January 2018

### Gainers ↑

### Losers ↓

Day	Date	Volume	Value GH¢	GSE Composite Index (GSE-CI)	Market Capitalization GHS million
MONDAY	22-Jan-18	314,723.00	2,101,297.11	↑ 2,886.65	61,297.07
TUESDAY	23-Jan-18	697,810.00	7,445,214.46	↑ 2,912.83	61,464.82
WEDNESDAY	24-Jan-18	775,047.00	4,590,020.32	↑ 2,991.67	61,970.05
THURSDAY	25-Jan-18	273,888.00	1,214,800.03	↑ 3,004.75	62,254.18
FRIDAY	26-Jan-18	220,007.00	1,205,334.63	↑ 3,036.41	62,256.68

EQUITY	PRICE (GHS)	Change %	EQUITY	PRICE (GHS)	Change %
SIC	0.13	18.18%	ETI	0.18	-5.26%
TBL	0.4	14.29%	HFC	1.29	-0.77%
SCB	30	5.82%	FML	17.69	-0.06%
EGL	4.5	3.93%			
SOGEGH	1.28	1.59%			

### PERFORMANCE –YTD (17.70%) ↑



### Market Activity (Top 5 Volumes & Values Traded)

Stocks	Price (GHS)	Vol. Traded	Stocks	Price (GHS)	Val. Traded
EGL	4.5	103,800	GCB	7.5	560,999
GCB	7.5	74,800	EGL	4.5	467,090
CAL	1.17	8,700	FML	17.69	83,143
SOGEGH	1.28	6,700	TOAL	5.15	29,355
TOTAL	5.15	5,700	EGH	10.01	14,010

### Market Summary

At the close of the week, the Ghana Stock Exchange Composite Index (GSECI) made a gain, as the benchmark index increased by 1.05% to close at 3,036.41 points. The performance resulted from stocks such as SIC, TBL and SCB which moved up the GSE-CI to a current YTD of 17.70%.

Historically, the Ghana Stock Market Composite GSE-CI reached an all-time high of 3,036.41 in January of 2018 and a record low of 940.04 in December of 2011.

There was a marginal increase in market capitalization by 2.50 to GHS 62,256.68 million from GHS 62,254.18 million.

**Total Volume traded** on Friday 26 January 2018 was 220,007 valued at GHS 1,205,335. Activity levels increased on the market with volumes traded, as EGL accounted for 47% of the total volume traded, followed by GCB also accounting for 34% of total volume traded for the day.

**Total Value traded** on Friday 26 January 2018 was GHS 1,205,335. Activity levels increased on the market with value traded, as GCB accounted for 47% of the total value traded, followed by EGL also accounting for 39% of total value traded for the day.

There was **5 Gainer and 3 Loser** at the end of the day.

Performance across all indices was **POSITIVE**. The financial indices, GSE-CI increased by 1.05% while GSE-FI increased by 1.48%.



■ **T-Bill Rates** (Mon 22 January, 2017 To Fri 26 January, 2017)

SOURCE: Bank of Ghana

	22/1/2018	15/1/2018	
PERIOD	Interest Rate (This week)	Interest Rate (Last week)	Weekly Ch
91-Day %	13.32	13.37	↓ -0.05
182-Day %	13.82	13.89	↓ -0.07
1-Year %	15	15	-
2-Year Fixed Note %	17.18	17.18	

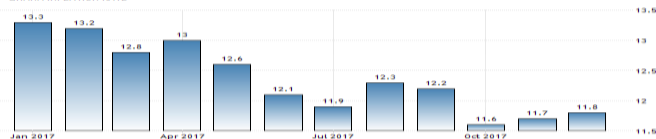
- ✓ 91-Day T-Bill has seen a weekly decrease of 0.05
- ✓ 182-Day T-Bill has seen a weekly decrease of 0.07
- ✓ 1-Year & 2-Year T-Bill remains unchanged

■ **EXCHANGE RATE** (Fri 26 January, 2017) SOURCE: Bank of Ghana

Currency	Pairs Code	Buy	Sell	Average	Day %Ch
U. S. Dollar	USDGHS	4.422	4.4263	4.4241	↔ 0.00%
Pound Sterling	GBPGHS	6.26	6.2672	6.2637	↑ 0.95%
Euro	EURGHS	5.492	5.4947	5.4933	↑ 0.75%
Canadian Dollar	CADGHS	3.588	3.5907	3.5895	↑ 0.23%
CFA Franc (BCEAO)	GHSXOF	119.4	119.44	119.41	↑ 0.75%
Chinese Renminbi	CNYGHS	0.7	0.7003	0.7	↓ -0.10%
NAIRA	GHSNGN	71.19	71.26	71.23	↑ 3.23%
South African Rand	ZARGHS	0.371	0.3715	0.3714	↑ 0.30%

■ **INFLATION**

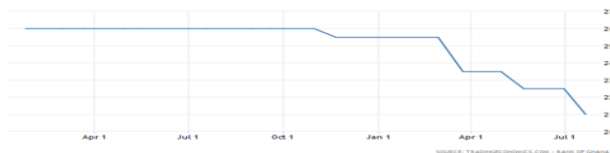
GHANA INFLATION RATE



SOURCE: Trading Economics

✓ CURRENT : Dec, 2017	11.8%	↑
✓ PREVIOUS : Nov, 2017	11.7%	
✓ All-Time High: Mar, 2001	63%	
✓ All-Time Low: May, 1999	0.40%	
✓ Medium Term Target	( 8 +/- 2)%	

■ **MONETARY POLICY RATE (MPR)**



SOURCE: Bank of Ghana / Trading Economics

✓ CURRENT : Dec, 2017	20%	↔
✓ PREVIOUS : Nov, 2017	20%	
✓ All-Time High: March, 2003	27.50%	
✓ All-Time Low: Dec, 2006	12.50%	

SOURCE: REUTERS

■ **JPMORGAN PLANS EXPANSION INTO GHANA, KENYA**

- ✓ JPMorgan Chase & Co (JPM.N) plans to expand its African presence into countries including Ghana and Kenya, Chief Executive Jamie Dimon said in an interview on Wednesday. "You'll see us open in some countries we are not in, in Africa you'll be hearing about some of that stuff," Dimon told Bloomberg Television on the sidelines of the World Economic Forum meeting in Davos, Switzerland.
- ✓ Dimon said the bank would target Ghana and Kenya, two countries in which local regulators have previously blocked the U.S. banking giant's expansion plans, according to media reports at the time. The announcement follows JPMorgan's unveiling of a \$20 billion investment plan on Tuesday which will see it hike wages, hire more, and open new branches as it takes advantage of sweeping changes to U.S. tax law and a more favorable regulatory environment. The five-year plan will see the U.S. bank ramp up overseas investment in addition to its domestic growth plans, after it finished cleaning up troubled mortgages following the 2007-09 financial crisis..

■ **MTN WANTS TO BE AFRICA'S BIGGEST BANK**

SOURCE: MYJOYONLINE

- ✓ MTN, Africa's biggest mobile operator, is gunning to become Africa's biggest bank.
- ✓ The ambitious business strategy was revealed by MTN CEO Rob Shuter during the Deloitte Africa in 2018 Outlook conference in Woodmead.
- ✓ "The core digital service that we have decided to put our money on is Mobile Money," said Shuter.
- ✓ "Mobile Money is really about leveraging the strength of the brand and leveraging the strength of the distribution because we have built a huge informal distribution network for prepaid airtime to bring customers into a transactional banking system."
- ✓ "We are a new age transactional banking provider and it's a very big imperative for us, and the key thing we want to do is to scale it rapidly."
- ✓ According to Shuter, MTN wants to build Mobile Money into a 60 million customer business in the next three to four years.
- ✓ "We will be the largest bank in Africa, leveraging scale, network, brand, infrastructure and distribution," he noted.



■ **MOBILE MONEY DEPOSITS HIT GHS2.3 BILLION IN 2017**

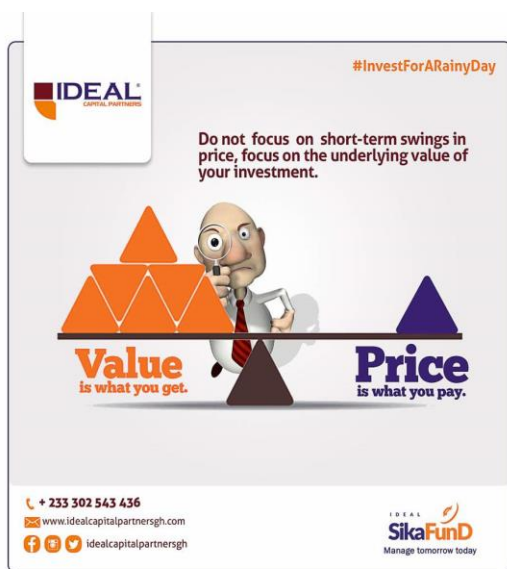
SOURCE: BANK OF GHANA

- ✓ The amount of money mobilized outside the banking system through mobile money reached record GHS2.3 billion ending December 2017, according to data from the Bank of Ghana.
- ✓ The amount represents a growth of 84.6 % over the December 2016 amount of GHS1.3 billion. These funds mobilized through mobile money are currently held by banks.
- ✓ The data also showed that mobile money accounts reached 23.95million compared with 11.43million bank accounts as at end December 2017.

■ **MUTUAL FUNDS (Collective Investment Schemes)**

SOURCE: DOOBIA

● **Money Market ( Year To Date)**



Fund	Fund Manager	Bid Price	Offer Price	YTD	Last Updated
All-Time Bond	All-Time Capital Limited	0.3070	0.3070	0.49%	08-Jan-2018
EdiFund T1	Databank Asset Management Services Ltd	0.1806	0.1820	0.95%	25-Jan-2018
EdiFund T2	Databank Asset Management Services Ltd	0.1856	0.0000	5.63%	25-Jan-2018
Gold Money	Gold Coast Fund Management	0.3812	0.3812	1.67%	25-Jan-2018
SEM Income	SEM Capital Management Limited	0.8788	0.8788	0.94%	15-Jan-2018
Sirius Opportunity	Sirius Capital Limited	1.3352	1.3352	0.62%	15-Jan-2018
STANLIB Cash	STANLIB Ghana Ltd	2.8709	2.8709	1.21%	26-Jan-2018
STANLIB Income	STANLIB Ghana Ltd	4.0672	4.0672	1.18%	26-Jan-2018
IDEAL SIKA FUND	Ideal Capital Partners	0.2327	0.2358	1.25%	26-Jan-2018

**HIGHLIGHT**

- ✓ EdiFund T2 recorded the highest yield of 5.63% followed by Gold Money with a year to date of 1.67%
- ✓ All-Time Bond recorded the lowest year to date of 0.49%.
- ✓ Ideal Sika Fund recorded a year to date of 1.25% and an annualized yield of 20.6%, which is above inflation of 11.8% and 91 day T-Bill of 13.32%

■ **BOG CAUTIONS PUBLIC ON USE OF BITCOIN IN GHANA**

SOURCE: BANK OF GHANA, MYJOYONLINE

- ✓ The Bank of Ghana has cautioned the public on the use of bitcoin in the country.
- ✓ The central bank said it “has taken notice of recent developments in the use, holding, and trading of virtual or digital currencies such as bitcoin” and “wishes to notify the general public that these activities in digital currency are currently not licensed under the Payments System Act 2003 (Act662).”
- ✓ “The Bank of Ghana is currently investing a lot of resources to further enhance the payments and settlements system, including digital forms of money and also to introduce cyber security guidelines to safeguard electronic and online financial transactions,” BOG said in a statement signed by its secretary Caroline Otoo.
- ✓ The statement further said, “A revised Payments System Act referred to as Payment Systems and Services Bill will be considered by Parliament within the next couple of months. This revision should bring the electronic payments space up to date to international standards and aligned with the evolving electronic payments landscape.”

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**3. REAL ESTATE (PROPERTIES)**

■ **ANNUAL PERCENTAGE RATES (APR) AND AVERAGE INTEREST (AI) PAID ON GHS DENOMINATED MORTGAGE AS AT 31TH DECEMBER 2017**

SOURCE: BOG

BANKS	Bank of Africa	Bank of Baroda	Barclays Bank	Cal Bank	Ecobank	Fidelity Bank	Energy Bank	HFC	Premium Bank	Prudential Bank	Stanbic Bank	The Royal Bank	Industry Average
MORTGAGE RATE	28.6	22.0-28.0	34.2-38.5	31.1	34.1	29.1	32.8	26.2	33.7-38.7	28.1	24.7	37.4	30.2

- ✓ Lowest Interest Rate on Mortgage Financing : Bank of Baroda
- ✓ Highest Interest Rate on Mortgage Financing: The Royal Bank
- ✓ Industry Average : 30.2%
- ✓ Number of Banks in Industry : 31
- ✓ Number of Banks with Mortgage Financing : 12



**4. FOOD & BEVERAGE**

■ **COMMODITIES**

SOURCE: Trading Economics

AGRICULTURE	CURRENT PRICE(USD)	PREVIOUS PRICE(USD)	WEEKLY CH
Cocoa (MT)	1,986.00	1,929.40	2.85% ↑
Rice (MT)	12.32	12.11	1.68% ↑
Palm oil	2,482.00	2,434.10	1.93% ↑
Milk	13.91	13.88	0.22% ↑
Sugar (T)	13.36	13.25	0.83% ↑
Tea	3.20	3.16	1.27% ↑
Oat	266.00	257.75	3.10% ↑
Coffee	125.15	121.12	3.22% ↑

✓ Prices of Cocoa, Rice, Palm oil, Milk, Sugar, Tea, Oat and Coffee increased on the international market. This means extra Cedis could be earned from exports of these commodities.



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## 5. OIL & GAS



### COMMODITIES

SOURCE: Trading Economics

ENERGY	CURRENT PRICE(USD)	PREVIOUS PRICE (USD)	WEEKLY CH
Crude Oil (BBL)	66.24	63.24	4.53% ↑
Brent Oil (BBL)	70.33	68.56	2.51% ↑
Natural Gas	3.53	3.14	11.05% ↑
Gasoline	1.94	1.86	4.13% ↑

### OPEC NEWS

- ✓ Oil hits \$71 on Thursday 25<sup>th</sup> January, 2018 for first time since 2014 but settles lower after dollar reverses losses.
- ✓ Oil markets firm on strong demand as ongoing OPEC-led supply restraint.

### EXXONMOBIL ACQUIRES EXPLORATION ACREAGE OFFSHORE GHANA

SOURCE: NYSE

- ✓ ExxonMobil announced that it has signed a petroleum agreement with the government of Ghana to acquire exploration and production rights for the Deepwater Cape Three Points block. The agreement is subject to parliamentary ratification.
- ✓ Exploration activities, including acquisition of seismic data and analysis, are expected to commence later in 2018. The Deepwater Cape Three Points block, located 57 miles (92 kilometers) off the coast of Ghana, measures approximately 366,000 acres (1,482 square kilometers) in water depths ranging from 5,085 feet to 9,350 feet (1,550 meters to 2,850 meters).
- ✓ “The addition of this block reaffirms ExxonMobil’s commitment to pursuing high-quality projects in areas with large resource potential,” said Steve Greenlee, president of ExxonMobil Exploration Company. “We are excited to partner with the government of Ghana as we employ our significant upstream experience and technological expertise in assessing the exploration opportunities in this block.”
- ✓ ExxonMobil will carry out the work program as operator, and holds 80 percent interest. Ghana National Petroleum Corporation holds 15 percent interest. ExxonMobil will work with the government to identify a Ghanaian company to potentially hold up to 5 percent interest.

#### ABOUT EXXONMOBIL

- ✓ ExxonMobil, the largest publicly traded international energy company, uses technology and innovation to help meet the world’s growing energy needs. ExxonMobil holds an industry-leading inventory of resources, is one of the largest refiners and marketers of petroleum products, and its chemical company is one of the largest in the world

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