

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

18th August, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	54,662.72	54,564.59	-0.18%
Market Capitalization (US\$'million)	13,866.75	13,835.19	-0.23%
Volume traded (shares)	1,007,340.00	1,235,108.00	22.61%
Value Traded (GH¢)	4,848,881.59	3,520,763.69	-27.39%
Value Traded (US\$)	1,230,056.21	892,711.20	-27.43%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,824.42	1.00%	-8.55%
SIC-FSL Top 15 Index	3,151.10	-0.40%	-15.07%
GSE Financial Stocks Index	1,733.67	2.38%	-10.18%

Table 2: Key Stock Market Indices

LIQUIDITY

Following the rising market confidence, total traded shares went up from the 1.01 million shares that traded in the previous week's session to settle at 1.24 million shares, representing an increase of 22.61% last Thursday.

The financial stocks recorded the highest activity on the bourse, as the sector recorded 62.75% of the total shares that traded, which accounted for 31.66% of the total value traded.

UT Bank's (UTB) share was the most traded equity on bourse last week, with a record of 498,682 shares exchanging hands, representing 40.38% of total traded shares. Fan Milk Limited (FML), by virtue of its higher price recorded the biggest value traded of GH¢2.32 million which represented 65.97% of the entire value traded in the week.

FINANCIAL STOCKS SUPPORT RECOVERY PROCESS

Even with increase bearish sentiment last week, appreciations in some key financial equities sustained the on-going recovery process on the Ghana Stock Exchange (GSE). Shares of GCB Bank Limited (GCB), Ecobank Ghana Limited (EGH), and Cal Bank Limited (CAL) appreciated in value to reduce the losses on the broader market.

At the close of last Thursday's session, the GSE Composite Index (GSE-CI) which tracks the performance of the entire market, saw its level improved from an annual loss of -9.45% to -8.55%. Similarly, the Financial Stocks Index (GSE-FSI) which measures the performance of financial stocks also witnessed an improved year-to-date loss from -12.26% to -10.18%. However, a drop in share value of Ecobank Transnational Incorporated (ETI), Standard Chartered Bank (SCB), SIC Insurance Company (SIC) and Ghana Oil company limited (GOIL) worsened the performance of SIC-FSL's top 15 liquid Index (SIC-FSL T-15) which tracks the top 15 most liquid equities on the GSE. The year-to-date losses on the SIC-FSL T-15 worsened from the -14.73%, to close at an annual loss of -15.07% last Thursday.

Total market capitalization of the GSE declined by 0.18% to GH¢54.56 billion, where an equivalent dollar value also depreciated marginally by 0.05% to USD13.83 billion because of the losses the Cedi recorded against the greenback.



Fig 1: Year -to- date returns

MARKET MOVERS

GCB hits GH¢4.00 per share

Prospecting buyers bid-up the value GCB Bank (GCB) shares from the previous week's value of GH¢3.45 to GH¢4.00 per share last week, and this appeared to have been caused by the incessant demand for the Bank's shares on the Exchange.

GCB is currently trading at 34% discount to the sector's trailing average P/E ratio of 6x, and this tend to propose the possibility of upward price review in future, hence the consolidation shareholding by investors. Some analysts also believe the past price trend of the bank in the last four years also seemed to support the anticipation upward price correction. Perhaps, the above appeared to be the reasons behind the recent hot chase for the bank's shares on the Accra Bourse.

Shareholders in their quest to cash-in and also attract good deals on the face of the prevailing market opportunity as described above, are offering above the current market price.

EGH up by 17-pesewas

Increase activity in Ecobank Ghana Limited (EGH) shares saw the Bank's value going up to GH¢6.87 from GH¢6.70 per share and this appeared to have been caused by the prospects in the future of the company.

The Bank reported a revenue growth from GH¢483.14 million in HY1'15 to GH¢578.66 million in HY1'16, representing a growth of 20%. Net profit after tax also moved up, from GH¢189.61 million in HY'15 to GH¢204.61 million in HY'16.

The result seemed to have boosted investors confidence, hence the continuous price appreciation on the Ghanaian market.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.87	0.90	0.03	3.45%
EGH	6.70	6.87	0.17	2.54%
GCB	3.45	4.00	0.55	15.94%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.40	2.39	-0.01	-0.42%
ETI	0.18	0.17	-0.01	-5.56%
GGBL	1.80	1.79	-0.01	-0.56%
GOIL	1.36	1.34	-0.02	-1.47%
PZC	0.21	0.20	-0.01	-4.76%
SCB	14.23	14.20	-0.03	-0.21%
SIC	0.17	0.15	-0.02	-11.76%
TOTAL	3.39	3.00	-0.39	-11.50%
UTB	0.07	0.06	-0.01	-14.29%

Table 4: Laggards for the week

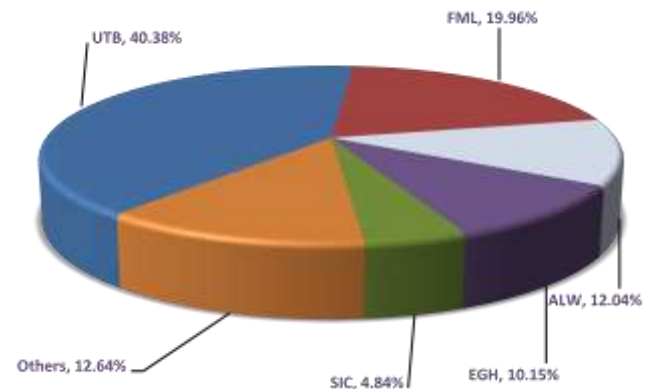


Fig 2: Top 5 most liquid equities with respect to volume traded

MARKET MOVERS

CAMELOT GHANA LIMITED (CMLT) ACHIEVES ISO 9001 CERTIFICATION: Management of CMLT has announced the company's attainment of ISO 9001 certification. The company received the award on the 28th of June 2016 for the successes chalked in their continual quality management systems improvements.

According to the company, the principal objective is to offer world-class document design and security print solutions in line with global best technology. Currently, CMLT is the only ISO Certification cheque and paper printer in Ghana.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 18/08/2016 (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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.11	-38.89%
Benso Oil Palm Plantation	BOPP	2.50	2.80	12.00%
Cal Bank Ltd	CAL	1.00	0.90	-10.00%
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	6.87	-2.00%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.27	0.17	-37.04%
Fan Milk Ltd.	FML	7.35	9.42	28.16%
Ghana Commercial Bank Ltd.	GCB	3.79	4.00	5.54%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.79	-10.05%
Ghana Oil Company Limited	GOIL	1.40	1.34	-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	0.71	-21.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.16	-15.79%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.05	-50.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.20	-41.18%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.20	-12.88%
SIC Insurance Company Ltd.	SIC	0.14	0.15	7.14%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	3.00	-41.18%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.88	-0.43%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.06	-40.00%
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	3.9419	3.9459	3.92% ▼
GBPGHS	5.1852	5.1920	7.62% ▲
EURGHS	4.4650	4.4686	8.10% ▼

Table 6: Inter-bank indicative rates

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

Dollar rises in value

The U.S. Dollar rebounded in value on Thursday as investors began to reduce their betting in local currency to seek comfort in the Dollar as a safe haven.

The greenback had for two consecutive weeks lost against the Cedi after continuous appreciations on the interbank market.

A dollar was bought at GH¢3.94 and sold for GH¢3.95 in the week under review on the interbank market and this reflected an appreciation in the value of the Dollar against the Cedi. As a result, the Cedi slipped by 0.05% versus the greenback resulting in a year to date change of 3.92% in favour of the American Dollar.

Euro versus Cedi

The Euro, just like the Pound recorded a significant appreciation on the currency market in the period under review, which was similar to its performance on the global market.

On the global front, the Euro saw an appreciation in its worth as the French employment data provided additional upside support after the second quarter unemployment rate eased slightly.

As a result, the annual return of the EURGHS which stood at 6.60% last week has improved considerably and is currently pegged at 8.10%.

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CEDI DECLINES IN VALUE

Ghana's Cedi lost traction on the inter-bank market last week after the Cedi failed to appreciate against any of its major trading partners.

The holistic value of the local currency sunk by 0.72%, this represented a year-to-date loss of 3.04% from 2.30% the week earlier.



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

Positive data supports Pound's strength

The British Pound pointed north on the international market, bolstered by a positive UK retail sales data released by the Office for National Statistics (ONS).

According to the data, UK retail sales rose significantly to 1.4% in July from -0.9% in June, far higher than what was expected, therefore causing the Pound to record a substantive appreciation across board on the international market.

Similarly, the Pound recorded the biggest gains against the Cedi on the inter-bank market last week, appreciating by 1.56% and contributing the most to the Cedi's weakness on the market. The Sterling closed the Thursday's trading at a midrate of GH¢5.1886 per Pound, trimming down its year-to-date loss to 7.62% from 9.04% last week.

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