

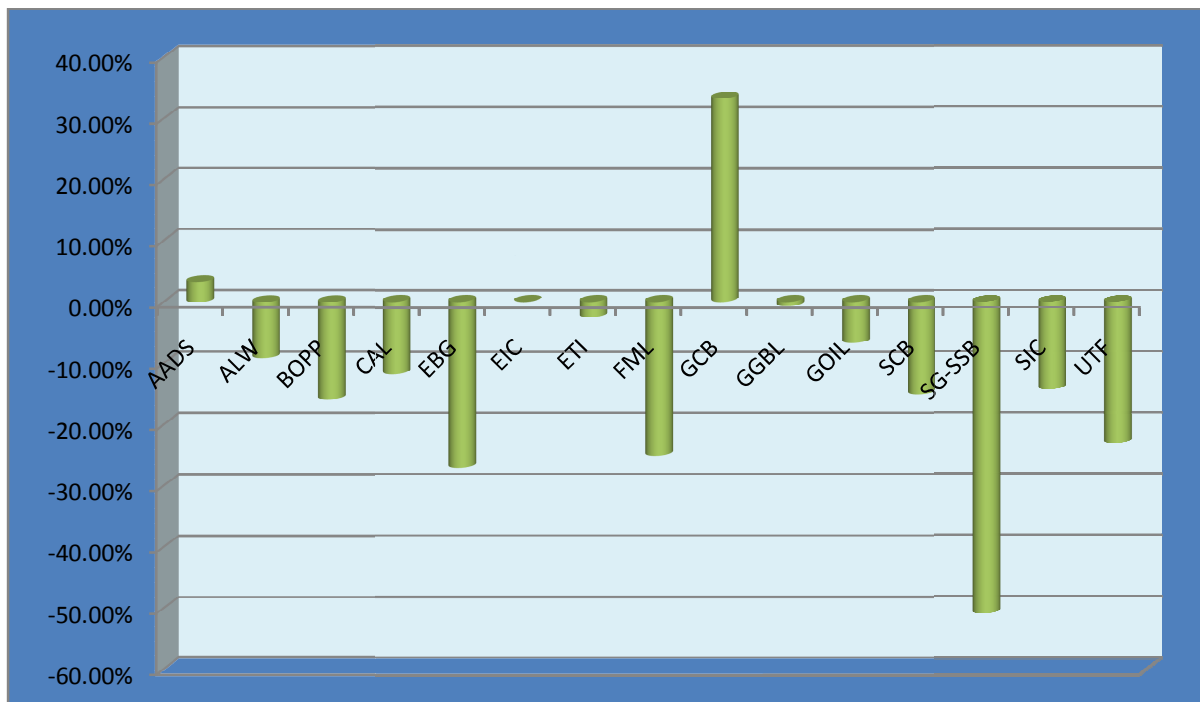
Review

April, 2009

Equities

The month of April witnessed continued losses on the Stock Market generally. Though AngloGold Ashanti Depository shares (AADs) and Ghana Commercial Bank (GCB) shares appreciated (3.33% and 33.33% respectively), as many as thirteen (13) equities lost value for the month. The biggest laggards were FML and UTF (-25.00%, -23.08% respectively). SG-SSB increased their float on the market with a bonus share offer of 1:1. The equity's share price was therefore adjusted by 50% to GH¢0.57 from GH¢1.14. This created the impression of a 50% plus price reduction. Similarly, EBG shares were increased from GH¢161.23 million to GH¢201.53 million as a result of a bonus share issue of one new share to every four existing ordinary shares. EBG share price was accordingly adjusted from GH¢3.00 to GH¢2.40. In real terms, EBG fell by 8.73% whereas SG-SSB fell by 1.75%. GGBL and ETI posted marginal losses of 0.56% and 2.38% respectively.

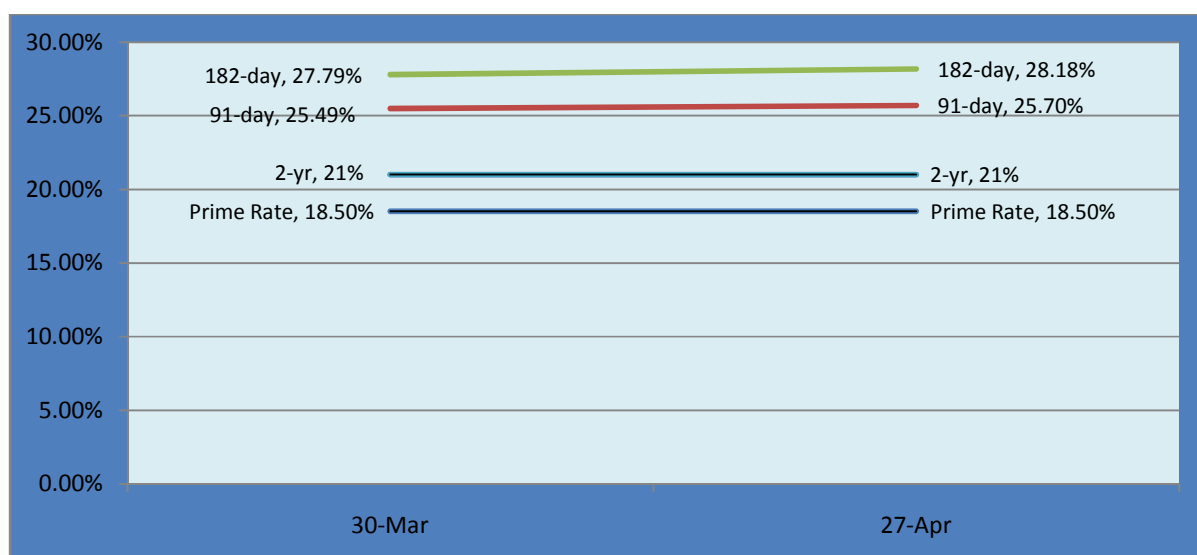
It is instructive to note that the gains recorded by GCB during the period may well signal the beginning of a recovery on the Stock Market. Low prices of listed equities make a number of them attractive buys for long-term investment purposes.



Fixed Income Securities

Sustained upward inflationary pressure ensured that interest rates did not decline. The prime rate remained at 18.5% till the next Central Bank's Monetary Policy Committee meeting in May 2009. Interest rates on Government Treasuries (91-day and 182-day) rose marginally during the month of April. Signs of leveling off of interest rates were vaguely evident. The 91-day Treasury bill rose from 25.49% to 25.70%, denoting a 0.82% increase (compared with a monthly average increase of 1.11% during Quarter 1, 2009), whereas the 182-day Treasury bill increased by 1.40% from 27.79% to 28.18% (compared with a monthly average increase of 2.00% during the first quarter of the year). The 1- and 2-year Treasury notes however stood at 21% during the month.

Movement of Interest Rates April 2009



Going forward, there are indications that upward inflationary pressure may be easing and that both inflation and interest rates may soon begin to dip. In that event, the attraction for short-term fixed income instruments would wane and investor funds would migrate to a recovered equities market, and further increase the market's bullishness. There are better times ahead for investors in the capital market in the coming months. Investors are advised to take positions in the market.

Currency Market

The Ghana Cedi continued its slide against almost all of the major trading currencies in the month of April as a result of drawdown in foreign reserves. The biggest losses were made against the South African Rand (-13.34%), the Canadian Dollar (-7.69%), the Swedish Kroner (-5.41), the UK Pound Sterling (-5.34%) and the Norwegian Kroner (-5.02%). Losses against the US Dollar and the EU Euro were -1.93%

and -3.06% respectively for the month. The cedi remained stable against the Nigerian Naira, however, during the month.

As mid-year approaches, the slide may slow down with possible increased inflows of foreign currency from donors to support Government's fiscal budget. Later in the year (third quarter 2009), the IMF's first tranche of expected support to reduce balance of payment challenges should further strengthen the local currency.

% Changes in Forex Rates April 2009

Currency	Equivalent of GH¢1.00		% Change
	1-Apr	30-Apr	
CFA	370.37	357.14	-3.57%
Canadian Dollar	0.92	0.85	-7.69%
Danish Kroner	4.12	3.99	-3.02%
WAUA	1.04	1.01	-2.95%
Euro	0.55	0.54	-3.06%
Japanese Yen	71.94	69.93	-2.80%
Naira	112.99	112.99	0.00%
Norwegian Kroner	4.94	4.69	-5.02%
Rand	6.97	6.04	-13.34%
Swedish Kroner	6.05	5.72	-5.41%
Dollar	0.73	0.72	-1.93%
Pound Sterling	0.51	0.48	-5.34%