

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

5th May, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,434.91	53,907.17	-0.97%
Market Capitalization (US\$ million)	14,343.47	14,182.37	-1.12%
Volume traded (shares)	2,670,531.00	997,112.00	-62.66%
Value Traded (GH¢)	6,862,285.95	488,164.52	-92.89%
Value Traded (US\$)	1,808,196.35	128,430.55	-92.90%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,806.51	-1.27%	-9.44%
SIC-FSL Top 15 Index	2,949.81	-4.06%	-20.50%
GSE Financial Stocks Index	1,687.54	-1.82%	-12.57%

Table 2: Key Stock Market Indices

LIQUIDITY

Absence of block trade on the Exchange resulted in a considerable drop in aggregate volume and value of shares traded on the GSE. A total of 997,112 shares exchanged hands, and was valued at GH¢488,164.52, representing a decline of 62.66% and 92.89% of both volume and value of shares traded respectively.

Market activities were largely skewed towards the financial stocks, as the sector recorded 89.49% and 52.42% of total volume and value of shares traded.

Ecobank Transnational Incorporated (ETI) recorded the highest activity in the week, with a contribution of 792,180 shares, representing 79.45% of total traded shares. On the contrary, Fan Milk Limited (SCB) recorded the biggest value of GH¢218,093.42, which represented 44.68% of the total

GSE REMAINS VULNERABLE TO MARKET MOVEMENTS

Activities on the Ghana Stock Exchange (GSE) ended in favour of the bears, following the increased selling pressure on the market last week. At the close of the week, shares of Benso Oil Palm Plantation Limited (BOPP), Ecobank Ghana Limited (EGH), Cal Bank Limited (CAL), Ecobank Transnational Incorporated (ALW) and Aluworks Limited (ALW) suffered huge losses to further worsen performance of the broader market.

Key benchmark indices like the GSE Composite Index (GSE CI), the GSE Financial Stocks Index and the SIC-FSL Top 15 Index pointed southwards to the market's poor activities. The year-to-date losses on the three key indicators dropped from the 8.28%, 10.95% and 17.14% respectively, to settle at 9.44%, 12.57% and 20.50% last Thursday.

The total value of listed stocks on the GSE also declined by 0.97% to GH¢53.91 billion from GH¢54.43 billion, whilst corresponding dollar value also declined to USD 14.18 billion from the previous week's USD 14.34 billion. The depreciation in the dollar equivalent was due to Cedi's fall against the greenback.



Fig 1: Year -to -date returns

MARKET MOVERS

EGH slips over profit decline

A lower-than-expected profit after tax by Ecobank Ghana (EGH) in the first three months (Q1'16) of the year, appeared to have instigated the company's poor share performance on the Exchange. Investors bid-down the bank's share price to GH¢6.79 from GH¢6.84 per share on the Bourse.

Even though, the Bank's revenue improved from the GH¢257.44 million in Q1'15 to GH¢282.74 million in Q1'16, its profit after tax also declined by 20% to settle at GH¢72.64 million. The drop, according to the statement was because of the huge operating cost and impairment charges on loans and advances the company faced in the past three months.

Nevertheless, at the current stock price of GH¢6.79 a share, EGH is trading at a 34% discount on the floor of trade. This seems to suggest a more buy instinct in the future than the sell-side.

CAL drops to 84-pesewas

Shares of Cal Bank Limited dropped further last week, despite the seemingly better result in first quarter 2016 (Q1'16). The Bank's revenue grew from the GH¢148.06 million in Q1'15 to GH¢170.68 million in Q1'16, translating into a 0.05% rise in net profit.

Investors ignored the Bank's results, as they beat-down the Bank's share price from GH¢0.89 to GH¢0.84 per share last week.

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.44	2.45	0.01	0.41%
GOIL	1.50	1.51	0.01	0.67%
UTB	0.09	0.10	0.01	11.11%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.10	0.09	-0.01	-10.00%
BOPP	3.10	3.05	-0.05	-1.61%
CAL	0.89	0.84	-0.05	-5.62%
EGH	6.84	6.79	-0.05	-0.73%
ETI	0.18	0.16	-0.02	-11.11%
GCB	3.01	3.00	-0.01	-0.33%
PZC	0.27	0.26	-0.01	-3.70%
SOGEGH	0.77	0.76	-0.01	-1.30%
UNIL	8.49	8.48	-0.01	-0.12%

Table 4: Laggards for the week

CORPORATE NEWS

SOCIETE GENERALE GHANA TO CLOSE ATM SITE AT THE 37 MILITARY HOSPITAL: The management of Societe Generale Ghana Limited has informed the general public of a temporarily closure of its ATM site located at the Total Filling Station close to 37 Military Hospital.

The closure will start on Monday, 9th May, 2016.

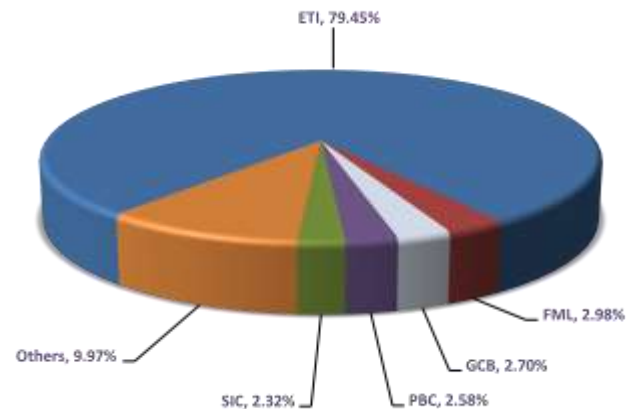


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 5/05/2016 (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	0.09	-35.71%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	3.05	22.00%
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	6.79	-3.14%
Enterprise Group Limited	EGL	2.40	2.45	2.08%
Ecobank Transnational Inc.	ETI	0.27	0.16	-40.74%
Fan Milk Ltd.	FML	7.35	7.34	-0.14%
Ghana Commercial Bank Ltd.	GCB	3.79	3.00	-20.84%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.92	-3.52%
Ghana Oil Company Limited	GOIL	1.40	1.51	7.86%
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	0.85	-5.56%
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	0.07	-30.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.26	-23.53%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	15.21	-6.69%
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	0.76	-5.00%
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	4.90	-3.92%
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	8.48	-0.24%
UT Bank	UTB	0.10	0.10	0.00%
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	3.7991	3.8029	0.16% ▼
GBPGHS	5.5019	5.5093	1.97% ▲
EURGHS	4.3281	4.3322	4.80% ▼

Table 6: Inter-bank indicative rates

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

Dollar regains strength

The Dollar managed to recoup its gains on the inter-bank market last week as some market participants sought refuge in the Dollar, resulting in a mismatch in the demand and supply of the greenback.

The Dollar had in the week earlier lost all of its annual return to the Cedi on the inter-bank market only for the Dollar to bounce back a week after due to insufficient dollar supply to meet corporate demand.

This led to weaker sentiments about the value of the Cedi among investors, resulting in a 0.16% rise in the value of the US Dollar. The American currency was pegged at GH¢3.8010 on Thursday, with a rise in its year-to-date return to 0.16%.

Euro versus Cedi

Investors remained hesitant to buy into the single currency as uncertainty over Europe's economic recovery continues to weigh on investor sentiment as well as economic performance in Germany and France remained subdued. This weighed on the value of the Euro on the international market.

On the other hand, the Euro gained grounds against the local currency on Ghana's inter-bank market as it traded between GH¢4.3281 and GH¢4.3322 compared to its previous range of GH¢4.2967 and GH¢4.3004. This represented a rise in its annual return to 4.80%.

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CEDI CLOSES TRADING IN THE RED

Trading on the currency market failed to favour Ghana's local currency as some of its major trading partners, the Euro followed by the Dollar, forestalled the Cedi from further trimming its loss on the interbank market.

The Cedi lost 0.21% of its composite value, despite the gains it recorded versus the Pound. Thus, the Cedi continued to linger in red in terms of its yield since the year begun, cumulating to 1.16% from the previous 0.95%.



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

Pound under pressure

The British Pound was under pressure last week as UK data raises economic concerns.

The European Union referendum polls and weaker economic fundamentals weighed on investor confidence in the period under review. The reappearance of support for the exit campaign has increase Sterling instability on the international market.

Also, the nation's Purchasing Manager's Index (PMI) data signposted that UK's recovery was not strong enough to withstand a major shock. UK PMI services data declined to 52.3 points from 53.7 in April.

Similarly on Ghana's currency market, the Pound declined in value as it traded at a midrate of GH¢5.5056 from last week's GH¢5.5361. This represented a dip in the Pound's annual loss from 1.43% to 1.97% on Thursday.

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