GNAM Investment Competition

UNIVERSITY OF GHANA BUSINESS SCHOOL
FAN MILK GHANA LTD

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INTRODUCTION

The Ghana stock Exchange has provided the platform for both the Government and the private businesses to enable them raise capital. Investors also play a key role in the Ghana stock Exchange market because they are the provider of capital. As much investor wish to earn huge returns they are also mindful of risk. Diversification of investment is essential to ensure:

❖Liquidity of investment

❖Good returns

❖Capital safety

Stock performance evaluation is therefore very crucial to investment decision

The Ghana stock exchange(GSE)

- 36 Companies r listed of the GSE. The manufacturing and brewing sectors currently dominate the exchange. A distant third is the banking sector while other listed companies fall into the insurance, mining and petroleum sectors

- In 1994 it was the best index performing stock market among all emerging markets, gaining 124.3% in its index level.

- From January to July 2013, the GSE Composite Index stands at 61.39% as against 6.06 per cent for the whole of 2012.

- At the close of business on July 31, In terms of value, total trade stands at GH¢230.51 million, as against GH¢102.2 million for the whole of last year.

METHODOLOGY

OVERVIEW

❖It considers the formula adopted for the research, the investment tools, the sources of data and the methods used in analyzing the data

❖The study is purely archival research using data from the firms listed of the GSE

❖Data sample description; which talks about the sources of data

❖Performance measure; methods used in analyzing the data

❖This measure is to evaluate the performance of the listed companies in Ghana

DATA AND SAMPLE DESCRIPTION

- The analysis was based on past data of the firms listed on GSE over a period of five years spanning from 2010 to 2014.
- It made use data from the published annual reports of list of the top 15 from which ownership concentration and some performance measurements were derived
- Data on market capitalization was extracted from the GSE profile of listed Firms
- It also made use of audited reports of the list of top 15 Companies listed
- Panel data is also used to increase efficiency. Since not all these banks were in existence for the entire study period

PERFORMANCE MEASURE

Capital Asset Pricing Model

Capital asset pricing model is a tool for analyzing the risk level of an investment. There are two types of risk under this model.

•systematic

•firm-specific risk.

The measure of the systematic risk is represented by beta (β), beta measures the sensitivity of a stocks return to the return on the market

the beta of the market portfolio is 1. If you have β≥1, it implies riskier stock. But β≤1 is less risky.

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PERFORMANCE MEASURE

Company	Expected Returns	Ranking	BETA
SCB	354.8464932	1	-13.1883703
PZC	37.39102446	4	-0.48965993
TWL	41.98012426	3	-0.42198675
ALW	32.2651443	5	-0.28333341
SOGEGH	47.54105458	2	-0.13054678
GSR	27.50835851	6	-0.09433799
ETI	26.84621289	7	-0.06785114
HFC	26.472216	8	-0.05289069
TRANSOL	26.1985172	10	-0.04194231

STOCK ANALYSIS

<u>Capital Asset Pricing Model</u> measures the changes of stock to return on the market, where β>1, signifies a more riskier stock but when β<1, it implies a less risky stock, the table above have been computed with expected returns on stock in relation to the level of risk;

•where Expected Return. E(R) =rf+β (Rm-rf).

In light of the above calculated returns, we analyzed and selected companies

•that are less risky and high

•expected earnings of stock.

Therefore the table reflects the rating of the highest expected earning as against the least risk stock. The team ranks the best performing stocks to be included in the asset classes which would form the main portfolio.

Excess Return

- The entire analysis was finally based on the excess return. We identified the excess return to be the most prudent base for selecting the investment for the final portfolio. It is computed as actual return minus expected return.
- Mathematically speaking, excess return is the rate of return that exceeds what was expected or predicted by models like the capital asset pricing model (CAPM).

COMPANY	EXCESS RETURN	RANK
BOPP	158.9	5
AGL	64.9	6
FML	486.5	1
GCB	265.6	3
GGBL	256.9	4
GSR	279.2	2

INVESTMENT SELECTION-FANMILK GHANA LTD

PROFILE

The Company was founded by a Danish entrepreneur, Erik Emborg. Fan Milk Limited has been in existence since 1962. The company was converted to a public limited liability in 1969.

•**Core purpose :** To provide satisfaction and value to society.

•**Vision :** To be one of the leading food companies in West Africa.

•**Mission:** To produce high quality, nutritious and refreshing products to our consumers. We are committed to achieving excellence in all areas of our corporate endeavour, while adding to stakeholder value.

•stated capital of GHS 10,000,000 and issued shares 116,207,288 out of 200,000,000 shares

Performance review-Fanmilk Gh Ltd

PERFORMANCE IN 2014					
Company	**EPS**	**P/E Ratio**	**Margins**	**Revenue Growth**	**Excess Return**
FML	0.1177	45	8.48%	27.72%	486.5540802
GGBL	-0.1265	N/A	-2.61%	3.00%	256.969375
GCB	1.0307	5	39.10%	25.11%	265.6265598
GSR	0.0427	55	-25.37%	-29.69%	279.2627103
BOPP	0.3649	11	16.38%	-13.23%	158.9325802

•There was 27.72% growth in revenue in 2014. however there was a negative growth of 30.72% in the net profit. This was due to high cost of production as a result of the power crisis

•The first quarter of 2015 was characterized by numerous challenges such as high costs of raw materials, escalating packaging and running costs as well as electricity load shedding

•The Company however, increased Revenue by 94%. Operating Profit increased by 161% whereas Net Profit before Tax increased 168% compared to the first quarter of 2014.

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- As a result of healthy volume growth, Revenue for the Company increased by approximately 92% compared to the same period in the previous year in the 2nd Quarter.

- Income and Cost taken into consideration, Fan Milk Ltd. generated a Net Profit before Tax of GHS 34.2 million, an increase of almost 214% compared to same period in 2014.

- The Board and Management expectations in relation to improved electricity supply and a stabilizing Ghana Cedi in mind, they are confident that Fan Milk Limited will generate attractive results for the entire year 2015.

CONCLUSION

Overall, with the achievements made till now in addition to various promises made with respect to improvements in the electricity situation, ongoing road construction work and expectations of a stabilized Ghana Cedi, it is anticipated that Fan Milk Limited will continue to generate attractive results during the year 2015.

INVESMENT TWO

INTRODUCTION

Golden Star Resources (GSR) Ghana is a reputable goldmining company with producing assets and development projects in western Ghana namely Wassa and Prestea sites. It is strategically focused on increasing operating margins with the development of high grade underground mines. It holds 90% interest in the Wassa and Prestea mines in the western region of Ghana. It is currently undergoing expansion to start high grade underground mining in 2016 which will operate in conjunction with the open pit operations.

It has a high competitive barrier to entry due to its high operational costs and investments. The GSR has a highly scalable business model due to their rigorous expansion drive.

The growth opportunities are very bright. Potential for growth include expansions in both its Wasssa and Prestea mines in both the underground mines and open pit mining. The exploration of the underground and open pit mining will lead to increase in growth and performance.

FINANCIAL ANALYSIS

GOLDEN STAR RESOURCES	Column1	Column2	Column3	Column4
PROFITABILITY RATIO	2014	2013	2012	2011
NET PROFIT MARGIN	255.06	63.81	(1.86)	(0.53)
RETURN ON ASSET	325.09	91.64	(1.41)	(0.34)
RETURN ON EQUITY	71,397.02	416.29	(2.33)	(0.57)
ASSET TURNOVER	1.27	1.44	0.76	0.65

INVESTMENT THREE

INTRODUCTION

Ghana Commercial Bank (GCB) is a publically and privately owned company with the government having a majority stake in the business. It occupies an environment in the financial services industry where intense competition and higher consumer expectation exists. Due to its local touch with the populace, it has competitive advantage over the other banks as they are better placed to secure more customers in the public sector who by virtue of working for the government have accounts with GCB. It is a traditional bank,   hence it has a wider appeal to the broader classes of citizens in the country.

It is an industry with high competitive barriers due to its huge initial capital outlay. The bank over its 60years of existence has the ability to support and encourage growth by doing business with personal, sole proprietors, companies and other governmental institutions. It is the largest independent bank with huge financial muscle and thus has the capacity to grow over the for seeable future.

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FINANCIAL ANALYSIS

GHANA COMMERCIAL BANK	Column1	Column2	Column3	Column4
PROFITABILITY RATIO	2014	2013	2012	2011
NET PROFIT MARGIN	36.73	392.21	39.10	40.49
RETURN ON ASSET	6.38	6.59	6.38	65.91
RETURN ON EQUITY	40.92	49.98	40.93	6.59
ASSET TURNOVER	0.17	0.02	0.16	1.63

INVESTMENT FOUR

INTRODUCTION

Guinness Ghana Breweries is a Ghanaian brewery based at the Kumasi. They are listed on the stock index of the Ghana Stock Exchange, the GSE All-Share Index. It formed in 1991.When production started at its inception, the company produced only Guinness Foreign Extra Stout, popularly known as Guinness. The primary depot was at the same position with stores across the country particularly in the south. In 1988/89 another brand, this time non-alcoholic beverage, Malta Guinness was introduced and that became an instant hit capturing almost 70% of that market.

Due to its uniqueness and innovativeness in the brewery industry, GGBL has a unique blend of product that appeal to the masses and therefore has extensive opportunity for growth

FINANCIAL ANALYSIS

GGBL	Column1	Column2	Column3	Column4
PROFITABILITY RATIO	2014	2013	2012	2011
NET PROFIT MARGIN	3.47	5.69	(0.53)	
RETURN ON ASSET	2.74	6.13	(0.34)	
RETURN ON EQUITY	8.16	119.39	(0.57)	
ASSET TURNOVER	0.79	1.08	0.65	

INVESTMENT FIVE

INTRODUCTION

Benso Oil Palm Production (BOPP) was incorporated in 1976 jointly by UnileverPLC and the government of ghana as a private limited company limited by shares to produce crude oil (CPO)in Ghana. It was later converted into a PLC in 2014.The nature of the business the company is authorized to carry on include ,growing of palm oil and other agricultural products, processing of palm fruits and producing palm oil and palm kernel.

The company is strategically positioned in the oil palm industry as it is one of the biggest players in the industry. Due to its high level of technology, it combines expertise and skills to uniquely deliver superior products. There is a huge market potential both for local consumption and external (exports).There are a lot of other equally good prospects for growth for this sector as its demand is always outstripping supply. This leads to increased revenue and growth to the company

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FINANCIAL ANALYSIS

BOPP	Column1	Column2	Column3	Column4
PROFITABILITY RATIO	2014	2013	2012	2011
NET PROFIT MARGIN		16.38	32.83	
RETURN ON ASSET		12.64	30.99	
RETURN ON EQUITY		13.30	33.07	
ASSET TURNOVER		0.77	0.94	

INVESTMENT THESIS ABOUT PUBLICLY TRADED DOMESTIC COMPANIES INCORPORATED AND IN GHANA.

A THESIS PRESENTED BY:

UNIVERSITY OF GHANA BUSINESS SCHOOL TEAM.

CHAPTER ONE:

1. **INTRODUCTION**

II. Overview

Investment is one of the most important macroeconomic variables because the capacity of production of any economy depends not only on labour but also on the capital available to produce goods and services. The stock of capital increases then firms acquire new tools, buildings, computers, and machines to help produce consumption and capital goods. Investment is thus, a flow that increases capital accumulation in the economy. However, all of the flows that reduce the stock of capital are referred to as “depreciation”.

From time to time, firms need to make some investments to replace the capital that has depreciated. Any other investment above depreciation increases the stock of capital and creates a greater productive capacity. Unlike real assets such as machinery and buildings, financial assets such as stocks and bonds are means by which investors hold claims on real assets. Financial assets are claims to the income generated by real assets.

Common stocks or equity represents ownership share in corporations. Equity holders are not promised any particular payments, they receive dividend the firm may pay and prorated ownership in the real assets of the firm, thus if the firm is successful equity value increases; if not then it decreases.

Since its inception, the Ghana Stock Exchange (GSE) listings have been included in the main index, the GSE All-Share Index. In 1993, the GSE was the sixth best index performing emerging stock market, with a capital appreciation of 116%. In 1994 it was the best index performing stock market among all emerging markets, gaining 124.3% in its index level. 1995's index growth was a disappointing 6.3%, partly because of high inflation and interest rates. Growth of the index for 1997 was 42%, and at the end of 1998 it was 868.35 (see the 1998 Review for more information). As of October 2006 the market capitalization of the Ghana Stock Exchange was about 111,500 billion cedis ($11.5 billion). As of December 31, 2007, the GSE's market capitalization was 131,633.22 billion cedis. In 2007, the index appreciated by 31.84% (see the "Publications" section on the GSE's website for more information).

From January to July 2013, the GSE Composite Index stands at 61.39 per cent, as against 6.06 per cent for the whole of 2012. The GSE Financial Stock Index equally stands at 61.66 per cent, as against 0.53 per cent for the entire 2012
total market capitalization of commercial banks for the period under review stands at GH¢55.78 billion as against GH¢54.95 billion in 2012 with domestic capitalization doubling from GH¢5.57 billion to GH¢10.57 billion.

Total volume of trade is equally on the rise. At the close of business on July 31, total trade stood at 209.16 million as against 218.13 million, for the whole of last year. In terms of value, total trade stands at GH¢230.51 million, as against GH¢102.2 million for the whole of last year.
The manufacturing and brewing sectors currently dominate the exchange. A distant third is the banking sector while other listed companies fall into the insurance, mining and petroleum sectors. Most of the listed companies on the GSE are Ghanaian but there are some multinationals. These are the list of Ghanaian Companies and their Stock Listed names;

Company	**Name**	**Industry**
PBC	Produce Buying Company	Agriculture
CPC	Cocoa processing Company	Agri-processing
FML	Fanmilk ltd	Agri-processing
GWEB	Golden web	Agri-processing
BOPP	Benso Oil Palm Plantation	Consumer goods
GGBL	Guinness Ghana	Consumer goods
MLC	Mechanical Lloyd ltd	Consumer goods
PKL	Pioneer Kitchenware Ltd	Consumer goods
UNIL	Unilever	Consumer goods
GOIL	Ghana oil company	Energy
TLW	Tullow Oil	Energy
CAL	Cal bank Ltd	Financial
EBG	Eco bank Gh ltd	Financial
EGL	Enterprise Grp Ltd	Financial
ETI	Eco bank Transnational Inc.	Financial
GCB	Ghana commercial Bank	Financial

HFC	Home Finance	Financial
MAC	Mega Africa Capital	Financial
SCB	Standard Chartered Bank	Financial
SIC	State Insurance Company	Financial
SOGEGH	Societe Generale Ghana ltd	Financial
TBL	Trust Bank Ltd	Financial
UTB	United trust Bank	Financial
ACI	Africa champions industry	Manufacturing
ALW	Aluworks	Manufacturing
AYRTN	Ayrth Drug Company ltd	Manufacturing
CMLT	Camelot Ghana ltd	Manufacturing
PZC	PZ Cussons ghana ltd	Manufacturing
SPL	Starwin Product ltd	Manufacturing
AADS	AngloGold ashanti	Mining
AGA	AngloGold ashanti ltd	Mining
GSR	Golden Star	Mining
GLD	Newgold ltd	Service
SWL	Samwork Publishing	Service
TRANSOL	Transol solution Ghana ltd	Service

Ghana's economy has been strengthened by a quarter century of relatively sound management, a competitive business environment, and sustained reductions in poverty levels. In late 2010, Ghana was categorized as a lower middle-income country. Ghana is well-endowed with natural resources and agriculture accounts for roughly one-quarter of GDP and employs more than half of the workforce, mainly small landholders. The services sector accounts for 50% of GDP. Gold and cocoa production and individual remittances are major sources of foreign exchange. Investment rate in any economy increases if there is a growing surplus above the current consumption that can be tapped and directed into productive investment
Channels (Meier, 1976). According to Meier (1976), the process of capital formation occurs in three steps, namely:

1. Increase in the volume of real savings so that resources can be released for investment purposes;
2. Channeling of savings through finance and credit mechanism, so that investible funds can be collected from a wide range of sources and claimed by investors;
3. The act of investment itself, by which resources are used for increasing capital stock.

2. METHODOLOGY

2.1 Overview

This chapter describes the procedures used to collect and analyze the data in order to answer the research questions. Specifically, it considers the formula adopted for the research, the investment tools, the sources of data and the methods used in analyzing the data
Both quantitative and qualitative methods are adopted in this these, this is because it helps in the best prediction of outcomes (Harry. M .Markowitz, 2014), it also makes it possible to deduce the logic of the asset classes selected. The source of the data is Ghana Stock Exchange and it focuses on the publicly traded companies, this measure is to evaluate the performance of the listed companies in Ghana, the trend analysis is spanned from 2010 to date. A panel dataset also controls for cross-sectional unobserved heterogeneity (Brooks, 2008) which, when ignored can lead to biased results (Seppi, 2014).

2.2 Source of Data and Equation

The publicly traded companies for the study constitute all the 35publicly traded companies operating in Ghana. Data covering the years 2010 to 2013 is extracted from the annual reports of the banks under consideration. Since not all these banks were in existence for the entire study period, an unbalanced panel method is used. Primarily, data is sourced from the Ghana Stock Exchanged Supervised by Department of the Bank of Ghana, some of the tools employed in computing the best equities include; capital asset pricing model, co-efficient of variance and accounting ratio.

2.3 The Method

2.3.1Capital Asset Pricing Model

Every portfolio is attributed to some level of risk, and in investment the higher the risk the higher the reward, in a capital asset pricing model is a tool for analyzing the risk level of an investment, there are two types of risk under this model, these are; systematic and firm-specific risk.

When you combine stocks into portfolio, it reduces the standard deviation below a level you would have obtained as compared to a simple weighted average (Harry. M .Markowitz, 2014), when you engage in diversification, when you do not invest your money into one asset class, the probability that you reduce the risk is higher than if you put your money in one stock. (Harry, 2012) to state that the profit expected on a portfolio depends on the risk of the stock, the higher the higher the return. For systematic risk, they are risks that are macroeconomic in nature, affecting all securities, while firm specific risks are particular to the firm.

And the measure of the systematic risk is represented by beta (β), beta measures the sensitivity of a stocks return to the return on the market, we have a market portfolio which is a collection of all assets the economy, then we have stocks of companies, how sensitive is the stock to the assets in the economy, is it high/ does it contain the same risk as the market risk?, the beta of the market portfolio is 1. If you have β≥1, it implies riskier stock. But β≤1 is less risky. Therefore if you make investment there is an expectation of risk free rate, so for assets that are not risk free there are uncertainty surrounding the stock so the companies compensate you the investor for the probability you may not achieve expected earnings that is the risk premium, to calculate the risk premium; rf+ β (Rm-rf), where rf is risk free rate, β is beta, Rm is market return = Expected Return. E(R) =rf+β (Rm-rf).

β is calculated as the co-variance between the market return and the stock return all over variance of the market return. β = Cov (RmRs) / variance of economic return.

Return=$\frac{p0-p1}{p0}$, mean =$\sum\frac{fx}{f}$

Covariance (Cov) = (Rm-Rs)

.$\frac{(x-\overline{x})(y-\overline{y})}{n-1}$

$$\overline{r_a} = r_f + \beta_a(\overline{r_m} - r_f)$$

Where:

r_f = Risk free rate

β_a = Beta of the security

$\overline{r_m}$ = Expected market return

This were the companies that appear to be performing based on the beta computation

Company	Expected Returns	Ranking	BETA	Cum(Average)	Cum(Variance)	SD	COV
SCB	354.8464932	1	-13.18837	33.20593434	57.41160136	7.577044	0.228183
PZC	37.39102446	4	-0.4896599	0.769790404	0.04827186	0.219709	0.285414
TWL	41.98012426	3	-0.4219868	0.509583333	0.052670833	0.229501	0.45037
ALW	32.2651443	5	-0.2833334	0.196666667	0.002877273	0.05364	0.272747
SOGEGH	47.54105458	2	-0.1305468	0.862916667	0.009179167	0.095808	0.111028
GSR	27.50835851	6	-0.094338	3.053611111	0.397581061	0.63054	0.20649
ETI	26.84621289	7	-0.0678511	0.186805556	0.003720833	0.060999	0.326535
HFC	26.472216	8	-0.0528907	0.660492424	0.010447247	0.102212	0.154751
TRANSOL	26.1985172	10	-0.0419423	0.060555556	4.77E-05	0.006908	0.114085

2.32.Excess returns

The entire analysis was finally based on the excess return. We identified the excess return to be the most prudent base for selecting the investment for the final portfolio. It is computated as actual return minus expected return.

Mathematically speaking, excess return is the rate of return that exceeds what was expected or predicted by models like the capital asset pricing model (CAPM). In considering the CAPM formula:

r = Rf + beta * (Rm - Rf) + excess return

Where:

r = the security's or portfolio's return

Rf = the risk-free rate of return

beta = the security's or portfolio's price volatility relative to the overall market

Rm = the market return

The bulk of the CAPM formula calculates what the rate of return on a certain security or portfolio ought to be under certain market conditions. Note that two similar portfolios might carry the same amount of risk (same beta) but because of differences in excess return, one might generate higher returns than the other. This is a fundamental quandary for investors, who always want the highest return for the least amount of risk.

2 INVESTMENT SELECTION-FANMILK GHANA LTD

Capital Asset Pricing Model measures the changes of stock to return on the market, where $\beta>1$, signifies a more riskier stock but when $\beta<1$, it implies a less risky stock, the table above have been computed with expected returns on stock in relation to the level of risk, where Expected Return. $E(R) = rf+\beta\ (Rm-rf)$.

In light of the above calculated returns, we analyzed and selected companies that have $\beta<1$, thus less risky and also have high expected earnings of stock. However Excess return is the best measurable way to determine whether a manager's skill has added value to a portfolio on a risk-adjusted basis. This is why it is the holy grail and therefore the bases for our stock selections to be included in the final portfolio as shown in excess return table.

COMPANY	EXCESS RETURN	RANK
BOPP	158.9	5
AGL	64.9	6
FML	486.5	1
GCB	265.6	3
GGBL	256.9	4
GSR	279.2	2

PERFORMANCE IN 2014					
Company	**EPS**	**P/E Ratio**	**Margins**	**Revenue Growth**	**Excess Return**
FML	0.1177	45	8.48%	27.72%	486.5540802
GGBL	-0.1265	N/A	-2.61%	3.00%	256.969375
GCB	1.0307	5	39.10%	25.11%	265.6265598
GSR	0.0427	55	-25.37%	-29.69%	279.2627103
BOPP	0.3649	11	16.38%	-13.23%	158.9325802

Fanmilk Ghana Ltd was selected as the best investment because it has the highest excess returns among all the stocks listed on the GSE. The Company was founded by a Danish entrepreneur, Erik Emborg. Fan Milk Limited has been in existence since 1962. The company was converted to a public limited liability in 1969, and is currently engaged in the production and distribution of milk-based and fruit-based products. Fanmilk currently has a stated capital of GHS 10,000,000 and issued shares 116,207,288 out of 200,000,000 shares

Their core purpose is to provide satisfaction and value to society with vision to be one of the leading food companies in West Africa. The Company's mission is to produce high quality, nutritious and refreshing products to our consumers and committed to achieving excellence in all areas of corporate endeavor, while adding to stakeholder value. In 2013 and 2012, Fanmilk was awarded Overall Best Industrial Company of the Year and Best Food and Beverages, Large scale. Over the years under review there has been a revenue growth of about 71% and 27% in 2014.

The first quarter of 2015 was characterized by numerous challenges such as macro-economic issues, high costs of raw materials, escalating packaging and running costs as well as electricity load shedding. However, in spite of these significant challenges, Fan Milk Limited increased volume output over and above the volumes recorded in the corresponding period of 2014.
The Company increased Revenue by 94%. Operating Profit increased by 161% whereas Net Profit before Tax increased 168% compared to the first quarter of 2014.
Overall, with the achievements made till now in addition to various promises made with respect to improvements in the electricity situation, ongoing road construction work and expectations of a stabilized Ghana Cedi, it is anticipated that Fan Milk Limited will continue to generate attractive results during the year 2015.

As a result of healthy volume growth, Revenue for the Company increased by approximately 92% compared to the same period in the previous year in the 2nd Quarter.
Income and Cost taken into consideration, Fan Milk Ltd. generated a Net Profit before Tax of GHS 34.2 million, an increase of almost 214% compared to same period in 2014.
In spite of the many challenges experienced during the first half year of 2015. The Board and Management expectations in relation to improved electricity supply and a stabilizing Ghana Cedi in mind, they are confident that Fan Milk Limited will generate attractive results for the entire year 2015.

CONCLUSION

The Ghanaian economy, even though it has faced challenges in recent times, is classified as a developing economy. The current energy crisis which has weakened economic growth in recent times is expected to persist throughout 2015. The situation is expected to normalize between 2016 and 2017 with an accelerated growth of 5.6% well ahead of the projected growth in other developing regions around the world.

Ghana is among the first ten fastest growing economy in Africa but First in West Africa, in spite of all its serious energy crisis, among other problems like high inflation and exchange rate, therefore there is high potential of growth in Ghana, once this temporal problems are fixed. Projections indicate exponential growth in the country in the economy within a shortest possible time.

With this growth prospects in mind, we believe that investment in the listed stocks on the Ghana Stock Exchange, especially Fanmilk Gh Ltd is a prudent decision.

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