

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

7th January, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	57,115.12	57,148.72	0.06%
Market Capitalization (US\$ million)	15,050.10	15,051.42	0.01%
Volume traded (shares)	1,846,299.00	9,758,497.00	428.54%
Value Traded (GH¢)	3,126,464.55	3,202,027.02	2.42%
Value Traded (US\$)	823,837.83	843,326.67	2.37%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,999.88	0.25%	0.25%
SIC-FSL Top 15 Index	3,714.26	0.10%	0.10%
GSE Financial Stocks Index	1,939.90	0.51%	0.51%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of twenty-two (22) equities were active in the week, accounting for the 9.76 million shares that exchanged hands over the period. The increase in volume was due to the block trades recorded in Hords Limited (HORDS) shares on the Ghana Alternative Market (GAX). Likewise, a total value of GH¢3.20 million traded.

Hords Limited recorded the highest shares traded within the period, after contributing 8.42 million of the total traded shares, representing 86.24%. On the contrary, Unilever Ghana Limited (UNIL) by virtue of its higher price recorded the highest value traded of GH¢1.33 million, which represented 41.48% of the cumulative value traded within the week.

ACCRA BOURSE PICKS A GOOD START

In spite of the harsh economic decisions that greeted investors in the wake of the year following the introduction of new levies in the economy, players remained resolute in market dealings as they bid-up prices of listed equities on the Ghana Stock Exchange (GSE) last week.

The government in the first week of the year introduced a levy on refined crude oil to further tighten consumers' purse, however, investors appeared to have paid more attention to the stability in power supply that has persisted during and after the yuletide celebration to influence their investment decisions.

At the close of activities, shares of HFC Bank (HFC), Cal Bank (CAL), Benso Oil Palm Plantation (BOPP) and UT Bank Limited (UTB) accounted for the week's positive performance. Out of the ten (10) equities that witnessed price changes only three (3) were losers whereas, the rest were gainers.

Key benchmark indices closed the week better despite slight volatilities during inter-day trading. The GSE Composite Index, the GSE Financial Stocks Index and the SIC-FSL Top 15 liquid Index closed the week at positive yields of 0.25%, 0.51% and 0.10% respectively.

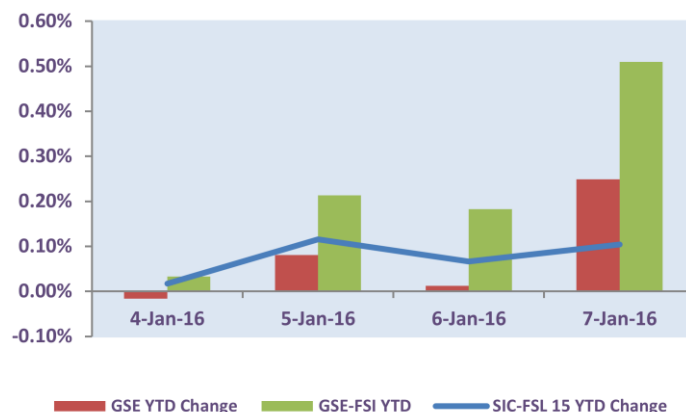


Fig 1: Year-to-date returns

MARKET MOVERS

Investors buy HFC's shares for capital gains

An increase demand for HFC Bank shares, pushed up the market value of the Banking stock to GH¢0.95 per share last week, closing as the best gainer on the GSE. The sharp increase in appetite for HFC's share appeared to have been driven by investors desire to reclaim capital losses recorded in the past year.

HFC Bank's share closed last year's trading session at GH¢0.90 a share, which represented a year-to-date loss of 40.00% on investment. This was largely due to the poor business environment companies operated. Investors' in an attempt to consolidate their holdings positions for possible capital recovery program bought more shares, resulting in the 5.56% rise in company's market value.

At the current GH¢0.95 per share, the Bank is trading at a discount of 27% to its 248-Year-to-Date average of GH¢1.30, signaling the possibility of further upward price correction.

CAL crosses line

A 3-pesewas rise in the share value of Cal Bank Limited was enough to push up the Bank's share value from the GH¢1.00 price mark on the Exchange, closing as the second best price gainer last week. Eventually, CAL settled at GH¢1.03 a share last Thursday's.

Investors appeared very optimistic about the yet-to-be released full year financial statement of the Bank following the impressive third quarter results. As a result of the expected improved full-year results, investors demand for the Bank's share has intensified, as they sought for CAL' share to consolidate their holding positions.

Corporate News

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has increased its ordinary shares to 405,231,034 as at November 30, 2015 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 62,348 ordinary shares.

In view of the above, AGA share capital has risen to 49,752,604,796.50 South African Rand.

AYRTON DRUGS MANUFACTURING COMPANY LIMITED (AYRTN) ANNOUNCES ANNUAL GENERAL MEETING: The Directors of AYRTN have made public the date for its Annual General Meeting (AGM) which is scheduled for January 28, 2016. The meeting will be held at the GNAT New Conference Hall at 10 am prompt.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.50	2.52	0.02	0.80%
CAL	1.00	1.03	0.03	3.00%
HFC	0.90	0.95	0.05	5.56%
SOGEGH	0.80	0.81	0.01	1.25%
TOTAL	5.10	5.11	0.01	0.20%
UTB	0.10	0.12	0.02	20.00%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.14	0.13	-0.01	-7.14%
AYRTN	0.18	0.14	-0.04	-22.22%
GCB	3.79	3.77	-0.02	-0.53%
GOIL	1.40	1.39	-0.01	-0.71%

Table 4: Laggards for the week

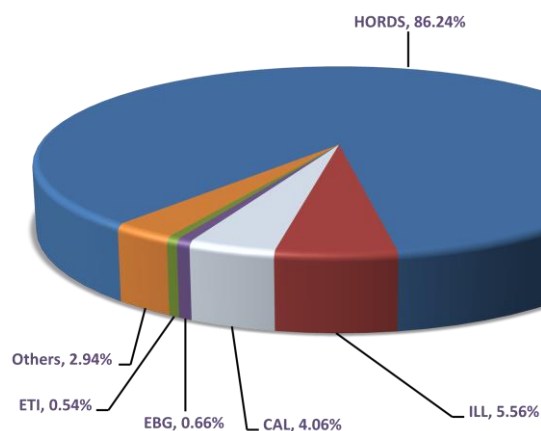


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 7/1/2016 (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	0.14	0.13	-7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.14	-22.22%
Benso Oil Palm Plantation	BOPP	2.50	2.52	0.80%
Cal Bank Ltd	CAL	1.00	1.03	3.00%
Clydestone (Ghana) Ltd.	CLYD	0.02	0.02	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.	EBG	7.01	7.01	0.00%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.27	0.00%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.77	-0.53%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.99	0.00%
Ghana Oil Company Limited	GOIL	1.40	1.39	-0.71%
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	0.95	5.56%
Mega Africa Capital Ltd	MAC	6.00	6.60	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.19	0.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.10	0.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.34	0.00%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.30	0.00%
SIC Insurance Company Ltd.	SIC	0.14	0.14	0.00%
Starwin Products Ltd.	SPL	0.04	0.04	0.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.81	1.25%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.37	0.00%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.11	0.20%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	28.00	0.00%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.12	20.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.71	0.00%
NewGold Exchange Traded Fund	GLD	39.00	39.00	0.00%
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	0.08	0.00%
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	3.7950	3.7988	0.05% ▼
GBPGHS	5.5380	5.5459	1.33% ▲
EURGHS	4.1200	4.1249	0.23% ▲

Table 6: Inter-bank indicative rates

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

Dollar rises in value

Among Cedi's major trading partners, it was the Dollar that remained resilient against the Cedi as investors' confidence turned in favour of the USDGHS exchange rate.

The rate which had begun the week's trading with a gain in favour of the Cedi later saw the American Dollar marginally upbeat its performance with a 0.05% appreciation in value.

Thursday's trading ended with the greenback posting an annual yield of 0.05% against the Cedi.

British Pound loses most among the banks

The Pound was under pressure on the global market following the rise in expectations that the UK central bank will delay raising interest rates until 2017. This saw the British Pound losing to some of its majors on the international front.

The state of the Pound on the international market was not different from that of the local market as the British Pound lost the most among Cedi's major trading partners in the period under review.

The Pound lost as much as 1.33% of its value versus the Ghanaian Cedi after it was bought at GH¢5.54 and sold for GH¢5.55, recording a year-to-date loss of 1.33% on the interbank market.

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CEDI COMMENCES 2016 ON A GOOD NOTE

Despite the slight under-subscription of the Government's three-year bond last week, the Cedi managed to enjoy a rise in value on the inter-bank market.

Government was hoping to raise GH¢500 million from the bond issued, but got GH¢426 million worth of bids. However, the central bank which auctioned the bonds on Government's behalf, took GH¢373 million of the bids from investors. Government is expected to pay an interest of 24.75% on the bond.

The local currency recorded a holistic gain of 0.28% on the inter-bank market to settle at a year-to-date return of 0.28% last Thursday.

The value was as a result of the impressive gains the Cedi made against the British currency followed by the European currency. However, the Cedi's depreciation against the American Dollar prevented the Cedi from realizing a better composite gain on the market.

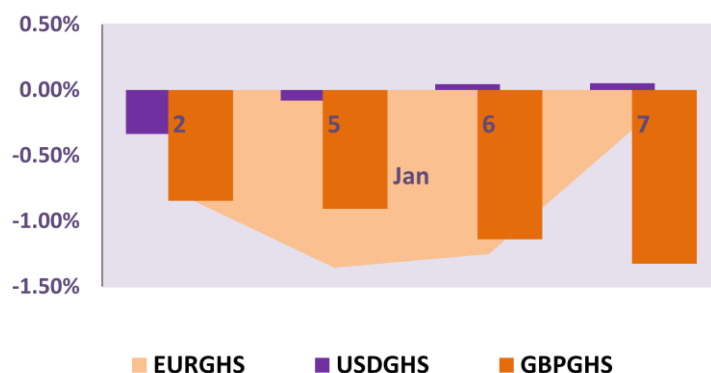


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro loses to Cedi

The Euro lost its footing on the currency market last week following the economic data released on some European economies.

EU data came out lower than expected for November as French industrial output fell considerably to -0.3% from an upwardly revised 0.5% while Germany's trade surplus eased to €19.7 billion from €20.8 billion.

Consequently, the shared currency accumulated a 0.23% decline against the Cedi, ending last Thursday's session at a mid-rate of GH¢4.1225 on the inter-bank market.

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