

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

10th March, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	56,312.92	56,078.75	-0.42%
Market Capitalization (US\$ million)	14,559.04	14,562.88	0.03%
Volume traded (shares)	1,561,353.00	309,918.00	-80.15%
Value Traded (GH¢)	1,836,433.71	441,146.43	-75.98%
Value Traded (US\$)	474,788.31	114,559.68	-75.87%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,963.72	-0.31%	-1.56%
SIC-FSL Top 15 Index	3,478.70	-1.57%	-6.24%
GSE Financial Stocks Index	1,897.09	-0.48%	-1.71%

Table 2: Key Stock Market Indices

LIQUIDITY

Aggregate volume and value of traded shares dropped last week, following the exchange of 309,918 shares which was valued at GH¢441,146.43. This represented a decline of 80.15% and 75.98% in both volume and value of shares traded.

Unexpectedly, the petroleum sectors contributed 46.30% and 47.21% of both volume and value of shares that traded, showing the sector's prominence in the week under review.

Ghana Oil Company Limited (GOIL) emerged the best stock in terms of volume and value of shares that traded. GOIL contributed 143,417 of the total traded shares, representing 46.28% of total traded shares on the market within the period, valued at GH¢207,954.65, representing 47.14%.

FINANCIAL STOCKS DRAG PERFORMANCE FURTHER DOWN

The Ghana Stock Exchange (GSE) declined for the fourth consecutive time last week, following increased uncertainty in market dealings. Losses in the shares of Ecobank Ghana Limited (EBG), Trust Bank (Gambia) Limited (TBL), Ecobank Transnational Incorporated (ETI) and SIC Insurance Company Limited (SIC) dragged the broader market further down by 0.31%.

In the end, key benchmark indices like the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Liquid Index (SIC-FSL T-15) closed the week at annual losses of 1.56%, 1.71% and 6.24% respectively, from a year-to-date losses of 1.25%, 1.23% and 4.75% accordingly.

The value of listed companies dropped to GH¢56.08 billion from GH¢56.31 billion last Thursday. However, an equivalent dollar value remained fairly stable at USD 14.56 billion.

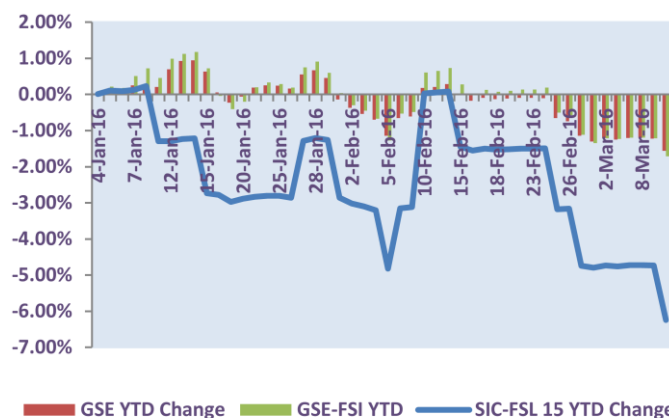


Fig 1: Year -to -date returns

MARKET MOVERS

ETI dips despite upward anticipation

In spite of comparatively lower price-tag on the Bourse, investors still beat-down the share value last Thursday. ETI's share closed the week's session at GH¢0.23 from an open price of GH¢0.24 per share.

At the current price above, analysts still believe the stock is trading below its fundamentals, especially when compared to the trailing P/E ratio of 4x as against a sector average of 6x. Even that aside, ETI is still priced below the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢0.29 per share and below the 248-Day average trading price of GH¢0.30 per share.

TBL drops to GH¢0.35

Unimpressive full-year (FY'15) results released by Trust Bank Gambia Limited (TBL) appeared to have partly contributed to the company's poor share performance on the Exchange last week. TBL's share price on the Ghanaian market dropped to GH¢0.35 a share from a week and year open price of GH¢0.37 last Thursday.

TBL saw a revenue growth from GH¢52.06 million in FY'15 to GH¢67.10 million in FY'16, representing a momentous jump of 29% in total revenue. This, however, resulted in a net profit decline of 9%, settling at GH¢ 10.94 million in FY'15 from GH¢11.96 million in the same period last year.

In spite of the aforementioned, TBL's share seemed to be priced slightly higher than the current market price above when compared to the Book Value Per Share (BVPS) price of GH¢0.32 and the 248-Days average trading price of GH¢0.30 per share.

Investors beat-down SIC shares to 18-pesewas

The national insurer; SIC Insurance Company Limited (SIC) suffered a decline in share price to GH¢0.18 from GH¢0.19 per share last week. The drop in share price appeared to have been caused by the increased selling pressure on the market last week, as investors' appetite to cream-off gains on their investment intensified.

Nonetheless, SIC was able to hold-on to its top spot as the year-to-date best performing stock on the Exchange, with an increase of 28.57% in value.

At the current price above, the stock is trading at a discount of 77% of the trailing P/E ratio when compared to the sector's average ratio of 16x, and a Book Value Per Share (BVPS) price of GH¢0.42 signaling a higher probability of upward price review in future.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	1.00	1.01	0.01	1.00%
EGL	2.40	2.45	0.05	2.08%
GOIL	1.44	1.45	0.01	0.69%
SOEGEH	0.80	0.81	0.01	1.25%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EBG	7.05	7.03	-0.02	-0.28%
ETI	0.24	0.23	-0.01	-4.17%
SIC	0.19	0.18	-0.01	-5.26%
TBL	0.37	0.35	-0.02	-5.41%

Table 4: Laggards for the week

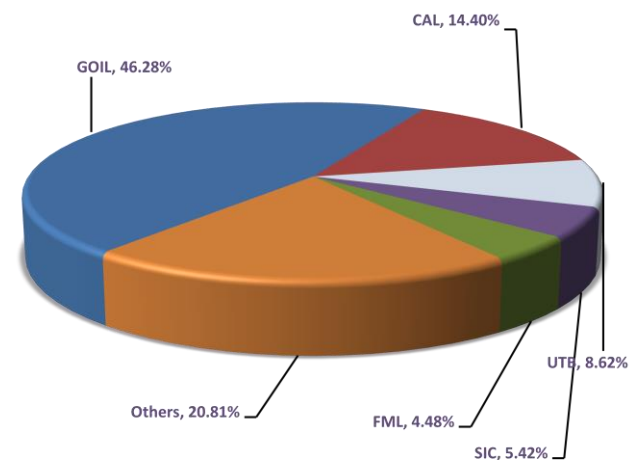


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 10/3/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.02	0.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.07	-50.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.13	25.20%
Cal Bank Ltd	CAL	1.00	1.01	1.00%
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	0.01	-50.00%
Ecobank Ghana Ltd.	EBG	7.01	7.03	0.29%
Enterprise Group Limited	EGL	2.40	2.45	2.08%
Ecobank Transnational Inc.	ETI	0.27	0.23	-14.81%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.70	-2.37%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.96	-1.51%
Ghana Oil Company Limited	GOIL	1.40	1.45	3.57%
Golden Star Resources Ltd.	GSR	1.99	1.99	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	1.00	11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.20	5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.08	-20.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.26	-0.25%
SIC Insurance Company Ltd.	SIC	0.14	0.18	28.57%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.81	1.25%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.35	-5.41%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.12	0.39%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.92	-0.29%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.11	10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	0.71	0.71	0.00%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.09	12.50%
Intravenous Infusions Limited	IIL	0.09	0.09	0.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.8488	3.8527	1.47% ▼
GBPGHS	5.5065	5.5148	1.88% ▲
EURGHS	4.2905	4.2963	3.91% ▼

Table 6: Inter-bank indicative rates

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

Dollar loses to Cedi as inflation declines

The Dollar saw another downward revision last week amid the release of data on Ghana's inflation for the month of February.

Inflation for last month declined marginally from 19% in January to 18.5%, signaling the effectiveness of the central bank's tight monetary policy.

The central bank has put in place measures to meet the demand for dollar on the market, catapulting the value of the Cedi against the Dollar in recent times. This also indicates the rise in confidence in the value of the Cedi on the currency market.

The American currency dropped from a year to date gain of 1.92% to 1.47% after surrendering 0.44% of this value to the Cedi on the interbank market in the period under review.

Pound trims down its YTD loss

The Pound strengthened on the international front after Industrial output returned to growth in January and manufacturing output also came in positive beating expectations with a figure of 0.7% over a prior figure of -0.2%.

On Ghana's currency market also, the GBPGHS was pegged between GH¢5.5065 and GH¢5.5148, indicating an appreciation in the value of the Pound against the Cedi.

Consequently, the annual loss of the British Pound declined to 1.88% following the rise in value of the Pound by 1.04% on the currency market.

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CEDI LOSES HOLISTICALLY

The local currency ended Thursday's trading on the downside following a composite loss of 0.40% on the inter-bank market.

Though the Cedi held steady against the Dollar on the currency market, extending its stability against the Dollar to the third consecutive week, it was losses suffered against the Pound and the Euro that determined the performance of the Cedi on the inter-bank market last week.

The local currency declined by 0.47% among the banks, to settle at a year-to-date loss of 1.61%.

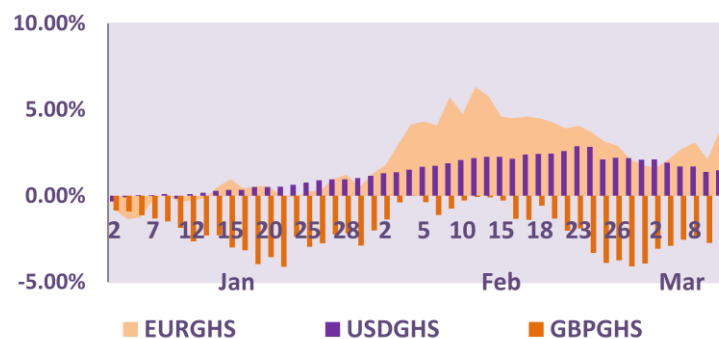


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro makes the most gains against Cedi

The shares currency climbed from year-to-date return of 2.13% in the previous week, after trading between GH¢4.29 and GH¢4.30 per Euro on the inter-bank market.

The 1.73% rise in value of the Euro extended its annual yield to 3.91% against the Euro.

This appreciation can be traced from the international market as the President of the European Central Bank (ECB), Mr. Mario Draghi indicated that the central bank will no more cut rates, fuelling the rise in value of the European currency on the international market.

Prior to that, the ECB pulled a surprise on the market as it announced a broader monetary accommodation measures than had been expected. The ECB cut its deposit rate to -0.4% from -0.3% and increased its bond buying program to €80 billion as well as including corporate bond in its list of authorized instruments.

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