



# NTHC RESEARCH

Weekly Market Review September 18, 2009

## FEATURE

### CLYDESTONE GHANA LIMITED (CLYD)

Established in June 1989, Clydestone Ghana Limited was converted into a public limited company in August 2003 and formally listed on the Ghana Stock Exchange in May 2004. Although it was initially set up as a supplier of general office equipment, the company has gradually evolved into an outstanding provider of Information, Communication and Technology (ICT) solutions in Ghana.

Clydestone is specialized in payment systems, networking and outsourcing. Its main business activities include Automated Teller Machine sales, Installation and Management, Network Design, Installation and Technical support, Point of sales terminal supply and support, and Project management, Training and Consultancy. The company has provided a wide range of information, communication and technology solutions for some of the largest companies in Ghana including the New Cheque Codeline Clearing system recently introduced by the Bank of Ghana.

Over the years, the financial performance of CLYD has been satisfactory in spite of a couple of declines in its indicators in some years. The group's Revenue increased steadily from GH¢67,796 in 1999 to GH¢2,104,683 by the end of 2006. It however fell by 48% in 2007 to stand at GH¢1,091,518 and then inched up to end the year 2008 at GH¢1,452,599. The performance of the group in terms of Net Profit has been rather sporadic beginning with a loss of GH¢22,717 in 1999, moving up to a profit of GH¢166,209 in 2005, down to GH¢92,301 in 2006 and then recording losses of GH¢303,238 and GH¢396,696 in 2007 and 2008 respectively.

The group's half-year results for 2009 have been released. The results show laudable improvements in the main indicators of the group in relation to the same time frame in 2008. Net profit for the period increased significantly by 198% from GH¢60,198 in 2008 to GH¢179,433 regardless of the fact that Cost of Operations increased by 74% and General and Administrative Expenses also inched up by 21%. The group's turnover also went from the GH¢833,234 in 2008 to GH¢1,332,295 indicating a 60% increase.

On the bourse, CLYD has performed averagely. From an initial listing price of GH¢0.05 in 2004, the stock's price had by the end of 2008

inched up to GH¢0.08 showing a compounded annual growth rate (CAGR) of 12.47%. It has since recorded no price change and has shown itself to be a stable stock although this stability is largely attributable to its low level of activity on the Exchange. It is currently trading at a Price Earning (P/E) ratio of 7 times as at Thursday, 17<sup>th</sup> September, 2009.

#### Income Statement Summary

(All figures are stated in thousands of Ghana cedis)

	2006	2007	2008	2009 Q2
Turnover	2,105	1,092	1,453	1,332
Net Profit (Loss)	76	-311	-198	179

#### Balance Sheet Summary

(All figures are stated in thousands of Ghana cedis)

	2006	2007	2008	2009 Q2
Total Assets	1,782	1,376	1,344	1,642
Total Liabilities	859	923	1,104	1,224
Total Equity	923	453	240	418

#### Ratios/Statistics

	2006	2007	2008	2009 Q2
Profit Margin (%)	4.39	-28.46	-13.65	13.47
Return on Assets (%)	5.18	-22.57	-14.76	10.93
Return on Equity (%)	10.00	-68.57	-82.66	42.93
Group Earnings Per Share (GH¢)	0.0027	-0.0091	-0.0058	0.0053
Dividend Per Share (GH¢)	0.0030	-	-	-
Net Assets Per Share (GH¢)	0.0271	0.0133	0.0071	0.0025
Share price				
High (GH¢)	0.10	0.08	0.08	0.08
Low (GH¢)	0.08	0.08	0.08	0.08
Close (GH¢)	0.08	0.08	0.08	0.08

## GHANA STOCK EXCHANGE NEWS

GSE Statistics As At 18.09.09	
GSE All Share Index	
- Value (points)	6,441.83
- Year to date change (%)	-38.25
- Market Capitalization (GH¢'m)	16,023.08
Total Volume of Trade	6,652,114
Total Value of Trade (GH¢)	1,023,428.81

### Price Gainer

Guinness Ghana Brewery Limited was the only stock to record a gain in its price. It opened the week at GH¢1.30 and gained GH¢0.02 to end the week at GH¢1.32.

### Price Decliners

Equity	Closing Price (GH¢)	Price Change (GH¢)
Accra Brewery Company Limited	0.11	(0.01)
Ghana Oil Company Limited	0.17	(0.01)
Cocoa Processing Company Limited	0.04	(0.01)
SG-SSB Limited	0.57	(0.02)
Ecobank Ghana Limited	3.10	(0.03)
SIC Insurance Company Limited	0.30	(0.03)
Aluworks Limited	0.44	(0.06)
Enterprise Insurance Company	2.30	(0.20)

## RELEVANT CORPORATE NEWS

### Ecobank to Advise on Tema Oil Refinery Financial Recovery

Ecobank Development Corporation (EDC), the investment banking arm of the Ecobank group, and Ecobank Ghana have been contracted by the Government of Ghana to advise on the financial restructuring of Tema Oil Refinery (TOR). As advisors, EDC and Ecobank Ghana will review and validate the level of indebtedness of Tema Oil Refinery, arrange a US\$300 million facility to refinance the refinery's existing debt and its working capital requirements and further arrange a US\$300 million facility to strengthen TOR's balance sheet. The two companies are also expected to take steps leading to the eventual re-capitalization of Tema Oil Refinery.

Source: GSE Press Release No. 305/2009

### Other News

- **PZ Cussons Ghana Limited** Announces Notice of Annual General Meeting. The meeting is scheduled to take place at the Ghana-India Kofi Annan Centre for Excellence in ICT on Friday, October 9, 2009 at 11.00am.

## MONEY MARKET NEWS

### Cedi Records Mixed Performance

The performance of the cedi on the forex market for the period under review was a mixed one. It appreciated against three (3) of the major trading currencies – the US Dollar, the British Pound and the Japanese Yen by 0.08%, 1.72% and 0.93% respectively. It however depreciated against the Euro by 0.66% and against the South African Rand by 0.36%.

The table below summarizes the interbank rates for the week under review.

	Buying		Selling	
	14.09.09	18.09.09	14.09.09	18.09.09
US Dollar	1.4468	1.4457	1.4756	1.4745
Pound	2.3979	2.3566	2.4461	2.4043
Euro	2.1053	2.1191	2.1466	2.1608
Yen	0.0160	0.0158	0.0163	0.0162
Rand	0.1928	0.1935	0.1965	0.1972

Source: Ghana Association of Bankers

### Interest Rates

Yields on the 91 and 182-day Treasury Bills inched up marginally for the period under review. The 91-day bill went up by 0.01% and the 182-day bill by 0.02%. The 1-Year Note and the 2-Year Fixed Note on the other hand continued to transact at 21.00% and 25.50% respectively while the 3-Year Fixed Note recorded no activity for the period.

The table below displays the interest rates on the money market securities for the weeks beginning:

Interest Rates (for Weeks Beginning)		
	07.09.09	14.09.09
91 Day	25.88	25.89
182 Day	28.85	28.87
1 Year	21.00	21.00
2 Year	25.50	25.50
3 Year	-	-

Source: Bank of Ghana

Listed Equities	Market Cap.	Year Opening	Week Opening	Week Closing	Week Price	Year Low	Year High	P/E Ratio
	(GH c' m)	Price(GHc)	Price (GHc)	Price (GHc)	Change (GHc)	(GH c)	(GH c)	
	17.0.9.09	01.01.09	14.09.09	18.09.09		14.09.09	14.09.09	17.09.09
Accra Brewery Co. Ltd	29.93	0.12	0.12	0.11	(0.01)	0.11	0.12	
African Champion Industries Ltd.	3.24	0.10	0.10	0.10	-	0.10	0.10	
AngloGold Ashanti Ltd	10,598.13	30.00	30.00	30.00	-	30.00	30.00	
Aluworks Ltd	18.34	0.61	0.50	0.44	(0.06)	0.44	0.61	
Ayrton Drug Manufacturing Ltd	32.25	0.16	0.15	0.15	-	0.15	0.16	13
Benso Oil Palm Plantation Ltd	17.40	1.00	0.50	0.50	-	0.50	1.00	6
CAL Bank Ltd	41.28	0.60	0.25	0.25	-	0.21	0.60	7
CFAO Ltd	9.67	0.04	0.04	0.04	-	0.03	0.05	1
Clydestone Ghana Ltd	2.72	0.08	0.08	0.08	-	0.08	0.08	7
Camelot Ghana Ltd	1.05	0.16	0.16	0.16	-	0.16	0.16	8
Cocoa Processing Co. Ltd	44.03	0.05	0.05	0.04	(0.01)	0.04	0.05	
Ecobank Ghana Ltd	624.75	4.50	3.13	3.10	(0.03)	1.97	4.50	12
Enterprise Insurance Co. Ltd	58.80	3.14	2.50	2.30	(0.20)	2.50	3.14	18
Ecobank Transnational Inc.	1,834.02	0.45	0.21	0.21	-	0.13	0.45	9
Fan Milk Ltd	85.07	4.50	4.30	4.30	-	2.50	4.50	5
Ghana Commercial Bank	209.35	1.10	0.79	0.79	-	0.45	1.10	6
Guinness Ghana Breweries Ltd	217.37	2.00	1.30	1.32	0.02	1.26	2.00	12
Ghana Oil Company Limited	35.73	0.32	0.18	0.17	(0.01)	0.15	0.32	6
Golden Star Resources	729.82	3.10	3.10	3.10	-	3.10	3.10	
Golden Web Ltd	1.75	0.05	0.05	0.05	-	0.05	0.05	
HFC Bank (GH)	78.80	0.62	0.62	0.62	-	0.62	0.62	9
Mechanical Lloyd Company	10.02	0.21	0.20	0.20	-	0.20	0.21	7
Pioneer Kitchenware Ltd	2.33	0.07	0.07	0.07	-	0.07	0.07	
Produce Buying Co. Ltd	96.00	0.21	0.20	0.20	-	0.20	0.21	36
PZ Cussons GH. Ltd	30.80	1.12	1.10	1.10	-	1.10	1.20	9
Standard Chartered Bank	510.29	38.00	29.00	29.00	-	29.00	38.00	8
SIC Insurance Company Ltd	58.69	0.50	0.33	0.30	(0.03)	0.20	0.50	8
Starwin Products Ltd	3.70	0.05	0.05	0.05	-	0.04	0.05	84
SG-SSB Bank Ltd	162.45	1.35	0.59	0.57	(0.02)	0.34	1.35	4
Sam Woode Ltd	0.65	0.03	0.03	0.03	-	0.03	0.03	
Trust Bank (Gambia) Ltd	79.80	1.33	1.33	1.33	-	1.33	1.33	89
Total Petroleum GH. Ltd	97.89	7.60	7.50	7.50	-	6.80	7.60	8
Transaction Solutions (GH)	8.00	0.11	0.10	0.10	-	0.10	0.11	
Unilever Ghana Limited	213.75	4.00	3.42	3.42	-	3.40	4.00	
UT Financial Services Ltd	37.93	0.33	0.18	0.18	-	0.17	0.33	8
<b>Depository Shares</b>								
AngloGold Ashanti Depository	29.37	0.35	0.30	0.30	-	0.30	0.35	
<b>Preference Shares</b>								
Standard Chartered Bank Preference	9.09	0.52	0.52	0.52	-	0.52	0.52	