

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

29<sup>th</sup> October, 2015



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	62,065.83	62,064.18	0.00%
Market Capitalization (US\$ million)	16,353.77	16,395.67	0.26%
Volume traded (shares)	1,973,277.00	2,723,650.00	38.03%
Value Traded (GH¢)	8,378,199.68	1,687,430.08	-79.86%
Value Traded (US\$)	2,207,577.91	445,773.26	-79.81%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,987.36	-0.03%	-12.10%
SIC-FSL Top 15 Index	3,863.99	3.05%	-2.01%
GSE Financial Stocks Index	1,916.48	0.06%	-14.58%

Table 2: Key Stock Market Indices

## LIQUIDITY

Market activity was better than the previous week's session, following a 2.06 million block trade in Aluworks (ALW) shares. This accounted for the 38.03% rise in total traded shares; however, corresponding value traded dipped by 79.86% on the back of activities in lower price equities. In the end, a total of 2.72 million shares exchanged hands, and this was valued at GH¢1.69 million.

Aluworks Limited (ALW) was the most active stock in the week, after contributing 76.11% of the total traded shares. However, GCB Bank Limited (GCB) recorded the biggest value in terms of trades, with a net contribution of GH¢553,763.10, representing 32.82% in total market value.

## ACCRA BOURSE STAYS UNSHAKEN

Activities on the Ghana Stock Exchange (GSE) were seemingly stable last week, as both gainers and laggards showed comparable strength in market dealings. Though gainers appeared slightly ahead in numbers over laggards, they shared almost the same strength in magnitude.

This became evident in the broader market's relative 0.03% decline in level, as measured by the GSE Composite Index (GSE-CI). The GSE-CI closed at a year-to-date depreciation of 12.10% which appeared relatively similar to 12.08% in the week before. Nonetheless, Financial Stocks (GSE-Financial Stocks Index) and Liquid Stocks (SIC-FSL Top 15 Liquid Index) improved their performance by 0.06% and 3.05% each, to settle at -14.58% and -2.01% annual yields respectively, better than the previous week's performance.

The value of listed companies on the exchange also remained the same at GH¢62.06 billion, while an equivalent dollar value settled at USD 16.40 billion.

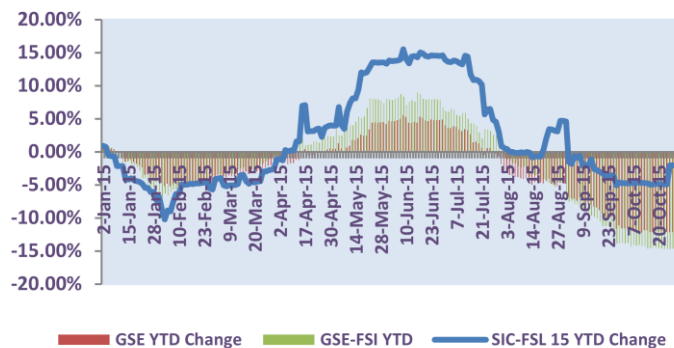


Fig 1: Year -to -date returns

## MARKET MOVERS

### Investors prefer SCB shares despite...

Increase demand for Standard Chartered Bank shares triggered a 4-pesewas rise in the value of the Bank's share last week, to close as the best gainer on the market, despite a 24% fall in 2015 profit after tax. The Bank declared GH¢151.16 million profit after tax in FY'15 compared to the GH¢197.60 million profit declared in the same period last year.

Prospecting buyers, in spite of the above bid-up the value of SCB's shares to GH¢16.34 from a week-open price of GH¢16.30. The stock though trading below its historic performance on the GSE as evident in the average year-to-date price of GH¢19.11 a share, its intuitive value projects the exact opposite scenario. The Bank's current trailing P/E ratio is 11x as compared to the sector average ratio 6x. Again, the Price-to-Book ratio is 3x weighed against the sector average of 1x, to signal some degree of over-heated price.

Nonetheless, it appeared investors still believe in the prospects of the stock as they push to consolidate their holdings in the Bank.

### Profit-taking drives FML's share price down

Intense profit-taking in Fan Milk shares appeared to have downplayed the value of the dairy giant on the Ghana Stock Exchange last week. FML's price dipped to GH¢7.30 from a week-open price of GH¢7.35 per share.

Possibly, the drop could be hugely due to increase profit-taking on the exchange, especially after the company had declared a resilient third quarter results. FML's profit after tax increased from the GH¢10.26 million in Q3'14 to GH¢36.54 million in Q3'15. Revenue, also increased to GH¢221.74 million from GH¢115.5 million within the same comparative period but all that could not halt keen profit-taking by shareholders last week.

Seemingly, investors might be relying hugely on the shaky intuitive price which appeared slightly over-heated to "bag-out" some earnings before any possible drop in price.

## CORPORATE NEWS

**GUINNESS GHANA BREWERIES LIMITED (GGBL) CHANGES ANNUAL GENERAL MEETING DATE:** Directors of GGBL for various reasons has changed the Annual General meeting date to January 27, 2016. The meeting will be held at the Golden Tulip Hotel, in Kumasi.

**MEGA AFRICAN CAPITAL LIMITED (MAC) ANNOUNCES RENOUNCEABLE RIGHT ISSUE AND PLACEMENT:** Directors of MAC has announced a Renounceable Right Issue Offer to all shareholders. To this end, the ratio is every ten (10) existing shares held for one (1) new share.

In view of the above, shareholders registered in the register of members for MAC as at close of business on Thursday, 29<sup>th</sup> October 2015 will be entitled to exercise their rights under the offer.

STOCK TICKER	Wk Open	Wk End	Change	% change
SCB	16.30	16.34	0.04	0.25%
UNIL	7.84	7.85	0.01	0.13%
HORDS	0.07	0.08	0.01	14.29%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	7.35	7.30	-0.05	-0.68%
TOTAL	5.32	5.30	-0.02	-0.38%

Table 4: Laggards for the week

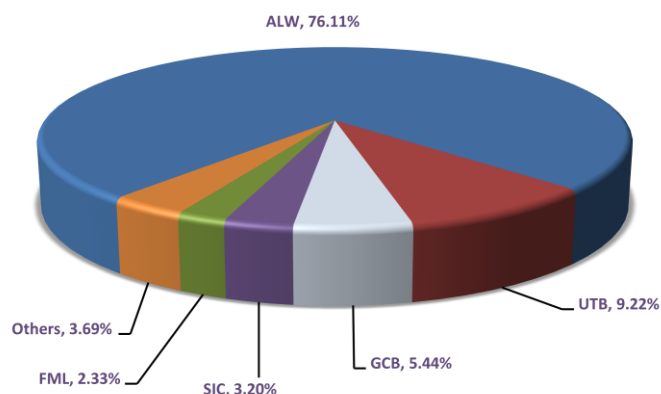


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 29/10/2015 (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	0.02	0.08	300.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	3.95	-3.66%
Cal Bank Ltd	CAL	1.01	0.79	-21.78%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	-33.33%
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	7.60	7.00	-7.89%
Enterprise Group Limited	EGL	1.75	2.20	25.71%
Ecobank Transnational Inc.	ETI	0.28	0.30	7.14%
Fan Milk Ltd.	FML	5.25	7.30	39.05%
Ghana Commercial Bank Ltd.	GCB	5.30	3.74	-29.43%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.00	-37.50%
Ghana Oil Company Limited	GOIL	1.05	1.35	28.57%
Golden Star Resources Ltd.	GSR	2.34	1.99	-14.96%
Golden Web Ltd.	GWEB	0.03	0.02	-33.33%
HFC Bank (Ghana) Ltd.	HFC	1.50	0.86	-42.67%
Mega Africa Capital Ltd	MAC	4.50	5.50	22.22%
Mechanical Lloyd Co. Ltd.	MLC	0.28	0.15	-46.43%
Pioneer Kitchenware Ltd.	PKL	0.06	0.05	-16.67%
Produce Buying Company Ltd.	PBC	0.12	0.10	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.30	0.34	13.33%
Standard Chartered Bank (GH) Ltd.*	SCB	20.35	16.34	-19.71%
SIC Insurance Company Ltd.	SIC	0.37	0.13	-64.86%
Starwin Products Ltd.	SPL	0.02	0.04	100.00%
Societe Generale Ghana Limited	SOGEGH	1.00	0.79	-21.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.24	0.35	45.83%
Total Petroleum Ghana Ltd.	TOTAL	6.10	5.30	-13.11%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	34.99	32.89	-6.00%
Unilever Ghana Ltd.	UNIL	10.70	7.85	-26.64%
UT Bank	UTB	0.25	0.10	-60.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	0.58	0.69	18.97%
NewGold Exchange Traded Fund	GLD	35.80	39.95	11.59%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.05	0.08	60.00%

Table 5: Performance of listed equities from year open

## CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7835	3.7873	18.29% ▼
GBPGHS	5.7819	5.7896	16.20% ▼
EURGHS	4.1501	4.1550	6.59% ▼

Table 6: Inter-bank indicative rates

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

### Dollar cuts gains

Although the sale of securities in recent times have not necessarily given the Cedi any strong boost, it has in a way helped curtail the overall loss in the value of the Cedi against the greenback on the currency market.

Also, corporate demand for dollars matching supply seemed to have supported the value of the Cedi.

The period under review witnessed the USDGHS traded at a midrate of GH¢3.7854 from GH¢3.7952 a week earlier. This pulled down the annual return of Dollar to 18.29%.

### Pound declines on economic data

The British Pound lost value to some of its major currency partners on the international market after a report by the Office for National Statistics indicated a decline in Q3'2015 economic growth. This spurred speculation the Bank of England (BoE) may delay raising interest rates.

UK's Q3'2015 Gross Domestic Product recorded a growth of 0.5% compared to the 0.7% from the previous quarter.

Similarly on Ghana's inter-bank market, the Pound dipped in value as it traded between GH¢5.78 and GH¢5.79 among the banks and recorded a year-to-date yield of 16.20% against the Cedi.

The British Pound declined by 1.03% before the close of trading on Thursday.

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## CEDI GAINS AMID PPI DATA RELEASE

Report on Ghana's Producer Price Index (PPI) by the Ghana Statistical Services (GSS) saw the local currency cut off some of the year-to-date loss it had suffered against its trading allies. The Cedi appreciated by 0.89% on the interbank market last Thursday.

The PPI decreased to 3.7% in September from 3.9% in August 2015. This comes after the GSS had revised the August 2015 PPI from 4.4% in the earlier month. The decline in PPI seemed to have favored the Cedi on the currency market and may intend, affect inflation in prices of consumer goods and benchmark interest rate trend.

The Cedi therefore settled at an annual loss of 14.26% at the close of Thursday's trading activities.

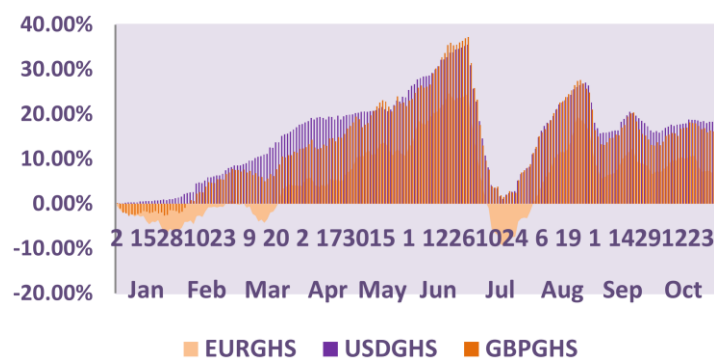


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro versus Cedi

The Euro appreciated on the global front market with support from German's Consumer Price Inflation (CPI). German CPI increased to 0.3% from 0.0% on an annualised basis, reducing expectations the ECB would cut its deposit rate over the next few months.

The situation was however different on the local market as the Euro lost some of its worth to the Cedi after decreasing by 1.90% on the interbank market with a year-to-date rate of 6.59%.

The Euro closed Thursday's trading at a midrate of GH¢4.1526.

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