

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

14th April, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,782.81	54,720.82	-0.11%
Market Capitalization (US\$ million)	14,305.85	14,307.59	0.01%
Volume traded (shares)	2,299,121.00	1,468,749.00	-36.12%
Value Traded (GH¢)	14,632,172.21	9,886,816.04	-32.43%
Value Traded (US\$)	3,821,009.09	2,585,058.84	-32.35%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,896.62	-0.60%	-4.93%
SIC-FSL Top 15 Index	3,160.59	-0.46%	-14.82%
GSE Financial Stocks Index	1,806.46	-0.69%	-6.40%

Table 2: Key Stock Market Indices

LIQUIDITY

In spite of the 1.14 million block trade in Unilever Ghana shares last Wednesday, aggregate volume and value of shares traded dropped significantly. A total of 1.47 million shares exchanged hands, valued at GH¢9.89 million. This represented a decline of 36.12% and 32.43% in volume and value respectively.

Market activities were largely skewed towards consumer goods sectors, as the sector recorded 77.72% and 98.06% of both aggregate volume and value of shares traded respectively.

Unilever Ghana Limited (UNIL) emerged the best traded stock, after contributing 77.40% of total traded shares, valued at GH¢9.66 million.

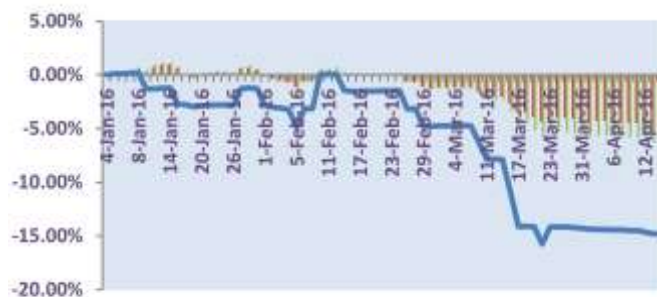
GSE WORSENS DESPITE BETTER ECONOMIC INDICATORS

The excitement on the Ghana Stock Exchange (GSE) reduced further last week, following the advantage laggards had over gainers in terms of numbers and magnitude. Even though economic indicators like the performance of the Cedi, the fluctuations in Crude Oil prices and the erratic power supply appeared to be temporarily stable, increasing inflationary pressure appeared to be major concern investors at present.

Shares of Unilever Ghana Limited (UNIL), Ecobank Ghana Limited (EGH), GCB Bank Limited (GCB), SIC Insurance Company Limited (SIC) and Total Petroleum Ghana Limited (TOTAL) dragged performance indicators further down.

Key benchmark indices like the GSE Composite Index (GSE CI), the GSE Financial Stocks Index and the SIC-FSL Top 15 Index turned southwards. They posted year-to-date losses of 4.93%, 6.40% and 14.82% respectively, greater than the 4.36%, 5.76% and 14.42% in the week before.

Total market capitalization of the GSE also declined by 0.11% to GH¢54.72 billion from GH¢54.78 billion, however its dollar equivalent remained fairly stable at USD 14.31 billion because of the stability the Cedi enjoyed against the greenback.



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

Fig 1: Year -to -date returns

MARKET MOVERS

Investors beat down UNIL's price despite strong financial performance

Investors appeared unimpressed of Unilever Ghana Limited's (UNIL) performance despite increased in growth of profitability as they beat-down the share value hugely. UNIL closed last Thursday's trading at GH¢8.50 per share, from a week-open price of GH¢8.70 a share. Analysts have linked the fall to the increasing uncertainty on the equity market. A situation, that appeared to have been strengthened by the pending elections in the later part of the year.

UNIL announced a profit after tax of GH¢35.74 million in FY'15 compared to the previous year loss of GH¢0.71 million. In the same period, Unilever's revenue grew by 26.4% to settle at GH¢518.70 million because of operational excellence despite unfriendly business environment.

At the current price of GH¢8.50 per share, UNIL appears to be trading above its 248-Days Volume Weighted Average Price (VWAP₂₄₈) of GH¢8.09 a share.

EGH returns to GHS 6.90 after almost 2-years

The shares of Ecobank Ghana Limited (EGH) returned to GH¢6.90 per share since June 2014 when it appreciated in value. Prospecting buyers at the close of business last Thursday bid-down the Bank's value from a week-open price of GH¢6.99 per share, in accordance to the increased selling-pressure on the exchange.

In view of the above, EBG's share value from the start of the year has dropped 1.57%, as it joined the list of market losers on the bourse this year.

Nonetheless, at the current trailing P/E ratio of 6x, the EGH is trading at a 12% discount to the sectors average ratio of 7x.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.07	0.08	0.01	14.29%
GOIL	1.45	1.46	0.01	0.69%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.13	3.12	-0.01	-0.32%
EGH	6.99	6.90	-0.09	-1.29%
GCB	3.65	3.60	-0.05	-1.37%
GGBL	1.93	1.92	-0.01	-0.52%
MLC	0.20	0.19	-0.01	-5.00%
SIC	0.17	0.14	-0.03	-17.65%
SOGEGH	0.81	0.80	-0.01	-1.23%
TOTAL	5.10	5.08	-0.02	-0.39%
UNIL	8.70	8.50	-0.2	-2.30%

Table 4: Laggards for the week

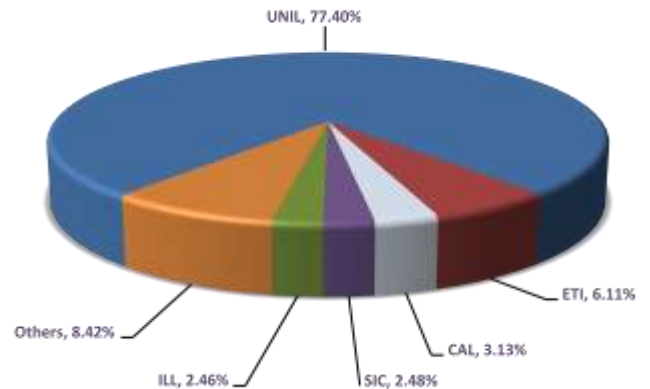


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

UT BANK LIMITED (UTB) TO HOLD EXTRAORDINARY GENERAL MEETING: Management of UTB has announced that the Bank will hold an Extraordinary General Meeting on Wednesday, 4th May, 2016 at 10am. It will be held at the Ghana College of Physicians & Surgeons in Accra.

FAN MILK LIMITED (FML) ANNOUNCES DIVIDEND PAYMENT: Management of FML have announced a final dividend of GH¢0.1035 per share in respect of 2015 financial year. This is subject to shareholders' approval at the upcoming Annual General Meeting (AGM).

In view of the aforementioned, any investor who buys FML shares on or after Friday, 29th April, 2016 will not be entitled to the final dividend.

MEGA AFRICAN CAPITAL LIMITED (MAC) ANNOUNCES ANNUAL GENERAL MEETING: Directors of MAC has scheduled Thursday, May 5, 2016 for the company's Annual General Meeting (AGM). The meeting will be held at the the Ghana College of Physicians & Surgeons, Accra at exactly 10:00 am.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 14/4/2016 (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	0.08	-42.86%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.12	24.80%
Cal Bank Ltd	CAL	1.00	0.98	-2.00%
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	6.90	-1.57%
Enterprise Group Limited	EGL	2.40	2.45	2.08%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.60	-5.01%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.92	-3.52%
Ghana Oil Company Limited	GOIL	1.40	1.46	4.29%
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	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.10	-1.23%
SIC Insurance Company Ltd.	SIC	0.14	0.14	0.00%
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	0.35	-5.41%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.08	-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 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	3.8226	3.8266	0.78% ▼
GBPGHS	5.4086	5.4166	3.63% ▲
EURGHS	4.3052	4.3088	4.24% ▼

Table 6: Inter-bank indicative rates

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

Dollar continues to nosedive

The American Dollar could not gain weight against Ghana's Cedi in spite of the report released by the International Monetary Fund on Ghana's growth for this year.

According to the Bretton Woods' Institution, Ghana will end 2016 with its debt-to-GDP ratio reaching 74.1%, which is quite higher than the 73% recorded in 2015.

Investors were not so much perturbed about the news as they held on confidently to the new central bank's Governor's comment. Last week, Dr. Abdul-Nashiru Issahaku said his top priority is to fight inflation as well as pursuing new policies to boost local business growth.

As a result, the USDGHS exchange rate declined by 0.13% in favor of the Cedi to trade at a midrate of GH¢3.8246, representing a fall in the Dollar's annual return to 0.78% on Thursday.

Euro loses again

The Euro weakened against some of its major trading partners on the internal market as a result of uncertainty over the stability of the Euro-zone's economic recovery and financial markets. Also, improved global risk appetite saw investors increasing their bets in higher yield currencies.

The Euro's stance on the Ghana's currency market was no different from that of the international market as the shared currency lost as much as 1.28% of its value to the Cedi. One Euro was traded at a midrate of GH¢4.3070 which is lower than the GH¢4.3628 it traded a fortnight ago; this curtailed its annual yield to 4.24%.

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CEDI SUSTAINS GAINS

Though inflation climbed higher for the month of March this year, it did not forestall the local currency from sustaining gains last week.

Ghana's annual inflation increased from 18.5% in February to 19.2% in March. This according to the Ghana Statistical Services (GSS) was driven by road transport fare increases, stating that road transport operators in Ghana announced a 15% hike in fares in late February this year.

However, the World Bank (WB) last week, predicted that Ghana's economy will experience some moderate growth this year. The report from WB indicated that the expected growth is on the back of improving investor sentiment, the launch of new oil-fields and the easing of electricity crisis.

By the close of trading on Thursday, the Cedi had appreciated by 0.40%, trimming down its year-to-date loss from 1.43% to 1.03%.



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

Pound versus Cedi

Unlike the Cedi's other major trading partners, the Pound was resilient against the Cedi last week as it gained by nearly 0.30% on the currency market.

The Pound retreated from its weekly depreciation against the Cedi as it was pegged between GH¢5.41 and GH¢5.42 on the inter-bank market on Thursday.

Subsequently, the British Pound's year-to-date loss decreased from 3.91% to 3.63%.

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