



## 2008 Under Review

### Equities

The Ghana Stock Exchange trading activities started strongly at the beginning of the year, a continuation of the performance trend at the end of 2007. The GSE All Shares Index (ASI) registered 6,600.14 on January 3, 2008 with a market capitalization of GH¢13.16 billion. By the third quarter, there were indications of overheating of some shares. With increases in inflation and interest rates in the 4<sup>th</sup> Quarter, investors began to shift emphasis to the money market, leading to a deceleration of activity and a depression of prices on the stock market. Many stocks which had done very well prior to the 4<sup>th</sup> Quarter lost significantly, further accentuating investor fears.

The ASI and market capitalization peaked on October 3, 2008 at 10,900.77 points and GH¢18.02 billion. For the year, the index experienced a 59% change while market capitalization rose by 35% from GH¢13.16 billion. However, between October 3 and December 31, the index went down by 469.13 (4.3% loss) and market capitalization reduced by GH¢0.125 billion (0.7% loss).

The quarter also witnessed public offerings from two financial institutions: an IPO from UT Financial Services to raise \$93 million and a public offer with a rights issue from Ecobank Transnational Incorporated to raise \$2.5 billion. UT shares began trading on the floor of the Exchange before the year ended. Earlier in the year, shares of the insurer SIC and a mining company, Golden Star Resources, began trading on the bourse after successful IPOs to raise GH¢35.2 million and GH¢5.8 million respectively.

The biggest gainers for the year were:

- SPPC (203%), EIC (142%), EBG (125%) and BOPP (104%).

Eighteen (18) other stocks made gains during the year.

The least gains were recorded by:

- SG-SSB (8.00%), GOIL (6.45%), SCB-P (4.00%) and TBLG (0.38%).

By the close of the year, eight (8) stocks had experienced losses, with ETI being the biggest laggard (loss of 65%). Prices in seven (7) equities, which included three (3) from the extractive industry, however held still.

## Price Change

Equities	3/1/2008	31/12/08	Change	Change
	GH¢	GH¢	GH¢	%
AADs	0.35	0.35	0.00	0.00%
ABL	0.12	0.12	0.00	0.00%
AGA	30.00	30.00	0.00	0.00%
ALW	0.71	0.61	-0.10	-14.08%
AYRTN	0.10	0.16	0.06	63.60%
BOPP	0.49	1.00	0.51	104.08%
CAL	0.44	0.60	0.16	35.72%
CFAO	0.04	0.04	0.01	14.29%
CLYD	0.08	0.08	0.00	0.00%
CMLT	0.17	0.16	-0.01	-5.88%
CPC	0.05	0.05	0.00	0.00%
EBG	2.00	4.50	2.50	125.00%
EIC	1.30	3.14	1.84	141.54%
ETI	1.28	0.45	-0.83	-64.88%
FML	2.39	4.50	2.11	88.28%
GCB	1.00	1.10	0.10	10.54%
GGBL	1.23	2.00	0.77	62.47%
GOIL	0.31	0.33	0.02	6.45%
GSR*	3.10	3.10	0.00	0.00%
GWEB	0.06	0.05	-0.01	-9.09%
HFC	0.54	0.62	0.08	14.81%
MLC	0.21	0.21	0.00	0.00%
PBC	0.24	0.21	-0.03	-12.50%
PKL	0.08	0.07	-0.01	-12.50%
PZ	0.83	1.12	0.29	34.74%
SCB	26.00	38.00	12.00	46.15%
SCB-P	0.50	0.52	0.02	4.00%
SG-SSB	1.25	1.35	0.10	8.00%
SIC*	0.33	0.50	0.17	53.75%
SPL	0.06	0.05	-0.01	-9.09%
SPPC	0.03	0.10	0.07	203.03%
SWL	0.03	0.03	0.00	13.21%
TBL (Gambia)	1.33	1.33	0.01	0.38%
TOTAL	5.49	7.60	2.11	38.41%
TRANSOL	0.12	0.11	-0.01	-8.33%
UNIL	2.11	4.00	1.89	89.57%
UT*	0.30	0.33	0.03	10.00%

\*Trading on the Exchange commenced during the year.

## Fixed Income

Significant increases in government expenditure in 2008, largely from the rise in oil price to record highs, exerted an upward pressure on interest rates. The prime rate at the beginning of the year was 13.5% whereas the interest rate on the 1-year Government Treasury note was 12.3%. The Bank of Ghana's Monetary Policy Committee had sought to rein in inflation using the prime rate, and by the end of the year, the prime rate of had risen to 17.0% and the 1-year note to 20.0%.

Correspondingly, rates on the 91-day and 182-day Treasuries, as well as the 2-year note, have all risen in the course of the year, from 10.62%, 10.80% and 12.80% to 24.66%, 26.18% and 21.00% respectively.

### Treasury Securities Rates (% p.a.)

Security	Wk end. 04/01/08	Wk end. 04/04/08	Wk end. 04/07/08	Wk end. 03/10/11	Wk end. 02/01/09
91-day T-Bill	10.62	11.10	16.32	24.58	24.66
182-day T-Bill	10.80	11.66	17.13	26.04	26.18
1-year T-Note	12.30	12.80	16.50	20.00	20.00
2-year T-Note	12.80	13.50	16.50	21.00	21.00
Prime	13.50	14.25	16.00	17.00	17.00

## Foreign Exchange

### Foreign Exchange Rates (Interbank)

Country	Currency	Jan. 03, '08	Dec. 31, '08	Change %
BCEAO	CFA	0.0021	0.0027	28.6%
Canada	Canadian Dollar	0.9737	0.9965	2.3%
ECOWAS	WAUA	1.3000	1.7159	40.0%
EMU	Euro	1.4225	1.7103	20.2%
Japan	Japanese Yen	0.0088	0.0135	53.4%
Nigeria	Naira	0.0069	0.0089	29.0%
South Africa	Rand	0.1417	0.1294	-8.7%*
USA	Dollar	0.9672	1.2134	25.5%
UK	Pound Sterling	1.9141	1.7589	-8.1%*

#### \*Appreciation of Ghana Cedi

The newly denominated currency, the Ghana Cedi, started the year strongly, exchanging for US\$0.9672. Rising oil prices to record highs and a food crises during the year significantly eroded the nation's import cover, which stood at about three (3) months at the beginning of the year. Demand for the US dollar especially rose as the year drew to the end to meet imports of seasonal goods. The Ghana cedi therefore depreciated significantly from US\$0.9672 to US \$1.2134, a 25.5% loss against the US dollar. The Ghana cedi fared poorly too against almost all other major currencies, including the CFA (28.6% loss), the Euro (20.2%), the Japanese Yen (53.4%) and the Naira (29.0%). It however appreciated slightly against the South African Rand (8.7%) and the Pound Sterling (8.1%) for the period.

**Interbank Foreign Exchange Rates (1 GH¢ equivalent, 2008)**

