

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

13th October, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	52,753.52	52,780.97	0.05%
Market Capitalization (US\$million)	13,279.68	13,299.81	0.15%
Volume traded (shares)	1,336,391.00	348,651.00	-73.91%
Value Traded (GH¢)	929,964.92	454,858.25	-51.09%
Value Traded (US\$)	234,100.67	114,615.73	-51.04%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,770.56	0.09%	-11.25%
SIC-FSL Top 15 Index	2,949.19	0.01%	-20.52%
GSE Financial Stocks Index	1,677.70	0.15%	-13.08%

Table 2: Key Stock Market Indices

LIQUIDITY

Despite the stable market performance last week, total shares traded dropped from the 1.34 million to 348,651 shares, representing a decrease of 73.91% last Thursday. Total value traded amounted to GH¢454,858.25, representing a decline of 51.09% of the previous week's value traded.

Market activities were hugely centered around the financial stocks, as the sector recorded 64.29% of the total shares that traded, representing 92.91% of the entire value traded.

Intravenous Infusion Limited (ILL) on the Ghana Alternative Market (GAX) recorded the highest activity in the past week, recording a total of 99,150 of the combined market total traded shares, representing 28.44% of the market volume. GCB Bank Limited (GCB), by virtue of its higher price was the most valuable in terms of total shares traded following a record of GH¢243,474.05, which represented 53.53% of the total traded value.

GSE FIGHTS BACK

Activity on the Ghana Stock Exchange (GSE) was fairly better last week despite news of increased inflationary pressure in the economy. Shares of Cal Bank Limited (CAL), GCB Bank Limited (GCB) and PBC Limited (PBC) were successful in preventing the broader market from dropping points last week.

The Ghana Statistical Service (GSS) announced an increased inflationary pressure from 16.9% previously to 17.2% for the month of September. In spite of the announcement, investors appeared unconcerned as key performance indicators went up.

Benchmark indices like the GSE Composite Index (GSE CI) rose from the 1,768.93 to 1,770.56 points, resulting in an improved year-to-date loss of 11.25% compared to the 11.33% in the previous week. Similarly, the year-to-date loss on the GSE Financial Stocks Index (GSE-FSI) improved from the 13.20% to 13.08%, whilst the SIC-FSL Top 15 Index (SIC-FSL T-15) remained stable at 20.52% last Thursday.

In effect, the market capitalization of the Ghana Stock Exchange appreciated slightly by 0.05% to GH¢52.78 billion from GH¢52.75 billion. An equivalent dollar value also appreciated to USD 13.30 billion from USD 13.28 billion.



MARKET MOVERS

CAL climbs to GH¢0.80

The shares of Cal Bank climbed by 2 pesewas last Thursday on the GSE. The Bank was the best price-gainer in terms of absolute value after the 2-pesewa rise in market value, to close the week at GH¢0.80 per share.

At the current market price of GH¢0.80, CAL is still trading at 44% discount to the sector's average trailing P/E ratio of 5x, signaling the likelihood of further upward price review in the near future.

GCB up by 1-pesewa

Improved demand for GCB Bank's shares saw investors bid-up the Bank's value by 1-pesewa during last week's trading activities. This saw the Bank's share price move up to GH¢3.95 last week, from the week's opening price of GH¢3.94 a share. The appreciation seems to have been influenced by market interplay like demand and supply.

Regardless of the above, the bank is still trading at 31% to the sector's average trailing P/E ratio of 5x, an indication of likely upward price correction in the not too distant future.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.78	0.80	0.02	2.56%
GCB	3.94	3.95	0.01	0.25%
PBC	0.05	0.06	0.01	20.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.41	2.40	-0.01	-0.41%
EGL	2.40	2.38	-0.02	-0.83%
GOIL	1.23	1.22	-0.01	-0.81%
SCB	14.20	14.19	-0.01	-0.07%
TOTAL	2.30	2.29	-0.01	-0.43%

Table 4: Laggards for the week

CORPORATE NEWS

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has announced an increase of its ordinary shares from 408,111,748 to 408,158,371 as at August 31, 2016. This follows, the listing of 46,623 additional ordinary shares on the Johannesburg Securities Exchange, South Africa.

In view of the above, AGA share capital has risen to 50,265,942,097.58 South African Rand from the 50,362,883,280.41 South African Rand.

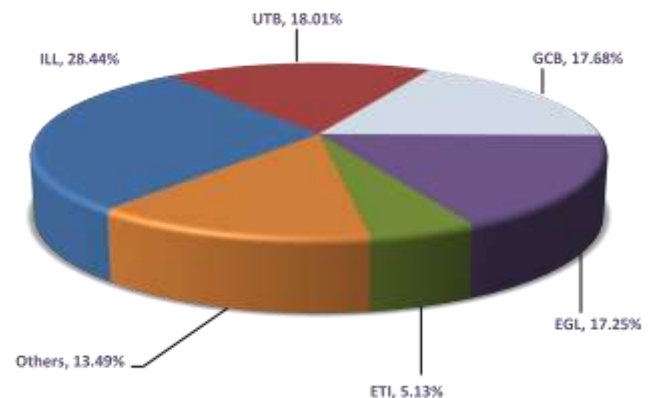


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 13/10/2016 (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	0.80	-20.00%
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	6.81	-2.85%
Enterprise Group Limited	EGL	2.40	2.38	-0.83%
Ecobank Transnational Inc.	ETI	0.27	0.14	-48.15%
Fan Milk Ltd.	FML	7.35	9.80	33.33%
Ghana Commercial Bank Ltd.	GCB	3.79	3.95	4.22%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.75	-12.06%
Ghana Oil Company Limited	GOIL	1.40	1.22	-12.86%
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	0.23	-32.35%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.19	-12.94%
SIC Insurance Company Ltd.	SIC	0.14	0.15	7.14%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.73	-8.75%
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	2.29	-55.10%
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	0.05	-50.00%
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	3.9666	3.9705	4.57% ▼
GBPGHS	4.8389	4.8460	13.78% ▲
EURGHS	4.3791	4.3835	6.03% ▼

Table 6: Inter-bank indicative rates

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

Dollar bows to Cedi

The American Dollar recorded its first weekly loss in five successive weeks, on the inter-bank market, as it failed to capitalize on the general rise in prices of goods and services for the month of September.

Inflation for the month of September inched up to 17.2% from 16.9% the month earlier as rise in inflation for the non-food sector and the import inflation rate increased.

By close of trading, the greenback was down by 0.10%, waning down its annual yield to 4.57% as its value was pegged at a midrate of GH¢3.9686 for every one Dollar.

Although efforts by the central bank to stem inflation continue to prove somewhat futile, it maintains its stance that the upcoming elections and the fears of exchange rate volatilities are no cause for concern.

Euro declines in value

Profit-taking by investors who seemed to have disinvested from the Euro in the period under review, saw the Euro lose 1.26% of its value to the Cedi.

The shared currency's decline against the Cedi over the period saw the year-to-date gain of the shared currency drop from 7.39% to 6.03%.

At the end of trading on Thursday, €1.00 was bought at GH¢4.3791 and sold for GH¢4.3835 on the inter-bank market.

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CEDI SOARS HIGH

The local currency emerged stronger by the close of trading on Thursday subsequent to rising investor confidence in the currency and the outcome of the first local dollar denominated bond issued last week.

The upshot of Ghana's first local dollar bond saw Government accepting US\$96.4 million of the total bids of US\$99.6 million which is above its original target of US\$50 million. The bond was issued at a coupon rate of 6%.

Consequently, the Cedi gained as much as 1.07% in the period under review, triumphing over its major trading partners to settle at a lower year-to-date loss of 1.55% from previous 2.64%.

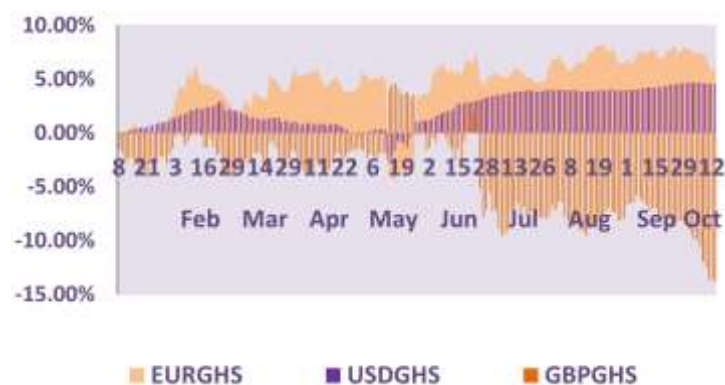


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound remains under pressure

The British Pound lost as much as 3.61% of its worth on the inter-bank market, mimicking the international trend of the Pound.

Investors continue to be uncertain about the future of the Pound as comments from Bank of England members continued to wane confidence in the currency.

BoE member, Saunders, was quoted as saying that a bumpy Brexit could have a damaging effect on the UK economy and see economic growth sharply reduce. This comment has spurred the fear that the fall in value of the Pound is likely to continue till the deadline to start negotiations of the formal proceedings to take the United Kingdom (UK) out of the European Union (EU).

Correspondingly, one Pound was bought at GH¢4.8389 and sold for GH¢4.8460, reflecting a higher year-to-date loss of 13.78% from a loss of 10.55% the week earlier.

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