

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

4<sup>th</sup> August, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,552.94	54,588.41	0.07%
Market Capitalization (US\$million)	13,821.72	13,831.76	0.07%
Volume traded (shares)	2,982,813.00	1,294,984.00	-56.59%
Value Traded (GH¢)	10,170,973.29	5,849,161.50	-42.49%
Value Traded (US\$)	2,576,952.37	1,482,076.09	-42.49%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,793.27	0.35%	-10.11%
SIC-FSL Top 15 Index	3,146.23	0.73%	-15.21%
GSE Financial Stocks Index	1,687.53	0.55%	-12.57%

Table 2: Key Stock Market Indices

## LIQUIDITY

Despite the improved market performance, total shares traded was comparatively down from the previous week's figure of 2.98 million following the exchange of 1.29 million shares last week. Comparative value traded was also down from the GH¢10.17 million previously to GH¢5.85 million.

Market activities were largely skewed towards the consumer goods stocks, as the sector recorded 41.92% and 81.82% of total volume and value of shares traded respectively.

The shares of Fan Milk Limited (FML) were the most traded in terms of volume and value recorded in the past week. FML contributed 524,135 of the total traded shares, representing 40.47% of market volume. This was valued at approximately GH¢4.69 million, also representing 80.25% of market value.

## ACCRA BOURSE CONTINUES RECOVERY PROCESS

The Ghana Stock Exchange (GSE) continued its recovery process last week, as investors appetite in some Blue-Chip stocks increase. Shares across multiple sectors like the Consumer Goods sector, Financial sector and the Petroleum sector sustained the market's recovery process. Key are the shares of Fan Milk Limited (FML), GCB Bank Limited (GCB) and the Ghana Oil Company Limited (GOIL).

Key benchmark indices like the GSE Composite Index (GSE-CI) went up to 1,793.27 points from 1,787.01 points, to close at an improved year-to-date loss of 10.11%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also improved from their previous levels of 1,687.53 points and 3,146.23 points to 1,678.27 points and 3,123.49 points respectively. Both, the GSE-FSI and the SIC-FSL T-15 closed the week at an improved year-to-date losses of 12.57% and 15.21% respectively.

Total market capitalization rose slightly by 0.35%, settling at GH¢54.58 billion from the previous week's figure of GH¢54.55 billion. An equivalent dollar value also appreciated to USD 13.83 billion from USD 13.82 billion the week before.



Fig 1: Year -to -date returns

## MARKET MOVERS

### *Rush for FML shares pushes price up*

Improved investor confidence in the shares Fan Milk Limited (FML) pushed the market value up, from the previous GH¢8.52 to GH¢9.00 per share last Thursday. The company maintained its enviable record as the best price gainer in absolute terms on the Accra Bourse, rising from year-open price of GH¢7.35 to the current price above.

Currently, the company is trading above key market prices like the 182-Day Volume Weighted Average Price (VWAP<sub>182</sub>) of GH¢7.91 per share and the 182-Day Average Trading Price of GH¢7.43 per share.

Regardless of the seeming high market price of FML, investors still bid up the value of company last week.

### *GCB supported by good data*

GCB Bank Limited (GCB) shares emerged the second best price gainer on the Exchange last week, after recording an increase of 16-pesewas on its market value.

The rise, according to some analysts might be due to the improved half-year financial results released by the company. The Bank posted a growth in revenue of 22% in the half-year 2016 (HY'16) and this translated into 26% growth in net profit after tax because of prudent cost management.

The above, appeared to have pleased investors, hence the increase demand for GCB shares on the market.

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	8.52	9.00	0.48	5.63%
GCB	3.20	3.36	0.16	5.00%
GOIL	1.35	1.36	0.01	0.74%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.41	2.40	-0.01	-0.41%
PBC	0.05	0.04	-0.01	-20.00%
TOTAL	3.89	3.39	-0.50	-12.85%
UTB	0.08	0.07	-0.01	-12.50%

Table 4: Laggards for the week

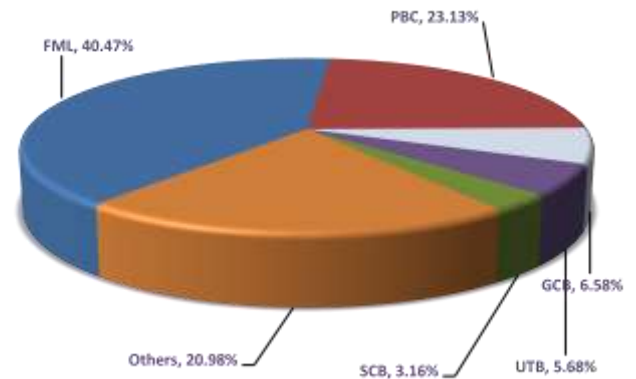


Fig 2: Top 5 most liquid equities with respect to volume traded

## MARKET MOVERS

**SOCIETE GENERALE GHANA LIMITED (SOGEGH) HINTS RIGHT ISSUE DATES:** Following the approval from shareholders to raise GH¢41 million through a Renounceable Right Issue during their 36<sup>th</sup> Annual General Meeting (AGM), the Directors of Bank has announced the ex-rights and qualifying dates for the Offer as August 11, 2016 and August 15 August 2016 respectively. The amount raised will be used to support working capital.

In view of the above, applications will be accepted from the qualifying shareholders or investors who have had rights renounced in their favour, subject to the GSE Listing Rules, the terms of the Offer and other applicable laws.

According to the Bank, the dates for the Offer Price and Right Issue Ratio will be communicated later.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 4/08/2016 (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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.11	-38.89%
Benso Oil Palm Plantation	BOPP	2.50	2.80	12.00%
Cal Bank Ltd	CAL	1.00	0.84	-16.00%
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	6.70	-4.42%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	9.00	22.45%
Ghana Commercial Bank Ltd.	GCB	3.79	3.36	-11.35%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.80	-9.55%
Ghana Oil Company Limited	GOIL	1.40	1.36	-2.86%
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	0.78	-13.33%
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	0.04	-60.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.22	-35.29%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.23	-12.70%
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	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	3.39	-33.53%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.88	-0.43%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.07	-30.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.74	4.23%
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	3.9446	3.9486	3.99% ▼
GBPGHS	5.1773	5.1837	7.76% ▲
EURGHS	4.3942	4.3975	6.39% ▼

Table 6: Inter-bank indicative rates

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

### Dollar fairly unchanged

The Greenback recorded a marginal loss last week as one Dollar was pegged between GH¢3.9446 and GH¢3.9486 in the week under review, reflecting a 0.01% decline in the value of the Greenback against the Cedi.

Going forward however, the Ghanaian Cedi is expected to remain firm, supported by inflows from offshore investors who bought government debt in July 2016.

The annual yield of the Dollar therefore reduced to 3.99% from 4.00% on Thursday.

### Pound loses to Cedi

The Bank of England (BoE) for the first time since March 2009 cut its benchmark interest rate as part of its measures to help boost the economy after the Brexit.

The value of the Pound declined on the international market as the Monetary Policy Committee made a unanimous decision to lower its rates to 0.25%. In addition, the central bank's asset-purchase target was increased for the first time in four years, raising the target by £60 billion (\$79 billion) to £435 billion.

Investors on the Ghanaian market however, sought for shelter in the 17 nation currency, leading to a 0.35% rise in value versus the Cedi last Thursday.

Likewise, the British Pound saw a downward revision in its exchange rate last Thursday as it lost 0.05% of its value to deepen its annual loss suffered against the Cedi to 7.76%

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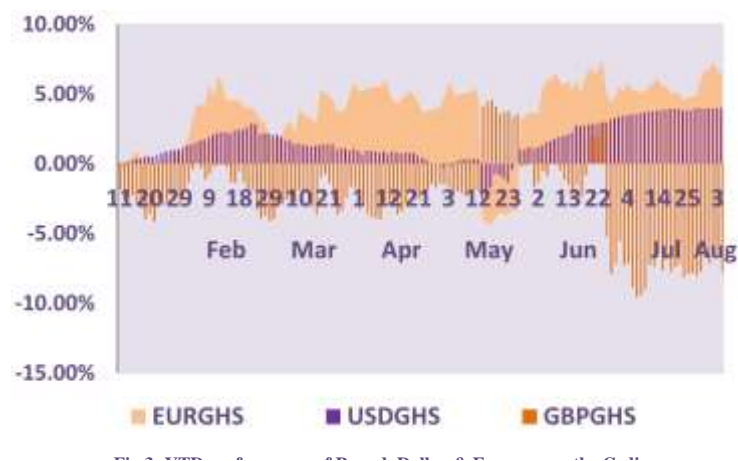
Email: [research@sic-fsl.com](mailto:research@sic-fsl.com)

## GHANA'S LOCAL CURRENCY DECLINES IN VALUE

Last week, the local currency recorded its third consecutive weekly loss on the inter-bank market after Parliament had given its approval on a supplementary GH¢1.8 billion requested by the Ministry of Finance to support the budget after huge revenue shortfall.

According to the Minister of Finance, Hon. Seth Terkper, the supplementary budget was necessitated by both domestic and global developments. He also indicated a cash deficit of 2.5% for the first five months of 2016.

Consequently, the Cedi weakened by 0.13%, extending its year to date loss to 2.55% on Thursday from 2.42% a fortnight ago.



### Euro appreciates with support from economic data

On the international market last week, the Euro pointed north as a result of an unexpected rise in one of its key data..

An Euro-area data for the month of July which was expected to plunged rather posted a hike in output, i.e. the Purchasing Managers' Index rose to 53.2 points in July from 53.1 points in June while an estimate predicted a drop to 52.9 points.

Investors on the Ghanaian market likewise increased their bet in the shared currency. Thus, the Euro was 0.46% stronger than the Cedi after it had traded between GH¢4.3942 and GH¢4.3975 on the Ghanaian currency market.

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