

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

14th July, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,754.25	54,754.54	0.00%
Market Capitalization (US\$million)	13,929.90	13,895.33	-0.25%
Volume traded (shares)	180,621.00	1,080,222.00	498.06%
Value Traded (GH¢)	240,214.92	1,318,107.90	448.72%
Value Traded (US\$)	61,112.50	334,502.70	447.36%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,787.23	0.00%	-10.41%
SIC-FSL Top 15 Index	3,165.39	0.00%	-14.69%
GSE Financial Stocks Index	1,674.44	0.04%	-13.24%

Table 2: Key Stock Market Indices

LIQUIDITY

Comparatively turnover was better than the previous week's session, and this seemed to have been possible because of the full week trading sessions on the bourse last week, as compared to the holiday that accompanied the Eid al-Fitr celebration in the previous week. In the end, a total of 1.08 million shares exchanged hands, and this was valued at GH¢1.32 million.

The financial stocks were the most vibrant during the week's trading sessions, the sector contributed 72.45% and 45.74% of both volume and value of shares that traded.

SIC Insurance Company Limited (SIC) recorded the highest activity in the week, contributing about 500,200 shares, representing 46.31% of total shares traded. Standard Chartered Bank Limited (SCB), by virtue of its high-price made the biggest contribution in terms of value, accounting for GH¢281,562, representing 21.36% of the total traded value.

ACCRA BOURSE REMAIN STABLE

The activities on the Ghana Stock Exchange (GSE) remained stable for the second consecutive time despite the advantage gainers had over laggards. Shares of Aluworks Limited (ALW), GCB Bank (GCB), Standard Chartered Bank (SCB), and Unilever Ghana Limited (UNIL) appreciated in value but failed to significantly influence market performance. In the end, the broader market was only 0.06% up last Thursday.

The key benchmark index; GSE Composite Index (GSE CI) rose to 1,787.23 points from 1,787.17 points, resulting in an annual loss of 10.41%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also remained fairly stable at a year-to-date loss of 13.24% and 14.69% respectively last week.

Total market capitalization remained the same at GH¢54.75 billion, however, an equivalent dollar value depreciated to USD 13.90 billion from USD 13.93 billion the week before. This was due to the Cedi's depreciation against Dollar last week.



MARKET MOVERS

Aluworks hits 13-pesewas a share

Rising confidence in the shares of the Aluminium giant; Aluworks Limited (ALW) pushed its market up to GH¢0.13 a share last week, from a week-open price of GH¢0.10 per share. The rise appeared to be backed by improved investor appetite on the Exchange.

Currently, Aluworks is trading above the estimated 91-Days volume weighted average price (VWAP₉₁) of GH¢0.08 per share and above the 91-Day Average Trading Price of GH¢0.09 a share. However, the current market price of GH¢0.13 still lags this year's open price of GH¢0.14 per share.

BOPP drops to GH¢2.80

The shares of Benso Oil Palm Plantation (BOPP) saw a 10-pesewas decline in market value to close as the worst performed stock on the Exchange. The company's share price dipped from the previous week's GH¢2.90 to GH¢2.80 per share following poor investors demand last week.

The slip in share appeared to be due to high diversification of the company shares by investors, especially when the current price is far below its fundamental price-tag. BOPP is trading below the VWAP₉₁ of GH¢3.05 and the 91-Day Average Trading Price of GH¢3.04 per share.

Investors surrenders GGBL shares

Shareholders of Guinness Ghana Breweries Limited (GGBL) showed their disapproval of the company's performance last week after investors bid-down share price to GH¢1.82 per share. The fall, might have been fuelled by the company's inability to revert from losses, as witnessed in its third quarter(Q3'16) results.

GGBL reported a loss after tax of GH¢8.19 million in Q3'16 results compared to the GH¢31.79 million in Q3'16 loss it recorded in the same period last year. The result appeared to have downplayed expectations as they gave up holding positions in the company.

Despite the downside performance, GGBL is currently trading above its VWAP₉₁ of GH¢1.93 per share and 91-Day Average Trading price of GH¢1.95 on the bourse, suggesting the possibility of future upward price recovery.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.10	0.13	0.03	30.00%
GCB	3.09	3.10	0.01	0.32%
SCB	14.24	14.25	0.01	0.07%
UNIL	8.47	8.48	0.01	0.12%
AADs	0.50	0.52	0.02	4.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.90	2.80	-0.10	-3.45%
EGL	2.42	2.41	-0.01	-0.41%
GGBL	1.84	1.82	-0.02	-1.09%
TOTAL	3.97	3.95	-0.02	-0.50%

Table 4: Laggards for the week

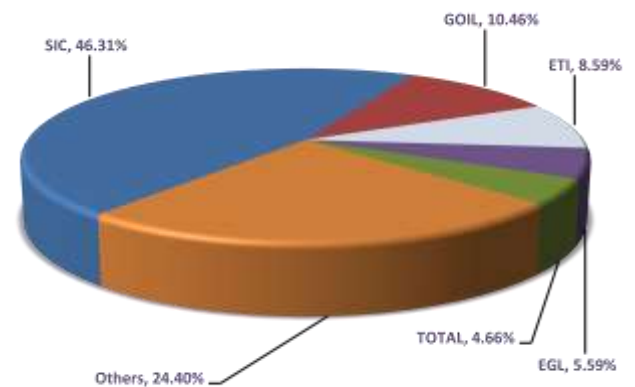


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 14/07/2016 (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	0.13	-7.14%
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	0.81	-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	6.60	-5.85%
Enterprise Group Limited	EGL	2.40	2.41	0.42%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	8.50	15.65%
Ghana Commercial Bank Ltd.	GCB	3.79	3.10	-18.21%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.82	-8.54%
Ghana Oil Company Limited	GOIL	1.40	1.35	-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	0.82	-8.89%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.18	-5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.06	-40.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.24	-29.41%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.25	-12.58%
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	0.78	-2.50%
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	3.95	-22.55%
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	0.08	-20.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	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	3.9385	3.9425	3.83% ▼
GBPGHS	5.2492	5.2565	6.47% ▲
EURGHS	4.3831	4.3856	6.11% ▼

Table 6: Inter-bank indicative rates

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

Demand for Dollar surges on

The demand for Dollar continued to outstrip supply, leading to a further deterioration in the value of the Cedi in the period under review.

The Dollar concluded the week with an 11th successive win against the Cedi on the wholesale market last week. The USDGHS exchange rate gained 0.25% on the interbank market contributing to the weakness in the value of the Cedi.

The Dollar gained support as investors bid up the value of the greenback to a midrate of GH¢3.9405, resulting in an annual return of 3.83%, in favour of the greenback.

Euro up, Cedi down

Although not highly impactful, the French Consumer Price Index (CPI) data managed to lend support to the single currency on the global market as it rose in value against a basket of currencies.

The French CPI appreciated as expected by 0.3% in June from 0.2% over the previous month.

On Ghana's interbank market, the Euro recorded its second sequential weekly appreciation against the Cedi as this was evident in the purchase of the shared currency at GH¢4.3831 and sale of GH¢4.3856. This represented a gain in the annual yield of the Euro from 5.25% the previous week to 6.11%.

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CEDI LANGUISHES AMID THE FALL IN INFLATION

Despite the data released about marginal decline in the general prices of goods and services for the month of June, the local currency was vulnerable to its major trading counterparts in the period under review.

According to the Ghana Statistical Services (GSS), inflation dropped by 0.05% to 18.4% for the month of June. This was due to the stability in food and fuel prices.

In spite of the drop in inflationary rate, the local currency gave up 0.97% of its composite value to settle at an annual depreciation rate of 2.63% on Thursday.

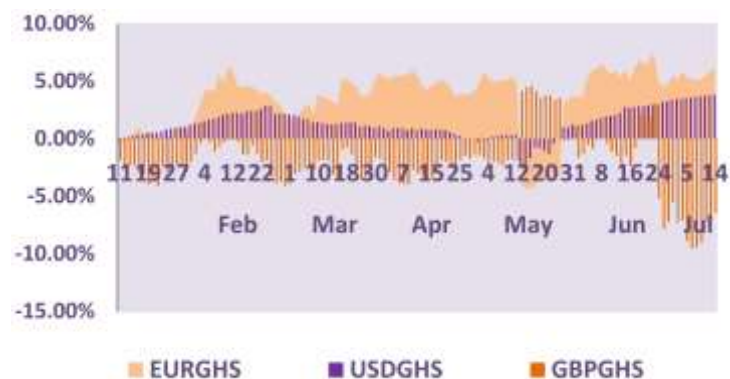


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound regains strength on economic data

The British Pound bounced backed strongly on the international market last week after the committee of the Bank of England (BoE) voted 8-1 to leave interest rates unchanged at 0.5%, surprising investors on the market.

The committee by this gave a strong indication that the UK central bank will not act rashly in the wake of Britain's decision to leave the European Union.

Correspondingly, the Pound gained significant value on Ghana's inter-bank market by close of trading on Thursday. The Pound recorded as much as 3.41% in value against the Cedi, trimming down its year-to-date loss from the early week's 9.56% to 6.47% on Thursday.

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