

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

8th September, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	53,665.96	53,551.71	-0.21%
Market Capitalization (US\$million)	13,599.06	13,551.39	-0.35%
Volume traded (shares)	457,396.00	939,146.00	105.32%
Value Traded (GH¢)	1,586,975.04	615,110.09	-61.24%
Value Traded (US\$)	402,142.52	155,655.11	-61.29%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,791.24	-1.11%	-10.21%
SIC-FSL Top 15 Index	3,070.55	-0.55%	-17.24%
GSE Financial Stocks Index	1,708.94	-0.71%	-11.46%

Table 2: Key Stock Market Indices

LIQUIDITY

Market activity was comparatively better than the previous week's session, following the exchange of 939,146 shares on the bourse last week. The total shares traded were up by 105.32%, and this appeared to have been magnified by the 457,396 shares that traded fortnight ago. Corresponding value traded was however down by 61.24%, because of the activities in relatively lower-priced equities, settling at GH¢615,110.09.

Financial stocks remained most investors preference, as the sector contributed 82.2% and 22.31% of both volume and value of shares that traded within the past week.

UT Bank Limited (UTB) recorded the highest activity in the past week, recording 707,313 of the total traded shares, representing 75.31% of the market volume. Fan Milk Limited (FML), by virtue of its higher price recorded the biggest value of GH¢402,006.48 which represented 65.36% of the total traded value.

ACCRA BOURSE SLIPS FURTHER

Increased bearish sentiment further weakened performance of the Ghana Stock Exchange (GSE) last week as key market indicators slipped further in red. At the close of activities last Thursday, eight (8) out of the eleven (11) price movers were laggards. Shares of Total Petroleum Ghana Limited (TOTAL), Benso Oil Palm Plantation (BOPP), Cal Bank Limited (CAL), GCB Bank Limited (GCB) and Ghana Oil Company Limited (GOIL) dipped to cast doubt on the GSE's recovery process.

In effect, the key benchmark index; GSE Composite Index (GSE CI) slipped from 1,811.40 to 1,791.24 points, resulting in an increased year-to-date loss of 10.21%. Similarly, the year-to-date loss on the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also worsened, slipping from the 10.83% and 16.79% to 11.46% and 17.24% respectively.

Total market capitalization of the GSE dropped by 0.21% to GH¢53.55 billion, whilst an equivalent dollar value was also down by 0.35% to USD13.55 billion because of the Cedi's depreciation against the dollar.



Fig 1: Year-to-date returns

MARKET MOVERS

TOTAL's volatility increases

Shares of Total Petroleum Ghana Limited (TOTAL) struggled for support last week, as investors overlooked the company's positive past performance on the GSE, to focus largely on the half-year financial performance.

TOTAL's revenue dropped from GH¢923.19 million in HY'15 to GH¢854.14 million in HY'16, representing a decline of 7% over the comparative periods. Net profit after tax drop from the Gh¢27.69 million in HY'15 to GH¢20.75 million in HY'16.

TOTAL closed as the worst performed equity on the GSE last week, after closing at GH¢2.50 per share from GH¢2.90 week-opening price.

Currently, the company is trading far below the company's 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢5.00 per share and the 182-Day Average Price of GH¢4.78 per share.

BOPP slips to GH¢2.48

The shares of Benso Oil Palm Plantation (BOPP) was ticked-down by 22-pesewas last week, settling at GH¢2.48 per share from the week's opening price of GH¢ 2.70 a share.

Analysts have linked the poor share performance in recent market activities to the decline in the company's profit margin as witnessed in the half-year results. BOPP's revenue grew from the GH¢30.61 million in HY'15 to GH¢43.10 million in HY'16, however, corresponding net profit margin dipped by 14% to settle at GH¢3.75 million.

Though BOPP is still trading above the 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢2.94 and the 182-Day Average Trading Price of GH¢3.01 per share, declining investor confidence continues to whip down the market price.

CORPORATE NEW

PZ CUSSONS (GHANA) LIMITED (PZC) ANNOUNCES FINAL DIVIDEND AND AN ANNUAL GENERAL MEETING (AGM): Directors of PZC will be recommending a final dividend payment of GH¢0.1148 per share in respect of the 2016 financial year at the upcoming AGM. The proposed dividend is expected to be paid on Friday, October 7, 2016. In view of the above, any investor who buys PZC's shares on or after 27th September, 2016 will not be entitled to the proposed dividend payment.

PZC has announced that the company's 58th AGM will be held at the Ghana-India Kofi Annan Centre for Excellence in ICT, Ringway Estates, Accra on Friday, September 30, 2016 at 11:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.12	0.13	0.01	8.33%
FML	9.74	9.75	0.01	0.10%
HFC	0.75	0.80	0.05	6.67%
ALW	0.12	0.13	0.01	8.33%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.70	2.48	-0.22	-8.15%
CAL	0.86	0.78	-0.08	-9.30%
GCB	4.00	3.97	-0.03	-0.75%
GOIL	1.24	1.20	-0.04	-3.23%
PZC	0.21	0.20	-0.01	-4.76%
SIC	0.16	0.15	-0.01	-6.25%
TOTAL	2.90	2.50	-0.40	-13.79%
UTB	0.06	0.04	-0.02	-33.33%

Table 4: Laggards for the week

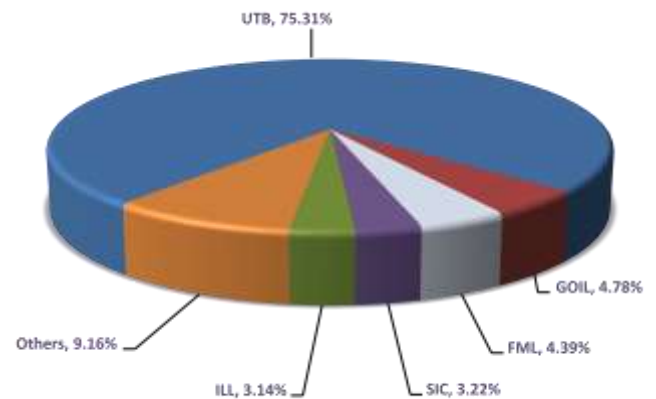


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 8/09/2016 (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	0.13	-7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.48	-0.80%
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	0.01	-50.00%
Ecobank Ghana Ltd.	EGH	7.01	6.88	-1.85%
Enterprise Group Limited	EGL	2.40	2.36	-1.67%
Ecobank Transnational Inc.	ETI	0.27	0.16	-40.74%
Fan Milk Ltd.	FML	7.35	9.75	32.65%
Ghana Commercial Bank Ltd.	GCB	3.79	3.97	4.75%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.79	-10.05%
Ghana Oil Company Limited	GOIL	1.40	1.20	-14.29%
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	0.20	-41.18%
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	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.50	-50.98%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.20	-2.86%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.04	-60.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.75	5.63%
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	3.9498	3.9537	4.13% ▼
GBPGHS	5.2520	5.2600	6.42% ▲
EURGHS	4.4464	4.4497	7.65% ▼

Table 6: Inter-bank indicative rates

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

Dollar versus Cedi

The Cedi was down by 0.14% against the U.S. Dollar in inter-bank last week, helping the greenback plowback some of its value lost in earlier trading.

The week under review saw an increase in the demand for the greenback from offshore accounts as foreign investors who were unsuccessful in their bids in the recently oversubscribed 3-year Government of Ghana Bond sale, sought to repatriate their funds back to their home countries.

The Government accepted GH¢314.1 million worth of the total GH¢ 414.1 million bids for a three-year domestic bond with at a slightly lower yield of 24%.

This put pressure on the Cedi, pushing the value of the Dollar up to GH¢3.9518 to end Thursday's trading at an annual yield of 4.13%.

Pound appreciates in value

The British pound gained 0.18% of its previous value to trade at a mid-rate of GH¢5.2560 against the Ghana Cedi last week, as it continued to feed on a string of positive UK data over the earlier week.

The pound strengthened in value on the international market as positive data eases recession fears and bolstered investor confidence in the UK economy.

The move lent support to the Pound on Ghana's local market as it managed to cutback some of the losses it has incurred against the Cedi. In effect, the Pound's year-to-date loss against the Cedi trimmed down to 6.42% from 6.59% last week.

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CEDI SINKS DESPITE OVERSUBSCRIPTION IN EUROBOND

In spite of the oversubscription of Ghana's Eurobond last week, the local currency failed to maintain its dominance on the inter-bank market last week.

Ghana raised \$750 million selling Eurobonds at a yield of 9.25% in an auction. The bond was oversubscribed, with orders exceeding US\$4 billion, which represents an oversubscription of more than five times the issuance target size. The Eurobond however will mature in 5 years and the principal will be expected to be repaid in three instalments of US\$250 million in September 2020, September 2021 and September 2022.

However, the Cedi failed to sustain the gains it recorded in the earlier week due to the surge in demand for foreign currencies.

This saw the Cedi weaken cumulatively by 0.32% against its major trading partners, to settle at a year-to-date loss of 3.25%



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

Euro bounces back

The EURGHS exchange rate pointed north against other major currencies on the international market after the European Central Bank (ECB) kept its rates unchanged. Thus, ECB left the main refinancing rate at zero, the deposit rate at -0.4% and asset purchases at €80 billion (\$90 billion) a month.

This lent support to a global rally in the Euro, with the shared currency appreciating by 0.71% against the Cedi on the local front. The Euro thus ended the week as the major catalyst behind the Cedi's holistic decrease.

The EURGHS exchange rate ended trading at a midrate of GH¢4.4481, which represented a year-to-date return of 7.65%.

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