

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

18th February, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	57,082.51	56,844.69	-0.42%
Market Capitalization (US\$ million)	14,719.57	14,623.93	-0.65%
Volume traded (shares)	3,239,772.00	503,112.00	-84.47%
Value Traded (GH¢)	6,907,143.40	920,416.54	-86.67%
Value Traded (US\$)	1,781,109.70	236,787.46	-86.71%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,992.28	-0.34%	-0.13%
SIC-FSL Top 15 Index	3,653.87	-1.58%	-1.52%
GSE Financial Stocks Index	1,931.52	-0.57%	0.08%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activities slumped last week, with a total of 503,112 shares exchanging hands, representing a decline of 84.47% of the week before, valued at GH¢920,417. Total value traded also declined by 86.67% compared to the previous week's figure.

Nevertheless, financial stocks contributed 82.10% and 86.83% of both volume and value of shares that traded, attesting the sector's prominence on the Ghanaian equity market.

GCB Bank Limited (GCB) was the best stock in terms of volume and value of shares that traded. GCB contributed 111,704 of the total traded shares, accounting for 22.20% of the total shares traded, valued at GH¢414,421.84.

GSE SLIPS BACK

In spite of, the excitement that characterised the previous week's performance, release of lower-than-expected full year financial results seemed to have dampened investor confidence on the market. Companies like, HFC Bank, Guinness Ghana Breweries Limited, PZ Cussons Ghana Limited and Intravenous Infusion Limited recorded losses in their operation for the past year. Whereas Camelot Ghana Limited and Trust Bank Gambia Limited on the flipside reduced their profit margins last year according data from the Ghana Stock Exchange (GSE).

The GSE Composite Index (GSE-CI) which tracks the performance of the broader market declined to 1,992.28 points, representing a year-to-date loss 0.13%. Similarly, the SIC-FSL Top-15 liquid Index also slipped below the green line to close at a year-to-date loss of 1.52%. However, the GSE Financial Stocks Index (GSE-FSI) managed to close at an annual gain of 0.08% in the face of 0.57% drop in the previous week's returns.

The value of listed companies dropped by 0.42% to settle at GH¢56.84 billion from the previous week's GH¢57.08 billion, whereas an equivalent dollar value also declined by 0.65% to settle USD14.62 billion because of the depreciation the Cedi suffered within the period.

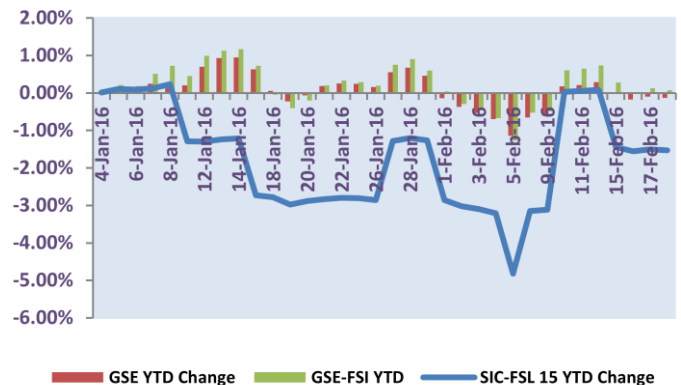


Fig 1: Year -to -date returns

MARKET MOVERS

SOGEGH shred off gains

Investors successfully beat-down the value of Societe Generale Ghana Limited (SOGEGH), following the intense selling pressure in the Bank's last week. The company lost 4-pesewas of its week-open price of GH¢0.84 per share, closing as the worst performing equity on the Exchange in respect of absolute value drop.

At the current market value of GH¢0.80 a share, the stock is trading at par to this year's open price, but below the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢0.82 and 248-Day average trading price of GH¢0.92 per share, signaling the possibility of upward price correction in future sessions.

SCB retreats to GH¢16.30

Movement in Standard Chartered Bank shares last week caused a decline in the Bank's share price to reverse to the year-open price of GH¢16.30 per share. The retreat appeared to have been influenced by the dwindling fortunes in the Bank and market as well, causing the increase volatility in the shares.

Despite, the Bank being under-priced when compared to the (VWAP₂₄₈) of GH¢16.38 and the 248-Day average trading price of GH¢18.62 per share, on the contrary the trailing P/E ratio of 12x as against the sector average of 6x shows an over-heated price. This tends to suggest the unbalanced share price nature of Bank.

CORPORATE NEWS

ECOBANK TRANSNATIONAL INCORPORATED (ETI) ANNOUNCES LEADERSHIP CHANGE IN GHANA: The management of ETI, the Ecobank Group has announced a change in leadership in its Ghana subsidiary Ecobank Ghana Limited (EBG).

The current Managing Director of EBG, Mr Samuel Ashitey Adjei has been appointed as the Managing Director for newly combined region consisting of 18 subsidiaries. These include the Central, Eastern, and Southern African (CESA) Countries. In view of that, he is scheduled to step down as MD of EBG on March 30, 2016.

According to the Chairman of EBG, Mr. Terence Darko, plans are being taken to select a successor by close April this year.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.07	3.11	0.04	1.30%
CAL	0.97	0.98	0.01	1.03%
EGL	2.40	2.42	0.02	0.83%
GOIL	1.44	1.45	0.01	0.69%
PBC	0.09	0.10	0.01	11.11%
SIC	0.19	0.20	0.01	5.26%
UTB	0.10	0.11	0.01	10.00%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.09	0.08	-0.01	-11.11%
ETI	0.27	0.26	-0.01	-3.70%
SCB	16.33	16.30	-0.03	-0.18%
SOGEGH	0.84	0.80	-0.04	-4.76%

Table 4: Laggards for the week

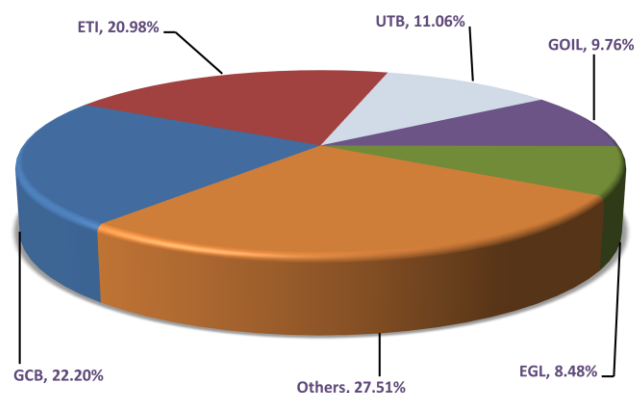


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 18/2/2016 (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	0.08	-42.86%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.11	24.40%
Cal Bank Ltd	CAL	1.00	0.98	-2.00%
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	7.06	0.71%
Enterprise Group Limited	EGL	2.40	2.42	0.83%
Ecobank Transnational Inc.	ETI	0.27	0.26	-3.70%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.71	-2.11%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.97	-1.01%
Ghana Oil Company Limited	GOIL	1.40	1.45	3.57%
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	1.05	16.67%
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	0.10	0.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.31	-8.82%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.30	0.00%
SIC Insurance Company Ltd.	SIC	0.14	0.20	42.86%
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	0.37	0.00%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.15	0.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.93	-0.25%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
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	0.71	0.00%
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	0.09	12.50%
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	3.8851	3.8890	2.43% ▼
GBPGHS	5.5813	5.5881	-0.57% ▲
EURGHS	4.3159	4.3191	4.49% ▼

Table 6: Inter-bank indicative rates

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

Dollar climbs further

The Cedi again lost grounds to the greenback following the rising demand for Dollars on the currency market.

The unstable level of investors' confidence in the Cedi affected the value of the local currency, contributing to the depreciation in the value against the greenback.

The USDGHS exchange rate ended the period trading between GH¢3.8851 and GH¢3.8890, representing a 0.23% gain in value. This translated into a year-to-date change of 2.43% from previous week's 2.19%.

Pound decreases over concerns on Britain's EU membership status

In spite of the positive data posted by U.K on its employment rate, the Pound was unable to remain resilient versus its major currencies on the international market. This was due to the concerns over Britain's EU membership status. This indeed had a toll on investor confidence last week.

Uncertainty over the UK's stance in the European region continues to put the British Pound under pressure as fear of a backlash from Europe could push the British economy back into recession.

The performance of the Pound on the international market was replicated on Ghana's inter-bank market as the value of the British Pound dropped from a midrate of GH¢5.5847 from GH¢5.6123 previously.

This saw the annual loss of the Pound move to 0.57%, in favour

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CEDI GAINS AMID REPORT ON GHANA'S FDI

The local currency rebounded from a three week loss last Thursday, despite the report on the decline in Ghana's Foreign Direct Investments (FDI) between 2014 and 2015.

According to the data released by the Ghana Investment Promotion Centre (GIPC), the total FDI of about \$3.4 billion which was recorded in 2014 decreased to \$2.3 billion in 2015, representing a drop of 31%. Also, total number of projects declined from 185 to 170 for the same period.

This however did not deter the Cedi from recording a holistic gain on the inter-bank market, i.e. the Ghanaian Cedi posted an appreciation of 0.49% in value to trim down its year-to-date loss to 2.52% on Thursday.

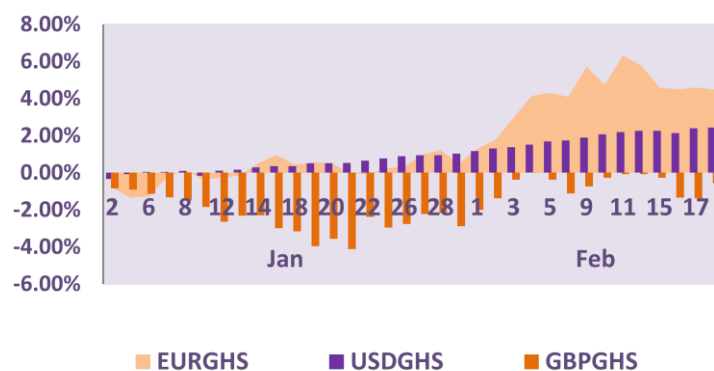


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro under pressure

Investors failed to bid up their bets in the Euro, as global risk aversion remained the choice of investors.

Rising oil prices and recovery in European stock markets dimmed safe haven choice to market participants, thereby affecting the value of the shared currency.

On Ghana's interbank market also, the Euro suffered another weekly decline against the Cedi. This was evident in the purchase of the shared currency at GH¢4.3159 and sale at GH¢4.3191. This represented a decline in the annual yield of the Euro to 4.49% last Thursday.

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