# BRVM MONTHLY NEWSLETTER

Number 35

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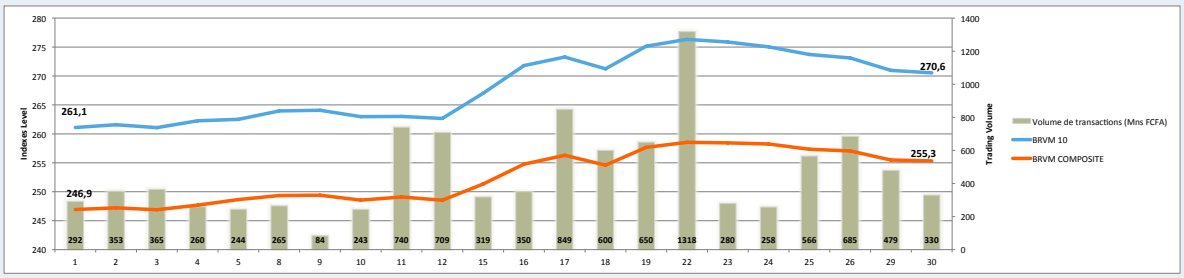
## Indexes Level and Trading Volume - September 2014




### Market Performance

| | BRVM 10 | BRVM Comp |
|---|---|---|
| Close | 270,6 | 255,3 |
| 1 month gain/loss | 9,9 | 8,8 |
| MTD change | 3,8% | 3,6% |
| YTD change | 9,8% | 10,0% |

### Sector Returns

| | |
|---|---|
| Industry | 4,3% |
| Pub. Services | -3,3% |
| Finance | 17,8% |
| Transportation | 1,4% |
| Agriculture | -2,6% |
| Distribution | 2,3% |

### Top 5 Traded

| | XOF Volume | % Market |
|---|---|---|
| **SNTS** | 2 324 963 715 | 22,7% |
| **BOABF** | 876 820 820 | 8,6% |
| **ETIT** | 810 059 584 | 7,9% |
| **ONTBF** | 757 527 310 | 7,4% |
| **BOAN** | 707 495 635 | 6,9% |
| **Total** | 10 235 269 554 | 100% |

## Highlights of the Month

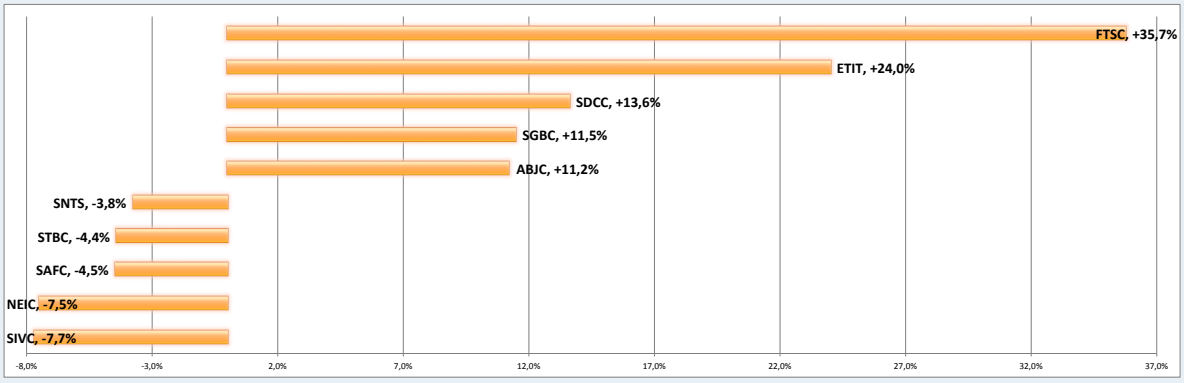
- Bank stocks setting the pace up
- Sonatel still acting shy

## Stocks

• Thanks to many stocks posting double digits performance this month, the regional market is quietly rebounding. For the fourth consecutive month, the BRVM 10 index recorded a gain. It was up 9,9 points (3,8%) while the all-inclusive BRVM Composite increased by 3,6% over the month. Over the year, they have respective returns of 9,8% and 10,0%.

• Again this month, the market trade volume has diminished by 14,4% to XOF 10,2 billion. Again, *Sonatel SN* stock was far less dominant than usual, representing only 22,7% of the market, with a volume of XOF 2,3 billion (XOF 2,8 billion the previous month). Three banks stocks together, ***BOABF, ETIT*** and ***BOAN***, went over this level with a combined volume of XOF 2,4 billion.

## Market Key Figures




**Stocks**

• Finance stocks are on a serious surge (sector up 17,8% this month) for the last couple of months, really pushing the market performance up.
Indeed, two bank stocks are cracking up the Top 5 performances. *Ecobank TG, **ETIT*** increased by 24,0% thanks to the news that South African giant fellow *Nedbank* is acquiring 20,0% of its capital. less than a month ago, *Qatar National Bank* had acquired a 23.5% stake in the banking group based in Lome, Togo. And *SGB CI, **SGBC*** gained 11,5% in value thanks to impressive semester results (boosted by the very high level of credit provisions incurred last year at the same time).
Most of the sector stocks were invited at the party this month. Bank of Africa subsidiaries posted great returns of 10,3% (Benin), 9,2% (Burkina Faso) and 10,4% (Côte d'Ivoire).

• The best monthly stock performance belongs to *Filtisac, **FTSC,*** Industry with overperformance of 35,7% (XOF 5 790). This sector was up 4,3% during September, despite many negative contributions such as the worst performing ones such as *Air Liquide CI, **SIVC*** at -7,7% (XOF – 1 500), *NEI-CEDA CI, **NEIC*** with -7,5% and *SITAB CI, **STBC*** losing 4,4% (XOF -6 000).

• The Distribution sector posted a positive return (2,3%) thanks to contribution from *Abidjan Servair CI, **ABJC*** which is up XOF 3 250 (11,2%) and *Bernabe CI, **BNBC,*** increasing by 6,7% (XOF 5000).

• In the Public Services sector (-3,3%), we note that the BRVM blue chip *Sonatel SN, **SNTS*** is finally losing ground (-3,8%; XOF -900), while *CIE CI, **CIEC*** decreased by XOF 2 000 (-3,6%).

## What's going on in the WAEMU Region

• Integration of capital markets in the West African sub-region has inched a step closer with the approval for brokers in the member-countries to start drawing up partnership agreements that will enable them to trade across markets.
The Integration Council of the member-countries (made up of Ghana, Nigeria, Sierra Leone and the Bourse Regionale des Valeurs Mobilieres (BVRM), which features eight Francophone countries) gave the approval to fast-track the integration process.
The drying-up of external sources of capital and the relentlessly narrow domestic pool of savings have made it imperative for member-countries to put their shoulders to the wheel and help realise the much-touted integration that was started some seven years ago.
The inability of governments in the sub-region to finance growing infrastructural requirements in the sub-region (mainly in the areas of transport, housing, power) from their over-stretched budgets has made the integration of capital market in the region crucial for raising funds to finance infrastructure.
The integration process is however fraught with many challenges. The level of technological differences among member-states and the absence of a common currency to facilitate trade are but a few.
Mr. Antwi however believes that capital markets integration can be achieved without full implementation of the common currency. “The idea of one common currency is key. You can easily integrate your markets if you have a common currency. These are issues that we need to work on, but that wouldn’t stop us from integrating out West African capital markets.
“We will go ahead; settlements will be done, and the banks will help. We have to make sure that our currencies can be transferred across borders. There are already structures in place to help us do this.”
Source : Business & Financial Times, Ghana

• The International Monetary Fund lowered its forecast for economic growth in Senegal. The institution announced on September 25th that the country's growth would be 4.5% against an initial forecast of 4.9%.
The factors responsible for this decline, include the delay of the rainy season and low tourists arrivals. Despite this revision, the IMF said that the Senegalese economy is having encouraging performances and its other forecasts remain positive. "The economic performance in the first half of 2014 was satisfactory. Economic growth is rising and inflation remains low. "Said Ali Mansoor, head of the IMF mission.
Last February, the development plan supported by the President Macky Sall managed to attract about USD 8.7 billion in pledges during a conference. The plan is essentially the diversification of the economy and intends to double the growth rate of the country over the next decade.
Source : Reuters

• On September 9th, the eight countries of the West African Economic and Monetary Union (UEMOA) scored USD 19 billion of commitments at the at the International Conference “Investing in WAEMU “held in Dubai, United Arab Emirates.
These commitments, mainly concerning infrastructure projects, come primarily from the United Arab Emirates and will involve private sector partnerships.
Investments should cover various sectors including roads, railways, airports, energy, food security and water, according to a statement issued at the end of the forum.
The biggest commitment of a USD 16 billion, was made by a UAE based firm, Trojan General Contracting, a branch of the Sheikh Tahnoun bin Zayed Al Nahyan Royal Group, a member of the ruling family of Abu Dhabi, and Earth Capital, an investment fund active in the environmental sector.
Source : Ecofin

• The African Export-Import Bank (Afreximbank) and the Ivorian government signed on September 22th, an agreement for the opening of a branch of this institution in Abidjan.
Afreximbank President Jean-Louis Ekra, revealed at the signing ceremony of the headquarters agreement, that his institution plans to open a number of regional branches in order to achieve a better geographical distribution of its loan portfolio. "A branch of Abidjan is expected to achieve this goal by serving the Francophone sub-region of West Africa," said he said.
Mr. Ekra also indicated that the choice of Abidjan became objectively, based on an analysis of various elements in several countries in the sub-region. "The study took into account political stability, economic and financial stability, operational factors, physical infrastructure and environmental framework," he said.
"The establishment of this second branch of the Bank within ECOWAS, after that of Nigeria is an asset for accelerating the process of sub-regional integration", welcomed Ivorian Prime Minister Daniel Kablan Duncan .
Since inception in 1993, Afreximbank provided funding for USD 28 billion to African countries.
Source : Ecofin

## The Month in Numbers

| Sector | Stock Code | Company | 31/08/14 | 30/09/14 | Variation |
|---|---|---|---|---|---|
| **BRVM 10** | | | **260,70** | **270,55** | **3,78%** |
| **BRVM Composite** | | | **246,50** | **255,32** | **3,58%** |
| **Industrie** | | | **159,16** | **165,97** | **4,28%** |
| | CABC | Sicable CI | 96 500 | 100 000 | 3,63% |
| | FTSC | Filtisac | 16 200 | 21 990 | 35,74% |
| | NEIC | NEI-CEDA CI | 4 000 | 3 700 | -7,50% |
| | NTLC | Nestle CI | 50 000 | 52 000 | 4,00% |
| | SEMC | Crown Siem CI | 26 400 | 26 400 | 0,00% |
| | SIVC | Air Liquide CI | 19 500 | 18 000 | -7,69% |
| | SLBC | Solibra CI | 470 000 | 490 000 | 4,26% |
| | SMBC | SMB CI | 15 295 | 15 300 | 0,03% |
| | STBC | SITAB CI | 136 000 | 130 000 | -4,41% |
| | UNLC | Unilever CI | 39 100 | 39 505 | 1,04% |
| | UNXC | Uniwax CI | 35 000 | 35 500 | 1,43% |
| **Services Publics** | | | **702,08** | **679,17** | **-3,26%** |
| | CIEC | CIE CI | 55 000 | 53 000 | -3,64% |
| | ONTBF | Onatel BF | 7 000 | 6 895 | -1,50% |
| | SDCC | SODE CI | 55 005 | 62 500 | 13,63% |
| | SNTS | Sonatel SN | 23 905 | 23 005 | -3,76% |
| **Finance** | | | **83,74** | **98,65** | **17,81%** |
| | BICC | BICI CI | 67 710 | 71 400 | 5,45% |
| | BOAB | Bank of Africa | 68 005 | 75 000 | 10,29% |
| | BOABF | Bank of Africa | 87 005 | 95 000 | 9,19% |
| | BOAC | Bank of Africa | 77 015 | 85 000 | 10,37% |
| | BOAN | Bank of Africa | 63 000 | 63 000 | 0,00% |
| | ETIT | Ecobank TG | 50 | 62 | 24,00% |
| | SAFC | SAFCA CI | 30 355 | 29 000 | -4,46% |
| | SGBC | SGB CI | 74 000 | 82 500 | 11,49% |
| **Transport** | | | **984,79** | **998,24** | **1,37%** |
| | SDSC | Bollore CI | 200 000 | 202 995 | 1,50% |
| | SVOC | Movis CI | 8 230 | 8 000 | -2,79% |
| **Agriculture** | | | **247,74** | **241,31** | **-2,60%** |
| | PALC | PALM CI | 18 000 | 17 500 | -2,78% |
| | SOGC | SOGB CI | 31 400 | 31 115 | -0,91% |
| | SPHC | SAPH CI | 17 700 | 17 075 | -3,53% |
| **Distribution** | | | **266,44** | **272,67** | **2,34%** |
| | ABJC | Servair CI | 29 000 | 32 250 | 11,21% |
| | BNBC | Bernabe CI | 75 000 | 80 000 | 6,67% |
| | CFAC | CFAO CI | 49 400 | 50 000 | 1,21% |
| | PRSC | SDA CI | 166 000 | 165 000 | -0,60% |
| | SHEC | VIVO ENERGY | 53 000 | 53 000 | 0,00% |
| | TTLC | Total CI | 155 000 | 160 000 | 3,23% |

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