

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

19th May, 2016



STOCK MARKET

| INDICATORS | WEEK OPEN | WEEK END | CHANGE |
|--------------------------------------|--------------|--------------|----------|
| Market Capitalization (GH¢ million) | 54,215.27 | 54,120.71 | -0.17% |
| Market Capitalization (US\$ million) | 14,243.56 | 14,174.40 | -0.49% |
| Volume traded (shares) | 297,226.00 | 3,999,425.00 | 1245.58% |
| Value Traded (GH¢) | 1,010,077.91 | 9,856,102.71 | 875.78% |
| Value Traded (US\$) | 265,370.02 | 2,581,347.94 | 872.74% |

Table 1: Market Summary

INDEX ANALYSIS

| INDICATORS | Closing Level | Week Change | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index | 1,772.21 | -0.97% | -11.16% |
| SIC-FSL Top 15 Index | 3,000.27 | -0.75% | -19.14% |
| GSE Financial Stocks Index | 1,667.67 | -1.87% | -13.59% |

Table 2: Key Stock Market Indices

LIQUIDITY

Total shares traded were comparably better than the previous week, due to the 3.22 million block trade in Enterprise Group Limited's (EGL) shares. Corresponding value traded also increased from the GH¢1.01 million in the week before to GH¢9.86 million.

Financial stocks contributed 92.40% and 83.60% of both volume and value of shares traded respectively. This shows, the sector's dominance on the market.

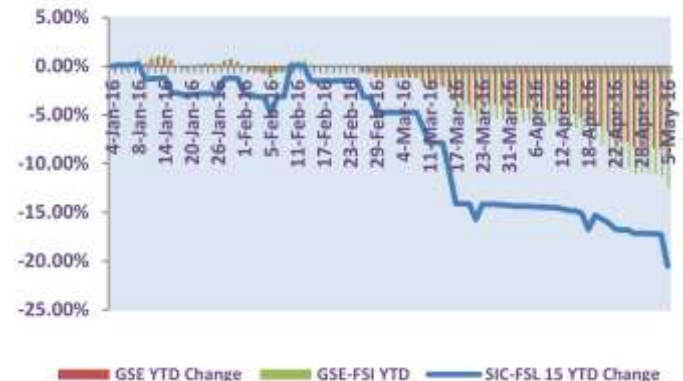
The shares of Enterprise Group Limited (EGL) were the most traded in terms of volume and value recorded in the week. EGL contributed 3.22 million of total traded shares, which represented 79.70% of market volume, this was valued at GH¢7.86 million.

GSE DROPS FURTHER

The apprehension on the Ghana Stock Exchange (GSE) worsened during last week's trading sessions due to intense bearish activities. Shares of Standard Chartered Bank Limited (SCB), Ecobank Ghana Limited (EGH), and Guinness Ghana Breweries Limited (GGBL) dipped to further run-down market performance.

In effect, the GSE Composite Index (GSE-CI) which tracks the performance of the broader market declined to 1,772.21 points, representing a year-to-date loss of 11.16%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top-15 Index dropped to a year-to-date losses of 13.59% and 19.14% respectively from the previous week's annual losses of 11.95% and 18.53% accordingly.

The value of listed companies on the Ghana Stock Exchange dropped to GH¢54.12 billion from GH¢54.22 billion, whereas corresponding dollar value also dipped by 0.49% to settle at USD 14.17 billion.



MARKET MOVERS

SCB still vulnerable

Investors further beat-down the share price of Standard Chartered Bank (SCB) during last week's market activities. The fall appeared to have been incited by the low investor confidence in the Bank in recent times. Shares of SCB which began the year at GH¢16.30 per share, uncharacteristic of the shares has fallen by 13.19% to its current price of GH¢14.15 a share last Thursday.

Analysts in their state of dilemma appeared to link the fall to the speculations in the market, that the corporation may relinquish its stake in the sub-saharan region.

Even though, the Bank's first quarter results were comparatively better, investors paid little attention to that, as they beat price down by Gh¢2.15 a share. The Bank reported a revenue growth from GH¢133.91 million in Q1'15 to GH¢152.50 million in Q1'16, net profit after tax also shot-up from the GH¢34.50 million in Q1'15 to GH¢70.91 million in Q1'16.

EGH drops to GH¢6.69

Dealings in Ecobank Ghana (EGH) shares last week saw the Bank's value dipped to GH¢669 from a week-opening price of GH¢6.79 per share. The drop could be hugely attributed to the corporation's poor financial results in the first quarter.

The Bank's revenue grew from GH¢257.44 million in Q1'15 to GH¢282.74 million in Q1'16, but net profit after tax dropped by 20% to settle at GH¢72.64 million in the same period.

Contrary to the current scenario, the stock is trading below its last year's Volume Weighted Average Price (VWAP) of GH¢7.76 a share and the past year's average trading price of GH¢7.61 per share.

CORPORATE NEWS

TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES FINAL DIVIDEND PAYMENT: Management of TOTAL have announced a final dividend payment of GH¢0.1151 per share in respect of 2015 financial year.

In view of the above, any investor who buys TOTAL shares on or after Monday, 6th June, 2016 will not be entitled to the final dividend. Payment is expected on Wednesday, 22nd June, 2016.

ECOBANK GHANA LIMITED (EGH) APPOINTMENT OF NON-EXECUTIVE DIRECTOR: EGH announces the appointment of Mrs. Felicity Acquah to serve on the Board.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| FML | 7.00 | 7.30 | 0.30 | 4.29% |

Table 4: gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| SCB | 14.98 | 14.15 | -0.83 | -5.54% |
| EGH | 6.79 | 6.69 | -0.10 | -1.47 |
| GGBL | 1.92 | 1.90 | -0.02 | -1.04% |

Table 4: Laggards for the week

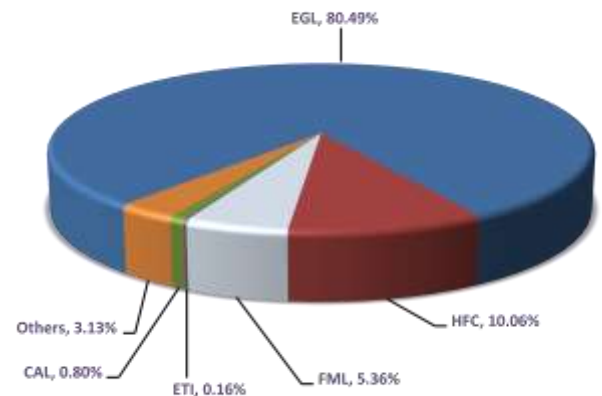


Fig 2: Top 5 most liquid equities with respect to volume traded

| Stock | Ticker | Year Opening Price(GH¢) | Closing Price @ 19/05/2016 (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 | 0.09 | -35.71% |
| Ayrton Drug Manufacturing Ltd. | AYRTN | 0.18 | 0.12 | -33.33% |
| Benso Oil Palm Plantation | BOPP | 2.50 | 3.00 | 20.00% |
| Cal Bank Ltd | CAL | 1.00 | 0.81 | -19.00% |
| 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 | 6.69 | -4.56% |
| 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 | 7.30 | -0.68% |
| Ghana Commercial Bank Ltd. | GCB | 3.79 | 3.04 | -19.79% |
| Guinness Ghana Breweries Ltd. | GGBL | 1.99 | 1.90 | -4.52% |
| Ghana Oil Company Limited | GOIL | 1.40 | 1.37 | -2.14% |
| 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 | 0.85 | -5.56% |
| Mega Africa Capital Ltd | MAC | 6.00 | 6.00 | 0.00% |
| Mechanical Lloyd Co. Ltd. | MLC | 0.19 | 0.19 | 0.00% |
| 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 | 0.26 | -23.53% |
| Standard Chartered Bank (GH) Ltd.* | SCB | 16.30 | 14.15 | -14.15% |
| 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 | 0.76 | -5.00% |
| 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 | 4.29 | -15.88% |
| 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 | 8.48 | -0.24% |
| UT Bank | UTB | 0.10 | 0.10 | 0.00% |
| 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 | 3.8063 | 3.8182 | 0.61% ▼ |
| GBPGHS | 5.5098 | 5.5723 | 0.79% ▲ |
| EURGHS | 4.3347 | 4.2805 | 3.59% ▼ |

Table 6: Inter-bank indicative rates

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

Investors support Dollar rise

The Dollar continued its dominance over the Cedi on the interbank market after settling at an annual yield of 0.61%. The Dollar ended trading in the region of GH¢3.8162 and GH¢3.8202.

This can be attributed to the value and confidence investors have in the Dollar over the local currency, hence, the 0.31% loss in the Cedi's value versus the U.S. currency.

Pound bolsters in value

The pound rallied across the board on the international market as UK unemployment rate remained unchanged and average weekly earnings rose more than expected to 2% from 1.8% in March.

Also a recent outcome of an Ipsos Mori (a leading full service UK research company) poll concerning the European Union referendum indicated that the "In" camp had an 18 point lead over the "Out" camp. This outcome boosted investor confidence that the UK would vote to stay in the EU.

With support from the international market, the Pound recorded the majority of last week's gains versus the Cedi on the inter-bank market.

This led to weaker sentiments about the value of the Cedi among investors, resulting in a 1.13% rise in the value of the Sterling as it was pegged at GH¢5.5723. This resulted in its annual loss suffered against the Cedi declining to 3.59% from 4.90%.

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CEDI RECORDS MARGINAL GAIN

The local currency holistically recorded a marginal appreciation in value against its major trading partners, amid the report of a stalemate position of Ghana's policy rate.

Last week, the Monetary Policy Committee (MPC) of the central bank again maintained its policy rate at 26%. The MPC viewed the risks to inflation and growth as balanced and therefore decided to maintain its policy rate. Thus, the decision was attributed to the recent stability in the Ghanaian Cedi and current inflationary trend.

Currency trading among the banks did not so well favour the Cedi as it gained a composite value of 0.02%, despite the gains it recorded against the Euro.

This marginally trimmed down its year-to-date loss from 1.28% to 1.26% by close of trading on Thursday.



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

Euro versus Cedi

The shared currency lost its footing on the currency market last week as it was bought at GH¢4.2786 and sold for GH¢4.2823 on the inter-bank market.

Losing by 1.25%, the Euro ended Thursday's trading on Ghana's inter-bank market as the facilitator behind the local currency's marginal composite gain.

This translated to a fall in the yield of the shared currency from 4.90% to 3.59% last week.

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