

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

19<sup>th</sup> November, 2015



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	62,019.20	61,570.65	-0.72%
Market Capitalization (US\$ million)	16,353.98	16,265.30	-0.54%
Volume traded (shares)	2,822,843.00	2,773,736.00	-1.74%
Value Traded (GH¢)	2,797,253.38	3,421,995.32	22.33%
Value Traded (US\$)	737,613.95	903,998.34	22.56%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,969.58	-0.44%	-12.89%
SIC-FSL Top 15 Index	3,742.73	-2.97%	-5.08%
GSE Financial Stocks Index	1,899.59	-0.44%	-15.33%

Table 2: Key Stock Market Indices

## LIQUIDITY

Total shares traded slipped down to 2.82 million shares, representing 1.74% decline of the previous week's figure of 2.77 million shares traded. However, corresponding value traded improved significantly by 22.33% to settle at GH¢3.42 million.

Market activity tilted in favour of financial stocks, as the sector contributed 87.56% and 88.65% of the cumulative volume and value of shares that traded within the past week.

Cal Bank Limited (CAL) recorded the highest shares traded within the period, after contributing 1.11 million of the shares, representing 39.85%. Standard Chartered Bank Limited (SCB) by virtue of its high price also recorded the biggest value traded of GH¢1.20 million.

## GSE STILL STRUGGLING DESPITE...

The Ghana Stock Exchange (GSE) performed poorly last week despite the advantage gainers had over laggards in numbers. A drop in the share prices of Ecobank Transnational Incorporated (ETI), Benso Oil Palm Plantation (BOPP) and Starwin Product Limited (SPL) were all that was needed to drag performance of the broader market further down.

At the close of sessions last week, benchmark indices turned southward, as the yield on the GSE-Composite Index dipped by 0.44% to settle at a year-to-date loss of 12.89%. Similarly, the GSE Financial Stock Index (GSE-FSI) which tracks the performance of all financial stocks declined by 0.39% to close at a year to-date loss of 15.33%. Again, the SIC-FSL Top 15 Index (T-15 Index), a measure of the top 15 liquid stocks on the GSE, also dropped by 2.90% to settle at an annual loss of 5.08% last Thursday.

The composite value of listed companies (market capitalization) went down by 0.72% to settle at GH¢61.57 billion from the previous GH¢62.02 billion, whilst its dollar equivalent declined by 0.54% to USD16.27 billion due to the losses the Cedi suffered against the greenback.

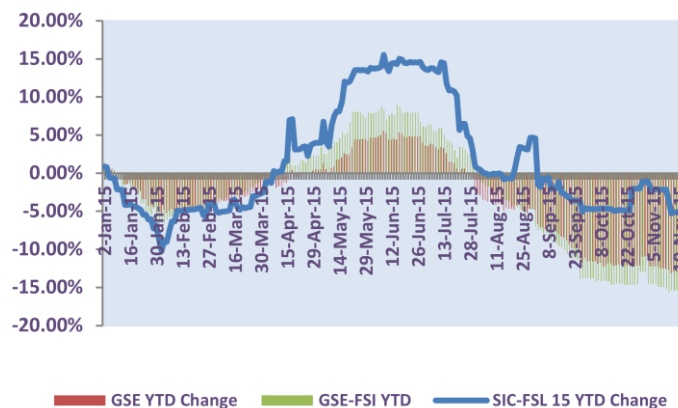


Fig 1: Year -to -date returns

## MARKET MOVERS

### ETI pares off gains

The Pan African Bank; Ecobank Transnational Incorporated (ETI) dropped back to parity of its year-open price of GH¢0.28 per share last week, following increased selling pressure in the Bank's share.

Analysts have partly attributed the drop in the Bank's share price to the declining investor confidence in the company. ETI does not appear to have fully recovered from the agitations that characterized the dismissal of the former group's Chief Executive Officer, Thierry Tanoh. This, coupled with the dwindling fortunes of the capital market seemed to be affecting its share performance on the Exchange.

In spite of above, ETI is still a good "buy" thus if investors take into account the current trailing P/E ratio 5x as against the sector's average of 9x. Again, the share is trading below its year-to-date average price of GH¢0.30 per share, which tends to suggest the possibility of upward price correction.

### Investors drop holdings in BOPP

The share price of Benso Oil Palm Plantation Limited (BOPP) went down by 45-pesewas last week to hit GH¢2.80 per share, because of panic-sale of shares by investors. A drop in the company's profit level appeared to have incited the sale last week.

BOPP reported a profit after tax GH¢6.26 million in the third quarter of 2015 (Q3'15) compared to the GH¢9.52 million profit it recorded in the same period last year. The result has lowered investors' confidence in the company's shares as expectations for better profit this year remain shaky.

Nonetheless, at the current price above, BOPP continues to trade above the average trading price of about GH¢4.15 this year and also below the year-open price of GH¢4.10 a share.

STOCK TICKER	Wk Open	Wk End	Change	% change
EBG	7.00	7.12	0.12	1.71%
GOIL	1.36	1.37	0.01	0.74%
SOGEGH	0.79	0.80	0.01	1.27%
TBL	0.35	0.37	0.02	5.71%
TOTAL	5.29	5.30	0.01	0.19%
UTB	0.09	0.10	0.01	11.11%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.25	2.80	-0.45	-13.85%
ETI	0.30	0.28	-0.02	-6.67%
SPL	0.04	0.03	-0.01	-25.00%

Table 4: Laggards for the week

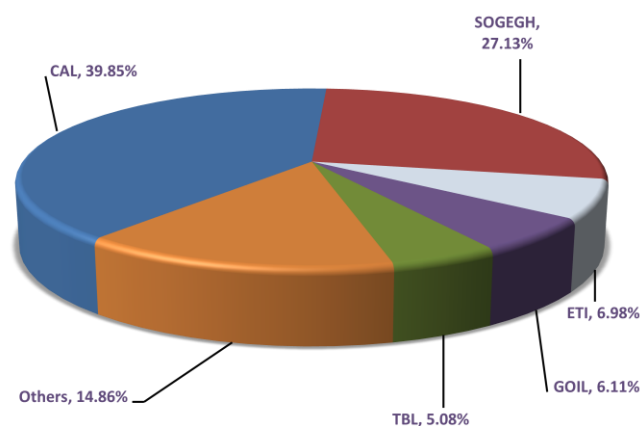


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**STANDARD CHARTERED BANK (GHANA) LIMITED TO LAY OFF WORKERS:** Announcement that Standard Chartered Bank Plc's will soon lay off some of its staff is expected to affect personnel in Ghana. According to sources (Joy Business) staffs of StanChart Ghana are being requested to put in voluntary application to go home.

The new Chief Executive of Standard Chartered Bank PLC, Bill Winters, says the action remains critical to establish the bank on a strong footing.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 19/11/2015 (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	0.08	300.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	2.80	-31.71%
Cal Bank Ltd	CAL	1.01	0.79	-21.78%
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	7.12	-6.32%
Enterprise Group Limited	EGL	1.75	2.20	25.71%
Ecobank Transnational Inc.	ETI	0.28	0.28	0.00%
Fan Milk Ltd.	FML	5.25	7.35	40.00%
Ghana Commercial Bank Ltd.	GCB	5.30	3.74	-29.43%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.00	-37.50%
Ghana Oil Company Limited	GOIL	1.05	1.37	30.48%
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	0.10	-16.67%
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	0.13	-64.86%
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	5.30	-13.11%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	34.99	32.89	-6.00%
Unilever Ghana Ltd.	UNIL	10.70	7.87	-26.45%
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	0.69	18.97%
NewGold Exchange Traded Fund	GLD	35.80	39.95	11.59%
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%

Table 5: Performance of listed equities from year open

## CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7835	3.7873	18.29% ▼
GBPGHS	5.7831	5.7900	16.22% ▼
EURGHS	4.0532	4.0558	4.07% ▼

Table 6: Inter-bank indicative rates

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

### Dollars loses some gains

The American Dollar lost its footing on the currency market last week as supply of the foreign currency seemed to meet demand. The greenback was trading at a midrate of GH¢3.7854 per Dollar last Thursday, leading to a loss of 0.18% in value to the Cedi.

The Dollar therefore settled at an annual yield of 18.29%.

However, the Cedi is likely to be under pressure in the coming weeks on rising demand for Dollars by seasonal importers as the festive season fast approaches.

### Euro declines on circumstances

Comments made by the European Central Bank President, Mr. Mario Draghi last week saw investors on the international market disinvest in the shared currency. Mr. Draghi hinted on a rate cut and changes to quantitative easing, stating that the ECB will do what it must to raise inflation as quickly as possible.

Also, the recent attack in Paris seemed to have further weakened the value of Euro on the international front as investors worried about the impact of the event on the Eurozone economy.

Similarly, the Euro declined by 0.55% on Ghana's currency market, to settle at a lower year-to-date return of 4.07%.

**Alice Osei Okrah (Head)**

Email: [aokrah@sic-fsl.com](mailto:aokrah@sic-fsl.com)

Email: [research@sic-fsl.com](mailto:research@sic-fsl.com)

## CEDI SUSTAINS RECOVERY

Ghana's local currency recorded yet another win on the inter-bank market last Thursday amid Bank of Ghana's (BoG) effort to stabilize the currency.

Last week, the Monetary Policy Committee of the central bank for the third time this year raised its policy rate, increasing it by 100 basis points to 26% after its final review meeting on the state of the economy. The rise in policy rate is to curtail the rising inflation and consolidate the stability of the Cedi in recent times.

Consequently, the local currency ended Thursday's trading activities with a composite gain of 0.21% to trim down its annual loss to 13.44%.

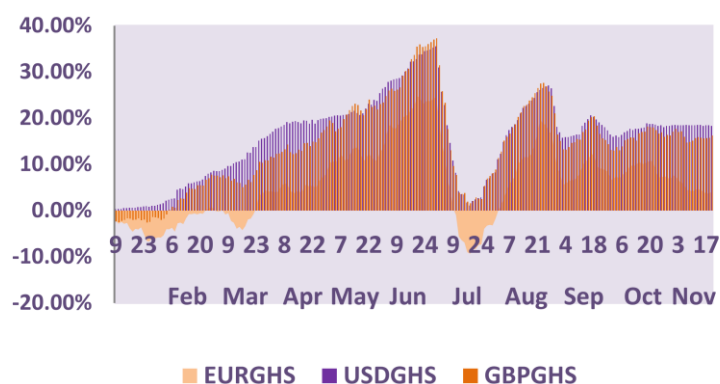


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### British Pound appreciates

Among Cedi's majors, it was the Pound that remained resilient against the Cedi as investors' confidence turned in favour of the GBPGHS exchange rate.

The rate which had begun the week's trading with a gain in favour of the Cedi later saw the UK currency upbeat its performance by appreciating by 0.29% in value.

One Pound was bought at GH¢5.78 and sold for GH¢5.79 last Thursday.

**Isaac Kwasi Mensah (Analyst)**

Email: [ikmensah@sic-fsl.com](mailto:ikmensah@sic-fsl.com)