

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

17th December, 2015



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	56,669.68	56,971.54	0.53%
Market Capitalization (US\$ million)	14,924.86	14,995.67	0.47%
Volume traded (shares)	3,912,014.00	44,031,948.00	1025.56%
Value Traded (GH¢)	11,088,236.96	13,879,929.81	25.18%
Value Traded (US\$)	2,920,262.57	3,653,382.24	25.10%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,968.71	0.73%	-12.93%
SIC-FSL Top 15 Index	3,686.65	1.73%	-6.50%
GSE Financial Stocks Index	1,899.77	0.56%	-15.33%

Table 2: Key Stock Market Indices

LIQUIDITY

In line with the improved market performance, total shares traded increased significantly to GH¢44.03 million following the 2.61 and 38.06 million block trade by Intravenous Infusion Limited (IIL) shares last week. Corresponding value traded, also increased by 25.18% to close the week's activities at GH¢13.88 million.

Market activities were hugely active within the financial sector, as the sector contributed 73.87% of volume traded and 52.94% of value traded on the GSE.

Intravenous Infusion Limited (IIL) emerged the best traded stock in terms of volume, accounting for 92.37% of the total shares traded. GCB, accounted for 1.07 million of shares traded which was valued at GH¢4.04 million, representing 29.13% of value of shares that traded in the week.

GSE PERFORMS BETTER THAN RECENT SESSIONS

The Ghana Stock Exchange (GSE) was fairly better last week, as the magnitude of gains recorded exceeded that of the losses over the period. Among the ten (10) price-movers on the market, five (5) were gainers and the rest, laggards. Shares of Unilever Ghana Limited (UNIL), Fan Milk Limited (FML), Ecobank Transnational Incorporated (ETI) and Aluworks Limited (ALW) appeared hugely responsible for the seemingly fair performance last week.

In view of that, the year-to-date loss on the GSE-Composite Index (benchmark index) this year improved to -12.93% last Thursday, from the previous week's -13.56%. Similarly, the losses posted by the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15 Index) were reduced to -15.33% and -6.50% each, compared to the previous -15.80% and -8.10% respectively.

The value of listed companies (market capitalization) also increased by 0.53% to settle at GH¢56.97 billion from the previous GH¢56.67 billion, whilst its dollar equivalent appreciated by 0.42% to USD14.99 billion.

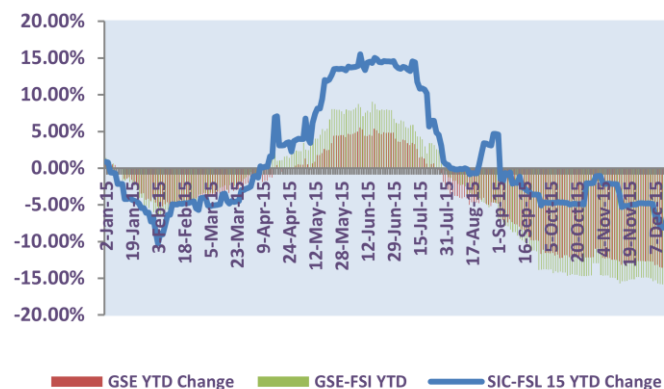


Fig 1: Year-to-date returns

MARKET MOVERS

Mad rush for UNIL shares

Increased demand for the virtually unavailable shares of Unilever Ghana Limited (UNIL) accounted for the hike in market value last week. UNIL closed last Thursday's trading at GH¢8.50 per share, representing 7.73% drop in its week's opening price of GH¢7.89 a share. Analysts have attributed the price hike to investor strong zeal to consolidate their holding positions in the company. A situation, that appeared to have been strengthened by the company's resilient financial performance.

UNIL announced a profit after tax of GH¢12.66 million in Q3'15 compared to the previous year loss of GH¢4.34 million. In the same period, Unilever's revenue grew by 43.71% to settle at GH¢121.49 million despite the unfriendly economic environment.

In spite of the above, UNIL at the current price of GH¢8.50 per share, appears to be trading above its 236-Days average price of GH¢8.04 a share. Again, the company's trailing P/E ratio of 13x, as against the sectors average of 11x tends to suggest the possibility of downward price revision in the future.

Aluworks returns to 11-pesewas after March-2012

The Aluminium giant; Aluworks Limited returned to GH¢0.11 a share last week, after three years in the doldrums. Strangely, investors appeared to have sighed relief in the company, as they bid-up the share value by 22.22% in the space of a week.

Possibly, the sharp rise in price could be due to some anticipation in future growth prospects in the company as there seem to be no over-riding factor precipitating the price increase. At the current price above, Aluworks is trading above the 236-Days average price of GH¢0.05 per share.

Corporate News

MEGA AFRICAN LIMITED (MAC) ANNOUNCES THE SUCCESS OF ITS RIGHTS ISSUE AND PRIVATE PLACEMENT: The management of MAC has announced the successful completion of its Rights Issue and Private Placement on GSE.

The company received a total of GH¢5,337,535 which was 77% above the minimum required subscription of GH¢3,000,000. In whole, 1,067,107 shares were allotted to 46 investors at the close of the offer. The additional shares were listed on the 17th December, 2015.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.09	0.11	0.02	22.22%
CAL	0.85	0.86	0.01	1.18%
ETI	0.26	0.27	0.01	3.85%
FML	7.26	7.35	0.09	1.24%
UNIL	7.89	8.50	0.61	7.73%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.80	2.50	-0.30	-10.71%
EBG	7.01	7.00	-0.01	-0.14%
EGL	2.40	2.39	-0.01	-0.42%
GGBL	2.00	1.99	-0.01	-0.50%
PBC	0.10	0.09	-0.01	-10.00%

Table 4: Laggards for the week

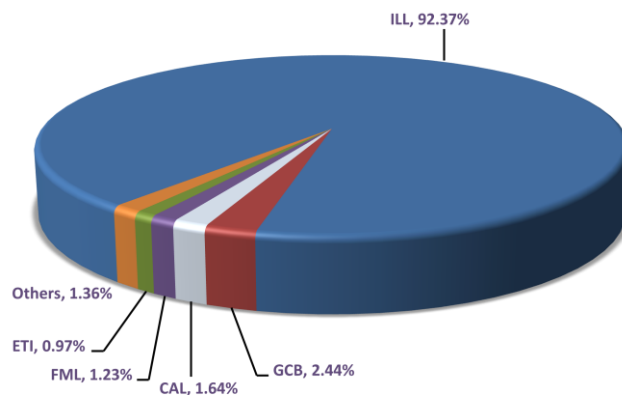


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 17/12/2015 (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	0.11	450.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	2.50	-39.02%
Cal Bank Ltd	CAL	1.01	0.86	-14.85%
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	7.00	-7.89%
Enterprise Group Limited	EGL	1.75	2.39	36.57%
Ecobank Transnational Inc.	ETI	0.28	0.27	-3.57%
Fan Milk Ltd.	FML	5.25	7.35	40.00%
Ghana Commercial Bank Ltd.	GCB	5.30	3.78	-28.68%
Guinness Ghana Breweries Ltd.	GGBL	3.20	1.99	-37.81%
Ghana Oil Company Limited	GOIL	1.05	1.39	32.38%
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	0.78	-48.00%
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	0.09	-25.00%
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	0.14	-62.16%
Starwin Products Ltd.	SPL	0.02	0.03	50.00%
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	0.37	54.17%
Total Petroleum Ghana Ltd.	TOTAL	6.10	5.10	-16.39%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	34.99	28.00	-19.98%
Unilever Ghana Ltd.	UNIL	10.70	8.50	-20.56%
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 PREF	0.58	0.70	20.69%
NewGold Exchange Traded Fund	GLD	35.80	39.00	8.94%
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	0.08	60.00%
Intravenous Infusions Limited	IIL	0.08	0.08	0.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7973	3.8011	18.72% ▼
GBPGHS	5.6587	5.6655	13.72% ▼
EURGHS	4.1163	4.1195	5.70% ▼

Table 6: Inter-bank indicative rates

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

Dollar appreciates as Fed increases its rate

The Dollar strengthened across a basket of currencies on the international market following US Federal Reserve 25 basis point interest rate hike last week, its first increase since 2006.

The impact on Ghana's currency market was however not surprising.

As expected, the Cedi came under selling pressure last week against the Dollar, as it lost 0.06% by the close of trading on the currency market.

Consequently, the annual yield of the USDGHS exchange rose to 18.72% at the end of Thursday's trading activities.

Euro loses to Cedi

Profit-taking by investors who seemed to have disinvested from the Euro to seek better returns in the Cedi, saw the shared currency lose 0.89% of its value to the Ghanaian currency in the week under review.

The Cedi's rise versus the Euro over the period saw the annual yield of the European currency plunge to 5.70%.

Thus, one Euro was bought at GH¢4.1163 and sold for GH¢4.1195 on the inter-bank market.

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CEDI GAINS ON THE INTER-BANK MARKET

The local currency was up by 0.55% against its major trading currencies by the close of trading on the inter-bank market.

The strong appreciations the local currency recorded against the Pound and the Euro drove the Ghanaian Cedi's composite value up last Thursday, indicating investors' rising confidence in the local currency despite the yuletide season.

Accordingly, the year-to-date loss suffered by the local currency versus its key currency trading counterparts declined to 13.76% from 14.39% a fortnight ago.

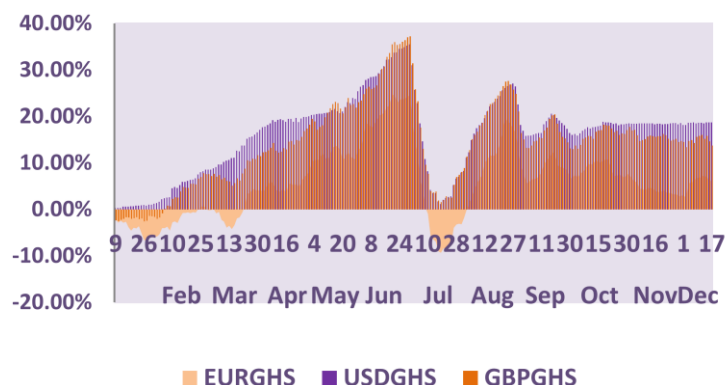


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound versus Cedi

The Pound struggled for gains on the international market last Thursday despite the hike in UK retail sales.

UK retail sales rose more than expected in November, although market participants saw the data as insufficient to cause a change in the Bank of England's policy stance.

Retail sales increased to 5.0%, higher than the 3.8% recorded in November and compared favorably with the expected rate of 3%.

The fate of the British currency on the international market was no different on Ghana's currency market as it slipped significantly in value by 1.78% after trading at a midrate of GH¢5.6621 to settle at a lower annual return of 13.72% on Thursday.

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