

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

3<sup>rd</sup> December, 2015



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	57,186.03	57,170.90	-0.03%
Market Capitalization (US\$ million)	15,070.37	15,062.81	-0.05%
Volume traded (shares)	2,485,019.00	8,290,709.00	233.63%
Value Traded (GH¢)	4,968,458.31	7,532,352.89	51.60%
Value Traded (US\$)	1,309,349.68	1,984,548.25	51.57%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,972.89	-0.14%	-12.74%
SIC-FSL Top 15 Index	3,751.41	-0.11%	-4.86%
GSE Financial Stocks Index	1,907.59	-0.17%	-14.98%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in twenty-four (24) equities yielded a total of 8.29 million shares trading, which was 233.63% better than the previous week's figure. The increase in volume was due to the block trades recorded in Cal Bank and Cocoa Processing Company's shares. Corresponding value traded also improved significantly to GH¢7.53 million, from GH¢4.97 million recorded in the week before.

Market activity favoured financial stocks, as the sector contributed 87.56% and 88.65% of the cumulative volume and value of shares that traded in the past week.

Cal Bank Limited (CAL) emerged the best stock in terms of volume and value of shares that traded. CAL contributed 4.68 million of the total traded shares, representing 56.45% whilst accounting for GH¢49.07 million of total value traded, representing 49.07%.

## ACCRA BOURSE FAILS TO RISE

The excitement that accompanied the previous week's performance dropped during last sessions, following price decline in multiple sectors. Losses in the Agri-business, Insurance, Banking and Consumer goods sectors dragged the broader market down by 0.14%.

As a result, the yield on the GSE-Composite Index dipped by 0.12% to settle at a year-to-date loss of 12.74%. Likewise, the year-to-date loss on the GSE Financial Stock Index (GSE-FSI) which tracks the performance of all listed financial stocks worsened to -14.98% from the previous week's -14.83%. The SIC-FSL Top 15 Index (T-15 Index), an index which measures the top 15 liquid stocks on the GSE, dropped to a year-to-date loss of 4.86% last Thursday, from 4.76% the week before.

The value of listed companies (market capitalization) dropped marginally by 0.03% to settle at GH¢57.17 billion from the previous GH¢57.19 billion, whilst its dollar equivalent declined by 0.05% to USD15.06 billion due to the Cedi's slight depreciation on the market.

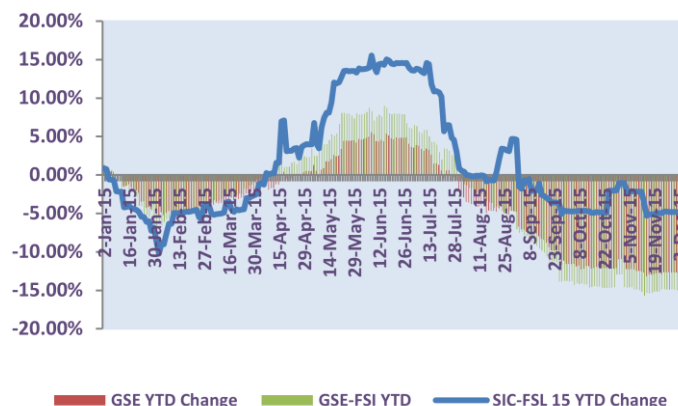


Fig 1: Year -to -date returns

## MARKET MOVERS

### BOPP returns to GH¢2.80

Benso Oil Palm Plantation (BOPP) returned to GH¢2.80 a share last week, from a week opening price of GH¢2.88, which represented 2.78% decline in shareholders wealth. The volatility in BOPP's share price appeared to be partly because of the poor results released by the Oil-giant in the last quarter.

BOPP reported a profit after tax GH¢6.26 million in Q3'15 down from the GH¢9.52 million profit recorded over a similar period last year.

However, at the current price above, BOPP continues to trade below the average trading price of GH¢4.08 this year and also below the year-open price of GH¢4.10 a share. Technically, suggesting a high possibility of upward price correction in the weeks ahead.

### SCB drops on intense selling pressure

Increased selling pressure of Standard Chartered Bank shares caused further decline in the Bank's value, closing as the second worst performed stock last week. Investors appeared to be reducing their bids in the banking giant due to the 24% slashed in net profit as revealed in Q3'15 results. The Bank posted a net profit of GH¢151.16 million in Q3'15 compared to the GH¢197.60 million profit declared in the same period last year.

Aside the bank's poor result, analyst believe poor corporate news have also accounted for its declining fortunes on the local bourse in recent times. Though the stock is trading below the average year-to-date price of GH¢18.82 and year-open price of GH¢20.35 a share, contradicting the bank's trailing P/E ratio of 12x as against the sector average of 9x. Hence, the increased volatility in the Banks shares last week.

STOCK TICKER	Wk Open	Wk End	Change	% change
UNIL	7.88	7.89	0.01	0.13%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.88	2.80	-0.08	-2.78%
EBG	7.12	7.10	-0.02	-0.28%
EGL	2.41	2.40	-0.01	-0.41%
SCB	16.35	16.30	-0.05	-0.31%

Table 4: Laggards for the week

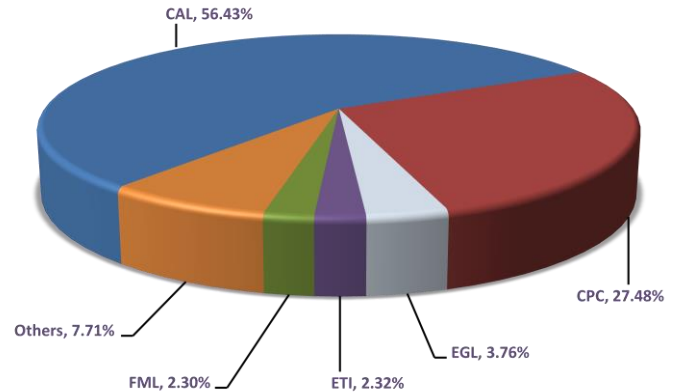


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 3/12/2015 (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	2.80	-31.71%
Cal Bank Ltd	CAL	1.01	0.80	-20.79%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.02	-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	7.10	-6.58%
Enterprise Group Limited	EGL	1.75	2.40	37.14%
Ecobank Transnational Inc.	ETI	0.28	0.28	0.00%
Fan Milk Ltd.	FML	5.25	7.35	40.00%
Ghana Commercial Bank Ltd.	GCB	5.30	3.76	-29.06%
Guinness Ghana Breweries Ltd.	GGBL	3.20	2.00	-37.50%
Ghana Oil Company Limited	GOIL	1.05	1.38	31.43%
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	0.78	-48.00%
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	16.30	-19.90%
SIC Insurance Company Ltd.	SIC	0.37	0.13	-64.86%
Starwin Products Ltd.	SPL	0.02	0.03	50.00%
Societe Generale Ghana Limited	SOGEGH	1.00	0.80	-20.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.24	0.37	54.17%
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	28.00	-19.98%
Unilever Ghana Ltd.	UNIL	10.70	7.89	-26.26%
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 PREF	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	3.7936	3.7974	18.61% ▼
GBPGHS	5.7082	5.7162	14.72% ▼
EURGHS	4.1155	4.1195	5.69% ▼

Table 6: Inter-bank indicative rates

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

### U.S. Dollar records marginal gain

The Cedi traded within a tight range against the U.S. Dollar, closing the week with a little change from the previous week's exchange rate. The Dollar recorded a very marginal upward adjustment of 0.02% against the Cedi, to end the week's trading at a midrate of GH¢3.7955 to settle at an annual return of 18.61%.

However, the impact of heightened import activities which usually hits the currency market in the last month of the year as a result of the yuletide seems not to be significantly affecting the Cedi-dollar pair, since trading in the pair keeps fluctuating on the inter-bank market.

### Pound declines on construction PMI data release

Sterling plunged in value against most of the major trading currencies on the international front in the period under review, following the low report on U.K.'s Purchasing Managers' Index (PMI) for construction.

According to the data released, the PMI for construction dropped to 55.3 points in November from 58.8 points in October, although it was estimated to fall to 58.6 points.

The fate of the British currency on the international market was no different on Ghana's currency market as it slipped in value after trading at a midrate of GH¢5.7122 to settle at a lower annual return of 14.72% on Thursday.

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## CEDI LOSES HOLISTICALLY

The local currency was down by 0.61% against its major trading currencies by the close of trading on the inter-bank market last week.

The depreciation recorded by the Cedi against both the Euro and the Dollar increased the local currency's holistic annual loss on Thursday, thereby waning the value of the Cedi.

As a result, the Cedi's year-to-date loss suffered against its major trading partners rose from 13.19% to 13.87% by the close of trading on the currency market.

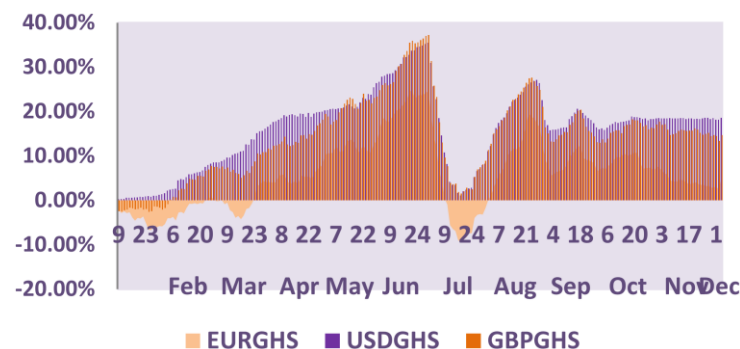


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro vs. Cedi

The shared currency recorded an impressive gain on the global front on Thursday after the European Central Bank (ECB) disappointed investors by reporting a less-intensive package of stimulus measures than investors had expected.

The ECB cut its deposit rate by 10 basis points, a smaller cut than many expected, leaving it at -0.3%. Expectations were that the Bank would unveil a strong package of stimulus measures, including a larger cut to the deposit rate, but that was not done, so investors and traders quickly bought back the Euro, hence the rise in value of the currency.

The compounded effect resulted in a 2.20% gain in the value of the Euro against the Cedi on the inter-bank market, reflecting a higher annual return of 5.69% from 3.41% a week earlier.

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