

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

6<sup>th</sup> October, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	52,984.73	52,753.52	-0.44%
Market Capitalization (US\$'million)	13,343.25	13,279.68	-0.48%
Volume traded (shares)	3,291,304.00	1,336,391.00	-59.40%
Value Traded (GH¢)	4,315,047.52	929,964.92	-78.45%
Value Traded (US\$)	1,086,667.39	234,100.67	-78.46%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,768.93	-0.31%	-11.33%
SIC-FSL Top 15 Index	2,948.98	-1.78%	-20.52%
GSE Financial Stocks Index	1,675.21	-0.33%	-13.20%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in twenty-four (24) equities saw a total of 1.34 million shares exchanging hands and this was valued at GH¢ 929,964.92, representing a decline of 59.40% and 78.45% in both volume and value of shares that traded a fortnight ago .

Investors were skewed towards financial stocks, as the sector recorded 65.92% of the total shares that traded, which represented just 13.22% of the entire value traded.

UT Bank's (UTB) share was the most traded equity on the bourse last week, with a total of 784,033 shares switching hands, representing 58.67% of the entire market volume. Guinness Ghana Breweries Limited (GGBL), by virtue of its higher price registered the biggest value of GH¢680,242.50 which represented 73.15% of the entire value traded in the week.

## GSE DROPS DESPITE...

Performance of the Ghana Stock Exchange (GSE) flopped last week despite gainers outnumbering laggards on the bourse. The magnitude of gains recorded was not enough to stop the market from fallen last week.

Among the eleven (11) price-movers on the market, six (6) were gainers and the rest were laggards. In the end, shares of Total Petroleum Ghana Limited (TOTAL), Benso Oil Palm Plantation (BOPP), Ecobank Transnational Incorporated (ETI) and Unilever Ghana Limited (UNIL) dragged performance down last week.

At the close of the week, the broader market; thus GSE Composite Index (GSE-CI) declined to 1,774.38 points from 1,768.93 points, representing a year-to-date loss of 11.33%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top-15 Index also dropped from their year-to-date losses of 12.91% and 19.08% each to 13.20% and 20.52% accordingly.

Total market capitalization of the GSE also dropped from the GH¢52.98 billion to GH¢52.75 billion, an equivalent dollar value also slipped by 0.48% to USD13.27 billion last Thursday.



Fig 1: Year -to -date returns

## MARKET MOVERS

### TOTAL slips to record-low

The shares of Total Petroleum Ghana Limited (TOTAL) once again lost ground as investors bid-down the share price to GH¢2.30 from week-opening price of GH¢2.40 per share. The current price above, is the cheapest ever any investor will be buying the company's share on the GSE since 2010.

According to some analysts, the decline was not only due to the release of lower-than-expected half-year results but also due to the declining fortune on the broader market as a whole.

TOTAL posted a decline in revenue from GH¢923.19 million in HY'15 to GH¢854.14 million in HY'16, which represented a drop of 7% from the same period last year. This led to a decrease in net profit after tax (NPAT) from GH¢27.69 million in HY'15 to GH¢20.75 million in HY'16.

Currently, the share is trading at 16% discount to the sector's average trailing P/E ratio of 6x, an indication of likely upward price review in the future.

### CAL retrieves 2-pesewas after-all

In spite of, the seeming dwindling investor appetite for equities, the shares of Cal Bank to retrieve 2-pesewas of its market value last week. This was after the Bank had surrendered 24-pesewas of the year-open price of GH¢1.00 per share. Currently, CAL is trading at GH¢0.78 per share and appeared to have been pushed up by investors who believe the time is ripe enough to buy. This seems to indicate investors continued confidence in the Bank.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.13	0.14	0.01	7.69%
CAL	0.76	0.78	0.02	2.63%
EGL	2.38	2.40	0.02	0.84%
FML	9.78	9.80	0.02	0.20%
PZC	0.21	0.23	0.02	9.52%
UTB	0.04	0.05	0.01	25.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.44	2.41	-0.03	-1.23%
ETI	0.15	0.14	-0.01	-6.67%
GOIL	1.24	1.23	-0.01	-0.81%
TOTAL	2.40	2.30	-0.10	-4.17%
UNIL	8.48	8.47	-0.01	-0.12%

Table 4: Laggards for the week

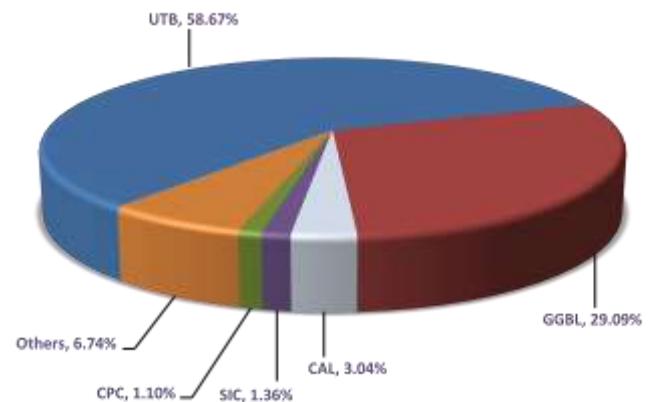


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**STANDARD CHARTERED BANK GHANA LIMITED (SCB) ANNOUNCES PREFERENCE SHARE DIVIDEND PAYMENT:** Directors of SCB has announced a Preference Share dividend payment of GH¢0.0714 per preference share to all shareholders in respect of the dividend payment for March 2017.

In view of the above, shareholders registered in the register of members for SCB as at close of business on Friday, 24<sup>th</sup> February 2017 will qualify for the dividend payment. The dividend will be paid on Thursday, 30<sup>th</sup> March, 2017.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 6/10/2016 (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	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.41	-3.60%
Cal Bank Ltd	CAL	1.00	0.78	-22.00%
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	0.02	0.00%
Ecobank Ghana Ltd.	EGH	7.01	6.81	-2.85%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.14	-48.15%
Fan Milk Ltd.	FML	7.35	9.80	33.33%
Ghana Commercial Bank Ltd.	GCB	3.79	3.94	3.96%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.75	-12.06%
Ghana Oil Company Limited	GOIL	1.40	1.23	-12.14%
Golden Star Resources Ltd.	GSR	1.99	1.95	-2.01%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.80	-11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.16	-15.79%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.05	-50.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.23	-32.35%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.20	-12.88%
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	0.73	-8.75%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.26	-29.73%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.30	-54.90%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	26.90	-3.93%
Unilever Ghana Ltd.	UNIL	8.50	8.47	-0.35%
UT Bank	UTB	0.10	0.05	-50.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	0.71	0.75	5.63%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.72	-1.37%
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	3.9705	3.9745	4.64% ▼
GBPGHS	5.0211	5.0266	8.17% ▲
EURGHS	4.4360	4.4385	8.07% ▼

Table 6: Inter-bank indicative rates

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

### Dollar thrives on

The greenback remained resilient against the Cedi on Ghana's inter-bank market, attributable to strong Dollar demand which keeps outrunning supply.

This marks the Dollar's fifth consecutive weekly win in trading against the local currency on the wholesale market.

The USDGHS traded at a midrate of GH¢3.9725 last week indicating an appreciation in the value of the Dollar against the Cedi. With a marginal gain of 0.04% in the value of the greenback, the year-to-date return of the Dollar climbed to 4.68%.

### Pound nosedives further

The value of the Pound continues to wane not just locally but on the globe as a whole.

In the period under review, comments from Theresa May, UK's Prime Minister, that the formal proceedings to take the United Kingdom (UK) out of the European Union (EU) would begin no later than March next year, spurred the fall in value of the currency. Also, the Pound crashed on the market which according to dealers was due to the automated algorithmic computer trades that now dominate the global foreign exchange market. This caused the Pound to lose significantly against the American currency on the international front although it lasted for some few minutes.

This pushed the Pound to a lowest value of GH¢5.0239 since the beginning of this year. The British Pound as a result declined by 2.59% to settle at a year-to-date loss of 10.55%.

### Alice Osei Okrah (Head)

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

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

## CEDI APPRECIATES ON NEWS OF LOCAL DOLLAR BOND

The local currency banked on news about the first local dollar denominated bond to gain footing on the inter-bank market last week.

The Government of Ghana is very positive that the bond will be oversubscribed at a coupon rate of between 5.5% and 6.5%. According to the Finance Minister, Mr. Seth Terkper, the Government will achieve the target since many companies and individuals in the country hold dollar denominated accounts. It is also held that enthusiasm expressed by investors in several meetings ahead of the issuing of the bond also shows that the issuance will be fruitful.

Consequently, the local currency recorded an appreciation of 0.62% against its major trading counterparts on the inter-bank market. This trimmed down the Cedi's annual loss from 3.29% to 2.64% last Thursday.

Going forward, Ghana's foreign exchange market is expected to receive a boost due to the proceeds of the US\$1.8 billion cocoa syndicated loan which is to hit the market this month.

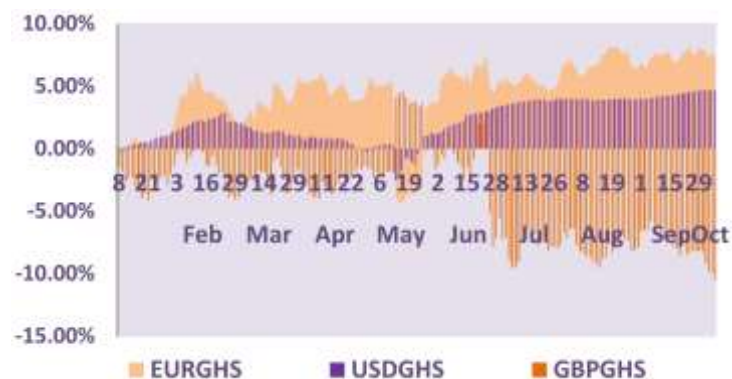


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro loses to Cedi

The Euro retreated from its weekly appreciation against the Cedi after trading between GH¢4.4360 and GH¢4.4385 on the inter-bank market on Thursday.

Consequently, the bloc currency's year-to-date return decreased from 8.07% to 7.39%. This represented a loss of 0.63% in value to the Euro against the Cedi.

### Isaac Kwasi Mensah (Analyst)

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