

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

26<sup>th</sup> May, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,120.71	54,311.73	0.35%
Market Capitalization (US\$ million)	14,174.40	14,183.94	0.07%
Volume traded (shares)	3,999,425.00	1,768,797.00	-55.77%
Value Traded (GH¢)	9,856,102.71	1,272,269.44	-87.09%
Value Traded (US\$)	2,581,347.94	332,263.31	-87.13%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,770.49	-0.10%	-11.25%
SIC-FSL Top 15 Index	3,046.18	1.53%	-17.90%
GSE Financial Stocks Index	1,670.43	0.17%	-13.45%

Table 2: Key Stock Market Indices

## LIQUIDITY

Market activity was realistically lower when compared to the previous week's session. In all, a total of 1.77 million shares traded and this was valued at GH¢1.27 million.

The financial stocks were the most active in last week's trading session, as the sector contributed 92.15% and 81.71% of both volume and value of shares that traded in the past week.

Investors showed increased appetite for Cal Bank shares (CAL), as the Bank recorded the biggest trade in terms of volume and value within the period. CAL contributed 1.03 million of the total shares traded, representing 57.98% of market volume, valued at GH¢820,406.23.

## ACCRA BOURSE SLOWS DESPITE...

Activity on the Ghana stock Exchange (GSE) dropped further down last week, despite improvement in some blue-chip stocks. Shares of Standard Chartered Bank (SCB), Fan Milk Limited (FML) and Ecobank Transnational Incorporated (ETI) appreciated in value to positively influence downward trend on the market. In the end, the broader market suffered only 0.10% decline performance last Thursday.

The key benchmark index; the GSE Composite Index (GSE CI) slipped to 1,770.49 points from 1,772.21 points, resulting in a year-to-date loss of 11.25%. However, an appreciation in blue-chip stocks like SCB, FML and ETI reduced the losses recorded by the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) in the past week's sessions. Both, the GSE-FSI and the SIC-FSL T-15 closed the week at year-to-date losses of 13.45% and 17.90% respectively.

On the whole, the entire market capitalization appreciated 0.35% in value, settling at GH¢54.31 billion from GH¢54.12 billion, likewise its dollar equivalent appreciated to USD 14.18 from USD 14.17 billion.



Fig 1: Year -to-date returns

## MARKET MOVERS

### EGH ticked-down again

The shares of Ecobank Ghana Limited (EGH) slipped further down to GH¢6.30 from a week-opening price of GH¢6.69 per share. This, according to analysts might still be due to the Bank's unimpressive first quarter result. Investor confidence in the company appeared to have waned down considerably, forcing the share price further down.

The Bank's net profit after tax declined by 20% to settle at GH¢72.64 million in Q1'16, despite an increase in revenue from GH¢257.44 million in Q1'15 to GH¢282.74 million in Q1'16.

Nonetheless, at the current price of GH¢6.30 a share, the stock is trading at a 27% discount to the sector's average trailing P/E ratio of 8x.

### TOTAL touches almost a decade low

The shares of Total Petroleum Ghana Limited (TOTAL) dropped to a record low of GH¢4.08 per share last week, after almost ten years of trading in higher-prices. According to analysts, the situation appeared to be hugely because of the dwindling fortunes on the capital market and the company's uninspiring Q1'16 results.

The company reported net profit after tax decline of 22% in the first quarter, a situation that appeared to have been caused by increased expenditure over the period. The company's bottom-line was GH¢11.24 million in Q1'16.

That nonetheless, TOTAL is currently trading far below the company's 248-Day Volume Weighted Average Price (VWAP<sub>248</sub>) of GH¢5.33 a share.

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.18	0.19	0.01	5.56%
FML	7.30	7.35	0.05	0.68%
SCB	14.15	14.98	0.83	5.87%

Table 4: gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.81	0.79	-0.02	-2.47%
EGH	6.69	6.30	-0.39	-5.83%
GOIL	1.37	1.36	-0.01	-0.73%
TOTAL	4.29	4.08	-0.21	-4.90%

Table 4: Laggards for the week

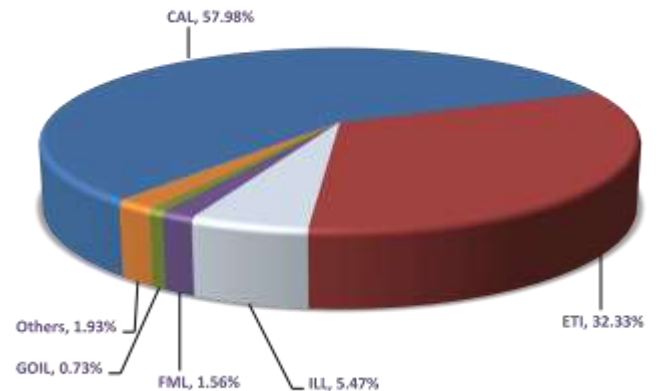


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**STANDARD CHARTERED BANK GHANA LIMITED (SCB) ANNOUNCES CHANGE OF DIRECTOR:** SCB has announced the retirement Mr. Herbert Morrison, an Independent Non-Executive Director from the Board of the Bank. His resignation took effect on the 4<sup>th</sup> May, 2016.

**MECHANICAL LLOYD COMPANY LIMITED (MLC) ANNOUNCES FINAL DIVIDEND PAYMENT:** MLC will seek the approval of final dividend payment of GH¢0.01 per share in respect of the 2015 financial year at an upcoming AGM.

In view of the above, any investor who buys MLC shares before the 13<sup>th</sup> of June, 2016 will be entitled to the dividend payment. The dividend will be paid on Friday, July 15, 2016.

**ECOBANK TRANSNATIONAL INCORPORATED (ETI) ANNOUNCES ANNUAL GENERAL MEETING (AGM) AND AN EXTRAORDINARY GENERAL MEETING (EGM):** Directors of ETI has declared Friday, June 17, 2016 for the company's AGM and EGM. The meeting will be held at the Conference Centre of the Ecobank, in Lome, Togo at exactly 10:00 am.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 26/05/2016 (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	0.09	-35.71%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	3.00	20.00%
Cal Bank Ltd	CAL	1.00	0.79	-21.00%
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	6.30	-10.13%
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	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.04	-19.79%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.90	-4.52%
Ghana Oil Company Limited	GOIL	1.40	1.36	-2.86%
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	0.19	0.00%
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	0.26	-23.53%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.98	-8.10%
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	0.76	-5.00%
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	4.08	-20.00%
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	0.10	0.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	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	3.8272	3.8310	0.90% ▼
GBPGHS	5.6141	5.6220	0.03% ▼
EURGHS	4.2778	4.2815	3.57% ▼

Table 6: Inter-bank indicative rates

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

### Dollar extends its rally

The greenback recorded its fourth consecutive weekly gain against the Cedi after a Dollar was bought at GH¢3.8272 and sold for GH¢3.8310 on the inter-bank market.

The value of the Dollar appreciated by 0.29% during the period, as Dollar demand by business operators and corporate institutions outran supply in the period under review.

This pushed the annual yield of the Dollar to 0.90% last week.

### Pound maintains momentum

The British currency had a strong trading on the international market last week as continued confidence concerning the UK's membership to the European Union (EU) supported the currency.

The outcome of two polls released showed that the "In" camp was 6%-7% lead over the "Out" camp. This outcome boosted investor confidence that the risks associated with leaving the EU now require less focus.

Similarly, amongst the Cedi's major trading counterparts, it was the Pound that contributed most to the fall in value of the Cedi as it recorded a 0.82% rise in value on the inter-bank market.

This translated to a 0.03% annual yield in favor of the Pound after a long period of recording annual losses against the Cedi.

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## GHANA'S CURRENCY DECLINES IN VALUE

The local currency ended the week-on-week trading with a 0.29% decline in value against its major trading partners. This follows the Government's inability raise GH¢500 million for a 3-year bond it issued last week.

The Government only raised GH¢341 million of the bids but accepted GH¢303 million. Proceeds of the funds are expected to be used to rollover maturing debts.

The outcome can be attributed to market participants' rising interest in safer haven currencies as a hedge against any unforeseen event.

In effect, the Cedi's year-to-date loss rose to 1.55% from 1.26% by close of trading.



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

### Euro down marginally

Volatility characterized trading on the global front in the absence of an EU data release, while speculative trading was the order that determined the fate of the currency in the period under consideration.

On Ghana's inter-bank market also, the Euro saw another downward revision in its value after it was pegged at a midrate of GH¢4.2797 on the currency market.

Subsequently, the annual yield of the common currency dropped by 0.02% to 3.57% at the end of trading.

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