

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

1st October, 2015



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	62,339.27	62,132.56	-0.33%
Market Capitalization (US\$ million)	16,358.58	16,741.45	2.34%
Volume traded (shares)	12,746,919.00	1,789,802.00	-85.96%
Value Traded (GH¢)	17,962,234.12	6,969,175.57	-61.20%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,039.07	-1.91%	-11.54%
SIC-FSL Top 15 Index	3,802.12	-1.17%	-4.70%
GSE Financial Stocks Index	1,991.88	-2.88%	-13.77%

Table 2: Key Stock Market Indices

LIQUIDITY

Liquidity on the bourse dipped compared to its previous week's performance due to the absence of block trade on the market last week. The aggregate volume and value of shares traded were down by 85.96% and 61.20% to 1.79 million shares and GH¢6.97 million respectively.

Activity in thirty-five (35) equities last week saw eight (8) equities recording varying levels of price changes in value. In the end, four (4) closed as gainers whereas the rest declined in value to close as laggards.

GSE CONTINUES DOWNWARD SPREE

The excitement on the Ghana Stock Exchange (GSE) dropped further last week, following the dwindling investor confidence on the equity market in recent times. Shareholders search for alternative investment vehicle appeared not to be over at all, as bargain tilted on the side of laggards.

Key among the affected companies were the shares of Ecobank Ghana Limited (EBG), Guinness Ghana Breweries Limited (GGBL), Ghana Oil Company Limited (GOIL) and HFC Bank (Ghana) Limited.

As a result, key benchmark indices turned southwards with the broader market losing 1.91% in level to close at 2,000.12 points, representing a year-to-date loss of 11.54%. The GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (T-15 Index) also declined by 2.88% and 1.17% in their respective levels to settle at 1,934.59 points and 3,757.76 points accordingly. Both, the GSE-FSI and T-15 Index posted year-to-date losses of 13.77% and 4.70% each.

The value of listed companies also went down by 0.33% to GH¢62.13 billion from the previous GH¢62.34 billion, however, corresponding dollar equivalent appreciated to USD 16.74 billion from USD 16.36 billion due to appreciations in the local currency.

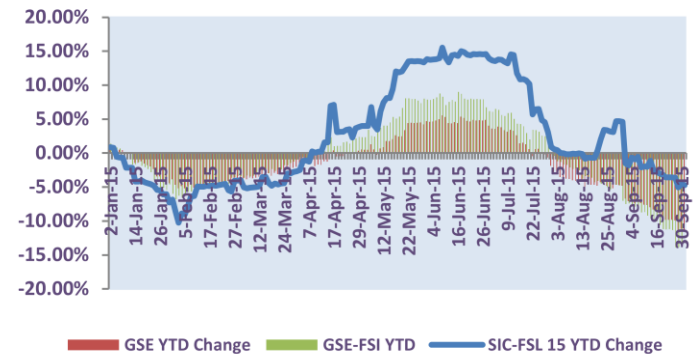


Fig 1: Year-to-date returns

MARKET MOVERS

Shareholders of GGBL sell-out...

Shareholders of the brewery giant; Guinness Ghana Breweries Limited (GGBL) appeared worried over the release of disappointing full year result of the company for the year ended 30 June 2015. This appeared to have influenced the company's share performance on the market, as equity-holders accepted lower-than-expected price offer of GH¢2.00 a share last week.

GGBL reported a loss after tax GH¢437.35 million in full-year 2015 results (FY'15) compared to the GH¢8.62 million loss it recorded in the same period last year.

Currently, the stock is trading far below this year's average price of GH¢2.99 per share on the market, suggesting the possibility of future upward price correction.

EBG dips, as investors redeem capital

Investors' quest for a "safe haven" vehicle appeared to be part of the many reasons why Ecobank Ghana limited (EBG) dipped last week. Prospecting buyers bid-down the Bank's value to GH¢7.04 per share, from a week open price of GH¢7.84.

EBG by virtue of that decline, has dropped by 7.37% on its year-open price of GH¢7.60 a share, closing as the second worst performed equity on the bourse last week.

CORPORATE NEWS

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has increased its ordinary shares to 404,991,179 as at August 31, 2015 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 143,977 ordinary shares.

In view of the above, AGA share capital has risen to 49,693,113751.17 South African Rand.

AYRTON DRUGS MANUFACTURING COMPANY LIMITED (AYRTN) ANNOUNCES A BOARD MEMBER RESIGNATION: The Board of AYRTN has announced the resignation of Mr. Leslie Kofi Amegashie as approved by shareholders at the Annual General meeting held on July 31, 2015.

GUINNESS GHANA BREWERIES LIMITED (GGBL) ANNOUNCES BOARD MEMBERS RESIGNATION: The Board of GGBL has announced the resignation of Mr. Ekwunife Okoli and Ms. Preba Greenstreet from the company's Board. Their resignation took effect from the 22nd of September 2015.

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	6.78	7.35	0.57	8.41%
GCB	3.69	3.73	0.04	1.08%
SCB	16.26	16.27	0.01	0.06%
UNIL	7.65	7.73	0.08	1.05%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EBG	7.84	7.04	(0.80)	-10.20%
GGBL	2.19	2.00	(0.19)	-8.68%
GOIL	1.40	1.33	(0.07)	-5.00%
HFC	1.01	1.00	(0.01)	-0.99%

Table 4: Laggards for the week

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 1/10/2015 (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	0.06	200.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	4.00	-2.44%
Cal Bank Ltd	CAL	1.01	0.84	-16.83%
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	0.02	0.00%
Ecobank Ghana Ltd.	EBG	7.60	7.04	-7.37%
Enterprise Group Limited	EGL	1.75	2.20	25.71%
Ecobank Transnational Inc.	ETI	0.28	0.30	7.14%
Fan Milk Ltd.	FML	5.25	7.35	40.00%
Ghana Commercial Bank Ltd.	GCB	5.30	3.73	-29.62%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.00	-37.50%
Ghana Oil Company Limited	GOIL	1.05	1.33	26.67%
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	1.00	-33.33%
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	16.27	-20.05%
SIC Insurance Company Ltd.	SIC	0.37	0.12	-67.57%
Starwin Products Ltd.	SPL	0.02	0.04	100.00%
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	0.35	45.83%
Total Petroleum Ghana Ltd.	TOTAL	6.10	5.37	-11.97%
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	7.73	-27.76%
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	0.07	40.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7094	3.7132	15.98% ▼
GBPGHS	5.6223	5.6288	12.98% ▼
EURGHS	4.1533	4.1572	6.66% ▼

Table 6: Inter-bank indicative rates

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

Dollar fails to retrieve gains lost to Cedi

The greenback ended the week's activities 2.61% lower than it commenced as the Cedi extended its gains versus the Dollar for yet another week.

Consequently, the Dollar was pegged at a midrate of GH¢3.71 and this represented a return of 15.98% versus the Cedi since year open.

Sterling verses Cedi

The Pound gained across board on the international market last week after a surprise fall in Britain's current account deficit, encouraging investors to be less cautious on UK interest rates.

The country's current account deficit plunged from £26.5 billion to £16.8 billion at the end of the second quarter, while living standards in the UK rose at their fastest pace in five years.

However, the Pound failed to mimic similar performance on Ghana's inter-bank market as it surrendered 3.10% of its value to the Cedi to end Thursday's trading at a year-to-date return of 12.98%.

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CEDI SUSTAINS RECOVERY

The local currency recorded its second consecutive win on the inter-bank market last Thursday in a bid to trim its holistic annual loss.

According to the Ghana Statistical Service (GSS), Ghana's economy is expected to grow a little over 4% this year, higher than Government's own projection of 3.5%. This seems to have been a factor supporting investors' confidence in the Cedi.

However, the provisional real GDP (including oil and gas) for the 2nd quarter of 2015 grew by 3.9% (year-on-year).

At the close of Thursday's trading activities, the Cedi's year-to-date loss trimmed to 12.56% after recording a composite gain of 2.59% against its major trading partners.

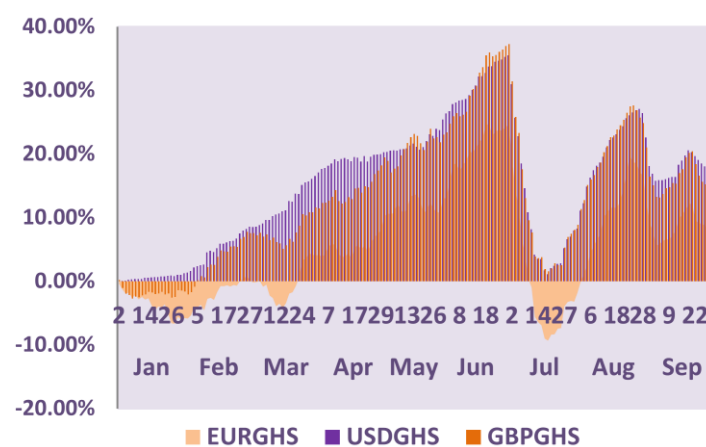


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro wanes on economic data

The release of the EU employment data put pressure on the Euro as the region's unemployment rate increased to 11.0% in September from 10.9% in August. Also, Euro-zone inflation fell into negative territory in September as price pressure eased -0.1% for the month.

Similarly, the shared currency lost traction again to the Cedi on Ghana's currency market after it traded at a midrate of GH¢4.1553, leading to a decline in its annual yield from 9.12% to 6.66% in the period under review.

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