

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

10th November, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	51,887.69	51,951.45	0.12%
Market Capitalization (US\$million)	13,089.73	13,101.52	0.09%
Volume traded (shares)	1,747,561.00	1,610,158.00	-7.86%
Value Traded (GH¢)	748,601.81	524,455.97	-29.94%
Value Traded (US\$)	188,850.10	132,261.36	-29.96%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,696.41	-0.87%	-15.42%
SIC-FSL Top 15 Index	2,751.50	0.55%	-25.84%
GSE Financial Stocks Index	1,582.50	-1.86%	-18.01%

Table 2: Key Stock Market Indices

LIQUIDITY

At the end of the week activity, a total of 1.61 million shares exchanged hands, and this was valued at GH¢ 524,455.97. In all, twenty-three (23) symbols participated in trading which involved twenty-two (22) listed companies on the GSE and one (1) company on the Ghana Alternative Market (GAX).

Financial stocks were most investors preferred choice, as the sector contributed 86.45% and 54.15% 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 943,081 of the total traded shares, representing 58.57% of the market volume. Fan Milk Limited (FML) by virtue of its higher price recorded the biggest value of GH¢153,886.48 which represented 29.34% of the total value traded.

ACCRA BOURSE FAILS TO THRILL INVESTORS

The Ghana Stock Exchange (GSE) failed to excite investors, as bearish market sentiment dragged key performance indicators further down last week. Shares of Standard Chartered Bank Limited (SCB), Cal Bank Limited (CAL), Ghana Oil Company Limited (GOIL) and Ecobank Ghana Limited (EGH) pulled the broader market down.

Even though, the statistical service reported lower-than-expected inflation figure, the announcement had little or no impact on the equity market. The Ghana Statistical Service (GSS) announced 15.8% inflation for the Month of October, down from the September 2016 figure of 17.2%.

The losses on the GSE-Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) worsened as their levels declined to 1,696.41 points from the previous 1,711.30 points respectively, accounting for a further decline in their year-to-date losses of 14.22% and 16.45% previously, to settle at 15.42% and 18.015 respectively.

However, appreciations in “Big Cap” stock like Ecobank Transnational Incorporated (ETI) and higher priced stock like Fan Milk Limited (FML) saw the SIC-FSL Top 15 liquid Index (T-15 Index) improved its year-to-date loss from the 26.25% to 25.84% last Thursday.



Fig 1: Year -to -date returns

MARKET MOVERS

SCB drop deep on volatile wider market sentiment

The woes of Standard Chartered Bank (SCB) on the GSE deepened last Thursday, as investors ticked-down share price from the week's opening price of GH¢13.94 per share to GH¢13.03 per share. The stock is currently ranked 14th in terms of performance on the market among the thirty-five (35) listed companies. The company dropped from the year's open price of GH¢16.30 per share to the current price above.

Not even the released of better-than-expected 9-Months results appeared attractive enough to boost the company's share performance last week. SCB reported a revenue growth from GH¢481.57 million in Q3'15 to GH¢532.80 million in Q3'16, corresponding to an improvement in Net Profit After Tax (NPAT) figure of GH¢186.20 million in Q3'16 to GH¢151.16 million in Q3'15.

Analysts believe the decline might be due to the growing uncertainty on the broader market because of the pending elections.

CAL swings down

The shares of Cal Bank Limited (CAL) swang down during activities on the Exchange. The 6-pesewas drop brought the share price down to GH¢0.79 per share, triggering an increased year-to-date loss of 21% when compared to the previous week's loss of 15%.

Currently, CAL is ranked 27th in terms of performance among the thirty-five (35) listed companies on the GSE. Even that, the company is still trading at 46% discount to the sector's average trailing P/E ratio of 6x.

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.11	0.12	0.01	9.09%
FML	9.81	9.83	0.02	0.20%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.85	0.79	-0.06	-7.06%
EGH	6.84	6.80	-0.04	-0.58%
EGL	2.40	2.39	-0.01	-0.42%
GOIL	1.15	1.10	-0.05	-4.35%
SCB	13.94	13.03	-0.91	-6.53%
SOGEGH	0.69	0.67	-0.02	-2.90%

Table 4: Laggards for the week

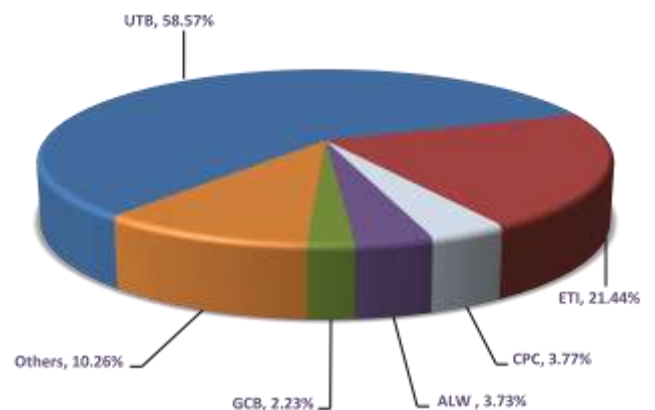


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has announced an increase of its ordinary shares from 408,158,371 to 408,199,652 as at September 30, 2016. This follows, the listing of 41,281 additional ordinary shares on the Johannesburg Securities Exchange, South Africa.

In view of the above, AGA share capital has risen to 50,380,257,570.24 South African Rand from the 50,362,883,280.41 South African Rand.

AYRTON DRUGS MANUFACTURING COMPANY LIMITED (AYRTN) ANNOUNCES ANNUAL GENERAL MEETING (AGM): Directors of AYRTN have scheduled Thursday, November 24, 2016 for the company's Annual General Meeting (AGM). The meeting will be held at the New Conference Hall, Ghana National Association of Teachers, Adabraka at exactly 10:00 am prompt.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 10/11/2016 (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	0.79	-21.00%
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	6.80	-3.00%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.27	0.12	-55.56%
Fan Milk Ltd.	FML	7.35	9.83	33.74%
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	1.10	-21.43%
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	13.03	-20.06%
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	0.67	-16.25%
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 PRAF	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	3.9633	3.9673	4.49% ▼
GBPGHS	4.9462	4.9516	11.89% ▲
EURGHS	4.3100	4.3129	4.34% ▼

Table 6: Inter-bank indicative rates

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

Cedi loses to Dollar

Demand for the American Dollar managed to outstrip supply, extending further the Cedi's annual loss by the close of trading on Thursday, despite the oversubscription of the first 10-year domestic bond.

The bond which was issued last week, attracted about GH¢726 million bids, which was more than the GH¢200 million that was initially targeted. In the end, Government accepted GH¢438 million worth of bids at a rate of 19%.

On the other hand, regarding the outcome of the US election, the Institute of Certified Economists of Ghana has culled that the election of Donald Trump as president of the United States will destabilize the value of the Cedi. Instead, the Cedi is likely to undergo any change with the outcome of Ghana's election and the fast approaching yuletide season.

By close of trading on Thursday, the Cedi had declined marginally by 0.03% versus the Dollar in wholesale trading last week, leading to a year-to-date loss of 4.49%.

Euro loses significantly

News of German's economy being at a stalemate position of 0.8% inflation for the month of September seemed not to have favoured the shared currency on the global front as a lack of economic growth within the Eurozone remains the concern of investors.

On Ghana's inter-bank market also, the Euro retreated to a midrate of GH¢4.3115, representing a loss of 1.95% and pulling down its annual return to 4.34% from 6.42% the week earlier.

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CEDI REBOUNDS IN VALUE

The local currency rebounded in value last week amid the release of a positive data on Ghana's inflation for the month of October this year.

According to the Ghana Statistical Service (GSS), inflation for the month of October declined to 15.8% from 17.2% in September, being the lowest rate since August 2014. The decline can be attributed to the continuous stability in the value of the nation's currency as well as the harvest season in which the country is currently in.

Gradual rise in investors' confidence seems to be favouring the value of the Cedi, causing it to outshine some of its major trading partners on the inter-bank market.

Consequently, the Cedi's annual loss since the beginning of the year dropped to 1.39% after recording a holistic appreciation of 0.53%.

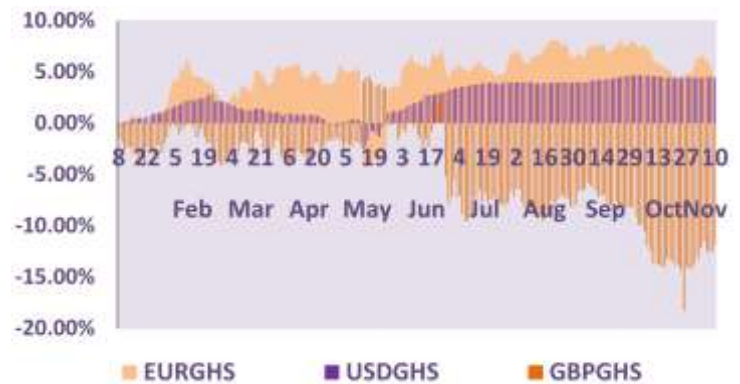


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound versus Cedi

The GBPGHS maintained an upward stance in its exchange rate on the inter-bank market, mimicking international performance.

The British Pound appreciated against its major trading partners on the international currency market following the release of a better-than-expected data on the country's construction industry output.

Sterling was buying at GH¢4.9462 and selling for GH¢4.9516 on the inter-bank market at the close of trading last Thursday, down from GH¢4.9327 and GH¢4.9400 the week before. This saw the annual loss of the Pound trim down to 11.89% on Thursday.

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