

**INVESTMENT TERM OF THE WEEK**

**Cyclical Stock:** A cyclical stock is a stock that's price is affected by macroeconomic or systematic changes in the overall economy. Cyclical stocks are known for following the cycles of an economy through expansion, peak, recession, and recovery. Most cyclical stocks involve companies that sell consumer discretionary items that consumers buy more during a booming economy but spend less on during a recession.

**ETFs: GREAT DEAL FOR INVESTORS**

An exchange traded fund (ETF) is a type of security that tracks an index, sector, commodity, or other asset, but which can be purchased or sold on a stock exchange the same as a regular stock. New Gold ETF (GLD), an exchange traded fund sponsored by Absa Capital, offers the opportunity to invest in gold bullion.

The company issues listed instruments (structured as debentures) backed by physical gold. Each debenture is approximately equivalent to 1/100 ounces of gold bullion, which is held with a secure depository on behalf of investors. The debentures are listed on the Ghana Stock Exchange (GSE) and six other African stock exchanges.

The current share price of New Gold ETF (GLD) is GH¢166.50.

**EQUITY MARKET HIGHLIGHTS: The Ghana Stock Market falls 0.60 points over the week to close at 2,508.39; returns -10.07% YTD.**

Market activity for the week declined by 0.60 points to close at 2,508.39 points translating into a YTD return of -10.07%. The GSE Financial Stock Index (GSE-FSI) also lost 1.09 points to close at 2,078.85 points translating into a YTD return of -3.39%.

Twenty-three (23) equities traded over the week, ending with two (2) decliners. CAL and GLD were the decliners as they lost GH¢0.01 and GH¢3.50 to close trading at GH¢0.75 and GH¢166.50 respectively. As a result, Market Capitalization decreased by GH¢4.56 million to close the trading week at GH¢64.48 billion.

A total of 3,030,863 shares valued at GH¢7,592,049.55 were traded during the week. Compared with the previous trading week, this week's data shows a 17.70% decrease in volume traded and a 53.27% increase in trade turnover. GCB Bank PLC. (GCB) accounted 44.08% of the total value traded whilst Scancom PLC. (MTNGH) recorded the most volumes traded.

**GSE EQUITY MARKET PERFORMANCE**

| Indicator                 | Current Week | Previous Week | Change   |
|---------------------------|--------------|---------------|----------|
| GSE-Composite Index       | 2,508.39     | 2,508.99      | -0.60pts |
| YTD (GSE-CI)              | -10.07%      | -10.05%       | 0.20%    |
| GSE-Financial Stock Index | 2,078.85     | 2,079.94      | -1.09pts |
| YTD (GSE-FSI)             | -3.39%       | -3.34%        | 1.50%    |
| Market Cap. (GH¢ MN)      | 64,482.54    | 64,487.10     | -4.56    |
| Volume Traded             | 3,030,863    | 3,682,515     | -17.70%  |
| Value Traded (GH¢)        | 7,592,049.55 | 4,953,397.14  | 53.27%   |

**TOP TRADED EQUITIES**

| Ticker | Volume    | Value (GH¢)  |
|--------|-----------|--------------|
| MTNGH  | 1,450,181 | 1,319,664.71 |
| GCB    | 826,309   | 3,346,531.58 |
| EGL    | 504,107   | 1,663,449.30 |
| SIC    | 125,894   | 39,027.14    |
| ETI    | 36,258    | 5,438.70     |

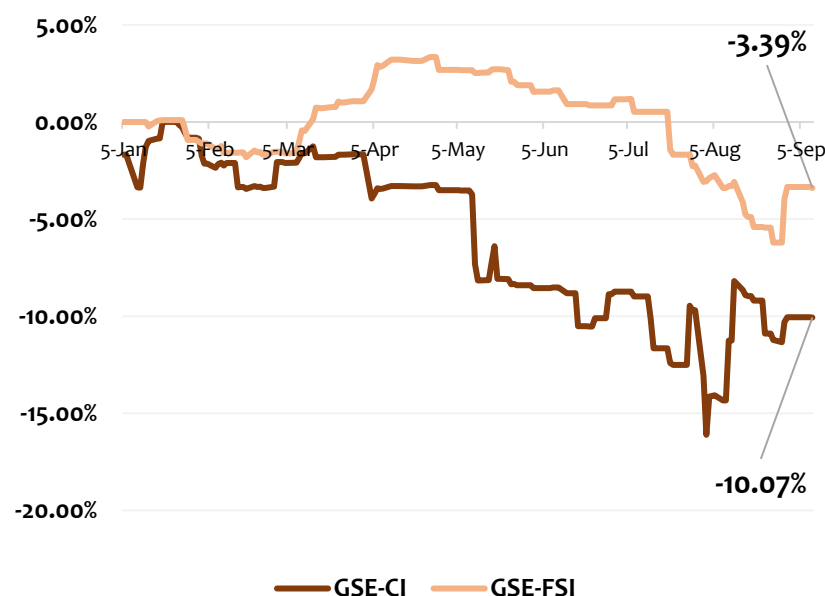
**KEY ECONOMIC INDICATORS**

| Indicator            |             | Current | Previous |
|----------------------|-------------|---------|----------|
| Monetary Policy Rate | August 2022 | 22.00%  | 19.00%   |
| Real GDP Growth      | March 2022  | 3.3%    | 5.4%     |
| Inflation            | July 2022   | 31.7%   | 29.8%    |

Source: GSS, BOG, GBA

**DECLINERS**

| Ticker | Close Price (GH¢) | Open Price (GH¢) | Price Change | Y-t-D Change |
|--------|-------------------|------------------|--------------|--------------|
| CAL    | 0.75              | 0.76             | -0.01        | -13.79%      |
| GLD    | 166.50            | 170.00           | -3.50        | 53.31%       |

**GSE-CI & GSE-FSI YTD PERFORMANCE**

## SBL RECOMMENDED PICKS

| Equity    | Price    | Opinion                   | Market Outlook     |
|-----------|----------|---------------------------|--------------------|
| MTN GHANA | GH¢ 0.91 | Strong 2022 Q2 Financials | ↑ Higher Ask Price |
| BOPP      | GH¢ 6.34 | Strong 2022 Q2 Financials | — Low offers       |
| CAL BANK  | GH¢ 0.75 | Strong 2022 Q2 Financials | — Available offers |
| ECOBANK   | GH¢ 6.50 | Strong 2022 Q2 Financials | — Bargain bids     |
| SOGEGH    | GH¢ 1.00 | Strong 2022 Q1 Financials | — Low demand       |
| FANMILK   | GH¢ 3.00 | Positive Sentiment        | — Low demand       |

## EQUITY UNDER REVIEW:

### NewGold. (GLD)





|                    |                  |
|--------------------|------------------|
| Share Price        | GH¢166.50        |
| Price Change (YtD) | 53.31%           |
| Market Cap. (GH¢)  | GH¢66.60 million |
| Dividend Yield     | -                |
| Earnings Per Share | -                |
| Avg. Daily Volumes | 962              |
| Value Traded (YtD) | GH¢66,109,870.60 |

## SUMMARY OF AUGUST 2022 EQUITY MARKET ACTIVITIES

| Indicator             | August 2022  | August 2021 | % Change |
|-----------------------|--|-------------|----------|
| GSE-CI YTD CHANGE     | -10.05%  | 41.66%      | -        |
| GSE-CI                | 2,508.99   | 2,750.37    | -8.78%   |
| GSE-FSI YTD CHANGE    | -3.34%   | 8.21%       | -        |
| GSE-FSI               | 2,079.94   | 1,929.19    | 7.81%    |
| VOLUME                | 77.25 M  | 20.67 M     | 273.81%  |
| VALUE (GH¢)           | 114.17 M   | 27.49 M     | 315.37%  |
| MKT. CAP. (GH¢M)      | 64,445.45  | 62,904.96   | 15.69%   |
| ADVANCERS & DECLINERS | ACCESS, GLD, BOPP, SOGEGH, CAL, TOTAL   GCB, UNIL, ETI, SIC, EGH |             |          |







Source: Ghana Stock Exchange, SBL Research

## GSE AGAINST SELECTED AFRICAN STOCK MARKETS

| Country  | Current Level | YTD     |
|--|---------------|---------|
|  (Ghana) GSE-CI           | 2,508.39      | -10.07% |
|  (Botswana) BGSMDC        | 7,382.96      | 2.84%   |
|  (Egypt) EGX-30           | 10,265.35     | 17.13%  |
|  (Kenya) NSE ASI          | 141.64        | 5.66%   |
|  (Nigeria) NGSE ASI      | 49,695.12     | -4.83%  |
|  (South Africa) JSE ASI | 68,708.50     | 5.56%   |
|  (WAEMU) BRVM           | 203.57        | -1.55%  |




Source: Bloomberg

## CURRENCY MARKET

| Currency   | Closing Week | Previous Week | YTD Change |
|--|--------------|---------------|------------|
|  | (GH¢)        | (GH¢)         | %          |
|  DOLLAR    | 8.2565       | 8.2335        | -27.26%    |
|  POUND     | 9.5759       | 9.5365        | -15.13%    |
|  EURO      | 8.3020       | 8.2563        | -17.75%    |
|  YEN       | 0.0580       | 0.0588        | -9.92%     |
|  YUAN      | 1.1934       | 1.1931        | -20.83%    |
|  CFA FRANC | 79.0124      | 79.4493       | 21.59%     |

Source: Bank of Ghana

## COMMODITIES MARKET

| Commodity   | Closing Week | Previous Week | YTD (%) |
|---|--------------|---------------|---------|
|  BRENT CRUDE OIL (US\$/bbl.) | 92.37        | 94.24         | 16.75%  |
|  GOLD (US\$/oz)              | 1,717.43     | 1,713.81      | -5.88%  |
|  COCOA (US\$/MT)             | 2,216.46     | 2,242.76      | -9.54%  |

Source: Bloomberg, Bullion by Post, ICCO

## JUSTIFICATIONS FOR INCLUDING STOCKS IN A PORTFOLIO

- Typically, stocks outperform all other investment options over a ten-year period making them a must for long term portfolio.
- They are excellent vehicles for retirement.
- Except for a few short periods, stocks have consistently outpaced the rate of inflation.

## ANALYSTS

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