

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

7th April, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢ million)	54,796.35	54,782.81	-0.02%
Market Capitalization (US\$ million)	14,282.90	14,305.85	0.16%
Volume traded (shares)	325,910.00	2,299,121.00	605.45%
Value Traded (GH¢)	1,233,815.42	14,632,172.21	1085.93%
Value Traded (US\$)	321,599.22	3,821,009.09	1088.13%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,907.98	-0.21%	-4.36%
SIC-FSL Top 15 Index	3,175.29	-0.17%	-14.42%
GSE Financial Stocks Index	1,818.94	-0.27%	-5.76%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activities were comparatively better, and this appeared to have been pushed by the full week trading advantage enjoyed on the bourse last week. This was because of the holiday's that accompanied the Easter celebrations in the previous week. On the whole, a total of 2.30 million shares exchanged hands, and this was valued at GH¢14.63 million.

The Consumer goods sector contributed 84.85% and 98.62% of both volume and value of shares that traded in the past week to close as the best sector in terms activity.

Fan Milk Limited (FML) emerged the best stock in terms of volume and value of shares that traded. FML contributed 1.88 million of the total traded shares, representing 81.90% of entire market volume for the week. This was valued at GH¢13.84 million.

BEARS DRAG GSE FURTHER DOWN

Intense bearish run on the Ghana Stock Exchange (GSE) saw performance of listed companies dipped further in red last week. The downward market drivers include shares of Standard Chartered Bank (SCB), Cal Bank Limited (CAL), Aluworks Limited (ALW) and Ecobank Ghana Limited (EGH).

In all, benchmark indices like the GSE Composite Index, the GSE Financial Stocks Index and the SIC-FSL Top 15 liquid Index closed the week at a negative annual returns of 4.36%, 5.76% and 14.42% respectively, compared to the previous week's losses of 4.16%, 5.50% and 14.28%.

The value of listed companies (market capitalization) on the Exchange dropped to GH¢54.78 billion from GH¢54.80 billion, due to price fall on the Exchange. However, corresponding dollar value improved to USD 14.31 billion from USD 14.28 billion because of appreciation of the Cedi against the former.

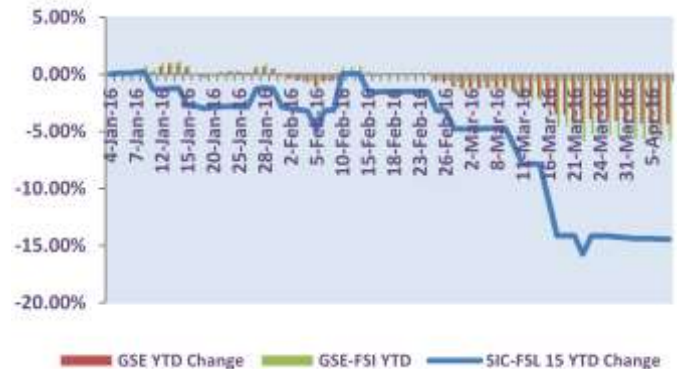


Fig 1: Year-to-date returns

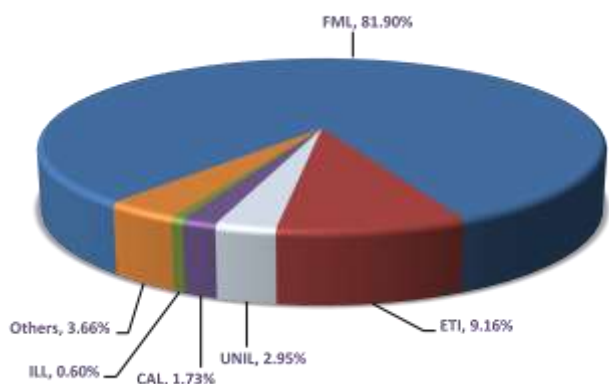


Fig 2: Top 5 most liquid equities with respect to volume traded

STOCK TICKER	Wk Open	Wk End	Change	% change
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Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.08	0.07	-0.01	-12.50%
CAL	1.00	0.98	-0.02	-2.00%
EBG	7.00	6.99	-0.01	-0.14%
SCB	16.15	16.10	-0.05	-0.31%

Table 4: Losers for the week

MARKET MOVERS

SCB drops to GH¢6.10

Investors beat-down the value of Standard Chartered Bank shares to GH¢6.10 from an opening price of GH¢6.15 per share last week. This, according to analysts may not only be because of the Bank's poor performance but partly due to the general apprehension in the Ghanaian economy. Uncertainty appeared to be influencing investors decision on the capital market, hence the continuous drop in market value of blue-chip stocks like SCB.

The Bank's stock is currently at about two (2) year's record-low on the Accra Bourse and also at a loss of 1.23% since the year started, closing as the worst performed equity.

In spite of the unfavourable market analysts believe that the time is ripe for investors to consolidate their holding position in SCB. This was based on the current low price of StanChart and past performance on the Exchange. The stock's prospect in the medium to long run is tipped to be far better than anticipated losses when weighed on records.

CAL unstable despite positive data

Despite, the release of impressive full-year financial results by management of Cal Bank, the volatility in the share price hit a crescendo last Thursday, as it drop below the GH¢1.0 price-band. CAL lost 2-pesewas of its absolute value to settle at GH¢0.98 per share. The drop, according to analyst might be due to the increase panic-sale that appeared to be taken-over activities on the local bourse.

Cal Bank posted an improved revenue growth from GH¢492.59 million in FY'14 to GH¢611.09 million in FY'15, resulting in the 14% rise in net profit after tax to settle at GH¢160.04 million in FY'15. The Bank achieved this result despite the seemingly harsh environment that crippled most of its compatriot.

However, investors appeared unimpressed by the Bank's achievement as they beat-down the share price on the Exchange last week. The stock is currently trading at a discount of 39% to the sector's trailing P/E ratio of 6x.

Aluworks volatile on investor sentiment

The Aluminium giant, Aluworks Limited (ALW) slipped back to GH¢0.07 a share, from a week-open price of GH¢0.08 per share. The decline appeared to have fallen-out of the poor investor sentiment on the Exchange.

At the current price above, the stock is trading at par to the estimated 248-Days volume weighted average price (VWAP₂₄₈) of GH¢0.07 per share and above the 248-Day Average Trading Price of GH¢0.05 a share.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 7/4/2016 (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	0.07	-50.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.13	25.20%
Cal Bank Ltd	CAL	1.00	0.98	-2.00%
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	6.99	-0.29%
Enterprise Group Limited	EGL	2.40	2.45	2.08%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.65	-3.69%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.93	-3.02%
Ghana Oil Company Limited	GOIL	1.40	1.45	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	0.85	-5.56%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.20	5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.08	-20.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.10	-1.23%
SIC Insurance Company Ltd.	SIC	0.14	0.17	21.43%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
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	0.35	-5.41%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.10	0.00%
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	8.70	2.35%
UT Bank	UTB	0.10	0.11	10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	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	3.8275	3.8313	0.91% ▼
GBPGHS	5.3933	5.4002	3.19% ▲
EURGHS	4.3614	4.3642	5.59% ▼

Table 6: Inter-bank indicative rates

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

Dollar succumbs to Cedi

The American Dollar gave up 0.19% of its value to the Cedi by the close of trading last Thursday.

Amid the performance of the Cedi-dollar pair in the period under review, the Cedi managed to attract some gains on the currency market, as supply of the Dollar was not enough to meet demand.

In effect, trading in the pair ended in favour of the Cedi, after the Dollar was pegged between GH¢3.8275 and GH¢3.8313.

Accordingly, the Dollar's yield since year open declined to 0.91% on Thursday from 1.09%.

Pound nosedives on the currency market

The British Pound lost to some of the major trading currencies on the international market on the back of investor sentiment as the June 23 date for the Brexit referendum fast approaches.

Polls being released concerning the impact of the stay or exit of the United Kingdom on the Pound seemed to have influenced investors' confidence in the currency. Predictions being made signify that the decline in value of the Pound when it exits will be more than the gain it will record when it stays in the European region.

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 2.19% of its value versus the Ghanaian Cedi after it was bought at GH¢5.39 and sold for GH¢5.40, resulting in a year-to-date loss of 3.91% in the value of the Pound on the interbank market.

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CEDI REBOUNDS IN VALUE

Ghana's currency rebounded in value in the week under review signifying rising investor confidence in the value of the Cedi.

The significant loss recorded by the British currency together with the decline in the Dollar and Euro's worth gave the Cedi a boost on the inter-bank market to push its holistic value higher than the previous week's value.

The news witnessed the value of the Ghana Cedi appreciate by 0.96% against its major trading partners last week, resulting in a decline in the Cedi's year-to-date loss from 2.11% to 1.14%. It was the significant gains the Cedi chalked against the Pound and the Euro that kept the local currency buoyant at the close of week.

On the other hand, President John Mahama last week appointed Dr. Abdul-Nashiru Issahaku as the new Central Bank Governor after Dr. Henry Kofi Wampah retired at the end of March, four months earlier than expected. Until his appointment Mr. Issahaku was a 2nd Deputy Governor at the Bank of Ghana.

Governor Dr. Abdul-Nashiru Issahaku is expected to withstand any political interference in his term of office and aid in bolstering the value of the Cedi against its major trading partners.



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¢4.3614 and GH¢4.3642 on the inter-bank market on Thursday.

Consequently, the bloc currency's year-to-date return decreased from 5.78% to 5.59%. This represented a gain of 0.19% in value to the Cedi.

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