



ENSURING INVESTOR PROTECTION

# SEC NEWS

OFFICIAL NEWSLETTER OF SECURITIES & EXCHANGE COMMISSION

4<sup>TH</sup> QUARTER (OCT. - DEC.) 2021



**DR. MARYAM BUTI AL SUWAIDI  
APPOINTED AS CHIEF EXECUTIVE  
OFFICER OF SCA, UAE**



*Press Release: SEC engages EOCO and CID as 'Time With The SEC' expands to include Law Enforcement Agencies*



*New Signatories to the IOSCO MMOU and the EMMOU in 2021*



*Fourth Quarter Market Summary, Analyses & Highlights*



*Key Market Statistics*

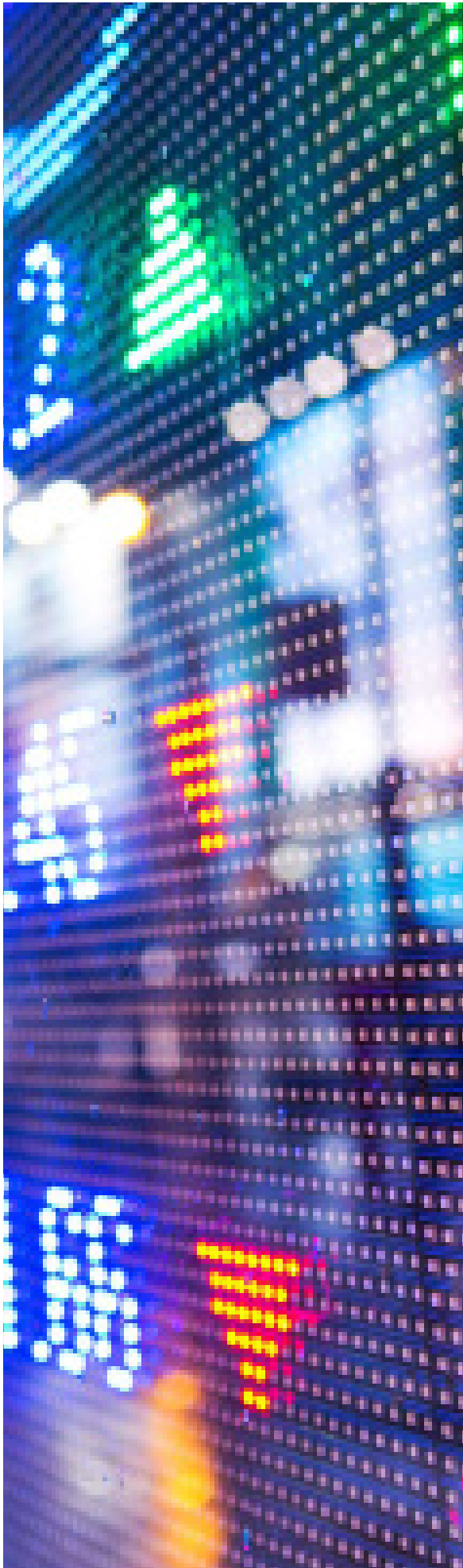


*Infractions, Penalties and Complaints Received in the Fourth Quarter of 2021*



*"Successful investing is about managing risk, not avoiding it." — Benjamin Graham*





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# NOTICE TO THE PUBLIC

## 1. PUBLIC ADVICE

Members of the general public are advised to use the Commission's Toll-Free Line 0800100065 or Main Line 0302768970-2 to contact the Commission on any issue they may have relating to the securities market and investments, including:

- Seeking general information about the securities market and products.
- Seeking information about licensed capital market operators.
- Reporting persons suspected to be operating in the securities market without a license.
- Reporting fraudulent investment schemes (e.g. ponzi schemes).
- Reporting fraudulent activities of capital market operators.
- Making complaints against capital market operators.

## 2. PUBLIC NOTICE

### **PRESS RELEASE: SEC ENGAGES EOCO AND CID AS 'TIME WITH THE SEC' EXPANDS TO INCLUDE LAW ENFORCEMENT AGENCIES**

The Securities and Exchange Commission (SEC) engaged members of the Criminal Investigations Department (CID) and the Economic and Organized Crime Office (EOCO) through its market education program dubbed 'Time with the SEC'.

This initiative forms part of the SEC's strategic thrust of educating strategic partners including law enforcement agencies on critical issues regarding the Ghanaian Capital Market. The program was held under the theme, 'The role of the SEC in the Capital Market' and included presentations on topics such as: the need for partnership with law enforcement agencies; the mandate and regulatory framework of the SEC; an overview of the Capital Market; the regulatory framework, tools, and enforcement powers of the SEC; and understanding Ponzi Schemes.

'Time with the SEC' presented an opportunity and platform for knowledge and experience sharing among the institutions and furthermore, allowed participants to comment, make suggestions and ask questions.

Speaking at the event, Rev. Daniel Ogbarmey Tetteh – the Chairman of the occasion, underscored the need for the SEC and law enforcement agencies to work together to ensure investor protection by deepening existing partnerships and improving current practices. He also stated that the SEC together with key agencies such as the EOCO and CID would continue to work together to ensure Market Operators respond to their fiduciary duties. He highlighted some of the recent initiatives that the SEC had undertaken to protect the integrity of the market and investors including the introduction of key Guidelines such as the Conduct of Business Guidelines, Investment Guidelines for Fund Managers, and Licensing Guidelines. He noted that these Guidelines are designed to address corporate governance challenges, give effect to the 'fit and proper' principle in licensing Market Operators and provide guidelines for sound investment decisions by fund managers.



In addition, he cited the SEC's digitalization program which would facilitate electronic submission of returns by Market Operators and expedite prompt analysis to support supervision. He, however, advised that investors conduct their due diligence on Market Operators to ensure they understand the risk-return characteristics of investment products before investing. He also indicated that access by investors to relevant information would be enhanced beyond the current colour-coding scheme on the SEC website with the plan to establish a Financial Data Centre, which would be a repository of comprehensive investment information to enable all investors to better inform their investment choices.

Also speaking at the event was the Assistant Commissioner of Police (ACP) and Deputy Director General of the Criminal Investigations Department (CID), Mr. Frederick Kwadwo Agyei who stated that the primary duty of the CID was to investigate crimes and to accomplish this, the agency needed to build the capacity of its investigators. He therefore welcomed the opportunity for such an engagement and expressed optimism that via this platform, the SEC would also better appreciate the work and mandate of the CID. Mr. Agyei entreated the audience to give their maximum attention to the program and not treat the content of the presentations as personal consumption but to share with other colleagues. In conclusion, he expressed the agency's willingness to continue to work to reduce crime.

Mrs. Aba Jacqueline Opoku, Deputy Executive Director In-Charge of Monitoring and Intelligence at the Economic and Organized Crime Office (EOCO) also speaking at the event echoed the role and importance of a long term capital in a developing economy. She cited countries such as Malaysia and Singapore who had used the Capital Market to develop their nations exponentially. Mrs. Opoku emphasised that a viable capital market depends on effective law enforcement agencies and highlighted the role of EOCO in detecting and preventing economic crimes and taking actions in collaboration with other agencies. She mentioned the existing relationship of EOCO with the SEC throughout the recent Asset Management Clean Up exercise and concluded by pledging that EOCO would work together with the SEC to bring confidence to the investment community.

The 'Time with the SEC' was held at the Labadi Beach Hotel in Accra and brought a wide range of representatives from the CID, EOCO and the Press.

Requests for further information can be made by sending an email to [info@sec.gov.gh](mailto:info@sec.gov.gh), via the toll-free line, **0800100065** or visiting the SEC website at [www.sec.gov.gh](http://www.sec.gov.gh).

BY ORDER OF  
THE SECURITIES AND EXCHANGE COMMISSION  
DATED: 19<sup>TH</sup> OCTOBER 2021



## 2. INTERNATIONAL UPDATES

# ***NEW SIGNATORIES TO THE IOSCO MMOU AND THE EMMOU IN 2021***

**DOROTHY YEBOAH-ASIAH**

Senior Manager, International Relations and Board Secretary

**A**t the 2021 Annual Meeting of the International Organization Of Securities Commissions (IOSCO), the meeting formally recognised the National Bank Of Georgia (NBA)

for becoming a signatory to the IOSCO Multilateral Memorandum Of Understanding (MMoU) since the last Annual Meeting in November 2020, taking the number of signatories to 125.

Three other members were recognised as signatories to the Enhanced Multilateral Memorandum Of Understanding (EMMoU). The new signatories bring the number of members who have signed the EMMoU to 20 since it was introduced in 2017. The EMMoU was introduced by IOSCO to expand the range of enforcement powers that signatories may use to safeguard the integrity and stability of markets, protect investors and deter misconduct and fraud.

These powers were introduced in light of the new enforcement challenges of growing cross-border activity and technological developments in securities markets since the MMoU was launched in 2002.

The new signatories to the EMMoU are:

- Brazil: Comissão de Valores Mobiliários (CVM)
- New Zealand: Financial Markets Authority (FMA), formerly: Securities Commission (SC)
- Republic of Srpska: Securities Commission of the Republic Srpska (SECRS)



# APPOINTMENT OF DR. MARYAM BUTI AL SUWAIDI AS CHIEF EXECUTIVE OFFICER OF SECURITIES AND COMMODITIES AUTHORITY (SCA), UNITED ARAB EMIRATES.

**DOROTHY YEBOAH-ASIAMAH**

Senior Manager, International Relations and Board Secretary

**D**r. Maryam Buti Al Suwaidi has been appointed as the Chief Executive Officer of Securities and Commodities Authority (SCA), United Arab Emirates, effective 10<sup>th</sup> October 2021.

Dr Maryam Al Suwaidi is the first woman to occupy this position in the history of the SCA.

She has held several leadership positions within SCA and with other institutions in the UAE having key focus on financial markets - regulations, operations and AML; corporate governance and sustainability; credit bureau, legal arbitration and organisational development. Given her strong credentials in AML-CFT, the Financial Action Task Force (FATF)

has recently accredited her as the first Emirati female expert assessor for assessment of countries under FATF's Mutual Evaluation program. Dr Al Suwaidi holds a Doctorate in Law from the University of Leeds, UK and a master's degree in Commercial Law from the University of Wales, UK.

The SEC Ghana wishes her the very best in her new role.

# CMA KENYA LAUNCHES REVISED CAPITAL MARKET MASTER PLAN IN THE WAKE OF COVID-19

**DOROTHY YEBOAH-ASIAMAH**

Senior Manager, International Relations and Board Secretary

**T**he Capital Markets Authority (CMA) of Kenya has completed the review of its Capital Market Master Plan (CMMP, 2014-2023), with the support of the Financial Sector Deepening (FSD) Africa.

disruptions, changes in local and global environment and disruptions occasioned by technological developments in the capital markets.

The additional elements were designed to ensure it achieved maximum developmental impact to transform Kenya into the heart of African capital markets.

Some of the key changes in the revised Master Plan are:

- Clarification of the complementary roles of CMA-Kenya and the Nairobi International Financial Centre Authority (NIFCA) in the promotion and regulation of the capital markets,
- Guidelines for how the Authority and other financial sector regulators can work in harmony with NIFCA to align their regulatory frameworks

The CMMP was reviewed to realign it to emerging priorities following COVID-19 economic





to international best practice to be attractive to foreign investors.

- c. Measures to catalyse activity in private equity and debt capital by making the asset class more accessible to asset managers,
- d. Retirement schemes and the general investor base for the benefit of investors and the businesses, and
- e. Leveraging Environment, Social and Governance principles to attract green capital, with emphasis on the development of a green

taxonomy for Kenya beyond climate finance to natural capital/conservation.

Other priority areas that had been re-emphasised in the revised CMMP are increased equity and debt market liquidity through the roll-out of capital markets liquidity tools such as market making, short selling, margin trading, securities lending and borrowing, and Over The Counter (OTC) transactions.

As part of the regional Africa Regulatory Support Programme, FSD Africa provided technical assistance for the revision of the Kenya CMMP.

*“Other priority areas that had been re-emphasised in the revised CMMP are increased equity and debt market liquidity through the roll-out of capital markets liquidity tools such as market making, short selling, margin trading, securities lending and borrowing, and Over The Counter (OTC) transactions.”*

## BRAIN TEASERS



**1** You are in a cabin and it is pitch black. You have one match on you. Which do you light first, the newspaper, the lamp, the candle, or the fire?

**2** Jimmy's mother had four children. She named the first Monday. She named the second Tuesday, and she named the third Wednesday. What is the name of the fourth child?

**3** You are driving a bus. At the first stop, two women get on. The second stop, three men get on and one woman gets off. At the third stop, three kids and their mom get on, and a man gets off. The bus is grey, and it is raining outside. What color is the bus driver's hair?

Answer key: Q1: The match Q2: Jimmy Q3: The colour of your hair (you are the bus driver)



# 3. ARTICLE

## **GHANA'S CAPITAL MARKET: INNOVATION AND THE FINTECH LANDSCAPE IN THE NEW ERA OF COVID-19**

**MACNAMARA PETER-BROWN**

Assistant Manager, Policy and Research, SEC

### **The Global Context:**

**T**he COVID-19 pandemic has hit the global public health and economic systems like a ton of bricks. As governments wrestle with lockdown measures to reduce the spread of the virus, national economies and businesses are counting the consequences.

The pandemic represents an unexpected shock that impacted the ability of economies and markets to function normally. For instance, major economies were estimated to have lost at least 3.4 percent of their GDP in 2020 as the virus became a global pandemic. To put this figure in context, global GDP was estimated to reach about \$84.54 trillion in 2020 (4.5% y/y), representing nearly \$2.96 trillion in lost economic output.

Despite the economic disruption, the shocks of the COVID crisis have brought years of unanticipated technological adoption. Fintechs have had a unique opportunity to rapidly grow their user profile, geographical foothold, and

reputation in the few months of the global pandemic. The advancement of scientific and technological processes has become the leading factor propelling economic development in market economies across various sub-sectors such as payment and regtech. The wave of technology stirred by digital transformation has become essential in today's business by enhancing reach across populations. The advent of mobile internet penetration has made it easier to transmit information, thereby creating a better-informed society. Innovative technologies such as big data, blockchain, internet of things, artificial intelligence, digital employees, robotics and automation, machine learning, virtual and augmented reality, among others, have resulted in extensive changes in the business world.

In the capital market, notable progress in digitalisation has had considerable effect on the financial market, as demonstrated by the significant changes in the market environment. Global markets have recorded tighter margins, stronger competition, improved customer experience, and increasingly stringent regulatory policies and deadlines, culminating in the wave of digital transformation in the financial world. KPMG's pulse of fintech innovations

indicates that fintech investment hit \$98 billion in the first half of 2021, compared to \$121.5 billion for the entire year of 2020. This is primarily due to the push to accelerate digital transformation and digital capabilities in the face of a new normal.

### **Impact of COVID-19 on Ghana's Capital Market**

The IMF estimates that the health crisis has resulted in a substantial increase in the risk of debt distress across many economies. At the peak of the pandemic, Ghana's nominal public debt stock increased from GH¢218.2 billion (US\$39.4 billion) in 2019, representing 62.4% of GDP, to GH¢291.6 billion (US\$50.8 billion) in 2020, representing 76.1% of GDP (Ministry of Finance, 2020). The increase in financing requirements to contain the direct and indirect shocks caused by the pandemic, capital market distortions, a decline in overall demand for goods and services, and capital flow reversals in emerging and developing economies contributed to this situation.

Bond yields generally declined in the pandemic era relative to the pre-pandemic era. The 2-year, 3-year and





6-year bond yields declined by 245bps, 45bps and 150bps, respectively (Ministry of Finance, 2020). The bond market recorded increased volatility and a decline in prices across many asset classes, which impacted trading books, increased market risk and counterparty credit risk. Market stress during the pandemic put pressure on capital market firms which affected dividend payments and share buyback plans. In like manner, pressure on market operators to invest in expanding infrastructure and improving service quality caused market firms to change their operational models.

### **The shift towards digital transformation**

The general orientation of fintech and innovation in and outside of Ghana's financial market has imperative implications for market equilibrium between traditional incumbents and newer tech-based players in financial intermediation. Even so, it is impossible to assume which intermediaries have gained the most traction in the pandemic era and its rationale. The capital market has advanced from primary trading platforms into a sophisticated financial tool, enhancing universal access and timely services. Efficient payment clearing and settlement operating models have fostered financial inclusion and contributed to the cash lite and digital economy agenda. The situation has led to reduced information asymmetry, culminating in reduced moral hazards, adverse selection, and market

failures.

As fintech innovations advance to drive the capital market, power is shifting to the market's buy-side. The buy-side is assuming more control over the trading systems, platforms, and instruments that the market adopts and is reducing the dependency on the sell-side to supply needed tools. This democratisation of technology encourages decentralisation and the diversification of the capital market. This calls for market operators to work towards addressing their challenges and develop their operations to meet current needs. Evidence suggests that the industry has only been marginally successful in delivering transformation and managing its cost base, necessitating a fresh approach. For the most part, the organic evolution of industry players toward a new model would be quite tough to accomplish. Nonetheless, help is at hand as the Ghanaian "Generation X" behavioural intention favours the revolution in the fintech ecosystem to identify sources of future growth.

### **How is the SEC providing regulation-driven change in the Pandemic Era?**

The Securities and Exchange Commission (SEC), as the regulator of Ghana's capital market, has woken up to the rising need to support the development and adoption of new technologies that facilitate standard regulation. The SEC's regulatory response has been a balanced approach, balancing

the potential for innovation against risk to investors, market integrity, and financial system stability. As such, the forward-thinking regulator is implementing the Capital Market Master Plan (CMMP) to create a market value chain that provides invaluable opportunities for technological innovation to transform the market in a variety of ways.

The CMMP resolves to create diversity in investment products, improve the liquidity of the securities market, increase the investor base, and strengthen infrastructure. It also seeks to improve market services, enhance regulation and enforcement, and market confidence, which aligns with creating an ecosystem that facilitates fintech and digital innovation within the national development strategy and Sustainable Development Goals (SDGs). The Plan contains efforts pitched at fostering collaboration between the regulator and fintech providers to support regulatory sandboxes, create digital platforms for retail trading and explore opportunities and solutions to regulatory obstacles to technological development in the market.

JUST FOR LAUGHS



*A stockbroker was in the hospital. When the nurse took his temperature, he asked "how much it is?". She replied "102, sir.". The stockbroker responded, "Sell it when it gets to 103."*

*Markets are weird. Every time one guy sells, another one buys, and they both think they're smart.*

# *Time with the* **SEC**

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*Time with the SEC is a regional education campaign aimed at educating stakeholders about SEC, the Ghanaian Capital market and provide relevant updates on the industry*

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# 4. ENFORCEMENTS

## ***INFRACTIONS & PENALTIES; COMPLAINTS RECEIVED DURING THE FOURTH QUARTER***

### **Infractions and Penalties**

COMPANY	INFRINGEMENT	PENALTY (GH₵)
Africa Trust Capital Limited.	Failure to comply with trust account requirements	6,000.00
Star Assets Fund Management Limited	Failure to comply with trust account requirements	6,000.00

### **Complaints**

Complaints received during the Fourth Quarter of 2021

PERIOD	COMPLAINTS RECEIVED IN THE QUARTER	COMPLAINT RESOLVED IN THE QUARTER
Q1 2021	67	4
Q2 2021	72	13
Q3 2021	55	12
Q4 2021	46	49



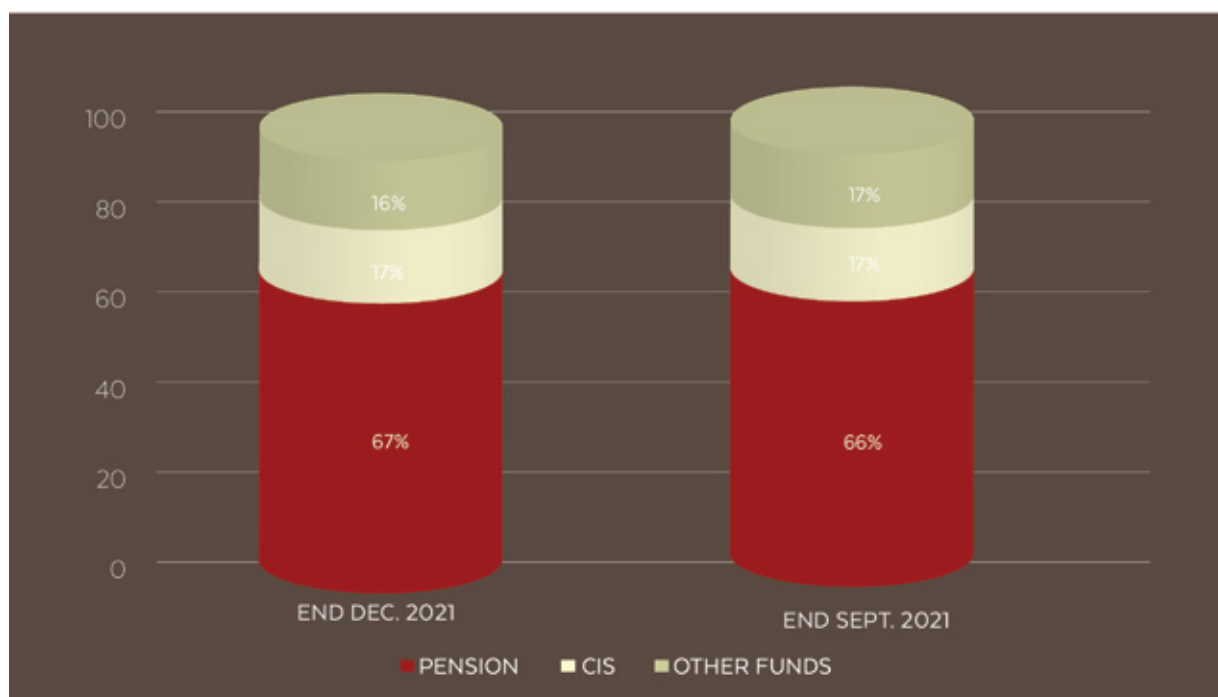
## 5 FACTS &amp; FIGURES

**MARKET STATISTICS  
OFFERS & OTHER  
APPROVALS**

## MARKET STATISTICS

**Assets under Management (4<sup>th</sup> Quarter 2021)**

AUM (GH¢)	END DEC 2021	END SEPT 2021	% CHANGE
Pensions	29,720,842,965.38 *	26,465,465,838.92	12.30
CIS	7,442,854,183.6	6,721,098,199.10	10.74
Other funds	7,323,504,745.57	6,889,851,978.93	6.29
<b>Total (GH¢)</b>	<b>44,487,201,894.55</b>	<b>40,076,416,016.95</b>	<b>11.01</b>

*\*Adjusted values from custodians***Composition of Assets under Management**



## Offers and Other Approvals

1. List of firms licensed during the Fourth Quarter 2021:

**a. Approval of New Licenses**

	LICENCED FIRM	CATEGORY
1	Constant Capital (Ghana) Limited	Broker-Dealer
2	Axis Wealth Management Limited	Investment Advisor
3	Petra Securities Limited	Broker-Dealer

2. Offers, Approvals and Listings (Primary and Secondary Market)

List of Approvals

**1. Offers, Approvals and Listing (Primary and Secondary Market)**

No approvals in the equities market for the fourth quarter of 2021

**2. Note Tranches**

	APPROVAL OF NOTE TRANCHES			
	ISSUER	TRANCHE NUMBER	AGGREGATE SIZE	SUBSCRIPTION (%)
1	Daakye Trust Plc	D1 (re-tap)	100M	72.99%

**3. Total Number of Issuing Houses**

1	ABSA Bank
2	Fidelity Bank Ghana Ltd
3	GCB Bank Ltd.
4	IC Securities Ltd
5	Stanbic Bank Ghana Ltd
6	Standard Chartered Bank Ghana Ltd
7	Databank Brokerage Limited
8	Temple Investment Limited





## CAPITAL MARKET STATISTICS AND ANALYSIS

### 1. Capital Market Operators as at the end of Fourth Quarter 2021

	CATEGORY OF LICENSED OPERATORS	END DEC 2021	END SEPT 2021	CHANGE
1	Broker-Dealers	28	26	2
2	Custodians	17	17	0
3	Exchange Traded Funds	1	1	0
4	Investment Advisers	12	11	1
5	Fund Managers	85	85	0
6	Mutual Funds	46	46	0
7	Primary Dealers	12	12	0
8	Registrars	4	4	0
9	Securities Depositories	1	1	0
10	Securities Exchange	2	2	0
11	Trustees	7	7	0
12	Issuing House	8	8	0
13	Unit Trusts	23	23	0
14	Private Funds	2	2	0
<b>TOTAL</b>		<b>248</b>	<b>245</b>	<b>3</b>

Source: SEC

### 2. Stock Market Statistics AT A GLANCE

INDICATORS	END DEC 2021	END SEPT 2021	% CHANGE
Number of Listed Companies (Main Market)	30	30	0
Number of Listed Companies (Ghana Alternative Market)	6	6	0
Volume of Trades: Cumulative (Equities)	486,587,748	400,603,123	21
Value of Trades (GH¢): Equities	533,270,293.38	411,103,001.35	30
Market Capitalization (GH¢ million)	64,495.20	64,170.83	1
GSE- Composite Index (GSE-CI)	2,789.34	2,855.29	-2
GSE- CI YTD Returns (%)	43.66	47.06	-7
GSE- Financial Stock Index (GSE-FSI)	2,152	2,055.20	5

Source: SEC and GSE





### 3. Performance of Equities on Ghana Stock Exchange

NO.	NAME OF COMPANY	CODE	CLOSING PRICE(GH¢) END DEC 2021	CLOSING PRICE (GH¢) END SEPT 2021	CHANGE (GAIN/LOSS) END DEC 2021
1	Access Bank Ghana PLC	ACCESS	3.15	3.49	-0.34
2	Agricultural Development Bank PLC	ADB	5.06	5.06	0.00
3	AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00
4	Aluworks Limited	ALW	0.10	0.10	0.00
5	Benso Palm Plantation PLC	BOPP	6.65	2.86	3.79
6	Cal Bank PLC	CAL	0.87	0.74	0.13
7	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00
8	Camelot Ghana Ltd.	CMLT	0.11	0.11	0.00
9	Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00
10	Dannex Ayrton Starwin Plc.	DASPHARMA	0.40	0.40	0.00
11	Ecobank Ghana PLC.	EGH	7.60	7.81	-0.21
12	Enterprise Group PLC	EGL	2.79	2.30	0.49
13	Ecobank Transnational Inc.	ETI	0.14	0.08	0.06
14	Fan Milk PLC.	FML	4.00	3.22	0.78
15	GCB Bank Ltd.	GCB	5.24	5.38	-0.14
16	Guinness Ghana Breweries PLC	GGBL	1.80	1.65	0.15
17	Ghana Oil Company Limited	GOIL	1.82	1.70	0.12
18	Golden Star Resources Ltd.	GSR	9.50	9.50	0.00
19	Mega African Capital Ltd	MAC	5.39	5.98	-0.59
20	Scancom PLC	MTNGH	1.11	1.24	-0.13
21	*** PBC Ltd. ***	PBC	0.03	0.03	0.00
22	Republic Bank (Ghana) PLC	RBGH	0.60	0.43	0.17
23	Standard Chartered Bank Gh. PLC	SCB	20.30	20.35	-0.05
24	SIC Insurance Company Ltd.	SIC	0.08	0.07	0.01
25	Societe Generale Ghana PLC	SOGEGH	1.20	1.25	-0.05
26	*** Sam Woode Ltd. ***	SWL	0.05	0.05	0.00
27	Trust Bank Gambia Ltd	TBL	0.34	0.34	0.00
28	Total Petroleum Ghana PLC	TOTAL	5.02	4.65	0.37
29	Tullow Oil Plc	TLW	11.92	11.92	0.00
30	Unilever Ghana PLC	UNIL	5.89	5.90	-0.01
<b>Ghana Alternative Exchange (GAX)</b>					
31	Samba Foods Limited	SAMBA	0.55	0.55	0.00
32	Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00
33	Hords Ltd	HORDS	0.10	0.10	0.00
34	Intravenous Infusions Limited	IIL	0.05	0.05	0.00
35	Digicut Production & Advertising Ltd	DIGICUT	0.09	0.09	0.00
36	Pesewa One Plc	POP	0.65	0.65	0.00
<b>Others (Depository and Pref Shares, ETFs)</b>					
37	AngloGold Ashanti Depository Shares	AADS	0.41	0.41	0.00
38	Standard Chartered Bank Pref. Shares	SCB PREF	0.90	0.90	0.00
39	NewGold:Exchange Tradeable Funds(ETFs)	GLD	108.60	102.50	6.10

Source: SEC and GSE



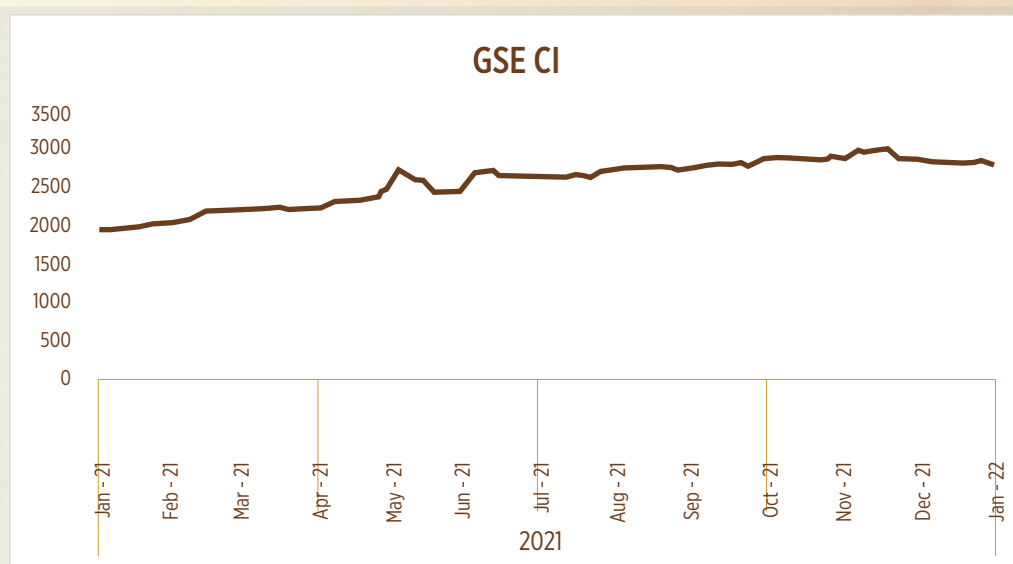
# FOURTH QUARTER MARKET SUMMARY/ANALYSIS

**AFUA MENSA-BONSU**

Assistant Manager, Policy & Research, SEC

## EQUITY MARKET

### 2021 trend of Ghana Stock Exchange Composite Index



Source: GSE and SEC

**F**rom a bullish start to 2021, the equities market cooled down in the last quarter to post a 2021 return of 43.66% in the benchmark Ghana Stock Exchange Composite Index (GSE CI).

After successive rallies through to 9M-2021, the GSE CI proceeded higher to peak at an all-time high of 3,010.74 points on 16th November. Thence, the

benchmark index tumbled by ~221 points, from the all-time high, to end the year with 2789.34 points on profit-taking activities and general investor concerns around the 2022 budget statement.

The 2.3% q/q decline of the GSE CI notwithstanding, the Ghanaian bourse ended the year as the second-best performing equity market in Africa in both local currency and foreign currency terms.

Trading activity on the GSE for the quarter was upbeat, albeit the lowest quarterly

trade volumes for 2021. The market recorded Q4 2021 trades of ~85 million shares (GH¢122 million) to bump up trade volumes for 2021 to 486 million shares from the sixteen thousand trades in the year. The ICT sector led activity for the quarter, accounting for 77% of trade volumes and 65% of turnover. The finance sector came in second place, accounting for 23% of turnover and 16% of trade volumes. Cumulatively, the two sectors jointly accounted for 88% of turnover and 93% of trade volumes. The market's breadth was positive with 11 gainers compared with 8 laggards. BOPP was at the helm of the gainers' table. The counter gained 133% q/q to GH¢6.65 on rising global crude palm oil prices. The league of laggards was led by MTN (-10% q/q to GH¢1.14) on profit-taking and investor uncertainty about the potential impact of the intended electronic transactions tax on the telco's revenue and bottom-line.



### Performance of Key African Stock Markets in 2021

	COUNTRY	INDEX	2021 RETURN (%)	2021 USD RETURN (%)
1	Zambia	LUSE ASI	52.2	93.2
2	Ghana	GSE-CI	43.66	38.59
3	Ivory Coast	BRVM CI	39.15	28.97
4	Malawi	MSE ASI	40.05	33.92
5	Namibia	NSX 01	27.54	17.04
6	South Africa	JSE ASI	24.07	14.35
7	Morocco	MASI	18.35	14.71
8	Mauritius	SEMDEX	17.75	6.56
9	Egypt	EGX 30	10.18	10.3
10	Kenya	NSE ASI	9.43	5.59
11	Uganda	USE ASI	8.46	12.65
12	Nigeria	NGSE ASI	6.07	-3.16
13	Tanzania	DSE ASI	4.39	4.42
14	Tunisia	TUNINDEX	2.34	-4.69
15	Botswana	BSE-DCI	1.89	-6.35

Source: *african-markets.com* and SEC

### Q4 2021 Gainers and Laggards

GAINERS	% GAIN (Q/Q)	GH¢ GAIN (Q/Q)	PRICE GH¢	LAGGARDS	% DECLINE (Q/Q)	GH¢ DECLINE Q/Q)	PRICE GH¢
BOPP	132.5%	3.79	6.65	MTNGH	-10.5%	-0.13	1.11
ETI	75.0%	0.06	0.14	MAC	-9.9%	-0.59	5.39
RBGH	39.5%	0.17	0.6	ACCESS	-9.7%	-0.34	3.15
FML	24.2%	0.78	4	SOGEGH	-4.0%	-0.05	1.2
EGL	21.3%	0.49	2.79	EGH	-2.7%	-0.21	7.6
CAL	17.6%	0.13	0.87	GCB	-2.6%	-0.14	5.24
SIC	14.3%	0.01	0.08	SCB	-0.2%	-0.05	20.3
GGBL	9.1%	0.15	1.8	UNIL	-0.2%	-0.01	5.89
TOTAL	8.0%	0.37	5.02				
GOIL	7.1%	0.12	1.82				
GLD	6.0%	6.1	108.6				

Source: SEC and GSE

**Fixed Income/Debt Market:**

17.4% of local currency bonds at the close of the year.

The elevated inflation pressures (+200bps) in Q4 2021 and currency risk undermined demand in the primary market and pushed up yields at the shorter end of the yield curve. Despite the lower Q4 primary bills issuance target of GH¢13.87 billion (-9.9% q/q), the quest for higher risk-adjusted returns led to a target coverage ratio of 0.87x and an upward trend in yields on the 91-day (+2bps q/q) and 364-day (+43 bps q/q) treasury bills. The bond market also witnessed increased offshore investor sell-offs in Q4 2021, with the non-resident holding of local currency bonds declining by GH¢5.3 bn from Aug-21 to account for

The secondary market, the Ghana Fixed Income Market (GFIM) had 196 outstanding debt securities as at Dec 2021 (Sept 2021: 190 securities). The listed securities were comprised of 43 corporate bonds from 8 corporate issuers, 88 Government of Ghana (GOG) bills & notes, 56 Ghana Government (GOG) bonds and 9 Eurobonds. A total face value of GH¢53.8 billion traded on the GFIM in Q4 2021 to support the annual volume of securities traded on the GFIM to an all-time high of GH¢208.8 billion (+91% y/y).

**Selected Treasury Market Indicators**

INDICATORS	END DEC 2021	END SEPT 2021	CHANGE
91- day T-Bill Rate	12.51%	12.49%	+2 bps
182- day T-Bill Rate	13.19%	13.22%	-3bps
364- day T-Bill Rate	16.57%	16.14%	+43 bps
Interbank Interest Rate	12.70%	12.61%	+9 bps
CPI Inflation	12.60%	10.60%	+200 bps
Monetary Policy Rate	14.50%	14.50%	0 bps

Source: BOG and GSS

**Funds Management Industry:**

The total assets under management (AUM) at the end of 2021 was GH¢ 44.49 billion, representing an 11% quarter-on-quarter growth and a 45% y/y expansion from Dec-2020 levels. The total assets under management are made up of pension funds (GH¢ 29.7 billion),

collective investment schemes (GH¢ 7.4 billion) and other funds (GH¢ 7.3 billion).

**Disclaimer:** The views expressed are the author's and do not necessarily represent the views of the Securities and Exchange Commission, its members or staff.

**2,789.34  
points**

The level at which the GSE-Composite Index closed the fourth quarter of 2021.

**GH¢64,495.20  
Million**

The total market capitalization recorded at the end of fourth quarter, 2021.

**GH¢44,487.20  
Million**

The total asset under management for the fourth quarter of 2021



## **WHAT DO YOU KNOW ABOUT INVESTING ? TAKE A QUIZ**

1. *If you buy a company's stock...*
  - a. *You own a part of the company*
  - b. *You have lent money to the company*
  - c. *You are liable for the company's debts*
  - d. *The company will return your original investment to you with interest*
  - e. *Don't know/Not sure*
2. *If you buy a company's bond...*
  - a. *You own a part of the company*
  - b. *You have lent money to the company*
  - c. *You are liable for the company's debts*
  - d. *The company will return your original investment to you with interest*
  - e. *Don't know/Not sure*
3. *Which type of bonds has the least risk?*
  - a. *Government of Ghana treasury bills and bonds*
  - b. *Corporate bonds*
  - c. *Eurobonds*
  - d. *Quasi-government bonds*
4. *. In general, investments that are riskier tend to provide higher returns over time than investments with less risk..*
  - a. *True*
  - b. *False*
  - c. *Don't know/Not sure*
5. *If a company files for bankruptcy, which of the following securities is most at risk of becoming virtually worthless?*
  - a. *The company's preferred stock*
  - b. *The company's common stock*
  - c. *The company's bonds*
  - d. *Don't know/Not sure*

*\*Some questions culled from FINRA.org*

*Answer key: Q1: a, Q2: b, Q3: a, Q4: a, Q5: b.*



# Report *Financial Crimes*

*Be on guard. Report financial crimes to SEC*



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- Reporting fraudulent activities of capital market operators.
- Making complaints against capital market operators.

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