

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

28<sup>th</sup> January, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	56,741.36	56,975.36	0.41%
Market Capitalization (US\$ million)	14,874.01	14,872.00	-0.01%
Volume traded (shares)	5,591,140.00	2,041,376.00	-63.49%
Value Traded (GH¢)	10,627,615.23	8,505,745.34	-19.97%
Value Traded (US\$)	2,785,890.54	2,220,212.56	-20.31%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,006.29	0.38%	0.57%
SIC-FSL Top 15 Index	3,663.34	1.61%	-1.27%
GSE Financial Stocks Index	1,945.01	0.57%	0.77%

Table 2: Key Stock Market Indices

## LIQUIDITY

Aggregate volume and value of traded shares dropped last week, as a total of 2.04 million shares exchanged hands, valued at GH¢8.51 million. This represented a decline of 63.49% and 19.97% in both volume and value of shares that traded.

Market activities were largely skewed towards consumer goods stocks, as the sector recorded 47.39% and 95.78% of both aggregate volume and value of shares traded respectively.

Unilever Ghana Limited (UNIL) emerged the best traded stock, accounting for 44.10% of total traded shares, valued at GH¢7.65 million.

## ACCRA BOURSE PICKS UP

The excitement on the Ghana Stock Exchange (GSE) was better last week, as appetite in the Insurance, Banking and pharmaceutical sectors improved. Shares of SIC Insurance Company Limited (SIC), Ecobank Transnational Incorporated (ETI) and Ayrton Drugs Manufacturing Limited (AYRTN) supported last week's upward performance.

The GSE Composite Index (GSE-CI) which tracks the performance of the broader market went up to 2,006.29 points, representing a year-to-date gain 0.38% up from the previous week's level of 0.19%. Similarly, the GSE Financial Stocks Index (GSE-FSI) improved its year-to-date gain to 0.77% from the previous week's 0.20%. The SIC-FSL Top-15 liquid Index also closed at an annual loss of -1.27% better than the -2.83% recorded in the week before

The value of listed companies on the GSE also appreciated by 0.41% to GH¢56.98 billion, whereas an equivalent dollar value dropped marginally to settle at USD14.87 billion.

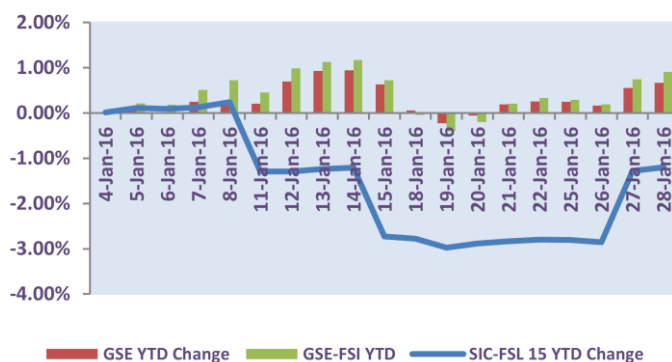


Fig 1: Year-to-date returns

## MARKET MOVERS

### SIC's recovery on course

The nation's biggest insurer; SIC Insurance Company Limited (SIC) shares were the toast of many investors on the exchange last week. Investors' demand for the company's shares went up, as they bid-up the share price to GH¢0.18 from a week-open price of GH¢0.15 per share.

Analysts have linked the improved share performance to the current board following the pragmatic steps taken to coil down the ranging financial malfeasance that characterize the company's operations earlier. The company posted a profit after tax of GH¢2.66 million Q2'15 results compared to GH¢2.50 recorded within a comparative period. Revenue also increased to GH¢79.48 million from GH¢73.32 million within the same period, to buttress the effort of management.

Nonetheless at the current price above, the stock hugely under-priced when compared to its book value per (BVPS) price of GH¢0.41 per share. The current trailing P/E ratio of 8x compares favourably against the sector's average of 18x, signaling a high probability of upward price review on the market.

### ETI recovers 1-pesewa

Shareholders of Ecobank Transnational Incorporated (ETI) retrieved 1-pesewa last Wednesday to restore investors' confidence in the shares. The stock closed the week at GH¢0.26, from an open price of GH¢0.25 per share.

In spite of the appreciation, analysts believe the stock is still trading below its fundamentals and the prospects of upward price correction appear more likely. ETI is currently trading above its 248-Day Volume Weighted Average Price (VWAP<sub>248</sub>) of GH¢0.29 per share. Again, the share is trading below its 248-Day average trading price of GH¢0.30 per share.

## MARKET MOVERS

**ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL:** AGA has increased its ordinary shares to 405,265,315 as at December 31, 2015 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 34,281 ordinary shares.

In view of the above, AGA share capital has risen to 49,761,548,770.28 South African Rand.

**COCOA PROCESSING COMPANY (CPC) SHUTS DOWN TWO FACTORIES:** Management of CPC has announced the shutdown of Coca factories 1 and 2 to carry out planned maintenance of the plants.

In view of the above, management has asked the affected workers to take their compulsory annual leaves, and will resume as soon as the maintenance exercise is over.

STOCK TICKER	Wk Open	Wk End	Change	% change
AYRTN	0.12	0.13	0.01	8.33%
ETI	0.25	0.26	0.01	4.00%
SIC	0.15	0.18	0.03	20.00%
SOGEGH	0.82	0.83	0.01	1.22%
UTB	0.10	0.11	0.01	10.00%
HORDS	0.08	0.09	0.01	12.50%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.08	0.07	-0.01	-12.50%
CAL	1.04	1.02	-0.02	-1.92%
PZC	0.33	0.32	-0.01	-3.03%
TLW	28.00	27.99	-0.01	-0.04%

Table 4: Laggards for the week

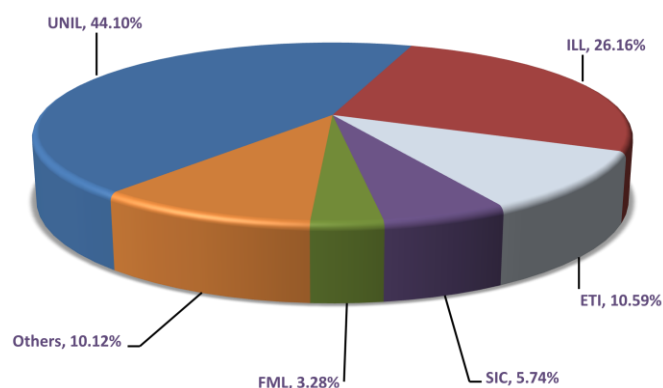


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 28/1/2016 (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	0.14	0.07	-50.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.00	20.00%
Cal Bank Ltd	CAL	1.00	1.02	2.00%
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	0.02	0.00%
Ecobank Ghana Ltd.	EBG	7.01	7.06	0.71%
Enterprise Group Limited	EGL	2.40	2.41	0.42%
Ecobank Transnational Inc.	ETI	0.27	0.26	-3.70%
Fan Milk Ltd.	FML	7.35	7.38	0.41%
Ghana Commercial Bank Ltd.	GCB	3.79	3.75	-1.06%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.99	0.00%
Ghana Oil Company Limited	GOIL	1.40	1.45	3.57%
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	1.10	22.22%
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	0.10	0.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.32	-5.88%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.30	0.00%
SIC Insurance Company Ltd.	SIC	0.14	0.18	28.57%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.83	3.75%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.37	0.00%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.15	0.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.99	-0.04%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.11	10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.71	0.00%
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	0.09	12.50%
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	3.8291	3.8330	0.95% ▼
GBPGHS	5.4909	5.4981	2.17% ▲
EURGHS	4.1813	4.1836	1.22% ▼

Table 6: Inter-bank indicative rates

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

### Dollar remains people's choice

Amid the ebb and flow of the Cedi-dollar pair in the period under review, the Dollar managed to hold its ground on the currency market, as supply of the latter currency was not enough to meet demand.

In effect, trading in the pair ended in favour of the Dollar, appreciating by 0.43% in value after being pegged between GH¢3.8291 and GH¢3.8330.

Accordingly, the Dollar's yield since year open climbed to 0.95% on Thursday.

### U.K.'s economic growth supports Pound

A positive fourth quarter growth rate in U.K. spurred investors' bet in the British Pound, resulting in an increase in the value of the currency.

The Pound strengthened against other major trading currencies on the international market after data from the Office of National Statistics (ONS) indicated that Britain's Gross Domestic Product for the last quarter grew from 0.4% to 0.5%. This however, did not change market expectations that the Bank of England will keep interest rates unchanged until early next year.

On Ghana's currency market, the Pound recorded the highest weekly gain of 2.03% in the period under review to trim its year-to-date loss suffered against the Cedi from 4.15% to 2.17%.

**Alice Osei Okrah (Head)**

Email: [aokrah@sic-fsl.com](mailto:aokrah@sic-fsl.com)

Email: [research@sic-fsl.com](mailto:research@sic-fsl.com)

## CEDI LOSES VALUE AMID BoG's DECISION

In spite of the Monetary Policy Committee's (MPC) action of keeping its key lending rate unchanged last week, the local currency lost against its major trading counterparts on the inter-bank market.

According to the Governor of the Central Bank, Dr. Kofi Wampah, the decision to keep the rate at 26% was based on a positive outlook for inflation rate and growth in the coming months, adding that Ghana's fiscal consolidation is also on track.

Meanwhile, fears that the Cedi could be depreciating further in the coming weeks has resulted in some mad rush for the foreign currencies.

Consequently, the Cedi failed to sustain the gains it recorded in the week earlier as it lost 0.95% of its composite value to end Thursday's trading an annual loss of 0.48%.

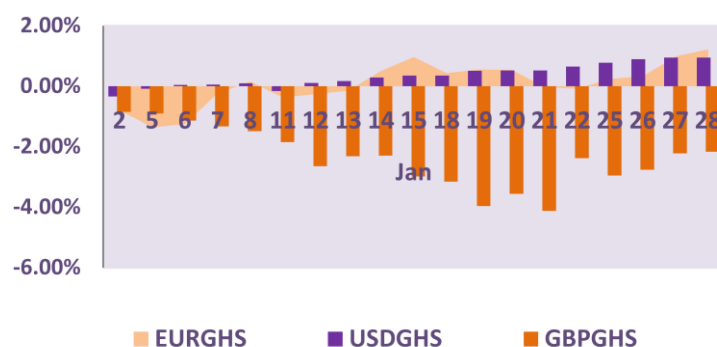


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro versus Cedi

The Euro was under pressure on the international market following the release of an economic data which seemed not to have favoured the shared currency.

German's retail sales figures fell more than expected in December i.e. to 1.5% from an upwardly revised 2.4% for the pre-Christmas sales period.

The situation was however different on the local market as the Euro gained some of its worth against the Cedi after increasing by 1.25% on the interbank market with a year-to-date return of 1.22%.

The Euro closed Thursday's trading at a midrate of GH¢4.1825.

**Isaac Kwasi Mensah (Analyst)**

Email: [ikmensah@sic-fsl.com](mailto:ikmensah@sic-fsl.com)