

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

17th September, 2015



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	62,611.23	62,463.82	-0.24%
Market Capitalization (US\$'million)	16,807.48	16,188.21	-3.68%
Volume traded (shares)	2,689,550.00	2,044,618.00	-23.98%
Value Traded (GH¢)	2,691,875.74	4,130,232.12	53.43%
Value Traded (US\$)	722,612.41	1,070,396.55	48.13%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,061.96	-1.30%	-8.80%
SIC-FSL Top 15 Index	3,824.44	-1.05%	-3.01%
GSE Financial Stocks Index	2,017.57	-1.49%	-10.08%

Table 2: Key Stock Market Indices

LIQUIDITY

Liquidity failed to match the previous week's level of 2.69 million shares following a relatively lower activity than anticipated last week. Total shares traded dipped by 44.7% last week following the exchange of 2.04 million shares valued at GH¢4.13 million, up by 53.43% in value.

At the close of last Thursday's trading, 22 out of the 35 listed equities were active within the period. UT Bank Limited (UTB) recorded the highest in terms of shares traded whereas Standard Chartered Bank Limited (SCB) recorded the biggest value in terms of trade. UTB and SCB contributed a total of 585,578 shares and GH¢1.31 million each, representing 28.64% and 31.62% of both volume and value traded last week.

GSE REMAINS TEPID

The Ghana Stock Exchange (GSE) remained in its sluggish performance, as investors' preference in money market activities appeared attractive to the capital market dealings last week. At the end of the week, the broader market tilted further down.

Some analysts attributed the poor performance to the decreasing fortunes on the Ghana Stock Exchange (GSE) as investors search for a safer investment vehicle like the "money market". Even before the central bank announced an increased in policy rate of 100 basis points to hike the rate to 25%, the 91-Day Bill, the 182-Day Bill, the 1-Year Bill and the 2-Year Bill were selling at 25.30%, 25.91%, 22.50% and 23.00% respectively, offering a much improve risk-free investment prospects to equities.

In the light of the above, the broader market closed lower than the previous week as was evident in the performance of the GSE Composite Index, GSE Financial Stocks Index and the SIC-FSL Top 15 liquid Index. They declined by 1.30%, 1.49% and 1.05% each, to settle at -8.80%, -10.08% and -3.01% respectively, showing that investors sought for an alternative investment-option.

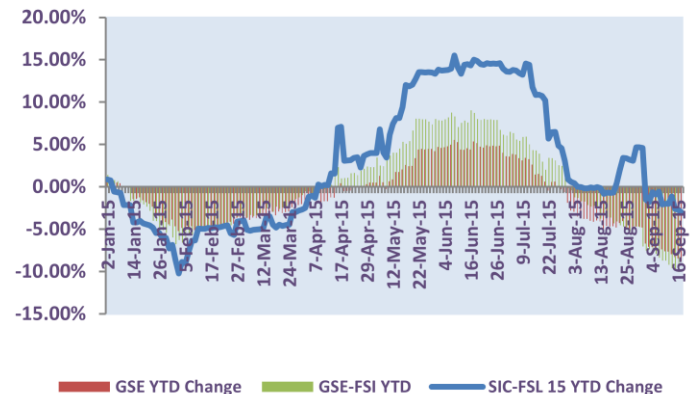


Fig 1: Year -to -date returns

MARKET MOVERS

Profit-taking drags EBG's share price down

Increased profit-taking in Ecobank Ghana Limited shares (EBG) cause the decline in the Bank's value on the Exchange last week. This appeared to have been caused by the poor performance of equities on the Accra Bourse, following the recent downward spree of the market.

Even though, the Bank's half-year 2015 (HY'15) result was better-than-expected, investors paid little attention to that, as they considered the harsh economic environment and the government's tightening policies to cream-off gains before being rubbed-off by these market inter-plays.

In the long run, EBG's share price dropped from the GH¢7.99 in the previous week to close at GH¢7.84 per share last Thursday. In spite of all that, the Bank is still trading below this year's average price of GH¢8.01 per share, resulting in a year-to-date return of 3.16%.

Investors bid-down GOIL's value

The shares of Ghana Oil Company Limited (GOIL) were the second worst performed stock on the Accra Bourse after Standard Chartered Bank (SCB). This followed a 13.29% drop in the Bank's market value last week. Though, GOIL reported an increase of 146% in net profit after tax in its HY'15 over a comparable period last year, shareholders gave up positions on the high possibility of losing the gains made through the difficult business environment.

Nonetheless, at the current price of GH¢1.50 per share, the stock is trading above this year's average price of GH¢1.28 a share. This appeared to prompt the possibility of further downward price correction in the future.

CORPORATE NEWS

TRUST BANK LIMITED (TBL) DECLARES INTERIM DIVIDENDS PAYMENT:

TBL has declared an interim dividend payment of D 0.20 per share which is equivalent to GH¢0.0043 with respect to the financial year 2015. The ex-dividend date is September 29, 2015, meaning any investor purchasing TBL shares before the above date will qualify for the dividend payment. The payment date will be Wednesday, October 7, 2015.

ENTERPRISE GROUP LIMITED (EGL) ANNOUNCES INCREASE IN SHARE CAPITAL:

EGL has increased its ordinary shares to 132,995,000 on the Ghana Stock Exchange (GSE), following the issuance and listing of additional 170,000 ordinary shares.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.80	0.85	0.05	6.25%
FML	6.52	6.75	0.23	3.53%
TBL	0.32	0.35	0.03	9.37%
UNIL	7.52	7.62	0.10	1.33%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EBG	7.99	7.84	-0.15	-1.88%
GCB	4.03	3.90	-0.13	-3.23%
GOIL	1.73	1.50	-0.23	-13.29%
SCB	16.62	16.23	-0.39	-2.35%
SOGEGH	0.87	0.80	-0.07	-8.05%
TOTAL	5.40	5.38	-0.02	-0.37%
UTB	0.11	0.10	-0.01	-9.09%
GLD	42.08	39.95	-2.13	-5.06%

Table 4: Laggards for the week

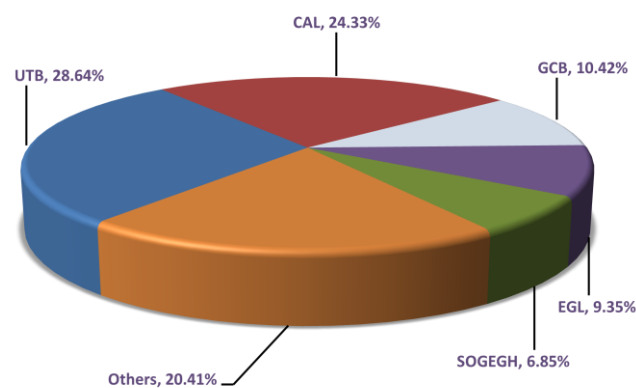


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 17/09/2015 (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	0.02	0.04	100.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	4.16	1.46%
Cal Bank Ltd	CAL	1.01	0.85	-15.84%
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	0.02	0.00%
Ecobank Ghana Ltd.	EBG	7.60	7.84	3.16%
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	6.75	28.57%
Ghana Commercial Bank Ltd.	GCB	5.30	3.90	-26.42%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.20	-31.25%
Ghana Oil Company Limited	GOIL	1.05	1.50	42.86%
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	1.15	-23.33%
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	16.63	-20.25%
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	0.80	-20.00%
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	5.38	-11.80%
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	7.62	-28.79%
UT Bank	UTB	0.25	0.10	-60.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	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	3.8566	3.8606	20.58% ▼
GBPGHS	5.9804	5.9886	20.19% ▼
EURGHS	4.3618	4.3655	12.01% ▼

Table 6: Inter-bank indicative rates

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

Dollar appreciates further

The Cedi lost to the Dollar last week as demand for the foreign currency progressively shot up on the currency market. The Dollar climbed from an annual yield of 16.41% to 20.58% after trading at a midrate of GH¢3.86 on the currency market.

However, the Cedi is anticipated to recoup some gains in the last quarter of the year following the expected inflows from the \$1.8 billion cocoa syndicated loan, to be drawn in early October. This is expected to help boost the central bank's reserves, thereby aiding the value of the local currency.

The loan which was oversubscribed by 44% was signed in Paris by the COCOBOD and some international banks on Thursday.

Euro improves in value

Profit-taking by investors who seemed to have disinvested from the Cedi to seek better returns in the Euro, saw the Cedi lose 4.50% of its value to the Euro in the week under review.

The Cedi's decline versus the Euro over the period saw the year-to-date loss of the local currency against the Euro rise from a previous depreciation of 7.18% to 12.01%. Consequently, one Euro was bought at GH¢4.36 and sold for GH¢4.37 on the inter-bank market.

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CEDI REMAINS UNDER PRESSURE

The Cedi was under pressure for yet another week amid the upward revision of Bank of Ghana's (BoG) monetary policy rate.

Last week, the Monetary Policy Committee raised its policy rate by 100 basis points to 25%, the highest in over a decade. This was due to threat to inflation rate increase, and economic growth. The decision according to Governor Kofi Wampah is consistent with the Bank's forecasts, which requires further tightening in order to bring inflation back within the target band of $8\pm 2\%$ by the end of 2016.

Thursday's trading activities ended with the Cedi plunging by 3.95% to settle at a year-to-date loss of 17.85%

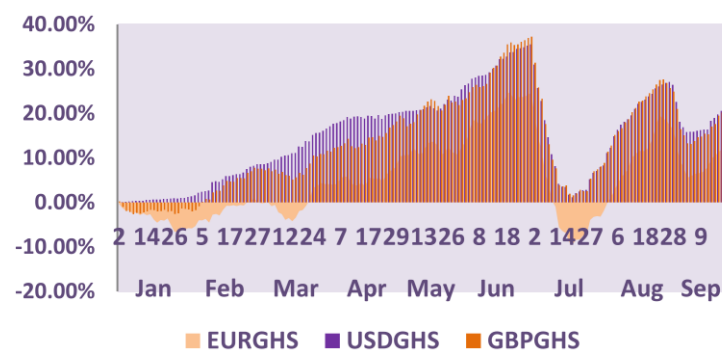


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Sterling gains on economic data

The British Pound rose against a basket of currencies on the international market as UK's employment data showed broad improvement in the British job market.

Unemployment rate fell to 5.5% while wage inflation rose to 2.9% at the end of July, boosting speculation that the rise in interest rates will be sooner than expected.

Similarly, the Euro strengthened against the Cedi on Ghana's inter-bank market, settling at an annual return of 20.19% in the period under review.

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