

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

25th August, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	54,564.59	54,070.43	-0.91%
Market Capitalization (US\$'million)	13,835.19	13,698.20	-0.99%
Volume traded (shares)	1,235,108.00	1,627,472.00	31.77%
Value Traded (GH¢)	3,520,763.69	8,333,873.13	136.71%
Value Traded (US\$)	892,711.20	2,111,303.18	136.50%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,812.91	-0.63%	-9.12%
SIC-FSL Top 15 Index	3,041.48	-3.48%	-18.03%
GSE Financial Stocks Index	1,720.06	-0.79%	-10.88%

Table 2: Key Stock Market Indices

LIQUIDITY

Despite last week's slowed market performance, total traded shares was comparatively better than the previous week's figure of 1.24 million following the exchange of 1.63 million shares last week. Comparative value traded was also up from the GH¢3.52 million previously to GH¢8.33 million.

Equities in the Consumer Goods and Financial sectors saw the most activity within the period. The two sectors contributed an estimated total of 41% and 42% of the entire traded shares respectively, with a corresponding value traded of 21% and 75% each.

The shares of Fan Milk Limited (FML) remained the most traded on the market in terms of both volume and value. FML contributed 657,803 out of the total traded shares, representing 40.42% of market volume. This was valued at approximately GH¢6.25 million, which represented 74.96% of market value.

POOR INVESTOR SENTIMENT UNSETTLES BROADER MARKET PERFORMANCE

The recovery process on the Ghana Stock Exchange (GSE) paused for a breather last week, following the poor market sentiment that characterized activities on the Exchange. A decline in share value of Benso Oil Palm Plantation (BOPP), Total Petroleum Ghana Limited (TOTAL), Golden Star Resources Limited (GSR), Ecobank Transnational Incorporated (ETI) and Tullow Oil Plc (TLW) dragged performance down again after almost four weeks of upward recovery.

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 8.55%, 10.18% and 15.07% to 9.12%, 10.88% and 18.03% respectively.

Total market capitalization of the GSE dropped significantly by 0.91% to GH¢54.07 billion, whilst an equivalent dollar value was also down by 0.99% to USD13.69 billion because of the Cedi's depreciation against the greenback last week.



Fig 1: Year -to -date returns

MARKET MOVERS

TOTAL drops to GH¢2.90

Uninspiring half-year financial results released by the management of Total Petroleum Ghana Limited (TOTAL) appeared to have sapped investors appetite for the company's shares as they bid-down the share price to a record low. TOTAL closed as one of the worst performed stocks within the week, closing at GH¢2.90 per share last Thursday.

Analysts have attributed the significant drop in the share value to the half-year results 2016 (HY'16). TOTAL's revenue declined from GH¢923.19 million in HY'15 to GH¢854.14 million in HY'16, representing a decline of 7% over the comparative periods. Net profit after tax drop from the Gh¢27.69 million in HY'15 to GH¢20.75 million in HY'16.

At the current price above, TOTAL is trading below the company's 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢5.00 per share and the 182-Day Average Price of GH¢4.78 per share.

Investors bid-down BOPP's share value

Prospecting buyers bid-down the shares of Benso Oil Palm Plantation (BOPP) by 10-pesewas last week, closing as one of the worst performed equities on the Exchange. The company's share price dropped from the previous week's GH¢2.80 to GH¢2.70 per share.

The fall, according to some analysts might be due to the price which appeared to be a little over-heated. The company is currently trading at 67% premium of its trailing average P/E ratio of 3x on the Accra Bourse.

MARKET MOVERS

DANNEX LIMITED TO TAKEOVER ARYTON DRUGS MANUFACTURING LIMITED: Following on-going sale-agreement between Adcock Ingram International (PYT) Limited ("Adcock") a shareholder of Ayrton Drug Manufacturing Limited ("Ayrton").

Adcock is disposing 53.47% of its voting shares in Ayrton to Dannex Limited subject to an exemption from undertaking a Mandatory Takeover Offer under the Securities and Exchange Commission (SEC) Code on Takeovers and Mergers.

Upon completion of the transaction, Adcock Ingram Holdings PTY shares in Ayrtn shall be reduced from 78.57% to 25.1%.

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	9.42	9.50	0.08	0.85%
GCB	4.00	4.10	0.10	2.50%
HFC	0.71	0.72	0.01	1.41%
SIC	0.15	0.17	0.02	13.33%
UTB	0.06	0.07	0.01	16.67%
SCB PREF	0.74	0.75	0.01	1.35%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
AYRTN	0.11	0.10	-0.01	-9.09%
BOPP	2.80	2.70	-0.10	-3.57%
CAL	0.90	0.88	-0.02	-2.22%
ETI	0.17	0.15	-0.02	-11.76%
GOIL	1.34	1.33	-0.01	-0.75%
GSR	1.99	1.95	-0.04	-2.01%
TOTAL	3.00	2.90	-0.10	-3.33%
TLW	27.88	27.86	-0.02	-0.07%

Table 4: Laggards for the week

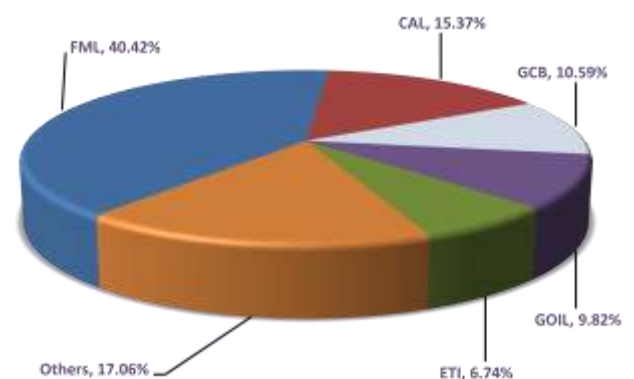


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 25/08/2016 (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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.70	8.00%
Cal Bank Ltd	CAL	1.00	0.88	-12.00%
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	6.87	-2.00%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.27	0.15	-44.44%
Fan Milk Ltd.	FML	7.35	9.50	29.25%
Ghana Commercial Bank Ltd.	GCB	3.79	4.10	8.18%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.79	-10.05%
Ghana Oil Company Limited	GOIL	1.40	1.33	-5.00%
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	0.72	-20.00%
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	0.05	-50.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.20	-41.18%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.20	-12.88%
SIC Insurance Company Ltd.	SIC	0.14	0.17	21.43%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.80	0.00%
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	2.90	-43.14%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.86	-0.50%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.07	-30.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	0.71	0.75	5.63%
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	3.9453	3.9492	4.01% ▼
GBPGHS	5.2039	5.2098	7.29% ▲
EURGHS	4.4523	4.4551	7.79% ▼

Table 6: Inter-bank indicative rates

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

Dollar versus Cedi

The local currency witnessed some depreciation against the Dollar last week, as insufficient supply of the latter currency on the market was just enough to meet demand.

In effect, the USDGHS exchange rate was somewhat higher than its previous performance, with the Dollar inching up by 0.09% in value.

As a result, the Dollar's yield since year open appreciated from the previous 3.92% to 4.01% last Thursday on the inter-bank market.

Sterling maintains strength

Stronger than expected Confederation of British Industry (CBI) orders data in the U.K., fuelled global demand for the Pound.

Consequently, Sterling appreciated significantly around the world, with local traders adjusting exchange rate upwards to reflect global trends.

Among the Cedi's majors, it was the Pound that remained resilient against the Cedi last Thursday as investors' confidence turned in favour of the GBPGHS exchange rate.

The GBPGHS exchange rate appreciated by 0.35% in value to end Thursday's trading activities at a midrate of GH¢5.2069. This trimmed down its year-to-date loss to 7.29% from previous 7.62%

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CEDI LOSES SLIGHTLY ON THE INTER-BANK

The value of the Ghanaian Cedi saw a little change last week, following a mixed performance against its major trading partners on the inter-bank market.

The quite significant appreciations the Cedi made against the Euro particularly, during the latter sessions of the week, aided in curbing the magnitude of losses it would have sustained holistically, after depreciating against the Pound and the Dollar over the period.

Consequently, the local currency stood virtually unchanged by the close of the week, declining only marginally by 0.02% against the previous week's performance.

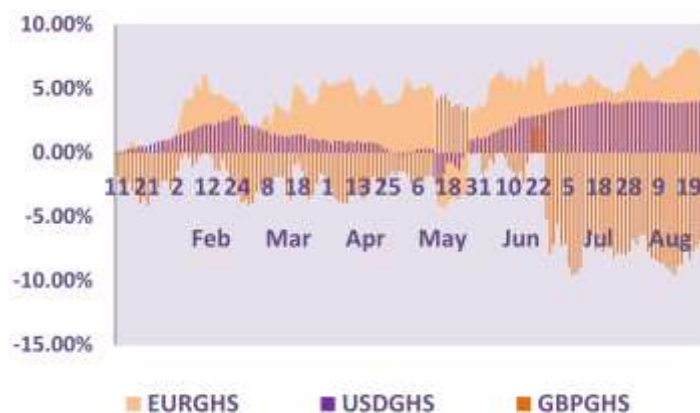


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro loses to Cedi

The data released on German's second quarter growth rate showed an unchanged Gross Domestic Product (GDP), which failed to stimulate investors' confidence in the bloc currency, thereby waning down the worth of the Euro on the global front.

Although the annualised figure was unchanged at 3.1%, the quarterly figure declined to 0.4% from 0.7% in the first quarter.

The fate of the Euro was not different on the local market as the shared currency lost 0.33% of its value to the Cedi, signifying a decline in its annual return from 8.10% to 7.79% last week.

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