

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

3<sup>rd</sup> November, 2016



## STOCK MARKET

| INDICATORS                           | WEEK OPEN    | WEEK END     | CHANGE  |
|--------------------------------------|--------------|--------------|---------|
| Market Capitalization (GH¢'million)  | 52,242.80    | 51,887.69    | -0.68%  |
| Market Capitalization (US\$'million) | 13,169.35    | 13,089.73    | -0.60%  |
| Volume traded (shares)               | 1,907,574.00 | 1,747,561.00 | -8.39   |
| Value Traded (GH¢)                   | 224,894.67   | 748,601.81   | 232.87% |
| Value Traded (US\$)                  | 13,169.35    | 13,089.73    | -0.60%  |

Table 1: Market Summary

## INDEX ANALYSIS

| INDICATORS                 | Closing Level | Week Change | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index        | 1,711.30      | -1.56%      | -14.22%    |
| SIC-FSL Top 15 Index       | 2,736.32      | -2.90%      | -26.25%    |
| GSE Financial Stocks Index | 1,612.57      | -2.09%      | -16.45%    |

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in twenty (20) equities saw a total of 1.75 million shares exchanging hands and this was valued at GH¢ 748,601.81, representing a decline of 8.39% in volume. However, total value traded appreciated from the GH¢224,894.67 fortnight ago due to activities in higher priced equities.

Market participants were skewed towards financial stocks, as the sector recorded 98.43% of the total shares that traded, corresponding to 84.66% of total traded value.

UT Bank Limited (UTB) recorded the highest activity in the past week, recording 1.21 million of the total traded shares, which represented 69.31% of the market volume. Cal Bank Limited (CAL) however, emerged the most valuable equity in the week after accounting for GH¢283,726.65 of the total market value, representing 37.90%.

## GSE'S POOR RUN CONTINUES

The Ghana Stock Exchange (GSE) repeated its poor run last week, following the strong bearish sentiments that characterized market dealings. Shares of GCB Bank Limited (GCB), Total Petroleum Ghana Limited (TOTAL), Standard Chartered Bank (SCB) and Societe Generale Ghana Limited (SOGEH) were some the key equities that dragged performance further down.

At the close of week, the losses on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Liquid Index (T-15 Index) worsened from the previous week losses of 12.85%, 14.67% and 24.05% respectively, to settle at 14.22%, 16.45% and 26.25% respectively.

The worth of listed companies on the GSE (market capitalization) dropped further from the previous week's figure of GH¢52.24 billion to GH¢51.89 billion. an equivalent dollar value also dipped from the previous week's USD 13.17 billion to USD13.09 billion last Thursday.

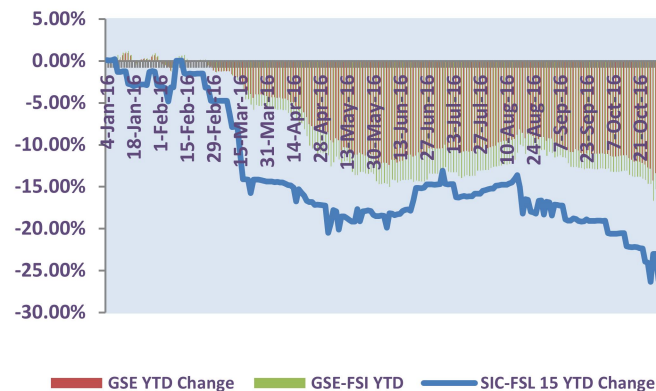


Fig 1: Year -to -date returns

## MARKET MOVERS

### GCB cracks deep despite...

In spite of the released of better-than-expected third quarter results (Q3'16), investors still bid-down the price for GCB Bank during last week's trading session. GCB dropped from the week's open price of GH¢3.89 per share to GH¢3.50 per share, representing 10.03% decline in nominal value. The slip, according to some analyst might have been caused by the apathy on the general market which appears to be the atmosphere in most electioneering periods

The Bank's Q3'16 results trickled in better than the same period last year, revenue grew from the GH¢624.69 million in Q3'15 to GH¢783.01 million in Q3'16. This resulted in 25% growth in net profit after tax revealing a growth from the GH¢162.81 million in Q3'15 to GH¢277.98 million in Q3'16.

In fact, traders ignored this sterling performance of GCB, as they tick-down the share price by 39-pesewas stifling the huge prospects anticipated in the Bank in a way of capital appreciation.

### TOTAL sinks further

The woes of Total Petroleum Ghana Limited (TOTAL) shares on the Ghana Stock Exchange appeared not to be over yet, as it slipped further down last week. Not even the announcement of an interim dividend payment sounded convincing enough to trigger any price-hike in last week's activities.

On the contrary, investors appeared to have relied on the company's declining performance as witnessed in the Q3'16 financial results. TOTAL's revenue dropped from the GH¢1.37 billion in Q3'15 to GH¢1.24 billion in Q3'16, corresponding to a decline of 8% in net profit after tax to settle at GH¢30.54 million.

In the end, investors succeeded to beat-down TOTAL's share price to GH¢2.00 from the week's open price of GH¢2.09 per share last Thursday.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| CAL          | 0.80    | 0.85   | 0.05   | 6.25%    |
| EGL          | 2.38    | 2.40   | 0.02   | 0.84%    |
| FML          | 9.80    | 9.81   | 0.01   | 0.10%    |

Table 4: Gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| EGH          | 6.85    | 6.84   | -0.01  | -0.15%   |
| ETI          | 0.12    | 0.11   | -0.01  | -8.33%   |
| GCB          | 3.89    | 3.50   | -0.39  | -10.03%  |
| GOIL         | 1.17    | 1.15   | -0.02  | -1.71%   |
| PZC          | 0.23    | 0.22   | -0.01  | -4.35%   |
| SCB          | 14.00   | 13.94  | -0.06  | -0.43%   |
| SOGEGH       | 0.72    | 0.69   | -0.03  | -4.17%   |
| TOTAL        | 2.09    | 2.00   | -0.09  | -4.31%   |

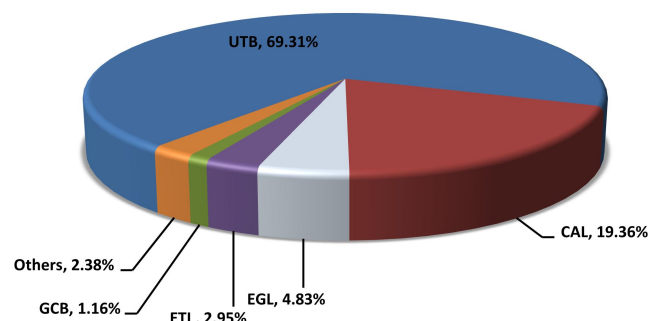


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES INTERIM DIVIDEND PAYMENT:** Directors of TOTAL has announced an interim dividend payment of GH¢0.0902 per share to all shareholders in respect of the 2016 financial year.

In view of the above, any investor found in the register for shareholders at the close of business on Friday, November 18, 2016 will qualify for the interim dividend payment. The dividend will be paid on Monday, December 09, 2016.

| Stock                                     | Ticker   | Year Opening Price(GH¢) | Closing Price @ 3/11/2016 (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                    | 0.14                            | 0.00%             |
| Ayrton Drug Manufacturing Ltd.            | AYRTN    | 0.18                    | 0.10                            | -44.44%           |
| Benso Oil Palm Plantation                 | BOPP     | 2.50                    | 2.40                            | -4.00%            |
| 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                    | 0.02                            | 0.00%             |
| Ecobank Ghana Ltd.                        | EGH      | 7.01                    | 6.84                            | -2.43%            |
| Enterprise Group Limited                  | EGL      | 2.40                    | 2.40                            | 0.00%             |
| Ecobank Transnational Inc.                | ETI      | 0.27                    | 0.11                            | -59.26%           |
| Fan Milk Ltd.                             | FML      | 7.35                    | 9.81                            | 33.47%            |
| Ghana Commercial Bank Ltd.                | GCB      | 3.79                    | 3.50                            | -7.65%            |
| Guinness Ghana Breweries Ltd.             | GGBL     | 1.99                    | 1.69                            | -15.08%           |
| Ghana Oil Company Limited                 | GOIL     | 1.40                    | 1.15                            | -17.86%           |
| 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                    | 0.06                            | -40.00%           |
| PZ Cussons Ghana Ltd.                     | PZ       | 0.34                    | 0.22                            | -35.29%           |
| Standard Chartered Bank (GH) Ltd.*        | SCB      | 16.30                   | 13.94                           | -14.48%           |
| 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                    | 0.69                            | -13.75%           |
| Sam Woode Ltd.                            | SWL      | 0.04                    | 0.04                            | 0.00%             |
| Trust Bank Ltd. (The Gambia)              | TBL      | 0.37                    | 0.26                            | -29.73%           |
| Total Petroleum Ghana Ltd.                | TOTAL    | 5.10                    | 2.00                            | -60.78%           |
| Transaction Solutions (Ghana) Ltd.        | TRANSOL  | 0.03                    | 0.03                            | 0.00%             |
| Tullow Oil Plc                            | TLW      | 28.00                   | 26.90                           | -3.93%            |
| Unilever Ghana Ltd.                       | UNIL     | 8.50                    | 8.47                            | -0.35%            |
| UT Bank                                   | UTB      | 0.10                    | 0.03                            | -70.00%           |
| AngloGold Ashanti Depository Shares       | AADS     | 0.52                    | 0.52                            | 0.00%             |
| Standard Chartered Bank Preference shares | SCB PREF | 0.71                    | 0.75                            | 5.63%             |
| NewGold Exchange Traded Fund              | GLD      | 39.00                   | 38.80                           | -0.51%            |
| Samba Foods Ltd                           | SAMBA    | 0.73                    | 0.72                            | -1.37%            |
| 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         | 3.9620 | 3.9660  | 4.45% ▼    |
| GBPGHS         | 4.9327 | 4.9400  | 12.11% ▲   |
| EURGHS         | 4.3952 | 4.3994  | 6.42% ▼    |

Table 6: Inter-bank indicative rates

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

### Dollar loses marginally to Cedi

The dollar was down by 0.03% against the Cedi on the inter-bank market last week, pulling down its annual return to 4.45% from 4.48% the week earlier.

The Cedi's good fortunes were as a result of an influx of off-shore dollars into the economy, as proceeds of US\$1.8 billion syndicated loan has hit the account of the Bank of Ghana.

As a result, the Dollar closed Thursday's trading at a buy rate of GH¢3.96 and a sell rate GH¢3.97 on the inter-bank market.

### Pound gains across board

The outcome of the Brexit ruling last week spurred investors' bet in the British Pound, resulting in an increase in the value of the currency on the international market.

The High Court ruled that the UK Government required parliament's approval to trigger Article 50 of the Lisbon Treaty next year. However, the Government is expected to appeal the decision and this could result in a political deadlock on Brexit.

In addition, data on UK construction PMI data came out better than expected adding support for the Pound. UK construction PMI for October rose to 52.6 points from 52.3 points on September.

On Ghana's currency market, the Pound recorded the highest weekly gain of 2.17% in the period under review to trim down its year-to-date loss suffered against the Cedi from 13.97% to 12.11%.

**Alice Osei Okrah (Head)**

Email: [aokrah@sic-fsl.com](mailto:aokrah@sic-fsl.com)

Email: [research@sic-fsl.com](mailto:research@sic-fsl.com)

## CEDI FAILS TO UPHOLD PREVIOUS GAINS

Though the local currency lost holistically to its major trading partners on the inter-bank market, it is expected to be steady ahead of the December polls, supported by the improved foreign exchange reserve position of the Central Bank.

The Cedi by the close of trading on Thursday had cumulatively lost 1.94% of its worth since the beginning of the year after recording a weekly loss of 0.83%.

The Ghanaian Cedi is expected to end the year on a good note following the improvement in investors' confidence in the Cedi.

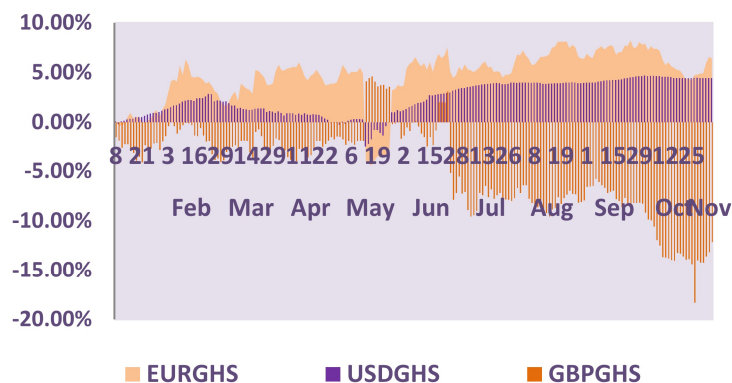


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Unemployment data supports Euro

The Euro appreciated against some of its major trading partners on the global front after Germany's unemployment rate unexpectedly dropped in October. The jobless rate in the Eurozone's largest economy dropped from 6.1% in September to 6.0% in October, according to a report by the German Federal Statistical Office.

Similarly on Ghana's local market, the shared currency recorded some substantial gain on the currency market last week as it was bought at GH¢4.3952 and sold for GH¢4.3994 on the inter-bank market.

Gaining by 1.54%, the Euro ended Thursday's trading on Ghana's inter-bank market at an annual return of 6.42% from the earlier week's rate of 4.80%.

**Isaac Kwasi Mensah (Analyst)**

Email: [ikmensah@sic-fsl.com](mailto:ikmensah@sic-fsl.com)