

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

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



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,530.59	54,434.91	-0.18%
Market Capitalization (US\$ million)	14,284.75	14,343.47	0.41%
Volume traded (shares)	1,877,974.00	2,670,531.00	42.20%
Value Traded (GH¢)	3,744,705.59	6,862,285.95	83.25%
Value Traded (US\$)	980,957.09	1,808,196.35	84.33%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,829.79	-1.72%	-8.28%
SIC-FSL Top 15 Index	3,074.54	-1.29%	-17.14%
GSE Financial Stocks Index	1,718.78	-2.18%	-10.95%

Table 2: Key Stock Market Indices

## LIQUIDITY

Comparatively, total shares traded were better than the previous week, and this was due to the 2.09 million block trade in GCB Bank's shares. Corresponding value traded also witnessed 83.25% growth in level over the previous week, settling at GH¢6.86 million.

Financial stocks contributed 94.22% and 96.30% of both volume and value of shares that traded in the past week, confirming the sector's dominance on the market.

The shares of GCB Bank Limited (GCB) were the most traded in terms of volume and value recorded in the week. GCB contributed 2.10 million of the total traded shares, representing 78.65% of market volume. This was valued at GH¢6.34 million, also representing 92.43% of market value.

## GSE REMAINS DOWN

Increased selling-pressure further weakened the performance of listed companies on the Ghana Stock Exchange (GSE). Shares of Standard Chartered Bank (SCB), GCB Bank limited (GCB), Total Petroleum Ghana Limited (TOTAL), Benso Oil Palm Plantation (BOPP) and Societe Generale Ghana (SOGEGH) suffered a decline in prices to drag the broader market further down.

The year-to-date losses on the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index worsened to 8.28%, 10.95% and 17.14% respectively, compared to the previous week's 6.67%, 8.96% and 16.06% losses accordingly.

Total market capitalization of the Ghana Stock Exchange also declined by 0.18% to GH¢54.43 billion from GH¢54.53 billion, whilst an equivalent dollar value surged by 0.41% to USD14.34 billion.



Fig 1: Year -to -date returns

## MARKET MOVERS

### SCB drops despite strong data

Despite, the release of a robust financial performance in the first quarter of 2016 (Q1'16) by the Standard Chartered Bank (SCB), investors paid little attention to that, as they bid-down the company's share value to GH¢15.21 from GH¢15.57 per share.

SCB released a growth in revenue from the GH¢133.91 million in Q1'15 to GH¢152.50 million in Q1'16, net profit after tax also shot-up from the GH¢34.50 million in Q1'15 to GH¢70.91 million in Q1'16 in line with controlled operating expenses and impairment charges on loans and advances. Speculations that the corporation may give up the stake within the African region appeared to be the main bait behind the trend in the stock's performance during recent market sessions.

Nevertheless, the possibility of an upward review in the company's share price appears highly possible, especially when past share performance on the Exchange is considered.

### TOTAL slips to GH¢4.90 per share

The share price of Total Petroleum Ghana Limited (TOTAL) last week, recorded a drop, partly because of the decline in the company's profit level as revealed in the Q1'16 results. The shares of the oil-marketing giant closed the week at GH¢4.90, from an opening price of GH¢5.08 a share.

TOTAL posted a decline in profit after tax of GH¢11.24 million in Q1'16 compared to the GH¢14.43 million profit it recorded in the same period last year. The result appeared to have lowered investor expectation, resulting in some level of rush selling of shares on the bourse.

At the current price of GH¢4.90 a share, the company is trading at an almost 3-year-low price on the Exchange and below this year's trading average price of GH¢5.11 per share.

### GCB under pressure...!

In spite of the impressive financial performance of GCB Bank Limited, the share price continues to drop on the Exchange. Management of the Bank has proposed 33-pesewas dividend for the 2015 financial year, and released better-than-expected financial results for the first three months of the year. This saw the bank's profit after tax jumped from the GH¢80.62 million in Q1'15 to GH¢97.84 million in Q2'16.

However, investors seemed to have given little attention to that, as they continue to tick-down the company's share price on the Exchange. GCB's shares closed last Thursday's trading at GH¢3.01, from GH¢3.34 per share, as the second worst performed equity on the bourse.

STOCK TICKER	Wk Open	Wk End	Change	% change
GOIL	1.48	1.50	0.02	1.35%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
AYRTN	0.13	0.12	-0.01	-7.69%
BOPP	3.12	3.10	-0.02	-0.64%
CAL	0.90	0.89	-0.01	-1.11%
GCB	3.34	3.01	-0.33	-9.88%
PBC	0.08	0.07	-0.01	-12.50%
SCB	15.57	15.21	-0.36	-2.31%
SOGEGH	0.79	0.77	-0.02	-2.53%
TOTAL	5.08	4.90	-0.18	-3.54%
UNIL	8.50	8.49	-0.01	-0.12%
UTB	0.11	0.09	-0.02	-18.18%

Table 4: Laggards for the week

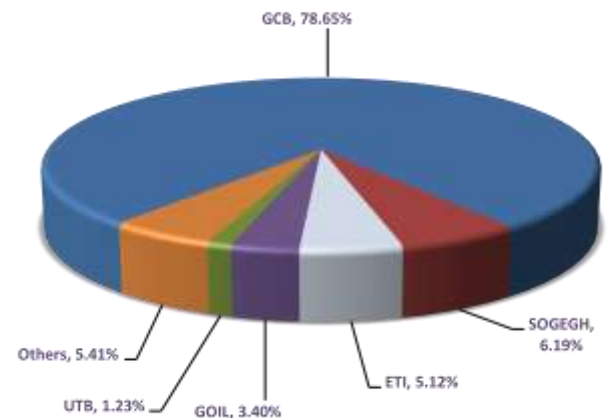


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 28/4/2016 (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	0.10	-28.57%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	3.10	24.00%
Cal Bank Ltd	CAL	1.00	0.89	-11.00%
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	6.84	-2.43%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.34	-0.14%
Ghana Commercial Bank Ltd.	GCB	3.79	3.01	-20.58%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.92	-3.52%
Ghana Oil Company Limited	GOIL	1.40	1.50	7.14%
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	0.85	-5.56%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.18	-5.26%
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	0.27	-20.59%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	15.21	-6.69%
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	0.77	-3.75%
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	4.90	-3.92%
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	8.49	-0.12%
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	0.73	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	3.7932	3.7970	0.00% ▼
GBPGHS	5.5324	5.5398	1.43% ▲
EURGHS	4.2967	4.3004	3.89% ▼

Table 6: Inter-bank indicative rates

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

### Dollar gains capped

The Dollar witnessed yet another downbeat on the inter-bank market in the period under review as international news about Federal Reserve Bank's decision weighed on the currency.

Investors sold the US currency in the wake of the Fed's decision to delay the possibility on a second interest rates increase. US growth expectations prompted the US central bank to adopt a cautious policy stance. Also, US' Q1'16 Gross Domestic Product (GDP) data showed a sharper decline in growth, dropping to 0.5% from 1.4%.

The Cedi outran the Dollar by 0.58% last Thursday as the greenback was traded at a midrate of GH¢3.7951, this value is quite lower than the USDGHS first week-on-week trading this year at GH¢3.7986.

The Dollar, as a result, ended the week's trading with a 0.00% annual return.

### Euro succumbs to Cedi

The Euro gave up 0.37% of its value to the Cedi by the close of trading last Thursday.

Amid the performance of the pair, the Cedi counted on investors and participants confidence in the local currency to outwit the shared currency.

Thus, €1.00 was trading at a midrate of GH¢4.2986, resulting in a decline in the Euro's annual return to 3.89%.

**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 BOUNCES BACK

The local currency last week managed to cutback some of the losses it had recorded in the previous week despite a report of a slow growth in Ghana's economy for the year 2015.

According to the Ghana Statistical Service (GSS), the country's economic growth including oil, for 2015 declined marginally to 3.9% from 4% in 2014. This was due to a slowdown in the agricultural sector (from 4.6% in 2014 to 2.4% in 2015), resulting from a reduction in cocoa production for last year.

This however did not prevent the Cedi from recording some gains on the currency market as rising investor confidence in the currency on the market.

Consequently, the Cedi closed trading with an appreciation of 22%, this eased the Cedi's year-to-date loss to 0.95% from 1.17% a week earlier.

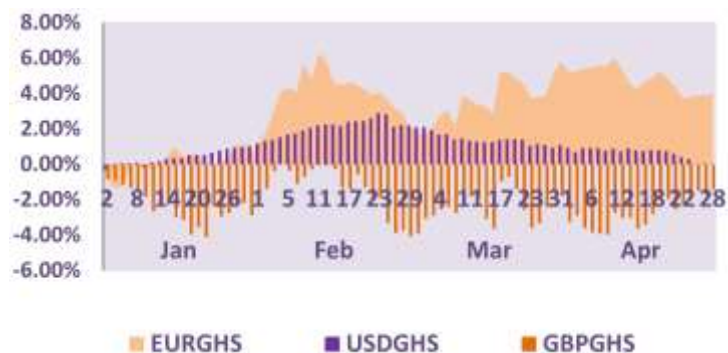


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Sterling outstrips Cedi

Amid the ebb and flow of the GBPGHS in the period under review, the Pound emerged as the highest traded currency, holding firm its grounds on the local market.

Trading in the pair ended in favor of the Pound, appreciating by 1.15% after being pegged between GH¢5.5324 and GH¢5.5398.

Accordingly, the Sterling's annual loss against the Cedi dropped to 1.43% on Thursday.

**Isaac Kwasi Mensah (Analyst)**

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