

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

9th June, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,221.06	54,261.10	0.07%
Market Capitalization (US\$million)	14,119.52	14,024.22	-0.67%
Volume traded (shares)	1,420,412.00	315,034.00	-77.82%
Value Traded (GH¢)	1,778,198.31	122,942.09	-93.09%
Value Traded (US\$)	463,054.39	31,775.37	-93.14%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,759.13	0.42%	-11.82%
SIC-FSL Top 15 Index	3,035.77	0.37%	-18.18%
GSE Financial Stocks Index	1,655.31	0.52%	-14.24%

Table 2: Key Stock Market Indices

LIQUIDITY

Despite improved market activities last week, total shares traded was quite low as only a total of 315,034 shares exchanged hands within the week with a value of GH¢122,942.09.

Market activities rather skewed towards financial stocks, as the sector contributed 52.09% and 62.62% of both volume and value of shares that traded respectively.

Cocoa Processing Company Limited (CPC) recorded the highest activity in the week, with a contribution of 108,979 shares, representing 34.59% of total traded shares. GCB Bank Limited (GCB), by virtue of its high-price made the biggest contribution in terms of value after recording GH¢20,409.55, representing 16.60% of the total traded value.

GSE TRIMS DOWN LOSSES

Activities on the Ghana Stock Exchange (GSE) were more exciting than the previous week's session, following the superior advantage gainers had over laggards in both magnitude and numbers last week. Shares of Ecobank Ghana Limited (EGH), Cal Bank Limited (CAL), GCB Bank Limited (GCB) and Fan Milk Limited (FML) went up to trim-down the market losses by 0.42% last Thursday.

The key benchmark index; GSE Composite Index (GSE CI) flipped up to 1,759.13 points from 1,751.79 points, resulting in an improved year-to-date loss of 11.82%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) also saw 0.52% and 0.30% rise in their respective levels, accounting for their improved losses of 14.24% and 18.18% respectively.

On the whole, total market capitalization rose slightly by 0.07%, settling at GH¢54.26 billion from the previous week's figure of GH¢54.22 billion. However, an equivalent dollar value depreciated to USD 14.02 billion from USD 14.12 billion the week before.

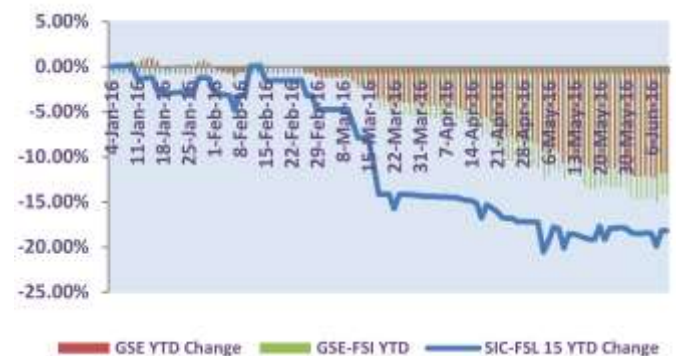


Fig 1: Year -to -date returns

MARKET MOVERS

EGH retrieves 3-pesewas

Improved investor confidence in Ecobank Ghana Limited (EGH) shares saw the share price increase from the GH¢6.30 fortnight ago to GH¢6.33 per share last Thursday. According to analysts, the rise might have been caused by the relatively low offer price of the Bank's shares on the GSE, especially when compared to the sector and the company's fundamentals this year.

EGH is currently trading at 26% to the sector's average trailing P/E ratio of 8x. Again, at the current price of GH¢6.33 per share, the Bank is trading below its 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢7.03 and the 91-Day Average Trading Price of GH¢6.98 a share.

It appeared investors gave little attention to the Bank's future prospects than the seemingly low financial performance released in the first three months. The Bank's bottom-line dropped by 20%, settling at GH¢72.64 million in Q1'16, regardless of the 9.83% increase in revenue within the period under consideration.

CAL returns to 85-pesewas

High demand for Cal Bank shares appeared to have moved the share price from the GH¢0.79 the week before to GH¢0.85 per share last Thursday. Investors seemed to have reposed some confidence in the Bank following the prospects in its fundamentals.

CAL at the current price of GH¢0.85 per share, is not only trading below the sector's average trailing P/E ratio of 8x, but also below the VWAP₉₁ of GH¢1.03 and the 91-Day Average Trading price of GH¢0.97 a share.

The above, appeared to suggest a better buy sentiment, hence the increased consolidation of shares in CAL last week. The Bank's shares closed as the best price-gainer on the Accra Bourse last week.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.10	0.11	0.01	10.00%
CAL	0.79	0.85	0.06	7.59%
EGH	6.30	6.33	0.03	0.48%
FML	7.35	7.36	0.01	0.14%
GCB	3.02	3.04	0.02	0.66%
GOIL	1.37	1.38	0.01	0.73%

Table 4: gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.44	2.43	-0.01	-0.41%
HFC	0.85	0.83	-0.02	-2.35%
SCB	14.28	14.27	-0.01	-0.07%
UTB	0.08	0.07	-0.01	-12.50%

Table 4: Laggards for the week

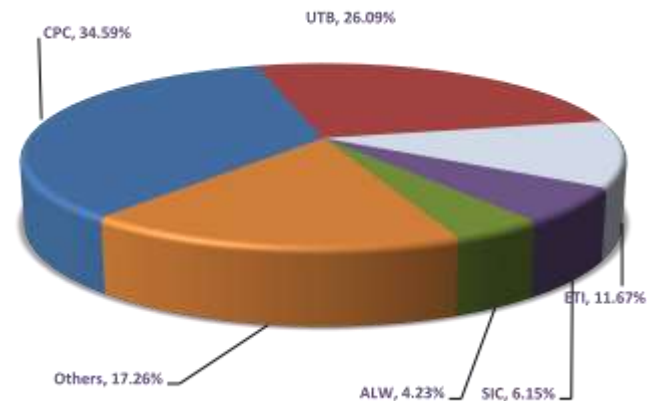


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

CAMELOT GHANA LIMITED (CMLT) ANNOUNCES FINAL DIVIDEND PAYMENT: Management of CMLT has announced a final dividend payment of GH¢0.0075 per share in respect of 2015 financial year.

In view of the above, any investor who buys CMLT shares on or after Monday, 23rd June, 2016 will not be entitled to the final dividend. Payment is expected on Friday, 05th August, 2016.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 9/06/2016 (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	0.11	-21.43%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	2.98	19.20%
Cal Bank Ltd	CAL	1.00	0.85	-15.00%
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	6.33	-9.70%
Enterprise Group Limited	EGL	2.40	2.43	1.25%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	7.36	0.14%
Ghana Commercial Bank Ltd.	GCB	3.79	3.04	-19.79%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.90	-4.52%
Ghana Oil Company Limited	GOIL	1.40	1.38	-1.43%
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	0.83	-7.78%
Mega Africa Capital Ltd	MAC	6.00	6.00	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	0.07	-30.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.27	-20.59%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.27	-12.45%
SIC Insurance Company Ltd.	SIC	0.14	0.14	0.00%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.77	-3.75%
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	4.00	-21.57%
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	8.47	-0.35%
UT Bank	UTB	0.10	0.07	-30.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	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	3.8672	3.8710	1.95% ▼
GBPGHS	5.5889	5.5967	0.42% ▲
EURGHS	4.3783	4.3813	6.00% ▼

Table 6: Inter-bank indicative rates

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

Dollar upholds rally

The local currency declined by 0.75% against the American Dollar last week which compares unfavourably to the 0.29% depreciation it suffered in the week before.

Although the losses contributed to the general weakness in the value of the local currency, the relatively slow pace of depreciation in the Cedi-dollar pair goes to confirm that some market participants still have confidence in the local currency, aiding in the somewhat stability in the exchange rate.

A Dollar was bought at GH¢3.8672 on the inter-bank market and sold for GH¢3.8710 by the close of trading last week.

Euro strengthens in value

The shared currency closed strong across board on the international market as investors increased their bet in the bloc currency.

German import and export data released came out slightly better than expected, although import figures disappointed investors. This gave Germany the highest monthly trade surplus to date giving the Euro a boost against some of its major currencies.

This saw a corresponding rate adjustment locally as the Euro gained as much as 2.22% against the Cedi, to touch a year-to-date return of 6.00% on the inter-bank market.

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CEDI RECORDS A SIGNIFICANT LOSS

The composite value of the Ghana Cedi against its four major currencies has weakened by 2.74% since year open, as demand for foreign exchange in the country continues to outstrip supply.

Heightened political risk in an election year has also accelerated speculative activities in the exchange rate, while an expanding economy has fuelled corporate demand for foreign exchange.

The International Monetary Fund (IMF) has expressed optimism in Ghana's economic growth with significant progress expected at the end of the year as a report released by IMF this year has indicated that Ghana's Gross Domestic Product (GDP) per capita income for 2015 has increased to US\$1,340.4 from the initial US\$1,266.1 in 2008.

That notwithstanding, the Cedi dwindled by 1.22% on the inter-bank market last week, that's a week after the central bank had outlined new forex rules in the country.



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

Sterling versus Cedi

The British Pound remained vulnerable to heightened market volatility as the European Union referendum concerns continue to increase ahead of the 23rd June vote. This weighed on the value of the Pound on the international market.

On Ghana's local market however, the Pound regained its strength after investors pushed its value from a midrate of GH¢5.5423 to GH¢5.5928 on Thursday. This represented a gain of 0.91% and trimmed down its annual loss to 0.42% from 1.32% previously.

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