

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

22nd September, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	53,097.56	53,043.16	-0.10%
Market Capitalization (US\$million)	13,422.37	13,386.96	-0.26%
Volume traded (shares)	3,893,266.00	23,138,721.00	494.33%
Value Traded (GH¢)	754,714.50	30,946,848.44	4000.47%
Value Traded (US\$)	190,782.00	7,810,324.42	3993.85%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,773.53	-0.27%	-11.10%
SIC-FSL Top 15 Index	2,999.79	-0.14%	-19.15%
GSE Financial Stocks Index	1,680.47	-0.34%	-12.93%

Table 2: Key Stock Market Indices

LIQUIDITY

Regardless of the sloppy market performance, a block trade in Ghana Oil Company Limited (GOIL) supported last week's impressive market turnover. A total of 23.14 million shares exchanged hands, and was valued at GH¢30.95 million, representing an increase from the 3.89 million and GH¢754,714.50 of both volume and value of shares traded a fortnight ago.

Equities in the Petroleum sectors saw the most activity within the period. The sector contributed 97.48% and 96.99% of both volume and value traded shares respectively.

The shares of Ghana Oil Company Limited (GOIL) was the most traded on the market last week. The stock contributed 22.55 million shares out of the entire shares that traded, representing 97.46% of total traded shares. This was valued at GH¢29.99 million which also represented 96.92% of value traded.

ACCRA BOURSE CONTINUES TO STRUGGLE

The Ghana Stock Exchange (GSE) suffered further losses last week as fanned by the increasing inflationary pressure in the economy. Shares of GCB Bank Limited (GCB), Societe Generale Ghana Limited (SOGEGH), Tullow Oil Plc (Plc) and Benso Oil Palm Plantation Limited (BOPP) were the most affected last week.

The Ghana Statistical Service (GSS) announced an increased of in inflationary pressure from 16.7% previously to 16.9% for last last month. The announcement coupled with the general trepidation on the Ghanaian bourse appeared to have contributed to the market's downside performance.

In effect, the yield on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) slipped from their previous week losses of 10.86%, 12.64% and 19.04% each to 11.10%, 12.93% and 19.15% respectively last Thursday.

Total market capitalization on the GSE slipped to GH¢53.04 billion from GH¢53.10 billion, whilst an equivalent dollar value also declined by 0.26% to USD13.39 billion.



Fig 1: Year-to-date returns

MARKET MOVERS

GCB slips further

Activities in GCB Bank (GCB) shares worsened further last week, declining from the week's open price of GH¢3.96 per share to GH¢3.92 a share. This could be attributed to the increased selling pressure in the bank's share which appeared to have been fueled by the dwindling market performance.

In view of the above, it appears investors edge to sell still exceeds the likely hold-option entering into next week. For that reason, the possibility of further downward price corrections seems highly possible as supported by the Bank's 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢3.51 and the 182-Day Average Trading Price of GH¢3.44 per share.

Societe Generale dips despite good data

Despite, the release of impressive financial results in the half-year of 2016 (HY'16) by Societe Generale Ghana Limited (SOGEGH), investors bid-down the share value from GH¢0.80 to GH¢0.73 per share last Thursday.

SOGEGH showed a growth in revenue of GH¢186.47 million in HY'16 from the GH¢150.98 million in HY'15, resulting in a net profit after tax of GH¢25.63 million in HY'16 from GH¢13.28 million in HY'15. That nonetheless, appeared not to have convinced investors, as they sold out holding positions lower-than-expected last Thursday. The reason could be due to the declining fortunes on the GSE.

In spite of the aforementioned, the possibility of an upward review seems highly possible, especially when the past share performance on the Exchange is considered. The Bank is currently trading at 8% discount to the trailing average P/E ratio of 6x by the sector.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.75	0.76	0.01	1.33%
EGL	2.36	2.38	0.02	0.85%
FML	9.75	9.76	0.01	0.10%
SCB	14.18	14.19	0.01	0.07%
UTB	0.03	0.04	0.01	33.33%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.48	2.45	-0.03	-1.21%
GCB	3.96	3.92	-0.04	-1.01%
PBC	0.05	0.04	-0.01	-20.00%
SOGEGH	0.80	0.73	-0.07	-8.75%
TLW	27.00	26.97	-0.03	-0.11%
SAMBA	0.73	0.72	-0.01	-1.37%

Table 4: Laggards for the week

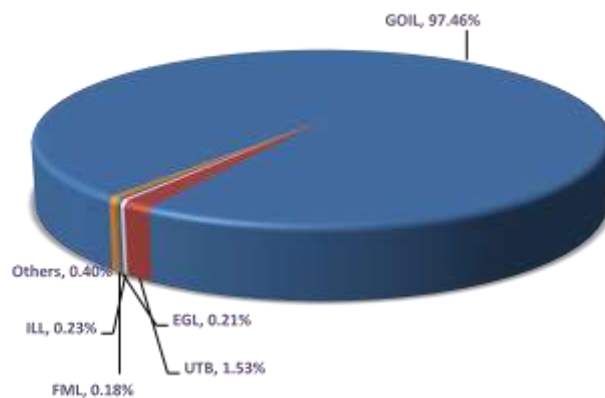


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

TULLOW OIL PLC (TLW) ANNOUNCES SUCCESSFUL DISCOVERY: Tullow Oil Plc has announced that, the drilling and testing of the Cara prospect in the Norwegian North Sea was successful.

The company encountered a gas column of 51 metres and an oil column of 60 metres with an estimation of between 25 million barrels of oil equivalent (boe) and 70 million boe.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 22/09/2016 (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	0.13	-7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.45	-2.00%
Cal Bank Ltd	CAL	1.00	0.76	-24.00%
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	6.80	-3.00%
Enterprise Group Limited	EGL	2.40	2.38	-0.83%
Ecobank Transnational Inc.	ETI	0.27	0.15	-44.44%
Fan Milk Ltd.	FML	7.35	9.76	32.79%
Ghana Commercial Bank Ltd.	GCB	3.79	3.92	3.43%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.79	-10.05%
Ghana Oil Company Limited	GOIL	1.40	1.24	-11.43%
Golden Star Resources Ltd.	GSR	1.99	1.95	-2.01%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.80	-11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.16	-15.79%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.04	-60.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.21	-38.24%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.19	-12.94%
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	0.73	-8.75%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.50	-50.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	26.97	-3.68%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.04	-60.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.75	5.63%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.72	-1.37%
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	3.9603	3.9643	4.41% ▼
GBPGHS	5.1809	5.1881	7.69% ▲
EURGHS	4.4490	4.4521	7.71% ▼

Table 6: Inter-bank indicative rates

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

Dollar maintains dominance over Cedi

The fall in value of the Cedi against the dollar last week, extended the latter's rally to the third consecutive week. The Dollar was up 0.16% against the Cedi on the inter-bank market.

The jump was as a result of high corporate demand for the greenback amid the \$1.8 billion loan facility COCOBOD raised for cocoa purchase last week.

COCOBOD; the regulator of the local cocoa industry last week secured a \$1.8 billion loan as seed fund for the 2016/2017 cocoa season. The COCOBOD got more than \$2 billion worth of bids from the banks but agreed to take \$1.8 billion.

The USDGHS exchange rate ended trading at a midrate of GH¢3.9623, representing an annual return of 4.41%.

Data supports Euro's rise

The Euro managed an appreciation last week as it rose by 0.06% to GH¢4.4501 against the Cedi on the inter-bank.

The rise on the inter-bank market was due to a global increase in the value of the Euro after the release of French business climate data which boosted market sentiment. The index rose 2 points higher than expected to 103 points for the month of September.

The rally brings the Euro to a year-to-date appreciation of 7.71% against the Cedi on the inter-bank market since the year commenced.

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CEDI GAINS marginally AS BOG MAINTAINS ITS POLICY RATE

The Ghanaian Cedi extended its holistic appreciation on the inter-bank market for a second consecutive week, although marginal.

The Cedi appreciated by 0.03% on a week-on-week basis, after the Monetary Policy Committee (MPC) announced a stalemate position in its policy rate. Thus, the MPC of the Central Bank for the fifth consecutive time maintained its policy rate at 26%. The committee attributed the decision to the stability in inflation for the period.

The local currency as a result saw its year-to-date loss trim down to 3.16% from 3.19% a week earlier.



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

Sterling retreats on the inter-bank market

The GBPGHS exchange rate was adjusted downwards last week in line with its performance on the international markets.

Sterling lost 0.77% on the inter-bank market supporting the marginal rise in the holistic value of the Cedi. The fall was due to comments made by U.K's Foreign Secretary, Boris Johnson. According to him, he expects his country to start formal Brexit negotiations early next year, i.e. with an Article 50 letter. Activating an Article 50 is the action that officially would kick off the U.K.'s exit from the European Union.

This triggered the sale of Sterling, and raised further concerns among investors.

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