

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

31<sup>st</sup> March, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,816.05	54,796.35	-0.04%
Market Capitalization (US\$ million)	14,279.85	14,282.90	0.02%
Volume traded (shares)	1,820,545.00	325,910.00	-82.10%
Value Traded (GH¢)	3,109,798.02	1,233,815.42	-60.32%
Value Traded (US\$)	810,117.49	321,599.22	-60.30%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,912.02	-0.19%	-4.16%
SIC-FSL Top 15 Index	3,180.58	-0.15%	-14.28%
GSE Financial Stocks Index	1,823.93	-0.27%	-5.50%

Table 2: Key Stock Market Indices

## LIQUIDITY

Liquidity was lower than the previous week as the number of trading days on the Exchange last week reduced due to the Easter festivity.

A total 325,910 shares exchanged hands over the period and this was valued at GH¢1.23 million, representing a decline of about 60% in total value traded.

Ghana Oil Company Limited (GOIL) recorded the highest activity in the week, with a contribution of 107,040 shares, representing 32.84% of total traded shares. On the other hand, Standard Chartered Bank Ghana Limited (SCB) recorded the biggest value of GH¢729,867.15, accounting for 59.16% of the total value traded.

## MARKET NOSEDIVES IN PERFORMANCE

Activities on the Ghana Stock Exchange (GSE) were on the downside in the period under review. This stemmed from low profits (compared to the previous year) recorded in the full year financial statements of some listed equities on the market. To reflect the effect, the market witnessed the impact laggards on the exchange in the absence of gainers, as shareholders took out gains to curtail the fear of losing their investment on the back of recurring downward trajectory of listed equities. This pushed down the worth of the benchmark indicators.

In effect, the GSE Composite Index (GSE-CI) which tracks the performance of the broader market declined to 1,912.02 points, representing a year-to-date loss of 4.16%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top-15 Index dropped to a year-to-date losses of 5.50% and 14.28% respectively.

The value of listed companies (market capitalization) on the Exchange dropped to GH¢54.80 billion from GH¢54.82 billion, however, an appreciation in the Cedi's value pushed the corresponding dollar value up by 0.02% to settle at USD 14.28 billion.

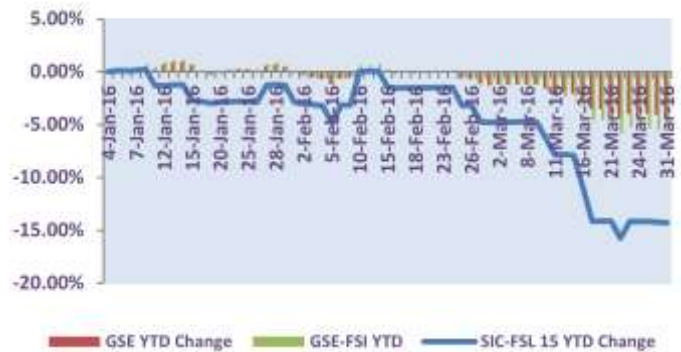


Fig 1: Year -to -date returns

## MARKET MOVERS

### GOIL tops losers chat

Ghana Oil Company Limited (GOIL) emerged the worst performed stock in the week under review due to profit-booking by shareholders of the stock.

GOIL recorded a three-pesewa loss in its market value despite the positive full year financial results it posted for 2015. The company posted a profit-after-tax of GH¢32.88 million which is almost twice the profit it recorded in the same period in 2014.

At the close of trading on Thursday the stock was trading at GH¢1.45 per share.

### GCB declines in value

GCB Bank Limited (GCB) was the second worst performing stock last week, following the release of its FY'2015 statements which showed a decline in its bottom-line when compared to the previous year.

The stock's worth depreciated from GH¢3.68 a fortnight ago to GH¢3.65 on Thursday after its financial statement depicted a 9% decline in profit to GH¢244.73 million, despite a 17% growth in revenue in the same period.

Investors reacted to the FY'2015 results by decreasing their bet in the value of the bank by 0.82% on the GSE

## CORPORATE NEWS

**STANDARD CHARTERED BANK GHANA LIMITED (SCB) ANNOUNCES DIVIDEND PAYMENT IN ITS PREFERENCE SHARES:** SCB has announced a dividend of GH¢0.0725 per preference share in respect of the dividend period the 31st March, 2016 to 30th September, 2016. The dividend rate (interest) is 27.63%.

In view of the above, any investor who buys SCB PEF shares on or after Wednesday, 24th August, 2016 will not be entitled to the dividend. The payment date will be on Friday, 30th September, 2016.

**GCB BANK LIMITED (GCB) APPOINTMENT OF A DIRECTOR:** GCB announces the appointment of Mr. Socrates Afram (Chief Finance Officer) as a Director of the Bank effective March 24, 2016.

**HFC BANK (GHANA) LIMITED (HFC) TO HOLD ANNUAL GENERAL MEETING:** HFC announces that the Bank's 25th Annual General Meeting will be held at the La Palm Royal Beach Hotel, Accra on Thursday, 28th April, 2016 at 10am.

STOCK TICKER	Wk Open	Wk End	Change	% change
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Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
GCB	3.68	3.65	-0.03	-0.82%
GOIL	1.48	1.45	-0.03	-2.03%
SCB	16.18	16.15	-0.03	-0.19%

Table 4: Laggards for the week

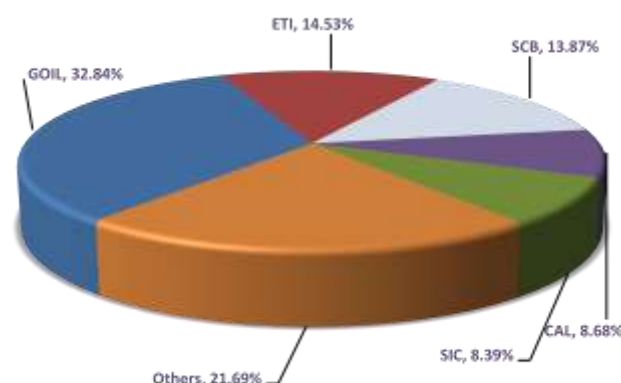


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 31/3/2016 (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	0.08	-42.86%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.13	25.20%
Cal Bank Ltd	CAL	1.00	1.00	0.00%
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.	EBG	7.01	7.00	-0.14%
Enterprise Group Limited	EGL	2.40	2.45	2.08%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.65	-3.69%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.93	-3.02%
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	0.85	-5.56%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.20	5.26%
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	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.15	-0.92%
SIC Insurance Company Ltd.	SIC	0.14	0.17	21.43%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.81	1.25%
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	5.10	0.00%
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	8.70	2.35%
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 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	3.8346	3.8384	1.09% ▼
GBPGHS	5.5126	5.5196	1.79% ▲
EURGHS	4.3692	4.3727	5.78% ▼

Table 6: Inter-bank indicative rates

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

### Dollar depreciates against the Cedi

The American Dollar lost to the Ghanaian Cedi for yet another week on the inter-bank market.

This is evident in Dr. Henry Kofi Wampah, the just retired Governor of the central bank, recently touting the bank's feat in maintaining the stability of the local currency in recent times.

The Cedi has been relatively stable against the Dollar, reflecting the tight policy stance, improved liquidity on the foreign exchange and renewed investor interest in domestic debt instruments.

Consequently, the greenback demand remained downbeat for the fifth consecutive week, as the value of the Dollar declined by 0.06% against the Ghana Cedi. It traded at a midrate of GH¢3.8365 last Thursday, representing a fall in its annual return to 1.09% versus the local currency.

### Economic data supports Euro

The shared currency was up by 1.95% against the Cedi by the close of the week's trading last Thursday, pushing its year-to-date appreciation versus the local currency up from the previous week's figure of 3.76% to 5.78%.

The Euro gained strength on the global front, following the rise in core inflation from 0.8% to 1.0%. The Euro has in this year managed to record some appreciation on the international market in the face of further stimulus from the European Central Bank (ECB).

Consequently, this yielded an increase in the EURGHS exchange rate, following the rise in demand for Euro across the globe.

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## CEDI WANES IN VALUE OVER IMF'S CONCERNS

Ghana's currency failed to sustain the gains it chalked last week against its major trading currencies on the inter-bank market amid the International Monetary Fund's (IMF) concerns about Ghana's fiscal stance.

According to the Bretton Woods Institution, Ghana is at high risk of debt distress and faces exceptionally high gross financing needs i.e. struggling to meet its financial costs.

However, the fund has recommended a change in the Ghana's borrowing strategy, to consider changing market conditions when assessing alternative debt instruments.

The news witnessed the value of the Ghana Cedi depreciate by 0.83% against its major trading partners, resulting in a rise in the Cedi's year-to-date loss from 1.14% to 1.98% on Thursday.

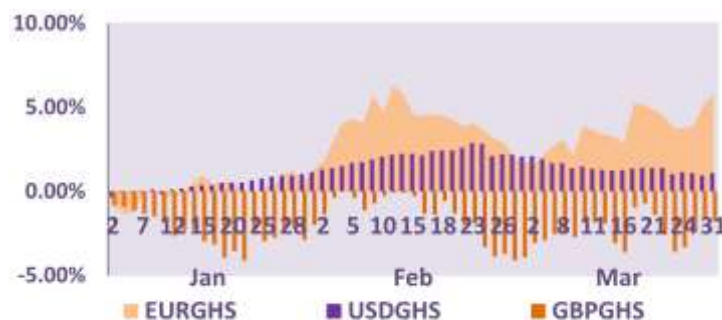


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound rebounds in value

The British Pound managed to gain its footing on the international market as concerns about Brexit eased.

A telephone poll released last week disclosed a solid lead for the UK to stay in the European Union. This lent support to the Pound after investors' confidence improved amid a positive retail sales figure that came in above the forecasted rate at 3.8%.

To reflect the global trend, currency traders adjusted their local rates resulting in a 1.60% appreciation in the Pound against the Cedi. One Pound was pegged between GH¢5.5126 and GH¢5.5196 by the close of trading on Thursday. In effect, the year-to-date loss of the Pound eased to 1.79%

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