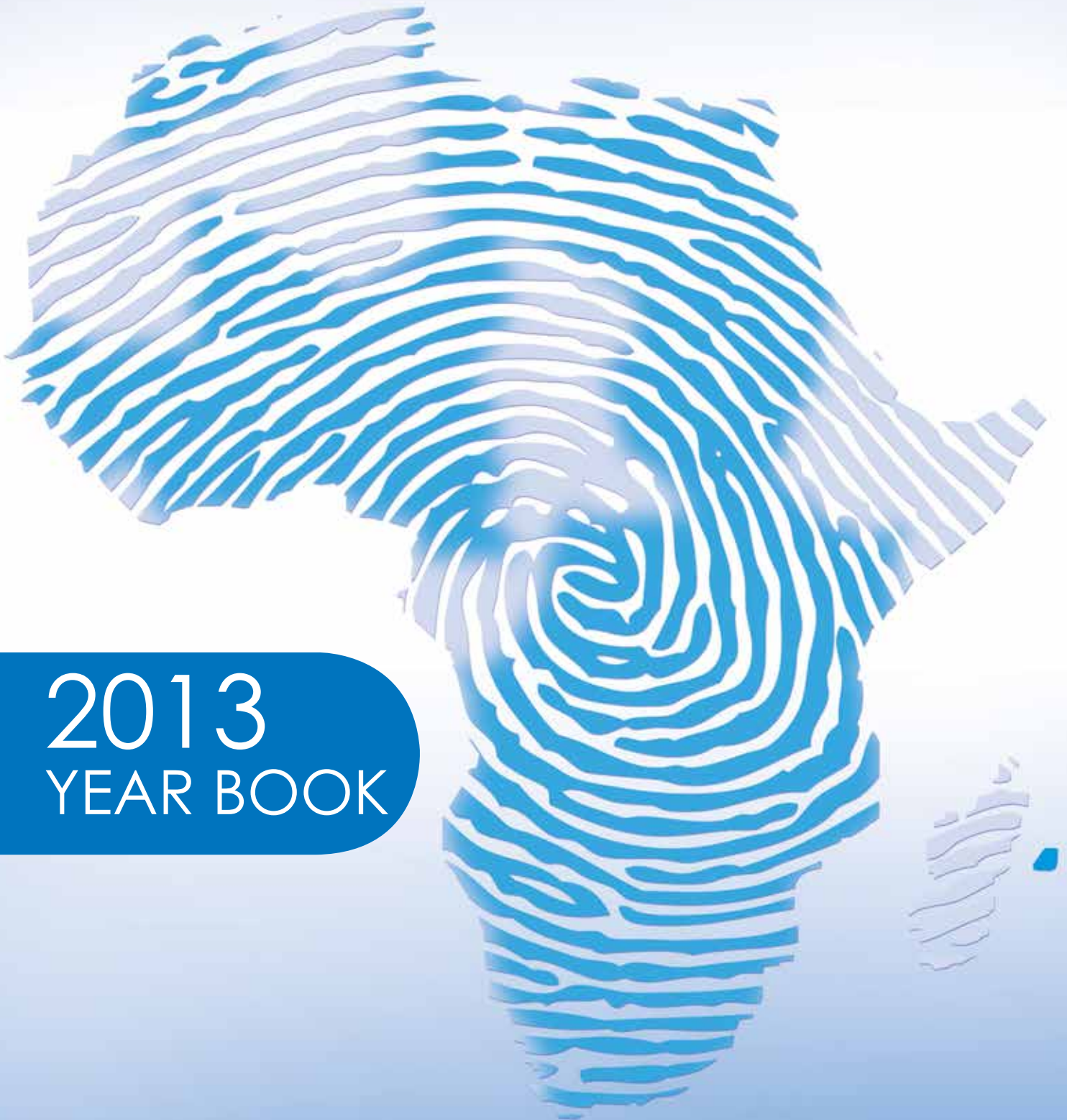


# ASEA

## AFRICAN SECURITIES EXCHANGES ASSOCIATION



2013  
YEAR BOOK



# ASEA

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**AFRICAN SECURITIES  
EXCHANGES ASSOCIATION**

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**2013  
YEAR BOOK**

# ASEA MEMBER COUNTRIES MAP



# ASEA MEMBER EXCHANGES

1. Botswana Stock Exchange
2. Bolsa de Valores de Cabo Verde
3. Bourse Regionale des Valeurs Mobilières
4. Bourse de Tunis
5. Casablanca Stock Exchange
6. Dar-Es Salaam Stock Exchange
7. Douala Stock Exchange
8. Egyptian Exchange
9. Ghana Stock Exchange
10. Johannesburg Stock Exchange
11. Khartoum Stock Exchange
13. Libyan Stock Market
14. Lusaka Stock Exchange
15. Malawi Stock Exchange
16. Mozambique Stock Exchange
17. Nairobi Securities Exchange
18. Namibian Stock Exchange
19. Nigerian Stock Exchange
12. Rwanda Stock Exchange
20. Sierra Leone Stock Exchange
21. Stock Exchange of Mauritius
22. The Namibian Stock Exchange
23. Uganda Securities Exchange
24. Zimbabwe Stock Exchange
25. SAFE ASIA (Associate Member)



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SOFTWARE  
HOURS  
ACROSS  
SECURITY  
SOFTWARE  
SECURITY

GNIT  
AERC



A stylized globe graphic in the background, rendered in light blue and white lines, showing latitude and longitude. It is positioned on the left side of the page, partially overlapping the white background.

**1**

**PROFILES OF**

**ASEA  
EXECUTIVE  
COMMITTEE  
MEMBERS**





## The Stock Exchange of Mauritius



SUNIL BENIMADHU, PRESIDENT

### President, African Securities Exchanges Association and Chief Executive of the Stock Exchange of Mauritius (SEM)

Sunil Benimadhu is the Chief Executive of the Stock Exchange of Mauritius (SEM). He has also spearheaded the project to enable the SEM join the World Federation of Exchanges, a key standard-setter in the stock exchange industry. Sunil was elected President of the African Securities Exchanges Association (ASEA) on the 30th August 2010 and re-elected for a further term of two years on December 2, 2012. He was a member of the Executive Committee of the South Asian Federation of Exchanges (SAFE), and the Chairman of the SADC Committee of Stock Exchanges (COSSE). Sunil is also a regular speaker on emerging markets and on African markets in international stock exchange conferences.

Before joining the SEM, Sunil worked in the Treasury Department of the African Development Bank (AfDB). He was the General Manager of the National Mutual Fund Limited in Mauritius and played an instrumental role in the structuring, marketing and setting up of the National Investment Trust Limited, one of the largest investment trusts listed on the Exchange.

Sunil Benimadhu holds a MBA in Finance and Investment from the University of Illinois, United States. He also holds a D.E.A in Development Economics and a Maîtrise in Macro-Economics from the University of Aix-Marseille, France.





**OSCAR ONYEMA, VICE PRESIDENT**

### **Vice President, African Securities Exchanges Association and Chief Executive of The Nigerian Stock Exchange**

Oscar Onyema is the Chief Executive Officer of The Nigerian Stock Exchange, a position he assumed in April 2011. Prior to this role, he served for over 20 years in United States financial markets and the Nigerian information technology sector. Mr. Onyema is the Chairman of Central Securities Clearing System (CSCS) Limited, the clearing house for the Nigerian capital market; he is also a Council member of the Chartered Institute of Stockbrokers of Nigeria (CIS). He is the Vice President of the African Securities Exchanges Association, and a Global Agenda Council member of the World Economic Forum.

In 2009, Mr. Onyema founded Market Strategists LLC and consulted under the Gerson Lehrman Group in the United States, successfully enabling decision-makers at investment firms and corporations better understand financial products, services, companies, and issues in global financial markets. Mr. Onyema served as the Senior Vice President and Chief Administrative Officer at American Stock Exchange (Amex), which he joined in 2001. He was the first person of colour to hold that position, and was instrumental in integrating the Amex equity business into the NYSE Euronext equity business after their acquisition of Amex in 2008. He then managed the NYSE Amex equity trading business, which he helped position as a premier market for small and mid cap securities.

For approximately five years, Mr. Onyema served as Adjunct Lecturer of Economics at Pace University, New York. In 2008, he received the Financial Industry Regulatory Authority (FINRA) Series 7, 24 and 63 brokerage



licenses through Seamount Execution Services LLC, a FINRA member firm in New York. He remains active in the Security Traders Association of New York, and in the Securities Industry and Financial Markets Association, USA. In the late 1990s, he held various positions at New York Mercantile Exchange where he managed futures market structure initiatives. He started his post-NYSC career in Nigeria at Data Processing Maintenance and Services Ltd. (an IBM business partner) where he sold mid-range IBM systems.

Mr. Onyema holds an MBA in Finance and Investments from Baruch College, New York. He received his Bachelor's degree in Computer Engineering from Obafemi Awolowo University, Ile-Ife, Nigeria.





## The Casablanca Stock Exchange



KARIM HAJJI

### Chief Executive, Casablanca Stock Exchange

Karim Hajji is the CEO of the Casablanca Stock Exchange, the third largest exchange in Africa, and a member of the World Federation of Exchanges.

In 2011, he joined the HOPE Global Board of Advisors and was appointed Chairman of the Executive Committee of the Association of African French speaking Exchanges.

Prior to joining CSE in April 2009, he was Chairman and CEO of Atlas Capital Group, a well respected, independent investment bank, active in both corporate finance and asset management, which he had founded in 1999.

After an 8 year international career at Eli Lilly and Co in the US then in Italy and Switzerland, he had joined the ONA Group, Morocco's largest conglomerate, in 1990 as advisor to the Chairman, then General Manager of an affiliate in Monaco and finally Group CFO in 1994.

Karim Hajji holds an MBA from New York University's Stern School, a diploma from "Institut d'Etudes Politiques de Paris" and a Master's degree in capital markets from the University of Paris-IX Dauphine.



## The Egyptian Exchange



MOHAMMED OMRAN

### Executive Chairman, Egyptian Exchange

Professor Mohammed Omran is the Executive Chairman of the Egyptian Exchange and a Professor of Finance at the Arab Academy for Science and Technology. He is also a Board Member on the Privatization Agency of Kosovo. Prior to his current job, he was the Vice Chairman for Operation of the Insurance Holding Company in Egypt. Professor Omran also served as a Vice Chairman of the Egyptian Exchange for four years from 2006-2010. He holds an MSc from Cairo University and Ph.D. in Finance from the University of Plymouth, UK. He was a visiting Professor in several research and academic institutions such as University of Plymouth, University of Oklahoma, the World Bank, University of Laval, and Vaasa University. Professor Omran served several years as an Economist at both the Arab Monetary Fund in Abu Dhabi and the International Monetary Fund in Washington D.C. He was an advisor to the Minister of Investment and an Acting Executive Director of the Egyptian Institute of Directors. Professor Omran had been awarded several research grants and prizes, he was a Fulbright Scholar and he is a Research Fellow at the Economic Research Forum. He served as a reviewer for more than a dozen of Economics and Finance Journals. Professor Omran specializes in financial markets, corporate governance, corporate finance and privatization concentrating on the MENA region. He authored and co-authored around 40 papers and his work appears in several international Economics and Finance Journals such as: Journal of Financial Research, Journal of Comparative Economics, Journal of International Financial Markets, Institutions and Money, World Development, International Review of Law and Economics, Multinational Finance Journal, International Review of Financial Analysis, Journal of Investing, Emerging Market Review, International Journal of Business, Review of Accounting and Finance, International Journal of Theoretical and Applied Finance, and Global Finance Journal.





**EKOW AFEDZIE**

## Deputy Managing Director, Ghana Stock Exchange

Mr. Ekow Afedzie, is currently the Deputy Managing Director of the Ghana Stock Exchange. He was educated at the University of Ghana, Legon, Ghana where he obtained a Masters Degree in Business Administration in 1989. He also holds a Master of Arts Degree in Economic Policy Management, from the University of Ghana.

He joined the Ghana Stock Exchange in 1990 when it was established and he is currently the Deputy Managing Director of the Stock Exchange. He has held various positions at the Exchange including the General Manager and Senior Manager for Research, Systems and Marketing.

Mr. Afedzie has been one of the strong pillars behind the growing success of the Ghana Stock Exchange. He is experienced in stock market operations and has participated in many international conferences on Stock Market issues. He has also made contributions to local and international research on stock markets, and presented papers on stock market operations at many local and international fora.

Mr. Afedzie was the Project Manager for the recent automation of the Ghana Stock Exchange and he is also coordinating the Integration of West Africa Stock Markets. Mr. Afedzie currently serves as a Director on the boards of Ghana Stock Exchange and GSE Securities Depository Committee. He is also a member of the Governing committee of the newly established Ghana Alternative Market and the National Bond Committee.

He has been a past Vice President of the African Securities Exchanges Association (ASEA) for 4 years from 2005 – 2009 and currently a member of the Executive Committee of ASEA.





**JOSEPH KITAMIRIKE**

### Chief Executive, Uganda Securities Exchange

Mr. Kitamirike is the Chief Executive of Uganda Securities Exchange, having been appointed in August 2010.

In his previous assignments he worked as CEO of National Housing & Construction Company between 2005 and 2010, Commissioner for Industry & Technology between 2004 and 2005 at the Ministry of Tourism, Trade & Industry and Research Analyst at General Electric Capital Corp, Stanford, Connecticut. He also worked with Uganda Development Bank and Uganda Investment Authority.

Mr. Kitamirike is currently the Chairman of the East African Securities Exchanges Association (EASEA), an executive member of the African Stock Exchanges Association (ASEA). He also serves as director on the Board of the Central Depository & Settlement Corporation of Kenya, the Fidelis International Institute and as Senior Director at the Albright Stonebridge Group in Washington, DC.

Mr. Kitamirike holds a B.Sc. (Eng) (Hons.) in Mechanical Engineering from Makerere University and a MBA (Finance) from the University of Connecticut, USA.

Mr. Kitamirike is an avid reader with major interests in the fields of business, economics and leadership.





## Nairobi Securities Exchange



PETER MWANGI

### Chief Executive, Nairobi Securities Exchange

Mr. Peter Mwangi is the Chief Executive of the Nairobi Securities Exchange. He is also a Director of the Central Depository and Settlement Corporation in Kenya, and a Member of the Executive Committees of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA).

Before joining the Exchange, Peter was the Managing Director of Centum Investment, the largest publicly quoted investment company in the East African region from 2004 to 2008.

He started his career in the Kenya Air Force where he worked for 5 years and left having attained the rank of Captain.

Peter has been at the Exchange from November, 2008 to date and he has steered various initiatives which include the demutualisation and self-listing of the Nairobi Securities Exchange and spearheading the implementation of the Growth Enterprise Market Segment (GEMS) for mid cap companies amongst others.

Peter holds a Bachelor of Science Degree in Electrical Engineering from the University of Nairobi. He is a member of the CFA Institute, the CFA Society of South Africa, Institute of Certified Public Accountants of Kenya, Institute of Certified Public Secretaries of Kenya, East African Society of Investment Professionals, Institute of Directors of Kenya and the Kenya Institute of Management.







**GEOFF ROTHSCHILD**

## **CA (SA), Chartered Marketer (SA) Head: Government & International Affairs**

Geoff Rothschild is an immediate past Chairman of the JSE and was a member of the board from 1991 - 2008. Geoff currently holds the position of Head: Government and International Affairs promoting the JSE. After qualifying as a Chartered Accountant he spent 30 years in the stockbroking industry with Sasfin Frankel Pollak Securities. Initially he was in charge of administration, followed by the positions of Financial Director, Joint Managing Director and finally Marketing Director.

The positions he holds:-

- On African related bodies are:
  - Executive Committee member of the African Securities Exchange Association (ASEA);
  - The JSE's Representative on the Committee of SADC Stock Exchanges (CoSSE); and
  - Director of the NEPAD Business Foundation and Chairman of their Operating Committee.
- Council Member of the National Advisory Council for Innovation (NACI), which advises the Minister of Science and Technology.
- An Honorary Fellow of the Da Vinci Institute of Technology.



- Trustee of Brand South Africa
- An Adviser to Brand Africa
- Director on the NOAH (Nurturing Orphans of Aids for Humanity) Board
- Patron of Education Africa (EA)
- Patron of The Nelson Mandela Children's Hospital (NMCH)

In addition, he also assists various charitable organisations such as CHOC.



# 2

## **MEMBER EXCHANGE PROFILES**

# ALL INTELLIGENCE IS PRECIOUS

The African Rhinoceros may have a primitive appearance, but its horn masks a rare intelligence that makes it all the more important to preserve this remarkable animal. Possessing the ability to learn commands like dogs and dolphins, and to communicate through intricate breathing and grunting sounds, the Rhino surprises us with its natural intelligence. As a leading financial intelligence provider, I-Net Bridge believes all intelligence is valuable. Offering web-based applications, realtime information, financial analysis and digital content that give you an edge in the business world. And in an environment where survival of the fittest is the rule of law, I-Net Bridge is your natural selection. *For a natural match, contact us in Johannesburg on +27 11 280 0600, in Cape Town on +27 21 488 1856 or via email on [info@inet.co.za](mailto:info@inet.co.za). Visit us online at [www.inet.co.za](http://www.inet.co.za)*



Make an informed decision



# BOTSWANA STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.bse.co.bw">www.bse.co.bw</a>
Market Regulator	Non-Banking Financial Institutions Regulatory Authority (NBFIRA)
Address	Office Block 6, Plot 64511, Fairgrounds, Private Bag 00417, Gaborone, BOTSWANA
Trading Session hours (local time)	1040hrs - 1320hrs
Time Zone	GMT +2
Contact Person for ASEA	Dudu Garekwe
Telephone	(+267) 3180201
Fax	(+267) 3180175
E-mail	<a href="mailto:info@bse.co.bw">info@bse.co.bw</a>
Name of Local Currency	Pula (BWP)
Tax Rates (dividends, interest, capital gain)	7.5% withholding tax on dividend, 10% on Interest
Commodities Exchange	N/A

## OVERVIEW

The Botswana Stock Exchange (BSE) is Botswana's national stock exchange given the responsibility to operate and regulate equity and the fixed interest security market. Formally established in 1989, the BSE trace its humble beginnings to when it was known as Botswana Share Market (BSM). At that time there was no formal stock exchange in Botswana and the BSM traded as an informal market. There were only 5 listed entities with a single broking firm i.e. Stock Brokers Botswana Ltd (SBB), which was also charged with facilitating trading on the exchange via the matching of orders.

In order to encourage foreign investors to Botswana an interim exchange committee was set up in October 1990 with representatives from the private and public sector, including the secretary of the Zimbabwe Stock Exchange, the chief executive of SBB, the permanent secretary of the ministry of finance, and the Deputy Director of the Bank Supervision. The committee had the power to list and to de-list a stock, and was also responsible for ensuring that the BSE traded ethically [Ruben Lee, 1998]. The necessity to detach the running of the exchange from the broking business set in motion a process for the establishment of an independent exchange.

In September 1994, the legislation to transform the BSM into a full exchange was passed by Parliament paving the way for the establishment of the Botswana Stock Exchange (BSE) where trading opened in November 1995. In March 1998, Ernst and Young took the full administration of the BSE. With effect from July 2001, a full time Chief Executive Officer was appointed with the aim of making the BSE completely independent. In April 2003, in order to better execute the affairs of the Exchange, better serve stakeholder, and be more responsive to global events and to remain competitive, the BSE discontinued the secretarial role of Ernst and Young Botswana to become a fully independent entity.

The BSE continues to be pivotal to Botswana's financial system, and in particular the capital market, as an avenue on which government, quasi- government and the private sector can raise debt and equity capital. The BSE plays host to the most pre-eminent companies doing business in Botswana. These companies represent a spectrum of industries and commerce; these are Banking, Financial Services, Wholesaling and Retailing, Tourism, Energy, Funeral Services, Property, Security and Information Technology. Currently there are 30 listed entities in the BSE and comprise of 21 Domestic and 9 foreign companies.

## BOTSWANA STOCK EXCHANGE REGULATORY ENVIRONMENT

The main law which governs all the activities between the Exchange and its members, the proceedings of the Main Committee and its composition; the relationship between the Minister and the Exchange together



with the relations between the Registrar, is the Botswana Stock Exchange Act No 11 of 1994. The BSE is regulated by the Non Banking Financial Institutions Regulatory Authority.

The members have promulgated Rules (Member Rules) which provide the requirements to be fulfilled for the securities listed and traded on the Exchange. Members Rules provide as the main objective thereof, “to operate a Stock Exchange in Botswana with due regard to the public interest to maintain fair and efficient dealing in securities for the protection of investors and regulate the affairs of members”.

In addition, the Exchange has a set of Listing Requirements which provide the pre-listing requirements and post listing requirements to be observed by the issuers of listed securities. The emphasis is to make sure issuers disclose as much information to the public and investors so that the latter can make informed investment decisions.

## HIGHLIGHTS FOR YEAR 2012

- Average Daily Turnover declined by 10.4%
- Number of Shares Traded decreased by approximately 11% to P3.6 m
- Domestic Company Index increased by 7.74% while Foreign Company Index declined by 6.13%
- Equity Market Capitalisation increased to P412.4Mn
- Annual Turnover declined by 11% to P896Mn.
- A total of 3 new listings were achieved in 2012 made up of the following: 1 IPOs, 2 dual listings.

## ACHIEVEMENTS

The BSE has made progress in achieving strategic objectives:

### INFRASTRUCTURE

- CSDB started a project to email account statements
- 100% of domestic companies were dematerialised as at end of December 2012 and more than 61% of foreign companies
- ATS was commissioned in August of 2012.



## REGULATION

- Settlement cycle of transaction in BSE reduced to T+3 from T+4.
- BSE awaiting enactment of Securities Bill to enable it to proceed on several development initiatives which will include the corporatization of the BSE.
- New Trading Rules adopted following the implementation of the ATS.
- BSE Listings Requirement currently under review to bring them in line with current capital market requirements and applicable regulations.

## PRODUCT AND MARKET DEVELOPMENT

- Series of bond indices constructed.
- Market development initiatives of expanding the investor base by educating Batswana about the benefits and risks of investing in listed securities are continuing. This is in line with the BSE's strategy of increasing the retail investor participation in the stock market.

## GOVERNANCE STRUCTURE

- BSE Board Charter adopted.
- Differentiation between "independent" and "non independent" committee members made in the constitution of sub-committees.

## FINANCIAL RESOURCES

- BSE fees on transactions rationalised to reduce dependence on government subvention and the new fees came into effect in April 2011.
- BSE Strategic plan review in progress aimed at Commercialisation of the Exchange.





# 1. MARKET PERFORMANCE

## 1.1. Indices

The Domestic Company Index (DCI) closed the year 2012 at 7,510.24 points an increase of 7.7% compared to a growth of 8.7% in 2011. This was the first time in the past 5 years the DCI has registered a positive growth for 2 consecutive years as depicted in figure 1 signalling a possible index recovery to the effects of the financial crisis. The appreciation in the DCI in 2012 can be attributed to the growth in the index throughout the four quarters in 2012.

Figure 1: Index Performance 2008 to 2012

	2008	2009	2010	2011	2012
DCI	7,035.50	7,241.90	6,412.90	6,970.90	7,510.24
% Change in DCI	( 16.5)	2.9	(11.4)	8.7	7.7
FCI	1,192.00	1,418.30	1,673.90	1,703.90	1,599.53
% Change in FCI	(45.8)	9.0	18.0	1.8	(6.1)

Source: BSE

The quarterly analysis shown in Figure 2 confirms that the DCI was steadily increasing in 2012 having appreciated by 1.0%, 2.8%, 2.1% and 1.6% in Quarters 1, 2, 3, and 4 respectively.

The Foreign Company Index (FCI) recorded a depreciation of 6.1% to close 2012 at 1599.53 points compared to an appreciation of 1.8% in 2011. The FCI closed Quarter 1 with a gain of 0.3%, the only quarter of 2012 which recorded an increase. In Quarter 2, it depreciated by 2.4%, 0.4% in Quarter 3 and further declined by 3.7% in Quarter 4.

Figure 2: Quarterly Performance of the DCI and FCI 2012

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCI	7,037.51	7,238.05	7,389.28	7,510.24
% Change in DCI	1.0	2.8	2.1	1.6
FCI	1,709.29	1,667.99	1,661.69	1,599.53
% Change in FCI	0.3	(2.4)	(0.4)	(3.7)

Source: BSE



## 1.2. Market Turnover

### 1.2.1. Equity

Figure 3 below details the state of liquidity in the BSE since 2008. For these 5 years the highest turnover was recorded in 2008. This was the same year during which both the DCI and FCI recorded their steepest declines. The year 2012 recorded the highest number, of volume of shares traded registering 409.9 Mn shares in the last five years.

Figure 3: Indicators of Liquidity: 2008 to 2012

	2008	2009	2010	2011	2012
Turnover (P' Mn)	1,166.2	763.9	962.8	1,007.9	894.7
Average Daily Turnover (P 'Mn)	4.8	3.1	3.9	4.1	3.6
Turnover/ Average Market Cap (%)	3.9	2.7	3.5	3.5	2.7
No. of Shares Traded (Mn)	193.3	167.6	308.7	458.7	409.9
Shares Traded/Shares Listed	3.4	2.9	3.9	4.8	3.7

Source: BSE

Figure 4: Quarterly Market Turnover

Turnover	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Turnover (P' Mn)	171.6	195.6	146.3	381.3
Average Daily Turnover (P 'Mn)	2.7	3.2	2.4	6.3
Turnover/ Average Market Cap (%)	3.0	2.4	2.4	2.5
No. of Shares Traded (Mn)	75.1	88.4	70.7	175.7
Shares Traded/Shares Listed	0.7	0.8	0.6	1.6

Source: BSE

Quarterly analysis of market liquidity reveals a zig-zag movement in the BSE trading activities. It can also be observed that as it is the norm most of trading activity in terms of volume and value of shares traded took place in Quarter 4. Total volume of shares traded increased by 148.6% from 70.7 Mn in Quarter 3 to 175.7 Mn in Quarter 4.



## 1.3. Exchange Traded Funds (ETFs)

### 1.3.1. Performance of NewGold ETF

The Newgold ETF which was listed at a price of P83.00 per unit has shown an upward trend in price since listing, registering an appreciation of 51.0% in Pula terms as at the end of December 2012. On yearly basis the price of NewGold ETF appreciated by 5.6%. The price of the EFT reached an all time high of P136.50 on 8 October 2012.

The total volume of the NewGold ETF traded on the BSE in 2012 was 222,684 units with a value of P27.6 Mn at prices ranging between P114.30 and P136.50 per unit. During the year NewGold ETF recorded the highest monthly volume of 157 181 units worth P19.7 Mn in June accounting for over 70% of total turnover.

### 1.3.2. Performance of BettaBeta ETF

The BettaBeta ETF recorded a total volume of 1.1 Mn units at prices ranging between P31.10 and P39.35 per unit for a total value traded of P38.9 Mn in 2012. The ETF closed the year at peak, reaching its all time high price of P38.95 per unit on the 27th December 2012. This represents an appreciation of 19.4% since its listing price of P32.95 in May 2011.

## 1.4. Bond Market Performance

The total number of bonds listed on the BSE as at end of 2012 stood at 35 of which 8 bonds were traded during the year in comparison to 20 in 2011. The total value of bonds traded amounted to P332.2 Mn, compared to P325.1 Mn in 2011, representing an increase of 2.2%.

Figure 5: Market Indicators of the BSE 2008 to 2012

	2008	2009	2010	2011	2012
P/E Ratio (times)	12.0	13.5	10.8	10.2	9.7
Dividend Yield (%)	4.6	4.3	4.9	5.2	4.7
Price/Book Value (times)	4.5	4.8	3.9	2.8	2.5

Source: BSE

## 1.5. Market Capitalization

The BSE's domestic market capitalisation for equities was P35.5 Bn as at the end of 2012, an increase of 15.6% in comparison to P30.7 Bn in 2011. Relative performance of market capitalisation to GDP increased to 31.6%, compared to 33.5% and 30.9% as at end of June in 2010 and 2011 respectively.



## 2. PRIMARY MARKET ACTIVITY

### 2.1. Equity

Choppies Enterprise Limited (Choppies) listed on the Domestic Main Board on 26 January 2012. The Initial Public Offering (IPO) was opened to the public for subscription in December 2011. Choppies listed a total of 1.2 Bn shares at a price of P1.15 per share bringing its maiden market capitalization to P1.4 Bn.

Hana Mining, a copper mining and exploration company, was listed on the BSE's Foreign Venture Capital Board on 23 May 2012. The company is primarily listed on the Toronto Stock Exchange in Canada. Hana Mining listed a total of 99.5 Mn shares at an indicative bid price of P3.40.

Galane Gold Limited, a gold mining and exploration company, was listed on the BSE's Foreign Main Board on 22 August 2012. Hana Mining is also primarily listed on the Toronto Stock Exchange. The company listed 48.3 Mn shares and opened trading at P7.35 per share on its listing date.

There has been only a single delisting from the BSE by CIC Energy which delisted on 11 September 2012.



# STATISTICS

## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	1.82	2.04	2.04
Real GDP (USD) (millions) at market	15,683.42	Not Available	Not Available
Inflation rate (%)	7.40	9.20	7.40
Net Foreign Direct Investment (USD) (Millions)	Not Available	Not Available	Not Available
Unemployment rate (%)	17.5	17.8	17.8
Interest Rate (T-Bills)(%)	7.15	3.45	5.36
Exchange rate (local currency versus US\$)	6.44	7.52	7.40

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded(Us\$)	149,516,873.54	133,968,231.18	135,596,597.84
Total volume traded	308,662,256.00	458,706,950.00	465,790,767.00
Total number of transactions	4,978.00	5,045.00	7,465.00
Number of listed companies	32	37	39
Number of traded companies	30	37	38
Market Capitalization (billions) end of year	67.50	54.70	53.03
Domestic Market Capitalization as % of GDP	30.00%	25.05%	23.84%
Turnover Ratio (%) *(Domestic Market Cap)	3.7	3.3	2.71

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Domestic Board</b>			
Banking	4	4	4
Financial Services	3	3	3
Retail & Wholesaling	5	4	5
Property	4	5	5
Funeral Services	1	1	1
Security Services	1	1	1
Information Technology	1	1	1
Energy	1	1	1
Tourism	2	3	3
<b>Foreign board</b>			
Financial Services	2	2	2
Mining & Minerals	7	10	11
ETF's	1	2	2
Corporate Bonds	26	23	23

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Financial services & insurance
2	Banking
3	Retail & Wholesaling
4	Mining & Materials
5	Property & property trust



## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

**Currency: USD**

Bonds	2010	2011	2012
Total Value traded			
Value traded on governmental bonds	18,259,346.32	37,703,202.08	40,400,863.81
Value traded on corporate bonds	254,928.21	5,469,008.97	2,314,800.00

## Section Four : Trading System

Trading System	Automated Trading System
Vendor	Millenium IT
Year of implementation	Aug-12

## Section Five : Clearing and Settlement

Clearing & Settlement	The Stock Exchange
	Separate Company
If Separate Company please mention its name	Central Securities Depository Botswana
Vendor	Millenium IT
Year of implementation	2008
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

Types of markets in your Stock Exchange	
Equity Market	YES
Bond Market	YES

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Stocks	Ordinary shares
Bonds	Government and corporate bonds
ETF	Gold Bullion Exchange Traded Fund+ index based ETF

## Section Seven : Trading Mechanism

Online Trading	YES
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## Section Seven : Indices

Table 8	Index Name	Index Type (Price Index, Sector Index,..etc)
Indices	Domestic company Index	Price Index
	Foreign company index	Price Index

	Closing 2011	Closing 2012	% change
Domestic Company Index	6,970.94	7,510.24	7.74
Foreign Company Index	1,703.91	1,599.53	-6.13

## Section Eight : IPOS and Debt Securities Issues 2012

### IPOS

#### 2011

Company	Date of issue	Face Value of issue (\$ million)
Nap	28-Sep-11	2.70
Letlole	15-Jun-11	39.10
		41.80

#### 2012

Company	Date of issue	Face Value of issue (\$ million)
Choppies	26-Jan-12	6.84
		6.84

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking				
		Purchases	Sales	Total
	Stockbrokerage Units	\$	\$	\$
1	Stockbrokers Botswana	Not Available	Not Available	Not Available
2	Motswedi Securities	Not Available	Not Available	Not Available
3	Capital Securituies	Not Available	Not Available	Not Available
4	African Alliance Botswana	Not Available	Not Available	Not Available
Ranking				
	Dealing Units	Purchases	Sales	Total
		\$	\$	\$
3	Not available	Not available	Not available	Not available
4	Not available	Not available	Not available	Not available
5	Not available	Not available	Not available	Not available

Members' Contacts are available on the BSE website  
[www.bse.co.bw](http://www.bse.co.bw)





# BOLSA de VALORES de CABO VERDE

## PROFILE



**BOLSA DE VALORES**  
**CABOVERDE**

Website	<a href="http://www.bvc.cv">www.bvc.cv</a>
Market Regulator	General Auditor of Securities Market - AGMVM (Cape Verde)
Address	16st Floor, Lg Europe, Achada Santo António, P O Box 115/A Praia CAPE VERDE
Trading Session hours (local time)	8:30 am - 3:00 pm
Time Zone	Greenwich Mean Time - 1 hours
Contact Person for ASEA	Manuel Lima
Telephone	+238 2603030
Fax	+238 2603038
E-mail	<a href="mailto:manuel.lima@bvc.cv">manuel.lima@bvc.cv</a>
Name of Local Currency	ECV - Capeverdian Escudos
Tax Rates (dividends, interest, capital gain)	dividends 0% (domestic investors and foreign investors); interest-Corporate Bonds 5%; interest-Treasury Bonds 0% capital gains 15%



## The History of the Cape Verde Stock Exchange

- Created in 1998 and became fully functional in December 2005.
- Orden Quote Driven and POS - Light, SifoxDeal and SifoxBackOffice technology platforms put in use in 2005.
- 2009- About 94% of all credit granted to the national economy originated from the BVC, through various emissions carried out.
- 2010- First time issuance of Municipal bonds for the municipalities of Sal and Praia.
- 2011- Current market capitalization is approximately \$273,277,594.92 (USD); Capitalization is at 20% of the gross domestic product, according to data from the Bank of Cape Verde.
- Thirty (30) active securities, including: 4 listed companies in the shares segment and 26 in the bonds segment (16 corporate bonds, 8 Treasury bonds and 2 municipal bonds).
- Partnerships with Euronext Lisbon, with the Central Clearing and Depository, Interbolsa, which is a subsidiary of Euronext Lisbon, with Caixa de Crédito Agrícola and with Instituto Superior de Economia e Gestão (ISEG) da Universidade Técnica de Lisboa.
- 2012 – Protocols with Secondary schools and Universities regarding Financial literacy.
- New Code of Securities Market, after 14 year since entry in force of the original Code.
- Release of New Circular – Circular nº3/2012 regard to the Code of Conduct.
- With Regard to the Market Capitalization, currently, it represents five times more the amount in the reopening in 2005.
- With regard to transactions, taking into account the high issuance of treasury bonds, the volume of transactions have nearly tripled. A relevant indicator of trend and impact that market will have, knowing the envisage deployment of Platform Auction trading of treasury bonds in the Capital Market.



# STATISTICS

## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	0.53	0.53	0.56
Real GDP (USD) (millions) at market exchange rates	1,856.00	1,900.00	1938
Inflation rate (%)	1.41	6.50	3.2
Net Foreign Direct Investment (USD) (Millions)	1767.44	N/A	N/A
Unemployment rate (%)	10.7	N/A	N/A
Interest Rate (T-Bills)	3.625	4.06	6.6
Exchange rate (local currency versus US\$)	83.03	81.6	85.2

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	4,156,256.95	533,310.93	271933.6854
Total volume traded	120,502.00	17,126.00	156690
Total number of transactions	215.00	71.00	301
Number of listed companies	4	4	4
Number of traded companies	4	4	4
Market Capitalization (\$) end of year	84,913,010.47	75,556,452.41	84430843.68
Market Capitalization as % of GDP	4.58%	3.98%	0.043565967
Turnover Ratio (%) *	4.89%	0.71%	0.003220786

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
Banking	2	2	2
Fuel and Oil	1	1	1
Industrial and Allied	1	1	1
Corporate Bonds	16	16	16



**Table 5: 5 Most Active 2011**

#	Sectors
1	Commercial Banks
2	Fuel and Oil
3	Corporate Bonds
4	Industrial and Allied

### Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2010	2011	2012
Total Value traded			
Value traded on governmental bonds			134792681.9
Value traded on corporate bonds	16,477,848.44	189,657,045.00	143315912.7

### Section Four : Trading System

Trading System	SIFOX DEAL
Vendor	Finantech - Portugal
Year of implementation	2005

### Section Five : Clearing and Settlement

Vendor	Finantech - Portugal
Year of implementation	2005
Clearing and Settlement time	T+0

### Section Six : Products traded on the Stock Exchange

Types of markets in your Stock Exchange	
Equity Market	YES
Bond Market	YES

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Stocks	Common shares
Bonds	Government and Corporate bonds
ETF	



## Section Eight : IPOS and Debt Securities Issues 2010-2011

### Debt Securities Issues

2010	
Company	
	Tecnical Imobiliária
	Município do Sal
	Município da Praia
	IFH - Imobiliária, Fundiária e Habitat, SA
	Banco Africano de Investimentos
	Banco Comercial do Atlantico
2012	
Company	
	Banco Comercial do Atlântico
	Caixa Económica de Cabo Verde
	Sociedade Cabo-verdiana de Tabacos
	Empresa Nacional de Combustiveis
	ELECTRA
	BAI
	Tecnical Industria
	ASA
	Banco Interatlântico
	IFH
	SOGEI
	OBRIGAÇÃO TECNICAL INDUSTRIA
	Cabo Verde Fast Ferry
	Tecnical Imobiliária

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking	Stockbrokerage Units	Purchases \$	Sales \$	Total \$
1	BAI	1684813.451	1718045.411	3402858.862
2	BIA	19293.8615	4566.467136	23860.32864
3	CECV	172463.615	2097336.984	2269800.599
4	BCA	202503.5211	83276.79577	285780.3169
5	BCN	172463.615	46420.77465	218884.3897
	TOTAL	2251538.063	3949646.432	6201184.495

Members' Contacts are available on the BOLSA DE VALORES DE CAPE VERDE website  
[www.bvc.cv](http://www.bvc.cv)



# BRVM STOCK EXCHANGE

## PROFILE



Website	www.brvm.org
Market Regulator	Conseil Régional de l'Epargne Publique et des Marchés Financiers (CREPMF)
Address	18 Avenue Joseph Anoma, 01 BP 3802 Abidjan 01
Trading Session hours (local time)	Preopen: 8:30am - 10:30am; Fixing: 10:45am
Time Zone	Greenwich Mean Time + 0 hours
Contact Person for ASEA	Edoh Kossi Amenounve
Telephone	+225 20 315559
Fax	+225 20 326684
E-mail	dg@brvm.org
Name of Local Currency	FCFA
Tax Rates (dividends, interest, capital gain)	Dividend withholding taxes 10%
Listing of Foreign Domiciled Companies	Company must register in WEST AFRICAN ECONOMIC AND MONETARY UNION -WAEMU - Registrar of Companies. If already listed, it must get a letter of comfort from its listing authority



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## General Context

The year 2012 was marked by a worsening of the crisis in the euro zone, but also by a sluggish and uneven recovery in the developed economies. This situation is linked to both the lingering effects of 2008 crisis and the fiscal difficulties of the euro countries under the pressures of stock markets. This situation affected also United States and Japan economies.

In the WAEMU zone, the GDP growth rate reached 5.8% in 2012, mainly driven by the increased activities in Côte d'Ivoire following the post-election crisis.

## Economic environment

2012 was a year of economic contrasts for Africa. Overall figures indicate an impressive growth above the international average.

The growth rate of GDP of Côte d'Ivoire is estimated to 8.6% according to the Central Bank (BCEAO) against -1.5% in 2011. WAEMU countries experienced GDP growth rates in 2012, except MALI. By country, the economic growth rate is estimated to 3.5% in Benin, Burkina Faso 8.0%, 8.6% in Côte d'Ivoire, Niger 12.7%, 3.7% in Senegal and 5.0% in Togo. Guinea-Bissau and Mali impacted negatively with a GDP growth rate at 0.7% and -1.5% due respectively to the recent political turmoil and crisis in the north of Mali.

The annual inflation rate is expected to average 2.3% in 2012 against 3.9% the previous year. Faced with soaring food prices, especially those resulting from lack of production of the crop 2011/2012, the Governments have implemented emergency measures to improve market supply and availability of food price moderate to the most vulnerable populations.

## Market situation

Market capitalization amounted to US \$ 8.10 billion, an increase of 26.89% in 2012. This growth was mainly due to various capital increases (additional issues of shares) and share prices increase of 29 listed companies out of 37.

During the 2012, total value traded reached \$ 293.09 million with a total volume of 40 914 740 shares against \$ 179.27 million and 21 919 489 shares in 2011. (Block trades in 2012 reached \$ 76.90 million against US \$ 11.74 million in 2011).



## Equity operations and IPO

The equity operations were mainly driven by Ecobank Transnational Incorporated and Bank Of Africa Group but BRVM experienced no new IPO in 2012.

Various equities operations happened in 2012: two mergers (NEI CI and CEDA CI for an amount of US \$ 1.46 million, SARI CI and CFAO CI for US \$ 35.26 million), others capital increase by incorporation of reserves (BOA Côte d'Ivoire US \$ 7 million, BOA Niger US \$ 13.26 million) and by cash (Ecobank Transnational Incorporated TG and CFAO CI for respectively US \$ 343.10 million and US \$ 35.17 million).

BRVM market capitalization reached in December 31, 2012 US \$ 8.10 billion, an increase of 26.89% compared to 2011 level mainly due to the increase of share prices and additional issues.

New listed bonds in the BRVM increased the bond market from \$ 1528.67 million to \$ 1671.71million, an increase of 19.17% mainly government (Ivory Coast, Burkina Faso and Benin) and regional financial issues.

## Outlook 2013

Forecasting 2013 year, BRVM will engage in several projects to make its market more dynamic. Thus, in its strategy to increase investor participation, the Regional Stock Exchange will lead priority actions that should help to improve liquidity, especially by encouraging listed companies to split their shares like SONATEL (November 2012). BRVM will also help increasing the number of listed companies and market players. The privatization of public enterprises through the Exchange will also be encouraged.

In order to deepen the market, BRVM will improve listing rules, move to continuous trading and revise market indices. The Regional Stock Exchange intends to contribute to the financing of SMEs / SMLs through the opening of a third board dedicated to this type of companies, as well as to companies with growth potential. 2013 will be used to promote market makers activities, research and analysis on listed companies.

Finally, in its strategy to increase its visibility, BRVM will undertake communication campaigns locally, regionally and internationally.





## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	97.05	NA	NA
Real GDP (USD) (millions) at market exchange rates	65,818.78	72,234.16	70,145.67
Inflation rate (%)	1.40	3.90	NA
Net Foreign Direct Investment (USD) (Millions)	1950.72	NA	NA
Exchange rate (local currency versus US\$)	497.97	456.62	497.58

Source: BCEAO

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	130,847,082	129,114,703	174,171,421
Total volume traded	28,275,804	18,066,088	37,311,162
Total number of transactions	21,522	18,683	29,657
Number of listed companies	39	39	37
Number of traded companies	39	39	37
Market Capitalization (billions) end of year	6.97	6.96	8.10
Market Capitalization as % of GDP	10.59%	9.63%	11.55%
Turnover Ratio (%) *	1.88%	1.86%	2.15%

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
Industry	13	13	12
Public utilities	4	4	4
Financial	8	8	8
Transportation	2	2	2
Agricultural	4	4	4
Distribution	7	7	6
Other sectors	1	1	1
Government of WAEMU countries Treasury Bonds	6	8	9
Institution Bonds	8	6	8
Corporate Bonds	17	14	12



**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Financial
2	Public utilities
3	Distribution
4	Agricultural
5	Industry

## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Currency: USD

Bonds	2010	2011	2012
Total Value traded	48,494,658	37,166,743	38,854,098
Value traded on government bonds	47,261,106	34,766,384	29,021,081
Value traded on institution bonds	61,042	323,276	1,397,718
Value traded on corporate bonds	1,172,510	2,077,083	8,435,299

## Section Four: Trading Systems

Trading System	Quick Trade
System bought	Yes
System Vendor	
Implementing the system	2012

## Section Five: Clearing and Settlement

Clearing and Settlement by	Dépositaire Central / Banque de Règlement (DC/BR)
Systems Vendor	PERCIVAL Limited
Year of implementing the system	1998
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes



**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Shares	Common Shares
Rights	Rights
Bonds	Government - Corporate - Institution Bonds

**Section Seven : Trading Mechanism**

Intraday Trading	Yes
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**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,etc)
BRVM 10	This index reflects the performance of the 10 most active securities on the BRVM.
BRVM Composite	The BRVM Composite is calculated using the capitalisation of all equities listed on the BRVM.

	Closing 2011	Closing 2012	% change
BRVM 10	158.49	184.04	16.12
BRVM Composite	138.88	166.58	19.95

**Section Eight : IPOS and Debt Securities Issues 2010 - 2012****IPOS****Equity Issues****2010**

Company	Date of IPO	Value of Issue (\$ million)
Bank Of Africa COTE D'IVOIRE	April 07, 2010	33.94
Bank Of Africa BURKINA FASO	December 30, 2010	40.15
		74.09

**Rights Issues****2010**

Company	Date of IPO	Value of Issue (\$ million)
Bank Of Africa NIGER	June 04, 2010	6.29
Bank Of Africa NIGER	August 03, 2010	0.74
		7.03



## 2011

Company	Date of issue	Value of issue (\$ million)
Bank Of Africa BURKINA FASO	June 15, 2010	2.41
Bank Of Africa BURKINA FASO	October 05, 2010	0.66
Bank Of Africa NIGER	October 31, 2010	0.73
Bank Of Africa COTE D'IVOIRE	December 15, 2011	7.01
		10.82

## Debt Securities Issues

### 2010

Company	Date of IPO	Value of Issue (\$ million)
Government of Côte d'Ivoire Treasury Bond	September 17 2010	130.05
Port Autonome de Dakar	November 30 2010	20.08
		150.13

### 2011

Issuer	Date of issue	Value of Issue (\$ million)
ECOWAS bank for investment and development	January 18 2011	91.98
PALM CI	January 19 2011	32.85
Port Autonome de Côte d'Ivoire	January 27 2011	65.70
Government of Sénégal Treasury Bond	January 31 2011	168.19
Government of Côte d'Ivoire Treasury Bond	February 07 2011	50.18
Government of togo Treasury Bond	August 09 2011	131.40
Government of Côte d'Ivoire Treasury Bond	December 19 2011	350.92
		891.22

### 2012

Issuer	Date of issue	Value of Issue (\$ million)
Government of Burkina Faso Treasury Bond (*)	January 18 2011	91.98
Government of Bénin Treasury Bond (*)	January 19 2011	32.85
West African Development Bank	January 27 2011	65.70
Government of Côte d'Ivoire Treasury Bond	January 31 2011	168.19
	February 07 2011	50.18
Government of Côte d'Ivoire Treasury Bond	August 09 2011	131.40
Banque de l'Habitat du Benin	December 19 2011	350.92
Bank of Africa Burkina Faso	January 18 2011	91.98
Bank of Africa Côte d'Ivoire	January 19 2011	32.85
Bank of Africa Niger	January 18 2011	91.98
Bank of Africa Sénégal	January 19 2011	32.85
Government of Senegal Treasury Bond	January 18 2011	91.98
Regional Fund for Mortgage Re-financing (CRRH-WAEMU)	January 19 2011	32.85
		947.61

Members' Contacts are available on the BRVM website

[www.brvm.org](http://www.brvm.org)



# BOURSE de TUNIS

## PROFILE



Website	<a href="http://www.bvmt.com.tn">www.bvmt.com.tn</a>
Market Regulator	Conseil du Marché Financier (CMF) / Financial Market Council
Address	34 Avenue de la Bourse, les Jardins du Lac, Les Berges du Lac II, 1053, Tunis, TUNISIA

	<b>Fixing Trading:</b>
	9:00 am-10:00 am: First Pre-opening
	10:00 am : First Opening
	10:00 am-11:30 am: Second Pre-opening
	11:30 am: Second Opening
	11:30 am-01:00 pm: Third Pre-opening
	01:00 pm: Third opening
	01:00 pm-01:05 pm: Trading at last price
	01:05 pm:Closing
Trading Session hours (local time)	



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**Continuous Trading:**

09:00 am-10:00 am: Pre-opening  
10:00 am : Opening  
10:00 am-02:00 pm: Continuous trading  
02:00 pm-02:05 pm: Closing auction  
02:05 pm: Opening  
02:05 pm- 02:10 pm: Trading at last price  
02:10 pm: Closing

Time Zone	Greenwich Mean Time + 1 hour
Contact Person for ASEA	Abderraouf Boudabous
Telephone	00 216 71 197 910
Fax	00 216 71 197 903
E-mail	info@bvmt.com.tn
Name of Local Currency	TND (Tunisian Dinar)
	1- Dividends are exempted. 2- Bonds' interests are subject to withholding tax of 20%. 3- Capital gains are taxed when equities bought at year N are sold before year N+2: * For local natural persons, capital gains are subject to tax rate of 10%, after deduction of capital loss recorded during the same year and abatement of TND 10 000 * For local corporate entities, capital gains are taxed in the case of corporate's profit and after deduction of capital loss * For foreign natural person, capital gains are subject to withholding tax of 10% with a maximum limit of 2,5% of sale price * For foreign corporate entity, capital gains are subject to withholding tax of 30% with a maximum limit of 5% of sale price Foreign investors can opt for tax return to benefit from the deduction of capital loss and abatement, like local investors.
Tax Rates (dividends, interest, capital gain)	



## BACKGROUND

Tunis Stock Exchange was created in 1969 as public institution. In 1994, the financial market was reorganized and the Tunis Stock Exchange was entrusted with the management of the market while a separate regulatory body, the Financial Market Council “CMF”, was created to supervise market operations, regulate issuance of new securities, protect investors and oversee the Stock Exchange markets.

Tunis Stock Exchange is a private entity, exclusively and equally owned by the brokerage firms (currently 23). These firms have created a Market Guarantee Fund in order to guarantee the settlement of the traded transactions on the Tunis Stock Exchange.

A Clients Guarantee Fund was also created to protect investors against non commercial failures (bankruptcy...)

### Latest Achievements in 2012

Despite a difficult economic environment and a fragile socio-political situation, the Tunis Stock Exchange ended the year in a slightly negative area as its main index “TUNINDEX” recovered to -3,02% after a drop of 7,63% in 2011, marking therefore its second consecutive decrease.

The market capitalization registered a decrease of 4.65% in 2012, reaching TND 13 778 million (USD 8 885 million) compared to TND 14 452 million (USD 9 323 million) in 2011, with the decline of share prices of most of the listed companies (34 out of 59 listed companies showed a negative annual return).

The value traded on listed securities grew by 24% to reach TND 2 077 million (USD 1 340 million) against TND 1 678 million in 2011 (USD 1 083 million). Daily average value of listed companies’ shares traded in 2012 reached TND 8.2 million compared to TND 7 million as of end of 2011.

In 2012, two new companies were listed on the alternative market of Tunis Stock Exchange through a capital increase: Hexabyte, an Internet Services Provider, and Ateliers Mécaniques du Sahel, a company specialized in the manufacture of spigots and cookware.

The Board of Directors of Tunis Stock Exchange has also approved the admission of six new companies to be listed in 2013:

- **Land’or:** Cheese producer
- **BITAKA:** Supplier of electronic payment terminals, electronic recharges, cards, integrated solutions...
- **Ae Tech:** IT infrastructure, Access control, Voice/data solutions, Software development.



- **NEW BODY LINE:** specialized in smart fabrics and intelligent textiles.
- **EURO-CYCLES:** Industrial assembly of bicycles.
- **Syphax airlines:** a new air carrier

In connection with the sale of participations confiscated of the former president and his family, the Tunisian government has sold 60% of Ennaki company, 50.24% of Carthage Cement and 13% of Banque de Tunisie.

In 2012, Tunis Stock Exchange has launched an Educational program to reinforce professional training and investor education capacities of Tunis Stock Marketplace.

The program aims to improve stock market investment climate in Tunisia by promoting stock market education of stakeholders and the public at large. It aims also to strengthen training capacity of market professionals. As a project of common interest, it will benefit to regional stock markets of the Maghreb and Francophone African zones.

The project includes two components:

#### 1. Stock market education:

Development and implementation of programs and tools to promote financial education among several targets: the Public (school children, high school children, university students, liberal professions, civil servants), the issuers (managers, majority shareholders, small shareholders, employees) and the information relays (media).

#### 2. Stock market professionals training:

Strengthen the capacity of the Tunis Stock Exchange Training Institute to contribute efficiently in upgrading and strengthening the skill-mix of Stock Market professionals.

Activities consist of design and development of new training programs that are appropriate for current and future needs of professionals such as in investment services, asset management, Islamic finance or in activities that already require or will require holding of professional licences.

The first edition of “Investia” the Stock Exchange and Financial Services’ show, was also organized. This show is part of an educational program meant to raise stock market culture among various targets as a prerequisite to market development.





## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	10.44	10.55	10.67	10.78
Real GDP (USD) (millions) at market exchange rates *	44,618.31	44,176.92	43,600.35	45,994.32
Inflation rate (%)	3.50	4.40	3.50	5.60
Net Foreign Direct Investment (USD) (Millions)*	1,729.83	1,505.67	1,077.77	1,932.22
Unemployment rate (%) *	13.30%	13.00%	18.90%	17.02%
Interest Rate (T-Bills)	4.18%	4.87%	3.28%	4.16%
Exchange rate (local currency versus US\$)	1.3173	1.4379	1.4993	1.5506

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	1,301,594,847.04	1,826,390,755.96	1,048,193,427.60	1,253,082,047.59
Total volume traded	189,343,003	271,666,075	252,692,067	240,522,983
Total number of transactions	394,137	629,488	448,872	569,403
Number of listed companies	52	56	57	59
Number of traded companies	52	56	57	59
Market Capitalization (billions) end of year	9.28	10.63	9.64	8.89
Market Capitalization as % of GDP *	22.90%	24.11%	22.50%	19.32%
Turnover Ratio (%) *	14.02%	17.18%	10.87%	14.10%

\* Estimated value for 2012

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



### Table 3: Investors Type

#### Foreigners vs. Local Investors

% of the Total Value Traded

Type of Investors	2009	2010	2011	2012
Foreign Investors	12.00%	10.00%	11.30%	6.30%
Local Investors	88.00%	90.00%	88.70%	93.70%
Total %	100%	100%	100%	100%

#### Institutions vs. Individuals

Institutions	NA	NA	NA	NA
Individuals	NA	NA	NA	NA
Total %	NA	NA	NA	NA

### Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Domestic Board	52	56	57	59
Finance	22	25	24	24
Telecommunication	2	2	2	2
Consumer services	6	6	6	6
Health	2	2	2	2
Consumer Goods	8	8	9	9
Industry	7	8	8	9
Basic materials	4	4	4	4
Oil and gas	1	1	1	1
Technology			1	2
Foreign board	None	None	None	None
Corporate Bonds	142	159	168	173

### Table 5: 5 Most Active Sectors in 2012

#	Sectors
1	Consumer services
2	Finance
3	Industry
4	Consumer goods
5	Health



## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Currency: USD

Bonds	2009	2010	2011	2012
Total value traded	75,452,703.26	52,705,519.30	71,008,532.65	86,827,569.33
Value traded on governmental bonds	69,186,759.28	44,002,666.25	20,821,435.34	55,400,857.73
Value traded on corporate bonds	6,265,943.98	8,702,853.05	50,187,097.31	31,426,711.60

## Section Four: Trading Systems

Trading system	NSC
System bought	1996
System vendor	NYSE Technologies
Implementing the system	1996

## Section Five: Clearing and Settlement

Clearing and Settlement by	Société Tunisienne Interprofessionnelle pour la Compensation et le Dépôt des Valeurs Mobilières (STICODEVAM)
Systems Vendor	Euroclear
Year of implementing the system	1996
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Cash Market	Yes
Derivative Market	No
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Shares	Common stocks, none voting stocks
Bonds	Government Bonds and Corporate Bonds
Securitized Debt	

## Section Seven : Trading Mechanism

Margin Trading	No
Intraday Trading	No
Online Trading	Yes



Table 8 Indices

Index Name	Index Type (Price Index, Sector Index, etc)
TUNINDEX	A broad market return index launched in December 31 st, 1997, with a base of 1000. Weighted by the free float adjusted market capitalization
Sector Indices	Return indices launched in December 31 st, 2005, with a base of 1000. Weighted by the free float adjusted market capitalization. Each listed company is allocated to the sector where it realizes the majority of its revenue
TUNINDEX 20	It was launched in January 1st, 2012. It's a return index weighted by free float adjusted market capitalization and it reflects the performance of the 20 most liquid shares traded on Tunis Stock Exchange

	Closing 2011	Closing 2012	% change
TUNINDEX	4,722.25	4,579.85	-3.02%

## Section Eight : IPOS and Debt Securities Issues 2009 - 2012

### IPOS

#### 2009

Company	Date of IPO	Value of Issue (\$ million)
SERVICOM	06/01/2009	2.47
Les Ciments de Bizerte	10/08/2009	76.91
		79.37

#### 2010

Company	Date of issue	Value of issue (\$ million)
Assurances Salim	03/19/2010	6.89
TUNIS RE	04/26/2010	9.74
Carthage Cement	06/10/2010	93.82
Ennakl Automobiles	07/12/2010	66.97
Modern Leasing	12/01/2010	5.91
		183.32

#### 2011

Company	Date of issue	Value of issue (\$ million)
TELNET HOLDING	04/19/2011	8.01
		8.01



## 2012

Company	Date of issue	Value of issue (\$ million)
HEXABYTE	01/25/2012	1.29
ATELIERS MECANIKUES DU SAHEL	05/18/2012	6.45
		7.74

## Debt Securities Issues

### 2009

Company	Date of IPO	Value of Issue (\$ million)
Tunisie Leasing	02/02/2009	11.39
Société Tunisienne de Banque (STB)	02/05/2009	37.96
BNA	03/31/2009	37.96
Arab Tunisian Lease (ATL)	04/27/2009	22.77
Arab Tunisian Bank (ATB)	05/05/2009	37.96
Compagnie Internationale de Leasing (CIL)	06/25/2009	15.18
Union Internationale de Banque (UIB)	06/29/2009	75.91
Compagnie Internationale de Leasing (CIL)	08/03/2009	15.18
Banque de Tunisie et des Emirates (BTE)	09/01/2009	37.96
Arab Tunisian Lease (ATL)	09/11/2009	15.18
Tunisie Leasing	09/11/2009	15.18
Amen Bank	09/23/2009	45.55
Banque de l'Habitat (BH)	12/21/2009	75.91
Cie Internationale de Leasing	12/23/2009	15.18
Arab Tunisian Lease (ATL)	12/24/2009	22.77
		482.05



## 2010

Company	Date of IPO	Value of Issue (\$ million)
Tunisie Leasing	02/18/2010	10.43
STB	03/10/2010	69.55
Tunisie Leasing	04/26/2010	13.91
CIL	07/07/2010	20.86
Arab Tunisian Lease (ATL)	07/26/2010	52.16
Amen Bank	08/02/2010	55.64
BTE	08/26/2010	34.77
Attijari leasing	08/31/2010	20.86
CIL	10/18/2010	20.86
Tunisie Leasing	10/19/2010	20.86
Arab Tunisian Lease (ATL)	12/13/2010	24.34
Attijari Bank	12/28/2010	34.77
El Wifak Leasing	12/29/2010	13.91
		392.93

## 2011

Company	Date of IPO	Value of Issue (\$ million)
CIL	01/10/2011	20.86
Tunisie Leasing	01/11/2011	13.34
Tunisie Leasing	04/13/2011	20.01
UIB	08/15/2011	33.35
Amen Bank	08/26/2011	33.35
Tunisie Leasing	09/13/2011	20.01
		140.92

## 2012

Company	Date of IPO	Value of Issue (\$ million)
Compagnie Internationale de Leasing -CIL-	02/23/2012	12.90
Tunisie Leasing	04/16/2012	19.35
Attijari Leasing	04/19/2012	12.90
Arab International Lease -ATL-	04/30/2012	19.35
Amen Bank	08/17/2012	32.25
Attijari Leasing	10/23/2012	12.90
Union Internationale de Banques -UIB-	11/01/2012	25.80
Tunisie Leasing	11/12/2012	12.90
Compagnie Internationale de Leasing -CIL-	12/07/2012	12.90
Modern Leasing	12/17/2012	12.90
		174.13



# CASABLANCA STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.casablanca-bourse.com">www.casablanca-bourse.com</a>
Market Regulator	CDVM-Conseil Deontologique des Valeurs Mobiliere
Address	Angle Avenue des Forces Armees Royal et Rue Arrachid Mohamed
Trading Session hours (local time)	9:00 am to 3:40 pm
Time Zone	GMT- Greenwich Mean Time
Contact Person for ASEA	M. Youssefi Ayoub
Telephone	+212-522 452 626 ; +212-522 452 630
Fax	+212 522 452 611
E-mail	<a href="mailto:Youssefi@casablanca-bourse.com">Youssefi@casablanca-bourse.com</a>
Name of Local Currency	MAD- Moroccan DIRHAM
Commodities Exchange	None



## Casablanca Stock Exchange Development strategy

CSE is an attractive venue for foreign investment. CSE is a regulated, stable and institutionally-based market place with over 80 years of history. It has a strong foreign participation and is 100% open to foreign investment. CSE offers attractive investment opportunities in strong companies with good performance, fair valuation levels and an interesting exposure to French-speaking Africa.

Our priorities are restoring investors and issuers' confidence and giving a new momentum to our teams around a unifying project. An ambitious strategy has been implemented around 3 major development pillars to attract investors, increase the listed firms, and make Casablanca Stock Exchange a regional financial hub.

The implementation of this strategy resulted initially in the strengthening of our human resources with high level of expertise in information systems, market operations, business development and human resources management.

In 2012, on the technical plan, CSE set up a state of the art supervision solution in compliance with the standards of the market, allowing the stock exchange to continue to ensure an availability of more than 99 % to its customers. Besides, the trading terminals platform registered an availability rate of 100 %.

After the implementation of the High Availability in 2011, CSE continued the improvement of its Information systems by setting up a Warm Backup scheme, which consists of the real time storage of the transactions on its distant back-up site.

To enhance the market liquidity, CSE introduced 5 technical measures in February 2013, namely the increase of minimum quantity visible in orders with a hidden quantity, the reduction of tick size, the introduction of stop orders, enlarging the static thresholds and the extension of trading hours.

In the mean time, the Parliament is currently examining a series of regulatory reforms, which, when adopted, will help boost the market. These include the introduction of a number of measures aimed, in particular, at developing an SME board and a derivatives market. The Casablanca Stock Exchange is also working in developing a clearing house as well as implementing a new state of the art trading system.

New legislation authorising securities lending/borrowing was recently enacted. A number of other market-related bills are in the pipeline.

The Casablanca Finance City project will also be positive for the Casablanca Stock Exchange as it will attract international investor interest and foster an eco-system with investment banks, advisors, lawyers, fund managers, which help further foster liquidity and develop IPOs.





## Promotional Campaigns and investor education

CSE also continued its extensive promotional campaigns in 2012, organizing several events. The aim was to allow market participants to share their vision and formulate new recommendations around the market recovery.

On September 2012, the Casablanca Stock Exchange has launched a communication campaign in order to promote the benefits of IPOs, namely for SMEs.

The Casablanca Stock Exchange identified investor education as a strategic priority several years ago and launched a Stock Exchange School within the Exchange by then.

Each year, the Stock Exchange School conducts 50 or so training seminars and conferences addressed at a very diverse audience including students, individuals, banking sector employees among others. These training seminars explain in simple terms how the stock market functions, its role in the wider economy, the various stock market products available for investors and how to invest in the stock market. The Stock Exchange School now has a dedicated website in order to reach out to as many people as possible.

We are also member of the Global Money Initiative, having participated in the launch of the Wikia-Operation HOPE Global Money Initiative (WHGMI). “Banking on Our Future” is an online financial literacy initiative, founded by Mr. John Hope Bryant. It enables people in low-wealth communities learn about the language of money in as many as thirty different languages.

We have also teamed up with Injaz Al Maghrib, a member of Junior Achievement Worldwide, in launching “Stock in action”. This educational programme enables Moroccan high school students acquiring financial literacy and knowledge about the stock market and other financial products in a simple and enjoyable way.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	31.514	31.851	31.968	32.95
Real GDP (USD) (millions) at market exchange rates(2011 estimate IMF)(1)	90.907	90.803	99.279	97.173
Inflation rate (%)	0.97%	0.99%	1.40%	1.20%
Net Foreign Direct Investment (USD) (Millions)	2000.61	1585.205	2,408.45	NA
Unemployment rate (%)	9.1	9	9,1(Q3 2011)	9,4(Q3 2012)
Interest Rate (T-Bills)	3.45	3.48	3,48(oct 2011)	3,82 ( oct 2012)
Exchange rate (local currency versus US\$)	7.8602	8.3569	8.4616	8.4805

(1)International Monetary Fund, World Economic Outlook Database, October 2012

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	7,045,938,091.63	9,778,724,870.62	5,980,905,700.31	5,832,531,890.49
Total volume traded	211,571,347	263,564,044	189,513,172	203,544,937.00
Total number of transactions	285,252	329,877	218,823	156,768
Number of listed companies	76	74	76	77
Number of traded companies	77	78	77	77
Market Capitalization (Billions) end of year	64.74	69.29	60.19	52.80
Market Capitalization as % of GDP	71.22%	76.30%	60.62%	53.04%
Turnover Ratio (%) *	10.88%	14.11%	9.94%	9.03%

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

(1) = one way counted-Central Market and Block Market - Rights are included

(2) = end of year



## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value			
	2009	2010	2011	2012
Traded				
Foreign Investors	17.00%	12%	13%	16.00%
Local Investors	82.00%	88%	87%	84.00%
Total %	99%	100%	100%	100%

### Institutions vs. Individuals

Institutions	86%	82%	85%	89.75%
Individuals	13%	16%	13%	10.25%
Total %	98%	98%	98%	100.00%

## Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Shares Market Segment	76	74	76	78
Banks	6	6	6	6
Beverages	3	3	3	3
Chemicals	4	4	4	4
Construction & Building Materials	6	6	7	8
Distributors	8	9	8	8
Electrical & Electronic Equipment	1	1	1	1
Engineering & Equipment Industrial Goods	1	1	2	3
Food producers & Processors	7	6	6	6
Forestry & Paper	1	1	1	1
Holding Companies	4	2	2	2
Insurance	3	4	4	4
Investment Companies & Other Finance	8	8	8	8
Leisures and Hotels	1	1	1	1
Mining	4	4	4	4
Oil & Gas	2	2	2	2
Pharmaceutical Industry	2	2	2	2
Real Estate	4	4	4	4
Software & Computer Services	7	6	7	7
Telecommunications	1	1	1	1
Transport	2	2	2	2
Utilities	1	1	1	1



**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Banks
2	Real Estate
3	Telecommunications
4	Construction & Building Materials
5	Mining

## Section Three : Bonds Statistics

**Table 6: Bonds Statistics****Currency: USD**

Bonds	2009	2010	2011	2012
Total Value traded	1,093,065,453.45	1,119,460,185.47	1,002,343,955.39	889,823,771
Value traded on governmental bonds	-	-	-	
Value traded on corporate bonds	1,093,065,453.45	1,119,460,185.47	1,002,343,955.39	889,823,771

## Section Four: Trading Systems

Trading System	NSC V900
System bought	Yes
System Vendor	NYSE Euronext
Implementing the system	2008

## Section Five: Clearing and Settlement

Clearing and Settlement by	The Stock Exchange
Systems locally developed	Yes
Clearing and Settlement time	T + 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Cash Market	Yes
Bond Market	Yes



**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Shares traded on 3 different compartments
Bonds	Corporate Bonds
ETF	No

**Section Seven : Trading Mechanism**

Margin Trading	N/A
Intraday Trading	Yes
Online Trading	Yes

**Section Seven : Indices****Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
MASI Float	A broad-based index comprising all shares
FTSE CSE Morocco 15 Index	Free float index calculated by FTSE in partnership with CSE-a real time tradable index consisting of the top 15 stocks trading on the Casablanca Stock Exchange, ranked by gross market capitalization

	Closing 2010	Closing 2011	% change	Closing 2012	% change
MASI Float	12,655.20	11,027.65	-12.86%	935919.00%	-15.13%
FTSE CSE Morocco 15 Index	11,092.82	10,935.62	-1.42%	961981.00%	-12.03%

**Section Eight : IPOS and Debt Securities Issues 2010 - 2012****IPOS****2010**

Company	Date of IPO	Value of IPO (\$ million)
ENNAKL	13/07/2010	23.05
CNIA SAADA Assurance	22/11/2010	77.15

**2011**

Company	Date of IPO	Value of IPO (\$ million)
STROC INDUSTRIE	30/06/2011	13.17
JET ALU MAROC SA	09/12/2011	28.08
S.M MONETIQUE	27/12/2011	9.16



## 2012

Company	Date of IPO	Value of IPO (\$ million)
AFRIC INDUSTRIES SA	05/01/2011	3.13

## Debt securities Issues

### 2011

Company	Date of issue	Value of Issue (\$ million)
MEDI TELECOM	31/01/2011	1.5
CDM	24/03/2011	11.0
ATTIJARIWafa BANK	27/06/2011	10.3
OCP	29/09/2011	18.5
ONCF	17/10/2011	47.2
MEDI TELECOM	20/12/2011	16.5

### 2012

Company	Date of issue	Value of Issue (\$ million)
FEC	17/01/2012	17.7
IMMOLOG	18/01/2012	5.9
RESIDENCES DAR SAADA	25/06/2012	8.8
CIMENTS DE L'ATLAS	03/07/2012	6.6
BMCI	19/11/2012	30.1
SGMB	17/12/2012	38.2

Members' Contacts are available on the CSE website  
[www.casablanca-bourse.com](http://www.casablanca-bourse.com)



# DAR ES SALAAM STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.dse.co.tz">www.dse.co.tz</a>
Market Regulator	Capital Markets and Securities Authority
Address	14 <sup>th</sup> Floor, Golden Jubilee Towers, Ohio Street, P. O. Box 70081, Dar es Salaam
Trading Session hours (local time)	10:00 AM to 12:00 PM
Time Zone	Greenwich Mean Time + 3 hours
Contact Person for ASEA	Mrs. Mary Mniwasa
Telephone	+255 22 2128522, 2123983
Fax	+255 22 2133849
E-mail	<a href="mailto:info@dse.co.tz">info@dse.co.tz</a>
Name of Local Currency	Tanzanian Shilling-TZS
Tax Rates (dividends, interest, capital gain)	5% Withholding Tax on dividend; Income tax exception on capital gains; TBs with maturities exceeding 2 years are excepted from income tax of 10%



## MARKET PERFORMANCE TREND

Market Indicator	December 2012	2011	% change
DSE All Share Index	1,485.63	1,303.23	14%
Tanzania Share Index (TSI)	1,430.46	1,140.26	25%
Total Market Capitalization (TZS. Bn)	13,197.34	11,577.05	14%
Domestic Market Cap (TZS Bn)	3,005.05	2,395.42	25%

## LISTING ACTIVITIES

In year 2012, the Government listed bonds worth TZS. 882.71 billion (\$554.46 million) through the issuance and listing of Government of Treasury Bonds with maturities of 2, 5, 7, and 10 years. There was no new listing in the equity market during the period under review. However, the following happened during the period under review:

- i. The East African Breweries (EABL) shares in Tanzania Breweries Limited (TBL) were offloaded. EABL 20% in TBL was offloaded through a Min IPO.
- ii. MS. Richland Resources Ltd (a tanzanite mining and marketing company) application for IPO and cross listing was approved by the Governing council. Richland is primarily listed on London Stock Exchange AIMs;
- iii. DCB Commercial Bank (DCB) application for additional listing of its shares by way of rights issues and bonus shares was approved. DCB has applied for listing of additional 35 million ordinary shares.

### The DSE Strategic Initiatives

During year 2012 the DSE Governing Council approved three major strategic initiatives:

- i. DSE Council in May, 2012 approved the DSE 5 Year Corporate Plan for the years 2012/13 to 2016/17;
- ii. Endorsed engagement of the Consultant to study DSE demutualization prospects;
- iii. Endorsed engagement of the Consultant to review the DSE Rules in order to among others accommodate new planned products, procedures and best practices.

The approved DSE 5 Year Corporate Plan has come up with the following new DSE's vision and mission:

## VISION

*"To be a sustainable securities exchange that is an engine of economic growth for Tanzania"*





## MISSION

“To provide a responsive securities exchange that promotes economic empowerment and contributes to the country’s economic development through offering a range of attractive and cost-effective products and services”.

The DSE Corporate Plan therefore has eight objectives namely:

1. Ingrain a self-reliant, commercial business culture in the exchange;
2. Achieve consistent profitability without government subventions or grants supporting its core activities;
3. Identify and reduce costs;
4. Expand its range of fee-generating products and services;
5. Improve the organisation and accountability of the DSE organization;
6. Improve the risk management of the DSE and the securities market;
7. Raise the profile of the DSE;
8. Deliver the program defined in this strategy timely.

During the period, DSE acquired its own building in a remote location for use as Disaster Recovery Site (DRS). A full range of new ICT equipment’s were procured to replace the ageing hardware at the main office and for installation at the DRS. The procured ICT equipment are expected to support increased operational efficiency in the Exchange. In May 2012 DSE offices were relocated to the 14th Floor of Golden Jubilee Towers Building , Ohio Street in Dar es salaam to provide for more space for planned activities and services and uplift corporate image of the Exchange.

## 2013 PROSPECTS:

Major focus will be on consolidating revenue generating activities initiated during 2012 while working for new listings both in the main market segment and the new EGM market segment. The thrust will also be in laying foundation for new products to be launched in subsequent years for example: M-Akiba bonds, Exchange Traded Funds and services to the Commodities Market. During the year a better foundation for risk management will be put in place.



## NEAR TERM PRIORITIES

The following has been identified as the major activities for year 2013:

- a) Strengthening the DSE's organization structure and SRO function through recruiting, redefining some roles and overhauling the DSE Blue Print in line with the existing and foreseeable challenges,
- b) Bringing new listings in the MIMS, EGM and fixed income securities and Implementing the new fee structure,
- c) Consolidation of the gains on data vending and securities registration services,
- d) Introducing CSDR services and laying ground for M-Akiba bonds product,
- e) Put in place the DSE demutualization road map,
- f) Continue working on necessary conditions for future roll out of new products and services including municipal bonds, Exchange Traded Funds and services related to commodities Exchange



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	43.19	44.1	44.9
Real GDP (USD) (Millions) at market exchange rates	22,041	24,463	25,426
Inflation rate (%)	10.5	12.6	12.1
Net Foreign Direct Investment (USD) (Millions)	700.00	N/A	N/A
Unemployment rate (%)	N/A	N/A	N/A
Interest Rate (T-Bills)	3.87	9.49	
Exchange rate (local currency versus US\$)	1402	1605	1571.62*

Source for FDIs: United Nations Conference on Trade & Development

Source: Bank of Tanzania

\* As at 31st Dec 2012

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Indicators	2010	2011	2012
Total value traded	25,486,535	35,019,608	32,383,210
Total volume traded	184,565,822	108,832,375	78,754,421
Total number of transactions	13,373	8,314	10,028
Number of listed companies	15	17	17
Number of traded companies	12	15	12
Market Capitalization (Millions) end of year	3,368.00	7,389.66	8,397.28
Market Capitalization as % of GDP	15.28%	30.21%	33.03%
Turnover Ratio (%) *	0.76	0.47	0.39

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	21.8	36.7	16.02
Local Investors	78.2	63.3	83.98
Total %	100%	100%	100%



## Institutions vs. Individuals

Institutions	53.8	40.5	54.13
Individuals	46.2	59.5	45.87
Total %	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
Main Market Segment (MMS)	15	17	17
Banking & Investment	4	3	3
Commercial services	1	2	2
Industrial & Allied	6	6	6
Foreign Share Index	4	6	6
<b>Fixed Income Market Segment</b>			
United Republic of Tanzania Treasury Bonds		162	147
Corporate Bonds	6	6	6

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Banking and investment
2	Industrial & Allied
3	Commercial services
4	Foreign Share Index

## Section Three : Bonds Statistics

**Table 6: Bonds Statistics**

**Currency: USD**

Bonds	2010	2011	2012
Total Value traded	147,480,000	118,963,154	274,587,241
Value traded on governmental bonds	147,480,000	118,963,154	274,568,789
Value traded on corporate bonds			18,452

## Section Four: Trading Systems

Trading System	Automated Trading System (ATS)
System bought	Yes
System Vendor	Millennium IT
Implementing the system	2006



## Section Five: Clearing and Settlement

Clearing and Settlement by	
Systems Vendor	Millennium IT
Year of implementing the system	2006
Clearing and Settlement time	T + 3
Others	T +5

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Shares	Common shares, preference shares
Bonds	Government and Corporate Bonds

## Section Seven : Trading Mechanism

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	Yes

## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
DSEI	Tanzania All Share Index
TSI	Tanzania Domestic Share Index
BII	Banking & Investment Index
CSI	Commercial Services Index
IAI	Industrial & Allied Index

	Closing 2011	Closing 2012	% change
DSEI	1,303.23	1,485.63	14.00
TSI	1,140.00	1,430.46	25.48
BII	1,056.00	1,170.63	10.86
CSI	1,459.00	1,756.68	20.40
IAA	1,285.00	1,723.86	34.15



## Section Eight : IPOS and Debt Securities Issues 2010 - 2012

### IPOS

2011

Company	Date of issue	Value of Issue (\$ million)
Precision Air Services	21.12.2011	57.37
TBL	December	75.00
		132.37

### Debt securities Issues

2010

Company	Date of issue	Value of Issue (\$ million)
Tanzania Breweries Limited	31.08.2010	24.73
Standard Chartered Bank	22.10.2010	6.7
Promotion of Rural Initiatives	8.11.2010	9.86
		41.29

2011

Company	Date of issue	Value of Issue (\$ million)
Bank M	4.02.2011	2.00
		2.00

## Section Nine : 2009 Rankings of Top 5 Trading Participants

Ranking Equity Transactions				
		Purchases	Sales	Total
		\$	\$	\$
1	Orbit Securities Company Limited	12,112,353	13,606,718	25,719,071
2	Tanzania Securities Limited	11,696,330	9,379,819	21,076,149
3	Rasilimali Limited	3,487,607	4,352,209	7,839,816
4	Core Securities Company Limited	2,030,243	1,485,883	3,516,126
5	Vertex International Securities	1,753,617	1,448,438	3,202,055
Ranking Bond Transactions				
		Purchases	Sales	Total
		\$	\$	\$
1	Solomon Stockbrokers Limited	155,778,814.00	205,918,161.00	361,696,975.00
2	Tanzania Securities Limited	79,642,471.00	44,137,705.00	123,780,176.00
3	Orbit Securities Company Limited	39,147,504.00	24,512,923.00	63,660,427.00

Members' Contacts are available on the DSE website  
[www.dse.co.tz](http://www.dse.co.tz)



# DOUALA STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.douala-stock-exchange.com">www.douala-stock-exchange.com</a>
Market Regulator	Financial Services Commission
Address	Immeuble de la Bourse, BP442 Douala Boulevard de la Liberté, Akwa
Trading Session hours (local time)	9 a.m - 11 a.m (Official Market)
Time Zone	GMT +1h
Contact Person for ASEA	Mr. Pierre Ekoule, General Manager.
Telephone	(237) 33 43 85 83
Fax	(237) 33 43 85 84
E-mail	<a href="mailto:mireille.dicka@douala-stock-exchange.com">mireille.dicka@douala-stock-exchange.com</a>
Name of Local Currency	FCFA (XAF)
Tax Rates (dividends, interest, capital gain)	



# 1. MARKET PERFORMANCE IN 2012

## The share market

During the year of 2012, DSX has held 149 trading sessions with a variety of shares on offer with good performance from SEMC and SAFACAM shares and a contrasted performance by SOCAPALM shares.

SEMC shares showed a good performance during this period. The share began year with a value established about of 113,305 FCFA (USD 226). From that point on, SEMC shares showed a remarkable increase to 116,707 FCFA (USD 233). The 6th June 2012, after payment of dividend of 4,950 FCFA (USD 10), the price has sudden a technical adjustment to FCFA 111,757 FCFA(USD 223.51) . Then, the value rise progressively to end year with a price of 115,999 FCFA (USD 231.99)on the 31st December 2012.

From January to December 2012, SAFACAM shares has showed a positive evolution. From 55,828 FCFA (USD 111.65) in the beginning of the year, the price has known a rise about 60% to end the year with a price established at FCFA 89,001 (USD 178). We have noticed a distribution of dividend of FCFA 11,303 (USD 22.60) per share on july 24th.

SOCAPALM shares had a turbulent year due to the partial collapse of its share price from 45,000 FCFA (USD 90) at the beginning of the year to 39,999 FCFA (USD 80), a fall of 12.5%. However, the value registers a good liquidity with the best volume of transaction.

Stock market capitalisation at the end of the year amounted to FCFA 108,527,316,737(USD 217,054,633), compared with FCFA 102,173,687,000 (USD 204,347,374) at the beginning of the year, a rise of 6.21 %.

This rise is principally attributed to the good performance of SAFACAM shares which have registered a rise of 60% in capitalization.

- **The bond market**

The bond market is characterized by stability due to the nature of the bonds which are fixed income title.

The IFC bond, the first bond quoted on DSX bond market, is quoted at 98.01% as of the 31st December 2012.

The ECMR bond, called “ECMR 5,6% net 2010-2015” governmental bond of State of Cameroon, is the more active value in the bond market and quoted at 100% as of the 31st December 2012.

“BDEAC 5,5% net 2010-2017” is the third bond which is fixed at 99.99% at the end of year.

Bond market capitalisation at the end of the year amounted to FCFA 169,335,000,000 (USD 338,670,000).





## Volume of exchanges

On a monthly basis, an analysis of volume of exchanges was carried out for the month of June, representing 24.78 % of volume at FCFA 63 113 260 (USD 135,436.18).

Total volume of transactions was FCFA 254,756,799 (USD 546,688.41), SOCAPALM and SAFACAM shares being the most actively traded.

The Bond market showed a turnover of F CFA 10,320,000 (USD 22,146.92), the equivalent of 1 047 IFC bonds.

- **Payment of dividends**

Dividends were paid at the end of the first half year of 2010 for the three listed shares for 2009.

In June, SEMC paid to its shareholders a dividend of FCFA 4 950 (USD 10.62). In July, SOCAPALM paid a dividend of FCFA 1 282 (USD 2.75), and in August, SAFACAM paid a dividend of FCFA 4 272 (USD 9.17).

These different transactions were the origin of three events impacting on shares listed on the DSX within the framework of dividend payments.

## 2. THE FUTURE OUTLOOK

- **The bond market**

Two (2) bond issues are envisaged for the second half of 2013:

The State of Cameroon plans to make a bond issue of a maximum amount of 200 billion FCFA (USD 400 million) within the framework of the carrying out of its budget under the terms and conditions of the financial laws of 2010. Revenues raised are destined for development projects. Bonds thus issued shall be listed on the Douala Stock Exchange. The syndicate of Investment Service Providers concerned, AFRILAND, CITIBANK and SGBC have been notified officially by the Ministry of Finance.

Banque de Développement des Etats de l'Afrique Centrale (BDEAC) plans to launch, within the CEMAC zone, a bond issue to the value of 100 billion Francs CFA (USD 200 million). A preliminary drawing of 30 billion FCFA (USD 60 Million) is planned for the fourth quarter of 2010. Bonds shall be issued and listed on the two financial markets of the CEMAC zone.



## Revision of strategy

Douala Stock Exchange seeks to increase the number of listed companies. It is therefore carrying out an intensive marketing strategy which aims to draw attention to the tax advantages offered by the State of Cameroon in order to attract the next wave of privatised companies as well as companies and local groups seeking long term finance.

With this aim in mind the organisational capacities are being reinforced both in terms of information systems and human capital. In addition to the three existing departments (Markets, Administration and Finance, and Information Systems), a promotion department is being created as well as a legal expert to advise on all aspects of good governance.

As far as sources of revenues are concerned, these are extremely diversified. IT equipment is being upgraded in order to integrate itself into the Pan-African inter-stock exchange system or international system like EURONEXT.

## Creation of a division for small and medium sized businesses

In addition to the division for large companies, a division dealing with small and medium sized businesses is being created. Admission criteria shall be flexible but integrated into the framework of a guarantee fund.

## Partnerships and exchanges with other stock exchanges

DSX intends to reinforce exchange and co-operation with other stock exchanges in the franc Zone and beyond.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	19.40	19.40	20.13
Real GDP (USD) (Millions) at market exchange rates	3.70	3.80	4.70
Inflation rate (%)	1.50	3,4(est)	2,9(est)
Foreign Direct Investment (USD) (Millions)	N/A	N/A	N/A
Unemployment rate (%)	N/A	N/A	30(est)
Interest Rate (T-Bills)	N/A	N/A	N/A
Exchange rate (local currency versus US\$)	466	500	515

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Indicators	2010	2011	2012
Total value traded	546,688.40	447,628.00	123,444,070.43
Total volume traded	6,372.00	4,807.00	6,385,679.00
Total number of transactions	141	141	141
Number of listed companies	3	6	6
Number of traded companies	3	6	6
Market Capitalization (Billions) end of year	0.19	0.20	0.42
Market Capitalization as % of GDP	NA	NA	NA
Turnover Ratio (%) *	0.29	0.23	28.67

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	14	14	14
Local Investors	86	86	86
Total %	100%	100%	100%



## Institutions vs. Individuals

Institutions	4	4	4
Individuals	96	96	96
Total %	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Main Investore Market Segment</b>			
Sector"agriculture"	2	2	2
Sector"industry"	1	1	1
<b>Fixed Income Market Segment</b>			
Corporate Bonds	1	2	2
Government bonds		1	
<b>Over the Counter</b>			
Government debt bonds (OTC)	1	1	

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Agriculture
2	Industrial

## Section Three : Bonds Statistics

**Table 6: Bonds Statistics**

Currency: USD

Bonds	2010	2011	2012
Total Value traded (USD.)	4,056,601.00	4,503,822.00	121,861,781.80
Value traded on governmental bonds (OTZ)	4,056,601.00	4,056,602.00	-
Value traded on corporate bonds (IFC & BDEAC)	22,146.00	21,860.00	329,509.00
Value traded on government bonds (ECMR)	0.00	447,220.00	121,532,272.00

## Section Four: Trading Systems

Trading System	TITAN
System bought	Yes
System Vendor	3V Finance (Vieil et Tradition - France)
Implementing the system	2003



## Section Five: Clearing and Settlement

Clearing and Settlement by	Central Depository - Caisse Autonome d'Amortissement (CAA)
Systems Vendor	Euroclear
Year of implementing the system	2006
Clearing and Settlement time	T + 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Ordinary shares	All common stocks
Government and corporate bonds	Government bonds issued through the Primary Dealers System

## Section Seven : Trading Mechanism

Margin Trading	N/A
Intraday Trading	Yes
Online Trading	N/A

## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
N/A	N/A

## Section Eight : IPOS and Debt Securities Issues 2008 - 2010

### IPOS

2008

Company	Date of issue	Value of Issue (\$ million)
SAFACAM	26/05/2008	6.22



## 2009

Company	Date of issue	Value of Issue (\$ million)
SOCAPALM	22/01/2009	32.3
IFC	23/11/2009	42.91
	23/11/2009	75.21

## 2010

Company	Date of issue	Value of Issue (\$ million)
BDEAC	29/11/2010	64.38
STATE OF CAMEROON	06/12/2010	429.19
		493.57

*Members' Contacts are available on the DSX website  
[www.douala-stock-exchange.com](http://www.douala-stock-exchange.com)*

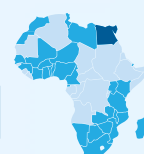


# THE EGYPTIAN EXCHANGE

## PROFILE



Website	www.egx.com.eg
Market Regulator	The Egyptian Financial Supervisory Authority
Address	
Trading Session hours (local time)	Over-the-counter, Deals Market 9:45 - 11:15 Orders Market 14: 45- 15:15 (Monday & Wednesday) Listed Securities 10:30 - 14:30 Nilex: 10:30 - 11:30 Primary Dealers Bonds Market 10:30-14:30
Time Zone	GMT + 2
Contact Person for ASEA	Sarah Hosni
Telephone	202- 23933984- 202-23921402 Ext 881
Fax	+202 239 70 461
E-mail	sarah.hosni@egx.com.eg
Name of Local Currency	Egyptian Pound
Tax Rates (dividends, interest, capital gain)	Taxes are not applicable on capital gains



## The Egyptian Exchange in 2012

### The Egyptian Exchange... The Sole Winner in the midst of All Economic Difficulties

Egypt has witnessed tough economic conditions in 2012 as the country has passed through a series of consecutive political events which had a great impact on Egypt's economic performance, where the surrounding circumstances were not helping to achieve high growth rates, improve the investment climate or restore the investors' confidence.

The Egyptian Economy grew by 2.2% in 2011/2012, which is considered a higher rate than the one realized last year (1.8%), yet it's still below the required level that would restore the Egyptian economy's strength. The foreign investments were also affected, reaching US\$ 2.6 billion during the first 9 months of the year 2012.

Faced by all these economic difficulties, the state budget deficit inched up to reach 10.8% of the GDP for the fiscal year 2011/2012 compared to 9.8% in the previous year. This was accompanied by a decline in Egypt's net international reserves, reaching US\$ 15 billion in December 2012 compared to US\$ 18 billion in December 2011, which put high pressure on the value of the Egyptian pound, resulting in pushing the value of the Egyptian pound down to reach 6.32 LE/US\$ at the end of December 2012 compared 6.032 LE/US\$ at the end of December 2011.

On the contrary to all other sectors in the economy and despite all surrounding difficulties that led to significant fluctuations in its performance during the year, the Egyptian Exchange showed a remarkable performance, growing by 51% in 2012; a level that hasn't been reached since 2007, which is considered the highest growth among all emerging and developed markets (after Turkey) in 2012.

Likewise, EGX 70 & EGX 100 indices soared by 15% & 24%, respectively.

Trading volumes have relatively improved in 2012 compared to the year before, with the volume traded reaching 34 billion securities; a level that hasn't been reached even in the recent years pre-revolution. Likewise, the value traded soared to LE 185 billion compared to LE 148 billion in 2011, and the number of transaction surged to 6 million transactions compared to 5.6 million transactions in 2011. The market capitalization for the listed companies on the main market has also increased to reach LE 376 billion at the end of 2012 up from LE 294 billion the previous year.





EGX has witnessed a relatively high trading records in 2012 compared to 2011, registering a trading value of LE 185 billion as opposed to LE 148 billion last year. Moreover, the volume traded soared to reach 34 billion securities in 2012 compared to 18.5 billion securities in 2011. Likewise, the number of transactions recorded 6 million transactions versus 5.6 million transactions in 2011. The value traded of the main market amounted to LE 166.5 billion in 2012 compared to LE 131 billion in 2011.

On the other hand, Over the Counter (OTC) market registered a trading value of LE 18 billion during the year compared to LE 17.5 billion in 2011. Meanwhile, the OTC trading volume retreated to 1.4 billion securities in 2012, down from 1.6 billion securities last year.

From another perspective, Nilex market trading figures surged in 2012 compared to the year before, recording a trading value of LE 247 million compared to LE 191 million in 2011 while the trading volume amounted to 81 million securities in 2012 as opposed to 31 million securities last year.

The market capitalization of the main market listed stocks witnessed a 28% increase in 2012, concluding the year at LE 376 billion as opposed to LE 294 billion at the end of 2011, representing 24% of GDP.

The Egyptian market started the year on a positive note, following the parliamentary elections and the transfer of legislative power to the parliament. The market continued its good performance till the end of February & took off remarkably during the month of March. The market, however, pulled down affected by the political unrest related to the constitutional committee & the preparation for the presidential election. This lackluster performance lasted till the end of the Presidential election's second round.

With the beginning of the 2nd half of the year, the market showed a good performance till the month of November, during which political tensions took place, which affected the market negatively till the beginning of December. The market, however, rebounded again on the back of the finalization of the constitutional referendum, which pushed the market up to continue rising till the end of the year despite being disturbed by the credit rating downgrade.

The dividend yield for the Egyptian Exchange has reached 8.3% versus 2.6% for the emerging markets and 3.2% for the Africa and Middle East (according to Standard and Poor's). This growth is mainly attributed to the investors' positive outlook for the Egyptian market. Despite the critical conditions experienced by the Egyptian economy, yet the companies' profitability is still the highest among all emerging markets.

Given more economic and political stability, the Egyptian Exchange is expected to show a better performance and realize higher growth rates in the coming period.

## **EGX.... Not Only Having Booming Indices but Also Supporting the Egyptian Economy**

The Egyptian Exchange continues to assert its role in supporting the economy not only as a platform for trading and capital movements but most importantly as a leader in supporting businesses through providing the necessary funds for promising companies. Despite the tough situation experienced during year 2012,



EGX has financed the growth of 22 companies, with an amount of around LE 1.3 billion. Worth mentioning that EGX trading structure allows more financing for companies that have greater expansion plans

In line with its efforts to support the economy and encourage companies to grow and expand, the Egyptian Exchange has provided several facilities aimed at helping companies to get listed and offer their shares for trading. In that respect, EGX has exempted those companies from listing fees, despite the financial difficulties EGX experienced.

Additionally, for further facilitation, EGX management has agreed to allow a number of companies to offer part of their shares to be traded through the special deals system (OPR) to all market participants, provided that they meet all disclosure form requirements concerning the offering process.

### **Crucial Changes in EGX Policies to Face the Challenges**

In order to better deal with the previously mentioned challenges, a new surveillance system designed by Millennium IT Company (owned by London Stock Exchange) was launched. On the other hand, it was also important to focus on enhancing disclosure levels in order to ensure investors' protection. Thus, EGX launched its first unified disclosure form to raise the companies' commitment to the unified disclosure, and facilitates the access to all the information that influences the stock prices and the latest material events occurring within the companies as well as major changes in the companies' investments.

In the same context, this year has witnessed the Egyptian Financial Supervisory Authority decision enforcing the listed companies to have an official website on which the company shall post its financial statements, data and news. This will further empower the process of disclosure and information dissemination.

From another perspective, EGX has undertaken several initiatives to attract more investments to the local market, on top of them was the launch of the FIX HUB which facilitates foreign investors' entry to the Egyptian market by linking EGX to 175 international markets via the international linking network (Fidessa) through which more than US\$ 800 billion are currently being traded. This step is expected to enhance the Egyptian market liquidity at a lower cost.

From another perspective, EGX is about to finalize the linkage with Istanbul Menkul Kıymetler Borsası (IMKB), which is considered one of the largest markets in the region. The linkage process aims at facilitating the foreign investors' entry to the Egyptian market. In case of the success of this project, EGX plans to be linked with a number of other regional & international financial centers.

The Egyptian Exchange has managed to attain several positions in the international organizations. In that regard, EGX became the vice president of the Federation of Euro-Asian Stock Exchanges (FEAS). Additionally, EGX had the honor to host the 16th African Securities Exchanges Association Annual General Meeting, together with the South Asian Federation of Exchanges "SAFE" Annual General Assembly Meeting in December 2012.



The success of these conferences contributed to a great extent in changing the wrong perception perceived about Egypt where the presence of the large audience asserted that Egypt's political situation is better than what is portrayed by the international media.

## **Continuous Development in the Trading Platform**

The market witnessed major developments during this year aimed at upgrading the trading infrastructure to be in par with the latest international standards. In 2012, the rules of trading the rights issue separately from the company's shares were issued, which is considered a tool that would help investors to keep their investments in case the company decided to raise its capital through rights issue as the rights issue can be traded separately from the company's shares.

Moreover, EGX activated a new mechanism to calculate the close price of securities, which contributes in deterring the price volatility resulting from limited trading on those stocks and provides more sophisticated methods to reflect the market performance.

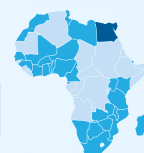
On the other hand, EGX is planning to launch a separate trading mechanism to execute large deals, representing a minimum of 2% of the voting rights or a value of LE 2 million, whichever is smaller. This mechanism will help in accelerating and facilitating trading, especially for institutions, in addition to raising the probability of executing the entire quantity required. It will also contribute in increasing the execution speed, reducing trading cost and boosting trading activity, which in turn will improve the market's efficiency.

## **The Inclusion of EGX in a Number of New International Indices**

From another perspective, EGX has been included in the S&P/OIC COMCEC 50 Shariah Index, which is a joint index of the Organization of the Islamic Conference (OIC) Member States' Stock Exchanges Forum and S&P indices. The index comprises the 50 leading Shariah compliant companies from the OIC members and aims at promoting the OIC members as one of the largest economic blocs in the world in the coming period.

Moreover, EGX has been included in the FTSE ASEA Pan Africa Index, which was launched at the end of 2012. The index measures the performance of eligible securities domiciled in 19 African countries, which is considered an important step, especially with the current growing interest of the international investment community for investment opportunities in Africa.

EGX exerted enormous effort this year to attract new companies to be listed on Nilex; the SMEs market, and also worked extensively to improve the market's liquidity. However, the improvement the market witnessed remains less than the desired level as the political and economic conditions negatively impacted Nilex; an offspring market with low investments.



As a result, only 5 companies were listed on Nilex in 2012. Nilex trading figures have surged in 2012, with a total trading volume amounting to 81 million securities compared to 31 million securities in 2011. Likewise, the value traded soared to LE 247 million as opposed to LE 191 million last year.

The year 2012 witnessed a number of important events, including the initiative undertaken by The Information Technology Industry Development Authority "ITIDA", in collaboration with EGX to support the IT industry companies, especially those desiring to be listed on NILEX. In that respect, ITIDA agrees to incur the restructuring costs of IT companies wishing to be listed on Nilex

Despite the political & economic difficulties witnessed in 2012, EGX was able to recoup its losses, realizing a remarkable growth of 44% over the year as per Morgan Stanley (MSCI Price Index), to rank second (after Turkey) compared to all other developed & emerging markets. This is considered an outstanding hike compared to all regions in the world.

The MENA markets witnessed a good performance in 2012 compared to the previous year as they recovered somehow from the repercussions of the Arab spring revolutions. The Egyptian exchange was the best performer during this year, with an increase of 51%, followed by Dubai with a big difference, surging by 20%. Abu Dhabi ranked third, recording 10% gains, followed by Saudi Arabia, Kuwait and Muscat, with slight increases ranging from 1% to 6%

The Egyptian Market maintained its attractiveness this year. 22 thousand new investors were registered in 2012 as opposed to 36 thousand investors in 2011. This was mainly attributed to the tough current economic conditions in addition to the misconceptions the investors have about the stock market, which hindered the entrance of new investors.

On the other hand, the number of newly coded institutions in 2012 was almost the same as in 2011. The newly coded non-Arab foreign institutions captured around 71% of the total number of newly coded institutions, followed by the Egyptian institutions (22%) and Arab institutions (7%).

The Egyptian market was dominated by Institutions, accounting for 50% of the value traded during 2012, as opposed to 59% during 2011. Likewise, individuals accounted for 50% of the value traded during 2012, as opposed to 41% during the previous year.

Furthermore, the year 2012 witnessed the listing of 11 companies, with a total value of LE 2.5 billion compared to 8 new listed companies in 2011, with a total value of LE 551 million.

22 companies raised capital in 2012, with a total value of LE 1.2 billion, out of which 4 companies increased their capital through a secondary public offering (SPO), with a value of LE 138 million. Moreover, 18 companies had their capital increased through cash, bonus shares, par value amendment, mergers or acquisitions, with a total capital raised of LE 1.1 billion.



From another perspective, the bond market's trading activity surged remarkably during 2012 as opposed to the previous year. The value traded of bonds reached LE 38 billion compared to LE 31 billion in 2011. Likewise, the volume traded of bonds recorded 37.5 million bonds versus 35 million bonds in 2011.

Treasury bonds issued through the Primary Dealers System still account for the lion's share of the total bond's trading activity, making up 99.8% of the total bonds' trading value and 98% of the total bonds' trading volume during the year.

Meanwhile, corporate bonds witnessed a decline in their trading activity in 2012, with their value traded registering LE 68 million, down from LE 227 million last year. Similarly, corporate bonds' trading volume reached 760 thousand bonds versus 1.7 million bonds in 2011.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

2012

Indicators	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Population	75.2	76.9	78.7	80.4	82.30
Real per capita GDP (US\$)	167.91	186.23	211.88	236.12	254.55
Inflation rate (%)	20.20	9.90	10.10	11.80	7.26
FDI	13236.50	8113.40	6758.20	2188.60	2078.20
Unemployment rate (%)	8.7	9.4	9	11.80	12.60
Interest Rate (T-Bills 91 days)	9.675	10.156	10.22	12.10	14.75
Exchange rate (local currency versus US\$)	5.3331	5.5964	5.6952	5.81	6.059

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2007	2008	2009	2010	2011 ^ ^	2012
Total value traded						
- million	65,834,904,722.82	96,056,030,223.45	81,707,244,812.59	55,360,550,000.00	24,571,443,698.40	23,402,696,671.99
Total volume						
traded - million	15,091,289,631.95	25,556,094,683.70	36,601,431,681.00	33,429,372,218.00	18,490,172,527.00	34,221,343,688.00
Total number of						
transactions	9,016,116.00	13,456,318.00	14,627,805.00	10,201,219.00	5,589,676.00	6,233,096.00
Number of listed						
companies	435	373	306	212	213	235
Number of traded						
companies	337	322	289	213	204	220
Market						
Capitalization						
(billions) end of						
year - million	139,319,168,585	85,901,717,657	91,080,506,444	84,102,973,825	51,688,215,519	60,097,919,773
Market						
Capitalization as						
% of GDP	85.79%	45.45%	41.40%	40.46%	22.73%	
Turnover Ratio						
(%) *	38.7	70.3**	49.9**	42.9	34.0	34.09%

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

\*\* after excluding deals

^ it represents the trading figures for the main market. Worth mentioning that Nilex market (SMEs Market) has been launched since 2007 and trading has been commenced on Nilex on 3 June 2010, whereby there were 17 companies listed on Nilex at the end of 2010, with a market capitalization of USD 172 million.

^ ^ EGX was closed from 28 January - 22 March after the revolution.



## Table 3: Investors Type

### Foreigners vs. Local Investors

% of the Total Value Traded

Type of Investors	2007	2008	2009	2010	2011	2012
Foreign Investors	31.00	30.00	19.00	22.00	29.00	26.90
Local Investors	69.00	70.00	81.00	78.00	71.00	73.10
Total %	100%	100%	100%	100%	100%	100%

### Institutions vs. Individuals

Institutions	39.00	34.00	37.00	52.00	59.00	56.40
Individuals	61.00	66.00	63.00	48.00	41.00	43.60
Total %	100%	100%	100%	100%	100%	100%

## Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector					
	2007	2008	2009	2010	2011	2012
Banks	23	23	21	12	12	10
Basic Resources	18	15	11	9	9	7
Chemicals	20	16	13	7	7	7
Construction & Materials	55	49	38	26	26	21
Financial Services excluding banks	37	43	37	30	29	22
Food & Beverages	54	38	30	28	27	26
Healthcare & pharmaceuticals	28	22	21	13	14	9
Industrial goods & services and Automobiles	53	44	35	18	17	15
Media	1	1	1	1	1	1
Oil & Gas	5	5	5	3	3	2
Personal & household products	32	28	20	11	11	8
Real Estate	45	34	32	26	29	31
Retail	14	11	9	5	5	7
Technology	7	4	3	3	3	3
Telecommunications	3	3	3	3	3	3
Travel & Leisure	36	33	24	16	16	11
Utilities	4	4	3	1	1	1

\* Specify the sector and the number of companies in each



**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Telecommunications
2	Financial Services excluding Banks
3	Real Estate
4	Personal and Household Products
5	Travel & Leisure

\* Arrange the Sectors starting with the most active

## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2008	2009	2010	2011	2012
Total Value traded (USD)	3,630,012,514.28	7,401,447,478.76	10,938,692,718.20	5,093,916,817.59	6,114,306,058.65
Value traded on governmental bonds	3,600,159,602.44	7,392,040,689.83	10,841,835,284.13	5,056,289,649.99	6,103,408,531.93
Value traded on corporate bonds	29,852,911.84	9,406,788.93	96,857,434.06	37,627,167.60	10,897,526.73

## Section Four: Trading Systems

Trading System	X-Stream
System bought	Yes
System Vendor	NASDAQ OMX Group
Implementing the system	2008

## Section Five: Clearing and Settlement

Clearing and Settlement by	Misr for Central Clearing, Depository and Registry (MCDR)
System locally developed	Yes
System Vendor	N/A
Clearing and Settlement time	T+ 2 T+ 3 (OTC)
Others	T+Zero for the securities eligible for Intra-day trading (Real Time Gross Settlement)* T+1 for treasury bonds traded according to the Primary Dealers system
	*EFSA suspended intraday trading activities as a precautionary measure post the revolution to ensure business continuity, credibility of the Egyptian market and as a protection for investors' rights





## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Cash Market	Yes
Equity Market	Yes
Bond Market	Yes
Derivative Market	N/A

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	All common stocks as well as 3 companies with preferred stocks
Bonds	Government and Corporate bonds with the bulk owed to Treasury Bonds Issued through the Primary Dealers System
Mutual Funds	Closed Ended Funds
Egyptian Depository Receipts (EDRs)	EDRs are certificates issued by a custodian bank, which represent ownership of a specific number of shares of a foreign company, that can be listed and traded on EGX
ETFs	Rules and Regulations are issued

## Section Seven : Trading Mechanism

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	Yes

## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,etc)
EGX 30 (Main index)	Free float market capitalization weighted index
EGX 70	Price Index
EGX 100	Price Index
Dow Jones EGX Egypt Titans 20 Index	Free float market capitalization weighted index
S&P/EGX ESG Index	Environmental, Social and Governance Index



	Closing 2010	Closing 2011	Closing 2012	% change
EGX 30	7,142.14	3,622.35	5,462.42	51%
EGX 70	721.54	415.59	477.08	15%
EGX 100	1166.24	643.07	800.35	24%
DJ EGX Egypt Titans 20	1532.78	816.78	1211.41	48%
S&P/EGX ESG Index	1112.69	597.96	925.84	55%

	Closing 2010	Closing 2011	Closing 2012	% change
Banks	2,204.75	911.67	1,657.20	82%
Real Estate	1,352.26	440.82	783.01	78%
Chemicals	904.72	675.43	724.63	7%
Healthcare & Pharmaceuticals	1,486.09	1,244.48	1,408.79	13%
Personal & Household Products	609.14	458.60	518.47	13%
Financial Services excluding Banks	810.58	357.25	467.50	31%
Industrial Goods, Services & Automobiles	1,819.58	893.27	994.52	11%
Construction & Materials	1,610.63	1,129.22	1,403.86	24%
Basic Resources	813.92	192.25	472.44	146%
Food and Beverages	1,014.33	602.11	939.48	56%
Travel & Leisure	571.57	195.28	240.95	23%
Telecommunications	422.13	276.37	468.58	70%

## Section Eight : IPOS and Debt Securities Issues 2011 - 2012

### Debt Securities Issues

2011

Company	Date of IPO	Listing Date	Value of Issue (\$ million)
Contact securitization	Dec-10	Mar-11	69.63
Contact securitization	Jul-11	Sep-11	58.02



## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking		Stockbrokerage Units		
		Purchases	Sales	Total
		\$	\$	\$
1	Beltone Securities Brokerage	3,610,400,842.61	2,793,539,205.09	6,403,940,047.71
2	Commercial International Brokerage company (CIBC)	1,358,753,812.43	1,524,811,229.70	2,883,565,042.12
3	Financial Brokerage Group	1,231,012,304.15	1,444,185,071.32	2,675,197,375.47
4	Hermes Securities Brokerage	1,302,993,606.92	1,338,433,438.59	2,641,427,045.51
5	Pioneers Securities	989,589,102.98	974,975,063.50	1,964,564,166.48

Ranking		Stockbrokerage Units		
		Purchases	Sales	Total
		\$	\$	\$
1	Beltone Securities Brokerage	3,083,828,900.50	2,198,720,359.48	5,282,549,259.98
2	Financial Brokerage Group	6,916,735.01	340,399,842.84	347,316,577.85
3	HSBC Securities Egypt S.A.E	-	142,183,600.86	142,183,600.86
4	HC Brokerage	41,166,032.80	116,012,232.50	157,178,265.31
5	Prime Securities Brokerage	11,759,448.42	53,504,142.55	65,263,590.96

Members' Contacts are available on the EGX website [www.egx.com.eg](http://www.egx.com.eg)



# GHANA STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.gse.com.gh">www.gse.com.gh</a>
Market Regulator	Securities and Exchange Commission, Ghana
Address	5th & 6th Floor Cedi House, P. O. Box 1849, Accra
Trading Session hours (local time)	9.30 – 3.00pm GMT
Time Zone	GMT- Greenwich Mean Time
Contact Person for ASEA	Diana Okine/ Ekow Afedzie
Telephone	+233 302 669 908 ; +233 302 669 914
Fax	+233 302 669 913
E-mail	<a href="mailto:dokine@gse.com.gh">dokine@gse.com.gh</a> / <a href="mailto:peafedzie@gse.com.gh">peafedzie@gse.com.gh</a>
Name of Local Currency	Ghana Cedi
Tax Rates (dividends, interest, capital gain)	8% withholding tax on dividend, 0% tax on capital gains
Commodities Exchange	None



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## Background of the Ghana Stock Exchange

The Ghana Stock Exchange was established in July 1989 as a private company limited by guarantee under the Ghana Companies Code, 1963. It was given recognition as an authorized Stock Exchange under the Stock Exchange Act of 1971 (Act 348) in October 1990. The Exchange was inaugurated on November 12, 1990 and trading commenced on its floor the same day. The Exchange was officially launched on January 11, 1991 and became a public company limited by guarantee in April 1994. It is currently a public company limited by guarantee.

The Exchange is governed by a nine member Council - two representatives each from Licensed Dealing Members and Listed Companies, three independent members and two Executive Directors of the Exchange. The Council Membership includes some of the most distinguished and competent persons in Ghanaian commerce, industry, finance and public service. The Council has all powers and functions of a Board under the Companies Acts. By virtue of the Stock Exchange Act 1971, such functions include preventing frauds and malpractices, maintaining good order among members, regulating stock market business and granting listing and publishing prices.

### Recent Performance/ Latest Development

Market performance of the Ghana Stock Exchange in 2012 improved compared to what pertained in the preceding year 2011. This was however against the backdrop of the local currency issues and the fact that the year 2012 was an election year in Ghana.

The GSE Composite Index (GSE-CI) at the end of December 31, 2012 recorded 23.81% compared to negative 3.10% recorded at the end of 2011. Similarly, the GSE-Financial Stock Index (GSE-FSI) which tracks the performance of financial institutions listed on the Exchange recorded a 20.48% increase at the end of December 31, 2012 as against negative 13.69% at the end of December 2011.

Volume and value of shares traded however dropped by 51% and 23% respectively recording 218million shares valued at GH¢102.20million at the end of December 31, 2012 from 420million shares valued at GH¢446.56million achieved at the end of December 31, 2011.

Total market capitalization went up by 17.3% to end the year on December 31, 2012 with GH¢57,264.2million compared with GH¢47,347.2m at the end of December 31, 2011



## Latest Developments

The Ghana Stock Exchange with support from the Ministry of Finance, African Development Bank (AfDB), Venture Capital Trust Fund and the Securities and Exchange Commission (SEC) in 2012 commenced work for the introduction of a new market for small and medium scale enterprises (SMEs). This new market known as the Ghana Alternative Market (GAX) is an innovative market operated by the GSE with focus on SMEs with high growth potential. The GAX is designed to accommodate companies at various stages of their development including start-ups and existing enterprises, both small and medium. The alternative market has a five member governing committee with oversight responsibility over its activities established. The Committee reports to the GSE Council.

To encourage SMEs to take advantage of this new market, the GSE has introduced some incentives such as direct or indirect underwriting by sponsors, very low cost of listing, a listing support fund to assist companies meet the upfront cost of advisors. The Listing support fund was set up with initial contributions from the African Development Bank (AfDB), GSE and Venture Capital Trust Fund of Ghana. Minimum stated capital for admission to the GSE Alternative market is GH¢250,000 at the time of listing and a minimum of twenty public shareholders. The Exchange will be launching the GSE Alternative Market in 2013.

## PROSPECTS FOR 2013

1. The Exchange will launch and promote the Ghana Alternative Market (GAX).
2. The Ghana Stock Exchange will continue the advocacy for a “capital market local content” policy direction to encourage companies in regulated sectors such as banking, insurance, mining, telecom, energy, oil & gas sectors to list on the Exchange.
3. Provided an efficient market by improving trading, clearing, settlement and depository infrastructure.
4. The Exchange will aggressively continue the pursuit of new listings including Exchange Traded Funds (ETFs), mutual funds as well as other products. We will also continue with measures to improve market liquidity.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)*	23.70	24.30	24.20	25.20
Real GDP (USD) (millions) at market exchange rates	15.13	30.48	28.52	30.54
Inflation rate (%)	16.00	8.50	8.50	9.30
Net Foreign Direct Investment (USD) (Millions)	N/A	N/A	80.60	46.97
Unemployment rate (%) **	11	11.2	11	8.5
Interest Rate (T-Bills)	22.53	12.57	13.5	22.9
Exchange rate (local currency versus US\$)	1.43	1.47	1.66	1.88

## Section Two : Trading Statistics

Table 2: Trading Equity Statistics

Currency: USD

Indicators	2009	2010	2011	2012
Total value traded (millions)	51.88	102.92	269.01	54.36
Total volume traded	97	331	420	218
Total number of transactions	16,793.00	31,674.00	30,709.00	24289.00
Number of listed companies	35	35	34	34
Number of traded companies	33	34	34	34
Market Capitalization (Billions) end of year	11.15	13.68	28.52	30.46
Market Capitalization as % of GDP	73.70%	44.88%	120.37%	99.74%
Turnover Ratio (%)*	0.0046	0.0075	2.49	0.0018

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded			
	2009	2010	2011	2012
Foreign Investors	n/a	n/a	n/a	44.12%
Local Investors	n/a	n/a	n/a	55.87%
Total %	n/a	n/a	n/a	100%

### Institutions vs. Individuals

Institutions	n/a	n/a	n/a	n/a
Individuals	n/a	n/a	n/a	n/a
Total %	n/a	n/a	n/a	n/a



**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Domestic Board				
Manufacturing	6	6	6	8
Finance & Insurance	11	11	11	12
Food & Beverage	3	3	2	3
Distribution / Oil	5	5	5	4
Publishing & Printing	2	2	2	
ICT	2	2	2	2
Mining	2	2	2	4
Agricultural	2	2	2	1
Pharmaceutical	2	2	2	
Corporate Bonds	1		1	
Foreign board				
financial Services				
Mining & Minerals				
Retail &wholesaling				
Corporate Bonds				

**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Finance & Insurance
2	Manufacturing
3	Distribution / Oil
4	Food & Beverages
5	Pharmaceutical

## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2009	2010	2011	2012
Total Value traded	1,281.71	1,157.75	N/A	N/A
Value traded on governmental bonds		3.90	3.90	N/A
Value traded on corporate bonds		1,153.85	2,402.07	N/A





## Section Four: Trading Systems

Trading System	GATS
System bought	Yes
System Vendor	Infotech Global (Pte) Ltd
Implementing the system	2009

## Section Five: Clearing and Settlement

Clearing and Settlement by	Ghana Stock Exchange
System bought	Yes
Systems Vendor	Infotech Global (Pte) Ltd
Year of implementing the system	2009
Clearing and Settlement time	T+3
	T+1 & T+0

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Cash Market	No
Derivative Market	Yes
Bond Market	Yes

### Table 7 Products

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Common stocks, one preference shares, one depository shares
Bonds	Dollar denominated corporate bonds and government bonds
ETF	1 (Gold))

## Section Seven : Trading Mechanism

Online Trading	Yes
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## Section Indices

Indices name	Index Type (Price Index, Sector Index,..etc)
GSE Composite Index	Price Index
GSE Financial Stock Index	Sector Index



	Closing 2010	Closing 2011	% change		
GSE Composite Index		969.03	-3.10	1199.72	23.81
GSE Financial Stock Index		863.09	-13.69	1039.86	20.48

\* NB - The GSE Composite index and the GSE Financial Stock Index replaced the GSE All -Share Index in January 2011. The base period for the two new indices was December 31, 2010

## Debt Securities Issues 2012

2012

Issuer	Date of issue	Value of Issue (\$ million)	
GOG	GHGGOG026477	2-Jan-12	\$5,885,718.09
GOG	GHGGOG026519	9-Jan-12	\$1,417,686.17
GOG	GHGGOG026550	16-Jan-12	\$615,742.02
GOG	GHGGOG026592	23-Jan-12	\$659,329.26
GOG	GHGGOG026634	30-Jan-12	\$1,989,940.43
GOG	GHGGOG026675	6-Feb-12	\$186,409.57
GOG	GHGGOG026717	13-Feb-12	\$486,188.83
GOG	GHGGOG026758	20-Feb-12	\$3,745,319.15
GOG	GHGGOG026808	27-Feb-12	\$1,343,842.02
GOG	GHGGOG026766	27-Feb-12	\$116,885,638.30
GOG	GHGGOG026840	05-Mar-12	\$1,867,613.83
GOG	GHGGOG026915	12-Mar-12	\$2,185,679.79
GOG	GHGGOG026964	19-Mar-12	\$2,764,482.98
GOG	GHGGOG027012	26-Mar-12	\$4,195,231.91
GOG	GHGGOG027061	02-Apr-12	\$1,343,842.02
GOG	GHGGOG027103	9-Apr-12	\$9,218,923.94
GOG	GHGGOG027145	16-Apr-12	\$2,762,579.79
GOG	GHGGOG027194	23-Apr-12	\$1,099,700.53
GOG	GHGGOG027236	30-Apr-12	\$12,605,064.36
GOG	GHGGOG027285	7-May-12	\$58,095,058.51
GOG	GHGGOG027327	14-May-12	\$782,304.26
GOG	GHGGOG027392	21-May-12	\$17,897,605.85
GOG	GHGGOG027442	28-May-12	\$11,138,705.32
GOG	GHGGOG027400	28-May-12	\$284,129,550.53
GOG	GHGGOG027665	18-Jun-12	\$13,636,711.70
GOG	GHGGOG027731	25-Jun-12	\$10,505,919.15
GOG	GHGGOG027517	04-Jun-12	\$16,956,561.70



GOG	GHGGOG027590	11-Jun-12	\$1,855,652.66
GOG	GHGGOG027558	11-Jun-12	\$142,170,212.77
GOG	GHGGOG027806	2-Jul-12	\$9,916,156.91
GOG	GHGGOG027871	9-Jul-12	\$19,820,289.89
GOG	GHGGOG027947	16-Jul-12	\$13,111,631.91
GOG	GHGGOG028010	23-Jul-12	\$18,935,308.51
GOG	GHGGOG028085	30-Jul-12	\$23,387,460.11
GOG	GHGGOG028150	6-Aug-12	\$43,061,571.28
GOG	GHGGOG028226	13-Aug-12	\$14,676,664.89
GOG	GHGGOG028291	20-Aug-12	\$5,569,546.28
GOG	GHGGOG028374	27-Aug-12	\$56,585,572.87
GOG	GHGGOG028440	3-Sep-12	\$15,253,488.30
GOG	GHGGOG028523	10-Sep-12	\$3,922,893.62
GOG	GHGGOG028606	17-Sep-12	\$27,686,004.26
GOG	GHGGOG028697	24-Sep-12	\$31,569,063.83
GOG	GHGGOG028770	1-Oct-12	\$33,103,824.47
GOG	GHGGOG028333	27-Aug-12	\$477,995,212.77
		TOTAL	\$1,523,021,905.32

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking				
		Purchases	Sales	Total
	Stockbrokerage Units	\$	\$	\$
1	Databank Brokerage Ltd	15,466,909.54	15,253,601.36	30,720,510.90
2	SIMS	7,137,735.90	4,076,421.33	11,214,157.23
3	IC Securities	7,146,198.14	2,513,764.09	9,659,962.23
4	African Alliance Securities	4,136,055.00	3,737,194.35	7,873,249.35
5	FABL	4,410,549.11	2,780,186.23	7,190,735.34

Sources: GIPC (<http://www.gipcghana.com>) ; Bank Of Ghana (<http://www.bog.gov.gh>) ; [business.myjoyonline.com](http://business.myjoyonline.com) ; [indexmundi.com](http://indexmundi.com)



# JOHANNESBURG STOCK EXCHANGE

## PROFILE



JOHANNESBURG STOCK EXCHANGE

Website	www.jse.co.za
Market Regulator	FSB -Financial Services Board
Address	One Exchange Square, Gwen Lane, Sandton, 2196
Trading Session hours (local time)	09h00 - 17h00/ 08h30-17h30 (Equity & Currency Derivatives)
Time Zone	GMT+2
Contact Person for ASEA	Geoff Rothschild
Telephone	+27 11 520 7114
Fax	+27 11 520 8998
E-mail	geoffr@jse.co.za
Name of Local Currency	South African Rand (ZAR)
Tax Rates (dividends, interest, capital gain)	Non-residents are exempt from; tax on dividends , tax on South African sourced interest and value added tax ( VAT). Taxes applicable to non residents are; Securities Transfer Tax (STT) of 0.25%, post settlement taxes, tax on Royalty payments of 12% and withholding tax of 15% to entertainers and sports persons
Listing of Foreign Domiciled Companies	Yes upon approval by the JSE
Commodities Exchange	The JSE is fully integrated, among the exchanges markets there is also has commodities derivatives market



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## Profile of the JSE

The JSE aims to be recognised as the South African exchange providing the leading fully integrated financial market for African securities as well as an effective gateway to international products and markets for African investors. The JSE is a vertically and horizontally integrated, fully electronic exchange offering issuance, trade and post-trade services (vertical) across five markets – namely equity, equity derivatives, commodity derivatives, spot and derivative interest rate products, and currency derivatives (horizontal). As a self-regulating organisation, the JSE regulates issuers and investors in terms of the Securities Services Act, 2004, and is supervised by the exchange’s regulator, the Financial Services Board. The exchange also packages and sells market-related data. We continue to diversify our product range across all markets and are recognised for our innovative ability to structure products that meet client needs. We employ approximately 500 people directly and are a key part of South Africa’s financial services ecosystem, which has a significant role in the economic development of a wide range of stakeholders. 2011 marked a time of significant milestones for the JSE including our fifth year as a listed company, robust operational performance in all our divisions and the seamless transition of leadership from our long time CEO Russell Loubser to new JSE CEO Nicky Newton-King who began in January 2012.

## 2011 Review

- National Treasury’s relaxed exchange controls to classify Foreign Inward listed companies as Domestic companies
- During the year, the JSE acquired the business that administers the hedge fund platform of Managed Account Platform (Pty) Limited, for which we paid R27.5 million, funded by means of a loan from FirstRand Alternative Investment Management (Pty) Limited to be settled from the revenue generated by the administration fees received from the platform. This is the Group’s only long term borrowing (2010: Rmil). The JSE holds R1 billion (2010: R1 billion) in cash and cash equivalents on the statement of financial position.
- Significant progress was made in the implementation of the new equity trading system, owned by Millenium IT (MIT), a wholly owned subsidiary of the London Stock Exchange (LSE) Group. The system offers world-class trading technology and – along with its relocation to Johannesburg – significantly reduces latency and transaction execution times. This also reduces reliance on international links, which enhances the system’s operational stability. The project is one of the JSE’s primary technology objectives for 2012 and is expected to be completed in July 2012.



## History of JSE

- **1887:**

The JSE is established as a stock exchange

- **1947:**

The first legislation applicable to the operation of exchanges is introduced with the Stock Exchanges Control Act.

- **1963:**

JSE becomes a member of the World Federation of Exchanges.

- **1978:**

The JSE achieves a market capitalisation of R51 billion, eight times the market size in 1961 – a record for the JSE.

- **1979:**

Krugerrands are officially listed.

- **1995:**

Substantial amendments are made to the legislation applicable to stock exchanges which result in the deregulation of the JSE through the introduction of limited liability corporate and foreign membership. The South African Institute of Stockbrokers is formed to represent, train and set standards for the qualification of stockbrokers. In December, the market capitalisation exceeds R1 trillion for the first time.

- **1996:**

The open outcry trading floor is closed on 7 June and replaced by an order driven, centralised, automated trading system known as the Johannesburg Equities Trading (JET) system. Dual trading capacity and negotiated brokerage is introduced. The value of shares traded annually reaches a new record of R117.4 billion and the new capital raised during the year reaches R28.4 billion.

SENS (Securities Exchange News Service – known then as Stock Exchange News Service), a real time news service for the dissemination of company announcements and price sensitive information, is introduced. SENS ensures early and wide dissemination of all information that may have an effect on the prices of securities that trade on the JSE.



- **1999:**

In January, the new Insider Trading Act is introduced based on recommendations made by the King Task Group on Corporate Governance, which included representatives from the JSE. The JSE establishes, in collaboration with South Africa's four largest commercial banks, the electronic settlement system, STRATE, and the process to dematerialise and electronically settle securities listed on the JSE on a rolling, contractual and guaranteed basis is initiated.

- **2000:**

The JSE successfully lists Satrix 40, the JSE's first exchange traded fund, which tracks the top 40 companies listed on the JSE's Main Board.

- **2001:**

The JSE acquires SAFEX, the South African Futures Exchange, and becomes the leader in both equities and equity and agricultural derivatives trading in the South African market. The JSE enters into a joint venture with GL Trade SA to provide an internationally accepted trading front-end to the equities market, known in South Africa as TALX.

- **2002:**

All listed securities are successfully dematerialised and migrated to the STRATE electronic settlement environment, with rolling, contractual and guaranteed settlement for equities taking place five days after trade (T+5). Since the completion of this process, the JSE has had a zero failed trade record, thereby improving market integrity immeasurably and representing a major milestone in winning both local and international investor confidence. The JET system is replaced by the LSE's SETS system, hosted by the LSE in London. The system, operated from London by the LSE, is called "JSE SETS". The JSE also introduces the LSE's LMIL system, known in South Africa as InfoWiz to provide a world-class information dissemination system and substantially improve the distribution of real-time equities market information. More than just a change in technology platforms, the introduction of JSE SETS also represented the forging of a strategic alliance with the LSE and improved the international visibility of the JSE.

The JSE also takes an important step forward in its campaign to modernise its operations with the launch of a new free float indexing system in conjunction with FTSE, namely the FTSE/JSE African Index Series to replace the then existing indices. The FTSE/JSE African Index Series has enhanced the investibility of South African stocks by providing foreign investors with an indexing system with which they are familiar. Two new exchange traded funds are launched, namely Satrix Fini, which tracks the top 15 financial counters and Satrix Indi, which tracks the top 25 industrial counters, on the Main Board of the JSE.

- **2003:**

The JSE launches AltX. AltX has been developed in partnership with the dti.



- **2004:**

The JSE launches the Socially Responsible Investment (SRI) Index, which measures compliance by companies with triple bottom line criteria around economic, environmental and social sustainability.

- **2005:**

- The JSE launches Yield-X, its market for a wide range of interest rate products. This world-first allows for the trading of both spot and derivative interest rate products on one platform with multi-lateral netting across all products. The JSE demutualises and incorporates in South Africa as JSE Limited, a public unlisted company on 1 July 2005. Existing rights holders of the JSE become its first shareholders and for the first time in the JSE's history, a person who is not an Authorised User of the JSE or a stockbroker can obtain an ownership interest in the JSE. Immediately on demutualisation, JSE rights were converted into JSE Shares and each rights holder received 1 000 JSE Shares for every 1 JSE right held. This resulted in the JSE having an authorised share capital of R40 million made up of 40 000 000 ordinary shares of R1.00 each, of which 8 340 250 ordinary shares were issued to previous rights holders. Over the counter trading in JSE Shares commences with settlement of the trades occurring through STRATE.

- **2006:**

In June 2006 the JSE Ltd lists on the Main Board

- **2009:**

In June the Competition Tribunal gave approval to the JSE to acquire the entire issued share capital of BESA

- **2010:**

Ranked No 1 Regulated SE by the World Economic Forum Competitiveness Report

- **2011:**

Ranked No 1 Regulated SE by the World Economic Forum Competitiveness Report

- **2012:**

New CEO appointed , Nicky Newton-King





## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)*	49	50	51	N/A
Real GDP (USD) (millions) at market exchange rates	212	252	263	N/A
Inflation rate (%)	7	4	5	6
Net Foreign Direct Investment (USD) (Millions)	4,231	1,304	6,452	N/A
Unemployment rate (%) **	24	24	24	25
Interest Rate (T-Bills)	8	6	6	5
Exchange rate (local currency versus US\$)	8	7	7	8

\* Mid-year population estimates. Source: Statistics South Africa

\*\* QLFS survey as at Q4

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Ex Rate(Oanda) R/USD	7.476	6.8254	8.1701	8.3978
Indicators	2009	2010	2011	2012
Total value traded (USD)	374,007,048,670	438,087,637,674	402,299,570,059	408,628,960,228
Total volume traded	82,855,166,139	71,251,655,807	71,463,833,873	61,843,720,761
Total number of transactions	20,950,750	23,758,618	26,504,221	26,934,622
Number of listed companies	410	407	406	400
Number of traded companies	390	386	385	375
Market Capitalization (Billions) end of year (USD)	793.07	981.44	845.58	998.34
Market Capitalization as % of GDP			30.91	
Turnover Ratio (%)*	46.25	43.26	46.25	40.93

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



**Table 3: Investors Type****Foreigners vs. Local Investors**

Type of Investors	% of the Total Value Traded			
	2009	2010	2011	2012
Foreign Investors	17.41	15.63	14.35	15.35
Local Investors	82.59	84.37	85.65	84.65
Total %	100	100	100	100

**Institutions vs. Individuals**

Institutions	n/a	n/a	n/a	n/a
Individuals	n/a	n/a	n/a	n/a
Total %	n/a	n/a	n/a	n/a

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Automobiles & Parts	2	2	2	2
Banks	7	7	7	6
Beverages	4	4	4	4
Chemicals	7	7	6	6
Construction & Materials	34	31	29	28
Corporate Debt	1	1	1	1
Electricity	2	2	2	2
Electronic & Electrical Equipment	14	15	16	17
Equity Investment Instruments	10	10	12	15
Financial Services	27	25	24	27
Fixed Line Telecommunications	2	2	1	1
Food & Drug Retailers	5	5	5	6
Food Producers	17	16	16	16
Forestry & Paper	4	4	4	4
General Industrials	9	9	11	11
General Retailers	19	18	21	24
Health Care Equipment & Services	3	4	4	5
Household Goods & Home Construction	2	2	2	2
Industrial Engineering	8	10	6	8
Industrial Metals & Mining	11	13	14	12
Industrial Transportation	8	8	7	8
Leisure Goods	2	2	2	2



Life Insurance	6	6	6	6
Media	6	6	6	9
Mining	51	53	55	61
Mobile Telecommunications	5	5	5	5
Nonlife Insurance	5	4	3	3
Oil & Gas Producers	3	3	3	5
Other Securities	1	1	1	50
Personal Goods	4	4	4	5
Pharmaceuticals & Biotechnology	4	5	5	5
Preference Shares	8	8	8	42
Real Estate Investment & Services	23	26	29	43
Real Estate Investment Trusts	7	7	7	7
Software & Computer Services	22	18	14	17
Support Services	25	21	23	20
Technology Hardware & Equipment	6	6	6	6
Tobacco	1	1	1	1
Travel & Leisure	15	15	13	14

**Table 5: 5 Most Active Sectors in 2012**

Rank	Sectors	Volume Traded
1	Mining	8,929,582,288
2	Banks	5,309,886,324
3	Life Insurance	4,713,282,511
4	Real Estate Investment & Services	3,352,997,481
5	Financial Services	3,323,670,784
6	Warrants	3,260,967,634
7	General Retailers	2,545,364,220
8	Personal Goods	2,523,126,609
9	Mobile Telecommunications	2,481,233,746
10	Real Estate Investment Trusts	2,324,173,502
11	Health Care Equipment & Services	2,146,642,139
12	Construction & Materials	1,768,301,498
13	Equity Investment Instruments	1,759,121,894
14	General Industrials	1,468,263,148
15	Household Goods & Home Construction	1,378,673,765
16	Software & Computer Services	1,322,779,326



17	Food & Drug Retailers	1,252,675,802
18	Pharmaceuticals & Biotechnology	1,144,156,286
19	Investment Products	1,072,199,588
20	Exchange Traded Funds	999,093,770
21	Support Services	948,691,098
22	Oil & Gas Producers	923,040,502
23	Food Producers	889,384,075
24	Industrial Transportation	736,318,661
25	Forestry & Paper	735,569,814
26	Electronic & Electrical Equipment	621,591,145
27	Industrial Metals & Mining	541,599,603
28	Travel & Leisure	518,909,532
29	Beverages	496,321,661
30	Other Securities	448,162,699
31	Media	424,698,546
32	Fixed Line Telecommunications	403,313,295
33	Tobacco	259,718,988
34	Industrial Engineering	179,187,479
35	Chemicals	157,456,218
36	Technology Hardware & Equipment	153,260,347
37	Preference Shares	132,209,456
38	Automobiles & Parts	66,685,736
39	Leisure Goods	65,476,545
40	Corporate Debt	24,197,669
41	Exchange Traded Notes	22,906,899
42	Nonlife Insurance	12,660,143
43	Electricity	5,164,007
44	Kruger Rands	2,343

Rank	Sectors	Value Traded (USD)
1	Mining	105,310,280,742
2	Mobile Telecommunications	36,598,661,561
3	Banks	36,443,174,061
4	General Retailers	19,986,372,286
5	Oil & Gas Producers	19,609,057,720
6	Media	18,595,547,346
7	Beverages	18,453,227,582



8	Life Insurance	15,155,324,791
9	Personal Goods	13,854,479,594
10	Food & Drug Retailers	13,163,764,967
11	Tobacco	12,743,736,939
12	General Industrials	12,495,611,211
13	Financial Services	10,358,944,309
14	Industrial Metals & Mining	9,066,586,150
15	Food Producers	8,349,215,418
16	Real Estate Investment & Services	6,433,772,002
17	Construction & Materials	4,389,121,680
18	Forestry & Paper	4,113,202,085
19	Household Goods & Home Construction	3,978,583,926
20	Real Estate Investment Trusts	2,971,461,176
21	Exchange Traded Funds	2,807,081,849
22	Equity Investment Instruments	2,505,006,821
23	Investment Products	1,904,257,776
24	Electronic & Electrical Equipment	1,215,654,981
25	Fixed Line Telecommunications	1,037,989,894
26	Chemicals	941,580,537
27	Travel & Leisure	825,272,478
28	Preference Shares	741,842,981
29	Software & Computer Services	634,848,629
30	Support Services	324,323,825
31	Industrial Engineering	307,230,689
32	Nonlife Insurance	240,601,937
33	Technology Hardware & Equipment	164,202,362
34	Automobiles & Parts	134,869,701
35	Exchange Traded Notes	123,572,165
36	Warrants	73,624,141
37	Leisure Goods	25,381,961
38	Corporate Debt	23,292,249
39	Kruger Rands	3,633,865
40	Electricity	257,826



### Section Three: Bonds Statistics

Bonds	2009	2010	2011	2012
Total Value traded	1,723,051,723,136	2,390,666,669,396	2,487,483,407,631	2,670,297,753,328
Value traded on governmental bonds	1,641,041,149,861	2,326,957,805,323	2,423,734,951,761	2,572,531,909,001
Value traded on corporate bonds	82,010,573,275	63,708,864,073	63,748,455,870	97,765,844,327

### Section Four: Trading Systems

Trading System	JSE TradElect -Equity
System bought	Yes
System Vendor	London Stock Exchange
Implementing the system	2007

Trading System	Nutron front End - Derivatives, Interest Rate Products
Locally developed	Yes
System bought	N/A
System Vendor	STT Securities and trading Technology
Implementing the system	2008

### Section Five: Clearing and Settlement

Clearing and Settlement by	JSE - For cash equities and bonds
Locally developed	Yes
Systems Vendor	N/A
Year of implementing the system	
Clearing and Settlement time	T + 3 ( Cash Bonds)
	T +2 ( Cash Equities)

### Section Six : Products traded on the Stock Exchange

#### Types of markets in the stock exchange

Equity Market	Yes- cash
Cash Market	Refer above and below
Derivative Market	Yes
Bond Market	Yes -cash



**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Common stocks as well as preferred stocks issued by companies
Equity Derivatives	Can-Do Futures and Options; Single Stock Futures; Equity Index Futures; SAVI Squared; Dividend Neutral Stock Future (DNSF); SAVI Top40; Dividend Futures; Equity Options and International Derivatives (IDX)
Currency Derivatives	Dollar/Rand, Euro/Rand, Pound/Rand, Australian Dollar/Rand and Japanese Yen/Rand Currency Futures & Options contracts
Commodity Derivatives	CBOT Soy complex Futures & Options (includes beans, meal and oil),Grain Futures & Options; Options on Commodity Futures; Chicago Soft Red Wheat Futures & Options; Kansas City Board of Trade Hard; Red Winter Wheat; Chicago Corn Futures & Options; Crude Oil Futures & Options; Copper Futures; Gold Futures & Options; Platinum Futures & Options; SAVI White Maize and Silver Futures
Bonds	Government and Corporate bonds with the bulk owed to Treasury Bonds Issued through the Primary Dealers System
Other	Carbon Credit Notes (CCNs), Debentures; Exchange Traded Funds (ETFs); Exchange Traded Notes (ETNs); Krugerrand; Linked Units; Property entities; Share Instalments; Warrants;TALX

**Section Seven : Trading Mechanism**

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	Yes



Index Name	Index Type (Price Index, Sector Index,..etc)
FTSE/JSE All Share Price	Price
FTSE/JSE Top 40 Price	Price

	Closing 2011	Closing 2012	% change
JSE/FTSE All Share	31,985.67	39,250.24	22.71%
JSE/FTSE Top 40	28,469.81	34,795.50	22.22%

## Section Eight : IPOS and Debt Securities Issues 2012

### IPOS

#### 2011

Company	Date of IPO	Value of IPO (USD)
CURRO HOLDINGS LIMITED	06/02/2011	117,753
		41.80

#### 2010

Company	Date of IPO	Value of IPO (USD)
RECM & CALIBRE LTD PREFS	06/08/2010	6,414,533
RGT SMART MARKET INT LTD	04/14/2010	75,417
WILDERNESS HLDGS LTD	04/08/2010	1,888,251

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking	Stockbrokerage Units	Purchases	Sales	Total
		\$	\$	\$
1	Deutsche Securities (Pty) Ltd	40,624,240,907	40,558,056,635	81,182,297,542
2	Merrill Lynch South Africa (Pty) Ltd	37,587,555,991	36,588,996,544	74,176,552,535
3	ABSA Capital Securities (Pty) Ltd	33,700,282,959	34,705,144,108	68,405,427,067
4	UBS South Africa (Pty) Ltd	33,694,638,293	33,603,800,949	67,298,439,242
5	Credit Suisse Securities Johannesburg (Pty) Limited	31,738,144,609	30,573,318,610	62,311,463,219





## Section Nine : 2011 Rankings of Top 5 Trading Participants

Ranking		Stockbrokerage Units		
		Purchases	Sales	Total
		\$	\$	\$
1	Deutsche Securities (Pty) Ltd	42,736,269,665	42,260,722,753	84,996,992,418
2	UBS South Africa (Pty) Ltd	35,155,293,012	35,254,128,073	70,409,421,085
3	ABSA Capital Securities (Pty) Ltd	30,947,730,986	32,203,474,765	63,151,205,751
4	Credit Suisse Securities Johannesburg (Pty) Limited	28,783,464,285	29,615,172,276	58,398,636,561
5	Merrill Lynch South Africa (Pty) Ltd	29,006,988,468	27,850,086,585	56,857,075,053
		39,147,504.00	24,512,923.00	63,660,427.00

## Section Nine : 2010 Rankings of Top 5 Trading Participants

Ranking		Stockbrokerage Units		
		Purchases	Sales	Total
		\$	\$	\$
1	Deutsche Securities (Pty) Ltd	42,853,599,888	41,748,973,173	84,602,573,061
2	SBG Assets (Pty) Ltd	37,270,018,592	36,170,357,702	73,440,376,294
3	Citigroup Global Markets (Pty) Ltd	31,360,285,675	32,222,907,137	63,583,192,812
4	UBS South Africa (Pty) Ltd	31,428,251,826	31,864,269,666	63,292,521,492
5	JP Morgan Equities Ltd	26,499,579,276	25,721,701,865	52,221,281,141

## Section Nine : 2009 Rankings of Top 5 Trading Participants

Ranking		Stockbrokerage Units		
		Purchases	Sales	Total
		\$	\$	\$
1	Deutsche Securities (Pty) Ltd	35,442,228,800	35,916,041,329	71,358,270,128
2	SBG Assets (Pty) Ltd	33,845,496,026	31,968,087,085	65,813,583,110
3	JP Morgan Equities Ltd	25,929,783,553	26,267,372,313	52,197,155,866
4	Citigroup Global Markets (Pty) Ltd	25,345,579,644	24,587,985,410	49,933,565,054
5	UBS South Africa (Pty) Ltd	23,520,172,037	23,448,715,181	46,968,887,217

## Sector Indices

	2011	2012	% Change
Basic Materials	27,925.15	28,863.03	3.36%
Industrials	28,420.84	37,944.28	33.51%
Consumer Goods	29,122.27	41,311.26	41.85%
Consumer Services	57,699.11	87,409.92	51.49%
Financials	22,234.33	29,715.94	33.65%

Members' Contacts are available on the JSE website

[www.jse.co.za](http://www.jse.co.za)



# KHARTOUM STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.kse.com.sd">www.kse.com.sd</a>
Market Regulator	Khartoum Stock Exchange
Address	10 <sup>th</sup> Floor, Albaraka Tower, Khartoum, SUDAN P.O. Box 10835
Trading Session hours (local time)	Preopen: 9:00am - 9:30am; Opening Auction: 9:30 am: Continous Trading:10 am - 11:30 pm; Close: 11:30pm
Time Zone	Greenwich Mean Time + 3 hours
Contact Person for ASEA	Manahil Yousif
Telephone	24983782152/0024918010898
Fax	24983782225
E-mail	<a href="mailto:manahilym@hotmail.com">manahilym@hotmail.com</a>
Name of Local Currency	Sudanese Pound
Tax Rates (dividends, interest, capital gain)	Taxes on company profit 15% public shareholding Company must register in SUDAN - Registrar of Companies.
Listing of Foreign Domiciled Companies	If already listed, it must get a letter of comfort from its listing authority. It must also get a letter of comfort from its sector regulator.
Commodities Exchange	Not available



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## Khartoum Stock Exchange Profile

KSE is a fixed place where sale and purchase of Securities and Sukuk (Islamic Bonds) are carried out according to supply and demand mechanism; these operations are governed by specific regulations and laws, which oversees the operations of the new issuing (Primary Market) and the transfer of ownership of securities (Secondary Market).

### We have two types of markets:

#### *Primary market:*

It means the market where the issuance of securities is offered for public subscription under the prevailing laws and regulations.

#### *Secondary market:*

It means the market place where trading of securities previously issued in the primary market and the transfer of ownership.

Securities and transfer of ownership are traded in the secondary market where selling the holder's rights in the public shareholding companies or investment funds for an investor without prejudice to the origin of wealth and without prejudice to the rights of others who may not wish to sell their shares; and this market is easier for the investor to enter directly to the public.

KSE works in accordance with the principles of Islamic laws where there is a legitimate oversight body in KSE which oversees the legitimacy of the deals; and therefore the securities or financial instruments by a dealer.

## The financial instruments in KSE

### *1- Stocks:*

There are 59 companies listed on KSE where their shares are trading in the secondary market; these companies are divided into 7 sectors as follows:

1. Banking Sector.
2. Commercial Sector.
3. Industrial Sector.



4. Agricultural Sector.
5. Communication and Multimedia Sector.
6. Financial Services Sector.
7. Others Sector.

#### *2- Sukuk (Islamic Bonds):*

is trading debt securities instead of usury and the source of the legitimacy of these instruments is that they represent real assets unlike bonds, which consists of debt securities.

### **The instruments are divided in KSE into two categories:**

#### *1. Mutual funds:*

Are portfolios of securities carefully chosen commensurate with the stated objectives of each fund. The target audience understands the investors who do not have adequate financial resources to create a special portfolio of securities, and investors who have the financial resources but lack the experience and know-how or they do not have enough time to manage these portfolios.

#### *2. Shahama or Government Musharaka Certificates (GMCs)*

Is a financial instrument based on a legitimate issue and the Ministry of Finance and National Economy represents the specific assessments in a special fund that has real assets to be issued by the State for the rights of ownership in a number of profitable enterprises on behalf of the Republic of Sudan and are marketed through several outlets.

## **KSE History**

- The idea of establishing a stock exchange in Sudan started in 1962 whereby many formalities such as studies and communications had been started by the Ministry of Finance and Bank of Sudan jointly with IFC one of the arms of the World Bank .
- The People's Assembly had endorsed the Stock Exchange Act of 1982 to regulate Stock Exchanges establishment in Sudan but no serious action was taken until 1992.
- In August 1992 a serious step was taken to establish a Stock Exchange in Sudan in line with economic liberalization policy called the Three Years Salvation Program (1990 - 1993).



- The Stock Exchange Board had been formed in 1992. In November of the same year the Council of Ministers amended the Stock Exchange Act of 1982, but the amended Act did not cover all the required necessary objectives to establish a Stock Exchange.
- In 1994 the Transitional National Assembly passed the Khartoum Stock Exchange Act, through which KSE acquired its independent legal status.
- The primary market activities– (Issues Market) – started on 10/10/1994. On the 2nd of January 1995 the secondary market was completed and the market started dealing in the shares of the first listed companies. In 2nd January of 1995 the Secondary Market has started (Shares trading Market).
- In 1996 the number of cross listed companies has increased from 34 to 40 companies.
- In 1997 a remarkable increase in the market value of the listed companies went up from 31 million U.S Dollars to 139 million U.S Dollars. The same year witnessed the establishment of The Financial Investment Bank to help and activate KSE.
- In 1999 the Parallel Market started its operation, as well as the classification of listed companies according to their adherence to conditions regulating the companies listing either in the regular market or the parallel one.
- In 2001 a number of Investment Funds (Sukuks) and Government Musharaka Certificates (Shahama) were issued and listed in KSE.
- In 2002 a great expansion of KSE relations with regional and international financial markets.
- In 2003 the Khartoum Index was declared, listing the KSE in the Arab Monetary Fund data base and cross listing Sudatel in Abu Dhabi Securities Market were carried out.
- In 2004 the trading volume reached the highest level since the establishment of KSE. In the same year a joint cooperation protocol was signed between KSE and Egyptian Exchange.
- In 2005 a standard increase in the trading volume to 1.21 Billion Sudanese pounds and an increase in Khartoum Index with growth ratio of 97.3%, the market value rose to 7.47 Billion Sudanese pounds. According to AMF Data base KSE came the first due to the growth of market value compared with other Arabic Markets with a ratio of 50.8%.
- In 2006 a standard increase in the trading volume to 2.06 Billion Sudanese pounds with a growth of 70%.
- In 2007 KSE joined the African Markets Union which is going to open new horizons of co-operation with regional stock markets.
- In 2008, a remarkable increase in the volume trading and the Depository Center has been completed to contain all the listed stocks in KSE, which paved the way for the completion of the transformation to the electronic trading.



- In 2009, a volume traded recorded the highest rate since the establishment of a secondary market in the year in 1995 on a volume of 2.2 billion pounds compared with 1.8 billion pounds is the volume of trading during the year 2008, an increase by 19.5%.
- In 2010 signed a contract under which the market switched to electronic trading system with the first company of Information Technology on February 11.
- In the 2010 agreement was signed with the Gum Arabic for the establishment of the international exchange of gum.
- In the year 2011:-
  - 1) Trading volume continued to rise over the previous year where it reached 2.6 billion pounds compared to 2.4 billion pounds and the number of instruments, instrument 5 million to 11 million instruments.
  - 2) The inclusion of a single company during this year (Al Jazira Sudanese Jordanian Bank).
  - 3 The arrival and installation of all equipment and operation of electronic trading.
  - 4) The completion of the tests of electronic trading systems and the training of all employees in the market, brokers accredited to these systems.
  - 5) The adoption of KSE to be a permanent member in the association of Arab Stock Exchanges.
  - 6) The start of the trial run of a program for electronic trading.
- In 2012; KSE started working with the electronic trading system.

## The Capital Market

The primary market started in October 1994 with the aim of keeping watch on the newly established companies' issues or the established companies interested to increase their capital. Through the year 2012 the shares issues value reached 113.35 million \$, in addition to the primary market issues for each Government Musharaka Certificates (Shahama) Government Investment Funds (Sukuks) and Investment Funds Sukuks the total value of primary market issues through the year 2012 was 1.08 Billion \$ .

### The instruments are divided in KSE into two categories:

During the year 2012 the number of newly established companies that issued shares were 2 companies compared to one company issued during the year 2011 .the size of issues during 2012 amounted to 13.01 million \$



## The Established Companies

The number of established companies which increased their capital through shares issuing in last year were (8) companies compared to (6) companies in 2011 with a total value of its issues 100.6 million \$.

## Activities of Secondary Market

### Regular and Parallel Markets:

The activity of trading in the regular market has started by 24 public companies registered after fulfilling the listing requirements under the resolution No (94/5) of KSE laws and regulations.

Last year (2012) Albaraka Bank, Al-Ahali Bank were listed beside 2 investment funds and a number of government Musharaka certificates (Shahama).

The listed status in KSE remains at 59 companies and the investment funds increased to 28 funds in addition the (Shahama) certificates which increased to 39 reflecting the growth in the market during the year 2012.

### Activities of Secondary Market (Regular & Parallel) during the year 2012:

The activity of the Secondary Market was characterized by trading shares of almost all the listed companies. The trading rates also witnessed a high increase compared with last year.

Trading in the shares of banking sector included the shares of 18 banks out of 23

In the other sector there was trading in the shares of three companies constituting the financial services. In the remaining sector companies trading varied.

### Volume Trading:

The volume of trading recorded a significant increase from last year from (2.56) billion to (3.07) billion Sudanese pounds, the volume of trading this year about (696.9) million\$.

### Contracts Executed:

The transactions of last year realized an increase in the number of the executed contracts compared with 2011. It has increased from (7,870) to (12,689) contracts; banks (400) contracts, insurance (9), commercial (22), industrial (13), communications and multimedia (185), financial services (11) and others sectors took (9) contracts, investment funds (668) contracts and government certificates (11,372) contracts.



## Shares Traded:

The shares traded last year recorded a significant increase from 2011, (172,581,304) shares compared with (106,512,121) shares traded in 2011.

## Shahama Certificates:

The Government Musharaka Certificates sector witnessed an increase from 2011 in the number of traded certificates from (3, 892, 066) worth (602.55) million\$ to (5,116,623) worth about (615.35) million\$.

## Investment funds:

The Investment Funds Sukuks sector decrease from 2011 trading rate, where 5,793,575 Sukuks been traded with a total value of 69.86 million\$ last year compared with 7,333,445 Sukuk traded in 2011.

## Trading movements in the secondary market by sectors

Sector	Shares Traded	Traded Bonds and Certificates	Value Traded in (\$)	No of contracts executed	No of listed companies	No of Traded Companies
Banks	165,232,143		9,354,813	400	23	18
Insurance	94,234		21,368.25	9	8	3
Commercial	62,704		85,728.69	22	7	2
Industrial	131,317		49,775.35	13	2	2
Agricultural	0		0	0	3	0
Communications	5,774,425		2,067,086.14	185	5	1
Services	1,266,583		143,502.29	11	5	4
Others	19,898		8941.80	9	6	9
Investment funds		5,793,575	69,863,166.88	668		28
Certificates		5,116,623	615,353,002.82	11372		39
Total	172,581,310	10,910,198	696,945,583.07	12689	59	





## Sudanese Economy during the Year 2012

- Economy is affected by the Sudanese secession of the South and exit of oil revenues from the state budget, which led to a decrease in public revenues of the state and returns to export and foreign investment flows and the subsequent decreases in foreign reserves and the consequent pressure on foreign exchange as well as the high rate of inflation.
- All these factors caused the financial pressures on the current account position in Sudan, where it increased the proportion of current account deficit to GDP from 15.8% in 2011 to 19.8% for the year 2012.
- For the key indicators in the Sudanese economy has decreased the gross domestic product (GDP) to (55.192) Pillion \$, compared to (69.61) Pillion \$ in the year 2011 a growth rate of (1.36) % compared to a growth rate target of 2%, where the contribution of sectors to the gross GDP as follows:
  1. The agricultural sector (34.8%) compared with a contribution of (34.1%) during the year 2011.
  2. Industrial sector (18.2%) compared with (20.3%) during the year 2011.
  3. And the services sector increased by (47.0 %) compared with (45.6%) during the year 2011.
- For general inflation rate, the average inflation rate during the year 2012 the proportion of 30% compared to 18% is the average inflation rate during the year 2011.
- The average exchange rate of the Sudanese pound against the USD by the end of 2012 is 4.41 pounds compared to an average of 2.68 pounds during the year 2011.



## Strategic Initiatives of KSE

Management has developed a number of initiatives, which aim to upgrade performance in KSE for securities and add new financial markets abreast and develop capital markets authority, and these initiatives are:

### 1) Find a Permanent Location for KSE

The market represents a facet of a civilized country and in order to gain the trust of Sudanese and foreign investors; KSE will find a permanent location for its operations that is constructed with the latest international specifications.

### 2) Open New Stock Exchanges

An integrated plan for the establishment of new financial markets as follows:-

#### Forex Exchange

This market is one of the largest activities practiced in international markets and helps stabilize exchange rates as well as provides unlimited opportunities for work and investment for the society.

#### Commodity Exchange

Commodity markets are markets where raw or primary products are exchanged. These commodities are traded and regulated on commodity exchanges, where they are bought and sold in standardized contracts.

#### Real Estate Exchange

This will deal in the real estate markets in coordination with the authorities of Lands and Surveys and relevant parties.

### 3) The Establishment of the Capital Market Authority

The objectives are: to set up an independent body to oversee the capital market, to develop and improve the capital market, to make an attractive investment environment that is efficient and transparent, to increase the protection of investors, to develop a legislation in accordance with the latest standards and to separate the regulatory body from the executive body.



#### **4) Corporate Governance**

Governance is an important theme and it aims to adopt the best international standards in the field of corporate governance and the relationship between the shareholders and the members of the Board of Directors and management. In this regard will comprehensive rules gradually that will govern the market and will need the approval of KSE's Board; as well as a new program to develop and activate the role of the members of the boards of public shareholding companies listed on KSE. This framework of corporate governance and program aims to provide members of the boards of directors of public shareholding companies with knowledge and practical experience related to the principles of the organizing and managing the company that will affect the long-term plans and procedures of the boards of directors and disclosure.

#### **5) Promotion of Market Activities (locally and abroad)**

Promotion of market activities locally and abroad is an effective way to attract local and foreign investments to ensure that there is adequate liquidity in the market and ensure the continued growth of trading through the opening to the different markets (locally and globally) to attract new investors and encourage the creation of portfolios and investment funds, leading to upgrading the efficiency and effectiveness and its impact on stabilize stock prices listed on KSE and driven to reflect the true market value according to the performance of the issuers, and work to develop and modernize the website on the Internet to promote the principles of transparency and disclosure through the continued development of the KSE's website to include in addition to displaying trades information live on the network, all disclosures of corporate financial reports and historical data, data necessary to help investors make the right decisions, and to ensure greater transparency and provision of information to investors through updating the directory annually which contains comprehensive and accurate information of listed companies in KSE; KSE for the development and dissemination for awareness sake will work to organize introductory lectures and seminars in a number of educational institutions such as universities and schools.

### **Investors' Protection**

KSE's management aims to protect investors in securities and to develop legislations relevant to the capital market to enhance transparency and implement the instructions of disclosure. Moreover, KSE's management aims to disseminate awareness in the investment culture and follow up that parties subject to its supervision will adhere to the law and regulations and enhance the rule of law.



### **KSE's management also aims to:**

1. Issue legislations that regulate and develop the capital market and assist in providing a proper environment for investing in securities.
2. Provide the investor with all necessary information needed to support his investment decision, including transparency and disclosure whether for issuing companies performance or for the trading process.
3. Develop the necessary financial services of the capital market.
4. Promote the establishment of mutual funds and regulate these funds to provide investment opportunities for small investors and efficient investment management.
5. Implement up to date international standards in the capital market and related entities for disclosure, electronic trading, electronic keeping and price settlement of securities, as well as up-to-date International Accounting and Auditing Standards on parties subject to the KSE monitoring and supervision.
6. Accredite the Standards of Professional Conduct for people working at the KSE, and their members.
7. Improve penalties on violators of the Law and those who commit prohibited acts.
8. Disseminate awareness among investors and the public in general in issues relevant to the national capital market and its entities, as well as other issues related to investing in securities.
9. Receive and investigate complaints from the public and investors, to undertake proper procedures by imposing penalties on violators of the provisions of Law, instructions, and regulations issued pursuant to it.
10. Enhance monitoring software on parties subject to the KSE surveillance and enhance daily supervision on trading at KSE.
11. Provide continuous training for KSE staff to enhance their academic and professional levels, in addition to people working in licensed financial services companies and registered persons.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	31.9	32.9	34.0	30.00
Real GDP (USD) (millions) at market exchange rates	60,421	64,881	69,610	55,192
Inflation rate (%)	11.20	15.40	18.91	30.25
Net Foreign Direct Investment (USD) (Millions)	NA	NA	NA	NA
Unemployment rate (%) of total labour force	50	55	60	60
Interest Rate (T-Bills)	NA	NA	NA	NA
Exchange rate (local currency versus US\$)	2.24	2.50	2.68	4.41

\* Source Khartoum Stock Exchange

Annual Reports Source: Central Bank of Sudan

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	1,002,925,012	903,848,881	956,204,095	698,529,550
Total volume traded	100,292,423	968,926,001	956,204,095	172,581,304
Total number of transactions	7,870	8,266	8,069	12,689
Number of listed companies	53	55	56	59
Number of traded companies	50	50	54	54
Market Capitalization (billions) end of year	2.6	2.56	3.3	2.2
Market Capitalization as % of GDP	4.01%	3.95%	4.74%	4.00%
Turnover Ratio (%) *	4.59	9.45	8.87	9.50

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded			
	2009	2010	2011	2012
Foreign Investors	29.9	35.8	40.1	42.8
Local Investors	70.1	64.2	59.9	57.2
Total %	100%	100%	100%	100%



## Institutions Vs. Individuals

Institutions	70.3	77.5	79.9	80
Individuals	29.7	22.5	20.1	20
Total %	100%	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Banking	20	20	21	23
Insurance	8	8	8	8
Commercial	7	7	7	7
Industrial	2	2	2	2
Agricultural	3	3	3	3
Communication	5	5	5	5
Services	5	5	5	5
Other	4	5	5	6
Investment funds	34	34	25	25
Certificates	34	45	40	40
Fixed Income Market Segment				
Preference shares	NA	NA	NA	NA
Government of sudan Treasury Bonds	NA	NA	NA	NA
Corporate Bonds	NA	NA	NA	NA

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Government Musharaka Certificates
2	Investment Funds
3	Banking
4	Insurance
5	Telecommunication and Media

\* based on volume traded

## Section Four: Trading Systems

Trading System	Electronic Trading System
System bought	Yes
System Vendor	First Information Technology (FIT)
Implementing the system	2012



## Section Five: Clearing and Settlement

Clearing and Settlement by	Khartoum Stock Exchange
Systems Vendor	First Information Technology(Fit)
Year of implementing the system	2012

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
---------------	-----

### Table 7 Products

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Shares	Common shares
Sukkuk	Certificates

## Section Seven : Trading Mechanism

Intraday Trading	Yes
------------------	-----

## Section Indices

Indices name	Index Type (Price Index, Sector Index,..etc)
Khartoum Index	Price index. The index returns are based on capital gains/ losses of the largest 20 securities listed on the KSE, valued by full market capitalisation.

	Closing 2010	Closing 2011	% change
Khartoum Index	2,267.92	2286.46	0.82

	Closing 2011	Closing 2012	% change
Khartoum Index	2,286.46	2748.26	20.20

Note: Khartoum Index series were launched on October 2003

Members' Contacts are available on the KSE website  
[www.kse.com.sd](http://www.kse.com.sd)



# LUSAKA STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.luse.co.zm">www.luse.co.zm</a>
Market Regulator	SECURITIES AND EXCHANGE COMMISSION
Address	3rd Floor, Exchange Building, Central Park, P. O. Box 34523, Lusaka
Trading Session hours (local time)	11:00 am - 13:00 pm
Time Zone	GMT + 2
Contact Person for ASEA	Mrs Beatrice Nkanza
Telephone	260-211-228391
Fax	260-211-225969
E-mail	<a href="mailto:nkantzab@luse.co.zm">nkantzab@luse.co.zm</a>
Name of Local Currency	Zambian Kwacha
Tax Rates (dividends, interest, capital gain)	No tax on dividends for individuals, 15% tax - corporates, 15% on Interest
Commodities Exchange	ZAMACE





# LUSAKA STOCK EXCHANGE PERFORMANCE REPORT 2012

## General Market Statistics

12 MONTH ANALYSIS	2011	2012
LASI	3,714.61	4040.35
LASI (%)	-8.06%	26%
Market Capitalization (K Millions)	49,624,043,000,000	48,929,155,000,000
Market Trade Volume	2,079,154,945	1,148,269,144
Market Trades Transactions	5,681	7,117
Market Trade Turnover (K)	360,738,644,244	774,329,539,015
Government Bond Sales (K)	1,630,810,149,180	672,505,382,935
Net Inflow (US\$)	-5,979,240	13,499,568
Turnover / GDP Ratio	0.38%	1.21%
Turnover / Market Cap Ratio	0.73%	1.59%
Trading Days	245.00	248
Daily average volume	8,486,346.71	4,630,117.52
Daily average turnover Kw	1,472,402,629.57	3,122,296,528.29
Daily average no of trade	23.19	28.70
Foreign Activity: Trades (Quantity)	389	790
Foreign Activity: Trades (%)	6.84%	11.09%
Foreign Activity: Volume (Quantity)	179,114,903	296,628,276
Foreign Activity: Volume (%)	8.61%	25.83%
Foreign Activity: Turnover (K)	76,158,335,547	150,108,101,268
Foreign Activity: Turnover (%)	21.11%	19.39%
Domestic Activity: Trades (Quantity)	5,292	6,328
Domestic Activity: Trades (%)	93.15%	88.91%
Domestic Activity: Volume (Quantity)	1,900,040,046	851,640,870
Domestic Activity: Volume (%)	91.39%	74.17%
Domestic Activity: Turnover (Quantity)	284,580,308,701	625,221,437,748
Domestic Activity: Turnover (%)	78.89%	80.74%



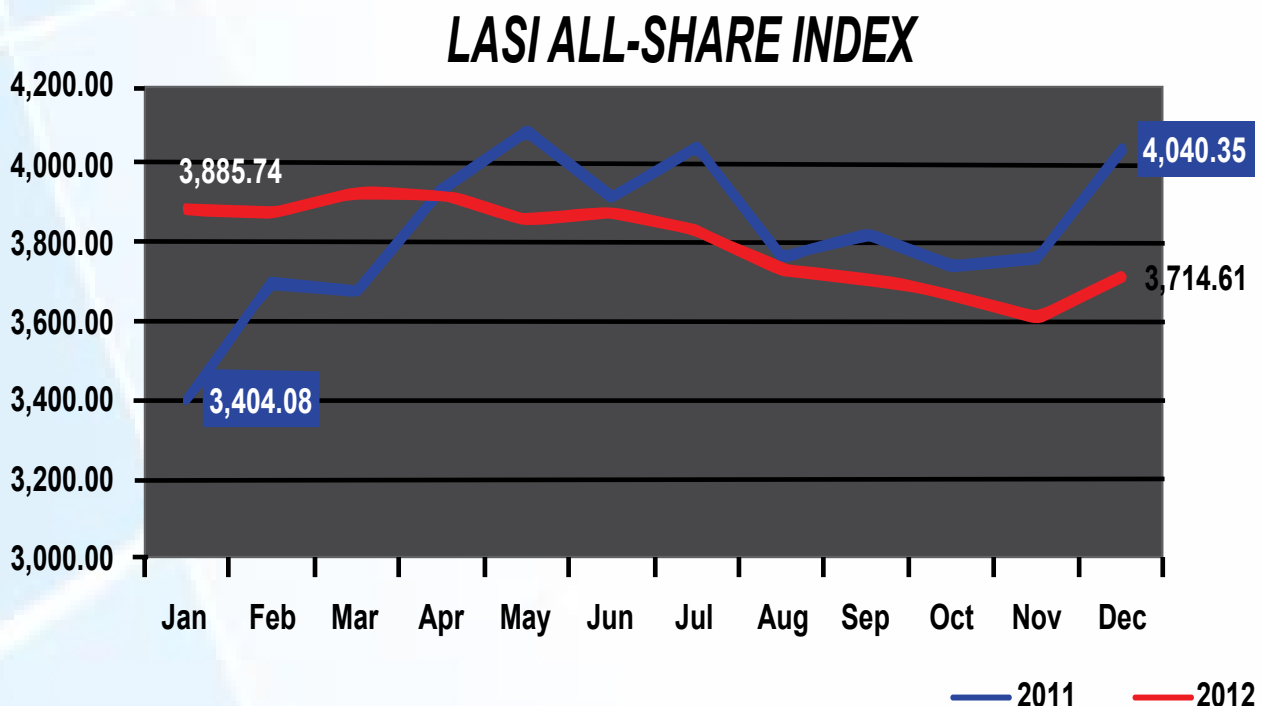
2012 was a tough year for the Lusaka Stock Exchange as the LASI signaled one of the toughest years of market losses that the LuSE had ever experienced behind the losses experienced in 1998 (the year of the Asian crisis) and 2008 (the year of the global credit crunch). Within the year share volumes had almost doubled (thanks mainly to Standard Chartered), trades dropped and market turnover had faced an almost 50% decline.

Adding to this, net capital inflows were around US\$5 million in the negative as the international community pulled many stocks out, which was dismal compared to the previous year which had US\$13 million capital inflow. Adding to this point the foreign traders were also constituting lower trades, lower volumes but slightly higher turnovers.

On the upside, the year also had higher trading in second hand government bonds with the total increasing by almost 200% from the previous year.

## Internal Market Performance

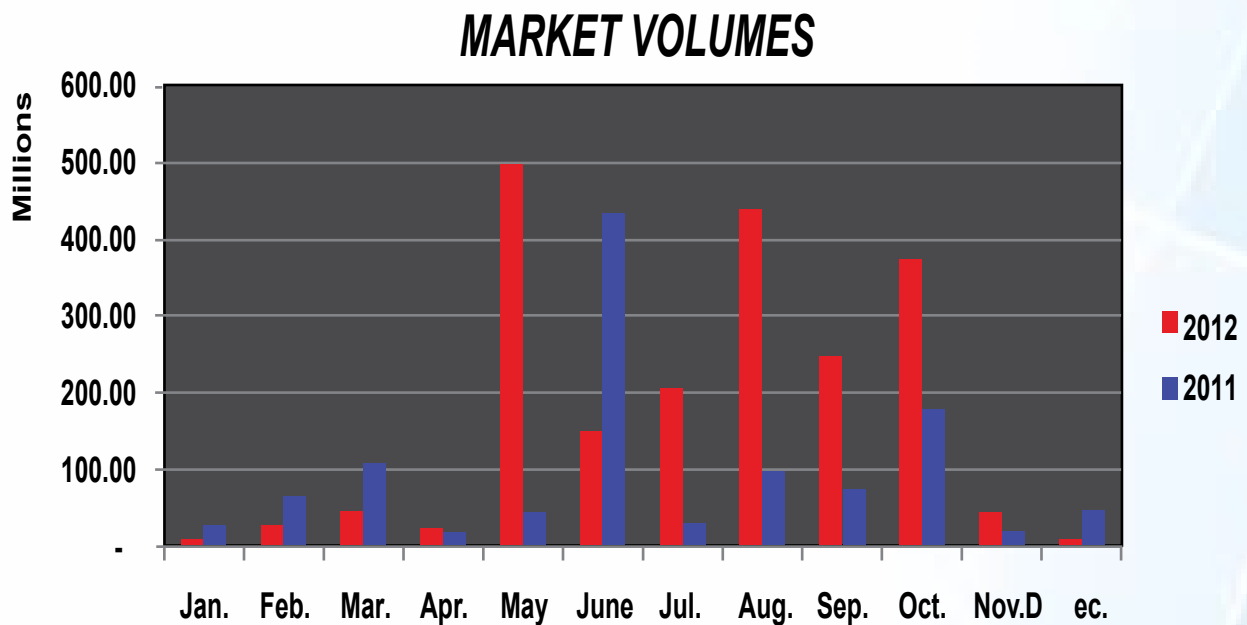
### Index Performance in 2011



As the graph above shows, the market faced a general downward trend throughout 2012. The market mainly faced a strong declining trend throughout the year with only a sharp incline in the final stretch of the year. Throughout the year standard chartered, post share split, experienced a strong decline in share value and as it is a strong component of the market capitalization of the indexed securities it created a strong influence on the all-share index. At the same time most of the listed securities on the market faced decline throughout the year adding to the market returns declining even further.

However the market did have a good final last stretch in 2012 as the Celtel shares (which came back into trading in 2012) had increased in value following an announcement of an interim dividend of K50.00 per share in December 2012.

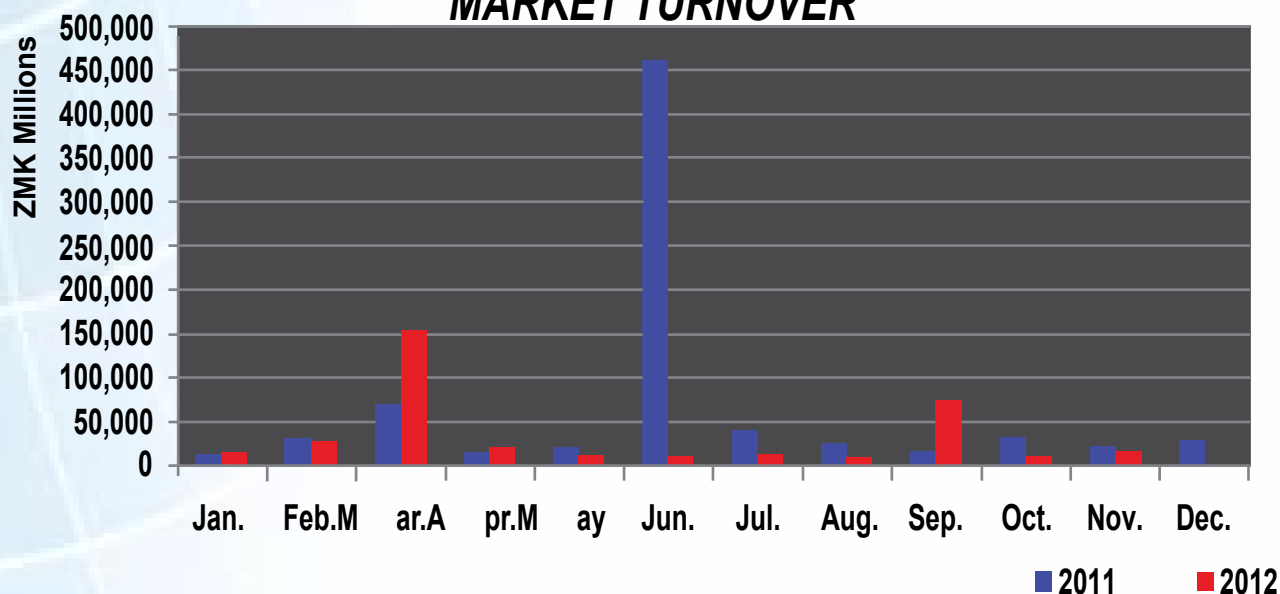
## Market Trading Activity



Volumes in the year of 2012 were higher than that of 2011. However this was because of the bonus issue and the share split of Standard Chartered Plc, the market volumes shot-up drastically in comparison to the previous year. However this indicator became relatively useless as the volumes may have grown up but the value of these stocks were lower than the previous year. Looking at December when Standard Chartered was consolidated, the volumes dropped below the corresponding volumes of the previous year.

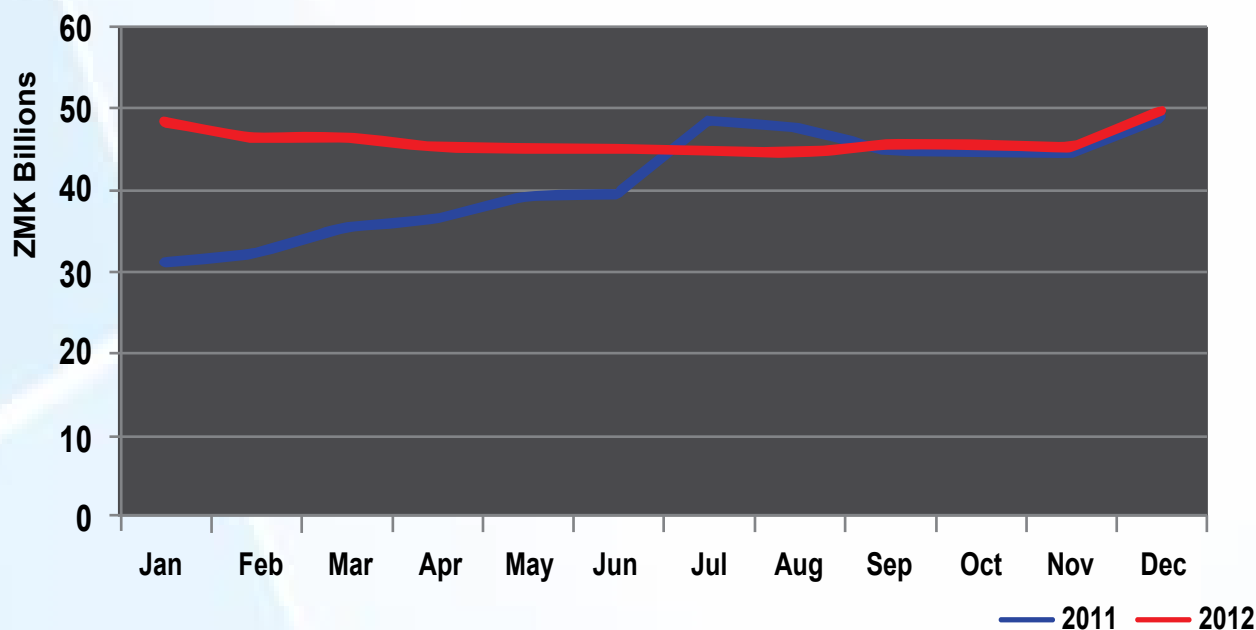


## MARKET TURNOVER



Turnovers in the year 2012 fell consistently below their corresponding months in 2011 due to the poor investor confidence shown by the constantly declining LASI. Only in the months of March 2012 (Arcades Plc Takeover) and September 2012 (Puma Energy mandatory offer) did the 2012 turnovers exceed the corresponding 2011 months. Without a strong corporate action like the BP Zambia –Puma energy takeover (2011) and the Airtel –Zain takeover of 2010, the market turnover for the year 2012 drop to nearly 50% the value of 2011 market turnover.

## MARKET CAPITALIZATION



For the first 11 months of the year, the market capitalization was on a steady decline due to the declining prices . However the market capitalization also experience a last month turn-around in December 2012 as Celtel helped push the market capitalization back and at the same time, the restructuring of Cavmont Capital Holdings in December 2012 also added a net market capitalization growth.

## Share movements and performance through 2011

### Main Winners and Losers

Security	Dec-11	Dec-12	2012 %Change
Cavmont Capital Holdings	5	4,500.00	89900.00%
Investrust Bank	20	14,900.00	74400.00%
Standard Chartered Bank	90.1	797.00	784.57%
British American Tobacco	1145	1,600.00	39.74%
ZCCM-IH	10000	12,500.00	25.00%
Zambian Breweries	2500	2,800.00	12.00%
National Breweries	7200	8,000.00	11.11%
Farmers House	3100	3,343.00	7.84%
Lafarge Cement	7600	8,004.00	5.32%
Zambeef	2901	3,000.00	3.41%
Shoprite	60000	62,000.00	3.33%
FQMZ	4400	4,500.00	2.27%
Copperbelt Energy Corporation	700	680.00	-2.86%
Celtel (Zain)	710	675.00	-4.93%
LASI	4,040.35	3,725.23	-7.80%
PAMODZI	658	595.00	-9.57%
Bata Shoe	200	180.00	-10.00%
African Explosives	4000	3,404.00	-14.90%
Zambia Sugar	309	254.00	-17.80%
BP Zambia	1590	1,205.00	-24.21%
Metal Fabricators of Zambia	650	400.00	-38.46%
ZANACO	1350	181.00	-86.59%



The share price growth table shows most of the stocks in the stock market declining over the year of 2012. The top 3 stocks on the table, Cavmont, Investrust and Standard Chartered, all experienced a price growth engineered by price consolidations as a result of currency rebasing. In real valuation terms these three equities actually experienced net capital losses.

From this table the main winners of the year we actually:

- BATZ – 39%
- ZCCM-IH – 25%
- ZAMBREW – 12%

## Sector Analysis

The table below shows sector indices, their growth rates and the economic growth of those sectors in the Zambian economy.

Industry	Sector Index on LuSE % Change	Industry Growth Rate
Agriculture	-12%	11.58%
Metal Mining	2%	-13.33%
Manufacturing (- textiles and leather)	5%	11.15%
Textile, and leather industries	-10%	-8.70%
Electricity, Gas and Water	-3%	2.35%
Wholesale and Retail trade	3%	7.87%
Restaurants, Bars and Hotels	-10%	2.18%
Communications	-5%	13.02%
Financial Intermediaries and Insurance	-15%	12.00%
Real Estate and Business services	188%	2.86%

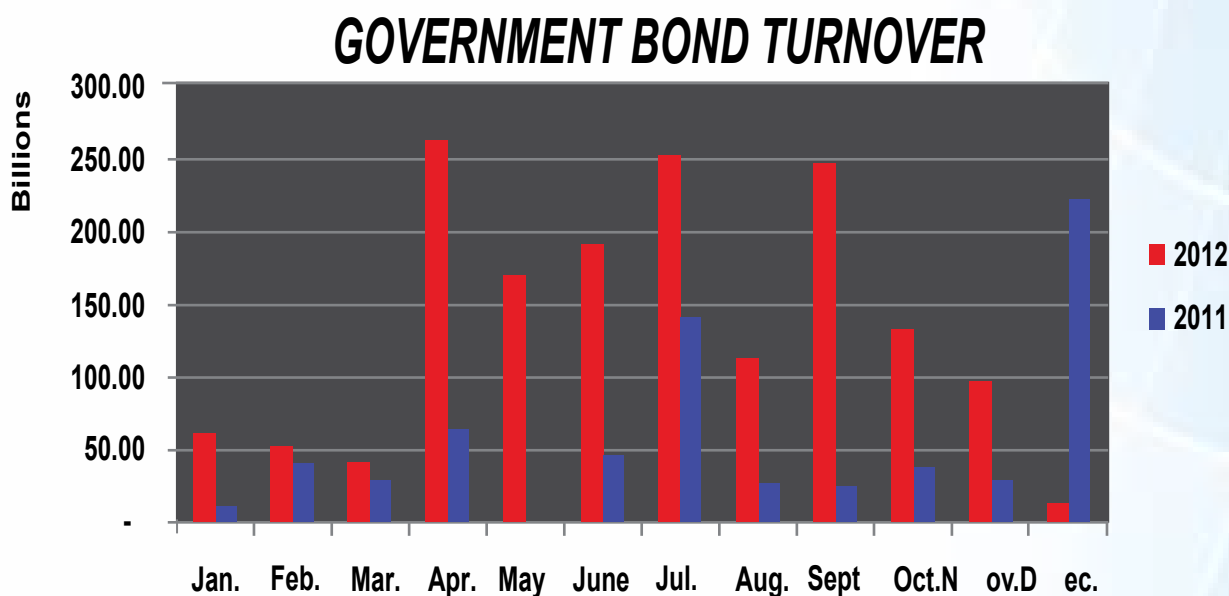
Source: Central Statistics Office Industry Growth Rate

Sector analysis highlights:

- Most sectors on the market exhibited negative growth while most sectors of the economy exhibited positive growth
- REIZ investments merger with Arcades Plc created such a large growth in the real-estate sector of the market, while the national property market had only 2.8% growth.
- Manufacturing ( less textile and leather industries), textile and leather industries and retail trade are the only sectors that seemed to grow with their sectors.



## THE GRZ BOND MARKET IN ZAMBIA



The Secondary Government bond market in Zambia performed well in the year of 2012. From January 2012 to November 2012, the 2012 bond turnovers were higher than their corresponding months in 2011. This was mainly due to the government's new policy of issuing primary bond tenders once a quarter rather than every two weeks.

## 2012 SUPPLY SIDE DAIRY FOR LUSAKA STOCK EXCHANGE:

### JANUARY

- Farmers house convert to Real Estate Investment Zambia plc and approve acquisition

### MARCH

- Real Estate Investment Zambia plc – merger with Arcades limited

### APRIL

- ZANACO – Bonus Issue executed
- Standard Chartered Bank Plc bonus issue executed



## JUNE

- Madison Financial Services Plc - conversion to public company and quotation on the LuSE

## JULY

- Puma Energy mandatory offer announcement

## AUGUST

- CELTEL – suspension of trading lifted for active trading.
- Puma Energy Mandatory Offer document released to the general public

## SEPTEMBER

- Puma Energy Mandatory offer executed

## JULY

- Puma Energy mandatory offer announcement

## DECEMBER

- Standard Chartered Consolidation
- Cavmont Capital Holdings Consolidation
- Investrust Bank Consolidation

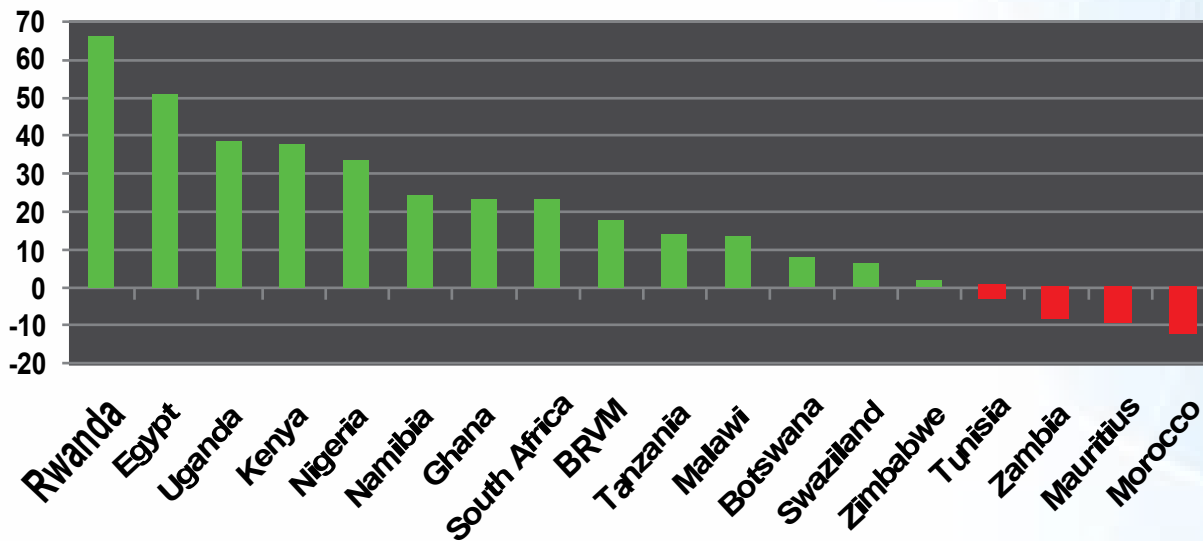
## International Analysis of the Lusaka Stock Exchange

In the year of 2012 and in accordance with statistics from Bloomberg market data, the Lusaka Stock Exchange performed poorly in comparison to other major indices of the world.



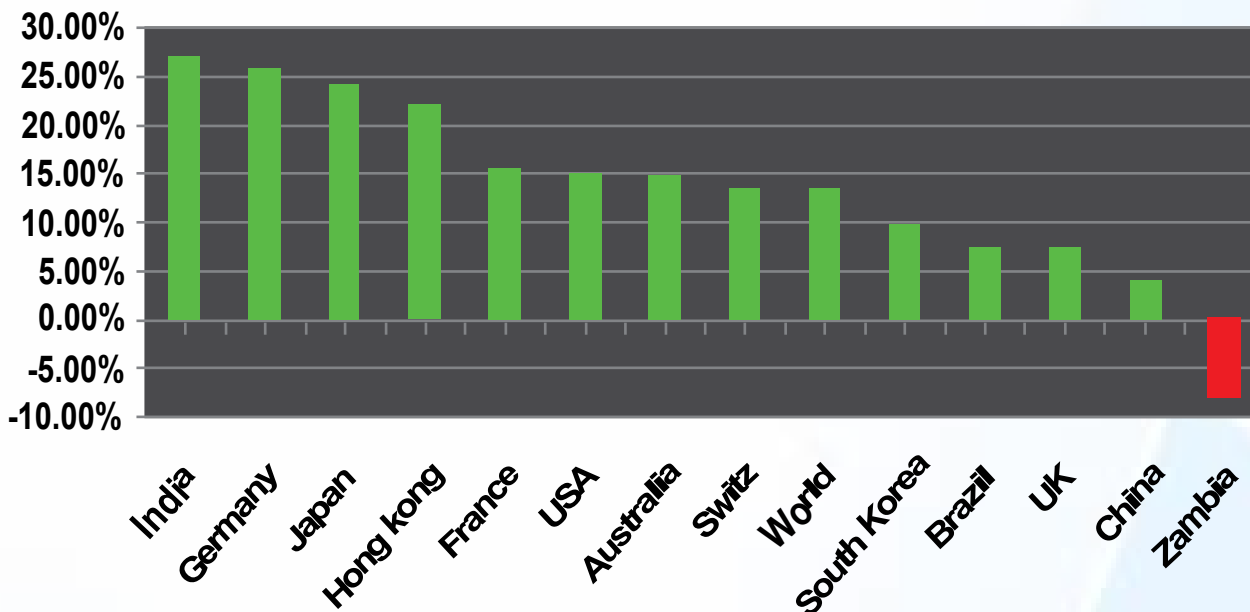


## AFRICAN MARKET INDICIES



Generally the African market showed very good results with Rwanda coming in first with a year end growth rate of 65%. However Zambia was one of the four unfortunate markets that faced negative market returns indicated by negative index growth. The LASI was ranked third from the bottom of the general African markets with only Morocco and Mauritius behind it.

## Zambian Index v Top International Markets



In 2012 the international markets, the stock markets experienced growth across the major markets with the lowest growth being China (4%). During this time Zambia experienced negative returns showing that while investor confidence in the Zambian stock market seemed to have dropped, the performance of the major markets attracted the capital flows from Zambia to these international markets.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	11.86	13.87	13.87	13.87
Real GDP (USD) (millions) at market exchange rates	13,599.58	13,686	19,621	19621.04
Inflation rate (%)	9.90	7.90	7.20	6.8
Net Foreign Direct Investment (USD) (Millions)	699.15	2000.00	178.29	178.2884863
Unemployment rate (%)	50	50%	50%	50%
Interest Rate (T-Bills)	10.72	8.62%	9.20%	9.20%
Exchange rate (local currency versus US\$)	4730	4905	5,200	5280

Note - Unemployment figures are as of 2000

## Section Two : Trading Statistics

Table 2: Trading Equity Statistics

Currency: USD

Indicators	2009	2010	2011	2012
Total value traded	47,498,184.13	196,037,765.39	149,101,834.43	68,321,712.93
Total volume traded	875,014,061.00	1,419,662,009.00	1,148,269,144.00	2,079,154,945.00
Total number of transactions	6,619.00	7,610.00	7,117.00	5,681.00
Number of listed companies	20	20	20	20
Number of listed Receipts	1	1	1	1
Number of traded companies	20	20	20	20
Number of traded Receipts	1	1	1	1
Market Capitalization (Billions) end of year	5.273	6,302	9,409	9,399
Market Capitalization as % of GDP	38.77%	48.05%	63.54%	52.79%
Turnover Ratio (%) *	0.90%	3.11%	1.59%	0.73%

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



**Table 3: Investors Type****Foreigners vs. Local Investors**

Type of Investors	% of the Total Value Traded			
	2009	2010	2011	2012
Foreign Investors	41.2	36.6	19.4	78.9
Local Investors	58.8	63.4	80.6	21.1
Total %	100.00	100.00	100.00	100

**Institutions vs. Individuals**

Institutions	68.00	81.00	90.00	90
Individuals	32.00	19.00	10.00	10
Total %	100.00	100.00	100.00	100

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Manufacturing	6	6	6	6
Mobile Telecommunications	1	1	1	1
Hospitality	1	1	1	1
Retail Trading	2	2	2	2
Oil Marketing	1	1	1	1
Agriculture Processing	2	2	2	2
Investments	2	2	2	3
Banking	3	3	3	3
Property	1	2	2	1
Mining	5	5	5	5
Energy	1	1	1	1
Corporate Bonds				

*Note: Companies in the mining sector are not active*

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Banking
2	Agricultural processing
3	Oil Marketing
4	Manufacturing
5	Energy



## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2009	2010	2011	2012
Total value traded	10,300,820.52	115,625,090.91	225,481,804.41	1,630,810,149,180
Value traded on governmental bonds	10,300,820.52	115,625,090.91	225,481,804.41	1,630,810,149,180
Value traded on corporate bonds				

## Section Four: Trading Systems

System Bought	YES
System Vendor	Millennium Information Technologies
Implementing the system	2008

## Section Five: Clearing and Settlement

Clearing and Settlement by	Lusaka Stock Exchange
Systems Vendor	Millennium IT
Year of implementing the system	2008
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Shares	Common and Preference shares
Bonds	Government and Corporate Bonds
Depository Receipts	Issued by First Quantum Minerals

## Section Seven : Trading Mechanism

Intraday Trading	Yes
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## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
LASI	It is a weighted market capitalisation index. It's computed by dividing the overall market Cap by a base divider
Free Float Index	It is a also weighted market capitalisation index. It's computed by dividing the market cap for freely transferrable shares by a base divider which excludes that portion not freely transferrable.

	Closing 2011	Closing 2012	% change
LuSE All Share Index (LASI)	4,040.35	3,714.61	-8.06
Free Float Index	2,845.36	2,762.55	-2.91

## Section Eight : IPOS and Debt Securities Issues 2008

### IPOS

2008

Company	Date of issue	Value of Issue (\$ million)
Celtel (Zain)	30/04/2008	203.24
ZANACO	29/09/2008	30.47
		233.70

### Debt securities Issues

2008

Company	Date of issue	Value of Issue (\$ million)
Barclays Bank		76.17
Standard Chartered Bank		108.81
Bayport		43.53



## Section Nine : 2009 Rankings of Top 5 Trading Participants

Ranking		Equity Transactions		
		Purchases	Sales	Total
		\$	\$	\$
1	Stockbrokers Zambia	NA	NA	27,094,581.05
2	Pangaea Reinassance	NA	NA	24,737,831.10
3	African Alliance	NA	NA	8,606,250.68
4	Madison Asset Management	NA	NA	6,435,877.21
5	Intermarket Securities			1,066,554.57
6	Equity Capital Resources			651,386.73

Ranking		Bond Transactions		
		Purchases	Sales	Total
		\$	\$	\$
1	Arcades*	NA	NA	22,729,450.76
2	Zambeef	NA	NA	15,762,682.31
3	Puma	NA	NA	11,801,400.57
4	Zambia Sugar	NA	NA	3,294,420.72
5	Copperbelt Energy Corporation			3,221,840.69

Members' contacts are available on the LUSE website  
[www.luse.co.zm](http://www.luse.co.zm)

\*Note that there was an acquisition of 8,100,000 shares of Arcades by REIZ.



# MALAWI STOCK EXCHANGE

## PROFILE



MALAWI STOCK EXCHANGE

Website	<a href="http://www.mse.co.mw">www.mse.co.mw</a>
Market Regulator	RESERVE BANK OF MALAWI
Address	Private Bag 270, Blantyre, MALAWI
Trading Session hours (local time)	11.00 AM
Time Zone	GMT + 2
Contact Person for ASEA	Mr. Symon Msefula
Telephone	265 01 824 233
Fax	265 01 823 636
E-mail	<a href="mailto:mse@mse-mw.com">mse@mse-mw.com</a>
Name of Local Currency	Malawi Kwacha
Tax Rates (dividends, interest, capital gain)	10 % on dividends; 30% on capital gains if shares owned for less than 12 months.





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## REVIEW OF MARKET PERFORMANCE IN 2012

The market registered a positive return on index of 12.03% compared to 8.41% registered in 2011 despite a decrease in both traded volume and value. The Return on Index in US Dollar terms was however eroded as a result of the devaluation of the Kwacha by 49% on 7th May, 2012 and a subsequent depreciation by 53.77% since 7th May 2012. By December 2012, the kwacha had depreciated by 103.00% since May, 2012. The market transacted a total of 667,221,045 shares at a total consideration of MK3,973,446,152.07 (US\$16,183,918.70) in 1,041 trades. In the corresponding period 2011, the market transacted a total of 1,590,006,071 shares at a total consideration of MK7,062,658,723.29 (US\$53,346,694.93) in 1,425 trades, reflecting a 58.04% decrease in terms of share volume and a 43.74% (69.66% in US Dollar terms) decrease in value. The turnover velocity as measured by the ratio of Total Value of Trades to Market Capitalisation (TVT/MCAP\*) was 1.57% in 2012 compared to 3.15% recorded in 2011. The ratio of Total Value of Trades to Gross Domestic Product (TVT/GDP) recorded a liquidity level of 0.11% in the review period while in 2011 liquidity was at 0.26 %.

## LATEST ACHIEVEMENTS

### Market Development

- The primary market activity was still slow in 2012 as the market didn't register any new listing in the year under review and the number of listed companies remained at 14.
- In order to stimulate activity on the market, the Stock Exchange held a number of sensitization workshops throughout the country on stock investment and listing opportunities on the Exchange.

### Future Outlook

Despite the economic challenges the country is facing, the MSE is in a process of rebranding and repositioning itself as part of implementing its strategic activities of developing the capital market in Malawi through the following activities:

- To hold sensitization workshops throughout the country on stock investment and listing opportunities on the Exchange.
- Encourage the listing of both Corporate and Government Bonds on the MSE.
- Working with the central bank in the establishment of the Central Share Depository System.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population	13.8	14.4	14.8
Real per capita GDP (US\$)	7.1	6.0	1.9(Oct)
Inflation rate (%)	369.0	390.6	344.0(Oct)
FDI	7.4	9.8	33.3(Nov)
Unemployment rate (%)	N/A	N/A	N/A
Interest Rate (T-Bills 91 days)	10.26	9.78	20.11
Exchange rate (local currency versus US\$)	150.8010	163.7515	337.0000

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded - Million	12.400	53.347	16.184
Total volume traded - Million	241.958	1,590.006	667.221
Total number of transactions	1,541	1,425	1,041
Number of listed companies	15	14	14
Number of traded companies	13	14	14
Market Capitalization (billions) end of year - million	8,478.26	16,372.50	10,570.53
Market Capitalization as % of GDP	36.95	30.98	19.95
Turnover Ratio (%) *	0.90	3.15	1.57

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	0.81	0.79	14.27
Local Investors	99.19	99.21	85.73
Total %	100%	100%	100%



## Institutions vs. Individuals

Institutions	N/A	N/A	N/A
Individuals	N/A	N/A	N/A
Total %	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
Financial Sector	7	7	7
Manufacturing Sector	1	1	1
Tourism/Hotel Industry	2	2	2
Investment Vehicle	1	1	1
Multisectoral	1	1	1
Real Estate and Property	1	1	1
Information Technology	1	1	1

**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Information Technology
2	Real Estate and Property
3	Financial Sector
4	Investment Vehicle
5	Manufacturing
6	Multisectoral

## Section Four: Trading Systems

Trading System	Manual Trading System
System locally developed	Yes
Implementing the system	1996

## Section Five: Clearing and Settlement

Clearing and Settlement by	Commercial Banks
Clearing and Settlement time	T+ 5



## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Cash Market	Yes
Equity Market	N/A
Bond Market	N/A

Table 7 Products

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Ordinary shares (YES)

## Section Seven : Trading Mechanism

Margin Trading	No*
Intraday Trading	No*
Online Trading	No*

## Section Seven : Indices

Table 8 Indices

MASI	MALAWI ALL SHARE INDEX
DSI	DOMESTIC SHARE INDEX
FSI	FOREIGN SHARE INDEX

Index Name	Closing 2011	Closing 2012	% change
MASI	5369.42	6015.51	12.03
DSI	4238.39	4725.51	11.49
FSI	535.42	854.67	59.63

Members' Contacts are available on the Mse website  
[www.mse.co.mw](http://www.mse.co.mw)



# MOZAMBIQUE STOCK EXCHANGE

## PROFILE



Website	<a href="http://www.bolsadevalores.co.mz">www.bolsadevalores.co.mz</a>
Market Regulator	Central Bank (Mozambique)
Address	1230, 5 <sup>th</sup> Floor, 25 de Setembro Avenue, MOZAMBIQUE
Trading Session hours (local time)	9:00 am to 12:00 pm
Time Zone	Greenwich Mean Time + 2 hours
Contact Person for ASEA	Rodrigues Paruque/ Bruno Tembe/ Pedro Frederico Cossa
Telephone	+258 21 308826/ 7/ 8
Fax	+258 21 310559
E-mail	<a href="mailto:rparuque@bvm.co.mz">rparuque@bvm.co.mz</a> / <a href="mailto:btembe@bvm.co.mz">btembe@bvm.co.mz</a> / <a href="mailto:pedro.cossa@bvm.co.mz">pedro.cossa@bvm.co.mz</a>
Name of Local Currency	Metical
Tax Rates (dividends, interest, capital gain)	10% for listed securities (50% tax benefits)
Listing of Foreign Domiciled Companies	Company must be registered in Mozambique



## Historical background

Mozambique Stock Exchange (BVM) initiated its activities in 1997. Trading has always been carried out by an electronic system. From 2000 onwards, the members began to trade through a remote trading network which provided direct access for stockbrokers to the trading sessions through the internet. After 15 years operating in the market, we can say that the development of the Mozambican Capital market, in general, and the Mozambique Stock Exchange, in particular, has been characterised by the constraints inherent to any emerging market. However, despite the adversities typical to those markets, BVM has been able to overcome situations that appeared over the years. Several moments marked the growth of the institution. Among them, it can be highlighted:

- The creation of the legal and regulatory framework that gave substance for the establishment of the Securities' Market in Mozambique and that served as support for the effective start of Mozambique Stock Exchange operations.
- The approval of the Securities Market Code, by the Government of Mozambique, through the Decree No. 04/2009 of 24th July, which in addition to adding a whole bunch of Legislative Diplomas on Capital Markets, enabled the creation of a Second Market on the Stock Exchange, directed to Small and Medium Enterprises.
- The issuance of the greatest domestic public debt in Mozambique, called Treasury Bonds 2012, where BVM played a major role in the organization, assembly and commissioning of the issuance in the market. The issue, in the amount of 3,150,112,400.00 MT (105.0 million USD), represented a major milestone in the history of the Mozambican Capital Market.
- The process of assembly of the Central Securities Depository (CSD), whose first steps towards the establishment in Mozambique, has been given in 2006, with the approval of Decree No. 25/2006 of 23rd August, and for which BVM has been appointed responsible for all organization, technology and administrative functioning.
- The installation of a Data centre on the Stock Exchange, endowed with security and modernity required by current markets and obeying internationally accepted standards. The centre accommodates all the technological apparatus of the CSD and BVM, as well a disaster recovery centre for other public and private entities wishing to control its data.



## The Primary Market

During 2012, there were the issuance of one Government Bond, two Equities and Seven Commercial paper, namely:

- 9.681.244 shares of CDM (Mozambican Brewery company), issued in January 2012, with a Nominal Value of 113.60 MT each.
- 17.500.000 shares of the “CETA, Construções & Serviços”, issued in June 2012, with a Nominal Value of 1.00 MT each.
- 31.501.124 securities denominated Government Bonds 2012, issued in August 2012, with a Nominal Value of 100 MT each.
- 2.500.000 securities called Commercial Paper PETROMOC 2012 – I, issued in April 2012, with a Nominal Value of 100 MT each.
- 3.000.000 securities called Commercial Paper PETROMOC 2012 - II, issued in July 2012, with a Nominal Value of 100 MT each.
- 3,463,000 securities called Commercial Paper INSITEC CONSTRÓI 2011, issued in December 2011 and listed in January 2012, with a Nominal Value of 100 MT each.

## Secondary Market

### 1. Listed securities

Throughout 2012, the number of listed securities on BVM was of 34, from which 7 were Government Bonds, 14 were Corporate Bonds, 3 were Equities and 10 were Commercial Paper.

During the same period, it was recorded the call for cash redemption of 5 securities, pursuant to the terms and conditions thereto. These were:

- Commercial Paper Insitec Constrói 2011, in May 2012;
- Commercial Paper PETROMOC 2011 – II, in June 2012;
- Corporate Bonds BIM 2011, in June 2012;
- Commercial Paper PETROMOC 2011 – I, in July 2012;
- Commercial Paper ENH 2011, in November 2012.

Thus, at the end of December, taking into account the listings and redeemed securities abovementioned, the year closed with 29 listed securities, as displayed on the tables:



**Table 1: Government Bonds on 31st December 2012**

Government Bonds	Quantity	Nominal Value (MT)	Interest Rate (%)	Market Capitalization (MT)
GB-2005 -2nd Serial	300.000	5.000	8,0000	1.500.000.000
GB-2005 -3rd Serial	16.673.180	67,00	6,6875	1.117.103.060
GB-2008	3.500.000	100,00	5,3125	350.000.000
GB-2009	2.900.000	100,00	3,9375	290.000.000
GB-2010-1st Serial	15.000.000	100,00	6,3750	1.500.000.000
GB- 2011	26.186.170	100,00	17,0000	2.618.617.000
GB- 2012	31.501.124	100,00	10,0000	3.150.112.400
<b>Total of Government Bonds</b>	<b>96.060.474</b>			<b>10.525.832.460</b>

**Table 2: Corporate Bonds, on 31st December 2012**

Corporate Bonds	Quantity	Nominal Value (MT)	Interest Rate (%)	Market Capitalization (MT)
BIM 2003	650.000	25,00	5,5625	16.250.000
BIM 2003 Subordinate	850.000	100,00	4,1250	85.000.000
BIM 2006 Subordinate	1.750.000	100,00	3,8750	175.000.000
BIM 2010 Subordinate	10.000.000	100,00	14,0000	1.000.000.000
MCEL – 2008	2.500.000	10,40	6,5000	40.000.000
MCEL - 2008-II	2.500.000	21,60	8,1250	54.000.000
MCEL – 2010	3.800.000	75,00	13,0000	261.250.000
STANDARD BANK 2007 - Sub.	2.600.000	100,00	3,2500	260.000.000
ProCredit 2009	750.000	62,50	5,1250	46.875.000
ProCredit 2011 - Subordinate	900.000	100,00	13,6250	90.000.000
BCI 2009 Subordinate	2.160.000	100,00	5,3125	216.000.000
BCI 2011	10.000.000	100,00	13,5000	1.000.000.000
PETROMOC 2010	3.500.000	100,00	7,1250	350.000.000
<b>Total of Corporate Bonds</b>	<b>41.960.000</b>			<b>3.594.375.000</b>

**Table 3: Commercial Paper, on 31st December 2012**

Commercial Paper	Quantity	Nominal Value (MT)	Interest Rate (%)	Global Value (MT)
Commercial Paper PETROMOC 2012-I	2.500.000	100,00	13,5000	250.000.000
Commercial Paper PETROMOC 2012-II	3.000.000	100,00	13,5000	300.000.000
Commercial Paper PETROMOC 2012-III	1.500.000	100,00	13,5000	150.000.000
Commercial Paper PETROMOC 2012-IV	3.000.000	100,00	13,5000	300.000.000





Commercial Paper Moza Banco 2012	7.000.000	100,00	11,0000	700.000.000
Commercial Paper PETROMOC 2012-V	3.000.000	100,00	13,5000	300.000.000
<b>Total of Commercial Paper</b>	<b>20.000.000</b>			<b>2.000.000.000</b>

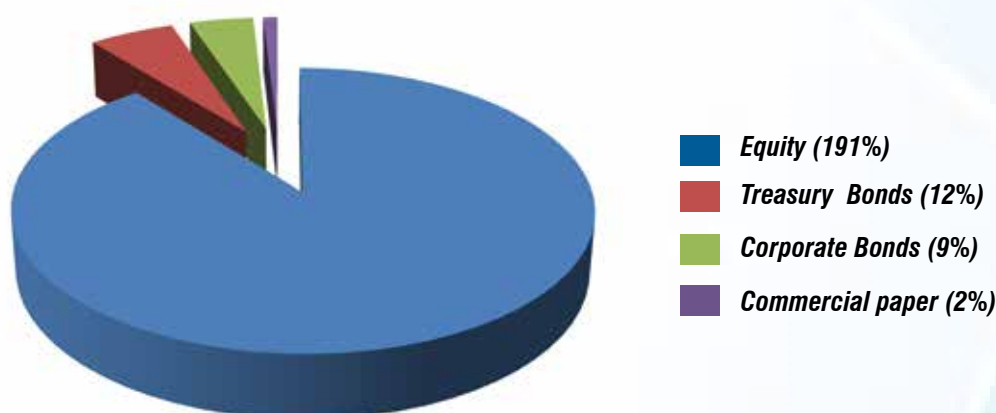
**Table 4: Equities, on 31st December 2012**

Equities	Quantity	Nominal Value	Price	Global Value (MT)
CDM	121.770.258	2,00	113,60	13.833.101.309
CMH	593.412	100,00	275,00	163.188.300
CETA	17.500.000	1,00	---	1.830.500.000
<b>Total of Equities</b>	<b>139.863.670</b>			<b>15.826.789.609</b>

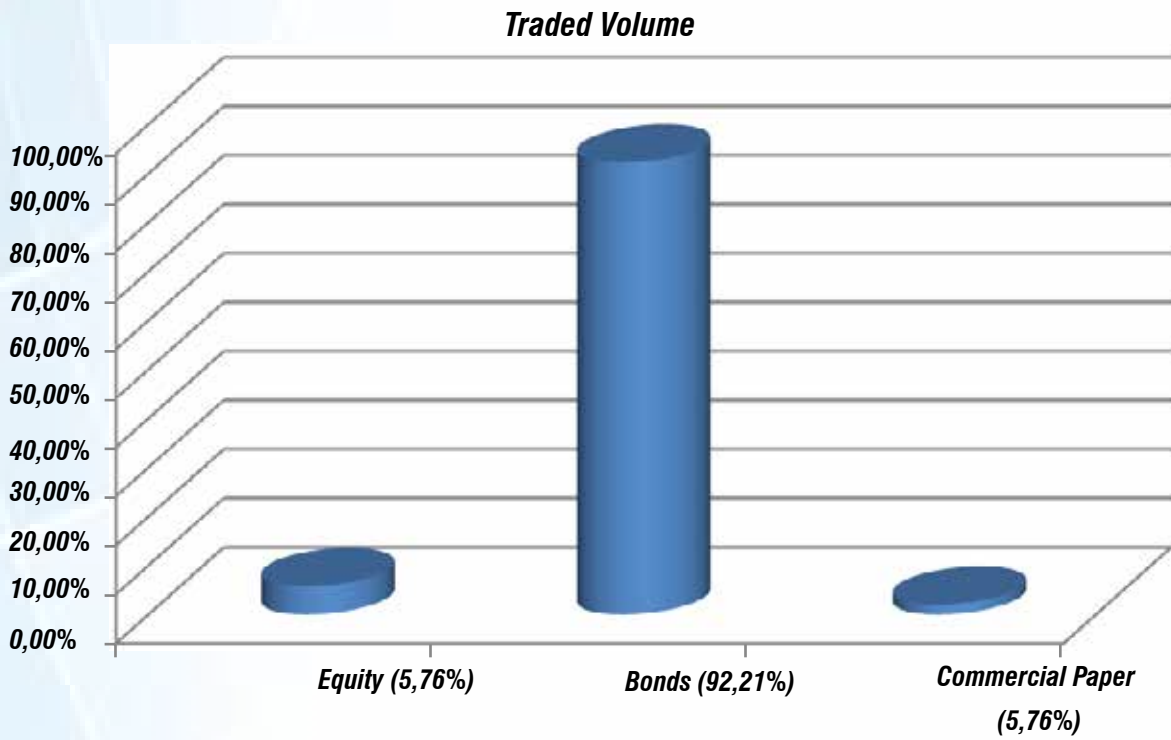
## 2. Number, Volume and Value of Transactions

During the year of 2012, there were registered a total of 214 tradings, being 191 on the Stock market, 21 on the Bonds market (12 on Treasury bonds and 9 on Corporate bonds) and 2 on the Commercial paper market. In general, it represented a 76.64% growth when compared to the total number of transactions registered in 2011 (164). As shown in the graphs below, In regards to value and volume of transactions, Equities, Bonds and Commercial paper registered volumes equivalent to 5.76%, 92.21% and 2.02% and values correspondent to 6.95% 90.93% and 2.12%, respectively. Graph No. 1 – Number of transactions per security

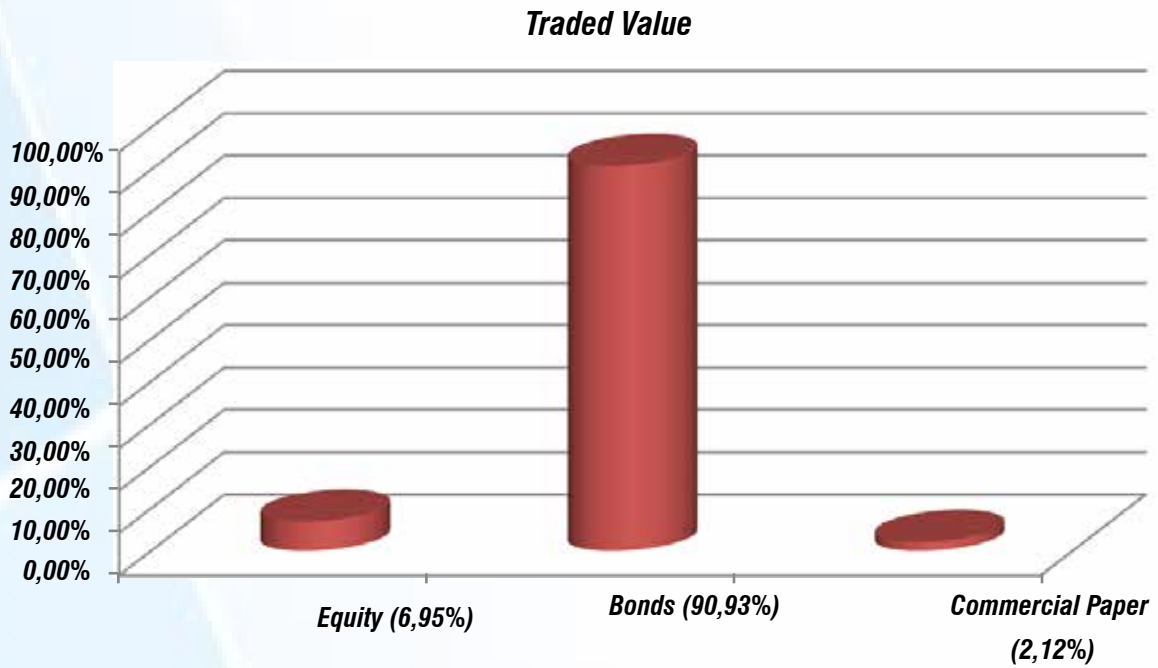
Graph No. 1 – Number of transactions per security



**Graph No. 2 – Volume of transactions per security**



**Graph No. 3 – Value of transactions per security**



### 3. Market Capitalization

Throughout 2012, the average market capitalization was of USD 820.04 million.

The 2nd semester marked a new era to the Mozambican Stock market, as it witnessed, for the first time, the attainment of a market capitalisation of MT31.947,00 million, equivalent to USD1.077,47 million. This amount corresponded to an increase of 72.54% in relation to the one attained in 2011.

The amount of over USD1.000,00 million of market capitalisation was reached and exceeded in the session of 23rd August 2012, when there were listed 31.501.124 securities of the Government Bonds 2012, issued by the Mozambican State.

### 4. Turnover

In the first semester of 2012, turnover ratio was equal to 1.94% while in the 2nd semester, it reached the percentage of 4.28. This increment was highly the result of the listing and following high volume of transactions of the Government Bonds 2012.

## Structural Reforms

On the 6th April 2012, as a result of the end of Mr. Jussub Nurmamade's term, he has been replaced by Mrs. Anabela Chambuca as the Chief Executive Officer of BVM. Mrs. Chambuca, who is graduated in Economics and has been an intern at Euronext Stock Exchange, is recognized as a specialist of the Mozambican economic reality, expertise which has been gained through 5 years (2005-2010) working as the Head of the Department of Domestic Debt Analysis, and 2 years (2010-2012) as the Deputy National Director at the National Directorate of Budget, both in the Ministry of Finance.

## External Relations

BVM participated regularly in international fora regarding the financial market. The most relevant were the ones promoted by the CoSSE – Committee of SADC Stock Exchanges and ASEA – African Securities Exchanges Association.

As a result of the works undertaken within the scope of ASEA, BVM participated on the 16th Annual General Meeting Flagship Conference, which took place in Cairo – Egypt.

During 2012, BVM was also nominated to chair the Sub-committee for Training and Visibility of SADC Stock Exchanges, with the main objective of promoting interaction between the regional stock exchanges.



## Regulations

BVM has upgraded Regulation No. 1/GPCABVM/2011 of 31st March, by the approval of Regulation No. 1/GPCABVM/2012 of 28th March, which establishes the minimum quantitatives for listing on BVM.

## Future Outlook

- 10% IPO of EMOSE (Mozambican Insurance Company), by the end of the present semester.
- Foster institution´s awareness, through a Financial Literacy Program, with the main objective of establishing a permanent group of disclosure and a structure that will allow the spread of financial literacy, particularly with respect to capital markets, nationwide.
- Design action plans directed to the promotion of the market participation in order to increase the current number of companies and securities listed. These are also included as one of the goals to be attained through the Financial Literacy Program described above.
- Establish and manage a Central Securities Depository (CSD), which will allow the registration of market participants, which are recognized and accepted as members of the system.

## Responsiveness engagement

In order to respond to the needs of investors and listed companies, BVM:

- Is in the process of creating of a book collection, containing all the legislation related to the Mozambican capital market, as well as related legislation. This will provide to the entire population, in general and to the market participants, in particular, information pertaining to all the processes involved in the functioning of the market (e.g.: issuance, listing and investment).
- With the objective of better serving issuers, BVM is continually upgrading the SIAE application, software directed to provide Information regarding securities to its holders.
- Continuing upgrade of the institution´s website, in order to provide a more user-friendly interface for the public.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	22.42	23.05	23.76
Real GDP (USD) (billions) at market exchange rates	6,600.00	10,690.00	14,886.17
Inflation rate (%)	16.60	6.14	3.00
Net Foreign Direct Investment (USD) (Millions)(UNCTAD)	578.81	974.49	84.32
Unemployment rate (%)	N/A	N/A	N/A
Interest Rate (T-Bills)	11.98	15.67	5.74
Exchange rate (local currency versus US\$)	32.99	27.22	29.65

\* Source for FDIs: United Nations Conference on Trade & Development

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Indicators	2010	2011	2012
Total value traded	17,239.85	14,491,448	18,772,016
Total volume traded	5,841,360	4,152,992	18,777,821
Total number of transactions	33	82	214
Number of listed companies	2	2	3
Number of traded companies	2	2	2
Market Capitalization (Millions) end of year	0.345795665	0.62448	1.02
Market Capitalization as % of GDP	0.01%	0.01%	0.01%
Turnover Ratio (%) *	0.12651819	0.02321	0.01848

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	N/A	N/A	N/A
Local Investors	N/A	N/A	N/A
Total %	N/A	N/A	N/A



**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Equities</b>	2	2	3
Brewery	1	1	1
Energy	1	1	1
Construction and Materials			1
<b>Corporate Bonds</b>	6	8	9
Banks	4	4	5
Financial Sector Excluding Banks	0	0	0
Food & Beverages	0	0	0
Telecommunications	1	1	1
Construction and Materials	0	1	1
Energy	1	2	2

**Table 5: 5 Most Active Sectors in 2011**

#	Sectors
1	Brewery
2	Energy
3	Banks
4	Telecommunications
5	Construction and Materials

### Section Three : Bonds Statistics

**Table 6: Bonds Statistics****Currency: USD**

Bonds	2010	2011	2012
Total Value traded	18,693,401	986,718,525	58,143
Value traded on governmental bonds	17,155,944	7,481,843	56,349.42
Value traded on corporate bonds	1,537,458	979,236,682	1,794.00



## Section Four: Trading Systems

Trading System	FIX
System locally developed	Yes
Implementing the system	1999

## Section Five: Clearing and Settlement

Clearing and Settlement by	The Central Bank
System locally developed	Yes
Year of implementing the system	1999
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Cash Market	Yes
Bonds Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Common stocks as well as preferred stocks issued by companies
Bonds	Treasury bonds and corporate bonds
Commercial Paper	It is a short term debt product with maturity up to 1 year
Participation Securities	Amount of the issue is equivalent to the company equity

## Section Seven : Trading Mechanism

Online Trading	Yes
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## Section Eight : IPOS and Debt Securities Issues 2009 - 2012

### Debt Securities Issues

2009

Company	Face Value of issue (\$ million)
Government of Mozambique	10
ProCredit	10
BCI - Banco Comercial de Moçambique	11
Total	31



## 2010

Company	Face Value of issue (\$ million)
Government of Mozambique	45.47
Petromoc	10.6
mCel - Moçambique Celular	11.5
Banco Internacional de Moçambique - BIM	30.3
	98

## 2011

Company	Face Value of issue (\$ million)
BIM 2011	7.35
ProCredit Bank 2011	3.31
Petromoc 2011	5.88
ENH 2011	4.04
BCI Bank 2011	36.74
Petromoc 2011 - II	11.02
Insitec Constrói	12.72
Government of Mozambique	96.20
	177

## 2012

Company	Date of issue	Face Value of issue (\$ million)
CDM	January 2012	40.44
Ceta	April 2012	16.54
Petromoc 2012- I	April 2012	9.19
Petromoc 2012 - II	May 2012	10.71
Petromoc 2012 - III	July 2012	5.29
Government of Mozambique	August 2012	109.49
Petromoc 2012 - IV	October 2012	10.22
MozaBanco 2012	November 2012	23.36
Petromoc 2012 - V	December 2012	10.12
		235.37





## Section Nine : 2011 Rankings of Top 5 Trading Participants

Ranking		Stockbrokerage units		
		Purchases	Sales	Total
		\$	\$	\$
1	Banco Comercial e de Investimentos	24,246,992.97	26,892,862.46	51,139,855.43
2	Millennium bim	15,213,939.66	22,980,363.03	38,194,302.68
3	Standard Bank	8,986,008.07	3,232,176.55	12,218,184.63
4	MozaBanco	-	6,427,993.25	6,427,993.25
5	Barclays Bank	39,567.30	31,679.12	71,246.42

Ranking		Equity transactions		
		Purchases	Sales	Total
		\$	\$	\$
1	CDM (Brewery company)	4,094,672.18	4,094,672.18	8,189,344.35
2	CMH (Hydrocarbon company)	115,978.75	115,978.75	231,957.50

Ranking		Treasury bonds transactions		
		Sales	Purchases	Total
		\$	\$	\$
1	OT 2012	39,790,718.38	39,790,718.38	79,581,436.76
2	OT 2010	13,533,655.99	13,533,655.99	27,067,311.97
3	OT 2005 3rd serial	90.39	90.39	180.78

Ranking		Private bonds transactions		
		Purchases	Sales	Total
		\$	\$	\$
1	Mcel 2008	745,982.12	745,982.12	1,491,964.25
2	Petromoc 2010	370,994.94	370,994.94	741,989.88
3	ProCredit 2009	328,836.42	542,269.75	871,106.17
4	Mcel 2008 - II	250,185.50	250,185.50	500,370.99

Members' Contacts are available on the BVM website

[www.bolsadevalores.co.mz](http://www.bolsadevalores.co.mz)



# NAIROBI SECURITIES EXCHANGE

## PROFILE



Website	<a href="http://www.nse.co.ke">www.nse.co.ke</a>
Market Regulator	Capital Markets Authority (Kenya)
Address	1st Floor, Nation Center, Kimathi Street, P. O. Box 43633 - 00100 Nairobi KENYA
Trading Session hours (local time)	Preopen: 9:00am - 9:30am; Opening Auction: 9:30 am: Continuous Trading: 9:30am - 3:00 pm; Close: 3:00pm
Time Zone	Greenwich Mean Time + 3 hours
Contact Person for ASEA	Donald Atieno Ouma
Telephone	+254 20 2831000
Fax	+254 20 2224200
E-mail	<a href="mailto:douma@nse.co.ke">douma@nse.co.ke</a>
Name of Local Currency	Kenya Shilling
Tax Rates (dividends, interest, capital gain)	Dividend withholding taxes 5% (domestic investors) 10% (foreign investors); Withholding tax on interest income 15%; Capital gains taxes suspended since 1985
Commodities Exchange	nil



The NSE continues to innovate, transform and adapt to fulfil the needs of our stakeholders and to live up to our own mission of providing a world class securities trading facility. Our long-term objective is to position Kenya as the financial services hub of the East African Region. The 2012 performance of the NSE was commendable. The NSE 20 Share Index ended 2012 at 4,133.02 points and has been on an upward trend since crossing the 4,000 mark on October 15 2012. For 2012, the NSE 20 Share Index was up 28.64%. Other indices also performed well:

Index	Level (December 31 2012)	Performance (%)
NSE All Share	94.86	38.72
FTSE NSE 15	125.75	40.11
FTSE NSE 25	128.46	39.64
FTSE NSE Kenyan Shilling Government Bond Index	125.75	40.11

Market capitalisation rose 46.5% to Kshs.1.27 trillion (\$14.53 billion).

## Capital Transactions

In 2012, the Government of Kenya raised Kshs.115.4 billion (\$1.32 billion) through the issuance and listing of Government of Kenya Treasury Bonds with maturities ranging from one – twenty years. Corporate debt issues amounted to Kshs.6.97 billion (\$79.73 million); rights issues raised an aggregate amount of Kshs.27.06 billion (\$309.54 million) and introductions increased market capitalization by Kshs.22.46 billion (\$256.92 million). 2012 also saw the first inward cross listing of an East African company on the NSE since the incorporation of the East African Securities Exchanges Association (EASEA) on May 15 2009, when Umeme Holdings Ltd., cross listed on the Main Investment Market Segment of the NSE on December 14, 2012. In 2012 capital markets transactions were valued at Kshs.171.89 billion (\$1.97 billion).

## The NSE Strategic Initiatives

In light of the dynamic environment within which the NSE operates, the NSE Board of Directors on February 25, 2012 reviewed and approved the revised NSE 5 Year Corporate Plan for the years between 2010 and 2014 and included Regionalization as a key objective for the NSE during this period to its previous 5 key objectives. The revised Corporate Plan reiterates our vision and mission which are:



## Vision

“To be a leading securities exchange in Africa, with a global reach”

## Mission

“To provide a world class securities trading facility”

The NSE Corporate Plan therefore has six objectives namely:

1. Converting from a mutual entity to a corporate entity;
2. Growing the Existing Business;
3. Diversifying Revenue Streams;
4. Enhancing the value of the Brand;
5. Building Institutional Capacity; and
6. Regionalization.

## REGIONALIZATION INITIATIVES

### Secretariat of the African Securities Exchanges Association (ASEA)

The NSE is proud to host the Secretariat of the African Securities Exchanges Association (ASEA). To this extent, the Secretariat is working with the members of ASEA to enhance its capacity to provide services and information to the members of ASEA and internationally.

### Memorandum of Understanding with Somalia Stock Exchange

On August 8 2012, the Nairobi Securities Exchange entered into a Memorandum of Understanding with the Somalia Stock Exchange Investment Corporation (SSE) regarding the possibility of co-operating to establish a securities exchange business involving the trading, settlement, delivery and other stockbrokerage activities. The Memorandum of Understanding was the first step in the journey that would see the development and implementation of a self sustaining stock exchange in Somalia. The NSE shall have primary responsibility for the technical development of the Somalia Stock Exchange including identifying the most suitable partners and expertise for the operations of the Somalia Stock Exchange.



## Member of the East African Securities Exchanges Association (EASEA)

The NSE also remains an active member of the East African Securities Exchange Association (EASEA), whose aim is to standardize regulations and operations within the region to make cross border investing easier for citizens of the East African Community.

The members of EASEA are the Dar es Salaam Stock Exchange (DSE), the Rwanda Stock Exchange (RSE), the Uganda Securities Exchange (USE), and the Central Depository and Settlement Corporation (CDSC). The NSE is also represented in the East African Community Consultative Forum on the Capital Markets whose long term goal is to establish a regional capital market.

## The Cross listing of UMEME Holdings Ltd.

On December 14, 2012 UMEME Holdings Limited cross listed its 1,623,878,005 shares on the Main Investment Market Segment (MIMS) of the Nairobi Securities Exchange. The reference price was Kenya Shillings Eight and Eighty Cents (Kshs.8.80) equivalent to United States Dollars Ten Cents (\$0.10).

The listing by introduction of UMEME Holdings Ltd., on the NSE, follows its November 30 2012 listing on the Uganda Securities Exchange (USE) after a successful IPO which was oversubscribed by 36.9%. It is the first inward cross listing of an East African company on the NSE since the incorporation of the East African Securities Exchanges Association (EASEA) on May 15 2009; it is also currently the only such listing. Centum Investment Company Ltd., East African Breweries, Jubilee Holdings Ltd., Kenya Airways, KCB Group, Nation Media Group, and Equity Bank, which are all cross listed, have their primary listing on the NSE. The cross listing marks a milestone in the initiatives of the members of the Association to integrate the East African capital markets.

The listing of Umeme Holdings Ltd., is a testament to the commitment of the members of EASEA to build regional capital markets and the NSE is grateful to the USE for facilitating the cross listing of Umeme Holdings Ltd. In recognition of the challenges faced by investors when transacting in cross listed securities, on February 8, 2013, the members of EASEA unanimously approved an inter-depository transfer mechanism with a commencement date of March 1, 2013.



## Membership to the Financial Information Services Division (FISD) of the Software and Information Industry Association (SIIA)

On 21 March, 2012 the NSE received confirmation of its successful application to join the Financial Information Services Division (FISD) of the Software and Information Industry Association (SIIA).

SIIA is an internationally recognized non-profit organization that provides a neutral forum supporting the global financial information industry. FISD currently has 140+ member organizations encompassing market data consumers including banks, brokerages, asset management and investment firms, and hedge funds; content providers including exchanges, news organizations, inter-dealer brokers, and automated trading systems; and vendors, including market data vendors, redistributors, inventory management, platform and permissioning system providers, network providers, software developers, consulting firms and other professional services.

The Exchange Constituency Sub – Group of the FISD will especially be a great place to learn about emerging best practices, market data policy developments, and related information useful to a growing exchange. The FISD will further assist the NSE through

1. Serving as a global industry advocate for standard, transparent and efficient flow of financial information.
2. Supporting in dealing with regulatory issues
3. Providing access to education and training opportunities
4. Offering visibility and networking opportunities

The NSE joins the following members from Africa:-

1. Egypt for Information Dissemination (EGID)
2. JSE Limited

This membership and future interaction with the FISD will be key towards achieving the NSE's strategic objective of growing its Information Services Division.

## Membership of the World Federation of Exchanges (WFE)

The Nairobi Securities Exchange is interested in becoming a full member of the World Federation of Exchanges. The NSE which is currently an Associate member of the WFE has formally written to the WFE to confirm our intention to pursue full membership. In 2013, the NSE will participate in the evaluation process



for full membership to the WFE. The NSE believes that participating in the evaluation process provides an opportunity to audit operational systems, regulatory framework and corporate governance framework of the Exchange and benchmark with international best practice.

### THE GROWTH ENTERPRISE MARKET SEGMENT (GEMS):

On June 14 2012, the Minister for Finance gazetted the amendments to the Capital Markets (Securities) (Public Offers, Listings and Disclosures), operationalising the Growth Enterprise Market Segment (GEMS) Listing Requirements. The Capital Markets Authority approved the Nairobi Securities Exchange (Nominated Advisors) Rules, 2012 on September 6, 2012. On December 10 2012, the Board of Directors of the Exchange approved the registration of the first four (4) firms as Nominated Advisors and their Authorized Representatives to GEMS. An additional four (4) firms as Nominated Advisors and their Authorized Representatives to GEMS were registered on January 21 2013. The NOMADS will assist companies to list on GEMS and to comply with good corporate governance practices. We also believe that GEMS provides an opportunity for firms participating in Kenya's natural resources and mining sector to raise capital and also comply with the thirty five percent (35%) local equity component under Legal Notice No. 118.

### THE NSE BROKER BACK OFFICE:

Following the successful launch of the Broker Back Office system on September 5, 2012, the entire process of transacting in securities has minimal manual intervention and is interfaced with the trading and settlement platforms. This reduces the risk of trading in securities listed on the Exchange, which has helped boost investor confidence and facilitate greater access by enabling internet trading. The system also improves the integrity of the Exchange trading system and facilitates greater access to our securities markets.

EASEA has since adopted the technical specifications for the Kenya BBO System as the regional standard and to source for funding for the implementation of a Regional Broker Back Office System.

### THE FTSE-NSE KENYAN SHILLING GOVERNMENT BOND INDEX:

On October 3, 2012, NSE together with FTSE International launched the FTSE NSE Kenyan Shilling Government Bond Index. This is the first instrument of its kind in Eastern Africa and provides investors the opportunity to access current information and provide a reliable indication of the Kenyan Government Bond market's performance. It follows the November 8, 2011 launch of the FTSE NSE Kenya 15 and FTSE NSE Kenya 25 Indices. The launch of the indices was the result of an extensive market consultation process with local asset owners and fund managers and reflects the growing interest in new domestic investment and diversification opportunities in the East African region. These indices are running concurrently with the



the NSE 20 Share and NSE All Share indices. The branded indices give the NSE the opportunity to use FTSE's expertise to design, manage and distribute branded indices and index-related products, domestically and internationally. Overall, the purpose of the indices is to improve capital flows into the domestic market and enhance liquidity and market capitalization.

## THE IMMINENT INTRODUCTION OF REAL ESTATE INVESTMENT TRUSTS (REITS):

Following the exposure of the Capital Markets (Real Estate Investment Trusts) (Collective Investment Scheme) Regulations, 2012 by the CMA, the NSE is working on the introduction of REITS as an alternative investment which will provide Kenyan investors with an opportunity to invest in the Real Estate sector without requiring large sums of money.

## CORPORATE SOCIAL RESPONSIBILITY:

### 2012 NSE Investment Challenge

We believe that informed investors are the best deterrent against corporate malfeasance. We constantly work towards creating and improving financial literacy programs. At the same time, we pursue initiatives related to environmental preservation and philanthropy. In 2012, the Board of Directors endorsed financial literacy as the focus of our CSR initiatives. We believe that it is our responsibility as a Self Regulatory Organization and the operator of a securities exchange, to help create a more knowledgeable society by increasing both access and understanding of securities markets information. This in turn contributes to sustainable economic growth. The flagship for the NSE's CSR initiatives is the annual NSE Investment Challenge. This is an annual online competition for university students, which is a simulation of the activities that happen around trading in securities (Bonds & Stocks) listed on the Exchange.

### 2012 Milestones

1. Reached 172 accredited, tertiary institutions across Kenya;
2. Educated 8,278 youth through investor forums;
3. Registered 5,621 participants in the 2012 NSE Investment Challenge.

### 2012 Excellence in Financial Reporting (FiRe) Awards

The 11th Excellence in Financial Reporting (FiRe) Awards, are an initiative of the Institute of Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (Kenya) and the Nairobi Securities Exchange (NSE), "The Promoters". The Awards highlight their joint commitment to promoting excellence in financial reporting, fostering sound corporate governance practices and enhancing corporate social responsibility





and environmental reporting in East Africa. The theme of 2012 was “Promoting Corporate Excellence in East Africa”. The Awards seek to encourage East African institutions to emphasize best practices in financial reporting, as they play a key role in the growth of the region’s economies; and as the investment community the world over demands more transparent financial reporting from companies to facilitate the investment decision making process. In 2012, as part of developing a distinct FiRe Award Brand, the Award Ceremony and Gala Dinner was preceded by the inaugural FiRe Award Conference. The Chief Guest was Ms. Vivienne Yeda Apopo: Director General: East African Development Bank. Some of the 2012 winners were as follows:-

Category	Winner
Overall Winner	NIC Bank
The Promoter’s Recognition Award	Amaco Assurance Company
Rwanda Country Winner	Bank of Kigali
Uganda Country Winner	Stanbic Uganda
Tanzania Country Winner	Swissport Tanzania
Kenya Country Winner	NIC Bank

## DEMUTUALIZATION:

The shareholders approved the listing of the NSE by introduction of the Nairobi Securities Exchange on the Alternative Investment Market Segment (AIMS) by mid 2013. Our transaction advisors are preparing our Information Memorandum for Self Listing. Through the demutualization of the Exchange, we endeavor to improve corporate governance, expand our product and service offering and raise capital for investment in technology. It is in line with our mission to provide a world class securities trading facility.

## ACQUISITION OF A PROPERTY:

The NSE has acquired a six storied building which has available office space of about 30,000 square feet. The Exchange has funded the transaction through a mixture of internally generated funds and borrowing from a reputable financial institution. The acquisition of the property is a core component of the 2010 – 2014 NSE Corporate Strategic Objective to diversify our revenue streams. The anticipated appreciation of this real estate asset on the books of the NSE will also enhance shareholder value.



## 2013 PROSPECTS:

So far in 2013, all market indicators are up. As of February 22 2013, the NSE 20 Share Index stood at 4,477.89, reflecting an 8.34% gain for 2013. In the same period, the FTSE NSE 15 and FTSE NSE 25 indices have risen 8.91% and 9.11% to 141.36 and 144.51 points respectively. Market capitalisation has risen 11.08% to Kshs.1.41 trillion (\$16.11 billion). The FTSE NSE Kenyan Shilling Government Bond Index is up 1.00%. The Bond Index which was launched on October 3 2012, was up 25.00% for the 12 months to December 31 2012. The Government of Kenya has raised Kshs.22.08 Billion through the issuance and listing of Government of Kenya Treasury Bonds. A number of factors can be attributed to the market's stellar performance so far.

On top of the shift from fixed income securities to equities owing to decline in interest rates, there is a lot of interest in the East African equities space and especially Kenya given it is a fast upcoming Frontier Market. We are informed that New Africa and Frontier market funds are driving the equity markets in the Sub-Saharan Africa especially with a focus in the consumer and banking sectors. Lack of liquidity or availability on some of the stocks is also encouraging investors to pay a premium on the share price to get a share of the pie in their portfolios. Increasing interest in the Natural resources sector, with Oil and Gas findings, is also encouraging investments in the region as this is likely to drive local demand further and thus support economic growth. Finally current equity market valuations are yet to reach the values last experienced in 2007. Forty one (41) out of the fifty three (53) companies listed on November 30 2007, have Price Earnings (PE) Ratios lower today, than they were on November 30 2007. These may also indicate that domestic and foreign investors anticipate smooth presidential elections on March 4 2013.

## NEAR TERM PRIORITIES

In 2013 there are a number of key products which the NSE would like to implement with the Capital Markets Authority and the Central Depository and Settlement Corporation. These are:

1. The establishment of a Real Estate Investment Trust Market and trading platform;
2. The establishment of Exchange Traded Funds Products; and
3. The establishment of a Futures and Commodities Exchange.

The Exchange views these initiatives as being crucial to the development of the Kenyan Capital Markets and meeting the objectives of Vision 2030, to transform Kenya into a middle income country.

Exchange rates: Source February 15 2013 Central Bank of Kenya mean exchange rate: [www.centralbank.go.ke](http://www.centralbank.go.ke)



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	39.40	40.00	n/a
Real GDP (USD) (millions) at market exchange rates	29988	29,989	37,810
Inflation rate (%)	5.32	18.91	3.25
Net Foreign Direct Investment (USD) (Millions)	829.09	833.43	n/a
Unemployment rate (%)	40	40	n/a
Interest Rate (T-Bills)	2.28	16.6	9.8
Exchange rate (local currency versus US\$)	80.57	85.07	85.63

Note: where (n/a) data is not available

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	1,369,292,860	917,577,424	1,084,933,729
Total volume traded	7,545,785,928	5,721,825,694	5,464,227,641
Total number of transactions	721,367	382,175	342,235.00
Number of listed companies	55	58	60
Number of traded companies	50	54	56
Market Capitalization (billions) end of year	14.48	10.34	15.9
Market Capitalization as % of GDP	48.29%	34.48%	42.05
Turnover Ratio (%) *	9.45	8.87	6.82

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	28.16	51.89	49.17
Local Investors	71.84	48.11	50.83
Total %	100%	100%	100%



<b>Institutions Vs. Individuals</b>			
Institutions	75.25	80.05	89.01
Individuals	24.75	19.95	10.99
Total %	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Main Investment Market Segment (MIMS)</b>			
Commercial and Services	8	8	9
Banking	10	10	10
Automobiles & Accessories	4	4	4
Construction & Allied	5	5	5
Energy and Petroleum	4	4	5
Insurance	3	5	6
Investment	3	4	4
Manufacturing & Allied	9	9	9
Telecommunication & Technology	2	2	2
Agricultural	7	7	7
<b>Fixed Income Market Segment</b>			
Preference shares	2	2	2
Government of Kenya Treasury Bonds	68	60	60
Corporate Bonds	11	9	22

**Table 5: 5 Most Active 2011**

#	Sectors
1	Telecommunication & Technology
2	Banking
3	Energy and Petroleum
4	Insurance
5	Commercial and Services



## Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2010	2011	2012
Total Value traded	5,996,626,536	5,351,069,753	6,577,611,159
Value traded on governmental bonds	5,696,795,209	5,298,705,561	6,556,035,053
Value traded on corporate bonds	299,831,327	52,364,191	21,576,106.07

## Section Four: Trading Systems

Trading System	
System bought	Yes
System Vendor	Millennium IT
Implementing the system	2006

## Section Five: Clearing and Settlement

Clearing and Settlement by	Central Depository & Settlement Corporation Kenya Limited
System bought	Yes
System Vendor	Millennium IT
Implementing the system	2004
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes
Derivative Market	under development

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Shares	Common and Preference Shares
Bonds	Government and Corporate bonds

## Section Seven : Trading Mechanism

Intraday Trading	Yes
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## Section Seven : Indices

Table 8 Indices

Index Name	Index Type (Price Index, Sector Index,..etc)
NSE 20 Share Index	Price index. The index returns are based on capital gains/losses of the largest 20 securities listed on the NSE, valued by full market capitalisation.
NSE All Share Index (NASI)	The NASI calculated using the base-weighted aggregate methodology also known as the market value weighted methodology, and encompasses all equities listed on the Nairobi Stock Exchange.
FTSE NSE Kenya 15	This tradable index reflects the performance of the largest 15 stocks, ranked by full market capitalisation trading on the Nairobi Securities Exchange.
FTSE NSE Kenya 25	This tradable index reflects the performance of the 25 most liquid stocks trading on the Nairobi Securities Exchange.
FTSE NSE Bond Index	This tradable index reflects the performance of Government Bonds trading on the Nairobi Securities Exchange.

	Closing 2011	Closing 2012	% change
NSE 20 Share Index	3205	4,133	28.95
NSE All Share Index (NASI)	68	95	39.64
FTSE NSE Kenya 15	90	126	39.52
FTSE NSE Kenya 25	93	129	39.25
FTSE NSE Bond Index ( Launched in on 3 october 2012, index value was 97 points		93	

## Section Eight : IPOS and Debt Securities Issues 2009 - 2012

### IPOS

2011

Company	Date of IPO	Value of IPO (\$ million)
British-American Investments Co.(Kenya)	8th September 2011	41.14
		41.14



## 2012

Company	Date of IPO	Value of IPO (\$ million)
CIC Insurance 2.1 billion by introduction @ a price of Kshs 3.50	1,500,000	
Longhorn Publishers 58.5 million by introduction @ a price of Kshs 14.00		

## Debt Securities Issues

### 2011

Issuer	Date of issue	Value of Issue (\$ million)
Government of Kenya Treasury Bond	December 26 2011	130.53
Government of Kenya Treasury Bond	February 28 2011	285.78
Government of Kenya Treasury Bond	April 25 2011	213.69
Government of Kenya Treasury Bond	September 26 2011	117.55
Government of Kenya Treasury Bond	November 28 2011	117.32
Government of Kenya Treasury Bond	January 31 2011	132.51
Government of Kenya Treasury Bond	May 30 2011	141.31
Government of Kenya Treasury Bond	October 03 2011	136.66
Shelter Afrique	July 11 2011	29.39
		1,304.74

### 2012

Issuer	Date of issue	Value of Issue (\$ million)
FXD1/2012/1Yr	30-Jan-12	186.78
FXD2/2012/1Yr	27-Feb-12	131.45
FXD3/2012/1Yr	26-Mar-12	187.98
FXD 1/2012/2Yr	30-Apr-12	80.86
FXD 1/2012/5Yr	28-May-12	93.261375
FXD 1/2012/10Yr	25-Jun-12	63.05
FXD 2/2012/2Yr	27-Aug-12	203.90
FXD1/2012/15Yr	24-Sep-12	244
FXD 3/2012/2Yr	29-Oct-12	172.33
FXD1/2012/20 Yr	26-Nov-12	39.69
FXD1/2012/20 Yr	26-Nov-12	39.69
Consolidated Bank Bond		50.00
HFCK Bond (Second Tranche)		37
		1,530.18



## Section Nine : 2012 Rankings of Top 5 Trading Participants

Equity Transactions				
Ranking	Stockbrokerage Units	Purchases	Sales	Total
		\$	\$	\$
1	Kestrel Capital (E.A)	165,191,562.63	129,048,326.10	294,239,888.73
2	Renaissance Capital (K)-stockbroking	159,673,167.02	133,074,556.61	292,747,723.63
3	Dyer & Blair Investment Bank-Broker	123,554,755.38	122,588,308.58	246,143,063.96
4	African Alliance (K)-Stockbroking	127,413,635.44	112,336,141.52	239,749,776.95
5	CFC Financial Services-Broker	105,487,634.12	100,632,735.68	206,120,369.80

Bond Transactions				
Ranking		Purchases	Sales	Total
		\$	\$	\$
1	Dyer & Blair Investment Bank-Broker	2,426,375,790.42	2,429,208,883.09	4,855,584,673.51
2	Standard Investment Bank-Broker	1,153,251,808.95	1,163,359,299.01	2,316,611,107.96
3	Faida Investment Bank-Broker	848,948,391.43	899,845,160.81	1,748,793,552.23
4	Kestrel Capital (E.A)	684,932,824.47	724,033,555.21	1,408,966,379.68
5	African Alliance (K)-Stockbroking	419,409,950.11	354,903,032.36	774,312,982.47

Members' Contacts are available on the NSE website  
[www.nse.co.ke](http://www.nse.co.ke)





# NAMIBIAN STOCK EXCHANGE

## PROFILE



Namibian Stock Exchange

Website	<a href="http://www.nsx.com.na">www.nsx.com.na</a>
Market Regulator	NAMFISA - Namibia Financial Institutions Supervisory Authority
Address	Robert Mugabe Avenue 4, Windhoek, NAMIBIA
Trading Session hours (local time)	09h00 - 17h00 in summer and 08h00 - 16h00 in winter
Time Zone	GMT+2 in summer & +1 in winter
Contact Person for ASEA	Tiaan Bazuin
Telephone	264-61-227 647
Fax	264-61-248531
E-mail	<a href="mailto:tiaanb@nsx.com.na">tiaanb@nsx.com.na</a>
Name of Local Currency	Namibia dollar
Tax Rates (dividends, interest, capital gain)	Non-resident shareholders Tax @ 20% of dividends accept where DTA provides for lesser rates
Listing of Foreign Domiciled Companies	The NSX will list a foreign company that is listed on another recognised stock exchange and encourages the use of depository receipts
Commodities Exchange	Not available



The NSX is an association of members, formed in 1992 and licensed annually by the “Namibian Financial Institutions Supervisory Authority (NAMFISA)”, in terms of the Stock Exchanges Control Act of 1985 and acts as a self-regulating organisation. As most of the services are outsourced the NSX operates with a small staff complement. Further due to the small Namibian economy and the legacy development by South Africa the majority of listed companies comprise South African holding companies of Namibian branches or subsidiaries.

## BOARD OF THE NAMIBIAN STOCK EXCHANGE (“the Board”)

As at 31 December 2012, the non-executive Board consisted of 8 elected members, one-third of the elected Board members normally retire annually. The Board is elected in terms of the Constitution of the NSX which was gazetted on 15 October 2005 (Government Gazette No 3815) based upon their skills and experience and from seven prescribed sectors of the Financial Industry. The Chairman of the Board is elected by the Board members.

A representative of NAMFISA is invited to attend all the meetings of the Board and its committees.

The majority of the members of the Board are considered to be independent non-executive directors as some have interests that fall outside the definition of independent as set out in the King II Code and the NSX Listing Requirements but at the end of 2012 all had served for periods shorter than defined as independent in the UK’s Combined Code. The Board has taken cognisance of the potential conflicts and has taken steps to mitigate any such conflicts. The Board believes that its composition and regular elections ensure that no one individual has undue influence in its deliberations and ultimate decisions.

### Audit & Risk Committee

It is the responsibility of the Audit Committee to review the annual financial statements of the NSX and its subsidiaries and the Guarantee Fund, and to make appropriate recommendations regarding their approval to the Board

The Audit Committee has the responsibility to oversee the implementation of the risk management process following the workshop mentioned elsewhere.



## Listing Committee

The Listing Committee includes, among others, representatives of major accounting and legal firms in Namibia and its meetings are chaired by a member of the Board. This Committee meets on an ad hoc basis to approve all listing applications for bonds and both primary and dual listed equities.

The NSX has accepted the challenge to look at our business practices and models on how our products or services reach the client. The strategic plan details 12 long term objectives and our Enterprise Risks are revisited regularly.

The NSX contributed to deepening the markets in the region launching a depository receipt instrument in conjunction with Bank of New York Mellon and approving the Rules of the Over the Counter Market of Namibia and its participation in the Committee of SADC Stock Exchanges, whose objective of an integrated regional stock exchange is included in an annex to the Financial Investment Protocol ratified by the National Assembly.

As part of the ERM, the NSX interrogated the modalities of Regulation 28 to the Pension Fund Act (in terms of which each fund must invest 35% of its total fund in “Namibian” assets, with certain prescriptive minimums and prudential maximums) to determine how the implementation of the latest draft will affect the NSX and its members (brokers). In doing this analysis the dominance of the Government Institutions Pension Fund (GIPF), a government employees defined benefit fund, emerged as a significant risk to the trading on the NSX and unfortunately this is now a reality as reflected in the continued low in turnover in 2012 - the Annual Report will be released in mid-April 2013. The investment mandates granted by the GIPF to its appointed Asset Managers and their application of these mandates has continued to severely affect the trading results.

The NSX acknowledges that its success in building up reserves, in excess of N\$ 34million over the past decade with a trebling in the last five years, has largely been due to this Regulation 28 and the Namibianisation process, driven by GIPF.

These two factors are crucial to the further development of the NSX. In considering the demutualisation of the Exchange the largest uncertainties were the sustainability of the trading results of the NSX, in part due to the above mentioned points and the cost of providing for the state of the art technology and ensuring best practices governance.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	1.80	1.80	2.10	2.14
Real GDP (USD) (millions) at market exchange rates	7,973.09	11,069.00	12,525.00	12,175.00
Inflation rate (%)	6.70	8.80	6.00	7.60
Net Foreign Direct Investment (USD) (Millions)	594.32	798.29	798.31	
Unemployment rate (%)	50	51	51.2	28.6
Interest Rate (T-Bills)	7.42	6.68	6.65	5.42
Exchange rate (local currency versus US\$)	7.4034	6.6392	8.1421	8.4726

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	1,081,685,126	1,019,677,970	448,519,339	494,505,000
Total volume traded	342,971,823	214,523	98,864,818	110,936,000
Total number of transactions	3,016	3,071	2,765	2,700
Number of listed companies	33	33	32	33
Number of traded companies	31	27	27	27
Market Capitalization (billions) end of year	141.493	173.438	137.857	144.152
Market Capitalization as % of GDP	1774.63%	2186.57%	1100.65%	1184.00%
Turnover Ratio (%) *	0.76%	0.59%	0.32%	0.34%

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value			
Traded	2009	2010	2011	2012
Foreign Investors	n/a	n/a	n/a	n/a
Local Investors	n/a	n/a	n/a	n/a
Total %	n/a	n/a	n/a	n/a



## Institutions Vs. Individuals

Institutions	NA	NA	NA
Individuals	NA	NA	NA
Total %	NA	NA	NA

Number of companies included in each sector				
Sectors traded on the Stock Exchange	2009	2010	2011	2012
Domestic Board				
Industrials Materials	1	1	1	1
Mining	2	2	2	3
Chemicals	1	1	1	1
General Industrials	1	1	1	1
Support Services	1	1	-	-
Food Processor	-	-	1	1
Beverages	1	1	1	1
Food Producers	1	1	1	1
General retailers	2	2	2	2
Food and Drug Retailers	1	1	1	1
Banks	4	4	4	4
Nonlife Insurances	2	1	1	1
Life Assurance	3	3	3	3
Real Estate	2	2	2	2
General Finance	4	4	5	4
DevX	7	8	9	7
Bonds	19	20	25	29

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Financial
2	Basic Materials
3	Consumer Goods
4	Consumer Services
5	Industrials



## Section 3: Bond Statistics

**Table 6: Bond Statistics**

Bonds	2009	2010	2011	2012
Total Value traded		46,291,914	29,461,687	57,682,680
Value traded on governmental bonds		25,450,923	1,842,277	55,995,180
Value traded on corporate bonds				1,687,500

## Section Four: Trading Systems

Trading System	JSE - Millenium Exchange
System bought	No
System Vendor	JSE Limited
Implementing the system	2012 updated

## Section Five: Clearing and Settlement

Clearing and Settlement by	STRATE on dual listed companies
Systems Vendor	STRATE
Year of implementing the system	2000
Clearing and Settlement time	T + 5

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Equities	An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. Ordinary and Preference shares
Bonds	Secondary trades in Government, State Owned Enterprise bonds and Corporate bonds
ETF	



## Section Seven : Trading Mechanism

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	No

## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
NSX Overall Index	The NSX Overall Index is a price index based on the free float market capital value of all ordinary securities listed on the main board of the NSX which qualify as eligible for inclusion in the index.
NSX Local Index	The NSX Local Index is a price index based on the free float market capital value of all the ordinary Namibian registered securities listed on the main board of the NSX which qualify as eligible for inclusion in the index.

### Index Performance

	Closing 2010	Closing 2011	% change	Closing 2012	% change
NSX Overall Index	867.23	838.24	-3.34	983.79	17%
NSX Local Index	172.72	221.19	28.06	273.56	24%

Members' Contacts are available on the NSX website  
[www.nsx.com.na](http://www.nsx.com.na)



# THE NIGERIAN STOCK EXCHANGE

## PROFILE



## THE Nigerian STOCK EXCHANGE

Website	www.nse.com.ng
Market Regulator	Securities and Exchange Commission (SEC), Nigeria
Address	Stock Exchange House, 2/4 Customs Street, P.O. Box 2457, Marina, Lagos, NIGERIA
Trading Session hours (local time)	09h30 - 14h30 (Official Trading Hours)
Time Zone	West Central Africa
Contact Person for ASEA	N. Yvonne Emordi
Telephone	+234 (0)1 463 8333 or +234 (0)1 463 8334
Fax	N/A
E-mail	yemordi@nse.com.ng
Name of Local Currency	Naira
Tax Rates (dividends, interest, capital gain)	0% capital gains tax on capital market transactions
Listing of Foreign Domiciled Companies	Available
Commodities Exchange	Not available





## Exchange Background & 2012 Market Review

### ABOUT THE NSE

The Nigerian Stock Exchange (NSE) was established in 1960 and, today, services the second largest financial centre in sub-Saharan Africa. The Exchange is licensed under the Investments and Securities Act (ISA), and is regulated by the Securities and Exchange Commission (SEC) of Nigeria. The NSE is an executive committee member of the African Securities Exchanges Association (ASEA), and an affiliate member of the World Federation of Exchanges (WFE).

The Nigerian Stock Exchange is an automated exchange. The Exchange provides listing and trading services, as well as electronic clearing, settlement and delivery (CSD) services – through Central Securities Clearing System Ltd. (CSCS), an associated company of the NSE, which also offers custodian services. CSCS commenced operations in 1997, offering electronic services from the onset. Today, along with securities listing and trading services, the NSE offers market data dissemination services, market indices, and much more.

For over 50 years, the exchange has been an indispensable vehicle that has contributed to the nation's development, and to the development of the Nigerian financial and capital markets. The Nigerian capital market was deregulated in 1993, and since 1995, foreign flows into the Nigerian capital market have continued to rise, in the form of foreign portfolio investment.

The Nigerian Stock Exchange is governed by a National Council (Board of Directors). The Council has oversight of all the dealings of the Exchange. The history of the Council demonstrates diverse professional representation, as provided by the Memorandum and Articles of Association of the Exchange.

The NSE continues to evolve to meet the needs of its valued customers, and to achieve the highest level of competitiveness. The Nigerian Stock Exchange operates a fair, orderly and transparent market that brings together the best of African enterprises, and local and global investor communities. The Exchange is poised to champion the acceleration of Africa's economic development, and to become "the Gateway to African Markets".

### 2012 MARKET REVIEW

The major index of the Nigerian Stock Exchange (NSE) closed the year with its strongest performance since 2008, while other indices topped their performance pre-global financial meltdown. The NSE All Share Index (NSE ASI) gained 35.45% in 2012, and the NSE 30 soared 44.63%. The NSE Lotus Islamic Index (NSE LII), comprising Shari'ah-compliant equities, saw a 44.21% jump, while the NSE Consumer Goods Index grew 42.29%, and the NSE Banking Index added 23.84% to its 2011 value.



Market capitalization for all listed equities on the Main Board and the Alternative Securities Market (ASeM) rose by 37.31%. Market capitalization of bonds soared 55.61% to N5.82 trillion (\$37.44 billion), with seven (7) new State and Corporate bond issues, and three (3) Federal Government bond issues. On the OTC market, the value of cash transactions for government bonds fell for the third consecutive year by 11.14% to N7.10 trillion (\$45.68 billion) as investors' appetite shifted to treasury bills (T-bills) in cash transactions valued at N13.92 trillion (\$89.55 billion), a 28.75% increase over the previous year.

## 2012 Highlights

In 2012, the NSE continued to execute around the “five pillars” of its transformation strategy – (1) targeted business development, (2) enhanced regulatory programs, (3) 21st century technology strategies, (4) enhanced market structure, and (5) investor protection initiatives. The Exchange continued its capital market development efforts to create a modern establishment that competes effectively with other exchanges, globally.

### Executive Management

As part of the transformation agenda, the NSE appointed Mr. Haruna Jalo-Waziri Executive Director for the Business Development division and Ms. Tinuade Awe General Manager (GM) and head of the Legal and Regulation division.

### Targeted Business Development

In July 2012, the Exchange launched the NSE Lotus Islamic Index (NSE LII) to track the performance of Shari'ah-compliant equities on the exchange; and the year ended with the implementation of a value-added services program, Xvalue, for listed and prospect companies.

### Enhanced Market Structure

The second half of 2012 saw the commencement of a Primary Market Making (PMM) program in equities, a major effort to bring liquidity and depth into the market. Following its roll-out in mid-September, the NSE ASI experienced a 10.66% improvement through the end of the year. The Exchange also expanded the limit up/limit down threshold from 5% to 10% for stocks with PMMs. The program was launched in conjunction with securities lending and short selling. To round off the year, the Debt Management Office (DMO) appointed a government stockbroker to improve liquidity for FGN bond trading on the floor of the NSE.

### Investor Protection Initiatives

In 2012, the NSE kicked-off a financial literacy program as a first step in protecting investors. The program aims to enhance investor understanding of the basics of investing around portfolio construction, asset allocation and risk diversification. The Investor Clinic aspect of the program was delivered in partnership with Morgan Stanley and Renaissance Capital in two separate events, while delivery to retail investors was completed in over 200 workshops across Nigeria.



In September 2012, the Exchange inaugurated the Board of Trustees of the NSE Investor Protection Fund (IPF). The IPF provides investors a statutorily backed solution for reducing losses they might suffer as a result of the bankruptcy, insolvency, negligence or wrong-doing by dealing members.

## 2013 OUTLOOK

The Nigerian Capital Market will continue to face challenges around liquidity and depth in 2013, however, there is a concerted effort to drive improvements in market participant experience. The Central Bank of Nigeria's efforts to achieve single-digit inflation and a lower MPR should have a positive impact on the equities market. As investor confidence measures implemented by the NSE mature, we expect that a growth trend similar to that experienced in Q4 2012 will extend into 2013.

On the fixed income side, we anticipate the relative attractiveness of FGN bonds will continue for local and global investors, as a result of record-high yields. With the upcoming inclusion of Nigerian FGN bonds in the Barclay's Emerging Market Local Currency Bond Index, this should keep the nation's bonds in the international spotlight. Furthermore, foreign issuers such as the International Finance Corporation (IFC) are expected to enter the Nigerian bond market this year.

Other contributing factors to optimism about the capital market include (a) early passage of the national budget, which creates an impression that fiscal policy is being prioritized; (b) the pronouncement to begin investing proceeds of the Sovereign Wealth Fund (SWF) in March 2013; (c) elimination of VAT and stamp duties, which should take effect in 2013, freeing up funds for capital market investment; and (d) continued product innovation by the Exchange, such as the commencement of secondary bond market trading, and the introduction of new indices and ETFs.

While the NSE's focus has been on cleansing, restructuring and making the market more accessible, in 2013, we will continue with innovations centered on technology and product development, as well as on advocating changes to policy. By the end of 2013, we will have established our technology competitiveness, restored our regulatory soundness, and advocated the policy changes necessary to enable the Nigerian capital market absorb the forces of change currently reshaping global financial markets and the global exchange landscape.

As global client demands shift, we intend to be well-positioned to adapt our business to meet the needs of our clients. With dependability, scale, scope and cost-efficiency being priority areas for exchanges around the world, achieving competitiveness will be at the forefront of the Exchange's agenda in 2013. We will work to achieve our goal of transforming the Nigerian capital market, and helping to facilitate the creation of corporations that will be the 'African Champions' of tomorrow.

The NSE is on course to delivering service excellence and a first rate capital market experience that will make us "the gateway to African capital markets".



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	154.72	160.00	167
Real GDP (USD) (millions) at market exchange rates	216,803	247,100	264,935
Inflation rate (%)	13.8	10.9	12.0
Net Foreign Direct Investment (USD) (Millions)	6,200	6,099	N/A
Unemployment rate (%)	21.1	23.9	N/A
Interest Rate (T-Bills)	6.85	11.94	11.77
Exchange rate (local currency versus US\$)	148.31	151.82	155.44

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	5,290,740,369	4,181,924,837	4,231,648,476.46
Total volume traded	93,335,401,241	89,576,608,901	89,154,538,807
Total number of transactions	1,913,000	1,230,754	973,160
Number of listed companies	217	198	194
Number of traded companies	206	188	172
Market Capitalization (billions) end of year	53.40	43.06	57.77
Market Capitalization as % of GDP**	24.63%	17.43%	21.80%
Turnover Ratio (%) *	9.91	9.71	7.32

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	49%	81%	56%
Local Investors	51%	19%	44%
Total %	100%	100%	100%



## Institutions Vs. Individuals

Institutions	NA	NA	NA
Individuals	NA	NA	NA
Total %	NA	NA	NA

Number of companies included in each sector			
Sectors traded on the Stock Exchange	2010	2011	2012
<b>Domestic Board</b>			
Agriculture	6	5	5
Conglomerates	6	6	6
Construction/Real Estate	11	11	9
Consumer Goods	33	30	29
Financial Services	62	56	56
Healthcare	11	11	11
Information Communication Technology	10	10	10
Industrial Goods	30	26	27
Natural Resources	9	7	6
Oil and Gas	15	14	14
Services	24	22	21

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Financial Services
2	Consumer Goods
3	Industrial Goods
4	Oil & Gas
5	Services

## Section 3: Bond Statistics

**Table 6: Bond Statistics**

Bonds	2010	2011	2012
Total Value traded	95,332.75	NA	53,006.30
Value traded on governmental bonds	95,332.75	NA	46,274.37
Value traded on corporate bonds	0.00	NA	6,731.92



## Section Four: Trading Systems

Trading System	HORIZON
System bought	Yes
System Vendor	NASDAQ OMX
Implementing the system	1998

## Section Five: Clearing and Settlement

Clearing and Settlement by	Central Securities Clearing System Ltd. (CSCS)
Systems Vendor	NASDAQ OMX
Year of implementing the system	1999
Clearing and Settlement time	T+ 3

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Stocks	Ordinary Shares and Preference Shares
Bonds	Federal Bonds, State and Local (Municipal) Bonds, and Corporate Bonds
ETF	Investment Funds that track different Indices, Baskets of Assets or Commodities

## Section Seven : Trading Mechanism

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	Yes



## Section Seven : Indices

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,...etc)
NSE All Share Index (ASI)	The NSE ASI (All Share Index) is a value-weighted market capitalization index. The start date for the NSE ASI is January 3, 1984; the base value is 100 points.
NSE 30	The NSE 30 Index comprises the top 30 equities in terms of market capitalization and liquidity. Only fully-paid common shares, denominated in the Nigerian currency (naira) are included in the index. The number of equities in the index is fixed at 30. The start date for the NSE 30 Index is January 1, 2007; the base value is 1,000 points. The index is rebalanced on a semi-annual basis, on the first business day in January and July.
NSE Consumer Goods Index (formerly Food/Beverage Index)	The NSE Consumer Goods Index is one-of-four indices designed to provide a benchmark to capture the performance of a specific sector. The number of stocks in this index is fixed at 15. The start date for the Consumer Index is July 1, 2008; the base value is 1,000 points. The index is rebalanced on a semi-annual basis, on the first business day in January and July.
NSE Banking Index	The NSE Banking Index is one-of-four indices designed to provide a benchmark to capture the performance of a specific sector. The number of stocks fixed at 10. The start date for the Banking Index is July 1, 2008; the base value is 1,000 points. The index is rebalanced on a semi-annual basis, on the first business day in January and July.
NSE Oil & Gas Index	The NSE Oil & Gas Index is one-of-four indices designed to provide a benchmark to capture the performance of a specific sector. The number of stocks fixed at 7. The start date for the Oil & Gas Index is July 1, 2008; the base value is 1,000 points. The index is rebalanced on a semi-annual basis, on the first business day in January and July.
NSE Insurance Index	The NSE Insurance Index is one-of-four indices designed to provide a benchmark to capture the performance of a specific sector. The number of stocks fixed at 15. The eligible equity universe is the top 15 most capitalized and liquid companies in the Insurance sector. The start date for the NSE Insurance Index is July 1, 2008; the base value is 1,000 points. The index is rebalanced on a semi-annual basis, on the first business day in January and July.

### Index Performance

	Closing 2011	Closing 2012	% change
NSE - ASI	20,730.63	28,078.81	35.45
Bloomberg NSE 30	923.77	1,336.07	44.63



## Section Eight : IPOS and Debt Securities Issues 2011 - 2012

### Debt Securities

2011

Company	Date of issue	Face Value of issue (\$ million)
AMCON	6-Apr-2011	11,197.47
Dana Group Plc	9-Apr-2011	52.76
NAHCO Plc	29-Sep-2011	14.16
Delta State	30-Sep-2011	329.33
Niger State	15-Dec-2011	59.28

2012

Company	Date of issue	Face Value of issue (\$ million)
UBA PLC 2nd Tranche	5-Jan-2012	225.17
16.39% FGN JAN 2022	25-Jan-2012	225.17
Tower Funding Plc Tranche A	9-Feb-2012	23.40
Tower Funding Plc Tranche B	9-Feb-2012	6.40
Austin Laz and Co. Plc	29-Feb-2012	2,159.72
Lafarge Cement Wapco Nigeria Plc	5-Mar-2012	76.40
Ekiti State Government Bond	13-Mar-2012	128.66
Chellarams Plc	20-Mar-2012	3.40
Benue State Government Bond	26-Mar-2012	83.63
15.10% FGN APR 2017	25-Apr-2012	225.17
Fortis Microfinance Bank Plc	20-Jun-12	8,150.46
16.00% FGN JUN 2019	27-Jun-12	193

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking				
	Stockbrokerage Units	Purchases \$	Sales \$	Total \$
1	STANBIC IBTC STOCKBROKERS LIMITED	553,131,953.45	883,390,029.06	1,436,521,982.51
2	RENCAP SECURITIES (NIG) LIMITED	567,189,850.45	850,309,130.87	1,417,498,981.32
3	VETIVA SECURITIES LIMITED	277,595,048.02	398,651,688.55	676,246,736.57
4	CHAPELHILL DENHAM SECURITIES LIMITED	302,916,584.03	317,500,309.66	620,416,893.69
5	CSL STOCKBROKERS LIMITED	175,666,611.30	226,770,067.44	402,436,678.74

Members' Contacts are available on the NSE website

[www.nse.com.ng](http://www.nse.com.ng)





# RWANDA STOCK EXCHANGE

## PROFILE



Website	www.rse.rw
Market Regulator	Capital Markets and Securities Authority
Address	1st Floor Kigali City Tower, Avenue du Commerce, P. O. Box 3882, Kigali - RWANDA
Trading Session hours (local time)	Open Outcry: 9:00 AM- 12:00 PM, OTC Market starts at the closing of Open Outcry till the next day at the opening of Open Outcry
Time Zone	Greenwich Mean Time + 2 hours
Contact Person for ASEA	Mr. Pierre Celestin Rwabukumba
Telephone	+250 252575968
Fax	N/A
E-mail	info@rse.rw
Name of Local Currency	Rwanda franc( RWF)
Tax Rates (dividends, interest, capital gain)	Taxes are not applicable on capital gains, on dividends there is a 5% withholding tax for domestic investors and 15% for international investors outside East Africa.
Commodities Exchange	N/A



## RWANDA STOCK EXCHANGE PROFILE:

### BACKGROUND

The Rwanda Stock Exchange (RSE) was incorporated on October 7th, 2005 to carry out stock market operations in Rwanda but the company was kept in shelf registration as other developments were taking place. The Rwanda Stock Exchange Limited was officially launched on January 31st, 2011 as a fully demutualized company. The ownership structure of the stock exchange consists of Members of the exchange (60%), Government of Rwanda (20%) and Institutional investors (20%). The governance structure has three levels namely, The General Assembly of shareholders, The Board of Directors and Management. The membership structure consists of three categories namely the Stock brokers, Dealers and Advisors or Sponsors. The RSE has eight full stock brokers and two Advisors or Sponsors who are actively conducting business on the Rwandan stock market.

### MARKET PERFORMANCE IN 2012

The market continued an upward trend after the first two IPOs from domestic companies Bralirwa and Bank of Kigali, a Brewery and a Bank, respectively joined two cross listed companies from the region: KCB Bank and Nation Media Group both from Kenya. RSE launched its first Index RSE comprised of a domestic share index Rwanda Share Index(RSI) and an All share Index( ALSI). The two indices went up 61% and 11%, respectively. Activity also continued its momentum on RSE despite the lack of new IPOs in 2012. The market registered a turnover of USD 28 Million compared to USD 35.3 Million in 2011 and 103.5 million shares exchanged hands in 2012 compared to 118.4 million shares in 2011. The bond market registered a turnover of USD 158,220 during the period under review from compared to USD 823.7 thousand in 2011.

### FUTURE OUTLOOK

The RSE is planning to continue conducting public awareness campaigns that will involve the media, the law makers, potential issuers, the intermediaries and other stakeholders. The stock exchange plans to increase listings building on privatization issues from the government portfolio, private companies, more cross listings as well as public and private debt issues. On the number of listings, there are first of all a number of companies that government has significant shareholding and it has adopted a policy of privatizing its own companies through capital market. RSE is also planning to launch an alternative market for Small and Medium Enterprise market before end of the second quarter of the year and plans are under way to fully automate trading and integrate it to the rest of the region through an Inter depository Transfer Mechanism (IDT) by July this year so that the market becomes more efficient and more liquid.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	10	10	N/A	11.00
Real GDP (USD) (millions) at market exchange rates	5,216	5,578	6,068	N/A
Inflation rate (%)	N/A	N/A	8.30%	7.90%
Net Foreign Direct Investment (USD) (Millions)	118.67	42.33	626.00	800*
Unemployment rate (%) of total labour force	N/A	N/A	N/A	N/A
Exchange rate (local currency versus US\$)	571.23	594.14	604.45	631.4

\* Estimated

Source for FDIs: United Nations Conference on Trade & Development

Source: National Bank of Rwanda

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading Equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	20,871.00	83,500	35,274,455	28,783,994
Total volume traded	76,300	24,128	118,134,400	103,575,220
Total number of transactions	49	50	1,856	3,939
Number of listed companies	1	2	4	4
Number of traded companies	1	2	4	4
Market Capitalization (Millions) end of year	635.80	1,169.80	1,589.30	1,696
Market Capitalization as % of GDP	12.18%	21.00%	26.19%	N/A

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



## Table 3: Investors Type

### Foreigners vs. Local Investors

Type of Investors	% of the Total Value Traded			
	2009	2010	2011	2012
Foreign Investors	0	0	N/A	N/A
Local Investors	20,871	83,500	N/A	N/A
Total %	N/A	N/A	N/A	N/A

### Institutions Vs. Individuals

Institutions	0	0	N/A	N/A
Individuals	20,871	83,500	N/A	N/A
Total %	100%	100%	N/A	N/A

## Table 4: Sectors Traded

Sectors traded on the Stock Exchange	Number of companies included in each sector			
	2009	2010	2011	2012
Main Market Segment (MMS)	1	2	4	4
Banking & Investment	1	1	2	2
Industrial	0	0	1	1
Commercial	0	1	1	1
Fixed Income Market Segment	4	6	7	7
United Republic of Rwanda Treasury Bonds	3	5	6	6
Corporate Bonds	1	1	1	1

## Table 5: 5 Most Active Sectors in 2012

#	Sectors
1	Banking and Investment
2	Industrial

## Section Three: Bonds Statistics

### Table 6: Bonds Statistics

Currency: USD

Bonds	2009	2010	2011	2012
Total value traded	2,142	3,460	823,723	158,220
Value traded on governmental bonds	2,142	3,460	823,723	158,220
Value traded on corporate bonds	0	0	0	0



## Section Four: Trading Systems

Trading System	Manual
Implementing the system	2008

## Section Five: Clearing and Settlement

Clearing and Settlement by	Central Securities Depository( CSD)
Systems Vendor	CMA Small Systems
Year of implementing the system	2011
Clearing and Settlement time	T+ 2 ( Equities)
	T +2 ( Bonds)

## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Stocks	Common and Preference Shares
Bonds	Government and Corporate bonds

## Section Seven : Trading Mechanism

Margin Trading	No*
Intraday Trading	No*
Online Trading	No*

\* Not active yet

## Section Seven: Indices

**Table 8: Indices**

Bonds	% change
Rwanda Stock Exchange All share Index	Price Index
Rwanda Stock Exchange Rwanda Index	Price Index

	Closing 2010	Closing 2011	Closing 2012	% change
RSE All share Index			113.00	11%
RSE Rwanda Index			161.00	61%



## Section Eight : IPOS and Debt Securities Issues 2009 - 2012

### IPOS

2011

Issuer	Date of issue	Value of IPO (\$ million)
Bralirwa Limited	31/01/2011	29.20
Bank of Kigali	01/09/2011	62.50
		91.70

### Debt securities issues

2010

Issuer	Date of issue	Value of IPO (\$ million)
Gov. of Rwanda	February	2.5
Gov. of Rwanda	May	1.5
Gov. of Rwanda	August	2.5
Gov. of Rwanda	November	3.5
		10.00

2011

Issuer	Date of issue	Value of IPO (\$ million)
Gov. of Rwanda	March	2.50
Gov. of Rwanda	October	2.50
		5.00

## Section Nine : 2012 Rankings of Top 5 Trading Participants

Ranking	Equity Transactions	Purchases	Sales	Total
		USD	USD	USD
1	African Alliance	4,166,210.48	8,006,553.22	12,172,763.70
2	MBEA	17,060,630.19	10,870,971.65	27,931,601.84
3	CSFS	803,911.15	2,584,353.82	3,388,264.97
4	Dyer&Blair	1,768,785.08	1,595,300.60	3,364,085.68
5	CDH	3,524,986.38	3,263,451.69	6,788,438.07

### Rankings: Bond Transactions

Ranking	Equity Transactions	Purchases	Sales	Total
		\$	\$	\$
1	CDH	156,794.00	156,794.00	313,588.00

Members' Contacts are available on the RSE website

[www.rse.rw](http://www.rse.rw)



# SIERRA LEONE STOCK EXCHANGE

## PROFILE

Website	www.slse.sl
Market Regulator	Bank of Sierra Leone (Central Bank)
Address	30 Siaka Stevens Street, Freetown
Trading Session hours (local time)	10:00 am
Time Zone	Greenwich Mean Time + 2 hours
Contact Person for ASEA	Gibrilla Sesay
Telephone	(+232) 76813912
Fax	
E-mail	gsesay904@gmail.com
Name of Local Currency	Leones
Tax Rates (dividends, interest, capital gain)	5% withholding tax on dividend, 10% on Interest,



## Background

Private sector operators in 2001 incorporated the Sierra Leone Stock Exchange Company (SLSEC) in order to operate a Stock Exchange in Sierra Leone. The Company was registered under the Companies' Act Cap 249 of the Laws of Sierra Leone as a private company limited by guarantee. On 17th July 2009, the company was re-launched by His Excellency the President Dr Ernest Bai Koroma. The Exchange was predicated on the privatisation of some government enterprises in order to boost its financial resources and strengthen the capital market in Sierra Leone

To date, the stock exchange has only one company listed (Rokel Commercial Bank) and two brokerage firms (First Discount House and Capital Discount House) acting as agents for trading in securities.

Amongst the objectives of the formation of the Sierra Leone Stock Exchange include:

- To provide the facility through which the raising of much needed investment capital through the purchase and sale of medium to long term stocks and shares can be carried out formally and so facilitate the deepening and widening of the financial market in Sierra Leone.
- To carry out promotion and disseminate information on the market to encourage participation by companies, institutions and Individuals;
- To create a mechanism that will encourage the formation of new brokers and offer training to develop an early level of professionalism in the financial industry;
- To work towards providing, more financial securities offered to the public, especially from the privatization programme, to increase the range of choice and to support the development of the market.
- To establish a viable and attractive climate for domestic and external capital mobilization in order to support the private sector development and growth thereby guaranteeing a substantive role for the private sector in our post-conflict economic recovery programme; and
- To enhance the country's competitiveness in attracting regional and global trade and investment

## Legal and Regulatory Framework:

The smooth operation of the Sierra Leone Stock Exchange and the Capital Market in general hinges on appropriate legal and regulatory authority. With regards the legal aspects positive step had already been taken which include:





- the amendment of the Other Financial Services Act 2001 by insertion of Part VIA - Stock Exchanges and Part VIB – Licensing and Register of Dealers and Other Operators.
- SLSE awaiting enactment of Securities Bill to enable it to proceed on several development initiatives which will include the corporatization of the SLSE
- SLSE Rules and Regulations currently under review to bring it in line with current capital market requirements and applicable regulations.
- The Local Content Policy has been enacted by Parliament to encourage local participation in foreign direct investments.
- The Anti-Money Laundering act has been passed to prevent money laundering
- Settlement cycle of transaction in SLSE reduced to T+5 from T+7

## Highlights for Year 2012:

- Enactment of Local Content Policy
- Equity Market Capitalization increased to \$35 Million
- Number of shares traded in 2012 increased by 91 Million shares
- Two prospective IPO's - to be finalized in 2013

## Notable Achievements in Year 2012:

- Alliance with African Securities Exchange Associations (ASEA) - The Sierra Leone Stock Exchange is on the verge of completing its membership with ASEA. This inclusion will help improve the status of the exchange and create opportunities that will enable the exchange meet its operational objectives.
- Partnership with Bloomberg – The Sierra Leone Stock Exchange has signed an agreement with Bloomberg to host and publish its market data. This has resulted in wider publication and public interests.
- Privatisation of Government Enterprises – The Exchange is working closely with the National Commission for Privatisation to review the privatisation of National Assets. This will improve liquidity in the market and enhance economic growth.
- Member of West African Capital Market Integration Council (WACMIC) – The Sierra Leone Stock Exchange is a full fledged member of the West African Capital Market Integration Council and a signatory to its Charter.



## Challenges in Year 2012:

### Financial Constraints

The Exchange is constrained financially to meet its operational targets.

### Technical Constraints

The Exchange uses the Call-over System of trading which affects real time data dissemination.

### Human Resource Constraints

The Exchange cannot recruit the required number of staff due to its financial constraints.

### Structure

The Exchange is currently housed by the Central Bank, who acts as its Regulator.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (Millions)	6.40	6.00	6.20
Real per capita GDP (USD) (Millions) at market	0.48	0.51	0.63
Inflation rate (%)	17.78	18.00	12.00
Net Foreign Direct Investment (USD) (Millions)	N/A	N/A	N/A
Unemployment rate (%)	N/A	N/A	N/A
Interest Rate (T-Bills 91 days)	26.76	22.69	19.13
Exchange rate (local currency versus US\$)	3987.80	3995.05	4330.40

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded(Us\$)	54,807.67	49,524.20	212,020.17
Total volume traded	38,562,038.00	32,044,822.00	123,447,712.00
Total number of transactions	26	28	30
Number of listed companies	1	1	1
Number of traded companies	1	1	1
Market Capitalization (billions) end of year	0.025	0.026	0.035
Domestic Market Capitalization as % of GDP	5.26%	5.10%	5.48%
Turnover Ratio (%) *(Domestic Market Cap)	0.02	0.019	0.061

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

## Section Four: Trading Systems

Trading System	Manual (Call Over)
System bought	N/A
System Vendor	
Implementing the system	N/A

## Section Five: Clearing and Settlement

Clearing and Settlement by	Sierra Leone Stock Exchange
Clearing and Settlement time	T+5



## Section Six : Products traded on the Stock Exchange

### Types of markets in the stock exchange

Equity Market	Yes
Bond Market	Yes

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Ordinary shares (YES)
Bonds	Government and corporate bonds (Yes)

## Section Seven : Trading Mechanism

Margin Trading	Yes
Intraday Trading	Yes
Online Trading	No

**Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,etc)
Domestic company Index	Price Index (YES)
Foreign company index	Price Index (NO)

	Closing 2011	Closing 2012	% change
Domestic Company Index	20,811.18	50,915.18	144.65%
Foreign Company Index			

Members' Contacts are available on the SLSE website  
[www.slse.sl](http://www.slse.sl)



# STOCK EXCHANGE OF MAURITIUS LTD (SEM)

## PROFILE



Website	<a href="http://www.stockexchangeofmauritius.com">www.stockexchangeofmauritius.com</a>
Market Regulator	Financial Services Commission
Address	4th Floor, One Cathedral Square 16, Jules Koenig Street Port-Louis, Mauritius
Trading Session hours (local time)	9 a.m - 1.30 p.m (Official and Development & Enterprise Markets) 9.30 a.m - 11.30 a.m Debt Market
Time Zone	GMT +4h
Contact Person for ASEA	Mr Sunil Benimadhu, Chief Executive
Telephone	230 2129541
Fax	230 2088409
E-mail	<a href="mailto:sunil.benimadhu@sem.intnet.mu">sunil.benimadhu@sem.intnet.mu</a>
Name of Local Currency	Mauritian Rupees



## History of the Stock Exchange of Mauritius Ltd (SEM)

- The Stock Exchange of Mauritius Ltd (SEM) was incorporated in Mauritius on March 30, 1989 under the Stock Exchange Act 1988, as a private limited company responsible for the operation and promotion of an efficient and regulated securities market in Mauritius. Since October 6th, 2008, the SEM has become a public company, and over the years the Exchange has witnessed a significant overhaul of its operational, regulatory and technical framework to reflect the ever-changing standards of the stock market environment worldwide. SEM is today one of the leading Exchanges in Africa, a member of the World Federation of Exchanges (WFE), and designated by the United Kingdom's Her Majesty's Revenue and Customs (HMRC), as a "recognised Stock Exchange".
- The SEM operates two markets: the Official Market, the Development & Enterprise Market (DEM). The Official Market started its operations in 1989 with five listed companies and a market capitalisation of nearly USD 92 million. Currently, there are 41 companies listed on the Official Market representing a market capitalisation of nearly US\$ 6 billion as at 31 January 2013. The DEM has been launched on 4 August 2006 and there are presently 47 companies listed on this market with a market capitalisation of nearly US\$ 1.5 billion as at 31 January 2013.
- The stock market was opened to foreign investors following the lifting of exchange control in 1994. Foreign investors do not need approval to trade shares, unless investment is for the purpose of legal or management control of a Mauritian company or for the holding of more than 15% in a sugar company. Foreign investors benefit from numerous incentives such as revenue on sale of shares can be freely repatriated and there are no withholding tax on dividends and no tax on capital gains.
- SEM's Automated Trading System (SEMATS) was launched on 29th June 2001, putting an end to traditional trading patterns which have typified the Stock Exchange of Mauritius since its inception. Likewise, the successful implementation of the Central Depository System (CDS) since January 1997 has brought about prompt, efficient clearing and settlement of trades and at the same time reduced some of the inherent risks in the process. With the support of the Bank of Mauritius which acts as clearing bank, CDS ensures delivery versus payment (DVP) on a T+3 rolling basis. The CDS also provides for a Guarantee Fund Mechanism to guarantee settlement failures of participants.
- The trading of treasury bills on the market has been introduced by the SEM in December 2003, a first step of a process aimed at the setting up of an active secondary market for government instruments. Lately, SEM has been working closely with the Central Bank and Commercial Banks to set up a platform to trade medium and long term government securities on the Exchange.
- The attainment of Membership status of the World Federation of Exchanges (WFE) in November 2005 also constituted an important milestone that has enabled the SEM to join the league of stock exchanges



that are compliant with the stringent standards and market principles established by the WFE. This WFE membership status underpins the growing role that foreign investors are today playing in our market. In a typical year, foreign investments represent 25–35% of trading activities on our market.

- SEM set up in 2006 the Development & Enterprise Market (DEM), which is a market designed for Small and Medium-sized Enterprises (SME's) and newly set-up companies which possess a sound business plan and demonstrate a good growth potential. It is meant for companies wishing to avail themselves of the advantages and facilities provided by an organised and regulated market to raise capital to fund their future growth, improve liquidity in their shares, obtain an objective market valuation of their shares and enhance their overall corporate image.
- Over the last two years, the SEM is going through a strategic reorientation of its activities and gradually moving away from an equity-based domestic Exchange to a multi-product internationally oriented Exchange, in the pursuit of its internationalisation strategy. This internationalisation process is aiming at moving up the value-chain of products listed/traded on the SEM platform and setting the stage for the Stock Exchange of Mauritius to gradually emerge as an attractive listing, trading and capital-raising platform offering a diversity of products and services for Global funds, Global business companies, Mining and Mineral companies, specialist-debt products, Africa-based ventures, Government securities, and become a centre of attraction for regional and global capital.
- In early 2010, SEM brought major changes to its Listing Rules to align them with the Collective Investment Schemes Regulations 2008 with a view to positioning the SEM as an attractive venue for the Listing of Global and Specialised Funds. Changes to our Listing Rules to attract the listing of Global and Specialised Funds on the Exchange fits very well with the strategic shift currently underway at the SEM. The Exchange has made its Listing Rules more flexible to reflect the specific attributes and characteristics of the Specialised Funds it would like to list on the SEM. This initiative goes a long way in making the SEM a platform of choice for the listing of a wide variety of funds such as Specialised Collective Investment Schemes, Professional Collective Schemes Export Funds, Global Schemes, and the SEM is keen in diversifying its products offerings and gradually emerge as an international exchange. The SEM has also a commitment to aggressive timings on processing of listing applications and has adopted a listing fee structure which is very competitive.
- Since 2010, SEM can trade and settle equity and debt products in Euro and GBP. SEM became in June 2011 the first Exchange in Africa to list, trade and settle equity products in USD. This innovative thrust positions SEM very favourably on the international front and contributes to the internationalisation of the Exchange.
- In March 2010, the SEM was designated by the Cayman Islands Monetary Authority (CIMA), and in January 2011, SEM has also been designated by the United Kingdom's Her Majesty's Revenue and Customs (HMRC), as a "recognised Stock Exchange".



- SEM introduced in April 2012 listing rules for Depositary Receipts and Mineral Companies on the Official Market of the SEM as well as Requirements for the listing of junior Mineral Companies and Exploration Companies on the Development and Enterprise Market (DEM).
- In September 2012, SEM was awarded for the second consecutive year the “Most Innovative African Stock Exchange of the Year Award” at the Africa investor (Ai) prestigious annual Index Series Awards held at the New York Stock Exchange (NYSE). The Award in the “Most Innovative African Stock Exchange” category was given on the basis of a number of criteria, including, amongst others, initiatives implemented by the Exchange to embrace new areas of development, programmes in place to enhance the services it provides to its key stakeholders and compliance of the Exchange’s regulatory and operational set-up with international standards.
- SEM is today connected live to a top bracket of global vendors including the likes of Thompson Reuters, Interactive Data and more recently Financial Times, Factset, Bloomberg and Inet Bridge since 2010, enabling therefore both retail and institutional investors worldwide to follow our market on a real-time basis. The coverage of SEM’s data by global data vendors is a powerful marketing medium to enhance SEM’s visibility internationally and put the Exchange on the radar screen of a wider spectrum of institutional investors in particular which are all subscribers to global data vending terminals, thus attracting more foreign investor interest on our market. SEM is in fact one of the few Exchanges in Africa to be connected to Bloomberg and Thompson Reuters on a real-time basis. Similarly, the growing interest from international investors in recent years, has prompted well-known Index and Data Providers like Standard & Poors, Morgan Stanley, Dow Jones and FTSE to include our stock market in a number of new indexes they launched recently to track the evolution of some key frontier emerging markets.
- Looking forward, SEM is committed to reinforcing its foundations and maintaining its development momentum in line with its multi-pronged internationalisation strategy of steadily moving from a domestic-equity-focused Exchange to a multi-product-internationally-focused Exchange. In the years to come, the split of listings on SEM is expected to overwhelmingly consist of international funds, international issuers, specialised debt instruments, Africa-based ventures, African-focused Exchange-traded funds and other structured products. The value of products traded and settled in USD, Euro, etc. is expected to increase over time, confirming the internationalised status of the SEM over time. As SEM also aspires to emerge as a capital raising platform for Africa-focused investments routed through the Global Business Sector, the SEM platform will growingly be used to channel investment flows from SA/Europe/Asia into Africa and from USA/Europe into Asia. The number of issuers, players and investors in our market will increase over time, increasing the breadth and depth of our market in Mauritius, and thereby also bringing a meaningful contribution to the integration of the Mauritius financial services sector within the international financial system. SEM also aims at consolidating its position with a view to further contributing more broadly to the development of the Mauritian economy and of capital market activities on the national and regional fronts.





# STATISTICS

## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	1.29	1.29	1.29
Real GDP (USD) (millions) at market exchange rates	9,427	10,832	11,150
Inflation rate (%)	2.90	6.50	3.90
Foreign Direct Investment (USD) (Millions)	317.13	244.14	197.41*
Unemployment rate (%)	7.5	7.9	8
Interest Rate (T-Bills)	3.07	4.33	3
Exchange rate (local currency versus US\$)	31.34	29.98	30.9

\* for the first 9 months

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	439,686,839.04	559,140,499.58	352,831,646.73
Total volume traded	483,572,936.00	347,394,601.00	304,504,784.00
Total number of transactions	77,764	68,653	63,404
Number of listed companies	87	87	88
Number of traded companies	87	87	88
Market Capitalization (billions) end of year	7.46	7.68	7.10
Market Capitalization as % of GDP	80.63	70.90	63.66
Turnover Ratio (%) *	5.90	7.28	4.97

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



**Table 3: Investors Type****Foreigners vs. Local Investors**

Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	21.16	38.87	26.64
Local Investors	78.24	61.13	73.36
Total %	100%	100%	100%

**Institutions Vs. Individuals**

Institutions	73.65	78.91	74.77
Individuals	26.35	21.09	25.23
Total %	100%	100%	100%

**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
Banks, Insurance and other Finance	7	7	8
Commerce	11	11	9
Industry	20	21	21
Investments	25	23	27
Leisure & Hotels	8	8	8
Sugar	8	8	5
Transport	1	2	2
Foreign	1	1	1
Others	6	6	6
Information Communication & Technology	-	-	1



**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Banks, Insurance and other Finance
2	Investments
3	Leisure & Hotels
4	Commerce
5	Industry

Based on Volume Traded

### Section Three: Bonds Statistics

**Table 6: Bonds Statistics**

Bonds	2010	2011	2012
Total Value traded	-	934,767.00	
Value traded on governmental bonds	-	-	-
Value traded on corporate bonds	-	934,767.0048	1,335,048.60

### Section Four : Trading System

Type of System	SEMATS
Vendor	Millenium Information Technology (MIT)-Sri Lanka
Year of implementation	2001

### Section Five: Clearing and Settlement

Clearing and Settlement by	Central Depository and Settlement Company Ltd
Systems Vendor	Millenium Information Technology (MIT)-Sri Lanka
Year of implementing the system	2001
Clearing and Settlement time	T+ 3

Types of markets in your Stock Exchange	
Equity Market	YES
Bond Market	YES

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Ordinary shares and preference shares	All common stocks
Treasury bills	Government bonds issued through the Primary Dealers System



## Section Seven : Trading Mechanism

Intraday Trading	YES
Online Trading	YES

## Section Seven : Indices

Table 8 Indices

Index Name	Index Type (Price Index, Sector Index,..etc)
SEMDEX	The SEMDEX is a capital-weighted price index which trades the price movements of all the shares listed on the Official Market.
SEMTRI	The Total Return Index, the SEMTRI, was launched in October 2002. Besides capturing the price movements of listed stocks, common to the already published all-share index SEMDEX, the Total Return Index, SEMTRI, incorporates the added feature of providing investors, in general, and long-term investors like pensions funds, in particular, a good measurement of total return which combines both capital gains/losses on listed stocks and gross dividends obtained on these stocks since the inception of the local stock market on 5 July 1989. Gross dividends are assumed to be re-invested in the stocks underlying the capital index, SEMDEX.
SEM-7	The SEM-7 index was introduced in March 1998. Designed to meet international standards and provide an investible benchmark for domestic and foreign market participants, the SEM-7 comprises the seven largest eligible shares of the Official Market, measured in terms of market capitalisation, liquidity and investibility criteria.
DEMEX	The DEMEX is a capital-weighted index which tracks the price weights of the shares listed on the DEM.
DEMTRI	The DEMTRI is a total-return index for the DEM market.

	Closing 2011	Closing 2012	% change
SEMDEX	1,888.38	1,732.06	-8%
SEM-7	350.33	337.28	-4%

## Section Eight : IPOS and Debt Securities Issues 2008 - 2011

### Debt Securities Issues

2009

Company	Date of issue	Face Value of issue (\$ million)
364-day GMTB (21/05/2010)	22-May-09	2959
		2,959



Company	Date of issue	Face Value of issue (\$ million)
364-day GMTB (08/04/2011)	16-Apr-10	3191
		3191

### 2011

Company	Date of issue	Face Value of issue (\$ million)
364-day GMTB ( 19.11.12 )	21.11.2011	3,336.11
Lux Island Resorts Convertible Bond	31.01.2011	0.34
		3,336.45

### 2012

Company	Date of issue	Face Value of issue (\$ million)
United Investment Ltd- Bond	3.07.2012	3.18
Omnicanne Medium Term Note	17.8.2012	32,051.28
		32,054

Members' Contacts are available on the SEM website  
[www.stockexchangeofmauritius.com](http://www.stockexchangeofmauritius.com)



# UGANDA SECURITIES EXCHANGE

## PROFILE



Website	<a href="http://www.use.or.ug">www.use.or.ug</a>
Market Regulator	Capital Markets Authority (Uganda)
Address	4th Floor, Prism Building, Kampala Road, P O Box 23552 Kampala UGANDA
Trading Session hours (local time)	10am - 12 noon
Time Zone	Greenwich Mean Time + 3 hours
Contact Person for ASEA	Mr. Joseph S. Kitamirike - Chief Executive
Telephone	+256 41 4343297
Fax	+256 41 4342841
E-mail	<a href="mailto:jskitamirike@use.or.ug">jskitamirike@use.or.ug</a>
Name of Local Currency	Uganda Shilling
Tax Rates (dividends, interest, capital gain)	Dividend withholding taxes 10% (domestic investors) 10% (foreign investors); No capital gains taxes
Listing of Foreign Domiciled Companies	Company must register in Uganda - Registrar of Companies. If already listed, it must get a letter of comfort from its listing authority. It must also get a letter of comfort from its sector regulator.



## OVERVIEW

# COUNTRY ANNUAL REVIEW - 2012

### 1. ECONOMIC & FINANCIAL DEVELOPMENTS

The Bank of Uganda (BoU) started the year to a slow ease to tighten monetary policy that had been adopted for most of 2011. During the year, the BoU reduced the Central Bank Rate (CBR) from 21 per cent in March to 20 per cent in June 2012 and eventually to 12 per cent in December 2012. This was motivated by the decline in inflation and the need to boost economic activity. The lowering of the CBR thus reflected efforts by the BoU to encourage commercial banks to reduce their lending rates in order to increase the growth of their lending to the private sector which has remained weak since September 2011 due to high lending rates. In response, the commercial banks reduced their lending rates marginally from 27.6 per cent in March to 27 per cent in June and 23.2 per cent in December 2012.

#### **Inflation – Domestic and Global Developments**

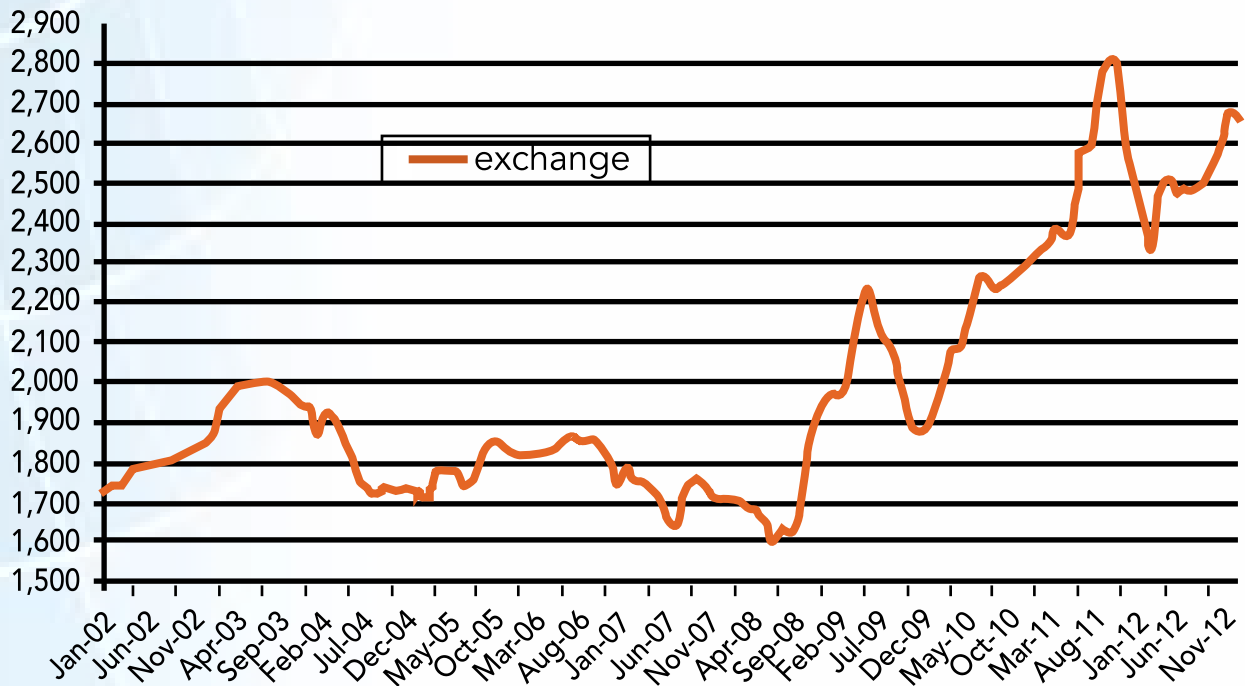
Inflationary pressures continued to ease throughout the year under review and eventually hit the single digit mark at the end of the year. Headline inflation fell consistently from 21.2 per cent in March 2012 to 18 per cent in June and 5.5 per cent in December 2012, while core inflation also declined from 23.6 per cent to 4.6 per cent in the same period. Food inflation continued the downward trend that began in March, and ended at 7.3 per cent in December reflecting improved supplies with the onset of the rainy season. The most spectacular decline, however, was inflation in Electricity, Fuel and Utilities (EFU) in which the rate fell by 8.3 percentage points to end at 12.9 per cent in December 2012. This mainly reflected a decline in oil prices that had risen early in the first quarter but have been steadily falling since April to an 18-month low in June.

#### **Foreign Exchange Rates – Shilling steady**

The shilling remained volatile against the US dollar to trade at UGX 2,484.36 in June 2012 from UGX 2,485.02 in March 2012. By December 2012, the shilling had settled at UGX 2,688.17. This marked a reversal in the trend as the shilling, on an average basis had steadily appreciated since October 2011. This points to a recovery in capital inflows and a reduction in demand for foreign exchange from the major sectors (energy and telecommunications) that made it possible to meet the available supply.



## Interbank Foreign exchange Mid- Rate Jan 2002 - Dec 2012



## II EQUITY MARKET PERFORMANCE

Secondary market activity this year performed slower than the previous year, with turnover in 2012 registering Ushs 26.4bn from Ushs 41bn of the previous year – representing a daily average of approx. Ushs 110m. Number of shares traded rose to 345 million shares compared to 168 million traded in 2011. While the total number of deals recorded were 3,668 down from 4,748 in 2011.

### Turnover performance per counter

The newly listed UMEME Limited dominated turnover activity in the last quarter of the year, with the counter posting 47.5 per cent of the total turnover. Stanbic Bank Uganda Ltd in second position closed at 31.4% per cent while New Vision Limited, Bank of Baroda Uganda, DFCU Group and Uganda Clays Limited accounted for 7.4 per cent, 5.8 per cent, 3.9 per cent and 2.9 per cent respectively. British American Tobacco Uganda, National Insurance Corporation and Nation Media Group had minimal activity which resulted into 0.8 per cent, 0.4 per cent

### Volume traded per counter

Stanbic Bank Uganda Ltd remained the most active counter with the highest record of volume traded and this was mainly due to the second bonus issue that was declared to shareholders. The counter accounted for 76.9 per cent of the volume, followed by UMEME with 13.2 per cent and Uganda Clays Limited at 5.7 per cent. Bank of Baroda Uganda, National Insurance Corporation and New Vision Limited posted 1.9 per cent, 0.93 per cent and 0.91 per cent, while DFCU Group and BATU scooped 0.3 per cent and 0.03 per cent respectively.





## Annual Volume Comparison (Calendar Years) 2007 - 2012

	Turnover (Ushs)	Volume	Deals
2007	85,203,921,340	484,112,529	14,338
2008	89,770,590,595	216,938,311	15,659
2009	19,739,110,145	123,231,889	5,698
2010	42,047,148,495	226,537,341	4,960
2011	40,784,908,620	168,299,763	4,748
2012	26,440,318,825	345,054,996	3,668

Source: USE Product Markets Department

## TRADING VOLUMES AND ACTIVITY ON A QUARTELY BASIS:

### January – December 2012

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Volume Traded	30,822,478	19,929,235	54,808,456	239,494,827
Turnover (Ushs)	3,514,954,340	2,109,456,550	2,513,658,510	18,302,249,425
No. of Deals	850	848	873	1,097
Trading Days	61	60	62	57
Daily Avg. Turnover (Ushs)	57,622,202	35,157,609	40,542,879	321,092,095
Daily Avg. no. of trades	13.9	14.1	14.1	19.3
Market Capitalization (Ushs. bn)	12,116.6	12,830.5	13,971.4	15,948.5
USE All Share Index	993.8	1046.5	1139.6	1203.4
LCI	195.1	215.3	222.4	193.5

Source USE Product Markets Department

## USE Index Performance

The All share index in year 2012 maintained a stable outlook in the first quarter of the year despite the increased participation on the equities segment. The ALSI opened at 832.59 in January and further to 992.32 in March. In the second quarter the Index was sustained at an average mark of 1,071.85 before rising to 1,134.73 in September, and 1,186.58 in October respectively. The ALSI crossed the 1,200 mark in November due to price appreciation across all the listed stocks as well as the introduction of the Umeme listing which pushed the Index to 1,203.42 at the end of the year. The Local Company Index (LCI) had declining positions compared with the previous year. The first quarter posted 190.97 and 200.16 in the second quarter. In the third and fourth quarter the LCI oscillated at between 193.65 and 222.43 before closing the year at 193.5.



### USE ALSI/LCI TREND Jan 2010 - Dec 2012



Source: USE Trading Dept

### III FIXED INCOME MARKET PERFORMANCE

#### Treasury Bonds Secondary Market Activity:

Trading on the government bond secondary market recorded a turnover of Ushs 373,645,100,000 up from Ushs 105,350,900,000 that was recorded in the pervious year. Table below shows details of the activity.

Issue No	Value (Ushs)	Turnover	Issue Date	Maturity Date	Rate	Days to Maturity
FXD 4/2004/10	15bn	-	19/05/2004	8/05/2014	11.00 FIXED	493
FXD 3/2007/5	40bn		25/07/2007	19/07/2012	10.75 FIXED	0
FXD 7/2007/5	60bn		14/11/2007	8/11/2012	10.75 FIXED	0
FXD 3/2009/3	60bn		1/04/2009	29/03/2012	10.25 FIXED	0
FXD 4/2009/3	60bn		29/04/2009	04/02/2012	10.25 FIXED	0
FXD 5/2009/3	50bn		27/05/2009	24/05/2012	10.25 FIXED	0
FXD 8/2009/5	90bn	50,000,000	17/09/2009	11/09/2014	10.75 FIXED	619
FXD 10/2009/10	60bn		11/11/2009	31/10/2019	11.00 FIXED	2495



Issue No	Value (Ushs)	Turnover	Issue Date	Maturity Date	Rate	Days to Maturity
FXD 1/2010/3	60bn		6/01/2010	3/01/2013	10.25 FIXED	3
FXD 2/2010/10	50bn	6,000,000,000	3/02/2010	23/01/2020	11.00 FIXED	2579
FXD 3/2010/5	50bn	8,770,000,000	3/03/2010	26/02/2015	10.75 FIXED	787
FXD 4/2010/3	60bn		28/04/2010	25/04/2013	10.25 FIXED	115
FXD 5/2010/2	60bn		23/05/2010	21/06/2012	10.00 FIXED	0
FXD 6/2010/10	80bn		21/07/2010	09/07/2020	11.00 FIXED	2747
FXD 8/2010/5	90bn	200,000,000	18/08/2010	13/08/2015	10.75 FIXED	955
FXD 10/2010/3	100bn	800,000,000	29/09/2010	26/09/2013	10.25 FIXED	635
FXD 11/2010/2	50bn		13/10/2010	11/10/2012	10.00 FIXED	285
FXD 12/2010/3	100bn		27/10/2010	24/10/2013	10.25 FIXED	297
FXD 13/2010/3	80bn		12/08/2010	3/12/2015	10.75 FIXED	1067
FXD 1/2011/3	100bn	2,990,000,000	5/01/2011	2/01/2014	10.25 FIXED	367
FXD 2/2011/10	60bn	8,200,000,000	23/02/2011	21/01/2021	11.00 FIXED	2926
FXD 3/2011/3	60bn	100,000,000	3/03/2011	27/02/2014	10.25 FIXED	451
FXD 4/2011/2	85bn	190,000,000	30/03/2011	28/03/2013	10.25 FIXED	87
FXD 5/2011/3	55bn	3,600,000,000	27/04/2011	24/04/2014	10.25 FIXED	479
FXD 6/2011/5	40bn		27/04/2011	21/04/2016	10.75 FIXED	1207
FXD 7/2011/5	95bn		25/05/2011	23/05/2013	10.00 FIXED	143
FXD 8/2011/2	95bn		22/06/2011	20/06/2013	10.00 FIXED	171
FXD 9/2011/2	85bn		20/07/2011	18/07/2013	10.00 FIXED	199
FXD 10/2011/3	95bn		17/08/2011	14/08/2014	10.25 FIXED	591
FXD 11/2011/5	40bn	140,000,000	14/09/2011	08/09/2016	10.75 FIXED	1347
FXD 12/2011/3	95bn	1,600,000,000	12/10/2011	09/10/2014	10.75 FIXED	647
FXD 13/2011/2	95bn	153,900,000	9/11/2011	07/11/2013	10.00 FIXED	311
FXD 14/2011/2	95bn	415,000,000	7/12/2011	05/12/2013	10.00 FIXED	339
FXD 1/2012/3	95bn	24,617,000,000	4/01/2012	1/01/2015	10.25 FIXED	731
FXD 2/2012/5	40bn	10,823,400,000	1/02/2012	27/1/2017	10.75 FIXED	1488
FXD 3/2012/2	100bn		28/03/2012	27/03/2014	10.00 FIXED	451
FXD 4/2012/3	100bn	10,000,000,000	25/04/2012	23/04/2015	10.25 FIXED	843
FXD 5/2012/2	50bn	66,440,300,000	23/5/2012	22/05/2014	10.00 FIXED	507
FXD 6/2012/3	100bn	66,919,600,000	20/06/2012	18/06/2015	10.25 FIXED	899
FXD 7/2012/10	100bn		20/06/2012	9/06/2022	10.75 FIXED	3447
FXD 8/2012/2	100bn	104,570,000,000	18/06/2012	17/06/2014	10.00 FIXED	533
FXD 9/2012/5	50bn	13,005,200,000	15/08/2012	10/08/2017	10.75 FIXED	1683
FXD 10/2012/3	100bn		12/09/2012	10/09/2015	10.25 FIXED	983
FXD 11/2012/5	100bn	42,405,000,000	10/10/2012	05/10/2017	10.75 FIXED	1591
FXD 12/2012/2	100bn	1,655,700,000	7/11/2012	6/11/2014	10.00 FIXED	675

Compiled by: USE Trading Department & Bank of Uganda



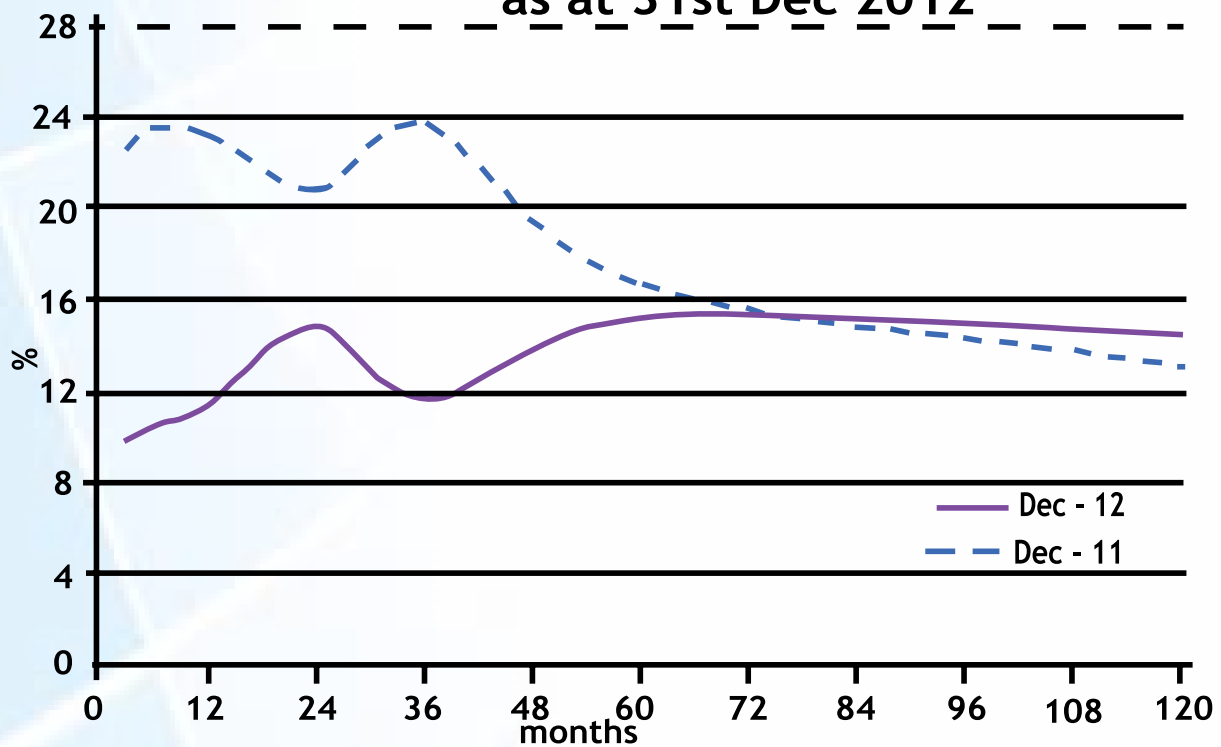
## Corporate Bond Secondary Market Activity:

Activity was recorded on the Corporate Bond Segment with HFB, SBU, EADB and PTA bonds recording a total turnover of Ushs. 98.1billion. Refer to breakdown below.

Corporate Bond Activity – Year To-date January – December 2011/2012

	JAN – DEC 2011	JAN – DEC 2012	% CHANGE
Volume Traded (Ushs Million)	709.4	98.1	- 86.2
Turnover (Ushs.bn)	73.3	9.9	- 86.5
No. of Deals	12	3	
Trading Days	5	3	
Daily Avg. Turnover (Ushs)	14.7	3.3	- 77.6

## Government Yield Curve as at 31st Dec 2012



Source: Bank of Uganda



## **IV NEW DEVELOPMENTS**

### **UMEME Listing**

UMEME Limited commenced trading on the secondary market on 30th November 2012. The trading activity was officially opened by the ringing of the bell by the Chairman UMEME Limited Mr. Patrick Bitature, who was accompanied by senior staff of the organization. Also present at the function were key officials from the Capital Markets Industry, Institutional Investor fraternity, private sector and government. UMEME Limited becomes the 8th local listing on the market and 1st entity from the energy sector to go public.

### **African Development Bank Bond listing**

The African Development Bank issued a currency bond on the USE's fixed income securities market segment, the currency bond becomes the first of its kind in the region, and the bank intends to issue more of such bond across the region.

### **Stanbic Uganda issued additional shares on the USE**

On August 9, 2012, Stanbic Bank Uganda (SBU) listed additional shares on the USE as its second bonus offer after the previous one done in 2011.

The second offer is as a result of deliberations that were concluded at the SBU Annual General Meeting (AGM) in May 2012, where shareholders agreed to increase the authorized share capital of the company from 10.2bn to 51.2bn shares. The shareholders also approved the 4:1 ratio which was credited to the investors' accounts to coincide with the listing of the bonus.

### **Treasury Bond Listings**

Twelve Treasury bonds with a total value of Ushs 1,035bn were listed on the bourse, although secondary market trading was mainly effected by the primary dealers.

### **GEMS Rules**

The GEM (Growth Enterprise Market Segment) Rules were introduced in the market to govern/regulate those companies with a potential to list on the Market. The rules will be applicable to issuers/companies intending to seek approval to issue securities on a segment other than the main investment market segment. These rules replace the AIMS (Alternative Investment Market Segment) rules.

### **USE Shifts to new premises**

During the last quarter of the year, the USE moved offices to 4th floor PRISM building, located on Kampala road.



## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2009	2010	2011	2012
Population (million)	32.7	33.8	34.5	35.87
Real GDP (USD) (millions) at market exchange rates	17,963.20	18,269.00	18,280.00	16,810.00
Inflation rate (%)	13.00	4.00	18.80	5.30
Net Foreign Direct Investment (USD) (Millions)	603.75	854.15	648.00	796.90
Unemployment rate (%) of total labour force	4.2	n/a	n/a	n/a
Interest Rate (T-Bills)	7.5	10	22.34	9.71
Exchange rate (local currency versus US\$)	1907	2317	2336	2661

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2009	2010	2011	2012
Total value traded	10,350,870.55	18,147,237.16	17,459,293.07	9,936,234.06
Total volume traded	64,621	97,772	168,299,763	345,054,996
Total number of transactions	5,698	4,960	4,748	3,668
Number of listed companies	11	13	14	15
Number of traded companies	8	13	7	8
Market Capitalization (billions) end of year	3.75	5.51	4.12	5.88
Market Capitalization as % of GDP	20.88%	30.16%	22.54%	34.98%
Turnover Ratio (%) *	2,760,232.15	3,293,509.47	4,237,692.49	1,689,835.72

\* Turnover Ratio (%) = value traded of listed securities/market capitalization



**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Domestic Board</b>			
Banking	5	5	5
Commercial & Services	3	3	3
Finance & Investment	0	1	1
Insurance	2	2	2
Construction & Allied	1	1	1
Manufacturing & Allied	2	2	2
Energy	0	0	1
<b>Foreign board</b>			
Corporate Bonds	5	5	5

**Section Six : Products traded on the Stock Exchange**

Types of markets in your Stock Exchange	
Equity Market	YES
Bond Market	YES

**Table 7 Products**

Product (Stocks,Bonds, Funds,ETF's,Derivatives ..etc)	Description of the Product
Stocks	Common Shares
Bond	Government and Corporate Bonds

**Section Seven : Indices****Table 8 Indices**

Index Name	Index Type (Price Index, Sector Index,..etc)
USE ALL Share Index (ALSI)	The ALSI calculated using the base-weighted aggregate methodology also known as the market value weighted methodology, and encompasses all equities listed on the Uganda Securities Exchange
USE Local Company Index (LCI)	The LCI calculated using market value weighted methodology, and encompasses only local equities listed on the Uganda Securities Exchange



	Closing 2011	Closing 2012	% change
USE ALSI	864.45	1,203.79	39%

## Section Eight : IPOS and Debt Securities Issues 2011

### IPOS

Company	Date of IPO	Value of IPO (\$ million)
National Insurance Corporation	25-Mar-10	8,613,554.00
		8,613,554.00

2009		
Company	Date of issue	Face Value of issue (\$ million)
Government of Uganda Treasury Bond-2 years	12-Jan-09	104,876,769.80
Government of Uganda Treasury Bond-3 years	01-Apr-09	141,583,639.22
Government of Uganda Treasury Bond-5 years	17-Sep-09	47,194,546.41
Government of Uganda Treasury Bond-10 years	11-Nov-09	31,463,030.94
PTA Bank Corporate Bond	03-Nov-09	20,975,353.96
Stanbic Bank Uganda Corporate Bond	18-Aug-09	15,731,515.47
Total		361,824,855.79

2010		
Company	Date of issue	Face Value of issue (\$ million)
Government of Uganda Treasury Bond-2 years	13-Oct-10	47,475,183.43
Government of Uganda Treasury Bond-3 years	08-Dec-10	47,475,183.43
Government of Uganda Treasury Bond-5 years	18-Aug-10	60,422,960.73
Government of Uganda Treasury Bond-10 years	21-Jul-10	56,107,034.96
Stanbic Bank Uganda Corporate Bond	10-Dec-10	12,947,777.30
Total		224,428,140.00





## Debt Securities Issues 2009 - 2012

2009	
Company	Face Value of issue (\$ million)
Government of Uganda Treasury Bond-2 years	235,445,205.48
Government of Uganda Treasury Bond-3 years	149,828,767.12
Government of Uganda Treasury Bond-5 years	34,246,575.34
Government of Uganda Treasury Bond-10 years	56,107,034.96
<b>Total</b>	<b>475,627,583</b>

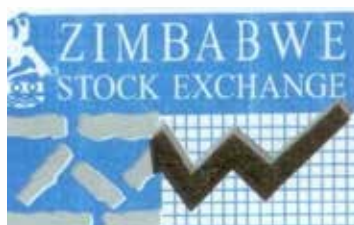
2012	
Company	Face Value of issue (\$ million)
Government of Uganda Treasury Bond-2 years	357,008,643.37
Government of Uganda Treasury Bond-3 years	253,664,036.08
Government of Uganda Treasury Bond-5 years	206,689,214.58
Government of Uganda Treasury Bond-10 years	45,095,828.64
<b>Total</b>	<b>862,457,723</b>

Members' Contacts are available on the USE website  
[www.use.or.ug](http://www.use.or.ug)



# ZIMBABWE STOCK EXCHANGE

## PROFILE



Website	www.zse.co.zw
Market Regulator	Securities Commission of Zimbabwe
Address	4th Floor, 101 Building, Corner Third Street/Kwame Nkrumah Avenue, HARARE
Trading Session hours (local time)	1000 hrs-1130 hrs
Time Zone	Greenwich Mean Time + 2 hours
Contact Person for ASEA	Martin Matanda
Telephone	+263 4 701096/7
Fax	+263 4 762348
E-mail	mmatanda@zse.co.zw
Name of Local Currency	American Dollars
Tax Rates (dividends, interest, capital gain)	Dividend withholding taxes 10% (domestic investors) 10% (foreign investors); Withholding tax on interest income 15%; Capital gains taxes 1% on the sale side
Listing of Foreign Domiciled Companies	
Commodities Exchange	nil



## BACKGROUND

The first stock exchange in Zimbabwe opened its doors shortly after the arrival of the Pioneer Column in Bulawayo 1896. It was however only operative for about 6 years. Other stock exchanges were established in Gwelo (Gweru) and Umtali (Mutare).

The latter, also founded in 1896, thrived on the success of local mining, but with the realization that deposits in the area were not extensive, activity declined and it closed in 1924. After World War 11 a new exchange was founded in Bulawayo and dealing started in 1946.

A second floor was opened in Salisbury (Harare) in December 1951 and trading between the two centers was by telephone. They continued operating until it was decided that legislation should be enacted to govern the rights and obligations of both members of the Exchange and the general investing public.

The Zimbabwe Stock Exchange Act reached the statute book in January 1974. The members of the Exchange continued to trade as before, but it became necessary for legal reasons to bring into being a new Exchange coincidental with the passing of the legislation. The present Exchange therefore dates back from the passing of the Act.

In 2004, The Securities Act was promulgated to repeal the ZSE Act and became operational in September 2008.

Zimbabwe has a fully developed Capital market with an active and equally developed institutional base. As a result of a long tradition of investing on the Market, an entire industry has been created. Zimbabwe has a Pension Fund industry, an insurance industry, and local asset management industry supported by a number of registered stockbroking firms.

### Change in Functional Currency in 2009

In November 2008, the Zimbabwe Stock Exchange temporarily stopped trading following intervention by The Reserve Bank of Zimbabwe and reopened later on 19 February 2009. The Zimbabwe economy dollarized in 2009 and the Zimbabwe Stock Exchange similarly adopted the US dollar as its primary trading currency. Indices were rebased to 100 for both the Industrial and Mining indices.



## ACHIEVEMENTS FOR 2012

### TN Bank Lists on the ZSE

TN Bank listed on the ZSE on Wednesday 11 July 2012, following its demerger from TN Holdings Limited (now Lifestyle Holdings Limited). The ceremony was officiated by the Minister of Finance, Mr. Tendai Biti. The minister used this platform to inform market participants that cabinet had approved amendments to the Securities Act that would pave way for the demutualization of the ZSE.

### Securities Amendment Bill gazetted

The Securities Amendment Bill was gazetted in August 2012. The intended amendments to the Securities Act will further extend the powers of the Securities Commission. Key areas that will be dealt with by the amendments are as follows:

- the commissioners will become non-executive, with executive powers vested in the commission's chief executive
- all exchanges in the country will have to be companies rather than mutual associations or other types of corporate bodies
- A single Investor Protection Fund will be established to compensate investors who are prejudiced as a result of malpractice or insolvency on the part of a stockbroker or dealer.
- Asset managers and managers of collective investment schemes, currently regulated by the Reserve Bank of Zimbabwe, will fall under the control of the Commission.

### Proposed SME Bourse for the ZSE

The ZSE is in the process of developing an SME Bourse in a bid to assist SMEs on their capital raising initiatives. In an article by the ZSE published in December 2012, the ZSE announced that it is putting in place measures to allow for the active participation of SMEs. This will see the ZSE being actively involved with SMEs and the SME Association as it develops a framework for the establishment of a separate SME bourse on the ZSE.

### Re-introduction of the Financial Monitoring Panel

On 8 November 2012, the Zimbabwe Stock Exchange and the Public Accountants and Auditors Board (PAAB) issued a joint statement announcing that they are jointly embarking on a process of actively



monitoring financial statements of listed companies for compliance with globally recognised International Financial Reporting Standards (IFRS) and other applicable reporting regulations.

The following is an excerpt from the press statement:

“Historically regulation of compliance with IFRS was done on a reactive basis only i.e. through receipt of a complaint or by the Zimbabwe Stock Exchange Monitoring Panel (ZSEMP) identifying a concern on an ad- hoc basis.

Under the new monitoring process, the financial statements of every listed company will be reviewed at least once every three years, in addition to any other investigations arising from public complaints. This additional monitoring will give shareholders, investors, regulators and other users the benefits of a better regulated market.”

## **FUTURE PROJECTS/ OUTLOOK**

### **ZSE Website launch**

During the year 2013, the ZSE looks forward to launching a bigger and better website.

### **Demutualization**

The demutualization or privatization of the bourse is underway. Progress is expected to be made on this undertaking during the year.

### **Central Securities Depository**

The Government of Zimbabwe has agreed with the ZSE and other key stakeholders the scope and structure of the Central Securities Depository. Wide consultations have been made to allow for the establishment of a CSD system and significant progress is expected to be made during the year.

### **Automated Trading System**

The framework has been set for the establishment of an automated trading system. The ZSE endeavors to have an ATS in place following the establishment of the CSD. During the course of the year, significant effort will continue to be put into getting the project running.



# STATISTICS

## Section One : Economic Indicators

Currency: USD

Table 1: Main Economic Indicators

Indicators	2010	2011	2012
Population (million)	12.34	12.30	13.00
Real GDP (USD) (billions) at market exchange rates	7.433	8.865	9.255*
Inflation rate (%)	3.5	4.9	3.50
Net Foreign Direct Investment (USD) (Millions)	122.60	250.00	550.00
Unemployment rate (%)	n/a	n/a	n/a
Interest Rate (T-Bills)	n/a	n/a	n/a
Exchange rate (local currency versus US\$)			

\* Estimate

## Section Two : Trading Statistics

Currency: USD

Table 2: Trading equity Statistics

Indicators	2010	2011	2012
Total value traded	391,572,731	477,523,919	448,203,882
Total volume traded	6,799,885,018	4,610,008,413	3,513,709,742
Total number of transactions	39,655	30,983	21,426
Number of listed companies	79	78	79
Number of traded companies	78	77	75
Market Capitalization (billions) end of year	3.884	3.690	3.964
Market Capitalization as % of GDP	52.25%	41.62%	42.83%
Turnover Ratio (%) *	10.08	12.94	11.31

\* Turnover Ratio (%) = value traded of listed securities/market capitalization

Table 3: Investors Type

Foreigners vs. Local Investors			
Type of Investors	% of the Total Value Traded		
	2010	2011	2012
Foreign Investors	23	36	41
Local Investors	77	64	59
Total %	100%	100%	100%



**Table 4: Sectors Traded**

Sectors traded on the Stock Exchange	Number of companies included in each sector		
	2010	2011	2012
<b>Main Board</b>			
Agri industrial	2	2	2
Agricultural	7	7	7
Beverages	2	2	2
Building and Associated Industries	7	7	7
Engineering	6	6	6
Financial	9	9	10
Food	4	4	4
Industrial Holding	13	13	13
Insurance	5	5	5
Minings	4	4	4
Paper and Packaging	3	3	3
Pharmaceuticals and Chemicals	3	2	2
Printing and Publishing	1	1	1
Property	4	4	4
Retail	4	4	4
Technology	2	2	2
Tourism	2	2	2
Transport	1	1	1

**Section Four: Trading Systems**

Trading system	Manual
System bought	N/A
System vendor	N/A
Implementing the system	1946

**Table 5: 5 Most Active Sectors in 2012**

#	Sectors
1	Beverages
2	Technology
3	Retail
4	Insurance
5	Property



## Section Six : Products traded on the Stock Exchange

Types of markets in your Stock Exchange	
Equity Market	YES

Table 7 Products

Product (Stocks,Bonds, Funds,ETF's,Derivatives etc)	Description of the Product
Stocks	Common and preference shares

## Section Seven : Trading Mechanism

Intraday Trading	YES
------------------	-----

Table 8 Indices

Index Name	Index Type (Price Index, Sector Index,etc)
ZSE Industrial	Price weighted index.
ZSE Mining	Price weighted index.

## Index Performance

	Closing 2011	Closing 2012	% change
ZSE Industrial	145.86	152.40	4.48
ZSE Mining	100.7	65.12	-35.33

## Debt Securities Issues

2010

Company		Date of IPO	Value of Issue (\$ million)
Pgi	debentures	20-Dec-10	6.720

Members' Contacts are available on the ZSE website

[www.zse.co.zw](http://www.zse.co.zw)







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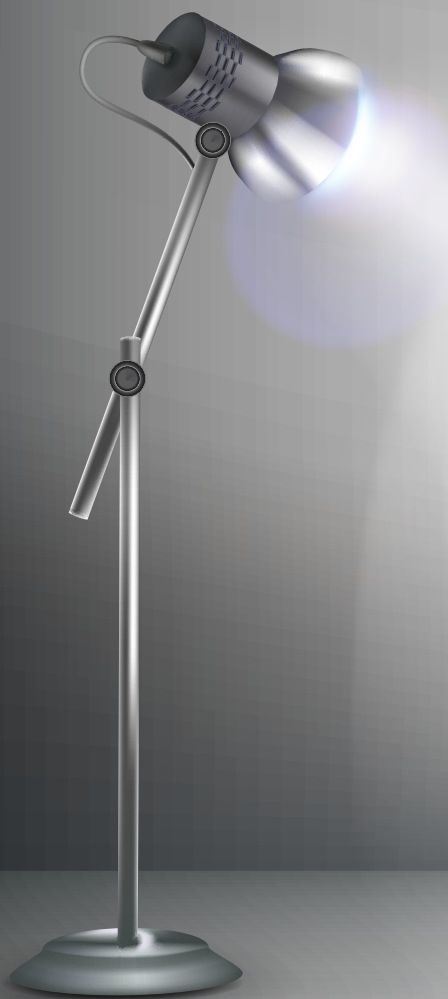
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