

THOUGHT OF THE WEEK

34 to 23; Implications for the Ghanaian Economy (Part 2)

There is no debating the significant contributions local banks make to the economy of Ghana. These can be in the form of employment and tax revenue to the state. Additionally, some local banks will dare to operate in some rather isolated geographical areas where foreign banks may not ordinarily ply their trade and thus supporting indigenous SME's. The government should therefore be commended for setting up the Ghana Amalgamated Trust (GAT) to support some of these local banks albeit the debate regarding their selection criteria.

There is also the issue of eroded public confidence in the financial sector as a whole resulting from depositors cum investors losing a portion or the whole of their deposits and investments as a result of the banking crisis. In most cases access to these funds has been drastically delayed resulting in businesses stalling and households facing diminished disposable incomes.

Regardless of all the above mentioned, there seems to be some light at the end of the tunnel as some are predicting exciting times for the banking industry in the year 2019. Notable among these predictions are those of auditing firm PricewaterhouseCoopers (PWC) in a report which outlined improved customer service, digital innovations and improved service delivery as key drivers to achieving this.

Ratings Agency, Moody's also expressed similar views when they submitted that Ghana's banking sector consolidation trend is credit positive. In their view the removal of weaker banks gives the remaining banks pricing power and enhanced efficiency and profitability.

In conclusion, the central bank bears a huge responsibility to closely monitor and supervise the surviving banks. The bank has already taken some steps in this direction some of which include the new directives to enhance corporate governance practices within banks and the directive to help reduce the loan loss component of the banks NPL's. These policies have already started yielding some fruit as the banking industry's stock of NPL's declined to GHC 7.14 billion as at October 2018 from GHC 8.3 billion in October 2017.

	Last week	This week	w-o-w Ch.	w-o-w %Ch.	YTD%	12-Month%
Stock Market						
GSE-CI	2,556.28	2,511.84	(44.44)	-1.74%	-2.35%	-16.40%
GSE-FI	2,153.81	2,125.89	(27.92)	-1.30%	-1.29%	-22.83%
Market Cap, GHS'mn	60,774.47	60,328.25	(446.22)	-0.73%	-1.32%	-3.09%
Volume traded	2,123,118	975,043	(1,148,075)	-54.07%		
Value traded	3,380,290	1,580,310	(1,799,980)	-53.25%		

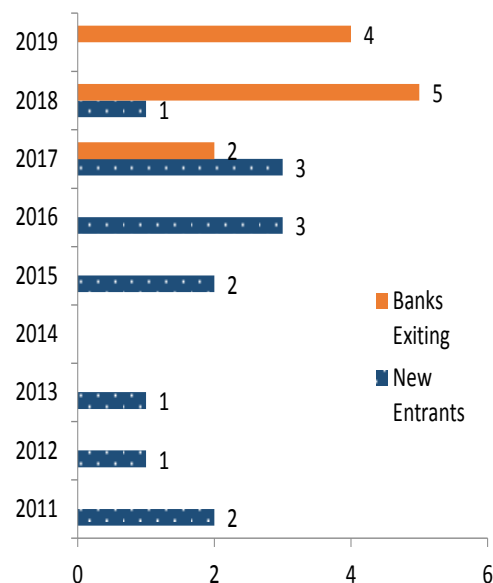
Ghana Cedi Performance						
USD:GHS	4.9051	4.9405	(0.035)	-0.72%	-2.50%	-10.45%
EUR:GHS	5.5857	5.6193	(0.034)	-0.60%	-1.93%	-1.51%
GBP:GHS	6.3364	6.4846	(0.148)	-2.34%	-5.08%	-2.49%

Treasury Yields			
91-Day bill	14.63	14.69	0.06
182-Day bil	15.09	15.11	0.02
1-Year Note	16.57	16.57	-
2-Year Note	19.75	19.75	-
3-Year Fixed Bond	20.00	20.00	-

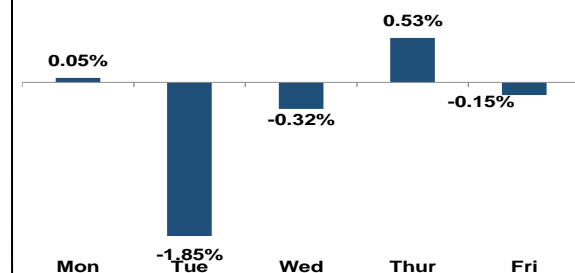
*Excludes AGA, GSR & Tullow

Sources: BoG, GSE, Doobia

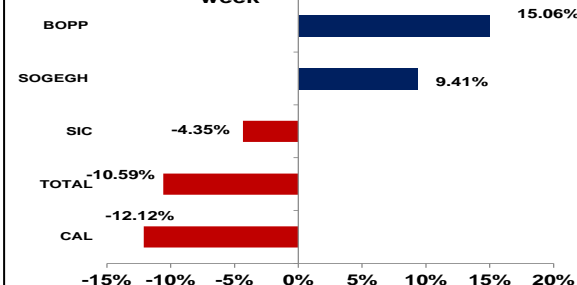
NIMED Table of the week Entry & Exit of Universal Banks



GSE - Composite Index: Daily Performance



GSE: Top Gainers and Losers for the week



Return Analysis Sheet

Stock	Weekly Price		Return %			Week Trading		Valuation			
	Open (GHS)	Close (GHS)	Week Ch	YTD	Div Yield	Volume	Value (GHS)	Mkt Cap (GHS'mn)	PE (x)	PB (x)	Earnings Yield (%)
AADS	0.40	0.40	0.00%	-2.44%	0	-	-	0.39	-	-	0
ACCESS	3.02	3.02	0.00%	-14.93%	0	1,800.00	5,472.00	525.33	6.70	0.70	14.96
ADB	5.95	5.95	0.00%	0.00%	0	-	-	1,373.97	88.50	3.90	0
AGA	37.00	37.00	0.00%	0.00%	0.57	-	-	15,229.57	NM	1.30	0
ALW	0.09	0.09	0.00%	12.50%	0	3,000.00	270.00	21.30	NM	0.70	0
AYRTN	0.08	0.08	0.00%	14.29%	0	19,400.00	1,552.00	17.20	4.80	0.80	21.02
BOPP	4.25	4.89	15.06%	-3.93%	1.28	1,700.00	7,289.00	170.17	21.20	2.50	4.72
CAL	0.99	0.87	-12.12%	-11.22%	0	116,400.00	101,030.00	545.12	3.50	0.70	28.23
CLYD	0.03	0.03	0.00%	0.00%	0	-	-	1.02	14.00	88.30	0
CMLT	0.09	0.09	0.00%	-10.00%	10.89	-	-	0.61	1.90	0.20	53.54
CPC	0.02	0.02	0.00%	0.00%	0	12,000.00	240.00	40.76	NM	NM	0
DIGICUT	0.09	0.09	0.00%	0.00%	0	-	-	10.70	11.60	2.10	8.6
EGH	7.47	7.21	-3.48%	-3.87%	0	18,500.00	123,193.00	2,325.59	7.10	1.90	14.06
EGL	2.20	2.20	0.00%	-1.79%	0	15,600.00	34,320.00	373.38	5.20	0.70	19.17
ETI	0.15	0.15	0.00%	-6.25%	0	144,100.00	21,617.00	3,610.16	3.60	0.40	28.06
FML	8.00	8.00	0.00%	0.00%	0	10,000.00	79,998.00	929.68	27.60	3.80	3.62
GCB	4.50	4.41	-2.00%	-4.13%	2.27	195,200.00	876,427.00	1,168.65	4.50	0.90	22.09
GGBL	2.18	2.18	0.00%	0.00%	1.61	200.00	436.00	670.55	265.10	2.50	0.38
GOIL	3.09	3.00	-2.91%	-3.85%	0.93	1,500.00	4,576.00	1,175.58	16.40	2.70	6.11
GSR	9.50	9.50	0.00%	0.00%	0	-	-	493.43	NM	49.40	0
HORDS	0.10	0.10	0.00%	0.00%	0	-	-	11.50	50.10	2.90	2
IIL	0.08	0.08	0.00%	0.00%	0	1,000.00	80.00	18.13	5.00	1.50	20.17
MAC	5.98	5.98	0.00%	0.00%	0	-	-	59.50	19.70	1.00	5.07
MLC	0.10	0.10	0.00%	0.00%	0	-	-	5.01	NM	0.20	0
MMH	0.11	0.11	0.00%	0.00%	0	-	-	10.57	NM	2.50	0
MTNGH	0.78	0.76	-2.56%	-3.80%	2.63	167,300.00	127,259.00	9,340.76	11.40	3.80	0
PBC	0.04	0.04	0.00%	0.00%	0	1,000.00	40.00	19.20	NM	0.20	0
PZC	0.41	0.41	0.00%	0.00%	0	300.00	123.00	68.88	10.60	3.10	9.41
RBGH	0.72	0.70	-2.78%	1.45%	0	10,300.00	7,188.00	596.38	14.10	1.20	7.08
SAMBA	0.65	0.65	0.00%	0.00%	0	-	-	3.89	NM	1.20	0
SCB	21.44	21.43	-0.05%	2.05%	0	1,950.00	41,784.00	2,887.91	12.80	2.80	7.83
SIC	0.23	0.22	-4.35%	15.79%	0	129,900.00	28,850.00	43.04	NM	0.40	0
SOGEH	0.85	0.93	9.41%	24.00%	0	21,300.00	19,571.00	465.53	6.40	0.90	15.61
SPL	0.02	0.02	0.00%	0.00%	0	2,000.00	40.00	5.20	8.10	0.40	12.39
SWL	0.05	0.05	0.00%	0.00%	0	-	-	1.09	NM	1.10	0
TBL	0.26	0.26	0.00%	13.04%	13.99	80,000.00	20,800.00	52.00	6.50	0.80	15.35
TLW	11.94	11.94	0.00%	0.00%	0	-	-	16,404.25	NM	0.90	0
TOTAL	3.40	3.04	-10.59%	-10.59%	2.08	18,300.00	56,020.00	340.08	7.60	1.80	13.15
UNIL	17.78	17.77	-0.06%	-0.06%	1.41	800.00	14,216.00	1,110.63	9.20	5.30	10.93

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