

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

11th August, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,588.41	54,662.72	0.14%
Market Capitalization (US\$million)	13,831.76	13,866.75	0.25%
Volume traded (shares)	1,294,984.00	1,007,340.00	-22.21%
Value Traded (GH¢)	5,849,161.50	4,848,881.59	-17.10%
Value Traded (US\$)	1,482,076.09	1,230,056.21	-17.00%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,806.38	0.73%	-9.45%
SIC-FSL Top 15 Index	3,163.72	0.56%	-14.73%
GSE Financial Stocks Index	1,693.45	0.35%	-12.26%

Table 2: Key Stock Market Indices

LIQUIDITY

Activity in twenty-five (25) equities yielded an aggregate volume of 1.01 million shares, which was 22.21% lower than the previous week's performance. The drop was due to the absence of block trade on the Exchange last week. Similarly, corresponding value traded also declined from the GH¢5.85 million to GH¢4.85 million, representing 17.10% drop in value when compared to the previous week's figure.

Stocks from the consumer goods became the preferred choice of most investors after contributing a total of 48.47% of the shares that traded last week, and a corresponding value traded of 94.59%.

The shares of Fan Milk Limited (FML) remained the most traded on the market in terms of volume and value of traded shares. The stock contributed 486,720 out of the total traded shares, representing 48.32% of market volume. This was valued at approximately GH¢4.58 million, which represented 94.56% of market value.

GSE STAYS ON COURSE FOLLOWING IMPROVED MARKET CONFIDENCE

The Ghana Stock Exchange (GSE) sustained its recovery drive for a third consecutive week, following the increased bullish sentiment. Shares of Fan Milk Limited (FML), GCB Bank (GCB), Cal Bank Limited (GCB), and PBC Limited (PBC) appreciated in value to prop-up key market indices. In the end, the broader market went up by 0.73% last Thursday.

The benchmark index; GSE Composite Index (GSE CI) rose to 1,806.38 points from 1,793.27 points, resulting in an improved annual loss of 9.45%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also appreciated fairly to settle at a year-to-date loss of 12.26% and 14.73% respectively.

Total market capitalization of the Ghana Stock Exchange also appreciated by 0.14% to GH¢54.66 billion from GH¢54.59 billion. An equivalent dollar value also appreciated to USD 13.86 billion from USD 13.83 billion.



Fig 1: Year -to-date returns

MARKET MOVERS

FML nears six years peak price

Fan Milk Limited (FML) recorded a 42-pesewas upward price change last week to close the week's activities at GH¢9.42 per share. The trend appeared to be pushing towards its peak price of GH¢10.57 a share six (6) years ago when the company issued its last bonus share in the ratio of 5:1 in 2010.

FML is the current best performing stock on the Accra bourse, showing an upward price increase of GH¢2.07 per share which represents 28.16% annual yield. Analysts seemed to attribute the improved performance of the company to its resilience on the Ghanaian market coupled with the impressive financial performance.

The company reported a revenue growth of 26% from GH¢145.54 million in HY'15 to GH¢183.03 million in HY'16. This resulted in 18% growth in net profit when compared to the same period 2015 profit figure of GH¢25.50 million.

Though present trading statistics like the 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢7.91 per share and the 182-Day Average Trading Price of GH¢7.43 per share tend to signal the degree of heat in the market price, investors seemed unperturbed at all as they continue to bid up the price.

GCB climbs to GH¢3.45 per share

Appetite for GCB Bank Limited (GCB) shares grew further last week, following an appreciation of 2.68% in the Bank's share value, settling at GH¢3.45 per share.

According to analysts, the release of better-than-expected results appeared to have whip up investors interest in the Bank, hence the continual upward price shift. The Bank's revenue grew from the GH¢486.03 million in HY'15 to GH¢578.79 million in HY'16, translating into a net profit after tax figure of GH¢187.22 million in HY'16.

The performance, appeared satisfactorily, as investors rush for Bank's share on the Exchange.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.84	0.87	0.03	3.57%
FML	9.00	9.42	0.42	4.67%
GCB	3.36	3.45	0.09	2.68%
PBC	0.04	0.05	0.01	25.00%
SIC	0.15	0.17	0.02	13.33%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
HFC	0.78	0.71	-0.07	-8.97%
MLC	0.18	0.16	-0.02	-11.11%
PZC	0.22	0.21	-0.01	-4.55%

Table 4: Laggards for the week

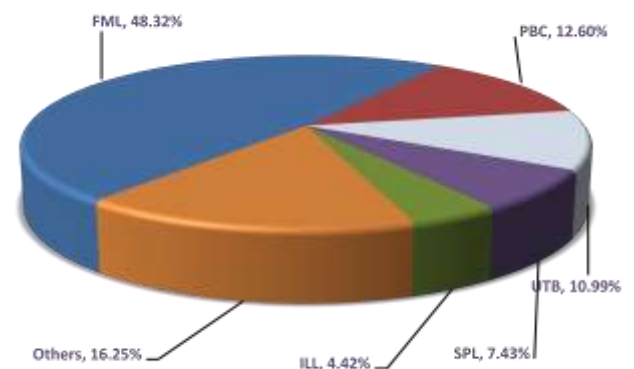


Fig 2: Top 5 most liquid equities with respect to volume traded

MARKET MOVERS

PBC LIMITED (PBC) ANNOUNCES ANNUAL GENERAL MEETING(AGM): Directors of PBC have declared Wednesday, August 24, 2016 for the company's 15th Annual General Meeting (AGM). The meeting will be held at the Ebenezer Presbyterian Church Hall, Osu, in Accra at exactly 10:00 am prompt.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 11/08/2016 (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	0.14	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.11	-38.89%
Benso Oil Palm Plantation	BOPP	2.50	2.80	12.00%
Cal Bank Ltd	CAL	1.00	0.87	-13.00%
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.	EGH	7.01	6.70	-4.42%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	9.42	28.16%
Ghana Commercial Bank Ltd.	GCB	3.79	3.45	-8.97%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.80	-9.55%
Ghana Oil Company Limited	GOIL	1.40	1.36	-2.86%
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	0.71	-21.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.16	-15.79%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.05	-50.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.21	-38.24%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.23	-12.70%
SIC Insurance Company Ltd.	SIC	0.14	0.17	21.43%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	3.39	-33.53%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.88	-0.43%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.07	-30.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.74	4.23%
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	0.10	25.00%
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	3.9400	3.9440	3.87% ▼
GBPGHS	5.1051	5.1126	9.04% ▲
EURGHS	4.4017	4.4074	6.60% ▼

Table 6: Inter-bank indicative rates

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

Dollar nosedives in value

The American Dollar was marginalized against the Ghanaian Cedi in the period under review as it lost 0.12% of its value on the inter-bank market.

The release of a good inflation report as well as market liquidity and low demand for hard currencies like the Dollar seemed to have bolstered the fate of Ghana's local currency ahead of the Dollar.

The loss in the value of the greenback translated into a reduction in the Dollar's annual yield from 3.99% to 3.87%, after it was pegged between GH¢3.9400 and GH¢3.9440 on Thursday.

Euro supported by GDP data

The release of a strong German Gross Domestic Product data last Thursday boosted confidence within the Euro-zone as investors intensified their bets in the Euro.

The German GDP index rose 1.8% to 3.1%, supporting the bloc currency to appreciate against some of its peers on the international market.

On the local market, the story remained the same with the Euro strengthening by 0.26% better than the Ghanaian Cedi. The Cedi-Euro pair was trading at a midrate of GH¢4.41 last week, representing a year-to-date return of 6.60% in favour of the Euro.

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CEDI RECORDS AN APPRECIATION

The purchasing power of the Ghanaian Cedi saw an improvement last week amid the release of a positive data on inflation rate for the month of July 2016.

According to the Ghana Statistical Service (GSS), inflation rate dropped to 16.7% in July from 18.4% in June, owing to the fall in the prices of imported items to 15.2% subject to exchange rate stability.

Accordingly, the local currency trimmed down its cumulative loss to 2.30% from previous 2.55% as it rebounded in worth on the inter-bank market.

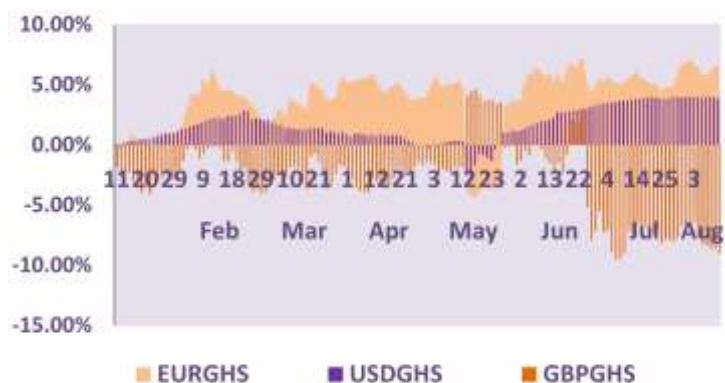


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound declines further

The Sterling weakened against most of its trading partners on the international market, as a comment made by one of Bank of England's (BoE) policy makers waned investors' confidence in the Pound.

According to Ian McCafferty, a policy maker with the BoE, the UK's central bank would likely need to cut interest rates again and raise quantitative easing if necessary.

The Pound continued to be under pressure after the UK had voted to exit the European Union in June 2016.

Similarly on Ghana's inter-bank market, the Pound depreciated in value, contributing significantly to the appreciation in the Cedi's holistic worth. Thus the Pound closed Thursday's trading at a midrate of GH¢5.1089, worsening its year-to-date loss to 9.04%.

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