

SEC NEWS



3RD QUARTER, 2023

OFFICIAL NEWSLETTER OF THE SECURITIES & EXCHANGE COMMISSION OF GHANA

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SEC Ghana Board
Pays **Courtesy Visit**
to Asantehene

Kick-Off Meeting on
the **Development of**
Market Rules

The Psychology of
Investment Decisions:
Navigating the Mind's
Maze

SEC Champions
REITs as Key to
Boosting Real Estate
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SEC & GISI Collaborate
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THE SECURITIES & EXCHANGE COMMISSION (SEC), GHANA

ABOUT

The Securities and Exchange Commission (“the Commission”) is established by the Securities Industry Act, 2016 (Act 929) (“the Act”) as amended with the object to regulate and promote the growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

VISION

To be a top-tier securities market regulator in Africa.

MISSION

To regulate, innovate and promote the growth and development of an efficient, fair, and transparent securities market in which investors and the integrity of the market are protected.

OBJECTIVES

1. Enhancement of capital market infrastructure and strengthening the capacity of market institutions and intermediaries.
2. Providing the legal and regulatory framework for market and product innovation.
3. Promotion of public awareness, investor rights and corporate education.
4. Establishment of an overall robust, supportive, legal and regulatory framework that conforms to international best practices.



CHAPTER 01 NOTICES & ADVICE

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 license.
- Reporting fraudulent investment schemes (e.g., Ponzi Schemes).
- Reporting fraudulent activities of Capital Market Operators.
- Making complaints against Capital Market Operators.



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LATEST UPDATES

CHAPTER

02

SEC
UPDATES

DIRECTOR-GENERAL OF SEC ADDRESSES LEADERSHIP & INSTITUTIONAL CHALLENGES AT INTERGENERATIONAL DIALOGUE EVENT

M

Reverend Daniel Ogbarmey Tetteh, the Director General of the Securities and Exchange Commission (SEC) Ghana, delivered an inspiring keynote speech at the 2023 Intergenerational Dialogue organized by the PALI-Christian Academy of Development Leadership. The event, held at the Ghana Registered Nurses and Midwives Association Head Office, brought together a diverse group of leaders and stakeholders from various sectors under the theme, How do we attain societal transformation and national renewal in the face of the huge leadership deficits and institutional deficiencies?

In his address, Rev. Daniel Ogbarmey Tetteh highlighted the importance of unity and collaboration among individuals from different age groups and backgrounds to drive positive change in Ghana. He emphasized that despite demographic differences, everyone shares a common aspiration to witness a transformed

society and a prosperous nation.

The Director General acknowledged the challenges Ghana faces, including inadequate infrastructure, economic disparities, and unemployment, which have left some citizens disillusioned. He attributed these challenges to deficiencies in leadership and institutional frameworks, such as inefficiencies, a lack of accountability, and an inability to adapt to changing times.

He articulated the vision citizens ought to have for Ghana, emphasizing inclusivity, equity, and prosperity for all people. He stressed the need to eradicate corruption, ensure transparent management of public resources, and harness natural resources sustainably for future generations.

To address these challenges, the Director General proposed four key strategies namely leadership development, institutional reform, education and awareness, and youth engagement.



1. Leadership Development: Rev. Daniel Ogbarmey Tetteh advocated for continued investment in leadership development programs that prioritize ethical leadership, visionary thinking, and long-term planning. He also encouraged mentorship and coaching for emerging leaders at all levels.

2. Institutional Reform: He called for a comprehensive review of institutions, with a focus on streamlining processes, enhancing accountability mechanisms, and promoting merit-based appointments. He praised Ghana's progress in implementing necessary reforms.

3. Education and Awareness: The Director General emphasized the importance of civic education to empower citizens to demand transparency and good governance. He also urged citizens to engage in constructive civic activities, embrace diversity, and prioritize education and lifelong learning.

4. Youth Engagement: Rev. Daniel Ogbarmey Tetteh highlighted the need to actively involve youth in decision-making processes to harness their energy, creativity, and fresh perspectives for positive change.



In closing, the Director General issued a call to action, urging all Ghanaians to commit themselves to achieving societal transformation and national renewal. He emphasized that the journey to a better future begins with a single step, one that can be taken today. He expressed optimism that collaborative efforts and fruitful discussions arising from the event would reshape Ghana's leadership landscape and secure a brighter tomorrow for all citizens and future generations.

The event marked an important step in addressing the leadership deficits and institutional weaknesses hindering Ghana's progress, bringing together leaders from diverse backgrounds to work towards a more prosperous and equitable nation.



WRITTEN BY: King Adawu Wellington.
Manager, Communications and External Affairs Unit.

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SEC GHANA DONATES TO YOA DISABILITY FOUNDATION

The Securities and Exchange Commission (SEC), in a heartwarming gesture that showcases its commitment to social responsibility, donated to the Y.O.A Disabilities Foundation, an NGO that helps kids with Disabilities and Cerebral Palsy to have a better life and better future, on August 24, 2023. Making the donation on behalf of the SEC, Mrs. Princess Aretha Blankson, Senior Manager, in charge of Human Resources and Administration underscored the SEC's dedication to supporting organizations that make a tangible difference in the lives of those facing challenges.

She noted that the foundation's mission aligns seamlessly with the values of the SEC, which, besides its primary role in regulating the securities industry, has increasingly demonstrated a commitment to corporate social responsibility and community welfare.

Receiving the items on behalf of the Y.O.A Disabilities Foundation, Madam Benedicta Oduro expressed their heartfelt appreciation to the SEC for the support and kind gesture.



The donation included cash of One Thousand Ghana Cedis (GH¢ 1,000.00), Pampers, Antiseptic, Washing powders and soaps, Soap, baby wipes, bleach powerzones, bags of rice, oil, tin tomatoes, packs of bottled water, packs of non-alcoholic drinks, packs of biscuits, toilet rolls, among others.



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KICK-OFF MEETING ON THE DEVELOPMENT OF MARKET RULES

The Securities and Exchange Commission (SEC) on the 12th of July 2023, held a mission kickoff meeting with Consilium Group Advisors (CGA Europa) on the development of market rules for asset-backed securities; securities lending and borrowing; margin trading; market making; underwriting/issuing house rules, and capacity building for the capital market.

The Ghana Capital Market Supervision and Market Rules Capacity Building Project forms part of the overall government's commitment to improve the depth, stability, and resilience of Ghana's capital market, which is in line with the vision and objectives of the Capital Market Master Plan (CMMP) 2020-2029, developed by the SEC.

The Project will improve market supervision, product diversity, market liquidity, and investor base of the market and build the capacity of market regulators and operators with respect to

risk-based supervision and management and understanding of supervision, regulation, and operation of pooled funds and other existing and new products.



SEC CHAMPIONS REITS AS KEY TO BOOSTING REAL ESTATE INVESTMENTS IN GHANA



Mr. Paul Ababio, Deputy Director General in charge of Finance at the Securities and Exchange Commission (SEC) Ghana, has emphasized the SEC's dedication to fostering investments in Ghana's real estate sector by promoting Real Estate Investment Trusts (REITs) as an attractive alternative investment option.

Addressing stakeholders at the maiden Alternative Real Estate Investment Seminar held on September 8, 2023, at the Alisa Hotel in Accra, Mr. Ababio shed light on the potential of REITs as alternative investment instruments and underscored the pivotal role of the real estate sector in Ghana's economy. He emphasized how it impacts various facets such as business operations, housing, education, healthcare, and more.

During his presentation and panel discussions, Mr. Ababio acknowledged the remarkable growth in Ghana's property market. However, he pointed





out the persistently high financing costs for property development, especially in the underserved mid- to lower-end market segment.

In response to this challenge, he noted that the SEC is actively encouraging real estate investment through REITs, which functions similarly to stocks. These investment vehicles allow investors to buy and sell shares, with regulation and oversight provided by the SEC.

“To further this initiative in Ghana, the SEC introduced REIT Guidelines in 2019, establishing the regulatory framework for governing REITs in the country. This complements the implementation of the Capital Market Master Plan (CMMP)” he stated.

The seminar, organized by Broll Ghana with the support of the Ghana Investment and Promotion Centre (GIPC), SEC Ghana, Stanbic Bank, and



Sentinel Capital, convened key stakeholders in Ghana’s real estate sector. The event featured presentations and panel discussions led by industry experts.

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SEC GHANA EMPOWERS KEY STAFF WITH CUTTING-EDGE PROCUREMENT WORKSHOP

The Public Procurement Authority (PPA) conducts an enlightening workshop on the Standardized Procurement Audit Framework (SPAF) for the senior staff and management of the Securities and Exchange Commission (SEC).

The Securities and Exchange Commission (SEC) Ghana has taken significant strides towards enhancing its procurement practices by organizing a specialized workshop in collaboration with the Public Procurement Authority (PPA). The three-day event, which took place from September 12th to September 14th, 2023, was hosted at the prestigious Midindi Hotel in Accra.

The workshop's primary objective was to sensitize and educate the procurement-facing staff of SEC Ghana about the newly developed Standardized Procurement Audit Framework (SPAF). Ten employees of SEC had the opportunity to engage in this in-depth training, ensuring they are well-equipped to navigate the evolving landscape of procurement audits.

The event's agenda was extensive, covering various aspects of the SPAF framework and its implications for SEC Ghana. Some of the key topics addressed during the workshop included:

Overview of Standardized Procurement Audit Framework (SPAF): Participants were introduced to



the core concepts and principles of SPAF, providing a solid foundation for the subsequent discussions.

Audit Activities: The workshop delved into the intricacies of financial considerations, compliance considerations, and performance/value for money (VFM) considerations within the audit framework.

Procurement Audit Methodology: A comprehensive exploration of the methodologies and strategies employed in conducting procurement audits.

Guidelines for Determination of Sample Size, Data Collection, Analysis, and Reporting: Understanding the practical aspects of conducting audits, including the process of gathering data and analyzing it effectively.

EU & World Bank Procurement Principles and Methods: An overview of international procurement principles and practices, including those from the European Union and the World Bank.

Red and Yellow Flags in Procurement: Identifying potential issues and irregularities within the procurement process that require special attention and correction.

The workshop sessions were designed to be interactive, allowing participants to engage in discussions, share their experiences, and apply the knowledge they gained to real-world scenarios. The practical

insights offered during the workshop are expected to improve the procurement audit processes within SEC Ghana, enhancing transparency, efficiency, and compliance with international standards.

SEC Ghana's commitment to staying at the forefront of industry best practices was evident through this collaboration with the PPA. The workshop on the Standardized Procurement Audit Framework underlines the organization's dedication to upholding the highest standards in its operations and procurement activities.

The three-day workshop was deemed a success by the participants, who expressed their appreciation for the opportunity to gain expertise in SPAF. SEC Ghana continues to invest in the professional development of its senior staff and management, solidifying its reputation as a leader in financial market regulation and transparency.



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SEC GHANA ENHANCES PROCUREMENT EXPERTISE WITH SPECIAL TRAINING PROGRAMME

The Securities and Exchange Commission (SEC) Ghana, in a bid to ensure its employees are equipped with the essential knowledge and statutory obligations in the procurement of goods, works, and services, organized a comprehensive training programme. The three-day event, facilitated by the Public Procurement Authority (PPA), took place from August 29th to August 31st, 2023, at the Midindi Hotel, Cantonments.

The training programme aimed to empower participants with a practical understanding of procurement processes in compliance with the Public Procurement Act. The training focused on enhancing the expertise of employees, thereby contributing to efficient and transparent procurement practices within the organization.

The Director General of SEC Ghana, Rev. Daniel Ogbarmey Tetteh, welcomed the participants and emphasized the critical role that the training would play in the organization's operations. He stated, "Our commitment to ensuring the highest standards of transparency and compliance in the procurement of goods, works, and services necessitated this training. The knowledge gained from this programme will not only improve our internal practices but also contribute to the overall financial market stability in Ghana."

The training sessions covered a wide range of topics, including procurement regulations, tendering processes, contract management, and the legal aspects of procurement. These subjects are essential for SEC Ghana's employees who are involved in procurement activities and vendor interactions.

The participants in the training expressed their appreciation for the initiative, noting that it provided them with a deeper understanding of the procurement landscape and the legal framework governing it. Many emphasized that the knowledge gained during the training would enable them to execute their roles more effectively and ensure that SEC Ghana's procurement practices remain in line with the law.

The Securities and Exchange Commission (SEC) Ghana plays a pivotal role in regulating and supervising the securities industry in the country. As part of its commitment to maintaining the highest standards of financial market integrity and transparency, SEC Ghana continues to invest in the professional development of its employees.

The collaboration with the Public Procurement Authority (PPA) and the successful completion of this training programme underscore SEC Ghana's commitment to enhancing its procurement practices and strengthening its capacity in line with international best practices.

The training programme on General Procurement of Goods, Works, and Services represents a significant step towards improving SEC Ghana's operations and ensuring that it remains at the forefront of financial market regulation and transparency in the nation.

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STAKEHOLDER LAUNCH

2023 YOUTH INVESTMENT

EDUCATION CAMPAIGN



The SEC on the 14th of July 2023 joined the Ghana Stock Exchange (GSE), Young Investors Network (YIN), the Central Securities Depository (CSD), and other Partners to launch the 'Youth Investment Education' campaign at the University of Ghana Business School.

The campaign is made up of three programs that will commence. The programs include a Stock Pitch Competition for Tertiary Institutions, an Investment Education tour for schools, and a Capital Markets Quiz for Senior High Schools.

Speaking at the launch, Mrs. Deborah Mawuse Aggyemfra, the Deputy Director General of Legal at the SEC, highlighted the importance of the capital market in infrastructure development in Ghana. "When we talk about the capital market, is it about

patient capital. It is money you can put there for some time and let it grow. And this is the money that we are hoping will improve infrastructure in this country," she said.

She also encouraged the students to develop an interest in the capital market by investing and pursuing careers in the securities industry.

In attendance were special guests from the Ministry of Finance, the Chamber of Corporate Trustees, MTN Ghana, the Dean of UG Business School, Capital Market Participants, the Ghana Securities Industry Association, and over 550 students across various Tertiary and Senior High Schools.



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STRENGTHENING THE SECURITIES MARKET: HIGHLIGHTS OF MODULE 2 CORPORATE GOVERNANCE TRAINING PROGRAMME



In the ever-evolving landscape of the Ghanaian securities market, continuous learning and development are key to ensuring its growth and protection. On the 27th and 29th of June 2023, a significant training event took place, marking the dawn of a new era in the industry. Organized by the Securities and Exchange Commission (SEC) in collaboration with the Ghana Institute of Securities Investments (GISI), this training was a milestone in the ongoing journey to equip industry leaders with the knowledge and tools needed to navigate the complexities of the capital market effectively.

Titled “Module 1: Regulatory Framework/ Requirements for Capital Market Operators,” this virtual training program was designed specifically for directors, company secretaries, and chief executive officers of companies licensed to operate

in the securities market of Ghana. The training aimed to provide a comprehensive understanding of the regulatory framework governing the industry, setting the stage for enhanced governance and accountability.

A Unique Blend of Virtual and In-Person Participation

What made this training even more remarkable was its unique blend of virtual and in-person attendance. While the majority of participants joined virtually from the comfort of their offices, a distinguished group of individuals graced the occasion in person. Among those present were the Director-General (DG), Deputy Director-General (DDGL), Deputy Director-General of Finance (DDGF) of the SEC, as well as the CEO of GISI and Heads of Departments/Units of the SEC. This convergence of industry leaders symbolized



the collective commitment to the growth and development of Ghana's securities market.

During his opening remarks, the DG of SEC, Rev. Daniel Ogbarmey Tetteh, set the tone for the training program. He stated, "a new era has dawned, and the Commission has gathered you here to enhance our partnership and commitment to the development and protection of our industry by ensuring that we commit to equipping you for the task ahead." This statement underscored the importance of collaboration and the shared responsibility of all stakeholders in nurturing a thriving capital market.

The Significance of Good Corporate Governance

Rev. Ogbarmey Tetteh also emphasized the critical role of good corporate governance in the industry. He noted, "it is important to say that the kind of growth or market development we all pride ourselves in can only be sustained as long as it is underpinned by an appropriate system of accountability and good corporate governance. The importance of good corporate governance in today's ever-evolving business and economic landscape cannot be overemphasized. It ensures transparency, accountability, and ethical conduct necessary for the protection of our industry."

Indeed, good corporate governance is the cornerstone upon which investor confidence and market integrity rest. It ensures that capital market operators adhere to ethical standards, providing investors with a sense of security and trust. By embarking on the collective journey of knowledge acquisition, the Commission hoped to pave the way for enlightened decision-making and sustainable growth in Ghana's capital market.

A Steppingstone to a Brighter Future

Module 1 of the CPD program was just the beginning of what promises to be an enlightening and transformative journey for all participants. As industry leaders armed with a deeper understanding of the regulatory framework and governance requirements, these individuals are better prepared to steer their organizations toward greater success and contribute to the overall health and vibrancy of Ghana's capital market.

The collaboration between the SEC and GISI, along with the commitment of all participants, serves as a testament to the dedication of the Ghanaian securities industry to its continued growth, transparency, and excellence. This training program stands as a shining example of how knowledge and collaboration can be harnessed to forge a brighter future for the capital market and the nation as a whole.

As the industry continues to evolve, it is clear that Ghana's capital market is in capable hands, guided by leaders who understand the importance of continuous learning and good corporate governance. With each step forward, the securities market in Ghana becomes more resilient, more accountable, and better equipped to face the challenges and opportunities of the future.

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VISUALS FROM THE PROGRAMME ON THE NEXT PAGE





SEC GHANA BOARD PAYS COURTESY VISIT TO ASANTEHENE



The Board of Commissioners of the Securities and Exchange Commission (SEC) Ghana on Friday, July 7, 2023, paid a courtesy call on the Asantehene, His Royal Majesty Otumfuo Osei Tutu II. The visit was to introduce the Board of the SEC to His Royal Majesty and inform the Asantehene on key reforms being undertaken by the SEC to strengthen the Ghanaian securities market and build investor confidence.

Leading the delegation was the Board Chairman of the SEC, Dr. Yeboa Amoa, who in his opening remarks thanked the Asantehene for his warm reception. He further briefed the Asantehene on the purpose of their visit which beyond the courtesy call included an official visit to a commodity

warehouse managed by the Ghana Commodity Exchange (GCX) in the Region.

He emphasized the importance of the GCX in the Ashanti Region indicating that the Region which has its capital as Kumasi, has become one of the growing agricultural hubs in Ghana therefore trading commodities from the Region would enhance the trading of commodities in the country and improve the livelihood of hard-working farmers of the Region and beyond.

On his part, Rev. Daniel Ogbarmey Tetteh, Director-General of the SEC, provided an update on the state of the Ghanaian capital market, the Capital Market Master Plan (CMMP) and the SEC's new approach to supervising the securities market. He said, although the SEC has seen a lot of

growth in the past ten years there still exist pockets of challenges that are hindering full patronage of the market. He explained that for instance, “the Ghana Stock Exchange has had a bit of a challenge in terms of new companies being enlisted” and in dealing with this, as a regulator the SEC is “working with the government to see how we can get a few more State-owned enterprises to the list.

We are also having a programme to attract a few of the good private companies” he added.

He also reiterated that the SEC has taken steps to further strengthen its operation and be more proactive by modifying its supervisory role to risk-based supervision. This, he said, will strengthen oversight role of the



SEC, digitalize operations, and enable the SEC to decentralize its operation across the country.

In welcoming the SEC delegation, His Royal Majesty Otumfuo Osei Tutu II urged the SEC to restore lost confidence in the securities market and expand the investor base to deepen the Ghanaian securities market. This, he said, is because of people preferring

to keep their monies in their homes rather than invest it due to loss of confidence in the market because of recent happenings in the market.

Dignitaries who were part of the delegation included Mrs. Jemima Oware, SEC Commissioner; Mr. Augustine Addo, SEC Commissioner; Prof. Joe Amoako Tuffour, SEC Commissioner; Mr. Yaw Acheampong Bofo, SEC Commissioner; Mrs. Deborah Agyemfra,

Deputy Director-General Legal; and Mr. Paul Ababio, Deputy Director-General Finance. Others were Mrs. Tucci Ivowi Goka, Chief Executive Officer of Ghana Commodity Exchange; Ms. Evelyn Essien, Director Exchanges and Markets of SEC Commissioner; Mr. Robert Owoo, Chief Operating Officer of Ghana Commodity Exchange and others.

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VISUALS FROM THE PROGRAMME ON THE NEXT PAGE





SEC GHANA

CONDUCTS MARKET EDUCATION PROGRAMME FOR STUDENTS OF KOFORIDUA TECHNICAL UNIVERSITY



The Securities and Exchange Commission (SEC) Ghana on Friday, 21st July 2023 received personnel from the Accountancy Department of the Koforidua Technical University comprising of over fifty (50) students, two (2) lecturers and one (1) staff from the industrial liaison office of the school. The visit was to afford students the opportunity to acquire practical knowledge and experience with regards to operations of the SEC, thereby familiarizing themselves with the activities of the Commission.

Welcoming the students to the Commission, Mr. Christian Yao Asemsro, Head of Human Resource and Administration who spoke on behalf of the Director General of the Commission, expounded the mandate of the SEC as enshrined in the Securities Industry Act, 2016 (Act 929) and further highlighted the functions of the Commission stipulated under Section 3 of Act 929. “The SEC is the statutory body mandated by the Securities Industry Act 2016 (Act 929) as amended by the Securities Industry (Amendment) Act 2021 (Act 1062), to promote the orderly growth and development of an efficient, fair, and transparent securities market in which investors and the integrity of the market are protected” he said. He encouraged the students to be attentive and ask all relevant questions in order for them to gain the utmost benefit from the visit.

The discussions were segmented into two with four departments/units namely Human Resource and

Administration; Communications and External Affairs Unit; Board Secretariat and International Relations Unit; Policy Research Unit; and Risk Management Department presenting on their core functions. Likewise, the other six (6) departments/units namely Funds Management; Broker-Dealers & Advisers; Exchanges & Markets; Issuers; Finance and Capital; Legal and Enforcement also took the students through their activities.

In addition to the technical discussions, members of the various departments/units gave the students insight into career opportunities in their respective functions as well as highlighting career paths, qualifications and skills needed to take up role in these functions.



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DIRECTOR-GENERAL OF SEC GHANA ENGAGES STAKEHOLDERS ON THE WEST AFRICAN CAPITAL MARKETS INTEGRATION (WACMI) PHASE II PROJECT

The Director General of the Securities and Exchange Commission (SEC) Ghana, Rev. Daniel Ogbarmey Tetteh on Tuesday, 18th July 2023, engaged with key stakeholders including capital market experts, professionals, regulators, and policymakers from across the West African region, at a 2-Day sensitization program held in Accra, Ghana.

The program which was organized by the West African Monetary Institute (WAMI) was aimed at fostering collaboration and enhancing understanding of the opportunities and challenges associated with the integration of capital markets in the West African region.

Speaking at the event, Rev. Ogbarmey Tetteh emphasized the benefits of having an open capital market platform in the West African Economic block. He indicated that the integration would deepen and enhance Ghana's capital market and create healthy competition. He further noted that through the integration, other practitioners such as investors would get to know the benefits of Ghana's market, and this would open the Ghanaian capital market up for better opportunities thereby making Ghana competitive. He then added that the Securities and Exchanges Commission Ghana will be embarking on tying its Capital Market Master Plan (CMMP) into the West African initiative to strengthen the local market.

On her part, Ms. Abena Amoah, Chief Executive Officer of the Ghana Stock Exchange stated that integrating capital markets in the West African region will offer improved diversification of funds which could reduce risk.

The Director General of the West African Monetary Institute (WAMI), Dr. Olorunsola Olowofeso, also stated that the full completion of the West African Capital Market Integration (WACMI) could boost the Economic Community of West African States (ECOWAS) economy from \$777 billion to about \$900 billion.

The West African Capital Markets Integration (WACMI) Phase II Project is funded by the African Development Bank (AfDB) and implemented by the West African Monetary Institute (WAMI). It is led by the West African Capital Markets Integration Council (WACMIC), a platform for Chief Executive Officers of Securities Exchanges and Central Securities Depositories in West Africa, and the West African Securities Regulators Association (WASRA), which comprises Directors General of the Securities & Exchange Commissions in the region.

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CHAPTER 03 INTERNATIONAL UPDATES

IOSCO ENDORSES THE ISSB'S SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES STANDARDS

IOSCO has announced its endorsement for the sustainability-related financial disclosures standards, issued by the International Sustainability Standards Board (ISSB), IFRS S1 and IFRS S2.

IOSCO after its extensive engagements with the ISSB for almost over the last two years, conducted a comprehensive and independent review of the final ISSB Standards. After a detailed analysis, IOSCO has endorsed the ISSB Standards as appropriate to serve as a global framework for capital markets to develop the use of sustainability-related financial information in both capital raising and trading and for the purpose of helping globally integrated financial markets accurately assess relevant sustainability risks and opportunities.

IOSCO has called on its 130 member jurisdictions, regulating more than 95% of the world's financial markets, to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards within the context of their jurisdictional arrangements, in a way that promotes consistent and comparable climate-related and other sustainability-related disclosures for investors.

The endorsement of the ISSB Standards is in line

with IOSCO's objective to achieve a comprehensive toolkit for both sustainability-related disclosure and related assurance standards that should be available to jurisdictions and ready for use by issuers for the end-2024 accounts.

WRITTEN BY: Dorothy Yeboah-Asiamah,
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CHAPTER
04
MARKET
EDUCATION

THE PSYCHOLOGY OF INVESTMENT DECISIONS: NAVIGATING THE MIND'S MAZE

INTRODUCTION

In the world of finance, rationality is often assumed to be a guiding principle for investors. However, the reality is far more complex. Behind every buy and sell order lies a myriad of emotions, cognitive biases, and psychological forces that shape investment decisions. This article delves deep into the intricate world of the psychology of investment decisions, uncovering the intricate workings of the human mind when it comes to managing wealth in all circumstances especially the Ghanaian securities and capital market.

THE INFLUENCE OF EMOTIONS

Emotions play a central role in investment decisions. Greed, fear, and overconfidence are some of the powerful emotional drivers that often lead investors astray. Greed may encourage investors to chase high returns without considering the risks involved, while fear can trigger panic selling during market downturns, resulting in significant losses.

Overconfidence is another common emotional pitfall. Some investors believe they possess a unique insight into the market, leading them



to trade more frequently and often with worse results. Recognizing the emotional aspect of investing is the first step towards making more rational decisions.

COGNITIVE BIASES IN INVESTMENT

Cognitive biases are inherent mental shortcuts that influence our decision-making processes. In the investment world, several biases can lead to suboptimal choices such as:

Confirmation Bias: Investors tend to seek information that confirms their existing beliefs and ignore contradictory data. This can lead to a lack of diversification and overconfidence in individual investments. It can even be that you have a strong belief that a particular stock, say stock A, will perform well. You then actively seek out news articles, research reports, and opinions that support your positive view on Stock A. Consequently, you ignore or dismiss any negative news or analysis, even if it might be more objective and balanced.

Loss Aversion: The fear of loss often outweighs the desire for gain. This can lead to a reluctance to sell underperforming assets, even when it's the rational choice. A typical example is when an investor purchases shares of a listed company, company B. Over time, the stock of Company B's value starts to decline due to market volatility. Despite the firm's long-term growth prospects, the investor becomes increasingly anxious about

stock B's falling price. Even if there's a possibility of Company B rebounding, the fear of realizing losses may lead them to sell prematurely at a loss rather than holding on for potential recovery.

Anchoring: Investors often fixate on specific prices, anchoring their decisions to those points, which can lead to missed opportunities or unwarranted optimism. An example is when an investor sees a popular stock reach an all-time high of GH¢ 30 per share. The stock subsequently experiences a decline and is currently trading at GH¢ 20 per share. The investor, anchored to the GH¢ 30 price, may be hesitant to sell or consider GH¢ 20 a good selling point because they are fixated on the previous high value.

Herd Mentality: Many investors follow the crowd, assuming that the majority cannot be wrong. This can result in bubbles and market crashes.

RISK PERCEPTION AND DECISION-MAKING

Risk perception is highly subjective and varies from one investor to another. Some may perceive a particular investment as risky, while others see it as an opportunity. Understanding one's own risk tolerance is crucial. It's important to balance the need for growth with the ability to sleep at night. Diversification, asset allocation, and a long-term perspective can help mitigate perceived risk.

This article delves deep into the intricate world of the psychology of investment decisions, uncovering the intricate workings of the human mind when it comes to managing wealth in all circumstances especially the Ghanaian securities and capital market.



INVESTOR BEHAVIOR AND MARKET VOLATILITY

The behavior of investors in the face of market volatility is a fascinating study in the psychology of investment decisions. During bull markets, optimism abounds, and many investors become overconfident. Conversely, in bear markets, panic selling often prevails.

To mitigate the psychological impact of market volatility, it's essential for investors to have a well-thought-out investment plan. This plan should include predetermined entry and exit points, risk management strategies, and a focus on the long-term rather than reacting to short-term fluctuations.

INVESTOR PSYCHOLOGY AND THE ALLURE OF PONZI SCHEMES: THE INFLUENCE OF EMOTIONS AT PLAY

Investor attitudes toward Ponzi schemes provide a striking example of the influence of emotions. Ponzi schemes are fraudulent investment schemes that promise extraordinary returns to investors, with the returns paid using the capital of new investors, creating an illusion of profitability. Understanding investor attitudes toward Ponzi schemes provides a poignant illustration of how cognitive biases, emotions, and social influences can override rational decision-making. The allure of Ponzi schemes often taps into the very emotions that drive investment decisions, such as greed and the desire for quick, easy gains.

Investors lured into Ponzi schemes are often driven by the prospect of high returns. This exuberance can overshadow any reasonable doubts. They may believe that they have found a unique opportunity that defies market norms. In this scenario, Overconfidence plays a significant role, as investors overestimate their ability to identify legitimate investments and underestimate the risks associated with Ponzi schemes.

Furthermore, the Herd Mentality can be observed

in the context of Ponzi schemes. Once one individual invests, they often persuade friends and family to follow suit. The network effect creates a social validation of the scheme, with individuals believing that "everyone is doing it." This herd behavior can lead to collective blindness to the scheme's fraudulent nature.

The cognitive biases discussed above are evident in Ponzi scheme participation:

Confirmation Bias: Once lured into a Ponzi scheme, investors actively seek out information that supports their initial belief that they have made a sound investment, disregarding any negative information that might suggest the scheme's fraudulent nature.

Loss Aversion: Investors in Ponzi schemes may be reluctant to admit that they have been scammed, and the fear of realizing their losses and the social stigma attached to being duped can lead them to continue investing in the hope of recovering their initial investment.

Anchoring: In the case of Ponzi schemes, investors may anchor their beliefs to the initial promise of high returns, making it difficult to accept that the scheme is unsustainable.

THE ROLE OF FINANCIAL EDUCATION

Awareness of the psychological pitfalls associated with investment decisions can significantly improve outcomes. Financial education and counseling can play a vital role in this regard. Educated investors are more likely to make informed decisions and avoid common cognitive biases.

In Ghana, regulatory bodies, financial institutions, and market experts have a crucial role in promoting investor education. These efforts can include seminars, workshops, and the development of user-friendly investment tools that empower investors to make rational choices. It is for this reason the SEC Ghana has initiated market

education programs via townhall meetings, SEC official social media pages and SEC websites among others. These avenues seek to inform investors on the key markers and pitfalls to be considered and avoided in prudent investing. Additionally, the SEC routinely updates the market on the licensed market operators in good standing and warns investors about fraudulent and unlicensed operators.

CONCLUSION

The psychology of investment decisions is a multi-faceted and intricate subject. It showcases the human psyche's complex interplay with financial markets, emotions, and cognitive biases. This article serves as a reminder that no one, regardless of their background or education, is immune to the psychology of investment decisions and allure of Ponzi schemes when cognitive biases and emotions come into play. Recognizing these influences at play is the first step towards making more rational and informed investment decisions.

As key stakeholders in Ghana's Capital Market, fostering investor education and understanding the psychology of investment decisions is essential. With a better understanding of the psychological forces at play, investors can navigate the complexities of the Capital Market with greater confidence, ultimately contributing to the growth and stability of Ghana's financial sector.

WRITTEN BY: Perez Ntiamoah,
Officer II, Exchanges and Markets Department

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

CHAPTER 05 ENFORCEMENT ACTIONS

1. INFRACTIONS AND PENALTIES

COMPANY	INFRINGEMENT	PENALTY (GH¢)
DeVere Ghana Limited	Failure to comply with Paragraph 6(9) of the Securities Industry (Licensing) Guideline 2020 and 212 (c) of the Companies Act, 2016 (Act 992)	15,600
Black Star Advisors	Late notification of resignation of Director for Fixed Income Alpha Plus	6,000.00
EDC Investments Limited- EDC	Failure to change Auditors after 6 years- EDC Balanced Fund and EDC Fixed Income Unit Trust	24,000.00
Fairnet Capital Limited	Inspection penalty	66,000.00
First Finance Company Limited	Inspection penalty	38,400.00
GCB Capital Limited	Inspection penalty	7,200.00
Algebra Capital Management Ltd.	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Black Star Advisors Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Bora Capital Advisors Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Databank Asset Mgt. Services Ltd.	Non-compliance with eDPN directive	6,000.00
EcoCapital Investment Mgt. Ltd.	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
EDC Investments Limited	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Fidelity Securities Limited	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
First Finance Company Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Glorygate Capital Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
IC Asset Managers (Ghana) Ltd	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Integrity Fund Management Ltd.	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Investiture Fund Managers Ltd	Non-compliance with eDPN directive	6,000.00
Monarch Capital Limited	Non-compliance with eDPN directive	6,000.00
Nimed Capital Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Orialles Capital Limited	Non-compliance to directive on full participation in CGT Module 1.	6,000.00

Premium Place Investments Ltd	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Prudential Securities Limited	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
RAD Business Advisory Network Centre Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Regal Alliance Investment Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Salem Financial Services Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
SAS Investment Management Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
SDC Capital Limited	Non-compliance with eDPN directive	6,000.00
SEM Capital Advisors Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Sentinel Asset Management Ltd.	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
SIC Financial Services Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Temple Investments Limited	Non-compliance to directive on full participation in CGT Module 1.	6,000.00
Waica Re Capital Limited	Non-compliance with eDPN directive & Non-compliance to directive on full participation in CGT Module 1.	6,000.00
NTHC Horizon Fund	Breach of Investment Guidelines	6,000.00
Crystal Wealth Fund Ltd	Breach of Investment Guidelines	6,000.00
Crystal Entrepreneur Fund Ltd	Breach of Investment Guidelines	6,000.00
Financial Independence Mutual Fund	Breach of Investment Restrictions	3,600.00

2. COMPLAINTS

TABLE 2: COMPLAINTS RECEIVED DURING THE THIRD QUARTER OF 2023

PERIOD	COMPLAINTS RECEIVED IN THE QUARTER	COMPLAINTS RESOLVED IN THE QUARTER
Q4 2022	44	18
Q1 2023	17	10
Q2 2023	27	38
Q3 2023	14	24

Source: SEC

The above complaints for the quarter were mainly related to the failure to meet redemption requests.

CHAPTER 06 FACTS & FIGURES

A ASSETS UNDER MANAGEMENT

TABLE 3: FUNDS UNDER MANAGEMENT

FUM (GH¢) **	END SEPT 2023	END JUNE 2023	CHANGE
*Pension	33,137,672,921.42	34,081,021,721.31	-3%
Other Funds	7,922,712,860.68	8,625,384,869.78	-8%
CIS	5,478,772,185.64	5,739,980,151.95	-5%
Total (GH¢)	46,539,157,967.74	48,446,386,743.04	-4%

*Adjusted values from custodians

**Marked to Market Valuation

B OFFERS, APPROVALS & OTHER INFORMATION

List of firms licensed during the third Quarter, 2023:

TABLE 4: APPROVAL OF NEW LICENSES

	MARKET OPERATOR	APPROVAL TYPE
1	Origen Private Debt Fund Limited	Private Fund
2	Oasis Africa VC Fund II Limited	Venture Capital Fund

B. OFFERS, APPROVALS AND LISTINGS (PRIMARY AND SECONDARY MARKET)

No public offers were approved during the period

C. TABLE 5: APPROVAL OF NOTE TRANCHES

No Note Tranche was approved during the period

TABLE 5: LIST OF AUDIT FIRMS REGISTERED WITH THE SEC

REGISTERED AUDIT FIRMS	
1	Adom Boafo & Associates
2	Asafu-Adjaye & Partners
3	At-Ernest Dawlah
4	Baft Chartered Accountants
5	Baker Tilly Andah & Andah
6	BNA Chartered Accountants
7	Boateng, Offei & Co.
8	CFY Partners
9	Deloitte & Touche
10	Ernst & Young Chartered Accountants
11	Eureka B. A. Consult
12	IAKO Consult
13	John Allotey & Associates
14	John Kay & Co.
15	Josten & Associates
16	KPMG
17	Kwame Asante & Associates
18	Masaada Consultants
19	MGI OAK Chartered Accountants
20	Morrison & Associates
21	Resolute Consult
22	Suglo & Associates
23	Tabariyeng & Associates
24	UHY Godwinson
25	UHY Voscon Chartered Accountants
26	PWC
27	A.D. & Associates
28	AssuranceHub Consult
29	Aryeetey & Associates
30	K.E. Wood, Arthur & Co.
31	Edie Nikoi Accounting Consultancy
32	Forbes ET
33	Hab Consult
34	Loban Hyde Chartered Accountants
35	MBA Associates
36	OBS Accounting
37	AYK Associates
38	Audax Consult
39	K & A Accounting Services
40	BLA & Associates
41	Trust Assurance
42	EAK & Associates
43	Intellisys
44	PKF
45	FT Cadmond & Associates
46	R-Alliance Consult
47	Beta & Associates
48	O2 & Associates
49	Linkgates Consult
50	BT Associate
51	Acumen Alliance
52	Gilcram Associates
53	Rak Chartered Accountants
54	J. A. Abrahams & Company
55	JOP Consult
56	MKA Partners
57	Asamoah Bonsu & Co.
58	Issifu Ali & Co.
59	Richard Owusu-Afriye & Associates
60	Brio Chartered Accountants
61	Aikins-Hawkson & Associates
62	Bentum Bentil Consult
63	Gem Partners
64	Space Partners

CHAPTER 07 CAPITAL MARKET STATISTICS & ANALYSIS

TABLE 6: CAPITAL MARKET OPERATORS AS AT THE END OF THIRD (3RD) QUARTER 2023

	CATEGORY OF LICENSED OPERATORS	END SEPT. 2023	END JUNE 2023	CHANGE
1	Broker-Dealers	30	30	0
2	Custodians	18	18	0
3	Exchange Traded Funds	2	2	0
4	Investment Advisers	12	12	0
5	Fund Managers	82	84	-2
6	Mutual Funds	49	49	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	6	6	0
12	Issuing House	10	10	0
13	Unit Trusts	30	30	0
14	Private Funds	5	5	0
15	Credit Rating Agency	1	1	0
16	Real Estate Investment Trust	1	1	0
	TOTAL	265	267	-2

Source: SEC

TABLE 7: STOCK MARKET STATISTICS AT A GLANCE

INDICATORS	END SEPT. 2023	END JUNE 2023	CHANGE
Number of Listed Companies (Main Market)	30	30	0
Number of Listed Companies (Ghana Alternative Market)	5	6	1
Volume of Trades: Cumulative (Equities)	412,622,904	226,887,532	185,735,372
Value of Trades (GH¢): Cumulative Equities	560,773,907	331,027,388	229,746,519
Market Capitalization (GH¢ million)	74,189	70,239	3,950
GSE- Composite Index (GSE-CI' points)	3,172.35	2,808.03	364
GSE- CI YTD Returns (%)	29.81	14.9	15%
GSE- Financial Stock Index (GSE-FSI' points)	1,890.13	1,691.91	198

Source: SEC & GSE

**TABLE 8: PERFORMANCE OF EQUITIES ON THE GHANA STOCK EXCHANGE AT THE END OF SEPTEMBER 2023**

	NAME OF COMPANY	CODE	CLOSING PRICE (GH¢) END SEPT 2023	CLOSING PRICE (GH¢) END JUNE 2023	CHANGE (GH¢ GAIN/LOSS) END SEPT 2023
1	Access Bank Ghana PLC	ACCESS	3.10	3.8	-0.70
2	Agricultural Development Bank PLC	ADB	5.06	5.06	0.00
3	AngloGold Ashanti Ltd.	AGA	37	37	0.00
4	Aluworks Limited	ALW	0.1	0.1	0.00
5	Asante Gold Corporation	ASG	8.88	8.87	0.01
6	Benso Palm Plantation PLC	BOPP	18.63	14.11	4.52
7	Cal Bank PLC	CAL	0.52	0.6	-0.08
8	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00
9	Camelot Ghana Ltd.	CMLT	0.1	0.1	0.00
10	Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00
11	Dannex Ayrton Starwin Plc.	DASPHARMA	0.4	0.4	0.00
12	Ecobank Ghana PLC.	EGH	4.3	5.4	-1.10
13	Enterprise Group PLC	EGL	2.41	2.41	0.00
14	Ecobank Transnational Inc.	ETI	0.15	0.15	0.00
15	Fan Milk PLC.	FML	3.01	1.32	1.69
16	GCB Bank Ltd.	GCB	3.5	3.2	0.30
17	Guinness Ghana Breweries PLC	GGBL	3.4	2.12	1.28
18	Ghana Oil Company Limited	GOIL	1.52	1.65	-0.13
19	Mega African Capital Ltd	MAC	5.38	5.38	0.00
20	Scancom PLC	MTNGH	1.45	1.32	0.13
21	PBC Ltd.	PBC	0.02	0.02	0.00
22	Republic Bank (Ghana) PLC	RBGH	0.54	0.54	0.00
23	Standard Chartered Bank Gh. PLC	SCB	19.48	12.91	6.57
24	SIC Insurance Company Ltd.	SIC	0.24	0.23	0.01
25	Societe Generale Ghana PLC	SOGEGH	1.58	0.59	0.99
26	Trust Bank Gambia Ltd	TBL	0.82	0.82	0.00
27	Total Petroleum Ghana PLC	TOTAL	9	6.45	2.55
28	Tullow Oil Plc	TLW	11.92	11.92	0.00
29	Unilever Ghana PLC	UNIL	8.1	6.24	1.86
Ghana Alternative Market (GAX)					
31	Samba Foods Limited	SAMBA	0.55	0.55	0
32	Meridian Marshalls Holding Company	MMH	0.11	0.11	0
33	Hords Ltd	HORDS	0.1	0.1	0
34	Intravenous Infusions Limited	IIL	0.04	0.04	0
35	Digicut Production & Advertising Ltd	DIGICUT	0.09	0.09	0
36	*Pesewa One Plc	POP	0.68	0.68	0
Others (Depository and Pref shares, ETFs)					
37	AngloGold Ashanti Depository Shares	AADS	0.41	0.41	0
38	Standard Chartered Bank Pref. Shares	SCB PREF	0.9	0.9	0
39	NewGold Exchange Tradeable Funds (ETFs)	GLD	213.01	221.2	-8.19

*Delisted on 29th September 2023

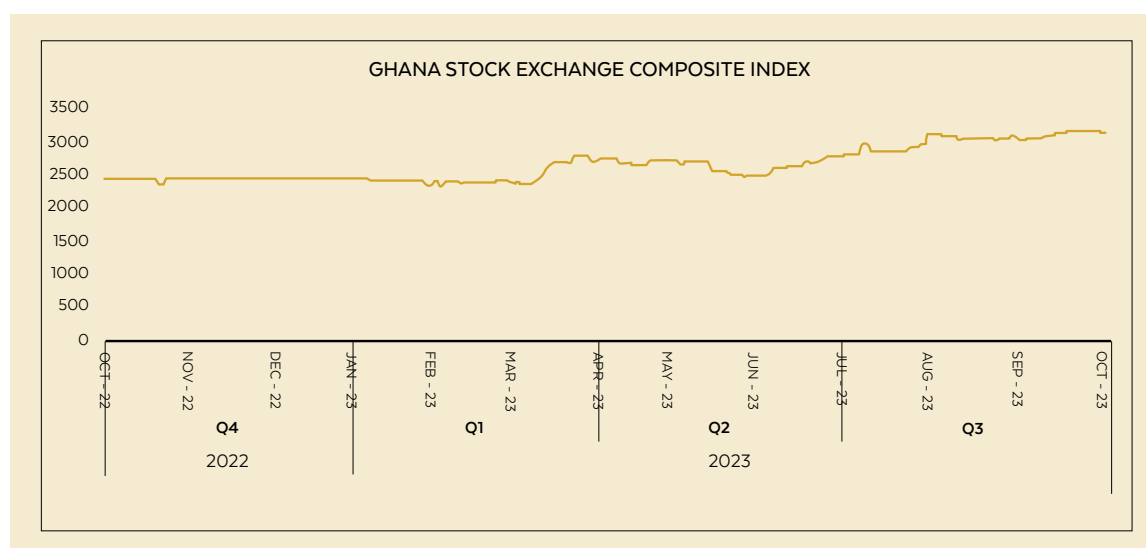
Source: SEC and GSE

3rd QUARTER

CHAPTER 08 THIRD QUARTER '23 MARKET SUMMARY

A EQUITIES MARKET

FIGURE 2: PERFORMANCE OF GHANA STOCK EXCHANGE COMPOSITE INDEX



Source: GSE

The benchmark Ghana Stock Exchange Composite Index recorded a strong Q3 2023 advance of 364 points to close 9M 2023 at a 5 year high of 3,172 points and a return of 29.81%. The Financial Stocks Index (GSE FSI) also posted a firm rebound in the quarter, gaining 198 points to a level of 1,890 points. The impressive 12% q/q return of the GSE FSI reduced the year-to-date losses of the FSI to -3.8%. The stock market's advance which occurred amidst declining monthly inflation and increasing investor demand, culminated in a market capitalization of GH¢74.19 billion.

The market breadth remained firmly positive with 11 stocks increasing in price while 5 stocks declined. 4 stocks out of the 11 gainers were financial sector stocks and accounted for the firm rebound of the GSE FSI. Societe Generale Ghana was at the helm of the gainers chart with a 168% q/q increase to GH¢1.58. Fan Milk Ghana Limited came in second place with an equally impressive 128% q/q increase in price to GH¢3.01 amidst a very strong growth in bottom line for HY 2023. Ecobank Ghana topped the list of laggards shedding GH¢1.10 (-20%) to GH¢4.30.

**TABLE 9: Q3 2023 GAINERS AND LAGGARDS**

GAINERS	% GAIN (Q/Q)	GH¢ GAIN (Q/Q)	PRICE GH¢	LAGGARDS	% DECLINE (Q/Q)	GH¢ DE- CLINE (Q/Q)	PRICE GH¢
SOGEGH	168%	0.99	1.58	EGH	-20%	-1.1	4.3
FML	128%	1.69	3.01	ACCESS	-18%	-0.7	3.1
GGBL	60%	1.28	3.40	CAL	-13%	-0.08	0.52
SCB	51%	6.57	19.48	GOIL	-8%	-0.13	1.52
TOTAL	40%	2.55	9.00	GLD	-4%	-8.19	213.01
BOPP	32%	4.52	18.63				
UNIL	30%	1.86	8.10				
MTNGH	10%	0.13	1.45				
GCB	9%	0.30	3.52				
SIC	4%	0.01	0.24				
ASG	0.1%	0.01	8.88				

Source: SEC & GSE

Trading activity increased almost two-fold (+82% q/q) from HY levels to 413 million shares. Approximately 45.5 million shares valued at GH¢132 million traded in the quarter. On a monthly basis, the market recorded the highest trade volumes of the quarter and the second highest volumes of the year in August 2023 with 92.82 million shares valued at GH¢125 million changing hands. Trades in the ICT sector continued to lead the market accounting for 84.3% of shares traded and 69.5% of

turnover for the nine-month period.

Upon the voluntary delisting of Pesewa One Plc from the alternative market (GAX), the bourse ended 9M 2023 with 33 counters on the main list of the Exchange and 5 counters on the GAX.

B FIXED INCOME / DEBT MARKET

The treasury market recorded total bids of GH¢34.70 billion with the government accepting 99% of all bids to raise GH¢34.36 billion. In view of the hawkish investor sentiments, yields on treasury securities continued on the upward trajectory in Q3 2023. The 91-day and 182-day yields gained 485bps and 512bps q/q to end 9M 2023 at a 7-month high of 28.80% and 30.92% respectively. The 364-day yield also gained 357bps q/q to a high of 32.82%.

TABLE 10: SELECTED TREASURY MARKET INDICATORS

INDICATOR	END SEP 2023	END JUN 2023	CHANGE
91- day T-Bill Rate	28.80%	23.95%	485 bps
182- day T-Bill Rate	30.92%	25.80%	512 bps
364- day T-Bill Rate	32.82%	29.25%	357 bps
Interbank Interest Rate	27.60%	26.19%	141bps
CPI Inflation	38.10%	42.50%	-440bps'
Monetary Policy Rate	30.00%	29.50%	50bps

Source: BoG

Trading activity remained fairly muted in the GFIM. A total trade volume of GH¢ 18.33 billion traded on the Ghana Fixed Income Market (GFIM) within the quarter, to sum up to a 9M 2023 trade volume of GH¢ 59.22 billion (-66% y/y). Trades in short term securities (securities with maturities of up to one year) accounted for 74% of GFIM trades. Trades in government securities continued to drive activity accounting for 87.7% of trades in the 9-month period ending September 2023. Foreign investor interest remained muted with non-resident investor holding of outstanding debt securities hitting the lowest point this year in September 2023 at 6.97% (2022 average: 14.38%). The volume of corporate

bonds outstanding on the GFIM recorded a steep increase from GH¢ 616 million to GH¢ 8.5billion on the reclassification of cocoa bills as corporate securities.

At the end of the quarter, the Ghana Fixed Income Market (GFIM) had 208 listed debt securities (June 2023: 205 securities) comprised of 26 corporate bonds, 99 Ghana Government (GOG) bills and notes, 69 Ghana Government (GOG) bonds and 16 Eurobonds.

TABLE 11: TOTAL OUTSTANDING CORPORATE SECURITIES ON THE GFIM

ISSUER	AS AT SEPT. 2023 (GH¢)	AS AT JUNE 2023 (GH¢)
Izwe Loans Ltd.	75,000,000	93,000,000
Letshego Ghana	223,127,469	261,655,918
Ghana Cocoa Board	7,931,007,973	-
Bayport Financial Services	214,633,000	166,152,000
ESLA Ltd.	-	-
Bond Savings & Loans Ltd.	-	70,400,000
Quantum Terminal Ltd.	25,000,000	25,000,000
Dalex Finance Company	-	20,000,000
Daakye Trust P.l.c.	-	-
TOTAL	8,468,768,442	616,207,918

Source: GFIM

C FUNDS MANAGEMENT INDUSTRY

Total Funds Under Management (FUM) at the end of 9M 2023, on a Marked-to-Market basis, stood at GH¢ 46.54 billion, representing a 4% quarter-on-quarter decline. Pension funds, which accounted for 71% of FUM declined by 3% q/q to GH¢ 33.1 billion. The marked-to-market values of Collective Investment Schemes (CIS) and discretionary funds managed by fund managers also declined over the quarter to GH¢ 5.5 billion (-5% q/q) and GH¢ 7.9 billion (-8% q/q) respectively. On a Held-to-Maturity basis, Industry FUM expanded 13% q/q to GH¢ 62.61 billion comprised of Pension FUM of

GH¢ 46.86 billion (+18.7% q/q), Discretionary FUM of GH¢9.39 billion (-0.6% q/q) and CIS FUM of GH¢6.36 billion (+1.4% q/q).

MARKET ANALYSIS BY: Afua Mensa-Bonsu,
Assistant-Manager, Policy and Research, SEC

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.



TABLE 12: DEBT MARKET (MONTHLY AVERAGE RATES)

TREASURY INSTRUMENTS (INTEREST EQUIVALENT)		Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
91-Day Bill	% p.a	31.53	34.62	35.48	35.62	35.67	20.38	19.67	20.4	21.77	24.64	26.35	28.8
182-Day Bill	% p.a	32.61	35.68	36.23	35.84	35.73	23.01	22.29	23.1	24.58	26.44	27.84	30.92
364-Day Bill	% p.a	32.32	35.26	36.06	35.76	34.92	26.67	27.04	27.66	28.66	30	30.88	32.82
SECONDARY MARKET													
2-Year Note	% p.a	43.76	42.87	59.4	17.25	19.75							
3-Year Bond	% p.a	67.06	43.71	43.69	18.63	16.32							
5-Year Bond	% p.a	44.81	45.19	43.68	15.96	16.68							
6-Year Bond	% p.a	45.69	43.89	43.87	21.75	19.35							
7-Year Bond	% p.a	45.81	43.72	44.93	17.41	19.13							
10-Year Bond	% p.a	44.74	45.05	44.75	21.55	20.21							
15-Year Bond	% p.a	45.24	43.78	43.83	22.3	20.03							
20-Year Bond	% p.a	45.76	43.78	43.83	18.99	20.74							
New Bonds (Post DDEP)													
4-Year Bond	% p.a						8.87	9.27	15.49	11.98	12.32	19.32	16.13
5-Year Bond	% p.a						9.01	9.34	15.37	12.18	14.48	18.29	26.52
6-Year Bond	% p.a						8.82	9.41	14.29	15.40	12.50	18.27	25.03
7-Year Bond	% p.a						9.39	9.49	15.13	15.29	12.58	18.34	23.94
8-Year Bond	% p.a						9.14	9.57	14.52	10.84	12.68	18.35	23.32
9-Year Bond	% p.a						9.34	9.65	13.92	14.90	12.72	18.34	22.94
10-Year Bond	% p.a						9.6	9.65	14.85	15.14	12.84	18.33	22.70
11-Year Bond	% p.a						9.77	9.79	14.08	14.84	12.84	19.90	22.53
12-Year Bond	% p.a						9.97	9.87	14.13	11.21	13.72	20.82	22.43
13-Year Bond	% p.a						10.35	9.96	13.78	14.67	13	19.89	22.42
14-Year Bond	% p.a						10.57	10.02	15.01	14.95	13.05	19.86	22.39
15-Year Bond	% p.a						10.24	9.46	14.16	14.89	13.18	15.10	22.44
Volumes Traded	billion GHC	22.56	22.56	11.41	10.01	9.17	5.57	5.7	5	5.4	5.5	5.3	7.5
Non-Resident Holding of outstanding Debt	%	11.75	10.93	10.00	9.49	10.10	9%	10.44%	9.93%	10.10%	9.72%	9.19%	6.97%

Source: BOG, GSE, GFIM, CSD

* Marked to Market Valuations from Dec 2022

TABLE 13: STOCK MARKET INDICATORS

INDICATOR		Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
GSE COMPOSITE INDEX (GSE-CI)	points	2,460.30	2,463.27	2,443.91	2,354.00	2,408.00	2,745.33	2741.5	2511.3	2808	2,976.77	3,084.79	3,172.35
GSE Financial Stock Index (GSE-FSI)	points	2,069.90	2,076.84	2,052.59	2,036.00	1,946.60	1,806.67	1,758.30	1677.3	1691.9	1,715.17	1,756.12	1,890.13
GSE Capitalization	billion GHC	64.7	64.82	64.51	63.71	64.23	67.85	68.3	65.8	70.2	72.07	73.25	74.189
Volume traded	million GHC	21.34	5.2	28.34	1.55	6.14	173.66	5.54	35.42	4.58	35.25	92.82	57.66
value traded	million GHC	150.06	56.66	143.81	6.67	24.41	167.97	7.31	109.88	14.78	18.36	125.15	86.23
CIS AUM	billion GHC			*5.29			5.96			5.74			5.48
Others AUM	billion GHC			*7.05			8.69			8.62			7.92
Pensions AUM	billion GHC			*35.03			29.59			34.08			33.14
Total AUM	billion GHC			*47.38			44.24			48.45			46.54

Data Sources: BOG, GSE, GFIM

* Marked to Market Valuations from Dec 2022



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GLOSSARY OF TERMS

Security	The term "security" refers to a fungible, negotiable financial instrument that holds some type of monetary value. It represents an ownership position in a publicly-traded corporation via stock; a creditor relationship with a governmental body or a corporation represented by owning that entity's bond; or rights to ownership as represented by an option. Also, a security is a financial instrument, typically any financial asset that can be traded (Securities are tradeable financial assets).
Capital Market	The capital market is the long-term segment of the financial market. It is the mechanism through which institutions and governments raise long-term funds through the issue of shares and bonds.
Equities Market	The equities market is a market in which shares of companies are issued and traded, either through exchanges or over-the-counter markets.
Ghana Fixed Income Market (GFIM)	The GFIM facilitates the secondary trading of all fixed income securities and other securities to be determined from time to time. The market has been established by key stakeholders in the financial market led by the Bank of Ghana (BoG), Ghana Stock Exchange, (GSE), Central Securities Depository Ghana Ltd (CSD), Ghana Association of Bankers, the Ministry of Finance, Financial Market Association (ACI Ghana) and Licensed Dealing Members (LDMs) of the Ghana Stock Exchange. The GFIM is based on the existing license that the Ghana Stock Exchange (GSE) has to operate a market for securities. The main regulator for the market is the Securities and Exchange Commission.
Commodities Market	The Commodities Market is the marketplace for buying, selling, and trading raw materials or primary products.
Fund Management Industry	The Fund Management Industry comprises of Fund Managers managing retail and institutional portfolios, Pension Funds and Collective Investment Schemes (consisting of Mutual Funds and Unit Trusts), and Custodians.
Money Market	The component of the economy which provides short-term funds. The money market deals in short-term loans, generally for a period of a year or less.
Broker Dealer	A broker Dealer carries on the business of dealing in securities such as equities/shares, bonds, short-term debt instruments, etc. as principal or as an agent.
Custodian	A person who takes responsibility for safeguarding a firm's or individual's financial assets and holds the assets in safekeeping on behalf of the firm or individual.
Securities Depository	A Securities depository is an institution that holds securities. A depository facilitates trading of securities by transferring ownership of a security after trade execution.
Fund Manager	Manages funds on behalf of a client pursuant to a contract or arrangement with the client.
Investment Advisor	An investment advisor is any person or group that makes investment recommendations or conducts securities analysis in return for a fee, whether through direct management of clients' assets or by way of written publications.
Issuing House	A merchant bank or firm of stockbrokers which buys shares issued by a company and coordinates their sale to the public.
Mutual Fund	A public company incorporated to operate by pooling money from investors and investing in securities on their behalf.
Unit Trust	A unit trust is an arrangement where investors' funds are pooled together and invested in a portfolio of securities and other financial assets, with the beneficial interest in the assets of the trust divided into units.
Primary Dealer	A body corporate which buys government securities directly from the government with the intention of reselling to any other person.
Registrar	A registrar is an institution responsible for keeping records (ie. registers) of bondholders and shareholders of issuers of securities.
Trustee	A body corporate in which the property subject to a trust created may be vested in accordance with the terms of the trust deed for the beneficiaries named.



Securities Exchange	A securities exchange is an organized market on which securities such as shares, and bonds can be bought and sold.
Private Equity Fund	A private equity fund is a pooled investment vehicle where the adviser pools together the money invested in the fund by all the investors and uses that money to make investments on behalf of the fund.
Primary Market	The primary market is the market where companies, governments and other entities obtain financing through selling of equity-based or debt-based securities. It is where new shares and bonds are sold to the public for the first time [e.g., IPO, for new shares]. Securities are purchased from the issuer who receives proceeds of sale to finance its business operations.
Secondary Market	The secondary market is the market where investors buy and sell securities that have already been issued on the primary market. The purchase and sale take place on a securities exchange. The proceeds of the sale go to the selling investor and not the issuer.
Money Market	The Money Market is the segment of the market where short-term debt investments of up to one year maturity are bought and sold. It involves the purchase and sale of overnight swaps of large amounts between banks and also between banks and Central banks. Companies play in the money market by selling CPs to Funds. They can also purchase bank CDs as safe place to park money in the short-term. An individual may invest in the money market by purchasing a money market mutual fund, treasury bill or open a fixed deposit account with a bank. Money market instruments are characterized by safety, liquidity, low risk and low return. Ordinarily not regulated by the SEC. However, Fund managers and CIS' invest in money market instruments as part of their portfolios.
Exchange Traded Fund	An exchange-traded fund (ETF) is a type of pooled investment security that operates much like a mutual fund. Typically, ETFs will track a particular index, sector, commodity, or other assets, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way that a regular stock can. An ETF can be structured to track anything from the price of an individual commodity to a large and diverse collection of securities. ETFs can even be structured to track specific investment strategies.
Equities (shares)	Indicate part ownership of investors in a firm and also enable investors to participate in the firm's profit in the form of dividends.
Ordinary Share	Also called common shares are stocks sold on a public exchange. Each share of stock generally gives its owner the right to one vote at a company shareholders' meeting. Unlike in the case of preferred shares, the owner of ordinary shares is not guaranteed a dividend.
Preference Shares/ Preference Stock	Preference shares, more commonly referred to as preferred stock, are shares of a company's stock with dividends that are paid out to shareholders before common stock dividends are issued. If the company enters bankruptcy, preferred stockholders are entitled to be paid from company assets before common stockholders. Most preference shares have a fixed dividend, while common stocks generally do not. Preferred stock shareholders also typically do not hold any voting rights, but common shareholders usually do.
Debt Securities	A debt security is a debt instrument that can be bought or sold between two parties and has basic terms defined, such as the notional amount (the amount borrowed), interest rate, and maturity and renewal date.
Government Bond	A government bond is a debt security issued by a government to support government spending and obligations. Government bonds can pay periodic interest payments called coupon payments. Government bonds issued by national governments are often considered low-risk investments since the issuing government backs them.
Corporate Bond	A corporate bond is a type of debt security that is issued by a firm and sold to investors. The company gets the capital it needs and in return the investor is paid a pre-established number of interest payments at either a fixed or variable interest rate. When the bond expires, or "reaches maturity," the payments cease and the original investment is returned.
Bond	A bond is a debt security. Borrowers issue bonds to raise money from investors willing to lend them money for a certain amount of time.
Commodities	A commodity is a basic good used in commerce that is interchangeable with other goods of the same type. Commodities are most often used as inputs in the production of other goods or services. A commodity thus usually refers to a raw material used to manufacture finished goods.

Market Capitalization	Market capitalization refers to the total dollar market value of a company's outstanding shares of stock. The investment community uses this figure to determine a company's size instead of sales or total asset figures. In an acquisition, the market cap is used to determine whether a takeover candidate represents a good value or not to the acquirer.
Traded Value	Trade value is total amount of buy and sell trades taken place at a time. It can be majored at any time but mostly it is taken into account on a day-to-day basis to track the overall stock market trend or a particular stock trend.
Volume of Trade	Volume of trade is the total quantity of shares or contracts traded for a specified security. It can be measured on any type of security traded during a trading day. Volume of trade or trade volume is measured on stocks, bonds, options contracts, futures contracts, and all types of commodities.
Listed Company	A listed company is a public company. It has issued shares of its stock through an exchange, with each share representing a sliver of ownership of the company. Those shares can then be bought and sold by investors, rising or falling in value according to demand.
Collective Investment Scheme (CIS)	A pool of funds for investment that are managed by a professional fund manager on behalf of the investors of the fund.
Real Estate Investment Trust (REIT)	REIT, or real estate investment trust, is a company that owns or finances income-producing real estate across a range of property sectors. Real estate companies have to meet a number of requirements to qualify as a REIT. Most REITs trade on major stock exchanges, and offer a number of benefits to investors.
Mutual Fund	A mutual fund is a public or external company incorporated solely to hold and manage securities or other financial assets. The company accepts funds from investors and uses those funds to buy a portfolio of securities and other financial assets and employs professional fund managers to manage the investment. The company issues shares which represent pro-rata share of the pool of fund assets to investors.
Market liquidity	Market liquidity is a market's feature whereby an individual or firm can quickly purchase or sell an asset without causing a drastic change in the asset's price. Liquidity involves the trade-off between the price at which an asset can be sold, and how quickly it can be sold.
Savings	Savings is the portion of an individual's income that is not spent on current expenditure but rather set aside for future use.
Investment	Investment is the current commitment of money for a period to derive future payments that will compensate the investor for the time the investment is held and the associated risk.
Budgeting	A process for tracking, planning and controlling the inflow and outflow of your income. It entails identifying all the sources of income and taking into account all current and future expenses, with an aim to meet your financial goals.
Inflation	Inflation is a rise in prices, which can be translated as the decline of purchasing power over time. The rate at which purchasing power drops can be reflected in the average price increase of a basket of selected goods and services over some period of time.
Investment Risk	Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment.



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