

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

15th September, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	53,551.71	53,097.56	-0.85%
Market Capitalization (US\$'million)	13,551.39	13,422.37	-0.95%
Volume traded (shares)	939,146.00	3,893,266.00	314.55%
Value Traded (GH¢)	615,110.09	754,714.50	22.70%
Value Traded (US\$)	155,655.11	190,782.00	22.57%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,778.34	-0.72%	-10.86%
SIC-FSL Top 15 Index	3,004.06	-2.17%	-19.04%
GSE Financial Stocks Index	1,686.17	-1.33%	-12.64%

Table 2: Key Stock Market Indices

LIQUIDITY

Despite declining share performance on the GSE, market activities moved up from the 939,146 to 3.89 million traded shares last week. The rise was due to a 2.86 million block trade in UT Bank shares last Wednesday. Similarly, corresponding value traded was also 22.70% better, when compared to the previous week's figure of GH¢615,110.09.

Market activities were skewed towards financial stocks, as the sector recorded 92.03% of the total shares that traded, which represented 44.72% of the entire value traded.

Undoubtedly, UT Bank's (UTB) share was the most traded equity on the bourse last week, with a record of 3.41 million shares exchanging hands, representing 87.59% of total traded shares. Ghana Oil Company Limited (GOIL), by virtue of its higher price recorded the biggest value of GH¢273,261.10 which represented 36.21% of the entire value traded in the week.

GSE DROPS ON WIDER MARKET UNCERTAINTY

Strong bearish sentiment on the Ghana Stock Exchange (GSE) saw performance indicators drop further in last week's trading sessions. Shares of Tullow Oil Plc (TLW), Ecobank Ghana Limited (EGH), Cal Bank Limited (CAL), Standard Chartered Bank Limited (SCB) and Ecobank Transnational Incorporated (ETI) were the equities that kept the market further down.

At the close of the week, the broader market; thus GSE Composite Index (GSE-CI) declined to 1,778.34 points from 1,791.24 points, representing a year-to-date loss of 10.86%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top-15 Index also dropped from their year-to-date losses of 11.46% and 17.24% each to 12.64% and 19.04% accordingly.

In effect, total market capitalization of the GSE also dropped from the GH¢53.55 billion to GH¢53.10 billion, an equivalent dollar value also slipped by 0.95% to USD13.42 billion due to Cedi's depreciation against the greenback.



Fig 1: Year -to -date returns

MARKET MOVERS

Tullow tumbles again

Activities in Tullow Oil Plc (TLW) shares saw the company's value dropped from the GH¢27.20 per share to GH¢27.00 a share last Thursday. The drop, in spite of the company's recent commencement of oil-drilling from the Tweneboa, Enyenra, Ntomme (TEN) fields offshore Ghana, might be largely due to the declining fortunes on the Ghanaian bourse. Tullow closed the week down by 20-pesewas as the worst performed equity last week.

Currently, Tullow is trading below its 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢27.93 per share and the 182-Day Average Price of GH¢27.94 per share, indicating a possible price-hike in the future when presumably market confidence is restored.

EGH drops to GH¢6.80

Lack of bait in Ecobank Ghana Limited (EGH) shares saw the Bank's value slipped from GH¢6.88 to GH¢6.80 per share last week. According to some analysts, the decline might have been triggered by the poor market sentiment as investors appetite for safer investment vehicles appeared strengthened.

In fact, traders ignored the sterling performance of EGH as witnessed in its half-year results to beat-down the price by 1.16%. Though, the Bank posted a revenue growth from GH¢483.14 million in HY'15 to GH¢578.66 million in HY'16, and net profit after tax grew from GH¢189.61 million in HY'15 to GH¢204.61 million in HY'16, investors still reduced their exposure in the bank probably due to market uncertainty.

CAL hits 3-year-low

The shares of Cal Bank touched a little over three year-low last week, following a decline from GH¢0.78 to GH¢0.75 per share last Thursday. The fall appeared to have been influenced by poor investor confidence not only in the bank but in the general market.

In spite of the decline, CAL is hugely trading below the VWAP₁₈₂ of GH¢0.96 and the 91-Day Average Trading price of GH¢0.93 a share. Nonetheless, a considerable upward adjustment can be anticipated in the not too distant future as investor confidence improves.

STOCK TICKER	Wk Open	Wk End	Change	% change
GOIL	1.20	1.24	0.04	3.33%
PZC	0.20	0.21	0.01	5.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.78	0.75	-0.03	-3.85%
EGH	6.88	6.80	-0.08	-1.16%
ETI	0.16	0.15	-0.01	-6.25%
GCB	3.97	3.96	-0.01	-0.25%
SCB	14.20	14.18	-0.02	-0.14%
TLW	27.20	27.00	-0.2	-0.74%
UTB	0.04	0.03	-0.01	-25.00%

Table 4: Laggards for the week

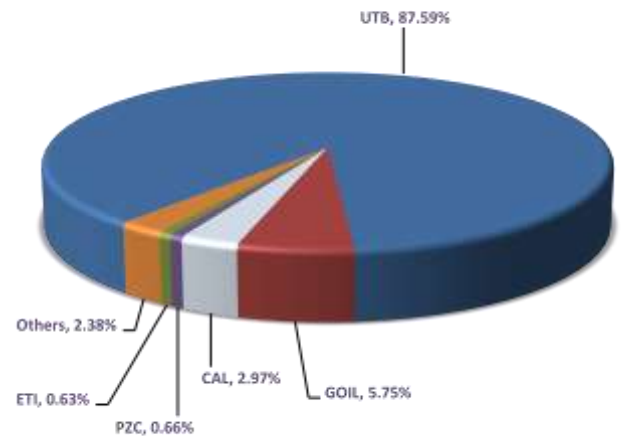


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 15/09/2016 (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	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.48	-0.80%
Cal Bank Ltd	CAL	1.00	0.75	-25.00%
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	6.80	-3.00%
Enterprise Group Limited	EGL	2.40	2.36	-1.67%
Ecobank Transnational Inc.	ETI	0.27	0.15	-44.44%
Fan Milk Ltd.	FML	7.35	9.75	32.65%
Ghana Commercial Bank Ltd.	GCB	3.79	3.96	4.49%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.79	-10.05%
Ghana Oil Company Limited	GOIL	1.40	1.24	-11.43%
Golden Star Resources Ltd.	GSR	1.99	1.95	-2.01%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.80	-11.11%
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	14.18	-13.01%
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	0.80	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	2.50	-50.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.00	-3.57%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.03	-70.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.75	5.63%
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

CEDI UP BY 0.05%

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.9539	3.9579	4.24% ▼
GBPGHS	5.2211	5.2280	6.9*8% ▲
EURGHS	4.4465	4.4486	7.64% ▼

Table 6: Inter-bank indicative rates

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

Dollar maintains upside performance

The Cedi failed to pare its weekly drop versus the Dollar last week following the release of the inflation report for the month of August.

Inflation for the month of August moved up marginally to 16.9% from the 16.7% recorded in July 2016. This was as a result of an increase in the non-food component of the inflation basket and inflation on imported goods during the period under review.

According to the Ghana Statistical Service (GSS), activities of speculators have heightened some exchange rate fluctuations which have seen increase in some goods and also, Ghana is likely to see an increase in its consumer price inflation till the end of 2016.

This accounted for the 0.11% gain in value of the Dollar, leading to a year-to-date appreciation rate of 4.24% on the inter-bank market.

Euro slightly unchanged

Though Euro managed to record some gains in early trading, the currency closed 0.01% weaker against the Cedi. This was due to the economic performance in the EU-region which continues to underperform.

The shared currency was bought at GH¢4.4465 and sold for GH¢4.4486 on the inter-bank market, ending trading at a mid-rate of GH¢4.4476. This brought about a marginal decline in the Euro's annual yield, from 7.65% to 7.64%.

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The Ghanaian Cedi managed to trim some losses on the inter-bank market, signifying the rising investors' confidence in the currency.

In the period under review, the Ghanaian Cedi gained support from a loss in value of its major trading currencies on the inter-bank market.

The Cedi from recorded a holistic appreciation of 0.15% in value, representing a drop in its year-to-date loss from 3.25% to 3.19% on Thursday.



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

Pound versus Cedi

Of the major currencies on the Ghanaian market, the Pound recorded the most loss against the Cedi in the week under review. It lost 0.60% on the inter-bank by close of trading on Thursday.

The sharp decline was on cue that the UK central bank's unanimously decided to keep its rate a stalemate position following an assessment which indicated that recent stimulus measures have had a broadly positive effect. This saw investors decrease their bet in the Pound. On the other hand, UK retail sales rose better than expected from 5.9% to 6.2% although this did little to forestall the Sterling from declining in value on the international market.

In effect, local currency traders adjusted the EURGHS exchange rate downwards to mimic events on the international front. Thus, £1 was pegged at a midrate of 5.2246, representing a year-to-date loss of 6.98%, favouring the Cedi.

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