

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

12th May, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	53,907.17	54,215.27	0.57%
Market Capitalization (US\$ million)	14,182.37	14,243.56	0.43%
Volume traded (shares)	997,112.00	297,226.00	-70.19%
Value Traded (GH¢)	488,164.52	1,010,077.91	106.91%
Value Traded (US\$)	128,430.55	265,370.02	106.63%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,789.54	-0.94%	-10.29%
SIC-FSL Top 15 Index	3,023.00	2.48%	-18.53%
GSE Financial Stocks Index	1,699.43	0.70%	-11.95%

Table 2: Key Stock Market Indices

LIQUIDITY

Increased risk aversion appeared to have partly accounted for the huge decline in total shares traded last week. At the close of last Thursday's market session, a total of 297,226 shares have been traded by the twenty-three (23) active stocks within the period. Corresponding value traded was however impressive, following huge exchanges in bigger priced equities like SCB and GCB Bank (GCB).

Market activities were largely skewed towards finance stocks, as the sector recorded 81.96% and 82.95% of both aggregate volume and value of shares that traded respectively.

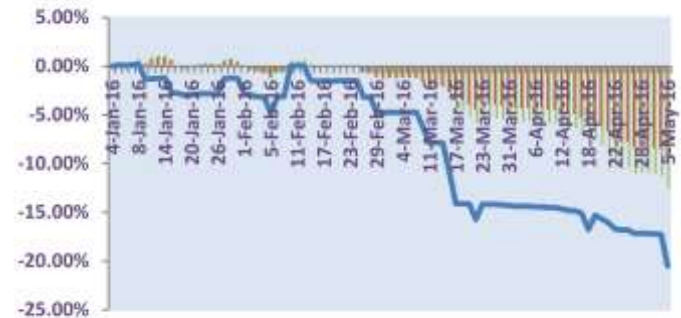
GCB Bank Limited (GCB) recorded the highest activity in the week, with a contribution of 71,766 shares, representing 24.15% of shares traded. Standard Chartered Bank Ghana Limited (SCB), by virtue of its higher-price recorded the biggest value of GH¢536,361.80, representing 53% of the total value traded.

ACCRA BOURSE STRUGGLES WITH BEARISH SENTIMENT

The Ghana Stock Exchange (GSE) continued to struggle with bearish sentiment in spite of the recent positive review on Ghana by the International Monetary Fund (IMF) under the Extended Credit Facility (ECF) program. Shares of Total Petroleum Ghana Limited (TOTAL), Fan Milk Limited (FML), Standard Chartered Bank (SCB) and Ghana Oil Company Limited (GOIL) dipped last week to further weakened market performance.

In effect, the benchmark index; the GSE Composite Index dropped 16.97 points to settle at an annual yield of 10.29%. However, the GSE Financial Stocks Index and the SIC-FSL Top-15 liquid Index (T-15 Index) saw an upward movement in performance last week improving from the previous annual losses of 12.57% and 20.50% to 11.95% and 18.53% respectively.

The value of listed companies (market capitalization) also improved to GH¢54.22 billion from GH¢53.91 billion previously. Corresponding dollar value also improved to USD 14.24 billion from USD 14.18 billion despite the Cedi's depreciation against the dollar. This was because of appreciations in stocks like ETI, GCB, MLC and PBC.



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

MARKET MOVERS

TOTAL drops to GH¢4.29 a share

Shares of the oil-marketing giant; Total Petroleum Ghana Limited (TOTAL) hit GH¢4.29 last week, from an opening price of GH¢4.90 per share. The drop, according to analyst might be due to the dwindling fortunes on the equity market and partly due to the company's poor Q1'16 results.

The company's bottom-line decline by 22% to settle at GH¢11.24 million in the first quarter (Q1'16) and this has been partly blamed on increased expenses. This appeared to have instilled fear in investors, hence the high selling pressure of the company's shares.

That nonetheless, TOTAL is currently trading far below its technical prospects, especially when compared to the company's 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢5.33 a share.

Profit-taking sinks FML

Increased profit-taking in Fan Milk Limited (FML) shares affected the stock's performance on the Exchange last week. Shareholders in the wake of declining yields on the market appeared to be creaming-off gains recorded over the period. The exchanges at the closed of the week favoured the bidders, as they beat-down price to GH¢7.00 from GH¢7.34 per share last week.

In spite of the seemingly poor performance last week's, prospects in future market activity appears bright following the improvement in the company's first quarter results.

CORPORATE NEWS

INTRAVENOUS INFUSIONS LIMITED LIMITED (IIL) ANNOUNCES ANNUAL GENERAL MEETING: Directors of IIL has settled on Friday, June 3, 2016 for the company's Annual General Meeting (AGM). The meeting will be held at the the Factory Premises, Plot 4/7, Block L, Effiduase, Koforidua at exactly 11:00 am.

STANDARD CHARTERED BANK GHANA LIMITED (SCB) ANNOUNCES FINAL DIVIDEND PAYMENT & ANNUAL GENERAL MEETING (AGM): SCB has proposed a final dividend payment of GH¢0.37 per share in respect of the 2015 financial year subject to shareholder's approval at the upcoming AGM . The dividend will be paid on Thursday, 30th June, 2016.

The Bank's AGM is scheduled to take place at the National Theatre, Accra on Tuesday, June 7, 2016 at exactly 11:00 am.

MECHANICAL LLOYD COMPANY LIMITED (MLC) TO HOLD ANNUAL GENERAL MEETING: Management of MLC announces that the Bank's 25th Annual General Meeting will be held at the Accra International Conference Centre, Accra on Monday, June 16, 2016 at 11:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.16	0.18	0.02	12.50%
GCB	3.00	3.04	0.04	1.33%
MLC	0.18	0.19	0.01	5.56%
PBC	0.07	0.08	0.01	14.29%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.05	3.00	-0.05	-1.64%
CAL	0.84	0.81	-0.03	-3.57%
EGL	2.45	2.44	-0.01	-0.41%
FML	7.34	7.00	-0.34	-4.63%
GOIL	1.51	1.37	-0.14	-9.27%
SCB	15.21	14.98	-0.23	-1.51%
TOTAL	4.90	4.29	-0.61	-12.45%

Table 4: Laggards for the week

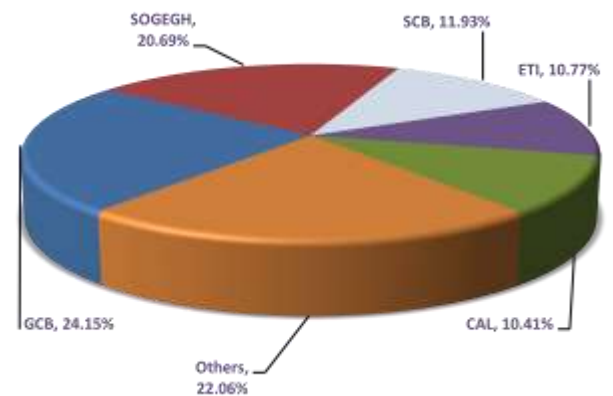


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 12/05/2016 (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	0.09	-35.71%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	3.00	20.00%
Cal Bank Ltd	CAL	1.00	0.81	-19.00%
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	6.79	-3.14%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.00	-4.76%
Ghana Commercial Bank Ltd.	GCB	3.79	3.04	-19.79%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.92	-3.52%
Ghana Oil Company Limited	GOIL	1.40	1.37	-2.14%
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	0.85	-5.56%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.19	0.00%
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	0.26	-23.53%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.98	-8.10%
SIC Insurance Company Ltd.	SIC	0.14	0.15	7.14%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.76	-5.00%
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	4.29	-15.88%
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	8.48	-0.24%
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 PREF	0.71	0.73	2.82%
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	3.8044	3.8082	0.30% ▼
GBPGHS	5.5061	5.5135	1.90% ▲
EURGHS	4.3331	4.3362	4.90% ▼

Table 6: Inter-bank indicative rates

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

Dollar remains resilient

The American Dollar continued to recoup the gains it had surrendered to the local currency in recent times. The value of the Dollar gained weight last week in spite of Ghana passing the International Monetary Fund's (IMF) review.

Ghana passed the IMF's third review under the Extended Credit Facility (ECF) program following an indication from the IMF that the country's performance was satisfactory. The institution disclosed that the economic performance has been slightly better than expected.

Nonetheless, market participants increased their bet in the greenback, seeing it as a safer heaven currency against any unforeseen event. This bolstered the value of the Dollar to a midrate of GH¢3.8063 from GH¢3.8010, pushing its annual return up to 0.30% against the Cedi.

Euro up by 0.11%

Trading in the bloc currency on the inter-bank market appreciated, although it continued to struggle with bearish sentiment on the global market as concerns of global economic stability weighs on investor confidence. This seemed not to have had a negative impact on the Euro's value locally.

Consequently, the Euro gained 0.11% of its value against the Cedi as it continues to be a beneficiary one of the safe haven bid to investors and traders. The Euro ended Thursday's trading at a midrate of GH¢4.3347 on the inter-bank market.

Alice Osei Okrah (Head)

Email: aokrah@sic-fsl.com

Email: research@sic-fsl.com

CEDI FALLS DESPITE DECLINE IN INFLATION

The Ghanaian currency last Thursday lost 0.12% of its worth to its major trading partners, notwithstanding the marginal decline in inflation for last month.

According to the Ghana Statistical Service (GSS), the general rise in prices of goods and services for the month of April dropped to 18.7% from 19.2% in March. This decrease was attributed to the non-food inflation, i.e. utility prices, transport and education.

However, inflation for the month of May is likely to rise marginally due to the recent 10% hike in fuel prices was not captured in that of April. This price effect in fuel may be captured in that of May this year.

The decline in inflation was not enough to forestall the Cedi from recording its second successive loss on the inter-bank market. This pulled its year-to-date loss to 1.28% from 1.16% the week earlier.

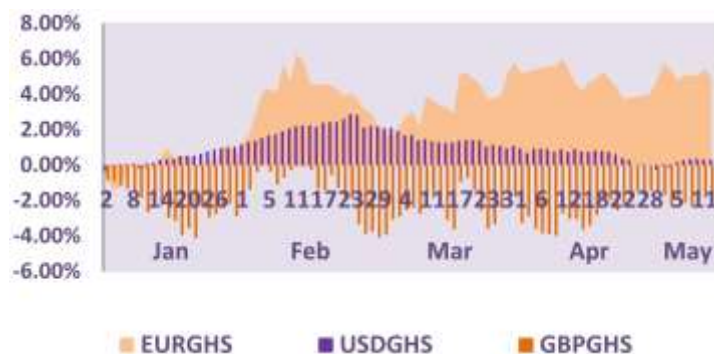


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound versus Cedi

Sterling managed to record some level of appreciation on the international market last week amid the rising concerns on the Brexit.

UK's National Institute of Economic and Social Research (NIESR) warned last week that the British Pound would lose 20% of its value immediately after leaving the European Union (EU), adding to the negative effects of the Brexit.

Investors were not perturbed about the news as they rather took solace in the support this could provide the 'In' campaign.

On Ghana's currency market also, the British Pound was able to outpace the Cedi by 0.08% resulting in a decline in its annual loss suffered against the Cedi from 1.97% to 1.90%.

Isaac Kwasi Mensah (Analyst)

Email: ikmensah@sic-fsl.com