

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

7th July, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,790.80	54,754.25	-0.07%
Market Capitalization (US\$million)	13,955.88	13,929.90	-0.19%
Volume traded (shares)	1,598,232.00	350,618.00	-78.06%
Value Traded (GH¢)	1,455,456.30	409,174.27	-71.89%
Value Traded (US\$)	370,722.44	104,097.05	-71.92%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,787.17	-0.02%	-10.41%
SIC-FSL Top 15 Index	3,165.33	0.02%	-14.69%
GSE Financial Stocks Index	1,673.81	0.15%	-13.28%

Table 2: Key Stock Market Indices

LIQUIDITY

Market turnover was relatively minimal, following the exchange of 350,618 shares last week, valued at GH¢409,174.27. This could be partly due to the holidays that accompanied the celebrations of both the Republic Day and Ramadan celebration.

Investors showed interest in the financial and petroleum stocks, as the sectors contributed 48.50% and 32.46% of total volume of shares that traded respectively.

The shares of Ghana Oil Company Limited (GOIL) were the most traded in terms of volume and value recorded in the week. GOIL contributed 111,720 of the total traded shares, representing 31.86% of market volume. This was valued at approximately GH¢150,822, also representing 36.86% of market value.

ACCRA BOURSE STABLE DESPITE STRONG BEARISH SENTIMENT

Activity on the Ghana Stock Exchange (GSE) was fairly stable last week despite the increased bearish trades that characterized market dealings. At the close last Thursday's session, eight (8) out of the twelve price movers were laggards. Shares of Tullow Oil Plc (TLW), Total Petroleum Ghana Limited (TOTAL), Unilever Ghana Limited (UNIL) and Ghana Oil Company Limited (GOIL) suffered the biggest losses on the bourse. In the end, the broader market slipped marginally by 0.01%.

The key benchmark index; the GSE Composite Index (GSE CI) slipped down to 1,787.17 points from 1,787.50 points, resulting in a year-to-date loss of 10.41%. However, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) saw a slight upward performance of 0.13% and 0.02% in their respective levels, resulting in the improved annual losses of 13.28% and 14.69% accordingly.

On the whole, total market capitalization dropped slightly by 0.07%, settling at GH¢54.75 billion from the previous week's figure of GH¢54.79 billion. Similarly, an equivalent dollar value also depreciated to USD 13.93 billion from USD 13.96 billion the week before.



Fig 1: Year -to -date returns

MARKET MOVERS

Tullow drops to GH¢27.88

The shares of the Oil exploration company; Tullow Oil Plc (TLW) emerged the worst performed stock in the week under review. This appeared to have been caused by the sector's unappealing price performance on the global market in recent times.

On the Ghanaian market, investors appeared to lack that information which would boost their confidence to bid-up Tullow's share price. The situation seemed to have dampened investors confidence as they bid share price further down.

Tullow is currently trading below its 91-Days Average Trading Price of GH¢27.94 and 91-Days Volume Weighted Average Price (VWAP₉₁) of GH¢27.93, when compared to last Thursday's market price of GH¢27.88 per share.

TOTAL slips further

Investors beat-down the share price of Total Petroleum Ghana Limited (TOTAL) during last weeks trading session. According to analysts, the drop might be due to the company's poor financial performance, as witnessed in the first quarter results (Q1'16).

TOTAL announced a decline in net profit after tax of 22% for the first three month this year, settling at GH¢11.24 million in Q1'16.

TOTAL is currently trading far below the company's 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢5.12 per share.

MARKET MOVERS

MEGA AFRICAN CAPITAL LIMITED (MAC) LISTS ADDITIONAL SHARES: MAC has increased its ordinary shares to 9,948,576 following the listing of additional 240,000 ordinary shares. This was as a result of debt to equity conversion in favour of Databank EPACK Investment Fund Limited.

SAM-WOODE LIMITED (SWL) ANNOUNCES FINAL DIVIDEND PAYMENT & ANNUAL GENERAL MEETING (AGM): SWL has proposed a final dividend payment of GH¢0.012 per share in respect of the 2015 financial year subject to shareholder's approval at the upcoming AGM. The dividend is expected to be paid on Tuesday, 30th August, 2016, hence any investor who buys SWL shares on or after 22nd July, 2016 will not be entitled to the proposed dividend payment.

The company's AGM is scheduled to take place at the GNAT Head Office, Bediako Conference Hall, Accra on Thursday, July 28, 2016 at exactly 10:00 am.

BENSO OIL PALM PLANTATION LIMITED (BOPP) ANNOUNCES CHANGES IN DIRECTORSHIP: BOPP announces the appointment of Mr. Samuel Avaala Awonnea the General Manager of the company as an Executive Director to the Board. This, follows the resignation of Mr. Suriyapperuma Arachichige on May 13, 2016, the same date the appointment took effect.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.09	0.10	0.01	11.11%
CAL	0.80	0.81	0.01	1.25%
GCB	3.07	3.09	0.02	0.65%
SOGEH	0.77	0.78	0.01	1.30%

Table 4: Laggards for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
AYRTN	0.12	0.11	-0.01	-8.33%
GGBL	1.85	1.84	-0.01	-0.54%
GOIL	1.36	1.35	-0.01	-0.74%
TOTAL	3.99	3.97	-0.02	-0.50%
TLW	27.92	27.88	-0.04	-0.14%
UNIL	8.48	8.47	-0.01	-0.12%
UTB	0.09	0.08	-0.01	-11.11%
AADs	0.52	0.50	-0.02	-3.85%

Table 4: Gainers for the week

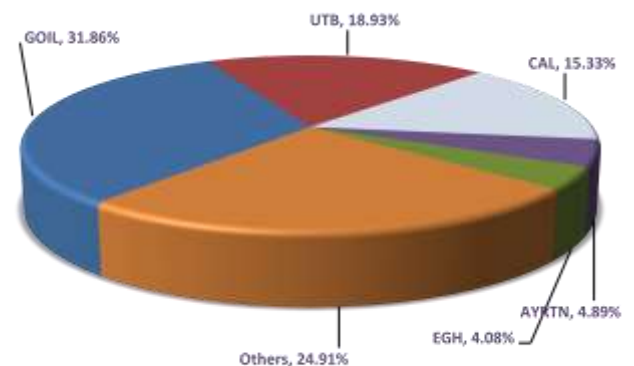


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 7/07/2016 (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	0.10	-28.57%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.11	-38.89%
Benso Oil Palm Plantation	BOPP	2.50	2.90	16.00%
Cal Bank Ltd	CAL	1.00	0.81	-19.00%
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	6.60	-5.85%
Enterprise Group Limited	EGL	2.40	2.42	0.83%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	8.50	15.65%
Ghana Commercial Bank Ltd.	GCB	3.79	3.09	-18.47%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.84	-7.54%
Ghana Oil Company Limited	GOIL	1.40	1.35	-3.57%
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	0.82	-8.89%
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	0.06	-40.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.24	-29.41%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.24	-12.64%
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	0.78	-2.50%
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	3.97	-22.16%
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	8.47	-0.35%
UT Bank	UTB	0.10	0.08	-20.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.50	-3.85%
Standard Chartered Bank Preference shares	SCB PREF	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	3.9287	3.9327	3.58% ▼
GBPGHS	5.0763	5.0826	9.56% ▲
EURGHS	4.3472	4.3504	5.25% ▼

Table 6: Inter-bank indicative rates

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

Dollar improves in yield

The greenback remained resilient against the Cedi on Ghana's inter-bank market, attributable to strong Dollar demand to meet import bills, US debt servicing costs and unsustainable fiscal and current account deficits.

This marks the 10th consecutive weekly win in trading against the local currency on the wholesale market.

Consequently, the Dollar rose by 0.12% in value after trading at a midrate of GH¢3.9307 to settle at a higher year-to-date return of 3.58% last week.

Pound loses to Cedi

The British Pound declined against quite a number of its major trading counterparts on the international market, still depicting the repercussion of Brexit.

In addition, the outcome of a post-referendum UK consumer confidence survey failed to support the value of the Pound last week as the data indicated that consumer sentiment index hit -9 points from -1 point in June. This marked the lowest reading since November 2014.

Similarly on Ghana's inter-bank market, the local currency continued to benefit from the Pound's nosedive as it gained as much as 2.47% of the Pound's worth. This pulled down the Pound's annual loss to 9.56% from 7.27% a week ago.

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CEDI GAINS AMID REVISED GROWTH OUTLOOK

The Ghanaian currency recorded a holistic appreciation of 0.35% amid the reduction in the nation's economic growth forecasts for 2016.

According to the Finance Minister, Mr. Seth Terkper, Ghana's economy for this year will likely to record a growth of 3.2% compared to the 3.9% recorded last year 2015, the lowest rate since 1983. The Government previously forecast a 5.4% expansion in 2016.

The cut in the growth outlook for 2016 was as a result of a revision of gold production forecasts for 2016 to 2018 and the shutdown of the FPSO Kwame Nkrumah oil production vessel on the Jubilee oil field.

At the close of trading however, the Cedi trimmed down its year-to-date loss from 2.01% to 1.65% on Thursday.



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

Euro versus Cedi

The EURGHS in the period under review ended in favour of the Euro as it managed to recoup about 0.06% of its strength from the Cedi.

One Euro was bought at GH¢4.3472 and sold for GH¢4.3504, this led to an annual return of 5.25% in favour of the shared currency.

On the international market however, the Euro lost its grounds in trading as uncertainty within the Eurozone affected the bloc currency. German industrial orders came in 1% lower than expected while data on its industrial output fell 2.1% from prior rate, weighing down the value of the Euro.