

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

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STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	58,119.57	58,047.22	-0.12%
Market Capitalization (US\$million)	13,227.93	13,260.66	0.25%
Volume traded (shares)	3,850,386.00	1,987,670.00	-48.38%
Value Traded (GH¢)	7,663,873.69	3,139,043.97	-59.04%
Value Traded (US\$)	1,744,286.98	717,102.38	-58.89%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	CLOSING LEVEL	WEEK CHANGE	YTD CHANGE
GSE Composite Index	2,284.30	-0.12%	35.24%
SIC-FSL Top 15 Index	3,852.22	-0.14%	47.71%
GSE Financial Stocks Index	1,987.21	-0.11%	28.59%

Table 2: Key Stock Market Indices

LIQUIDITY

Activity on the equity market dropped due to absence of a block trade on the Exchange last week. A total of 1.99 million shares exchange hands and this was valued at GH¢3.14 million. In all, twenty-three (23) equities traded on the GSE with one (1) company from the Ghana Alternative Market (GAX).

Financial stocks remained the preferred choice of most investors, as the sector contributed 69.73% and 57.39% of volume and value of shares traded in the period under review.

Societe Generale Ghana Limited (SOGEGH) was the most traded equity on the bourse, accounting for 739,034 shares traded, which represents 37.18% of total market volume. GCB Bank Limited (GCB) by virtue of its high price recorded the largest value of GH¢1.40 million, representing 44.32% of total market value.

GSE SLIPS DESPITE POSITIVE ECONOMIC SENTIMENT

A decline in blue-chip stocks saw the Ghana Stock Exchange (GSE) slip despite renewed business confidence last week. The international rating agency; Standard & Poor's announced a revision of Ghana's debt ratings from stable to positive. According to the rating agency, the revision was influenced by increase in oil production and government's implementation of corrective fiscal economic measures.

The announcement did little to pull the brakes on the major performance indicators from indicating downward. Shares of blue-chip stocks like Standard Chartered Bank (SCB), Fan Milk Limited (FML), Tullow Oil Plc (TLW) and Cal Bank Limited (CAL) accounted for the week's sluggish market performance.

Yield on the GSE-Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) dropped from their annual yield of 35.40%, 28.73% and 47.92% in the previous week to settle at 35.24%, 28.59% and 47.71% respectively.

Total market capitalization also declined from GH¢58.12 billion to GH¢58.05 billion week-on-week. However, the equivalent dollar value appreciated from the previous week's figure of USD 13.23 billion to USD 13.26 billion because of the Cedi's appreciation against the Dollar.

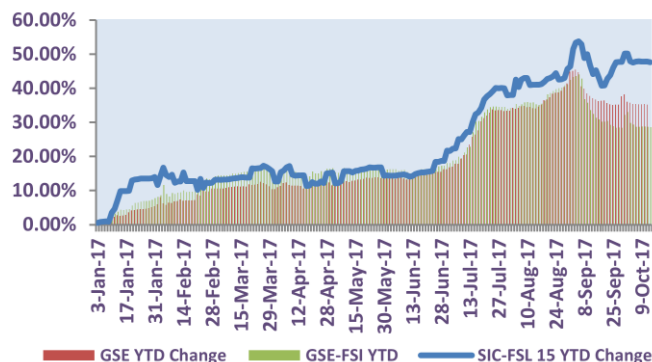


Fig 1: Year -to-date returns

MARKET MOVERS

SCB surrenders 33-pesewas

Investors beat-down the share price of Standard Chartered Bank from the week's opening price of GH¢20.00 to GH¢19.67 per share. The decline appeared to have been resulted because of increase profit-taking by shareholders. SCB is currently ranked seventh (7th) among the thirty-six (36) equities on the GSE in terms of return, with a year-to-date gain of 61.49%.

Currently, SCB is trading at 14% below the sector's trailing P/E ratio of 11x, indicating prospect of a possible price recovery in future. However, downward-pressure in SCB shares on market tend to support further price decline on the market.

FML drop to GH¢19.40

The value of Fan Milk shares (FML) dropped from its week-open price of GH¢19.63 to GH¢19.40 per share last week on the back of strong selling pressures. The stock is currently ranked 5th best performing equity on the GSE in terms of yields with a year-to-date gain of 74.15%.

The company posted a revenue growth of 27.2% over the previous year's figure of GH¢183.03 million. However, the company's bottom-line dipped to GH¢27.09 million in HY'17 from GH¢30.04 million in HY'16 due to huge reduction in finance income.

At the current market price, prospects of further downward price review on the Exchange looks highly possible because of the looming selling pressures in FML's shares.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	5.90	5.91	0.01	0.17%
EGH	7.09	7.19	0.10	1.41%
GOIL	2.38	2.40	0.02	0.84%
PBC	0.04	0.05	0.01	25.00%
SIC	0.10	0.12	0.02	20.00%
TOTAL	2.26	2.32	0.06	2.65%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	1.01	1.00	-0.01	-0.99%
FML	19.63	19.40	-0.23	-1.17%
SCB	20.00	19.67	-0.33	-1.65%
TLW	17.73	17.69	-0.04	-0.23%

Table 4: Laggards for the week

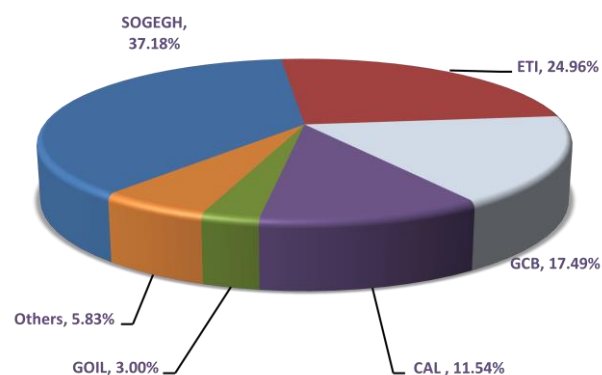


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

ECOBANK TRANSNATIONAL INCORPORATED (ETI) ANNOUNCES CHANGES IN BOARD MEMBERSHIP: ETI has announced the resignation of Dr. Adesegun Akin-Olugbade and Mr. Ignace Clomegah from the Bank's board.

The Bank has also announced the appointment of Mr. Monish Dutt following the resignation of Mr. Kadita Tshibaka.

CAL BANK LIMITED (CAL) APPOINTS NON EXECUTIVE DIRECTOR: CAL has announced the appointment of Ms. Rosalind Nana Emela Kainyah and Mr. Kofi Osafo Maafo as Non-Executive Directors of the Bank.

The appointment took effect on August 3rd, 2017.

SIC INSURANCE COMPANY LIMITED (SIC) ANNOUNCES ANNUAL GENERAL MEETING (AGM): The management of SIC has announced its upcoming 10th Annual General Meeting which has been slated for Thursday, October 19, 2017.

The meeting will be held at the Ghana College of Physicians and Surgeons, Accra at 2:00 pm.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 12/10/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.40	-17.07%
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	0.16	14.29%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	5.91	184.13%
Cal Bank Ltd	CAL	0.75	1.00	33.33%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00%
Camelot Ghana Ltd.	CMLT	0.12	0.11	-8.33%
Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00%
Ecobank Ghana Ltd.	EGH	6.40	7.19	12.34%
Enterprise Group Limited	EGL	2.40	4.00	66.67%
Ecobank Transnational Inc.	ETI	0.10	0.18	80.00%
Fan Milk Ltd.	FML	11.14	19.40	74.15%
Ghana Commercial Bank Ltd.	GCB	3.56	4.00	12.36%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.57	-3.68%
Ghana Oil Company Limited	GOIL	1.10	2.40	118.18%
Golden Star Resources Ltd.	GSR	1.95	1.90	-2.56%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.75	1.39	85.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.09	-40.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.05	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	19.67	61.49%
SIC Insurance Company Ltd.	SIC	0.12	0.12	0.00%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.77	24.19%
Sam Woode Ltd.	SWL	0.04	0.05	25.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.35	34.62%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.32	17.17%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.69	-34.19%
Unilever Ghana Ltd.	UNIL	8.51	10.55	23.97%
AngloGold Ashanti Depository Shares	AADS	0.52	0.48	-7.69%
Standard Chartered Bank Preference shares	SCB PREF	0.75	1.20	60.00%
NewGold Exchange Traded Fund	GLD	38.80	38.80	0.00%
Samba Foods Ltd	SAMBA	0.72	0.65	-9.72%
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	4.3752	4.3796	4.22% ▼
GBPGHS	5.7595	5.7671	10.91% ▼
EURGHS	5.1841	5.1881	16.89% ▼

Table 6: Inter-bank indicative rates

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

Dollar declines further

The gradual decline in corporate demand for Dollars amid improved forex liquidity on the currency market, gave the Cedi a leg-up against the Dollar.

One dollar was pegged at a midrate of GH¢4.3774 up from a midrate of GH¢4.3937 recorded last week. This represented a loss of 0.37%.

Correspondingly, the Dollar's year-to-date return depreciated to 4.22% by close of trading last Thursday.

The USDGHS is expected to remain steady in the coming week on the back of improved forex liquidity.

Pound under pressure

The growing uncertainty around Brexit negotiations weighed on the value of the Pound as discussions on how much Britain should pay the European Union in its deal to exit came to an impasse.

The Pound as a result, lost to some of its key currency partners on the international market during the period under consideration.

Likewise on Ghana's inter-bank market, the British Pound lost 0.16% of its value to the Cedi after trading at a midrate of GH¢5.7633. This trimmed down the Pound's annual yield to 10.91%.

CEDI RECORDS MARGINAL GAIN

The Cedi maintained its upward trend for yet another week although by a marginal appreciation on the inter-bank market.

The Cedi managed to record a win against the Dollar and Pound but was resisted by the Euro resilience by close of trading on Thursday. This was amid the release of a marginal decline in inflation for the period of September 2017. Inflation for the month dropped to 12.2% in September from 12.3% recorded in August.

By close of trading, the Cedi was up by 0.03%, reducing its year-to-date loss to 9.07% on Thursday.

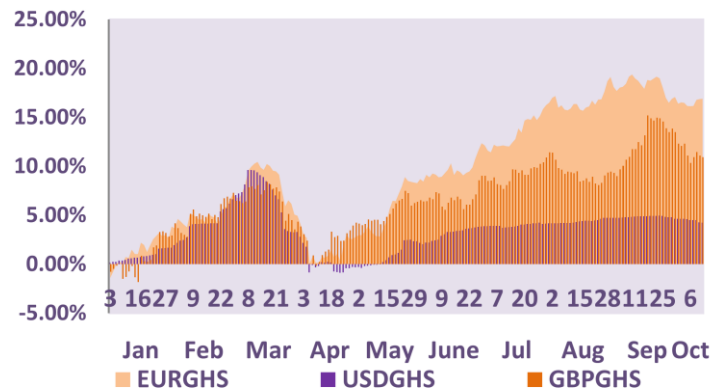


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Positive data supports Euro's value

Strong data from the Eurozone bolstered the value of the shared currency on the global front.

A 3.8% rise in industrial production for the month of August coupled with a 3.1% growth and a 1.2% rise in German export and imports respectively were enough to keep the Euro above some of its major currency partners.

In addition, the Euro recorded a 0.64% appreciation on Ghana's currency market to settle at a higher annual return of 16.89% on Thursday.

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