

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

15th October, 2015



STOCK MARKET

| INDICATORS | WEEK OPEN | WEEK END | CHANGE |
|--------------------------------------|--------------|--------------|---------|
| Market Capitalization (GH¢ million) | 62,106.30 | 62,060.06 | -0.07% |
| Market Capitalization (US\$ million) | 16,556.38 | 16,455.01 | -0.61% |
| Volume traded (shares) | 3,352,226.00 | 1,818,391.00 | -45.76% |
| Value Traded (GH¢) | 2,845,607.24 | 2,100,238.59 | -26.19% |
| Value Traded (US\$) | 758,585.85 | 556,870.90 | -26.59% |

Table 1: Market Summary

INDEX ANALYSIS

| INDICATORS | Closing Level | Week Change | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index | 1,986.83 | -0.42% | -12.13% |
| SIC-FSL Top 15 Index | 3,748.47 | -0.34% | -4.94% |
| GSE Financial Stocks Index | 1,915.47 | -0.67% | -14.63% |

Table 2: Key Stock Market Indices

LIQUIDITY

Activity in 23 equities accounted for the 1.82 million shares that exchanged hands on the bourse last week. The total shares traded lagged behind the previous week's level of 3.35 million shares traded, following the absence of block trade on the Exchange. Corresponding value traded was GH¢2.10 million, representing a decline of 26.19%.

As expected, the financial sector contributed 65.45% and 58.93% of the cumulative 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 798,200 shares, which translates into 43.90% of total traded shares. However, Standard Chartered Bank Limited (SCB) emerged the most valuable with a net contribution of GH¢892,196.80, which represented 42.48% total value traded.

PERFORMANCE OF GSE, AS INFLATIONARY PRESSURE RISES

Report of an increase in inflationary pressure worsened stock market activities last week, as key market indices dipped further. Shares of Societe Generale Ghana Limited (SOGEGH), Benso Oil Palm Plantation Limited (BOPP), Cal Bank Limited (CAL) and GCB Bank Limited (GCB) were largely behind last week's poor performance.

The Ghana Statistical Service (GSS) announced an increase of 0.1% rise in inflationary pressure for September last week, as investors appeared to have relied upon that information to dump some of their holdings on the GSE. The GSS reported 17.40% inflation for September.

In the end, all the major performance indicators slipped-back as the magnitude of price depreciations weigh heavier than appreciation within the period. The yield on the Composite Index (GSE-CI) fell by 42 basis points to close the week at a year-to-date loss of 12.13% due to market volatility. The GSE Financial Stocks Index also dipped by 67 basis points to settle at an annual loss of 14.63% last Thursday. Likewise, the SIC-FSL Top 15 index; a measure of the Top 15 most liquid stocks on the GSE also suffered 34 basis points cut to close at a year-to-date loss of 4.94%.

The worth of listed companies (market capitalization) on the Exchange also dropped to GH¢62.06 billion, from a week opening value of GH¢62.11 billion.

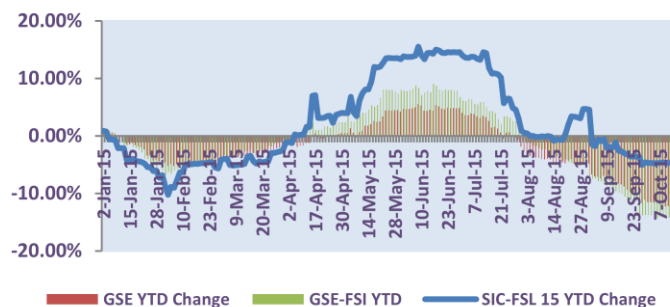


Fig 1: Year -to -date returns

MARKET MOVERS

SOGEGH dips on investors' sentiment

Societe Generale Ghana (SOGEGH) was the worst performing stock last week, following 10.34% decline in market value. The Bank closed trading at GH¢0.78 per share last Thursday, on what could be attributed to the poor performance displayed in the half-year result.

SOGEGH reported an approximate decline of 31.38% in net profit for the first half of the year 2015 when compared to the same period last year. The Bank's profit after tax dropped to GH¢13.28 million in HY'15 from the previous year's profit of GH¢19.35 million.

At the current price above, SOGEGH is trading below its year-to-date average trading price of GH¢0.95, and again below this year's open price of GH¢1.00 a share, giving credence to the possibility of upward price correction in the future.

BOPP slips to GH¢3.95

Benso Oil Palm Plantation Limited (BOPP) was the second worst performing stock on the Exchange last week, after shedding 5-pesewas of its market value during last week's activities. This reduced shareholders value by 1.25% over the week.

Technically, the company's share appears under-priced when compared to the year-open price of GH¢4.10 per share and average year-to-date price of GH¢4.20 per share. Nonetheless, the dwindling fortunes of the company, as portrayed in the half-year (HY'15) result tend to signal the rationale behind the dropping share price.

BOPP declared a profit after tax of GH¢4.36 million in HY'15 results, compared to the GH¢7.15 million recorded within the same period last year.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| ALW | 0.07 | 0.08 | 0.01 | 14.29% |
| GGBL | 1.98 | 2.00 | 0.02 | 1.01% |
| SCB | 16.29 | 16.30 | 0.01 | 0.06% |

Table 3: Gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| BOPP | 4.00 | 3.95 | -0.05 | -1.25% |
| CAL | 0.83 | 0.80 | -0.03 | -3.61% |
| EBG | 7.05 | 7.04 | -0.01 | -0.14% |
| GCB | 3.73 | 3.71 | -0.02 | -0.54% |
| SOGEGH | 0.87 | 0.78 | -0.09 | -10.34% |

Table 4: Laggards for the week

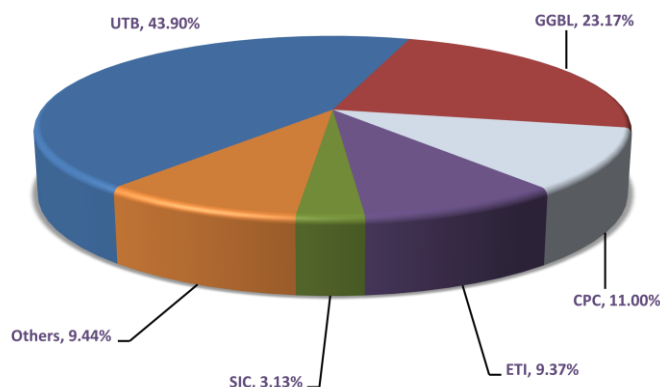


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

GUINNESS GHANA BREWERIES LIMITED (GGBL) APPOINTS DIRECTORS: Management of GGBL has appointed Mr. Leo Breen, Mr. Simon Harvey, Mr. Boudewijn Nicolaas Haarsma and Mr. Kofi Sekyere as members of the company's Board. The appointment took effect from the 22nd of September 2015.

STANCHART APPOINTS BEDU-ADDO TO AFRICA & MIDDLE EAST MANAGEMENT TEAM: Management of the global bank, Standard Chartered Bank has appointed Mr. Kweku Bedu-Addo onto the management team of Africa & Middle East Management of the Bank. This means he has assumed additional responsibilities as Chief Executive Officer, Standard Chartered Bank West Africa 2 Cluster, comprising Ghana, Sierra Leone and Gambia, effective from the 1st of October 2015.

| Stock | Ticker | Year Opening Price(GH¢) | Closing Price @ 15/10/2015 (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 | 0.02 | 0.08 | 300.00% |
| Ayrton Drug Manufacturing Ltd. | AYRTN | 0.18 | 0.18 | 0.00% |
| Benso Oil Palm Plantation | BOPP | 4.10 | 3.95 | -3.66% |
| Cal Bank Ltd | CAL | 1.01 | 0.80 | -20.79% |
| Clydestone (Ghana) Ltd. | CLYD | 0.03 | 0.03 | -33.33% |
| Camelot Ghana Ltd. | CMLT | 0.12 | 0.12 | 0.00% |
| Cocoa Processing Co. Ltd. | CPC | 0.02 | 0.02 | 0.00% |
| Ecobank Ghana Ltd. | EBG | 7.60 | 7.04 | -7.37% |
| Enterprise Group Limited | EGL | 1.75 | 2.20 | 25.71% |
| Ecobank Transnational Inc. | ETI | 0.28 | 0.30 | 7.14% |
| Fan Milk Ltd. | FML | 5.25 | 7.31 | 39.24% |
| Ghana Commercial Bank Ltd. | GCB | 5.30 | 3.71 | -30.00% |
| Guinness Ghana Breweries Ltd. | GGBL | 3.20 | 2.00 | -37.50% |
| Ghana Oil Company Limited | GOIL | 1.05 | 1.33 | 26.67% |
| Golden Star Resources Ltd. | GSR | 2.34 | 1.99 | -14.96% |
| Golden Web Ltd. | GWEB | 0.03 | 0.02 | -33.33% |
| HFC Bank (Ghana) Ltd. | HFC | 1.50 | 0.86 | -42.67% |
| Mega Africa Capital Ltd | MAC | 4.50 | 5.50 | 22.22% |
| Mechanical Lloyd Co. Ltd. | MLC | 0.28 | 0.15 | -46.43% |
| Pioneer Kitchenware Ltd. | PKL | 0.06 | 0.05 | -16.67% |
| Produce Buying Company Ltd. | PBC | 0.12 | 0.10 | -16.67% |
| PZ Cussons Ghana Ltd. | PZ | 0.30 | 0.34 | 13.33% |
| Standard Chartered Bank (GH) Ltd.* | SCB | 20.35 | 16.30 | -19.90% |
| SIC Insurance Company Ltd. | SIC | 0.37 | 0.13 | -64.86% |
| Starwin Products Ltd. | SPL | 0.02 | 0.04 | 100.00% |
| Societe Generale Ghana Limited | SOGEGH | 1.00 | 0.78 | -22.00% |
| Sam Woode Ltd. | SWL | 0.04 | 0.04 | 0.00% |
| Trust Bank Ltd. (The Gambia) | TBL | 0.24 | 0.35 | 45.83% |
| Total Petroleum Ghana Ltd. | TOTAL | 6.10 | 5.36 | -12.13% |
| Transaction Solutions (Ghana) Ltd. | TRANSOL | 0.03 | 0.03 | 0.00% |
| Tullow Oil Plc | TLW | 34.99 | 32.89 | -6.00% |
| Unilever Ghana Ltd. | UNIL | 10.70 | 7.82 | -27.20% |
| UT Bank | UTB | 0.25 | 0.09 | -64.00% |
| AngloGold Ashanti Depository Shares | AADS | 0.52 | 0.52 | 0.00% |
| Standard Chartered Bank Preference shares | SCB PREF | 0.58 | 0.69 | 18.97% |
| NewGold Exchange Traded Fund | GLD | 35.80 | 39.95 | 11.59% |
| Samba Foods Ltd | SAMBA | 0.73 | 0.73 | 0.00% |
| Meridian Marshalls Holding Company | MMH | 0.11 | 0.11 | 0.00% |
| Hords Limited | HORDS | 0.05 | 0.07 | 40.00% |

Table 5: Performance of listed equities from year open

CURRENCY MARKET

| EXCHANGE RATES | BUYING | SELLING | YTD CHANGE |
|----------------|--------|---------|------------|
| USDGHS | 3.7696 | 3.7734 | 17.86% ▼ |
| GBPGHS | 5.8052 | 5.8424 | 16.96% ▼ |
| EURGHS | 4.2795 | 4.3053 | 10.18% ▼ |

Table 6: Inter-bank indicative rates

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

Dollar sustains gains

The Ghanaian Cedi lost to the American Dollar last week, pending the impact of expected inflows from the Dollar loan and Eurobond.

Besides, investors' confidence in the local currency waned further after the International Monetary Fund had described as unfortunate the 10.75% yield Government accepted on the \$1 billion Eurobond issued recently.

In the period under review, the Cedi lost 0.54% of its strength to the greenback to see the Dollar's annual return rise to 17.86%.

Economic data supports Sterling's rise

The Pound strengthened against its major currencies on the international market, after data showed that the U.K.'s unemployment rate dropped to its lowest since mid-2008.

The Office for National Statistics said U.K.'s jobless rate fell to 5.4% in the three months to August, down from the 5.5% previously. This saw the number of people employed jump by 140,000, pushing the employment rate to 73.6%, being the highest since records began in 1971.

The news was no different on Ghana's currency market as the British Pound appreciated in value after trading between GH¢5.81 and GH¢5.84, representing a year-to-date gain of 16.96% in favour of the Pound.

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CEDI NOSEDIVES AS INFLATION INCHES UP

Following the marginal rise in inflation last week, the local currency suffered another loss against its major trading partners on the inter-bank market.

According to Ghana Statistical Service, inflation rate for the month of September moved up slightly by 0.1% to 17.4%, which was driven by education and recreation & culture at 29.6% and 27% respectively.

This saw a 0.94% decline in the Cedi's holistic value in the period under review, pushing its loss to 15.32% since the beginning of the year.

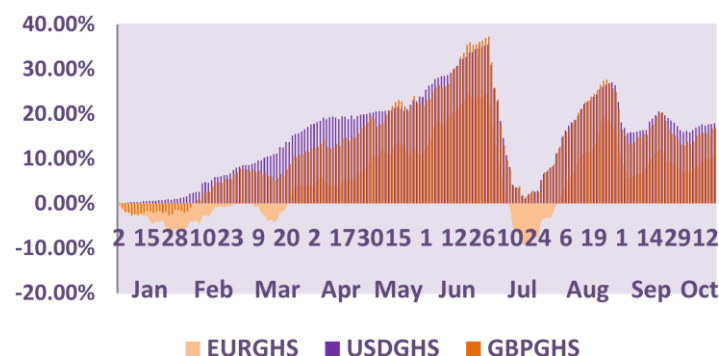


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro versus Cedi

According to data from Eurostat, Eurozone's trade surplus declined more-than-forecast to a 5-month low in August, as exports declined and imports rose.

The trade surplus of Euro region fell to a seasonally adjusted value of €19.8 billion from €22.4 billion in July. It was below the expected level of €22.1 billion and the lowest since March, when it totaled €17.4 billion. This did not favor the Euro on the global front, keeping it under pressure against its major counterparts.

However, the situation was different on Ghana's market as the Euro rose by 1.41% on the inter-bank market after trading at a midrate of GH¢4.2924 from GH¢4.2327 a fortnight ago.

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