

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

29th September, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	53,043.16	52,984.73	-0.11%
Market Capitalization (US\$million)	13,386.96	13,343.25	-0.33%
Volume traded (shares)	23,138,721.00	3,291,304.00	-85.78%
Value Traded (GH¢)	30,946,848.44	4,315,047.52	-86.06%
Value Traded (US\$)	7,810,324.42	1,086,667.39	-86.09%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,774.38	0.05%	-11.05%
SIC-FSL Top 15 Index	3,002.54	0.09%	-19.08%
GSE Financial Stocks Index	1,680.83	0.02%	-12.91%

Table 2: Key Stock Market Indices

LIQUIDITY

Activity in twenty-five (25) equities yielded an aggregate traded shares of 3.29 were exchanged, which nonetheless was 85.78% lower than the previous week's performance. The decline was particularly due to the absence of block trade on the Exchange last week. Corresponding value traded also slipped by 86.06% to GH¢4.32 million within the period.

Stocks from the petroleum sector, undoubtedly were most investors preferred choice in the week, contributing 79.97% of the total shares that traded, valued at 82.16%.

The shares of Ghana Oil Company Limited (GOIL) was the single most traded equity on the Exchange, in terms of volume and value of shares that traded. The stock contributed 2.62 million out of the total market traded shares, representing 79.70% of market volume. This was valued at approximately GH¢3.49 million, which represented 80.85% of market value.

ACCRA BOURSE CALMS DOWN

Activity on the Ghana Stock Exchange (GSE) was fairly better last week following appreciation in some blue-chip stocks. At the end of the week, shares of GCB Bank Limited (GCB), Fan Milk Limited (FML), Ecobank Ghana Limited (EGH) and Standard Chartered Bank Limited (SCB) appreciated in value to break the chain of losses on the Accra bourse last week.

Benchmark indices like the GSE Composite Index (GSE CI) rose from the 1,773.53 to 1,774.38 points, resulting in an improved year-to-date loss of 11.05%. Similarly, the year-to-date loss on the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also improved, appreciating from the 12.93% and 19.15% to 12.91% and 19.08% respectively.

Total market capitalization of the GSE however, dropped by 0.11% to GH¢52.98 billion, where an equivalent dollar value also depreciated marginally by 0.33% to USD13.34 billion because of the losses the Cedi recorded against the greenback.



Fig 1: Year -to -date returns

MARKET MOVERS

GCB reclaims 2-pesewas

Activities in GCB shares saw the Bank return to GH¢3.94 last week, from the week's open price of GH¢3.92 per share. The rise, appeared to have been supported by the rise in investors confidence last week.

Despite the above reason, the bank is still trading above the Bank's 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢3.51 and the 182-Day Average Trading Price of GH¢3.44 per share. This seems to suggest the possibility of downward price correction in the not too distant future.

FML peaks at GH¢9.78

Investors bid-up the share price of Fan Milk Limited (FML) from the previous week's GH¢9.76 to GH¢9.78 per share last Thursday. The yoghurt giant appeared to be pressing towards its historic price-mark of GH¢10.57 a share six (6) years ago when the company issued a bonus share ratio of 5:1 in 2010.

FML maintained its record as the present best performing equity on the Ghanaian bourse, with an absolute price gains of GH¢2.47 per share, representing 33.06% year-to-date returns. Analysts have linked the improved performance of the company's shares to the impressive financial performance in the first half of the year.

Fan milk reported a revenue growth of 26% from GH¢145.54 million in HY'15 to GH¢183.03 million in HY'16. This resulted in 18% growth in net profit when compared to the same period 2015 profit figure of GH¢25.50 million.

STOCK TICKER	Wk Open	Wk End	Change	% change
CPC	0.01	0.02	0.01	100.00%
EGH	6.80	6.81	0.01	0.15%
FML	9.76	9.78	0.02	0.20%
GCB	3.92	3.94	0.02	0.51%
PBC	0.04	0.05	0.01	25.00%
SCB	14.19	14.20	0.01	0.07%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.45	2.44	-0.01	-0.41%
GGBL	1.79	1.75	-0.04	-2.23%
TBL	0.30	0.26	-0.04	-13.33%
TOTAL	2.50	2.40	-0.10	-4.00%
TLW	26.97	26.90	-0.07	-0.26%

Table 4: Laggards for the week

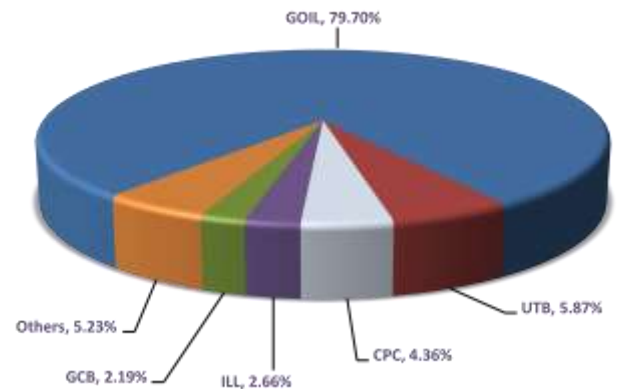


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

ECOBANK TRANSNATIONAL INCORPORATED LIMITED (ETI) APPOINTS CHIEF FINANCIAL OFFICER AND AS GROUP EXECUTIVE, FINANCE: ETI has announced the appointment of Mr. Greg Davis, as the Chief Financial Officer, and Group Executive, Finance. The takes effect on the 18th October, 2016.

Mr. Davis will be responsible for overseeing and ensuring strategic management of all financial and fiscal aspects of the Bank's finance operations.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 29/09/2016 (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	0.13	-7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.44	-2.40%
Cal Bank Ltd	CAL	1.00	0.76	-24.00%
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.	EGH	7.01	6.81	-2.85%
Enterprise Group Limited	EGL	2.40	2.38	-0.83%
Ecobank Transnational Inc.	ETI	0.27	0.15	-44.44%
Fan Milk Ltd.	FML	7.35	9.78	33.06%
Ghana Commercial Bank Ltd.	GCB	3.79	3.94	3.96%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.75	-12.06%
Ghana Oil Company Limited	GOIL	1.40	1.24	-11.43%
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	0.80	-11.11%
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	0.21	-38.24%
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	0.73	-8.75%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.26	-29.73%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.40	-52.94%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	26.90	-3.93%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.04	-60.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.75	5.63%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.72	-1.37%
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	3.9690	3.9728	4.64% ▼
GBPGHS	5.1541	5.1611	8.17% ▲
EURGHS	146.86	146.94	8.07% ▼

Table 6: Inter-bank indicative rates

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

Dollar rallies on

The Cedi weakened by 0.22% against the Dollar in the week under review, fuelling the rally in the USDGHS exchange rate. The Dollar appreciated in value on Ghana's inter-bank market despite the approval of Ghana's third review under the International Monetary Fund (IMF) programme.

Last week, the Executive Board of the IMF approved the disbursement of \$116 million to Ghana, after the board completed the third Extended Credit Facility review on Ghana. The funds which will be transferred to Bank of Ghana's account within some few days are expected to support Ghana's balance of payment.

This however, did little to forestall the further decline in the value of the Cedi to the Dollar, as \$1 was pegged at a midrate of GH¢ 3.9709, pushing up the annual return of the greenback to 4.64% last Thursday.

Euro appreciates in value

Profit-taking by investors who seemed to have disinvested from the Cedi to seek better returns in the Euro, saw the Cedi lose 0.34% of its value to the Euro.

The Cedi's decline versus the Euro over the period saw the year-to-date gain of the shared currency against the local currency rise from 7.71% to 8.07%.

During the period under consideration, one Euro was bought at GH¢4.4640 and sold for GH¢4.4665 on the inter-bank market.

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CEDI DECLINES AS ECONOMY SLUMPS

The Cedi was under pressure last week, as it lost about 0.12% of its holistic value to its major trading currencies. This follows the report of a decline in Ghana's economic growth for the second quarter of this year.

According to the Ghana Statistical Service (GSS), the country's Gross Domestic Product (GDP) for the second quarter slumped to 2.5%, this compares unfavourably with the growth of 4.8% recorded in the first quarter this year. The decline in oil production during the period which was due to the technical challenges on the FPSO Kwame Nkrumah was the main contributor to the decline in growth.

Consequently, the aggregate loss in the value of the Cedi since the beginning of the year rose to 3.29% from 3.16% the week earlier.

That notwithstanding the central bank has projected that the cedi may stabilize in the last quarter of this year due to inflows from cocoa syndicated loan, the Eurobond recently issued and other inflows from donor partners.

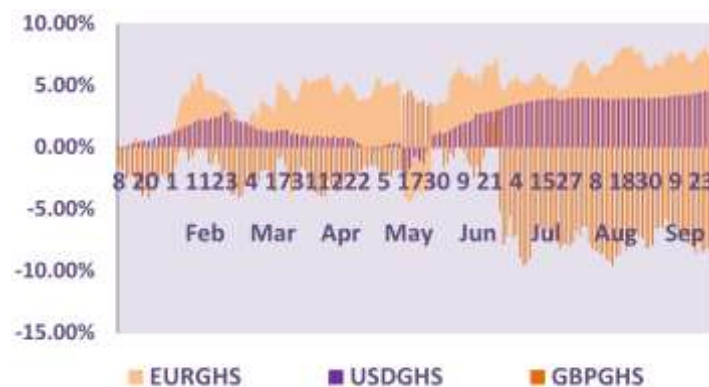


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Sterling loses further holocaust

The aftermath of Britain's vote to leave the European Union continues to affect the value of the British Pound as the currency remained under pressure on the international market for yet another week.

On the Ghanaian market also, the Pound ended the period trading between GH¢5.15 and GH¢5.16, representing a 0.52% decline in its value versus the local currency. This represented a year-to-date loss of 8.17% in the value of the Pound.

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