

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

21st April, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,720.82	54,530.59	-0.35%
Market Capitalization (US\$ million)	14,307.59	14,284.75	-0.16%
Volume traded (shares)	1,468,749.00	1,877,974.00	27.86%
Value Traded (GH¢)	9,886,816.04	3,744,705.59	-62.12%
Value Traded (US\$)	2,585,058.84	980,957.09	-62.05%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,861.75	-1.84%	-6.67%
SIC-FSL Top 15 Index	3,114.61	-1.45%	-16.06%
GSE Financial Stocks Index	1,757.08	-2.73%	-8.96%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activity was comparatively better, following the exchange of 1.20 million block trade in Enterprise Group Limited (EGL) shares. En bloc, a total of 1.88 million shares exchanged hands, and this was valued at GH¢3.74 million.

The insurance sector contributed 68.31% and 83.49% of both volume and value of shares that traded on bourse last week.

Enterprise Group Limited (EGL) emerged the best performed stock in terms of volume and value of shares that traded. EGL contributed 1.28 million of the total traded shares, which represented 67.93% of total market volume for the week, valued at GH¢3.13 million.

GSE FAILS TO HALT LOSING TREND

The listed companies extended their losing streak on the Exchange last week, as laggards outperformed gainers in numbers and magnitude. Investors bid-down the value of Standard Chartered Bank (SCB), GCB Bank Limited (GCB), Cal Bank Limited (CAL) and Ecobank Ghana Limited (EGH) to further advance its losing trend of the Accra bourse.

As a result, the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index and the SIC-FSL Top 15 liquid Index closed the week at negative annual returns of 6.67%, 8.96% and 16.06% respectively, compared to the previous week's year-to-date losses of 4.93%, 6.40% and 14.82% accordingly.

The total value of listed companies (market capitalization) on the Exchange dropped to GH¢54.53 billion from GH¢54.72 billion, whereas corresponding dollar value also declined to USD 14.28 billion from USD 14.31 billion.



Fig 1: Year -to -date returns

MARKET MOVERS

SCB surrenders 53-pesewas

The Asian-focused Bank; Standard Chartered Bank (SCB) lost 53-pesewas of its market value to close the week's activities at GH¢15.57 per share last Thursday. The decline appeared to have been influenced by the dwindling investor confidence on the market and the Bank as well, as the increased offers drag the price further down.

Even though, SCB's revenue grew from the GH¢616.27 million in FY'14 to GH¢657.56 million in FY'15, its net profit after tax dropped from GH¢208.27 million in FY'14 to GH¢66.15 million in FY'15 in line with the unfavourable business environment.

Investors appeared to have relied upon the huge drop in bottom-line to cream-off some profits early enough to avert the possibility future losses. Though SCB is currently trading at 63% premium to the sector's average trailing P/E ratio of 7x, the historical performance appears more promising in influencing future price.

GCB declines despite dividend declaration

Shares of GCB Bank dropped last week despite the hint of 33-pesewas proposed dividend for the 2015 financial year. Investors appeared to have ignored this positive development as they bought the shares at discount to market, causing the Bank's share price to close GH¢3.34, down from the week-open price of GH¢3.60 per share.

The Bank's revenue grew from the GH¢850.65 million in FY'14 to GH¢999.04 million in FY'15, however, net profit after tax dropped from GH¢270.06 million in FY'14 to GH¢244.74 million within the comparative periods.

Analysts have attributed the decline to the general market apprehension blowing on the Exchange. The drop of 9% in the company's 2015 bottom-line appeared to have also influenced Bank's poor performance last week.

CORPORATE NEWS

TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES ANNUAL GENERAL MEETING: Directors of TOTAL has scheduled Wednesday, May 11, 2016 for the company's Annual General Meeting (AGM). The meeting will be held at National Theatre, Liberia Road, Accra at exactly 11:00 am.

BENSO OIL PALM PLANTATION LIMITED (BOPP) ANNOUNCES FINAL DIVIDEND PAYMENT: Management of BOPP have announced a final dividend payment of GH¢0.0469 per share in respect of 2015 financial year. This is subject to shareholders' approval at the upcoming Annual General Meeting (AGM).

In view of the aforementioned, any investor who buys the company's shares before Monday, 9th May, 2016 will be entitled to the final dividend.

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES ANNUAL GENERAL MEETING: Directors of AGA has settled on Wednesday, May 4, 2016 for the company's 72 Annual General Meeting (AGM). The meeting will be held at The Auditorium, 76 Rahima Moosa Street, Newtown, Johannesburg, South Africa at exactly 11:00 am (South African time).

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.08	0.10	0.02	25.00%
GOIL	1.46	1.48	0.02	1.37%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ACI	0.02	0.01	-0.01	-50.00%
CAL	0.98	0.90	-0.08	-8.16%
EGH	6.90	6.84	-0.06	-0.87%
EGL	2.45	2.44	-0.01	-0.41%
FML	7.35	7.34	-0.01	-0.14%
GCB	3.60	3.34	-0.26	-7.22%
MLC	0.19	0.18	-0.01	-5.26%
PZC	0.29	0.27	-0.02	-6.90%
SCB	16.10	15.57	-0.53	-3.29%
SOGEGH	0.80	0.79	-0.01	-1.25%

Table 4: Laggards for the week

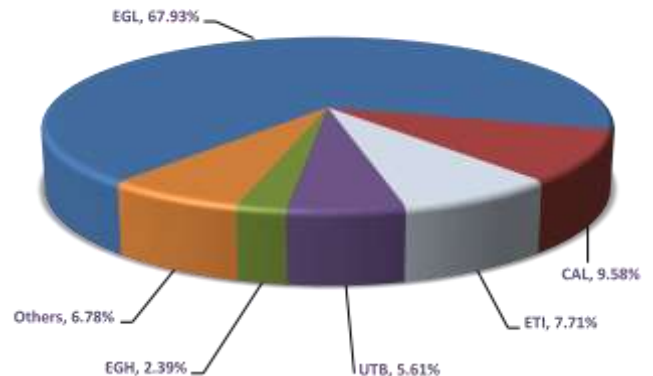


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 21/4/2016 (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	0.10	-28.57%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.12	24.80%
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	6.84	-2.43%
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	7.34	-0.14%
Ghana Commercial Bank Ltd.	GCB	3.79	3.34	-11.87%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.92	-3.52%
Ghana Oil Company Limited	GOIL	1.40	1.48	5.71%
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	0.18	-5.26%
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	0.27	-20.59%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	15.57	-4.48%
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	0.79	-1.25%
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	5.08	-0.39%
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	8.50	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	0.73	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	3.8155	3.8193	0.59% ▼
GBPGHS	5.4699	5.4765	2.55% ▲
EURGHS	4.3124	4.3163	4.41% ▼

Table 6: Inter-bank indicative rates

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

Dollar maintains losing streak

The American Dollar struggled to find its feet against the Cedi yet again, sending the USDGHS exchange rate lower than it traded the earlier week.

The American Dollar lost 0.19% of its previous value to trade at a mid-rate of GH¢3.8174 lending support to the rise of the local currency against the greenback.

Relatively lower demand for dollars by importers also contributed in the strengthening of the Cedi against the dollar.

Consequently, the local currency managed to cutback some of the losses it has incurred against the greenback i.e. reducing its deficit against the greenback this year from the previous week's yield of 0.78% to 0.59% as the close of trading last week.

Draghi's comment supports Euro

The bloc currency appreciated in value as the European Central Bank President Mario Draghi expressed optimism about inflation and the economy. This came as a surprise to some investors who had expected him to do more to underplay the value of the single currency.

The performance of the shared currency on the international market was replicated on Ghana's inter-bank market as the value of the Euro rose to a midrate of GH¢4.3144 to GH¢4.3070 previously.

This saw the annual return of the Euro climb to 4.41% against the Cedi.

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CEDI FAILS TO SUSTAIN GAINS

The local currency nosedived last week, as it failed to capitalize on the gains it had recorded in the earlier weeks of trading.

In the week under review, the composite value of the Ghanaian currency declined by 0.15% on the inter-bank market, although it maintained a steady trajectory against the American Dollar over the period.

Consequently, the Cedi currently stands at a cumulative depreciation of 2.11% since year open.



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

Pound rises in value

The British Pound gained footing on the international market and also remained resilient against the Cedi as polls showed "Brexit" resistance.

The Pound climbed 1.12% versus the Cedi at the close of the week's trading amongst the banks, pulling down its year-to-date loss suffered against the Cedi to 2.55%.

News on the international market indicated that two polls showed the 'in' camp well ahead in the run-up to June's referendum on European Union membership. The poll confirmed a wider gap between the 'in' and the 'out' camp for the Brexit referendum with 49% of people saying they would vote in and 39% voting out. The wave of good news bolstered the value of the Pound on the international market.

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