Databank Leadership

Databank Research

Africa Quarterly Strategy Report

Mid-Year Review and Outlook for 2H-2017

July-2017

ANALYST CERTIFICATIONS AND REQUIRED DISCLOSURES BEGIN ON PAGE 22.

Contents

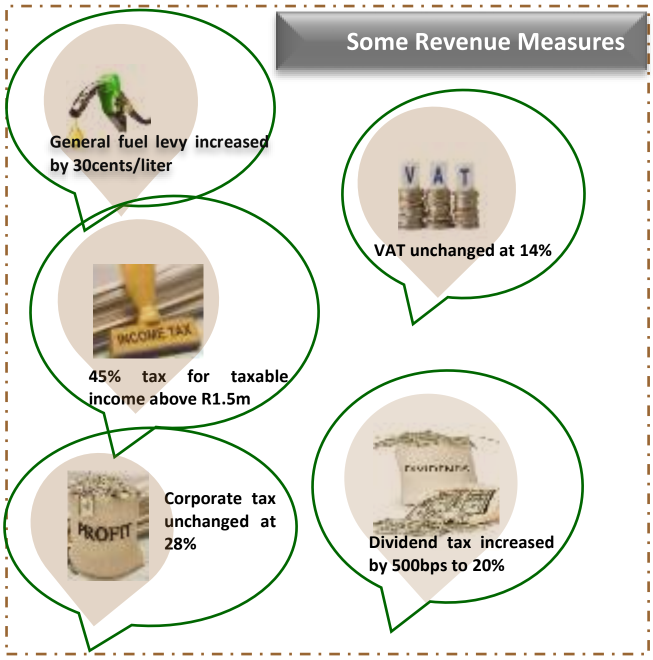
Databank Research Barnes Road, Adabraka | PMB MPO, Accra, Ghana | T: +233 (0) 30 261 0610 | F: +233 (0) 30 268 1443 | research@databankgroup.com

Economic Overview of Sub-Saharan Africa

A False Start for Africa's Largest Economies in the 1H-2017

While growth expectations across Sub-Saharan Africa (SSA) remain broadly bullish, the continent's largest economies registered a false start to 2017. Nigeria and South Africa recorded contractions in the real sectors of the economy in Q1-2017 whereas Egypt showed strong indications of exceeding the IMF's growth forecast.

South Africa: Real GDP growth turned out in the negative territory for the 2nd consecutive quarter by -0.7% q/q. Waning consumer confidence resulted in a decline in Household consumption expenditure, pulling down real GDP growth by 1.4%.



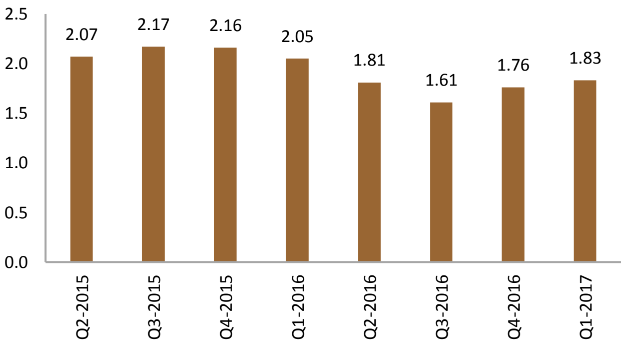
Source: Databank Research, South Africa Ministry of Finance

Although the mining & quarrying subsector expanded to contribute +0.9% to overall real GDP growth, the slump in consumer spending exerted greater downward pressure on general economic activity. We view the weak consumer spending and shrinking real sector as major downside risks to government revenue outlook as the country seeks to cut fiscal deficit to 3.1% for the 2017/2018 fiscal year.

We believe the potential shocks to South Africa's revenue forecast would increase the government's borrowing requirements to bridge the resultant funding gap. Inflation declined consistently in 1H-2017 to 5.3% in Apr-2017, falling within the central bank's target range of 3% – 6% but still above the 4.5% midpoint target. Despite the four consecutive months of decline in all measures of CPI inflation, we believe inflationary pressures persist and this could limit the scope for sizeable cuts in the monetary policy rate to stimulate consumer spending.

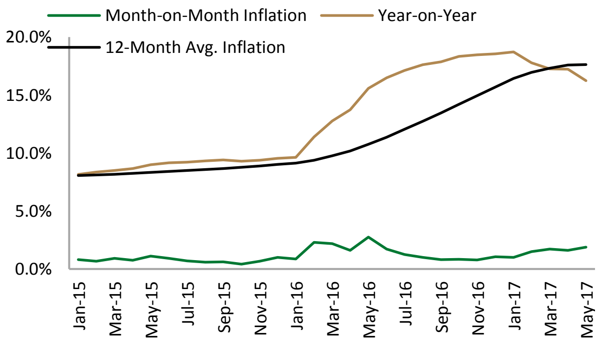
Nigeria: Africa's top oil producer contracted for the 5th consecutive quarter in Q1-2017, posting a negative growth of 0.52%YoY. The latest contraction in Nigeria's economy reflects the YoY contraction in crude oil output and emphasizes the country's vulnerability to oil market shocks. Notwithstanding a 3.98% q/q recovery in crude oil production to 1.83 million barrel per day, the YoY outturn was 10.73% below same period 2016.

Exhibit 1: Nigeria's Oil Output (Million Bpd)



Source: Databank Research, National Bureau of Statistics

Exhibit 2: Inflation Trend in Nigeria



Source: Databank Research, Central Bank of Nigeria

Nigeria recorded a 4 consecutive month of decline in CPI inflation to 16.25% in May-2017 from a peak of 18.72% in Jan-2017. We believe this raises the prospect of monetary easing in 2H-2017 to stimulate economic activity. We further reckon that inflation could decline at a much faster pace in 2H-2017 as favourable base effect is expected to suppress the rate of increase in the Consumer Price Index.

Ghana: Fiscal Risk Remains Elevated Despite Improved Growth and Inflation Expectations

Ghana's projected budget deficit for 2017 (6.5%) hinges on a 33.5% YoY growth in total revenue (Inc. grant) while expenditure growth is limited to13.7%YoY. Available fiscal data for Jan. – April 2017 however indicate downside risks to revenue projections as the total revenue outturn for the period (GH¢11.00 billion) lagged expectations by 17%. The lower-than expected revenue performance was broad-based. In our view the revenue shortfalls for the period mainly reflect the spillover effects of the challenging operating environment from 2016. Government's benchmark oil revenue projection for the first four months (GH¢361.11 million) was based on expected average Brent price of $56.14pb. The outturn for oil revenue was however 15.6% below target as crude oil price failed to match government's benchmark price during the period. We therefore view downside risks to global oil price as a key risk to revenue projections and fiscal consolidation.

We however observed encouraging indications of expenditure rationalization as the authorities successfully contained total expenditure for the period (GH¢13.44 billion) below budget limit by 21%. This resulted in a budget deficit of 1.5% compared with 2.2% target for Jan. – April 2017. We reckon the lower-than expected spending for the quarter was partly due to the strict enforcement of the Ghana Integrated Financial Management Information System (GIFMIS) at the various phases of the budget execution cycle. Nevertheless, we believe a revised budget in Q3-2017 would be necessarily to sustain the credibility of the fiscal framework for 2017 and also align investor expectations. We therefore maintain our forecast budget deficit at 7.0% ± 50bps for 2017.

Databank Research Barnes Road, Adabraka | PMB MPO, Accra, Ghana | T: +233 (0) 30 261 0610 | F: +233 (0) 30 268 1443 | research@databankgroup.com

Deficit Financing: Consistent with Government's Preference for Domestic Sources rather Than External Financing.

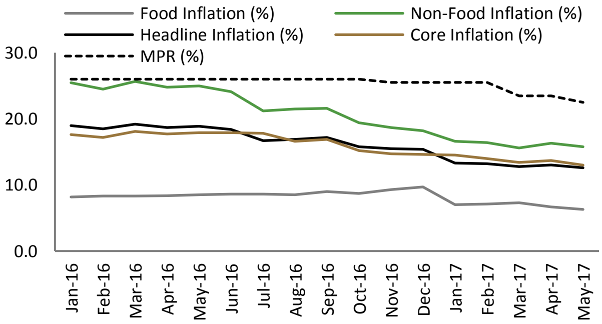
In line with government intentions, the GH¢3.05 billion ($700.20 million) budget deficit for Jan. – April 2017 was broadly financed from domestic sources as the authorities seek to reduce the exchange rate vulnerability of the public debt portfolio. While net domestic borrowing was GH¢3.44 billion ($788.83 million), external financing resulted in a net amortization of GH¢252.49 million ($57.95 million), reflecting government's commitment to a wholly domestic financing in 2017.

The issuance of 7-yr and 15-yr local currency denominated bonds together with the tap issue of an existing 10-yr bond in Mar-2017 improved government's balances at the Bank of Ghana. We observed an improved government account balance at the central bank by GH¢7.66 billion ($1.76 billion), reflecting proceeds from the bond issue in Mar-2017.

Inflation Heads Southward While Growth Prospects Improves: Monetary Policy Easing To Be Sustained.

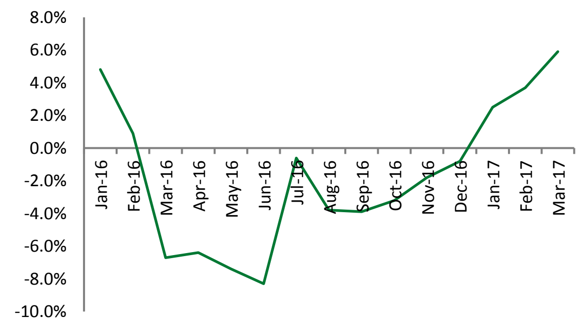
Headline inflation declined consistently from 15.4% in Dec-2016 to 12.1% in Jun-2017, reflecting subdued pressures from both demand and cost sides while a favourable base effect added further downside drift. We believe the easing cost-side pressures were mainly triggered by the raft of tax reliefs announced in the 2017 budget. We expect inflation to sustain the downward momentum in 2H-2017 as an anticipated good harvest in Q3-2017 weighs down food prices while downside risks to global crude oil price limits upside risks to non-food inflation. We therefore maintain our inflation forecast of 10.1% ± 100bps by FY-2017 and expect the Bank of Ghana to sustain the policy easing cycle in 2H-2017.

Exhibit 3: Inflation Trend in Ghana



Source: Databank Research, Ghana Statistical Service, Bank of Ghana

Exhibit 4: Real Growth Rate in Private Sector Credit



Source: Databank Research, Bank of Ghana

Growth indicators have turned bullish in the last 6 months on the back of increased hydrocarbon production, higher minerals exports and growth in real private sector credit. Crude oil production at Ghana's oil fields, the Tweneboa Enyenra Ntomme (TEN) and Jubilee oil fields remain on track to meet the 2017 targets of 50,000bpd and 68,300bpd respectively while the output from the Sankofa-Gye Nyame (SGN) field commenced production in Jul-2017. The renewed downward pressure on crude oil price however poses a downside risk to crude oil earnings and nominal GDP.

Monetary conditions improved slightly in 1H-2017 although credit conditions remained tight on account of the weak asset quality of the banking sector. Real growth rate in credit to the private sector turned positive during 1H-2017 after contracting consistently from Mar-2016 to Dec-2016.

Notwithstanding the upturn in real growth in private sector credit, the general credit conditions was tight as average lending rate for the banking industry remained elevated at 32.5% as at Jun-2017. This however showed a 67bps reduction in the average lending rate during the first half of 2017, reflecting the easing monetary policy stance and raising the prospect of further declines in 2H-2017.

We believe the tight credit condition reflects the high Non-performing Loans (NPLs) in the banking industry (Apr-2017: 19.8%) which continues to sustain the high risk premium. We expect the upcoming issuance of an energy bond (through a Special Purpose Vehicle: SPV-ESLA) to lower the NPLs and aid stronger growth in private sector credit. While the monetary policy easing has been implemented as expected, banks still maintain a cautious stance to credit expansion. We however expect a softening of credit conditions in 2H-2017 on the back of anticipated repayment of the energy sector debts and sustained reduction in the monetary policy rate. This should support a rebound in non-oil real GDP growth.

A Stronger Q1-2017 Real GDP Growth: Aided by Expansion in the Extractive Sectors

Ghana's real GDP growth for the first quarter of 2017 indicates prospects for a stronger near-to-medium term growth. Latest GDP data from the Ghana Statistical Service (GSS) showed a 6.6% YoY growth in real GDP growth in Q1-2017, compared to 4.4% in same period 2016. The growth momentum was supported by an 11.5% surge in industry while agriculture and service sectors witnessed 7.6% and 3.7% expansion respectively.

The rebound in industry growth reflects increased oil output, aided by additional 48,000bpd from the TEN oil field. In total, Ghana's average daily output increased to 131,900bpd for 1H-2017 compared to 88,300bpd for FY-2016 and 120,208bpd projected for 2017. The Jubilee FPSO is expected to shut down in Q4-2017 (~75days) for stabilization works on the turret bearing. Although the anticipated shutdown poses a risk to oil output, we expect the start of production from the SGN field in Jul-2017 and increased output from the TEN field to minimize the shortfall risks arising from the shutdown. Against the expectation of hydrocarbon-led expansion in industry and crops-led growth in the agriculture sector, we maintain our GDP growth forecast of 6.3% ± 50bps for FY-2017.

Sub-Saharan African Fixed Income Market Overview

Yield Hunt Pushes African Sovereign Debt Issuances to Record High in 1H-2017

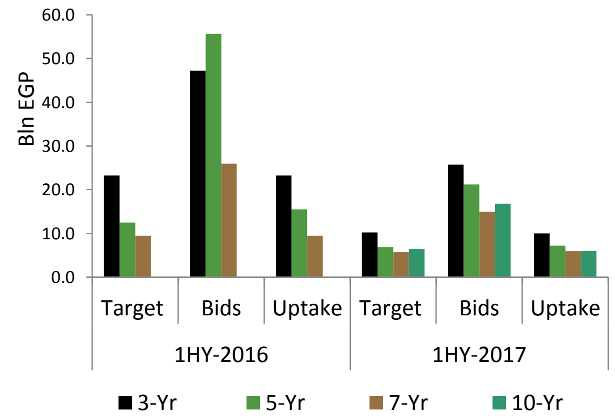
Notwithstanding two Federal funds rate hike in 1H-2017 and a gradual recovery in the global economy, African treasuries raised a record ~$13bn in sovereign issuances in 1H-2017. The record issuance occurred against the backdrop of an improving economic outlook, subdued political risks and the quest for higher yields in emerging markets.

Egypt: On-going Economic Reforms on Track, Underpins Strong Investor Appetite

Egypt's bold approach to resolving the long-standing structural challenges that followed the 2011 political uprising is gaining traction. Egypt signed on to a 3-year $12 billion Extended Fund Facility (EFF) with the IMF in Nov-2016 to support the implementation of a comprehensive home-grown economic reform plan. The program commenced with a frontloaded exchange rate, tax and subsidy reforms, culminating into a first successful review in May-2017. So far, the Egyptian pound has stabilized and the implementation of tax and energy subsidy reforms have strengthened government's fiscal position. The improved growth and fiscal outlook underpinned the strong investor appetite for Egyptian debts over the 1H-2017.

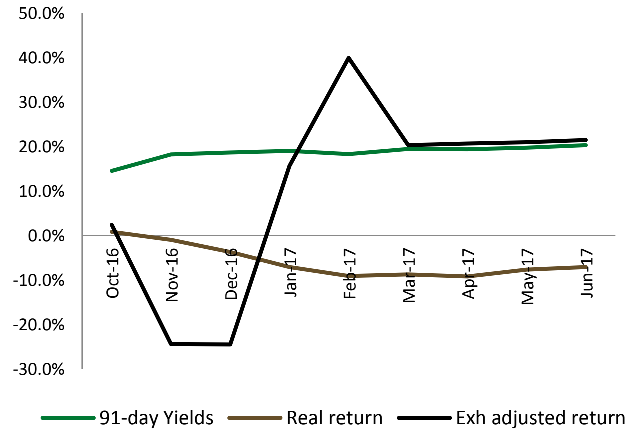
Over the 1H-2017, Egypt raised a total of $7 billion from 5-Yr, 10-Yr and 30-Yr Eurobonds issued in in two tranches at competitive yields. The Eurobonds attracted a strong demand with a bid-to-cover ratio of 3.43 as investors keep faith with the prospects of the economy.

Exhibit 5: Primary Debt Market Activity for in Egypt



Source: Databank research, Central Bank of Egypt

Exhibit 6: Returns on Fixed Income Investment



[1]

Source: Databank research, Central Bank of Egypt

Owing to the high external financing recorded over the period, domestic borrowing across the longer dated maturity spectrum slowed to EGP 29.2 billion ($16.3 billion) relative to EGP 48.25 billion in 1H-2016. That notwithstanding, the demand for domestic debt was impressive, with the bid-to-cover ratio of 2.7x identical with the outturn in 1H-2016.

[1] Exchange rate adjusted return is an indicative ex-post estimation using average 91-day T-bill rate and the corresponding depreciation rate over a month.

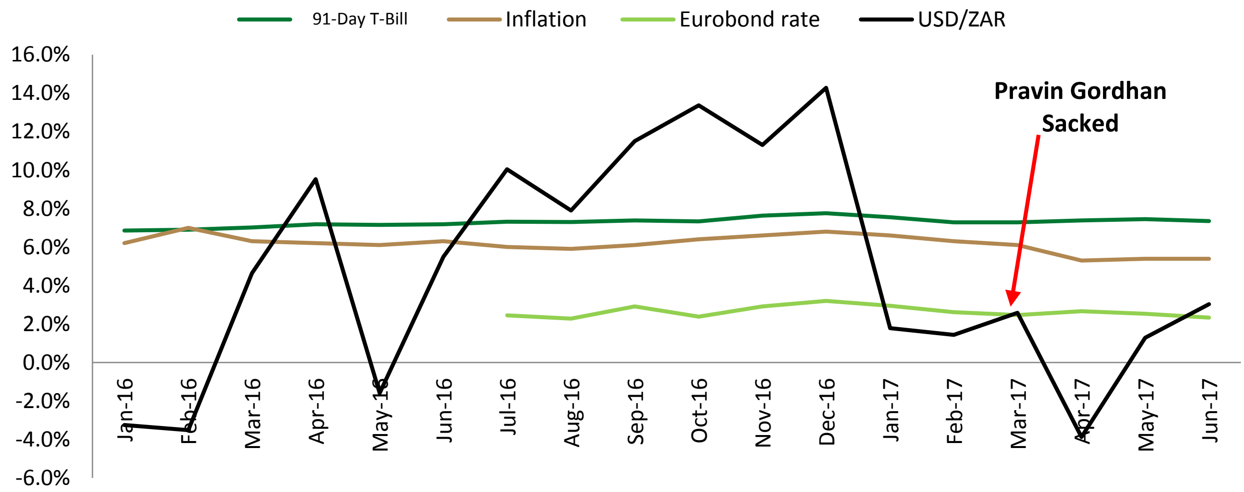
Inflationary Pressures Tilt Real Yields in Favor of Off-shore Investors

While investor appetite remain strong for Egypt's sovereign debts, elevated inflationary pressures has yielded negative real returns on domestic debts (see exhibit 6). However, the exchange rate adjusted returns were favorable as the EGP remained stable, explaining the rampant offshore investor presence in Egypt's fixed income market. With the IMF's vote of confidence following a successful first review of the EFF and an ambitious 2017/2018 budget set to be rolled out, we expect that fixed income market in Egypt will remain attractive. The current downward path of inflation is expected to continue as the unfavorable base effect of the tax reforms and exchange rate depreciation subside. As a result, we expect a gradual decline in nominal yields on domestic debts in the 2HY.

South Africa: Political Uncertainties, Weak Economy Dims Near-Term Economic Outlook

Rating agencies S&P, Fitch and Moody's expectedly downgraded South Africa's Foreign and Local Currency Sovereign Default Risk in 2Q-2017.While Moody's kept South Africa's rating a notch above junk, the country lost its investment grade rating within the Fitch and S&P rating matrix to BB+ (negative outlook). This followed a bout of uninspiring economic data and elevated political risks, resulting in the unpopular dismissal of finance minister, Pravin Gordhan, on March 30. The country avoided a credit downgrade last year despite the glaring weaknesses in the economy, thanks to the financial market's faith in the fiscal objective to grow the economy by 1.3% (up from 0.5% in 2016), and narrow the budget deficit to 2.4% of GDP in 2017 (down from 3.2% in 2016).

Exhibit 7: Trends In Key Macroeconomic Indicators In South Africa



Source: Databank research, Reserve Bank of South Africa, South Africa Statistical Service

The abrupt dismissal of the revered finance minister stoked concerns among investors about fiscal prudence and the short-to-medium term outlook of the economy, sparking a widespread sell-off of offshore holdings of rand denominated financial assets. The Rand depreciated sharply as a result (See exhibit 7) while low demand owing to market apprehension underscores an uptick in nominal interest on short term bills (see Exhibit 7) despite the broad decline in inflation in 2Q-2017(inflation declined 6.8% Dec-2016 to the target range of 3%-6% in the 2Q).

We maintain a bearish outlook for investment in South Africa on account of weak growth outlook, lack of policy coherence, political tensions and prevailing threats to the Central Bank's independence. The weaknesses in the real sector will require a fiscal stimulus, a development we believe will undermine fiscal consolidation and investor confidence in the near term.

Ghana: Improved Economic Outlook Underscores Broad-Based Decline in Yields

The gradual rebalancing of the macro economy following a difficult end to the year 2016 has improved the outlook of the economy, underpinning a broad decline in nominal yields in 1H - 2017. Nominal yields have eased considerably in response to declining inflation, exchange rate stability and an improved growth outlook. Headline inflation has declined to 12.1% in Jun-2017 (-510bps since Sept-2016) with the underlying inflationary pressures subsiding significantly. Similarly, the Cedi has broadly stabilized owing to improved direct and portfolio investment inflows in Q2-2017. As a result, the Monetary Policy Committee (MPC) begun a cycle of monetary easing since Nov-2016 to spur economic growth. Cumulatively, the MPC cut the Monetary Policy Rate (MPR) by 300bps in the 1H-2017.

Given the favorable outlook for inflation in the near term, the MPC is expected to sustain the monetary easing cycle into the 2H-2017. The resultant lower cost of funds for banks is expected to create additional liquidity for investment. The rising rate of non-performing loans in the banking sector could however restrict loan book expansion, resulting in an elevated demand for GoG debts. We believe this is partly responsible for the broad-based decline in nominal yields across the maturity curve.

Primary Market Activity for Treasury Debts in 1H-2017

The government stayed committed to its objective of re-profiling Ghana's debt away from the shorter end of the maturity curve in the 1HY. In line with that objective, the government introduced a 15-Yr domestic bond to the market and tapped existing 5-Yr, 7-Yr and 10-Yr bonds in Q2-2017. The government raised an estimated GH¢36 billion ($8.3billion) across the maturity spectrum over the 1H-2017. The proceeds were used to roll-over forecast maturities worth ~GH¢30.24 billion ($6.94 billion). The remaining GH¢6.17 billion ($1.34billion), being fresh borrowing for the period, was used in financing budgetary operations and building a liquidity buffer for liability management.

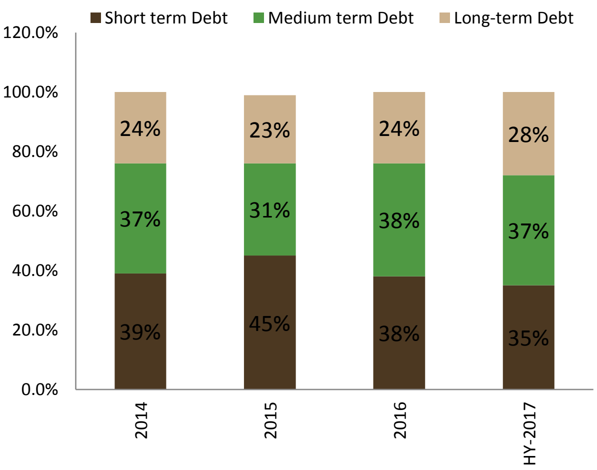
Exhibit 8: Primary Debt Market Activity in Ghana (1H-2017)

Tenure	Target GH¢'bn	Maturity GH¢'bn	Issued GH¢'bn	Fresh Issuance	Target GH¢'bn	Maturity GH¢'bn
91-day	15.35	20.12	18.01	(2.11)	8.67	9.02
182-day	8.8	7.17	4.04	(3.13)	2.46	2.40
1-Yr	1.6	0.61	2.34	1,73	0.60	0.25
2-Yr	2.4	1.09	0.94	(0.99)	0.80	0.13
3-Yr	1.5	0.98	1.72	0.73	0.80	0.40
5-Yr	2.5	0.27	1.48	1.21	1.50	0.90
7-Yr	1.1	-	1.45	1.45	-	-
10-Yr	2.2	-	3.85	3.85	-	-
15-Yr	4.2	-	3.42	3.42	2.60	-
Total	39.65	30.24	36.41	6.17	17.43	13.1

Source: Databank research, Central Security Depository

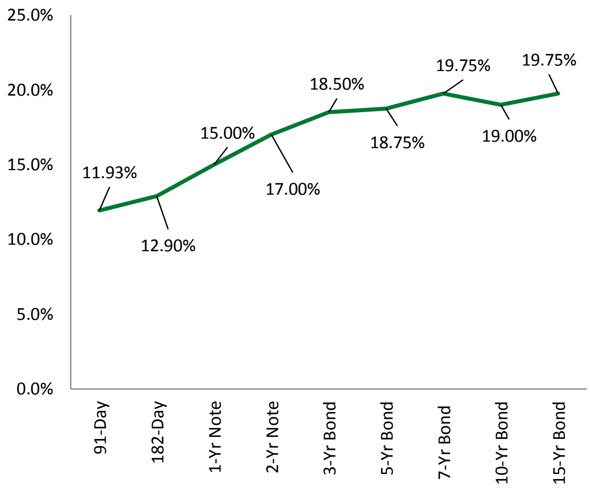
In our view, the strong liquidity buffer created over the 1H-2016 supported an effective liquidity management, enabling government to trim nominal interest rates across the curve. As a result, the yield curve for domestic debts has normalized with nominal yields closing the 1HY within a range of 11.93% and 19.75%.

Exhibit 9: Profile of Ghana's Domestic Debt [2]



Source: Databank research, Central Securities Depository

Exhibit 10: Yield Curve



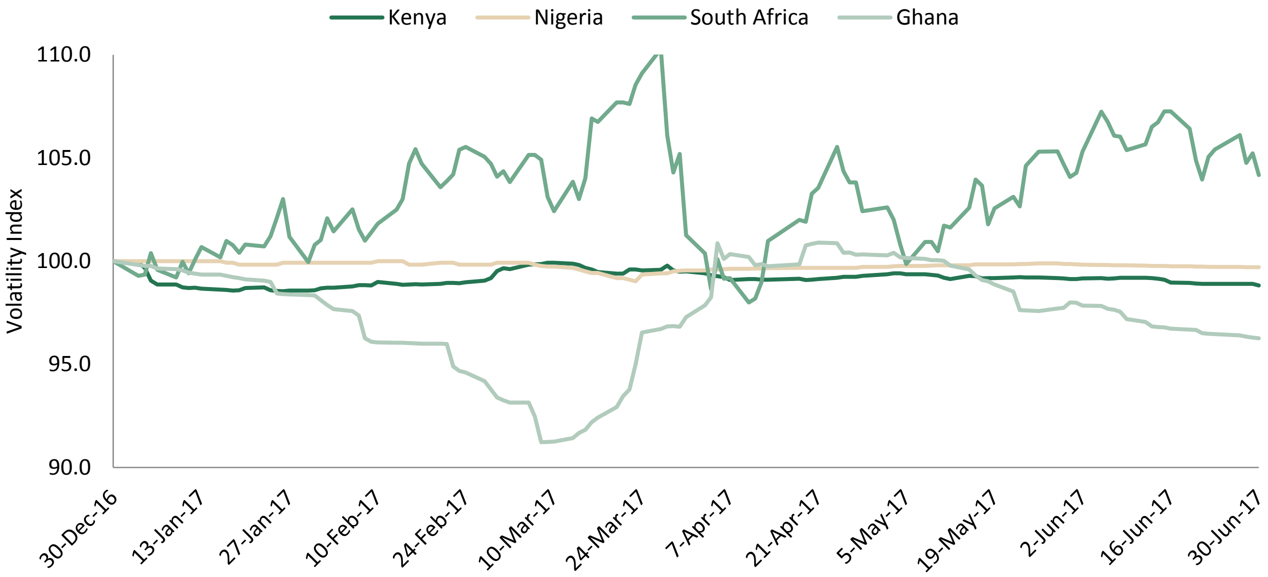
Source: Databank research , Bank of Ghana

We believe government has built an ample buffer to facilitate short-term liability management without distorting the debt issuance calendar. With a stable currency, a slowing inflation and an expected uptick in agriculture and industrial growth along with strong commitment to fiscal discipline, we maintain a bullish macroeconomic outlook. We envisage a sustained investor interest in Ghana on this outlook though the revenue shortfalls observed over the 1H-2017 remain a downside risk to the fiscal outlook. That notwithstanding, we expect the slowing refinancing needs of government at the shorter end of the maturity profile to sustain the decline in nominal yields. We therefore project nominal yields to stabilize within a range of 11.5% -18% across the maturity profile in the 2H-2017. Based on this outlook, our analysis revealed that the longer dated bonds with shorter (≤1 Yr.) term-to-maturity offers greater return prospects than short term instruments at the primary auction.

[2] Short term debt: Maturity≤1-Yr; medium term Debt: 1-Yr>maturity≤4.99-Yrs; Long term debt: Maturity≥5-Yrs

Sub-Saharan African Currencies

Exhibit 11: Currency Value Indices of Selected Currencies against USD in 1H-2017



Source: Databank Research, Country's Central Bank

Ghana: Substantial Foreign Exchange Inflows Keeps Cedi Stable in Q2-2017

The Ghana cedi recorded a marginal depreciation of 1.05% against the U.S dollar for Q2-2017 as it closed the quarter at 4.3629GHC/USD on the interbank market. The local currency however recorded more significant depreciation against the Great Britain Pound (4.74%) and the Euro (7.21%) for Q2-2017. Foreign exchange inflows from the two long-term bonds (7yr and 15yr) and dampened corporate FX demand at the start of the second quarter supported the cedi early in the period.

Further into the second quarter however, high expectations of a Fed interest rate hike and an uptick in corporate FX demand led to the gradual depreciation of the cedi against the U.S dollar. Expectations of contractionary monetary policy decisions in the U.K and the Eurozone in the short term supported the pound and the euro respectively on the global market. This led to both currencies strengthening against the Ghana Cedi. With substantial forex inflows expected from the upcoming ESLA bond and the COCOBOD cocoa syndicated loan, we expect the Cedi to be relatively stable in the second half of 2017.

South Africa: Geopolitical Risks in Developed Markets Support Rand in the 2nd Quarter

The South African Rand performed fairly well against the U.S Dollar in Q2-2017 posting an appreciation of 2.89% to end Q2-2017 at 13.08ZAR/USD after some amount of volatility. Political uncertainty in South Africa and a credit downgrade suppressed the value of the Rand at the start of the quarter. Geopolitical risks in developed markets (elections in Europe and political uncertainty in the USA) however, negatively affected the values of major international currencies. This propped up demand for emerging market currencies such as the rand and strengthened its value. A hike in U.S Fed interest rates in mid-June sparked up demand for the U.S dollar on international markets and led to the dollar gaining ground against a handful of currencies including the rand. The negative effect of the Fed rate hike on the rand was however limited as the rand ended the quarter with an appreciation. With a weak economic outlook for South Africa, we expect a decline in the value of the Rand for the second half of the year.

Kenya: Neutralization of Market Forces keeps the Shilling Stable

The Kenyan Shilling was relatively stable against the US dollar for the second quarter of 2017, recording a marginal depreciation of 0.69% q/q to 103.71KES/USD. Strong foreign exchange demand from oil importers and manufacturers put significant downward pressure on the shilling during the quarter. On the supply side, FX inflows into the Kenyan economy through remittances and charities provided some support for the shilling during the quarter as Kenya's FX reserves increased to USD8.57 billion in mid-Q2. We expect the continued FX inflows to keep the shilling relatively stable going into the second half of the year. The upcoming general elections on August 8th however poses a downside risk to the stable outlook.

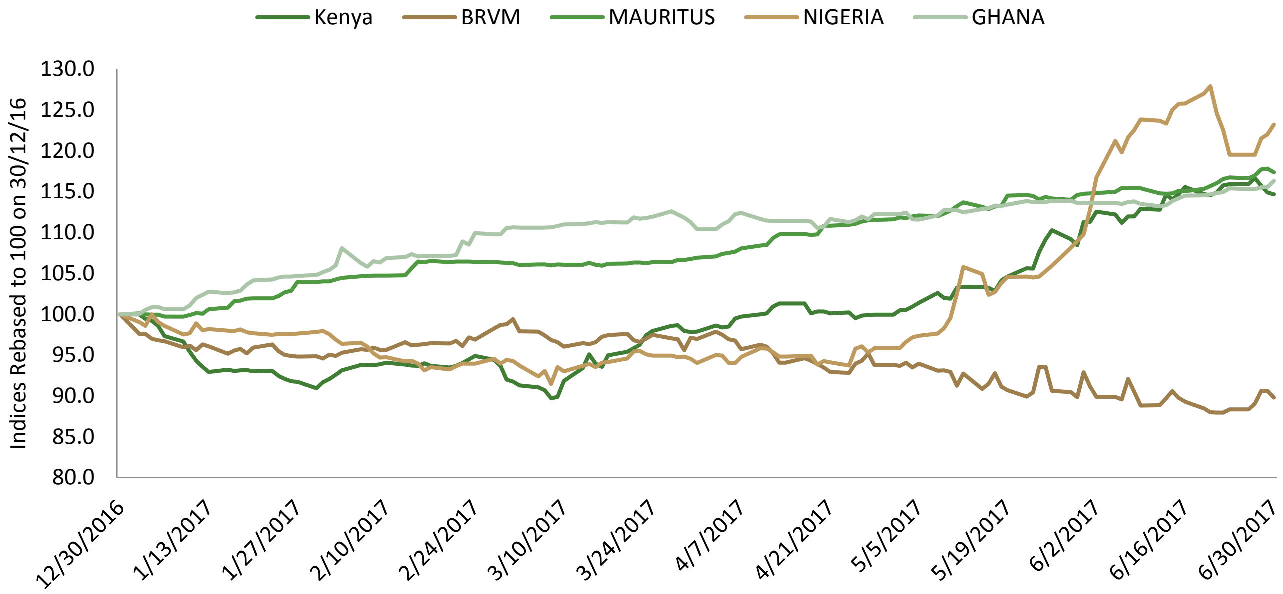
Nigeria: Segmentation of Nigerian FX Market Improves Naira's Prospects

The Nigerian Naira was stable on the interbank market registering only 0.15% appreciation against the U.S dollar in Q2-2017 to close the quarter trading at 305.4NGN/USD. The Central Bank of Nigeria (CBN) introduced an FX window to allow investors and traders to exchange the naira at market-determined rates and facilitate foreign dividend payments and repatriation of profits. This contributed to the reduction of the broad disparity between the official interbank exchange rates and the black market rates. The central bank held weekly FX auctions during the quarter to clear up a back log of demand for hard currency to improve liquidity on the market. We expect the improved liquidity in the market to boost confidence in the Nigerian economy and lead to a convergence of the official rate and black market rate.

Databank Research Barnes Road, Adabraka | PMB MPO, Accra, Ghana | T: +233 (0) 30 261 0610 | F: +233 (0) 30 268 1443 | research@databankgroup.com

Equity Markets in Sub-Saharan Africa

Exhibit 12: 1H-2017 Performance of Key SSA Equities Markets



Source: Databank Research

Ghana: Macroeconomic Gains Strengthen Bullish Sentiments

The Ghanaian equities market recorded a strong growth in the 1H-2017. The Ghana Stock Exchange's Composite Index advanced by 99.54 points in Q2-2017 to end 1H - 2017 at ~1,965 points with a return of 16.31% (1H - 2016 : -10.40%). The Databank Stock Index likewise surged by 766.49 points q/q to settle at 25,200 points at the end of 1H-2017. The stellar performance of the Ghanaian bourse was largely fueled by the improved macro-economic environment (GDP for Q1-2017 stood at 6.6% up from 4.5% recorded in the prior year) which drove consumer demand and boosted sales growth in listed companies (Unilever : +9% and Total : +10%). The Government's restructuring of the country's debt stock freed up short term credit which has enhanced the operations of the private sector. Additionally, the sharp decline of yields in the fixed income market (1H - 2017 91 day bill rates stood at 11.6% p.a) heightened the attractiveness of equities market.

Exhibit 13: Ghana Stock Exchange Key Market Statistics

	H-2017	H-2016
Market Cap (GHS'b)	59.5	54.8
Aggregate Volume Traded ('m)	*250.9	52.7
Aggregate Turnover (GHS'm)	*364.0	135.9
Return	+16.31%	-10.40%

**Figure includes a negotiated trade in CAL Bank*
Source: Databank Research

Market activity on the GSE was generally vibrant fueled by the positive investor sentiments. Trade statistics were additionally boosted by block trades in CAL Bank, Guinness Ghana Breweries, Societe Generale Ghana and Ghana Oil Company. The total number of shares traded in 1H-2017 surged by 298% y/y to 250.86 million shares on the back of a negotiated off-the-market block trade in CAL Bank in Q1-2017. In the absence of this negotiated trade, the volume of shares traded for the 1H - 2017 increased by 80% y/y. Market turnover similarly stood at GH¢364.05 million compared to GH¢85.32 recorded in the prior year. Overall, the equities market closed 1H-2017 with 14 gainers and 15 laggards. The prices of 14 counters however remained unchanged. The financial stocks represented ~57% of gainers on the bourse; a testament of a recovering financial sector. Oil Marketing Companies (GOIL & Total) as well as Benso Oil Palm Plantation and Fan Milk also recorded significant returns to investors. The market recorded some corporate actions in 1H – 2017. Leapfrog Strategic African Investments (LSAI) paid $130 million to buyout Sanlam's stake in Enterprise Group Ltd. LSAI is a separate account managed by LeapFrog Investments in which Prudential Financial Incorporated (PFI) is a primary investor. Enterprise Group Ltd also announced that LeapFrog stands ready to inject an additional $50 million into Enterprise Group to support the Group's growth agenda. The market also witnessed the departure of DPI (a leading Africa focused private equity firm) from CAL Bank through the sale of its holdings to Arise BV (Netherlands).

Exhibit 14: Lead Gainers and Laggards on the Ghana Stock Exchange

1H- 2017 TOP GAINERS	1H – 2017 RETURN (%)	1H-2017 WORST LAGGARDS	1H – 2017 RETURN (%)
UT Bank	133.33	Mechanical Lloyd Company	-33.33
Benso Oil Palm Plantation	111.54	PBC Ltd	-33.33
Ghana Oil Company	70.00	Starwin Product Ltd	-33.33
GCB Bank	46.07	HFC Bank	--26.67
Standard Chartered Bank	39.90	Tullow Oil Plc.	-22.10

Source: Databank Research

GSE Outlook Remains Strong

We foresee buoyant market activity in 2H -2017 given our more stable macroeconomic projections of a stable Ghana cedi and a further decline in inflation & interest rates. We expect the declining interest rates in the fixed income markets (currently ~11.6% p.a. for the 91-day Treasury Bill) to boost activity on the equity market as investors seek higher returns. We also anticipate a series of right issues by listed banks given the imminent increase in the minimum capital requirement by the Bank of Ghana. Based on our projections of increased investor interest and a more conducive macroeconomic environment, we anticipate the GSE-CI to climb higher in 2H - 2017, partially mitigated by profit taking by investors in blue chip stocks given the significant gains recorded in 1H-2017. We thus revise our forecast return of the broad market index to 35% (±5 %) for 2017.

A Strong Economy to Spur Growth in FMCG and OMC

We are confident of the prospects of the FMCG and OMC stocks. Our Optimism is premised on the expected sustained rebound in Ghana's economy (expected GDP 2017E 6.3% ± 50bps) anchored on a stable cedi and a further decline in inflation & interest rates. We believe this will translate into increased consumer demand and boost sales of consumer goods and oil marketing companies. We additionally anticipate that product innovations by FMCG companies; Fan Milk and Guinness Ghana Breweries Ltd [Fanyogo Mango and Passion yoghurt and Fanmaxx creamy drinkable as well as GGBL's Orijin Zero and Tappers Palms] will further widen their consumer base and boost sales growth. Fan Milk and Guinness Ghana Breweries Ltd are thus well geared to deliver strong earnings for 2017. Ghana Oil Company launched a Marine Gas Storage (which has a capacity of 13.5 million liters) in Takoradi in Q2-2017 to supply Marine Gas to upstream vessels, ships and FSPOs. We believe this will offer an additional boost to topline growth and drive the earnings of the company.

Financial Stocks Tipped to Bounce Back

The financial sector stocks are expected to record earnings growth in 2017 as the Ghanaian economy continues to recover. The imminent restructuring of the energy sector debt through the issuance of a GH¢10 billion ($2.5 billion) ESLA bond should have a positive impact on the high NPLs in the banking sector. The improved asset quality of banks coupled with the projected expansion in the economy is expected to lead to an expansion in their loan portfolio. This will have a positive effect on the bottom-line and returns of the listed banks. We maintain a positive outlook for GCB Bank, CAL Bank and Ecobank Ghana. We anticipate these banks, given their assets size and increased customer base, will offer stable returns to investors as the outlook of the sector improves. Enterprise Group is forecast to derive benefits from the new partnership with Leapfrog given the financial strength and expertise in life Insurance that Prudential Financial Incorporated will be bringing on board (Prudential is the 2nd largest life insurer in the United States).

Exhibit 15: Snap Shot of Databank Brokerage Ltd's Stock Picks

DATABANK BROKERAGE LTD BROKERS' REFERENCE SHEET											*Last Update*	***30.06.17***
											GHS/USD	*4.3629*
Company	Year End	Latest Results	Issued Shares	Capitalization		P/E	P/BV	ROE	Fair Value	± Potential	Rating
			'm	GH¢ 'm	USD 'm	x	x	%	GH¢	%	
Financial Sector											
CAL Bank	31-Dec	Q1, Mar-17	548.26	466.02	106.81	427.5	0.8	0.2	1.46	71.76	STRONG BUY
Ecobank Ghana	31-Dec	Q1, Mar-17	293.23	2,052.60	470.47	6.0	2.0	32.3	8.16	16.57	ACCUMULATE
Enterprise Group	31-Dec	FY, Dec-16	133.10	318.11	72.91	4.7	1.0	21.4	3.48	45.61	BUY
GCB Bank	31-Dec	Q1, Mar-17	265.00	1,378.00	315.84	4.8	1.2	24.6	4.97	-4.42	HOLD
Non- Financial Sector											
Fan Milk Ltd	31-Dec	FY, Dec-16	116.21	1,373.57	314.83	20.8	7.9	37.9	15.97	35.11	BUY
Ghana Oil Company	31-Dec	FY, Dec-16	391.86	732.78	167.96	13.7	2.4	17.3	2.28	21.93	ACCUMULATE
Guinness Ghana Breweries	30-Jun	9M, Mar-17	307.59	458.32	105.05	-170.4	1.8	-1.0	2.55	71.14	STRONG BUY
Total Petroleum Ghana	31-Dec	Q1, Mar-17	111.87	248.36	56.93	14.1	1.6	11.3	6.41	188.74	STRONG BUY
Companies are categorized into financial and non-financial sector											***Source: GSE, Databank, BOG***

Source: Databank Research

Nigeria: 1H-2017 Performance of the Nigeria Stock Exchange

The Nigerian Stock Exchange's All Share Index (NGSEI) picked up in Q2-17 gaining 7601.14 points q/q, (+29.79% q/q) after losing 5.05% during Q1-17. At the end of 1H-17, the NGSEI gained 6,242.86 points to ~33,118 points recording a year-to-date return of 23.23%. The increase was fueled by price gains in heavily weighted Dangote Cement PLC (Index Move: ~32%), Guaranty Trust Bank (Index Move: ~16%) and Zenith bank PLC (Index Move: ~12%). Seventy-two (72) stocks gained in value, twenty-nine (29) went down and Seventy (70) remained unchanged on the bourse.

The pharmaceutical giant, May & Baker topped the gainers chart. The stock gained 313% to NGN3.88 following the announcement of a joint venture with Nigerian government on May 31, 2017 to establish Nigeria's sole vaccine-production facility. Dangote Cement's share price posted a gain of ~40% to NGN204.99. Dangote Industries Ltd, the parent company of Dangote Cement and Dangote Sugar, signed an MOU for a loan facility of $1 billion with the African Export Import (AFREXIM) Bank to boost its expansion in cement business in 14 African countries. The group is currently the largest supplier of cement in Africa and is expected to open one of the largest cement refineries in the world by 2018. The refinery, with a projected capacity of about 650,000 bpd, can supply the total refining requirements of West Africa.

Outlook for 2H-17 appears optimistic on the back of notable expansion drives by heavily weighted Dangote Cement and the effect of May & Baker's joint venture with the Nigerian government spilling to other sectors of the economy. We expect a boost in demand for Dangote Cement's stock following a projected increase in revenue. May & Baker's expansion into vaccines is expected to help overcome an economic slowdown and dollar shortages in Nigeria by reducing the cost of importing materials for its painkillers, multivitamins and malaria treatment.
Developments in the global oil market and foreign exchange markets would also influence trading pattern and performance of stock market hence the need for proper management and policies implemented by the government.

Exhibit 16: Lead Gainers and Laggards on the Nigeria Stock Exchange

1H- 2017 TOP GAINERS	1H – 2017 RETURN (%)	1H-2017 WORST LAGGARDS	1H – 2017 RETURN (%)
May & Baker Nigeria	312.77	Forte Oil PLC	-40.70
Stanbic IBTC Holding PLC	121.35	7 UP Bottling Co PLC	-32.98
Fidson Healthcare PLC	121.21	Meyer PLC	-19.54
United Bank for Africa PLC	115.18	Trans-Nationwide Express PLC	-17.00
FBN Holding Plc	101.59	Tripple GEE and Co PLC	-16.18

Source: Databank Research

Kenya: 1H-2017 Performance of the Nairobi Stock Exchange

The Nairobi Securities Exchange (NSE) witnessed a bullish performance in 1H-2017 on account of price gains in heavily weighted Safaricom Ltd and KCB Group. The NSE All Share Index (NSEASI) picked up impressively in Q2-17 (Index: 152.92, YTD: 17.17%) eroding losses recorded in Q1-17 (Index: 130.59 YTD: -2.12%). The NSEASI increased by 19.58 points to settle at 152.92 points, translating to YTD return of 14.68% for 1H-2017 compared to -3.50% for like period in 2016.The bourse recorded 39 advancers, 23 decliners and 4 unchanged stocks.

Standard Group Ltd - Media Company with operations in printing, publishing and television - topped the gainers chart, posting ~138% increase in share price to KES39.25. Demand for the stock surged up after the group declared a 169% growth in earnings for 2016 (PAT: KES 199 million) following a loss in 2015 (PAT: KES 290 million). KCB Group, Kenya's biggest bank by asset, saw its share price soar 43.91% to settle at KES37.75. The increase is attributed to soaring investor sentiments following the announcement of 50% increased dividends by KCB in the first quarter amidst the challenges in the banking sector. The share price of the telecom industry behemoth, Safaricom gained 18.80% to KES22.75. Safaricom increased its customer base by ~12% to boost its full-year pretax profit by 26.7 percent to 70.6 billion shillings.

Outlook for the 2H-2017 appears quite favorable on account of strong growth potentials exhibited by heavily weighted Safaricom and KCB Group, which we project to reflect stronger stock price performances.

- Safaricom is planning to start an electronic commerce platform to support future growth and increase revenue. It plans to enter electronic commerce this year, leveraging its customer base and its M-Pesa payments platform, to offer small and medium enterprises a local market place on the web.
- KCB Group has been appointed by Safaricom as a trust account holder for its mobile financial service (M-Pesa) in a deal which will see the lender benefit from a pool of cheaper deposits.

This notwithstanding, Kenya's economy remains vulnerable to downside risk: heightened political tension due to presidential elections slated for August 2017, security threats most notably from Al-Shabaab's - the Somalia-based Islamist group – sporadic attacks, ongoing drought causing increased food insecurity and rise in energy cost from hydropower. Kenya faces a marked slowdown in credit growth to the private sector due to government's capping of interest rates. The government's removal of the cap is expected to reverse the marked slowdown.

Exhibit 17: Lead Gainers and Laggards on the Nairobi Stock Exchange

Q1- 2017 TOP GAINERS	1H – 2017 RETURN (%)	1H-2017 WORST LAGGARDS	1H – 2017 RETURN (%)
Standard Group Ltd	137.88	Uchumi Supermarkets Plc.	-45.57
Crown Paints Kenya Ltd	74.39	Deacons East Africa PLC	-40.50
KCB Group Ltd	43.91	Car & General Kenya Ltd	-22.22
Sasini Ltd	38.89	Nairobi Business Ventures Ltd	-21.52
Marshalls East Africa Ltd	38.82	HF Group Ltd	-21.49

Source: Databank Research

Mauritius: 1H-2017 Performance of the Mauritius Stock Exchange Index

The Stock Exchange of Mauritius Index (SEMDEX) posted an impressive half year results gaining 17.27% to 2,122.91 points at the end of Q2 2017. The SEMDEX saw 32 stocks gaining, 6 experiencing decline and 3 remaining unchanged for half year 2017. The banks and insurance sector outperformed all other sectors on the SEMDEX climbing 14.0% for 1H - 2017. Manufacturing and Sugar sectors inched up 6.6% and 5.8% respectively. The tourism sector advanced by 3.4 for 1H - 2017.

Despite underperforming other sectors, we believe tourism will be a driving force on the SEMDEX in the second half of 2017. Total tourist arrivals for Q2 2017 rose by 10.7%y/y to 625,859. Most tourists originated from Europe (+7.8%q/q to 146,822 tourists). Tourist arrivals surged by 21% in the month of April due to the Easter festivities. However, France, a major market for tourism in Mauritius saw a drop of 3.9% in arrivals during the second quarter.

The heavily weighted finance group, MCB Group (+26.36%), saw Net Interest income grow by 4.9% to Rs2,354m for the quarter boosted by 71.3% y/y rise in other income such as foreign exchange gains and profit from disposal of equity investment. Cim Financial Services saw its stocks rise by 28.63% to Rs9.14 for the half year. The group which now focuses on its property and finance business, plans to tap into higher yields in other African markets. New Mauritius Hotels shares rose 6.2% to Rs22.20 during the quarter. Although the hotel operator saw revenues decline by 1.3% to Rs2.6bn for the quarter, the group was compensated by an improved performance in hotel and real estate operations in Morocco.

The outlook for the second half of 2017 remains positive. KLM will commence operations in the island nation which will open air access to Netherlands and other neighbouring European countries. We see an increase in tourist arrivals going into the second half of 2017. Companies in the hospitality and real estate sector like New Mauritius Hotel, Sun Limited and LUX Island Resorts are well positioned to leverage on the expected tourist inflows. Air Mauritius also plans on rolling out additional weekly flights to Asia following the rising demand in the Asia-Africa air corridor. Moreover, to attract Asian tourists, hotels will be allowed to host gaming machines within their premises.

Exhibit 18: Lead Gainers and Laggards on the Stock Exchange of Mauritius

1H- 2017 TOP GAINERS	1H – 2017 RETURN (%)	1H-2017 WORST LAGGARDS	1H – 2017 RETURN (%)
Vivo Energy Mauritius Ltd	34.21	Bluelife Ltd	-8.16
Promotion and Development Ltd	31.68	Cie Magasisn Populaire	-6.00
Cim Financial Services	28.63	Harell Mallac & Co Ltd	-3.70
MCB Group Ltd	26.36	Lottotech Ltd	-3.16
United Basalt Products	24.92	Innodis Ltd	-3.07

Source: Databank Research

French West African Stock Market: Q2-2017 Performance of the Bourse Régionale des Valeurs Mobilières (BRVM)

The benchmark French West African Stock Market (Bourse Regionale De Valeurs Mobiliers, BRVM) maintained its downward spiral in Q2 2017, sparked by the sell offs in heavily weighted stocks including: Sonatel, Onatel, Bollore AL.CI, and Ecobank Transnational Inc. The BRVM Composite Index fell by 31.69 points y/y to close at 256.01 points, a 12.38% YTD decline, compared to a positive return of 1.82% recorded for the same period in 2016. The rapid decline in the value of equities listed on the exchange can be attributed to the abysmal financial performance recorded in 2016.

CFAO Motors saw an 11.5% decrease in vehicle sales. As a result, revenues went down by 13.54% to XOF 65.08 billion compared to XOF 75.27 billion in 2015. Paramount to the woes of CFAO Motors was unfavourable currency movements and decrease in state purchases. Bank of Africa Mali (BOAM), despite growing competition in the banking sector still pushed down lending rates. Net Banking Income lost 5% to stand at XOF 7.256 billion compared to XOF 7.635 million at the end of March 2016. Earnings before Tax also decreased by 1.9% at XOF 2.892 billion against 2.947 billion notably due to the drop in Net Banking Income (-379.5 million). Despite the marginal decline in Net Banking Income, investors were convinced the prospects for Bank of Africa Mali is good hence share price rose 7.5% by half year. The oil palm producer, PALMCI (-21.43%), saw revenues increase by 48% to XOF 45.19 billion in Q1 compared to XOF 30.43 billion for the same period in 2016. This sharp increase in revenues along with efficient costs management boosted the company’s EBIT by 212% y/y to XOF 10.75 billion against XOF 3.45 billion during the same period in 2016. A total of 37 stocks lost value compared to 5 gainers whilst the price of 1 stock remained unchanged. Equity market capitalization for the BRVM settled at $11.14 billion at the end of Q2 2017.

We expect market activity to be slow in the second half of 2017, however, we believe the financial, utilities and Agro-processing sectors to drive a slow recovery. In Q2 2017, Endeavor Mining signed a USD 122 million deal with the mining company Avnel Gold for the acquisition of 100% of the latter. This agreement will allow Endeavor Mining to fully control the GOLD project in Kanala and to consolidate a sustainable portfolio of high quality mines. According to management of PALMCI, the production of crude palm oil expected by the end of 2017 should be higher than the production of 2016. CFAO Motors hopes to create more traction in 2017 by marketing the Suzuki brand to boost demand from the middle class. Electricity Company, CIE (-10.07%) with a base of more than two million customers is set to grow at an average 10% per year going forward. This enhancement should be driven by the strong economic growth combined with the “Electricity for All” program.

Exhibit 19: Lead Gainers and Laggards on the BRVM

1H- 2017 TOP GAINERS	1H – 2017 RETURN (%)	1H-2017 WORST LAGGARDS	1H – 2017 RETURN (%)
SOGB	15.15	SICOR	-67.50
Coris Bank International	13.18	NEI-CEDA	-60.00
SAPH	12.86	Vivo Energy CI	-53.33
Bank Of Africa Mali	7.50	Servair Abidjan CI	-51.63
Movis	2.56	SITAB	-50.67

Source: Databank Research

Commodity Market Performance

Negative price movements characterized the international commodities market in Q2-2017, signaling potential negative year end results for key commodities. Seven (7) out of the eleven (11) commodities tracked by Databank Research recorded year-to-date price losses, led collectively by the energy commodities (Natural Gas: -20.9%, Brent: -16.3%, WTI: -16.2%). On an individual basis however, the agricultural commodity sugar was the hardest hit, with a 29.5% year-to-date loss. The metals commodities on the other hand continued their rally in Q2-2017, collectively topping the chart for a second consecutive quarter (Aluminum: +14.1%, Copper: +8.4%, Gold: +7.2%). Quarter-on-quarter comparisons reveal even deeper losses on the broader market, with only two (2) commodities (Corn: +3.8%, Copper: +1.5%) posting positive results. Downward price pressures stemming from supply gluts induced by human and weather-related conditions suppressed agricultural and energy prices in Q2-2017, while rising geopolitical uncertainty and supply constraints supported metal prices.

Exhibit 20: Return Analysis Table for Key Commodities in Q2-2017

	Commodity	Unit	Price ($)	YTD Abs Change	%YTD Chg	%Q/Q Chg
Metals	Gold	$/t oz.	1,243.62	83.12	7.2%	-0.1%
	Aluminium	$/MT	1,915.00	236.00	14.1%	-2.9%
	Copper	$/lb	2.71	0.21	8.4%	1.5%
Energy	Crude Oil WTI	$/bbl	45.24	-8.76	-16.2%	-10.1%
	Brent Crude Oil	$/bbl	47.80	-9.33	-16.3%	-9.6%
	Natural Gas	$/mmbt	3.02	-0.80	-20.9%	-6.2%
Agriculture	Cocoa	$/mt	1,861.00	-304.00	-14.0%	-11.2%
	Coffee	$/lb	126.35	-9.10	-6.7%	-9.3%
	Sugar	$/lb	0.14	-0.06	-29.5%	-19.2%
	Corn	$/bu	3.72	0.23	6.5%	3.8%
	Cotton	$/bu	67.34	-3.67	-5.2%	-11.9%

Source: Databank Research, Bloomberg

Gold: Gold Price Firm Up on Raised Geopolitical Tensions

Gold price continued its steady climb in Q2-2017, as the uncertainty over global economic and political instability boosted its safe-haven appeal and ultimately outweighed the downside price pressures. The precious metal thus recorded a year-to-date increase of 7.2%, averaging $1,260/oz in Q2-2017.

Profit taking and a recovery in the U.S dollar spurred the initial downturn in gold price in April 2017. Bullion then embarked on a price recovery period, supported by the U.S Federal Reserves' dovish stance on interest rate hikes, a weaker dollar, geopolitical tensions arising from the Middle East and North Korea as well as policy uncertainty in the White House. As investors sought cover against this turmoil, gold demand increased, thus pushing up gold price to a half year high of $~1,295/oz. Thereafter, the gold rush was reversed by high expectations of a June 14th interest rate hike, where the Fed Open Market Committee (FOMC) of the U.S Federal Reserve hiked its key interest rates by 25bps to a 1.00% - 1.25% range. An increase in interest rates negatively affects bullion's demand as the opportunity cost of holding non-interest bearing assets such as bullion increases. Gold price consequently suffered a decline although the persistence of historically low global interest rates and ongoing world tensions mitigated the full extent of this decline. Bullion therefore closed Q2-2017 at a slightly lower end price than Q1-2017 by 0.1% at $1,243.62/oz.

In the quarter ahead, we remain cautiously optimistic that the on-going political tensions involving Syria, Russia, North Korea and the US will sustain gold's safe-haven appeal and facilitate its steady rise. The US Fed maintained its outlook for only one more hike in interest rate in 2017, further fueling bullish investor sentiments for the precious metal by year end. The probable stronger US dollar, which increases the price of gold in other currencies, may however trim the expected price gains.

Brent Crude: Oil Market Struggles to Hold on to OPEC Deal Gains

Brent crude oil prices began Q2-2017 at the peak of a Q1-2017 rally at $53.57/bbl, and then subsequently fell to a 12-month low of $44.71/bbl. Following a brief rally thereafter, Brent closed 1H-2017 with a 16.3% year-to-date decline at $47.80/bbl (-9.33% q/q).

Supply side factors, particularly the growing glut, continued to dominate Brent price dynamics during the quarter. Despite OPEC’s effort to reduce output and prop up prices, global oil inventories are yet to reflect any meaningful supply reductions, owing to faster than expected growing output from the US, Libya and Nigeria. According to the Energy Information Administration (EIA), US oil output hit 9.34 million barrels in June while the Baker Hughes U.S rig count recorded an increase to 756 oil rigs by June 30th, compared to 330 oil rigs by the same period last year. OPEC oil output similarly increased to a 2017 high of 280,000 bpd in June, despite the high compliance rate to the output cut deal, owing to a supply increase from the two non-participating member countries; Nigeria and Libya. In the absence of any significant developments suggesting a corresponding increase in oil demand to allay fears of a worsening glut, oil prices continued its downward trajectory. Some intermittent price support this quarter came from consecutive reports suggesting a slowdown of the growth rate of US oil production and some disruptions in key producers such as Libya. The most significant source of positive price support in Q2—2017 however, came from speculation leading up to the OPEC deal extension. The market’s response to OPEC’s decision to extend the 1.8 million bpd output cut for 9 months, was a brief price rally culminating in crude oil prices peaking at $53.94/bbl.

The high volume of US oil production is dominating trading of Brent futures, while news of OPEC's oil supply cut extension, had a short-lived and underwhelming effect on prices. As such, barring any significant changes to oil demand in the near term, we maintain a bearish outlook for Brent prices in Q3-2017. Some positive price movements may be observed over the coming quarter, following a report from the EIA suggesting a downwards revision of the US oil production forecast. Given these conditions, our outlook for brent price has been revised down to between $50/bbl and $45/bbl in Q3-2017 from between $55/bbl and $50/bbl, with some potential for short-lived upside swings.

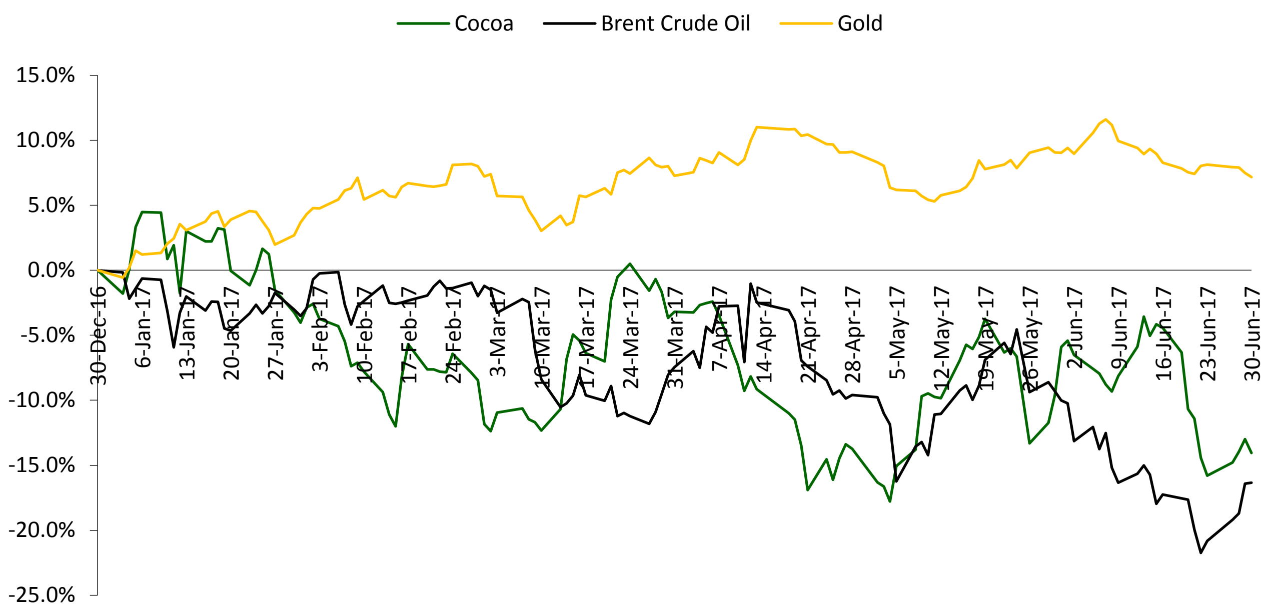
Cocoa: Price Hits 10-Year Low as Supply Glut Persists

Cocoa ended 1H-2017 at $1,861/MT (-14% YTD decline), reflecting an 11% q/q loss in Q2-2017. The on-going supply glut was the focus of investors in Q2-2017. Favourable weather conditions, which bodes well for the crop’s harvest, occurred across the West African sub region in Q2-2017, where the two producers who account for over 60% of the world’s cocoa production are located. Cocoa arrivals at ports in the top grower Ivory Coast totaled 1,689,000 tonnes by June 25, up from 1,420,000 tonnes over the same period last year. Cocoa production during Ghana's main crop season exceeded the targeted of 800,000 tonnes by May 18, hitting a six-year high of 882,175 tonnes. These developments flamed investor perceptions of a bountiful harvest this season, leading to record low prices during the quarter under review.

The full extent of this free fall was nonetheless mitigated by brief periods of civic unrest and heavy rains which caused floods in Ivory Coast. These conditions intermittently supported cocoa price as they raise concerns about disruptions to cocoa production and export activity. The record low cocoa prices also attracted bargain hunters in Q2-2017. As theses bargain hunters sought to capitalize on the low prices of the bean, these actions raised the demand for cocoa, further supporting its price.

Our outlook for cocoa price for the remainder of the growing season and Q3-2017 remains bearish as the persistent glut will continue to heavily weigh down on cocoa price. Cocoa demand is forecast to remain steady, thereby failing to counter the growing glut. We therefore expect cocoa price to continue to trend downwards towards new record 10-year lows between $1,750/MT and $1,950/MT in the quarter ahead.

Exhibit 21: 1H-2017 Price Performance of Key Commodities



Source: Databank Research

Databank Leadership

RESEARCH CONTACTS

Alex Boahen
alex.boahen@databankgroup.com
0302-610610 Ext 1600

Afua Dankwa Mensa-Bonsu
afua.mensa-bonsu@databankgroup.com
0302-610610 Ext 1602

Lawrencia Ama Asante
lawrencia.asante@databankgroup.com
0302-610610 Ext 1601

Jesse Opoku-Asiedu
jesse.opokuasiedu@databankgroup.com
0302-610610 Ext 1601

Gideon Amoaning-Kyei
gideon.amoaning-kyei@databankgroup.com
0302-610610 Ext 1601

Michael Asafo-Boakye Jnr.
Michael.asafo-boakye@databankgroup.com
0302-610610 Ext 1604

Courage Kingsley Martey
courage.martey@databankgroup.com
0302-610610 Ext 1605

Courage Kwesi Boti
courage.boti@databankgroup.com
0302-610610 Ext 1603

SALES AND TRADING CONTACTS

Armah Akotey
armah.akotey@databankgroup.com
0302-610610 Ext 1700

Equities

Ebow Gaisie
ebow.gaisie@databankgroup.com
0302-610610 Ext 1703

Sidney Koranteng
sidney.koranteng@databankgroup.com
0302-610610 Ext 1702

Fixed Income

Edwige Yamoah
edwige.yamoah@databankgroup.com
0302-610610 Ext 1701

Selorm Afudego
selorm.afudego@databankgroup.com
0302-610610 Ext 1704

OFFICES

Head Office:
61 Barnes Road Adabraka,
PMB MPO, Accra, Ghana
Tel : (+233 -302) 61 0610
Fax : +233 (0) 30 268 1443
Email: research@databankgroup.com

Kumasi Office:
Databank Brokerage Ltd,
Retail Services Division
House of Excellence- Adum
PMB Central Post Office- Adum Kumasi
Tel: (+233-3220) 81483, 80077
Email: kumasi@databankgroup.com

Tema Office:
Meridian Plaza, Room 201 & 202,
2nd Floor, Community 1, Tema
Tel: (+233- 303) 213240, 210050
Fax: (233-303) 203438
Email: tema@databankgroup.com

Sunyani Office:
GCB main building,
Opposite the Ghana Post Office
Tel: +233 (0)576 001533, (0)577 704516.
Email: sunyani@databankgroup.com

Takoradi Office:
SSNIT Office Complex,
1 Floor, Room 208 Tel: (+233- 3120) 23628,25465
Fax: (233-3120) 21653, 25075
Email: info@databankgroup.com

Banjul Office:
2nd Floor, Trust Bank Building, Westfield Junction,
P.O Box 3189, Serrekunda, The Gambia
Tel: (+220) 4378014, Fax: (+220) 4378016
Email: gambia@databankgroup.com

Monrovia Office:
One Urban Plaza,
Tubman Boulevard Sinkor, Monrovia, Liberia

Partner locations
(GTBank branches)

Airport:	0577 702012
East Legon:	0577 702013
Lapaz:	0577 739461
Madina:	0577 739462
Osu:	0577 702014
Ashaiman:	0577 702015
Cape Coast:	0577 702016
Tamale:	0577 702017
Tarkwa:	0577 702010

Research Disclosure & Disclaimer Policy

The Information has been compiled from sources we believe to be reliable but do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or a solicitation or an offer to buy securities. This firm and its affiliates and their officers and employees may or may not have a position in or with respect to the securities mentioned herein. This firm and its affiliates may from time-to-time have a consulting relationship with a company being reported upon. This may involve the firm or the affiliates providing significant corporate finance services and acting as the company's official or sponsoring broker. All opinions and estimates included in this report constitute our judgment as of that date and are subject to change without notice.
*Intended only for sophisticated investors and persons with professional experience in matters relating to investments

NOTICE TO US INVESTORS

This report was prepared, approved, published and distributed by DATABANK BROKERAGE LIMITED company located outside of the United States (a "non-US Group Company"). This report is distributed in the U.S. by LXM LLP USA, a U.S. registered broker dealer, on behalf of DATABANK BROKERAGE IMITED only to major U.S. institutional investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the "Exchange Act")) pursuant to the exemption in Rule 15a-6 and any transaction effected by a U.S. customer in the securities described in this report must be effected through LXM LLP USA.
Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization.

Analyst Certification. Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. Please bear in mind that (i) DATABANK BROKERAGE LIMITED is the employer of the research analyst(s) responsible for the content of this report and (ii) research analysts preparing this report are resident outside the United States and are not associated persons of any US regulated broker-dealer and that therefore the analyst(s) is/are not subject to supervision by a US broker-dealer, and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Important US Regulatory Disclosures on Subject Companies. This material was produced by Analysis of DATABANK BROKERAGE LIMITED solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient. It is distributed in the United States of America by LXM LLP USA and elsewhere in the world by DATABANK BROKERAGE LIMITED or an authorized affiliate of DATABANK BROKERAGE LIMITED. This document does not constitute an offer of, or an invitation by or on behalf of Databank Brokerage Limited or its affiliates or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources, which DATABANK BROKERAGE LIMITED or its Affiliates consider to be reliable. None of the analysts or affiliates of DATABANK BROKERAGE LIMITED accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions.

LXM LLP USA assumes responsibility for the research reports content in regards to research distributed in the U.S. LXM LLP USA or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, does not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next 3 months. LXM LLP USA has never owned any class of equity securities of the subject company. There are not any other actual, material conflicts of interest of LXM LLP USA at the time of the publication of this research report. As of the publication of this report LXM LLP USA, does not make a market in the subject securities.