

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

23<sup>rd</sup> June, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,328.61	54,730.83	0.74%
Market Capitalization (US\$million)	13,938.63	14,008.40	0.50%
Volume traded (shares)	2,238,693.00	4,423,109.00	97.58%
Value Traded (GH¢)	4,198,218.68	30,084,135.90	616.59%
Value Traded (US\$)	1,077,101.54	7,700,060.38	614.89%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,776.92	0.31%	-10.93%
SIC-FSL Top 15 Index	3,148.35	3.14%	-15.15%
GSE Financial Stocks Index	1,652.55	-0.22%	-14.38%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in 18 equities yielded an aggregate volume of 4.42 million shares, which was 97.58% better than the previous week's performance. The rise was due to the multiple block trades recorded in Fan Milk Limited's shares last week. Corresponding value traded also increased from the GH¢4.20 million to GH¢30.08 million, which was also significantly better than the previous week.

Market activities were largely skewed towards the financial stocks, as the sector recorded 79.74% and 97.49% of total volume and value of shares traded.

Fan Milk Limited (FML) contributed 3.51 million shares, representing 79.39% of total traded shares. This was valued at GH¢29.20 million, which represented 97.06% of the total value traded.

## GSE SUSTAINS UPWARD RECOVERY

The excitement on the Ghana Stock Exchange (GSE) was better last week, following increased market appetite in the Insurance, Banking and Consumer goods sectors. Shares of Fan Milk Limited (FML), SIC Insurance Company Limited (SIC), and Unilever Ghana Limited (UNIL) gave support to last week's market recovery.

At the close of Thursday's activities, the GSE Composite Index (GSE-CI) which tracks the performance of the broader market went up to 1,776.92 points, representing an improved year-to-date loss of 10.93% compared to the 11.20% annual loss in the previous week. Similarly, the SIC-FSL Top-15 liquid Index (T-15 Index) improved its year-to-date losses to 15.15% from the previous week's 17.74%. On the contrary, the year-to-date losses on the GSE Financial Stocks Index (GSE-FSI) worsened from the 14.19% to 14.38% last week and this was due to the depreciation in share price of Standard Chartered Bank (SCB), GCB Bank (GCB) and Cal Bank Limited (CAL).

The value of listed companies on the GSE also appreciated by 0.74% to GH¢54.73 billion. An equivalent dollar value also improved to USD14.00 billion, from USD 13.94 billion last Thursday.



Fig 1: Year -to -date returns

## MARKET MOVERS

### FML climbs to GH¢8.50 per share

The shares of the yoghurt giant; Fan Milk Limited (FML) saw a 50-pesewas rise in market value last week, following the intense demand for the company's shares on the GSE last week. FML, as result of the increased demand hopped from the GH¢8.00 per share to GH¢8.50 a share.

The rise appeared to have been supported by the company's improved financial performance in the first quarter of this year. FML reported an increased growth in revenue from GH¢71.49 million in Q1'15 to GH¢96.74 million in Q1'16, resulting in the 33% growth on its net profit after tax figure of GH¢11.83 million in Q1'15.

Though, the shares of the FML appeared seemingly over-heated on the GSE with regards to market fundamentals, like the 91-Day Volume Weighted Average Price (VWAP<sub>91</sub>) of GH¢7.35 a share and 91-Day Average Trading Price of GH¢7.34 per share, investors over-riding prospects in the future of the company appeared to have caused the upward price change.

### SIC swings to 15-pesewas

The nation's biggest insurer; SIC Insurance Company Limited (SIC) saw a swing in share price from a week and year-open price of GH¢0.14 to GH¢0.15 per share last week.

Analysts believe the improved share performance was due to the seemingly rising market confidence on the Accra Bourse. The company's fundamental appeared to have also added some bait to the upward course. This is evident in the 91-Day Volume Weighted Average Price (VWAP<sub>91</sub>) and the 91-Day Average Trading Price which is currently pegged at GH¢0.17 per share, signifying the possibility of higher price discovery in the near future.

## MARKET MOVERS

**GHANA OIL COMPANY LIMITED (GOIL) ANNOUNCES INCREASE IN SHARE CAPITAL:** GOIL has increased its ordinary shares to 391,863,128 following the listing of additional 139,639,640 ordinary shares. This was as a result of the company's recent right issue.

**ALUWORKS LIMITED (ALW) ANNOUNCES ANNUAL GENERAL MEETING(AGM):** Directors of ALW have announced Thursday, June 30, 2016 for the company's 29<sup>th</sup> Annual General Meeting(AGM). The meeting will be held at the Fiesta Royale Hotel, Dzorzulu, in Accra at exactly 10:00 am prompt.

**ECOBANK TRANSNATIONAL INCORPORATED (ETI) ANNOUNCES DIVIDEND PAYMENT:** ETI has announced a final dividend payment of 0.2 cents per share for the year ended December 31, 2015.

In view of the above, any investor who buys ETI shares on or after Thursday, July 14, 2016 will not be entitled to the final dividend declared. The dividend will be paid on Tuesday, August 9, 2016.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.83	0.80	-0.03	-3.61%
GCB	3.06	3.05	-0.01	-0.33%
GOIL	1.39	1.37	-0.02	-1.44%
PZC	0.27	0.24	-0.03	-11.11%
SCB	14.25	14.20	-0.05	-0.35%
TOTAL	4.00	3.99	-0.01	-0.25%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	8.00	8.50	0.50	6.25%
SIC	0.14	0.15	0.01	7.14%
SOGEGH	0.77	0.78	0.01	1.30%
UNIL	8.47	8.48	0.01	0.12%
UTB	0.08	0.09	0.01	12.50%

Table 4: Gainers for the week

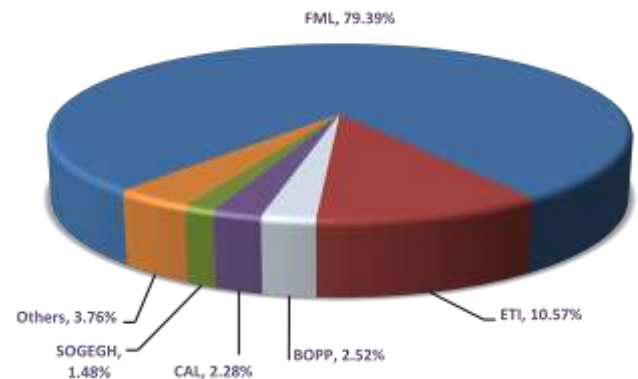


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 23/06/2016 (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	0.11	-21.43%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	2.90	16.00%
Cal Bank Ltd	CAL	1.00	0.80	-20.00%
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	6.35	-9.42%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	8.50	15.65%
Ghana Commercial Bank Ltd.	GCB	3.79	3.05	-19.53%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.85	-7.04%
Ghana Oil Company Limited	GOIL	1.40	1.37	-2.14%
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	0.83	-7.78%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.19	0.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.07	-30.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.24	-29.41%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.20	-12.88%
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	0.78	-2.50%
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	3.99	-21.76%
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	8.48	-0.24%
UT Bank	UTB	0.10	0.09	-10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.74	4.23%
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	3.9050	3.9090	2.95% ▼
GBPGHS	5.7853	5.7927	3.07% ▼
EURGHS	4.4413	4.4440	7.52% ▼

Table 6: Inter-bank indicative rates

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

### Dollar maintains positive trend

The Cedi failed to plowback some gains versus the Dollar amid the outcome of the 5-year bond issued last week.

The Government sought to raise between GH¢500 million to GH¢1 billion from banks and institutional investors last Thursday but was able to raise GH¢816 million but accepted GH¢811 million worth of bids from investors at a rate of 24.5%. The Finance Ministry is planning to use proceeds of the bond to finance debts that are maturing and support some projects outlined in the budget.

By close of trading on Thursday, the American Dollar rose by 0.24% after trading between GH¢3.9050 and GH¢3.9090 on the interbank market. This represented an appreciation in the annual yield of the greenback from 2.71% to 2.95%.

### Euro versus Cedi

The Euro, just like the Pound lost weight on the global market against a basket of currencies at the end of the Brexit referendum.

The consequence which is likely to result in uncertainty and market upheaval in the Eurozone may also dampen growth this year.

However, local currency traders adjusted the EURGHS exchange rate upwards, as it traded at a midrate of GH¢4.4427, representing a gain of 2.31%. The bloc currency closed trading at an annual return of 7.52% last Thursday.

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## CEDI HITS ITS HIGHEST WEEKLY LOSS THIS YEAR

The local currency recorded a holistic decline on the interbank market last week, amid the release of positive Ghana's Gross Domestic Product (GDP) growth for the first quarter of this year.

Last week, the Ghana Statistical Service (GSS) revealed the first quarter provisional figures of Ghana's economy grew by 4.9%, i.e. 0.04% higher than the figure recorded during the same period in 2015.

The data showed that the Service sector recorded the highest growth of 8.8 percent, followed by the Agriculture sector which recorded 2.8% while the industry sector grew by a negative 1.1%.

The report was not sufficient enough to support the value of the local currency as it lost as much as 1.78% of its composite value to its major trading partners. This resulted in a year-to-date loss of 4.34% from 2.51% the week earlier.

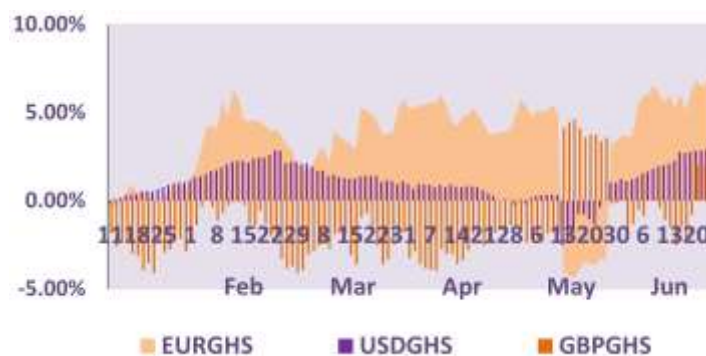


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound weakens on the international market

The aftermath of the European Union Referendum saw investor's channel their interest to safer haven currencies on the international market other than the Pound.

Britain voted to leave the European Union with a slight majority of 51% compared to 48% voting to remain. The value of the Pound was significantly affected in the wake of this shock vote.

On the other hand, the Pound recorded the highest weekly win on Ghana's inter-bank market among the Cedi's major currency rivals. The Pound increased in value by 5.56%, pushing the currency from the annual loss region to a year-to-date gain of 3.07% against the Ghanaian Cedi.

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