

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

11th February, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	56,637.40	57,082.51	0.79%
Market Capitalization (US\$ million)	14,701.28	14,719.57	0.12%
Volume traded (shares)	3,483,711.00	3,239,772.00	-7.00%
Value Traded (GH¢)	6,907,143.40	4,002,300.33	-42.06%
Value Traded (US\$)	1,792,875.73	1,032,052.69	-42.44%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,999.14	0.91%	0.21%
SIC-FSL Top 15 Index	3,713.61	3.37%	0.06%
GSE Financial Stocks Index	1,942.63	1.33%	0.65%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of 3.24 million shares exchanged hands last week, representing a decline of 7.00% of the previous week's figure. Similarly, corresponding value traded slipped by 42.06% to settle at GH¢4.00 million.

As expected, the financial stocks contributed 93.05% and 94.50% of the total volume and value of shares traded in the past week.

UT Bank Limited (UTB) recorded the highest activity in the week, with a contribution of 2.10 million shares, which translates into 64.93% of total traded shares. However, Ecobank Ghana Limited (EBG) emerged the most valuable with a net contribution of GH¢2.78 million, which represented 69.48%.

GSE HITS POSITIVE TURF AGAIN

The Ghana Stock Exchange returned to positive turf last week after veering off the green line in the previous week's session. Shares of Cal Bank (CAL), Aluworks Limited (ALW), Ecobank Transnational Incorporated (ETI) and Ecobank Ghana Limited (EBG) supported the market's recovery.

Though, the Ghana Statistical Service (GSS) announced an increase of 1.3% rise in inflationary pressure within the week for the month of January, the impact had no influence on the equity market.

In the end, all the major performance indicators bounced-back to positivity, as the yield on the Composite Index (GSE-CI) improved by 91 basis points to close the week at 0.21%. The GSE Financial Stocks Index also gained 133 basis points to settle at an annual yield of 0.65% last Thursday. Likewise, the SIC-FSL Top 15 index; a measure of the Top 15 most liquid stocks on the GSE also improved by 337 basis points to settle at a year-to-date return of 0.06%.

The value of listed companies (market capitalization) went up by 0.79% to settle at GH¢57.08 billion from the previous GH¢56.64 billion, whereas an equivalent dollar value appreciated by 0.12% to USD14.72 billion.



Legend: GSE YTD Change (Red), GSE-FSI YTD (Green), SIC-FSL 15 YTD Change (Blue)

Fig 1: Year -to -date returns

MARKET MOVERS

CAL climbs to GH¢0.97

Increase demand for Cal Bank shares whip up the value of the company during last week market activities. This, according analyst was due to the rush by investors to consolidate their holdings in the Bank. CAL closed last Thursday's activities at GH¢0.97 per share, which represented 4.30% rise in nominal value. The rise, appeared not to have been influenced only by market interplay but, also due to the high anticipation of upward price correction in future.

Seemingly, historical price trend in CAL tag it above the GH¢1.00 price-band, and this is backed by the company's trailing P/E ratio and price-to-book metrics. Currently, CAL is trading at a 67% discount to the sector average trailing P/E ratio 11x and at a price-to-book ratio of 1x.

Nonetheless, at the current price above, CAL is at par to the 248-Day Average Trading Price of GH¢0.97 a share and above the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢0.83 per share.

Aluworks retrieves 1-pesewa

The Aluminium giant, Aluworks Limited (ALW) closed last week's trading session at GH¢0.09 a share, from a week-open price of GH¢0.08 per share. The surge appeared to be because of the improve market sentiment in the stock in recent activities on the Exchange.

At the current price above, the stock is trading above its estimated 248-Days volume weighted average price (VWAP₂₄₈) of GH¢0.07 per share and the 248-Day Average Trading Price of GH¢0.05 a share. Hence, the possibility of downward price review seems daring.

Tulow plunges over fallen oil-price

The oil exploration company; Tullow Oil Plc (TLW) ended last week as the worst performing stock on the Ghana Stock Exchange (GSE). This became evident after investors beat-down the share price to GH¢27.93 on the back of fallen oil-prices and budget cuts as announced by the company last week. In the end, Tullow shares plummeted by 6-pesewas to close at its record year-low price above.

Though, the stock is technically trading hugely below the VWAP₂₄₈ of GH¢31.16 per share and the 248-Day Average Trading Price of GH¢33.10 a share, the possibility of further downward price review appears more likely. The reason is because of the increased selling pressure on the Exchange and the declining oil prices on the international market.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.07	0.09	0.02	28.57%
BOPP	3.06	3.07	0.01	0.33%
CAL	0.93	0.97	0.04	4.30%
EBG	7.05	7.06	0.01	0.14%
ETI	0.25	0.27	0.02	8.00%
GCB	3.70	3.71	0.01	0.27%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
GGBL	1.99	1.97	-0.02	-1.01%
GOIL	1.45	1.44	-0.01	-0.69%
SCB	16.34	16.33	-0.01	-0.06%
SIC	0.20	0.19	-0.01	-5.00%
TLW	27.99	27.93	-0.06	-0.21%
UTB	0.11	0.10	-0.01	-9.09%

Table 4: Laggards for the week

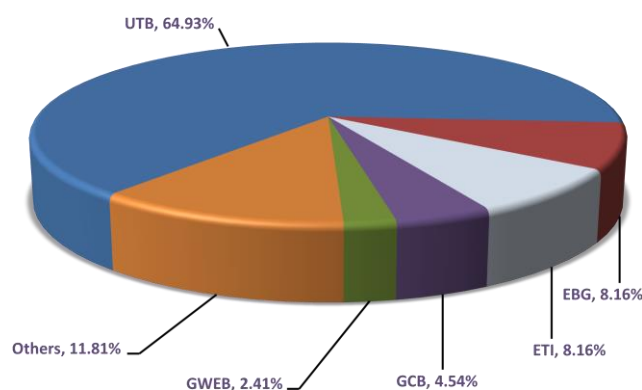


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 11/2/2016 (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	0.09	-35.71%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.07	22.80%
Cal Bank Ltd	CAL	1.00	0.97	-3.00%
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	7.06	0.71%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.27	0.00%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.71	-2.11%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.97	-1.01%
Ghana Oil Company Limited	GOIL	1.40	1.44	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	1.05	16.67%
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	0.09	-10.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.31	-8.82%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.33	0.18%
SIC Insurance Company Ltd.	SIC	0.14	0.19	35.71%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.84	5.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.37	0.00%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.15	0.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.93	-0.25%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.10	0.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	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	3.8760	3.8800	2.19% ▼
GBPGHS	5.6086	5.6159	-0.07% ▲
EURGHS	4.3913	4.3946	6.32% ▼

Table 6: Inter-bank indicative rates

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

Dollar outstrips Cedi in value

Increase in bets for safer haven currencies such as the Dollar continues to undermine the value of the local currency. Also, the release of data of Ghana's public debt for the month of November last year seemed to have favored the value of Dollar against the Cedi.

As at November 2015, the country's public debt increased slightly to GH¢93 billion from GH¢92 billion in August 2015, according to the Ministry of Finance. This indicates that from October to November 2015, the Government added about GH¢1 billion to the country's debt stock.

At the end of Thursday's trading activities, the greenback was trading at a midrate of GH¢3.8780 up from GH¢3.8526 a week earlier. This represented a year-to date return of 2.19% in favour of the Dollar.

Euro versus Cedi

Investors who seemed not too satisfied with the state of the economy disinvested from the Cedi to seek better returns in the Euro. This led to a 2.08% decline in the value of the Cedi to the Euro.

The Cedi's decline versus the Euro over the period saw the year-to-date loss of the local currency rise from a previous rate of 4.15% to 6.32%.

Accordingly, one Euro traded at a midrate of GH¢4.3930 on the inter-bank market.

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CEDI CONTINUES ITS DOWNWARD TREND AS INFLATION HIKES

The purchasing power of the local currency suffered yet another weekly loss against its major trading partners on the inter-bank market, as inflation rose to its highest level since 2009.

As stated by the Ghana Statistical Services (GSS), Ghana's annual inflation surged to 19% in January from 17.0% in December last year. This was as a result of the 59.2% increase in electricity tariffs, about 89% rise in water tariff and the upward adjustment in fuel prices by 27%.

This resulted in the 0.96% holistic decline in value of the Cedi in the period under review, translating into a year-to-date loss of 3.02% last Thursday.

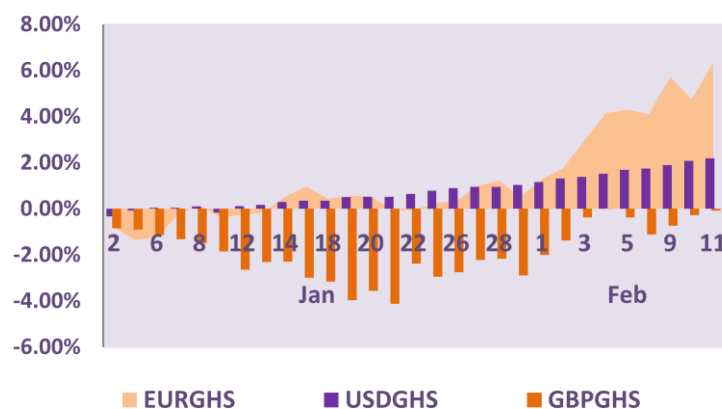


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound loses amid risk aversion

The Pound was under pressure with heightened market volatility amid risk aversion.

The British Pound lost value on the international market as expectations that the British economy would struggle with its recovery continues to drain market confidence in the economy and currency.

Similarly on Ghana's inter-bank market, the Pound lost to the Cedi after it was pegged between GH¢5.0686 and GH¢5.6159 on Thursday, representing a loss of 0.09% in value and an annual loss of 0.07%.

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