

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

12th January, 2017



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	52,784.54	53,345.50	1.06%
Market Capitalization (US\$million)	12,537.60	12,624.96	0.70%
Volume traded (shares)	1,672,277.00	3,973,331.00	137.60%
Value Traded (GH¢)	3,428,717.39	11,011,124.43	221.14%
Value Traded (US\$)	814,402.84	2,605,936.58	219.98%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,728.92	1.48%	2.36%
SIC-FSL Top 15 Index	2,796.24	6.22%	7.22%
GSE Financial Stocks Index	1,604.10	2.53%	3.80%

Table 2: Key Stock Market Indices

LIQUIDITY

A 2.0 million block trade in Guinness Ghana Breweries Limited (GGBL) shares was enough to outshine the previous week's performance. In the end, a total of 3.97 million shares exchanged hands last week, beaten the previous week record of 1.67 million shares. Corresponding value traded also jumped from the GH¢3.43 million that traded previously, to a whopping GH¢11.01 million last week.

In all, twenty-three (23) symbols participated in last week's trading, involving twenty-two (22) listed companies on the GSE and one (1) company on the Ghana Alternative Market (GAX).

The shares of GGBL was the most traded on the bourse, accounting for 2.0 million of the total traded shares. This represented 50.27% of the entire market volume, valued at GH¢3.00 million. Fan Milk Limited (FML) by virtue of its high price made the biggest gain in terms value in the week, accounting for GH¢6.75 million of the total traded value.

RISING MARKET CONFIDENCE BOOSTS PERFORMANCE

Activities on the Ghana Stock Exchange (GSE) were more exciting last week, following growing market confidence in equities. Improving economic indicator like inflation appeared to have lent support to the upward price movement of equities last week.

In all, six (6) out of the nine (9) price movers were responsible for last week's upward shift. Shares of Ecobank Ghana Limited (FML), Total Petroleum Ghana Limited (TOTAL), Standard Chartered Bank (SCB) and GCB Bank Limited (GCB) were the major price movers that boosted performance.

In effect, key benchmark indices like the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Liquid Index (SIC-FSL T-15) closed the week at a year-to-date gain of 2.36%, 3.80% and 7.22% respectively.

Total market capitalization of listed companies on the GSE appreciated by 1.06% to GH¢53.35 billion, with equivalent dollar value of USD12.62 billion.



MARKET MOVERS

Investors' demand for EGH shares soars

A boost in market activities saw the shares of Ecobank Ghana Limited (EGH) appreciate from the GH¢6.50 per share to GH¢6.85 a share last week. The rise, appeared to have been necessitated by the growing market confidence in the economy, and the seeming under-price status of the Bank's current share price.

Investors appeared to have ignored the bank's performance in the third quarter 2016 (Q3'16) to bid up the share price on the exchange. The Bank posted a NPAT of GH¢273.77 million compared to the GH¢287.61 million recorded in the year before.

Currently, EGH is trading above its 248-Days Volume Weighted Average Price (VWAP₂₄₈) of GH¢6.82 and the 248-Day Average Trading Price (ATP₂₄₈) of GH¢6.76, prompting a sale sentiment on the market. However, the propensity of higher price discovery appears likely because of the improving economic and market indicators.

TOTAL gains momentum

The woes of Total Petroleum Ghana Limited (TOTAL) on the Ghana Stock Exchange appeared to be seemingly over, following recent price appreciation in share value. Not even the decline in performance as witnessed in the Q3'16 financial report was enough to halt the rising demand for the company's shares. The company's share price rose from the GH¢2.00 per share to GH¢2.04 per share last Thursday.

TOTAL reported a top-line decline from GH¢1.37 billion in Q3'15 to GH¢1.24 billion in Q3'16, representing a dip of 9% in value. Corresponding net profit after tax (npat) also reduced from the GH¢33.19 million per share in Q3'16 to GH¢30.54 million in Q3'15.

At the current price of GH¢2.04 per share, the company is trading below the 248-Days Volume Weighted Average Price (VWAP₂₄₈) of GH¢3.31 a share and the 248-Day Average Trading Price (ATP₂₄₈) of GH¢3.71 indicating possibility upward price review.

CORPORATE NEWS

STARWIN PRODUCTS LIMITED (SPL) ANNOUNCES INTERIM DIVIDEND PAYMENT: Management of SPL has announced an interim dividend payment of GH¢0.001 per share in respect of 2016 financial year.

In view of the above, any investor who buys SPL shares on or after Friday, 27th January, 2017 will not be entitled to the interim dividend. Payment is expected on Tuesday, 28th February, 2017.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.14	0.15	0.01	7.14%
EGH	6.50	6.85	0.35	5.38%
ETI	0.10	0.12	0.02	20.00%
GCB	3.62	3.66	0.04	1.10%
SCB	12.26	12.30	0.04	0.33%
TOTAL	2.00	2.04	0.04	2.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.78	0.76	-0.02	-2.56%
GGBL	1.60	1.50	-0.10	-6.25%
PZC	0.22	0.20	-0.02	-9.09%

Table 4: Laggards for the week

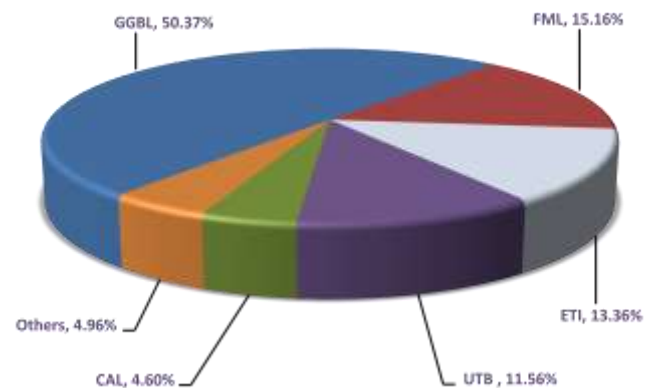


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 12/01/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.10	0.00%
African Champion Industries Ltd.	ACI	0.01	0.01	0.00%
Agricultural Development Bank	ADB	3.83	3.83	0.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.15	7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	2.08	0.00%
Cal Bank Ltd	CAL	0.75	0.76	1.33%
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	6.40	6.85	7.03%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.12	20.00%
Fan Milk Ltd.	FML	11.14	11.20	0.54%
Ghana Commercial Bank Ltd.	GCB	3.56	3.66	2.81%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.12	1.82%
Golden Star Resources Ltd.	GSR	1.95	1.95	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.75	0.75	0.00%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.15	0.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.06	0.00%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	12.30	0.99%
SIC Insurance Company Ltd.	SIC	0.12	0.13	8.33%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.66	6.45%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.26	0.00%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.04	3.03%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	26.88	0.00%
Unilever Ghana Ltd.	UNIL	8.51	8.51	0.00%
UT Bank	UTB	0.03	0.03	0.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.75	0.75	0.00%
NewGold Exchange Traded Fund	GLD	38.80	38.80	0.00%
Samba Foods Ltd	SAMBA	0.72	0.72	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.10	0.10	0.00%
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	4.2233	4.2275	0.60% ▼
GBPGHS	5.1837	5.1905	0.58% ▲
EURGHS	4.5005	4.5041	1.48% ▼

Table 6: Inter-bank indicative rates

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

Dollar sustains gains

The American Dollar continued its positive trend on the inter-bank market last week after stripping 0.36% off the value of the Ghanaian Cedi by the close of trading on Thursday.

The demand for Dollar continues to outrun supply on the market, although traders and investors look forward to a better performance of the Cedi in the phase of a new Government which promises to fight corruption and cut taxes to boost private businesses.

At the end of trading on Thursday, the greenback was pegged between GH¢4.22 and GH¢4.23 among the banks, pushing up its annual return from 0.24% to 0.60% on Thursday.

Euro records highest gain

The Euro saw a boost in its value on the back of positive economic data from two major nations in the Euro-region.

A report of a 0.2% rise in German's GDP coupled with a 0.03% increase in French Consumer Producer Index bolstered the value of the shared currency across board on the global front.

Similarly on Ghana's local market, the Euro recorded a substantive gain of 1.46% among the banks, pushing it year-to-date gain to 1.48% by close of trading on Thursday.

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CEDI DWINDLES AMID DECLINE IN INFLATION

The Ghanaian currency saw a drop in its composite value last week, despite the decline in the general prices of goods and services for the month of December 2016.

Last week, the Ghana Statistical Service (GSS) announced that the inflation for the last month of the year 2016 dropped by 10 basis point from November to 15.40%, the lowest rate since July 2014. This fall, according to the service was due to lower non-food inflation during the period.

That notwithstanding, the Cedi depreciated by 0.63% in value against its major trading partners, to settle at a year-to-date-loss of 0.72%.



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

Pound slightly unchanged

The Pound commenced the week on a good note although its performance was not enough to outpace the losses it suffered, leading to a marginal loss to the Cedi on the Ghanaian currency market.

On the international market also, the British Pound lost footing to some of its trading partners, as some investors were gripped by fear and concerns of the pending speech of British's Prime Minister, Theresa May, of her stance on Brexit. Earlier she had stated that she wasn't interested in keeping "bits" of the UK's European membership, this saw some investors dampen their appetite for the Pound to seek safer assets.

The Pound's annual yield stood at 0.58% after it was traded at a midrate of GH¢5.1871 from GH¢5.1875 a week ago.

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