

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

16th June, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,261.10	54,328.61	0.12%
Market Capitalization (US\$million)	14,024.22	13,938.63	-0.61%
Volume traded (shares)	315,034.00	2,238,693.00	610.62%
Value Traded (GH¢)	122,942.09	4,198,218.68	3314.79%
Value Traded (US\$)	31,775.37	1,077,101.54	3289.74%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,771.47	0.70%	-11.20%
SIC-FSL Top 15 Index	3,052.63	0.56%	-17.73%
GSE Financial Stocks Index	1,656.27	0.06%	-14.19%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activities were comparatively better than the previous week's session, following the exchange of 2.24 million shares on the Exchange, as compared to the 315,034 shares that traded in the week before. Corresponding value traded rose from GH¢122,942.09 to GH¢4.20 million within the period.

The financial stocks were the most vibrant during last week's trading sessions, the sector contributed 89.31% and 69% of both volume and value of shares that traded in the past week.

Enterprise Group Limited's (EGL) shares emerged preferred stock within the period, as the company recorded the biggest trade in terms of volume and value within the period. EGL accounted for 820,859 shares traded, representing 36.67% of market volume, valued at GH¢2.01 million.

GSE PERFORMS BETTER

The excitement on the Ghana Stock Exchange (GSE) improved further last week, following an increase in investor confidence on the bourse. A number of equities came out strongly against the downward trend experienced consistently from beginning of year. Shares of Fan Milk Limited (FML), Ecobank Ghana Limited (EGH), GCB Bank and Enterprise Group Limited (EGL) appreciated in value to trim-down cumulative losses on the broader market.

The key benchmark index; the GSE Composite Index (GSE CI) went up to 1,771.47 points from 1,759.13 points, resulting in a year-to-date loss of 11.20%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also improved from their previous levels of 1,656.31 and 3,035.77 points to 1,656.27 and 3,052.63 points respectively. Both, the GSE-FSI and the SIC-FSL T-15 closed the week at an improved year-to-date losses of 14.19% and 17.73% correspondingly.

The market capitalization also improved to GH¢54.33 billion from GH¢53.26 billion previously. However, corresponding dollar value declined to USD 13.94 billion from USD 14.02 billion because of depreciations in Ghanaian Cedi against the Dollar.



Fig 1: Year-to-date returns

MARKET MOVERS

FML hits GH¢8.00 per share

Despite the seemingly over-heated price of Fan Milk's (FML) shares, investors were unperturbed as they were willing to buy the shares at 8.70% premium on the Exchange last week. This improved the share price to GH¢8.00 per share, from the GH¢7.36 a share as opening price for last week.

Though, the shares of the yoghurt giant was trading slightly above its 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢7.35 a share and 91-Day Average Trading Price of GH¢7.34 per share, investors still bid-up the share price last week. This, according to analysts, might be due to the improved first quarter (Q1'16) performance of the company's.

FML's revenue grew from the GH¢71.49 million in Q1'15 to GH¢96.74 million in Q1'16, which resulted 33% growth on the company's net profit after tax of GH¢11.83 million in Q1'15.

Investors appeared to have considered the impressive performance in Q1 and seemed to quickly consolidate their positions in anticipation of even better H1 result.

EGH returns to GH¢6.35

Increased demand for Ecobank Ghana Limited (EGH) shares on the Exchange saw the share price rise from GH¢6.33 to GH¢6.35 per share last week.

Investors seemed to have considered the 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢7.03 and the 91-Day Average Trading Price of GH¢6.98 a share. It appears the prospects have rekindled investor appetite for the bank's shares.

EGL hits parity

Investors bid-up Enterprise Group Limited's (EGL) shares from GH¢2.43 to GH¢2.44 per share last Thursday, settling at par to the 91-Day Volume Weighted Average Price (VWAP₉₁).

EGL's is currently trading at a VWAP₉₁ of GH¢2.44 and a 91-Day Average Trading of GH¢2.43 per share, indicating that the company is might be trading at its peak price, especially when it is above the year's-open price of GH¢2.40 a share.

STOCK TICKER	Wk Open	Wk End	Change	% change
EGH	6.33	6.35	0.02	0.32%
EGL	2.43	2.44	0.01	0.41%
FML	7.36	8.00	0.64	8.70%
GCB	3.04	3.06	0.02	0.66%
UTB	0.07	0.08	0.01	14.29%
SCB PREF	0.73	0.74	0.01	1.37%
GOIL	1.38	1.39	0.01	0.72%

Table 4: gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.98	2.90	-0.08	-2.68%
CAL	0.85	0.83	-0.02	-2.35%
GGBL	1.90	1.85	-0.05	-2.63%
SCB	14.27	14.25	-0.02	-0.14%

Table 4: Laggards for the week

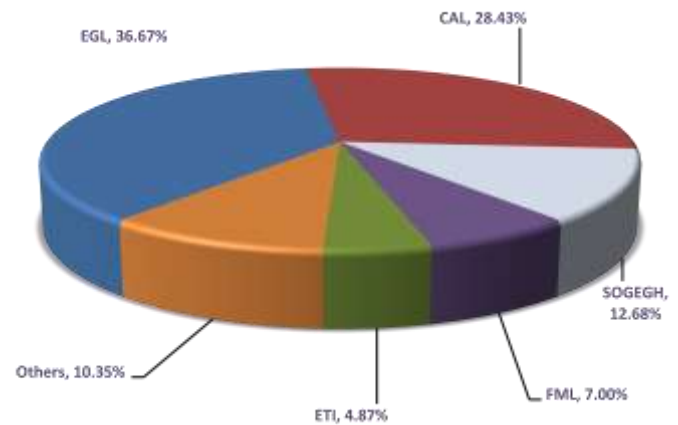


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 16/06/2016 (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	0.11	-21.43%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	2.90	16.00%
Cal Bank Ltd	CAL	1.00	0.83	-17.00%
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	6.35	-9.42%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	8.00	8.84%
Ghana Commercial Bank Ltd.	GCB	3.79	3.06	-19.26%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.85	-7.04%
Ghana Oil Company Limited	GOIL	1.40	1.39	-0.71%
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	0.83	-7.78%
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	0.07	-30.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.27	-20.59%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.25	-12.58%
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	0.77	-3.75%
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	4.00	-21.57%
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	8.47	-0.35%
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 PREF	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	3.8957	3.8997	2.71% ▼
GBPGHS	5.4785	5.4857	2.39% ▲
EURGHS	4.3401	4.3444	5.09% ▼

Table 6: Inter-bank indicative rates

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

American Dollar remains resilient

The repatriation of hard currencies like the Dollar by international companies on Ghana's inter-bank market gave support to the value of the American currency last week

The Cedi lost ground to the Dollar within the period under review, in spite of the central bank's recent announcement on its measures to deepen the foreign exchange markets and promote greater transparency in the determination of the exchange rate. According to the Bank, it will roll out a new directive by July 1, to compel all exporters, except those with Retention Agreements, to repatriate in full all their export receipts to their foreign exchange accounts (FEA) with local banks in Ghana to be converted into Cedis on need basis.

The USDGH exchange rate however appreciated by 0.74% to push its annual return to 2.71% by closed of trading.

Euro mimics Pound

The shared currency lost touch on the international market in the period under review as market participants sought for safer haven currencies ahead of the European Referendum on June 23, abandoning the Euro.

This saw a corresponding rate adjustment locally as the Euro shed off 0.86% of its worth on the inter-bank market to reflect a lower annual yield of 5.09%.

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CEDI REGROUPS IN VALUE

The Ghanaian Cedi bounced back in appreciation after it suffered quite a significant loss against its major trading currencies in the previous week.

In the face of rising inflationary pressures, the local currency last week managed to inch up by 0.22%, on the back of a 2 basis point rise in May inflation. The rate at which prices of goods and services rise in the Ghanaian economy rose from 18.7% captured in April, to 18.9% in the month of May.

The weighty loss in value of the British Pound followed by the Euro also contributed significantly to the holistic boost in the Cedi's value as demand for such currencies was low on the inter-bank market.

Consequently, the local currency trimmed down its year-to-date loss by about 0.2% to settle at 2.51%



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

Pound loses to Cedi

Concerns about the outcome of the Brexit again were the determinant of the Pound on the international market.

With the "out" campaign starting to pull a gap on the "in" campaign, the Governor of the Bank of England (BoE), Mark Carney indicated that the BoE had the necessary tools to manage a "leave" result but the effect could lead to sharp falls for the Pound.

This resulted in a slump in the value of the Pound around the globe, sending a rippling effect through our local market. In effect, Sterling lost 1.98% of its value to the Cedi to end trading buying at GH¢5.48 and selling for GH¢5.49.

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