

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

22nd October, 2015



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	62,060.06	62,065.83	0.01%
Market Capitalization (US\$ million)	16,455.01	16,353.77	-0.62%
Volume traded (shares)	1,818,391.00	1,973,277.00	8.52%
Value Traded (GH¢)	2,100,238.59	8,378,199.68	298.92%
Value Traded (US\$)	556,870.90	2,207,577.91	296.43%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,987.88	0.05%	-12.08%
SIC-FSL Top 15 Index	3,749.54	0.03%	-4.91%
GSE Financial Stocks Index	1,915.31	-0.01%	-14.63%

Table 2: Key Stock Market Indices

LIQUIDITY

Total shares traded were comparatively better than the previous week's performance, following the exchange of 1.97 million shares. Corresponding value traded also improved significantly by 298.92% to settle at GH¢8.38 million.

On the whole, the financial sector contributed a total of 1.21 million shares, representing 61.37% of the total traded shares. GCB Bank Limited (GCB) recorded the highest shares traded within the period, after contributing 935,216 shares, representing 47.39%. Fan Milk Limited (FML) by virtue of its 0.55% price premium for the week recorded the highest value, standing at GH¢4.03 million, which represented 48.07% of the total value traded.

GSE HOLDS DWINDLING YIELDS

The Ghana Stock Exchange (GSE) recorded a fairly improved performance last week, as price gainers outweighed laggards on the bourse. The magnitude of gains recorded over the period was enough to hold the declining fortunes experienced on the GSE in recent weeks.

Among the nine (9) price-movers on the market, six (6) were gainers and the rest, laggards. Shares of Unilever Ghana Limited (UNIL), Fan Milk Limited (FML), GCB Bank Limited (GCB) and Ghana Oil Company Limited (GOIL) account for the seemingly stable performance last week.

In light of the above, the year-to-date loss on the GSE-Composite Index (benchmark index) this year improved to 12.08% last Thursday, from the previous week's 12.13%. Likewise, the annual depreciation on the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15 Index) were fairly stable at 14.63% and 4.91% each, compare to the previous 14.63% and 4.94% respectively.

Total market capitalization of the Ghana Stock Exchange were equally stable at GH¢62.10 billion, whilst its dollar equivalent declined by 0.62% to USD16.35 billion because of the losses the Cedi suffered against the greenback.

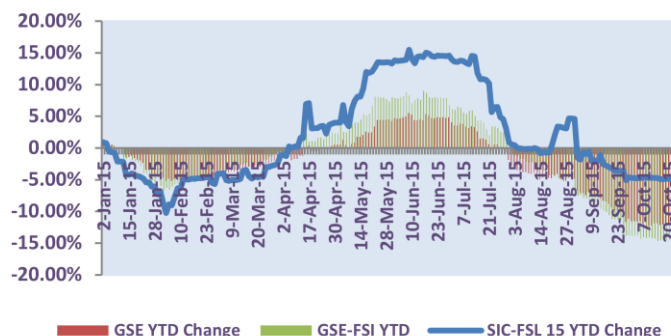


Fig 1: Year -to- date returns

MARKET MOVERS

Shareholders show confidence in UNIL shares

Investors exhibited some level of confidence in Unilever Ghana Limited (UNIL) last week, as they were willing to buy the company's share at a premium. The stock traded at GH¢7.84 a share, from the previous week's GH¢7.79 per share. The conglomerate posted a positive performance in its financial results within the last two quarters. As a result, shareholders seem to be consolidating their holdings to benefit fully in the upside operational performance of the company this year.

The company's profit after tax increased from the GH¢12.66 million in Q1'15 to GH¢22.75 million in HY'15. Revenue also increased to GH¢251.83 million from GH¢186.82 million within the same comparative period.

UNIL at the current price of GH¢ 7.84 per share, continues to trade below the average market price of GH¢8.08 a share this year, signaling the possibility of an upward price correction in not distant future.

Investors seek comfort in FML shares

Investors increased their interest in Fan Milk Limited shares last week to consolidate their expected earnings in the dairy producing company. The increased investor confidence accounted for FML's best performing stock of the week. FML hopped from the week-open price of GH¢7.31 to GH¢7.35 per share last Thursday.

Fan Milk's current intuitive price appears slightly over-heated when compared to the current above. Currently, the stock is trading above this year's average price of GH¢5.71 a share, and also at 77% premium to the sector's trailing P/E ratio of 15x.

CORPORATE NEWS

TOTAL PETROLEUM GHANA LIMITED (TOTAL) APPOINT DIRECTORS:

Management of TOTAL has appointed Madam Sandrine Saboureau and Madam Ada Eze as members of the Board to replace Mr. Emmanuel de Fournas and Thibault de Langlais respectively. Their appointment took effect from the 1st October, 2015.

HFC BANK (HFC) LISTS ADDITIONAL SHARES: Management of HFC Bank has added 60,000 ordinary shares to its outstanding issue shares. This followed the exercise of right by staff members under the HFC Executive Stock Option Scheme on January 1, 2015.

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	7.31	7.35	0.04	0.55%
GCB	3.71	3.74	0.03	0.81%
GOIL	1.33	1.35	0.02	1.50%
SOGEGH	0.78	0.79	0.01	1.28%
UNIL	7.79	7.84	0.05	0.64%
UTB	0.09	0.10	0.01	11.11%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.80	0.79	-0.01	-1.25%
EBG	7.04	7.00	-0.04	-0.57%
TOTAL	5.36	5.32	-0.04	-0.75%

Table 4: Laggards for the week

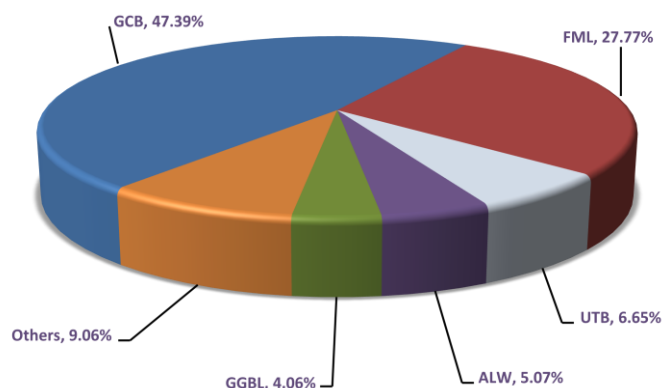


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 22/10/2015 (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	0.08	300.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	3.95	-3.66%
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	7.00	-7.89%
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	3.74	-29.43%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.00	-37.50%
Ghana Oil Company Limited	GOIL	1.05	1.35	28.57%
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	0.86	-42.67%
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	0.04	100.00%
Societe Generale Ghana Limited	SOGEGH	1.00	0.79	-21.00%
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	5.32	-12.79%
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	7.84	-26.73%
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	3.7933	3.7971	18.60% ▼
GBPGHS	5.8424	5.8491	17.41% ▼
EURGHS	4.2312	4.2345	8.65% ▼

Table 6: Inter-bank indicative rates

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

Dollar remains peoples' choice

The greenback continued to be investors' and traders' preferred currency, giving the Dollar a better footing over the local currency on the inter-bank market.

The Dollar was up in value by 0.63% against the Cedi in the period under review, as it maintained a third straight week of appreciation versus the Cedi.

The Dollar traded at a midrate of GH¢3.7952 at the close of Thursday's trading, representing a year-to-date appreciation of 18.60% in favour of the Dollar.

September retail sales data boost Pound's value

The Pound strengthened across board on the international market as investors responded positively to the UK's outperforming retail sales report. Retail sales in UK shot up from 3.7% in August to 5.9% year-on-year in September, higher than the expected 4.8%.

This comes to add up to other good economic data that have supported opinions that interest rates will likely rise sooner than expected.

The positive performance of the Sterling globally, had an impact on the local market as it increased in value against the Cedi on the inter-bank market. The Pound was up by 0.38% at an average of GH¢5.8458 to settle at an annual yield of 17.41%.

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CEDI UP marginally

The Cedi commenced the period under review on the downside but managed to record some gains in the mid and latter part of the period.

Latest figures covering fiscal operation from January to August shows that the Government spent slightly more than revenue mobilized.

According to the figures, the Government spent almost GH¢1 billion more than the GH¢23.7 billion projected. The excess spending was influenced by overruns in capital expenditure. On the other hand, revenue was a little over GH¢1 billion more than the GH¢19 billion targeted.

The Government however, is hoping to end 2015 with an expenditure target of GH¢37 billion, according to its revised budgets.

The Cedi recorded a marginal appreciation of 0.03% to reduce its annual loss to 15.29% from 15.32% last week.

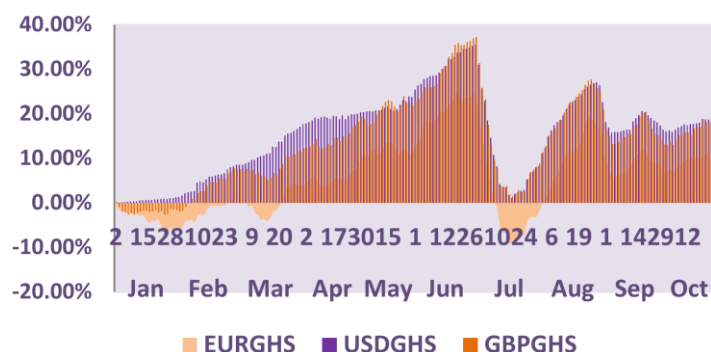


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro points south

The shared currency nosedived against a basket of currencies on the global front, following the dovish comment passed by the European Central Bank (ECB) President, Mario Draghi.

According to President Draghi new stimulus measures could come as early as December. He said policy officials discussed lowering the rate the ECB pays on deposits at the central bank, which already stands at -0.2%. This saw investors dampen the Euro for safer haven currencies.

The situation was no different on Ghana's market as the Euro lost tractions to the Cedi to close Thursday's activities at a year-to-date return of 8.65%, after losing 1.39% of its value to the Cedi.

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