

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

5<sup>th</sup> November, 2015



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	62,064.18	62,044.41	-0.03%
Market Capitalization (US\$ million)	16,395.67	16,370.56	-0.15%
Volume traded (shares)	2,723,650.00	5,365,589.00	97.00%
Value Traded (GH¢)	1,687,430.08	7,495,755.13	344.21%
Value Traded (US\$)	445,773.26	1,977,771.80	343.67%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,983.74	-0.18%	-12.26%
SIC-FSL Top 15 Index	3,859.03	-0.13%	-2.13%
GSE Financial Stocks Index	1,915.50	-0.05%	-14.62%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in 15 equities yielded a total of 5.37 million shares trading, which was 97% better than the previous week's figure. The increase in volume was due to the block trades recorded in SIC Insurance Company (SIC), GCB Bank (GCB) and Societe Generale Ghana Limited (SOGEGH) shares. Corresponding value traded also improved significantly to GH¢7.50 million, from GH¢1.69 million recorded in the week before.

Stocks in the finance sector were the most active, contributing 97.99% and 99.02% of cumulative volume and value of shares traded. Societe Generale Ghana Limited (SOGEGH) and GCB Bank (GCB) were the most active stock in the week; with SOGEGH accounting for 45.05% of total traded shares whereas GCB recorded the biggest turnover of GH¢4.38 million.

## GSE SLIPS FURTHER DOWN

Activities on the Ghana Stock Exchange (GSE) slowed down in the past week, as losses in the Agri-business and Banking sectors caused a decline in market performance. Investors bought shares of Benso Oil Palm Plantation (BOPP) and Standard Chartered Bank (SCB) at a discount to further worsen the sluggish performance of the broader market last week.

In effect, the year-to-date losses on the Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index also dipped further. The benchmark Index closed at a year-to-date loss of 12.26% as the GSE-FSI and SIC-FSL T-15 also settled at annual losses of 14.62% and 2.13% respectively, compared to the previous week's level of losses at 12.10%, 14.58% and 2.01%.

Total market capitalization declined slightly by 0.03% to GH¢62.04 billion; with a dollar equivalent of 0.15% to USD \$16.37 billion following the Cedi's depreciation against the dollar.

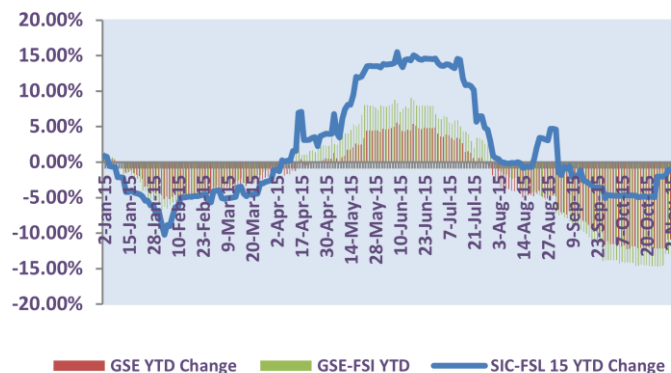


Fig 1: Year-to-date returns

## MARKET MOVERS

### Investors act on declining profit in BOPP

Shareholders of Benso Oil Palm Plantation Limited (BOPP) showed their disappointment over the company's poor third quarter result last week, as they sold their holdings in the Palm-Oil giant at a discount. BOPP reported a reduced profit after tax of 34% after posting GH¢6.26 million in its Q3'15 results.

The drop in profit appeared to have contributed to the company's poor performance on the Ghana Stock Exchange (GSE) last week. BOPP closed the week's activity down to GH¢3.25 from a week-open price of GH¢3.95 per share, being the worst performing stock on the Exchange for the week. As a result, shareholders' value reduced by 17.72% last week, and down by 20.73% from the start of this year.

Nonetheless, the company's past performance on the Exchange appears to indicate that the stock is under-priced, especially when compared to the year-open price of GH¢4.10 per share and the average year-to-date price of GH¢4.38 per share.

### High demand for FML shares restores price

High demand for Fan Milk Limited (FML) shares contributed to restoring the company's share value last week. FML's share price bounced back from the GH¢7.31 to GH¢7.35 per share, a demonstration of shareholders' approval for the company's growing performance which was evident in its third quarter results.

FML's third quarter results came in stronger than the previous year, showing an increase in revenue of 92% to GH¢221.74 million. This resulted in a huge profit after tax of GH¢36.54 million, compared to the GH¢10.26 million recorded over the previous year.

FML, in the midst of the above, emerged the best price gainer on the Exchange last week.

STOCK TICKER	Wk Open	Wk End	Change	% change
FML	7.30	7.35	0.05	0.68%
GOIL	1.35	1.36	0.01	0.74%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.95	3.25	-0.70	-17.72%
SCB	16.34	16.31	-0.03	-0.18%

Table 4: Laggards for the week

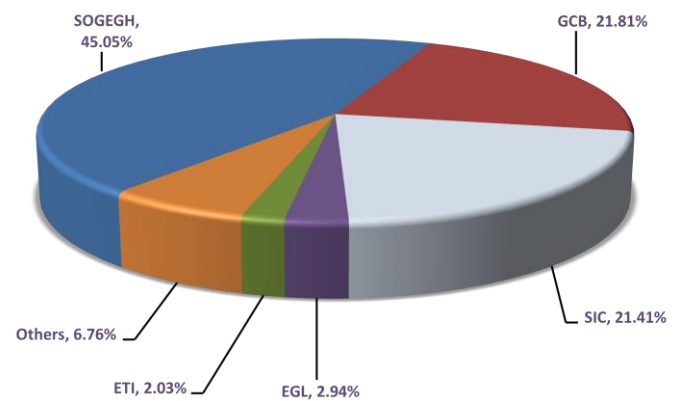


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES INTERIM DIVIDEND PAYMENT:** Management of TOTAL has proposed an interim dividend payment of GH¢0.0902 to shareholders in respect of the 2015 financial year. In view that, any investor who buys TOTAL shares before Wednesday, November 25, 2015 will be entitled to the interim dividend payment.

The proposed payment date is Monday, December 14, 2015.

**ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL:** AGA has increased its ordinary shares to 405,103,870 as at September 30, 2015 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 112,691 ordinary shares.

In view of the above, AGA share capital has risen to 49,721,223,077.55 South African Rand.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 5/10/2015 (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	3.25	-20.73%
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	7.35	40.00%
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	1.36	29.52%
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	16.31	-19.85%
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 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	3.7881	3.7919	18.44% ▼
GBPGHS	5.7697	5.7766	15.95% ▼
EURGHS	4.1232	4.1255	5.87% ▼

Table 6: Inter-bank indicative rates

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

### Dollar records gains

According to data released by the Ghana Investment Promotion Centre (GIPC), the country's Foreign Direct Investments (FDI) plunged significantly in the third quarter of this year.

Ghana's FDI declined by 56% compared to 2014 figures, i.e. from \$1.3 billion in Q3'2014 to \$587.55 million in 2015.

The greenback in the period under review recouped some gains on the inter-bank market after trading at a midrate of GH¢3.79 per Dollar. This resulted in an annual return of 18.44% in favour of the Dollar.

### Euro versus Cedi

The Euro declined by 0.68% on the inter-bank market, retreating to a midrate of GH¢4.1244 from GH¢4.1526 the week before, as traders adjusted the exchange rate downwards to support global pricing.

The fall was a global phenomenon supported by weak German industrial orders for the month of September. German industrial output figures came out at -1.1% lower than the expected 0.5%. This was due to the decline in German Industrial orders which dropped to -1.7% in September against a forecast of 1.0% increase in order books.

The Euro however remains at an appreciation of 5.87% on the inter-bank market since the year commenced.

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## CEDI COMMENCES THE MONTH ON A GOOD NOTE

The currency market remained in favour of the Cedi last week, as the local currency gained in wholesale activities on the inter-bank market.

The Cedi strengthened by 0.18% within the banks, supported by comments made by the International Monetary Fund (IMF) on Ghana's performance on the Fund program.

At the end of the discussions on the second review of Ghana's financial and economic program supported by the IMF's Extended Credit Facility (ECF), the Bretton Wood's institution stated that the implementation of the program has so far been satisfactory, with all end-August 2015 performance criteria being met.

Consequently, the Cedi's year-to-date loss trimmed to 14.05% by the close of trading.

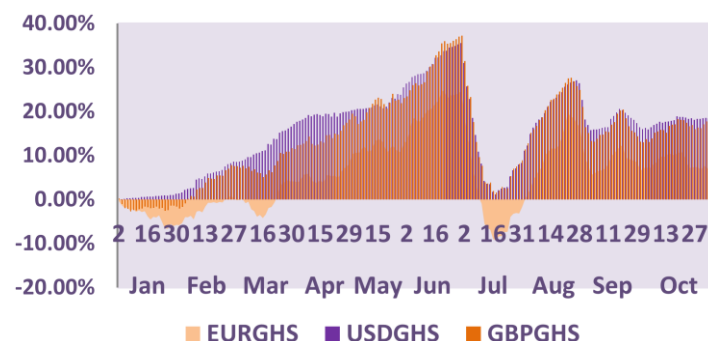


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound cuts gains

Investors sold the British Pound after the Bank of England indicated that it is in no hurry to raise interest rates from record low levels. The BoE said it does not expect to hit its 2% inflation target for another two years, with lower commodity prices and a stronger Pound continuing to weigh on consumer prices.

This saw the Pound lose to major trading partners on the international market.

The impact was felt on Ghana's currency market as the British Pound lost 0.22% of its value to the Cedi, pushing its yield down to 15.95%, since the beginning of the year.

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