

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

10th September, 2015



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	62,679.75	62,611.23	-0.11%
Market Capitalization (US\$million)	16,918.98	16,807.48	-0.66%
Volume traded (shares)	2,479,137.00	2,689,550.00	8.49%
Value Traded (GH¢)	1,595,077.56	2,691,875.74	68.76%
Value Traded (US\$)	430,555.12	722,612.41	67.83%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,089.03	-0.59%	-7.61%
SIC-FSL Top 15 Index	3,865.14	-0.17%	-1.98%
GSE Financial Stocks Index	2,048.10	-1.29%	-8.71%

Table 2: Key Stock Market Indices

LIQUIDITY

Liquidity on the Bourse was better than the previous week's performance, as the bulls remained unshaken amid a wave of profit-taking and price corrections. Total traded shares were 2.69 million against a corresponding traded value of GH¢2.70 million.

Market activities were largely skewed towards financial stocks, as the sector recorded 2.39 million, representing an aggregate volume of 88.94%.

UT Bank (UTB) was the highest traded stock in the week accounting for 35.85% of the total traded shares, whereas Fan Milk Limited (FML) also contributed GH¢1.42 million of the total value traded; representing 52.68%.

SELLING PRESSURE DRIVES PERFORMANCE FURTHER DOWN

Bearish sentiments persisted for yet another week, overshadowing all traces of certainty, even in the wake of an improved inflationary pressure. The situation appeared to have further dampened investors' confidence on the stock market as price losers outnumbered gainers on the floor.

In light of the above, key market indices sunk further with the broader market losing 0.59% points as measured by the GSE Composite Index, to settled at a year-to-date loss of 7.61%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and SIC-FSL Top 15 liquid Index also dipped by 1.29% and 0.17% respectively, to close at an annual loss of 8.71% and 1.98% accordingly.

Expectedly, the value of listed companies also declined by 0.11% to settle at GH¢62.61 billion from the previous week's GH¢62.68 billion, whilst an equivalent dollar terms dropped by 0.66% to USD16.81 billion last Thursday. This was due to depreciations in the local currency against dollar.

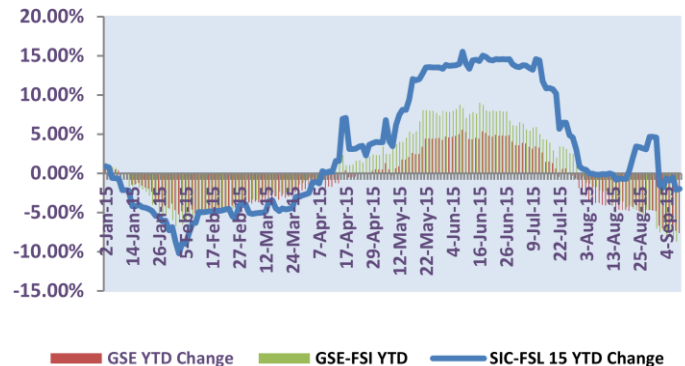


Fig 1: Year -to -date returns

MARKET MOVERS

SCB, major cause of market's downfall

Standard Chartered Bank (SCB) exhibited another volatile session over the week as the stock became the biggest loser on the Bourse during the week and the biggest contributor to the market's decline due to the stock's large market capitalization.

Investors appeared dreaming out the possibility of a rebound in the company's earnings before the year closes, hence the incessant selling pressure of the Bank's shares in recent market activities. SCB's share price dropped from the previous week's GH¢16.79 per share to GH¢16.62 last Thursday.

The decline in price appeared to have been caused by the Bank's poor half-year results (HY'15) released over the period. SCB reported a drop in net profit of 34.0% in HY'15 comparable to the same period last year. The bank's profit after tax slipped to GH¢72.97 million in HY'15, from the GH¢110.55 million in HY'14.

Though, SCB appeared to be trading far below its year-to-date average price of GH¢19.70 per share on the market currently, the current trailing P/E ratio of 11x as compared to the sector's average of 6x prompts the possibility of further price downward correction in the future.

FML appreciates in spite of general market downturn

Appetite for the shares of the dairy product company; Fan Milk Limited (FML) remained bullish in a market that saw considerable selling pressures over the week. The stock has been on the upward radar in recent market activities following a remarkable half-year (HY'15) results.

FML posted net profit after tax of GH¢25.50 million, which was a growth of 209% better than the same period last year. Total revenue also went up by 92% approximately due to significant volume growth over the period which led to a comparative better Earnings Per Share (EPS) of GH¢0.22 a share.

The company's share price closed at GH¢6.52, from the GH¢5.99 per share the week before.

CORPORATE NEWS

ADB'S INITIAL PUBLIC OFFER PUT ON-HOLD AGAIN: The Agricultural Development Bank Limited ("ADB") has temporarily put its on-going Initial Public Offer (IPO) on hold once more, effective September 10, 2015. This follows a suit by Dr. Mark Assibey-Yeboah in the Supreme Court.

In the application, he requested for an interlocutory injunction restraining ADB, its assigns, agents or privies or any other authority from floating shares on the Ghana Stock Exchange (GSE) or engaging in any IPO of shares before the determination of the suit.

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.18	2.20	0.02	0.92%
FML	5.99	6.52	0.53	8.85%
GCB	4.01	4.03	0.02	0.50%
UNIL	7.41	7.52	0.11	1.48%
UTB	0.10	0.11	0.01	10.00%
MMH	0.06	0.07	0.01	16.67%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.88	0.80	-0.08	-9.09%
EBG	8.00	7.99	-0.01	-0.12%
GOIL	1.85	1.73	-0.12	-6.49%
HFC	1.31	1.15	-0.16	-12.21%
MLC	0.16	0.15	-0.01	-6.25%
SCB	16.79	16.62	-0.17	-1.01%
SIC	0.15	0.13	-0.02	-13.33%
GLD	47.00	42.08	-4.92	-10.47%

Table 4: Laggards for the week

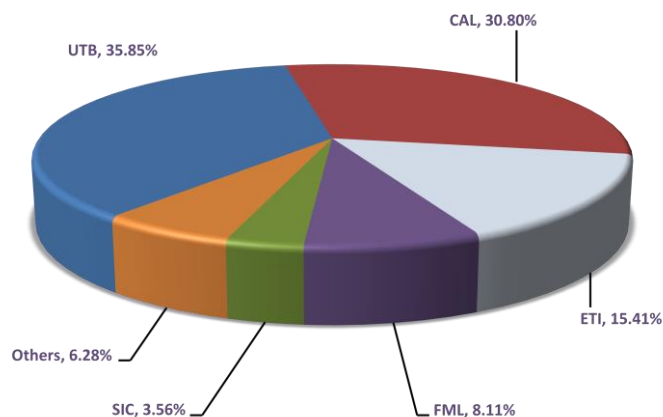


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 10/09/2015 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.02	0.04	100.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	4.16	1.46%
Cal Bank Ltd	CAL	1.01	0.80	-20.79%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00%
Camelot Ghana Ltd.	CMLT	0.12	0.12	0.00%
Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00%
Ecobank Ghana Ltd.	EBG	7.60	7.99	5.13%
Enterprise Group Limited	EGL	1.75	2.20	25.71%
Ecobank Transnational Inc.	ETI	0.28	0.30	7.14%
Fan Milk Ltd.	FML	5.25	6.52	24.19%
Ghana Commercial Bank Ltd.	GCB	5.30	4.03	-23.96%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.20	-31.25%
Ghana Oil Company Limited	GOIL	1.05	1.73	64.76%
Golden Star Resources Ltd.	GSR	2.34	1.99	-14.96%
Golden Web Ltd.	GWEB	0.03	0.02	-33.33%
HFC Bank (Ghana) Ltd.	HFC	1.50	1.15	-23.33%
Mega Africa Capital Ltd	MAC	4.50	5.50	22.22%
Mechanical Lloyd Co. Ltd.	MLC	0.28	0.15	-46.43%
Pioneer Kitchenware Ltd.	PKL	0.06	0.05	-16.67%
Produce Buying Company Ltd.	PBC	0.12	0.10	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.30	0.34	13.33%
Standard Chartered Bank (GH) Ltd.*	SCB	20.35	16.62	-18.33%
SIC Insurance Company Ltd.	SIC	0.37	0.13	-64.86%
Starwin Products Ltd.	SPL	0.02	0.04	100.00%
Societe Generale Ghana Limited	SOGEGH	1.00	0.87	-13.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.24	0.32	33.33%
Total Petroleum Ghana Ltd.	TOTAL	6.10	5.40	-11.48%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	34.99	32.89	-6.00%
Unilever Ghana Ltd.	UNIL	10.70	7.52	-29.72%
UT Bank	UTB	0.25	0.11	-56.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.58	0.69	18.97%
NewGold Exchange Traded Fund	GLD	35.80	42.08	17.54%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.05	0.07	40.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7233	3.7271	16.41% ▼
GBPGHS	5.7451	5.7513	15.45% ▼
EURGHS	4.1743	4.1770	7.18% ▼

Table 6: Inter-bank indicative rates

▲ year-to-date appreciation ▼ year-to-date depreciation

Dollar extends gains against Cedi

The Dollar recovered from the loss it suffered against the Cedi a fortnight ago as the International Monetary Fund (IMF) hinted that Ghana's public debt now exceeds pre-HIPC levels. This was after a review of Ghana's performance under the bailout deal.

The Bretton Woods' Institutions has projected that Ghana's debt could cross the dreaded 70% of GDP mark by the end of this year. The IMF projects a 75% debt-to-GDP ratio for the country by end of 2015.

This among other reasons supported the rise in value of the greenback, as it traded at a midrate of GH¢3.7252 to push up its year-to-date return to 16.41% last Thursday.

Euro versus Cedi

Upward revisions to the Euro-zone's growth figures for the second quarter saw the shared currency record some gains on the global front.

The Eurozone's revised GDP data showed growth rising to 0.4% in the second quarter from 0.3%.

Consequently, the Euro gained about 1.15% of its value against the Cedi, pushing its annual return to 7.18%, i.e. 1.64% higher than the previous week.

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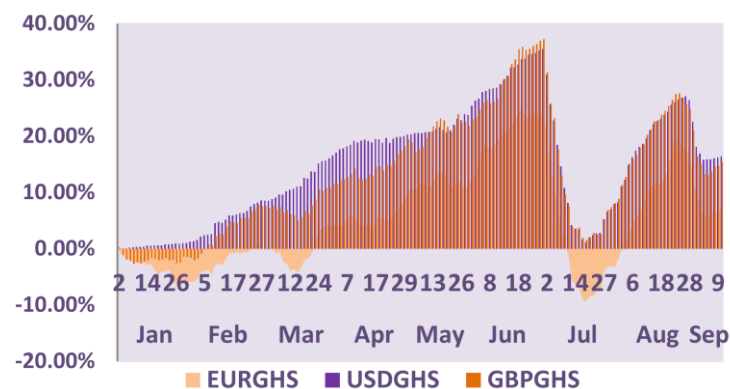
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CEDI FAILS TO SUSTAIN GAINS

The local currency failed to recoup more gains last week, amid the decline in inflation for the month of August.

According to the Ghana Statistical Service (GSS), the general prices of goods and services in the country declined from 17.9% in July to 17.3% in August.

In spite of the decline, the Cedi lost 1.09% of its holistic value in the week under review to push its annual loss to 13.37% on the inter-bank market.



Pound appreciates on BoE's decision

The Bank of England (BoE) kept its interest rates unchanged at 0.5% for September as the monetary policy committee appeared to be less concerned over the potential domestic impact of the turmoil in global markets. This seemed to have supported the value of the Pound on the international market.

Similarly, the Pound replicated its performance on the International market on Ghana's interbank market, settling at a year-to-date appreciation of 15.45%, after trading in the region of GH¢5.7451 and GH¢5.7513.

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