

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

17th March, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	56,078.75	54,866.49	-2.16%
Market Capitalization (US\$ million)	14,562.88	14,262.15	-2.07%
Volume traded (shares)	309,918.00	1,453,481.00	368.99%
Value Traded (GH¢)	441,146.43	1,891,882.44	328.86%
Value Traded (US\$)	114,559.68	491,781.24	329.28%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,924.87	-1.98%	-3.51%
SIC-FSL Top 15 Index	3,186.72	-8.39%	-14.11%
GSE Financial Stocks Index	1,841.70	-2.92%	-4.58%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activities were comparatively better this week, and this seemed to have been influenced by the advantage in the number of days that traded within the period, as against the limited days in the previous week's session due to the Independence Day Celebration. On the whole, a total of 1.45 million shares exchanged hands, and this was valued at GH¢1.89 million.

The Financial sector contributed 53.64% and 40.38% of both volume and value of shares that traded in the past week. However, the Breweries sector competed with a contribution of 30.38% and 45.05% in both volume and value of shares that traded.

CAL recorded the highest number of shares that traded within the period, contributing 679,925 of the total traded shares, which represented 46.78%. However, Guinness Ghana Breweries Limited (GGBL) by virtue of its higher price made the gain in value, totalling of GH¢852,244.12, representing 45.05% of the entire market value.

HIGH VOLATILITY RUNS DOWN GSE

Heightened volatility on the Ghana Stock Exchange (GSE) worsened the performance of the broader market last week. Shares of Standard Chartered Bank (SCB), Ecobank Transnational Incorporated (ETI), Guinness Ghana Breweries Limited (GGBL), Ecobank Ghana Limited (EBG), and Enterprise Group Limited were the major stocks that drove the broader market further down.

In effect, benchmark indices like the GSE Composite Index, the GSE Financial Stocks Index and the SIC-FSL Top 15 liquid Index closed the week at a negative annual returns of 3.51%, 4.58% and 14.11% respectively, compared to the -1.56%, -1.71% and -6.24% recorded in the previous week.

The value of listed companies (market capitalization) on the Exchange dropped to GH¢54.87 billion from GH¢56.08 billion, due to increased price-cut. Corresponding dollar value also dropped to USD 14.26 billion, representing a loss of 2.07% of the previous week's figure.

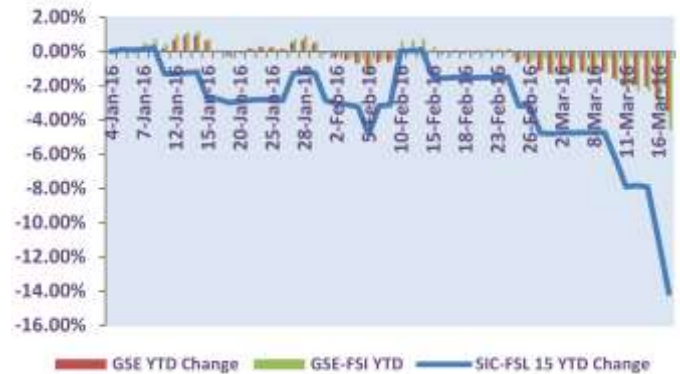


Fig 1: Year-to-date returns

MARKET MOVERS

ETI slips to 18-pesewas on hint of poor results

The shares of Ecobank Transnational Incorporated (ETI) dropped from GH¢0.23 to GH¢0.18 per share last Thursday. The decline in price has been linked to an expected release of lower-than-anticipated result for the year 2015 according to a circular from the company.

The company has mentioned macroeconomic challenges faced by most African economies, low crude oil prices, depreciating currencies, monetary and fiscal bottlenecks due to global developments, as the cause of the expected huge decline in its bottom-line.

Until the above becomes real, a quick glance at its share performance reveals that ETI's share is trading at a discount on the GSE. This became evident when the above market price was compared to the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢0.29 per share and the 248-Day average trading price of GH¢0.30 per share performance for last year.

SCB ticked-down again

The woes of the Asia-focused bank; Standard Chartered Bank (SCB) appeared not to be over yet, as investors ticked-down the share value to GH¢16.20 from GH¢16.26. The poor financial results released by the company appeared to have partly contributed to the price-fall.

SCB reported a profit-after-tax decline from the GH¢208.27 million in FY'14 to GH¢66.15 million in FY'15, largely due to significant increase in operating cost within the period. Investors showed their aversion by bidding down the company's share price in recent market sessions.

Nonetheless, the Bank's share is still trading below its last year's Volume Weight Average Price (VWAP₂₄₈) of GH¢16.38 and 248-Day average trading price of GH¢18.62 per share, signaling the possibility of upward movement in price in near future.

CORPORATE NEWS

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has increased its ordinary shares to 406,132,872 as at February 29, 2016 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 650,783 ordinary shares.

In view of the above, AGA share capital has risen to 49,970,988,417.49 South African Rand.

STOCK TICKER	Wk Open	Wk End	Change	% change
GOIL	1.45	1.46	0.01	0.69%
UNIL	8.50	8.70	0.20	2.35%
SCB PREF	0.71	0.73	0.02	2.82%
HORDS	0.09	0.10	0.01	11.11%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EBG	7.03	7.01	-0.02	-0.28%
EGL	2.45	2.44	-0.01	-0.41%
ETI	0.23	0.18	-0.05	-21.74%
FML	7.35	7.34	-0.01	-0.14%
GCB	3.70	3.69	-0.01	-0.27%
GGBL	1.96	1.93	-0.03	-1.53%
SCB	16.26	16.20	-0.06	-0.37%
TOTAL	5.12	5.11	-0.01	-0.20%

Table 4: Laggards for the week

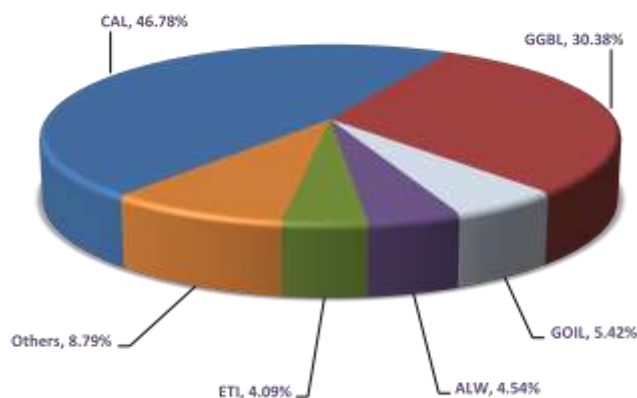


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 17/3/2016 (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	0.14	0.07	-50.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.13	25.20%
Cal Bank Ltd	CAL	1.00	1.01	1.00%
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.	EBG	7.01	7.01	0.00%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.34	-0.14%
Ghana Commercial Bank Ltd.	GCB	3.79	3.69	-2.64%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.93	-3.02%
Ghana Oil Company Limited	GOIL	1.40	1.46	4.29%
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	1.00	11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.20	5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.08	-20.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.20	-0.61%
SIC Insurance Company Ltd.	SIC	0.14	0.18	28.57%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.81	1.25%
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	5.11	0.20%
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	8.70	2.35%
UT Bank	UTB	0.10	0.11	10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.73	2.82%
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	3.8451	3.8489	1.37% ▼
GBPGHS	5.5592	5.5663	0.96% ▲
EURGHS	4.3472	4.3500	5.24% ▼

Table 6: Inter-bank indicative rates

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

Dollar continues to lose to Cedi

The worth of the greenback saw another nosedive in the face of the Cedi as it was bought at GH¢3.8451 and sold for GH¢3.8489 during Thursday's activities.

For about a month now, the Cedi has consecutively managed to trim down the losses it has suffered against the Dollar from the beginning of the year to date, which is currently at 1.37%.

The Dollar settled lower in value by 0.10% against the Cedi by the close of trading last Thursday as Dollar supply offset Dollar demand on the currency market.

Pound gains on BoE stance

The British Pound strengthened against a basket of currencies on the international market after the Bank of England (BoE) made a unanimous decision on its policy rate last week.

The central bank kept its monetary policy unchanged but signaled a continued focus on monetary tightening in its policy guidance. The Bank left its interest rates at a stalemate position of 0.5%, highlighting uncertainty over the EU referendum as contributing a significant proportion to the Pound's recent decline in value.

Similarly on Ghana's inter-bank market, the Cedi closed lower against the Pound for the third consecutive week as £1 was pegged between GH¢5.5592 and GH¢5.5663. Thus Sterling gained 0.95% in value to reduce its year-to-date loss to 0.96% on Thursday.

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CEDI DECLINES ON THE CURRENCY MARKET

The Ghanaian Cedi closed in the red last week, as it failed to capitalize on a strong start in the week's trading.

The significant gains recorded by the European and British currencies cutback part of the earlier gains made by the Cedi to leave its holistic value lower than the previous week's value.

The local currency however maintained a steady trajectory against the American Dollar over the period, although that was not enough to forestall the Cedi's value from declining in value holistically on the inter-bank market.



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

Euro remains resilient

The shared currency continues to benefit on the global front from the comment made by the European Central Bank (ECB) the week earlier.

The ECB signaled an end to further negative deposit rates; this fuelled market participant's bet in the Euro, strengthening its value.

Euro's strength remained buoyant on Ghana's local market as the EURGHS exchange rate mimicked the performance of the shared currency on the international market. The Euro therefore ended trading at a midrate of GH¢4.3486, pushing its annual yield against the Cedi to 5.24%.

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