

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)	58,810.32	58,022.89	-1.34%
Market Capitalization (US\$million)	13,359.91	13,171.45	-1.41%
Volume traded (shares)	1,090,896.00	3,860,498.00	253.88%
Value Traded (GH¢)	7,134,447.86	9,038,209.20	26.68%
Value Traded (US\$)	1,620,728.73	2,051,713.70	26.59%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,315.48	-5.28%	37.08%
SIC-FSL Top 15 Index	3,790.10	-4.96%	45.33%
GSE Financial Stocks Index	2,030.30	-8.07%	31.38%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of 3.86 million shares exchanged hands and this was valued at GH¢ 9.04 million representing an appreciation of 253.88% of volume and 26.68% of value of traded shares. In all, twenty-two (22) equities traded on the GSE last week.

Financial stocks remained the preferred choice of most investors, as the sector contributed 78.24% and 75.02% of volume and value of shares traded respectively.

Cal Bank Limited (CAL) was the most traded equity on the bourse, accounting for 1.48 million shares. This represents 38.45% of the total market volume. Standard Chartered Bank (SCB) by virtue of its high price recorded the biggest value in the week, accounting for GH¢2.09 million out of the total market value.

PROFIT-TAKING SLOWS MARKET PERFORMANCE

Intense profit-taking on the Ghana Stock Exchange (GSE) saw key performance indicators dip for the first time in several weeks. Among the nine (9) price movers, five (5) equities were ticked-down while the rest gained. Among the laggards, shares of Standard Chartered Bank Limited (SCB), GCB Bank Limited (GCB), Enterprise Group Limited (EGL) and Trust Bank Gambia Limited (TBL) were the hardest hit on the bourse last week.

At the close of activities last Thursday yields 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) declined from their previous week year-to-date gains of 44.73%, 42.91% and 52.92% to settle at annual returns of 37.08%, 31.38% and 45.33% respectively.

Total market capitalization dipped from the previous week's figure of GH¢58.81 billion to GH¢58.02 billion. An equivalent dollar value also declined from the previous week's figure of USD 13.36 billion to USD 13.18 billion.

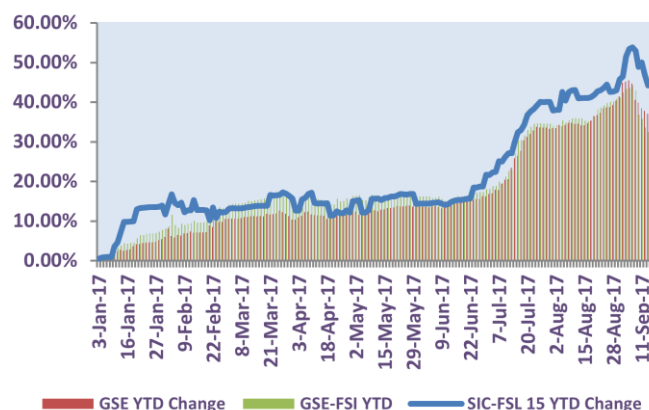


Fig 1: Year-to-date returns

MARKET MOVERS

SCB drops to 20-Cedis mark

Increase profit-taking in Standard Chartered Bank saw the share price drop to GH¢20.00 from an opening price of GH¢25.49 per share last week. It seems investors ignored the company's improved fundamentals to beat down share price SCB is currently ranked sixth (6th) among the thirty-six (36) equities on the GSE in terms of returns, with a year-to-date gain of 64.20%.

SCB's revenue grew from GH¢344.65 million in HY'16 to settle at GH¢380.58 million in HY'17, representing a 10% growth in revenue. The company's net profit after tax also improved from the GH¢149.58 million in HY'16 to GH¢158.67 million in HY'17.

Presently, SCB is trading at 13% below its trailing P/E ratio of 11x, signaling prospect of higher price review in the near future.

Investors cream-off gains in GCB

The shares of GCB Bank tumbled from its 5-Cedis mark to GH¢4.44 per share last week as shareholders creamed off gains on the market. The company is ranked 10th on the GSE with a year-to-date gain of 24.72% to shareholders.

The dip in the Bank's share price appeared to have been partly influenced by the company's reduced bottom-line in the half-year. GCB's reported a revenue growth from GH¢578.79 million in HY'16 to GH¢653.75 million in HY'17. However, net profit after tax dropped to GH¢101.59 million in HY'17 from GH¢187.22 million in HY'16.

Currently at a price of GH¢4.44 per share, GCB is trading at a 56% discount to the sector's average trailing P/E ratio of 11x, indicating a high possibility of upward price review.

CORPORATE NEWS

GHANA STOCK EXCHANGE (GSE) ANNOUNCES DELISTING OF UT BANK LIMITED (UTB): The GSE has announced a compulsory delisting of UT Bank from the Official List of the Exchange, effective September 14, 2017.

The delisting follows the revocation of the license of UT Bank Limited by Bank of Ghana.

LIFTING OF SUSPENSION OF TRADING ON PIONEER KITCHENWARE LIMITED (PKL): GSE has lifted the suspension of PKL from trading as earlier imposed.

According to GSE, PKL has rectified all the anomalies that led to their suspension.

PZ CUSSENS GHANA LIMITED (PZC) ANNOUNCES ANNUAL GENERAL MEETING (AGM): Directors of PZC have announced the company's 59th Annual General Meeting (AGM) which has been scheduled for Tuesday, September 26, 2017.

The meeting will be held at the Ghana-India Kofi Annan Center for Excellence in ICT, Ringway Estates, Accra (near the Ghana Institute of Journalism, at 11:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	5.42	5.61	0.19	3.51%
HFC	1.32	1.34	0.02	1.52%
PBC	0.04	0.05	0.01	25.00%
UNIL	10.42	10.55	0.13	1.25%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CMLT	0.12	0.11	-0.01	-8.33%
EGL	5.42	5.00	-0.42	-7.75%
GCB	5.00	4.44	-0.56	-11.20%
SCB	25.49	20.00	-5.49	-21.54%
TBL	0.40	0.35	-0.05	-12.50%

Table 4: Laggards for the week

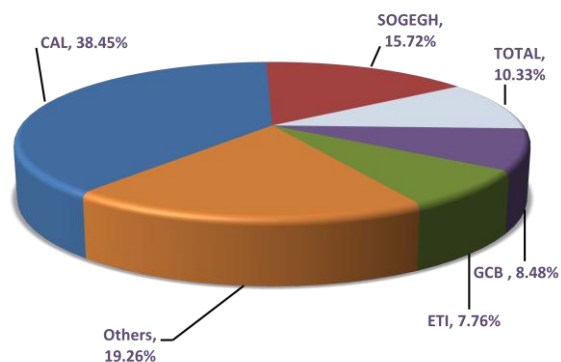


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 14/09/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.00	-2.44%
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	5.61	169.71%
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	7.00	9.38%
Enterprise Group Limited	EGL	2.40	5.00	108.33%
Ecobank Transnational Inc.	ETI	0.10	0.16	60.00%
Fan Milk Ltd.	FML	11.14	20.00	79.53%
Ghana Commercial Bank Ltd.	GCB	3.56	4.44	24.72%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.47	-9.82%
Ghana Oil Company Limited	GOIL	1.10	2.32	110.91%
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	1.34	78.67%
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	20.00	64.20%
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	0.76	22.58%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.35	34.62%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.30	16.16%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.80	-33.78%
Unilever Ghana Ltd.	UNIL	8.51	10.55	23.97%
UT Bank	UTB	0.03	0.06	-7.69%
AngloGold Ashanti Depository Shares	AADS	0.52	0.48	60.00%
Standard Chartered Bank Preference shares	SCB PREF	0.75	1.20	0.00%
NewGold Exchange Traded Fund	GLD	38.80	38.80	-9.72%
Samba Foods Ltd	SAMBA	0.72	0.65	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	-2.44%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.4030	4.4074	4.88% ▼
GBPGHS	5.8771	5.8834	13.16% ▼
EURGHS	5.2292	5.2330	17.91% ▼

Table 6: Inter-bank indicative rates

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

Dollar inches up

The recent news of an approval of a one-year extension of Ghana's \$918 million credit-facility program by the International Monetary Fund (IMF) has seen the USDGHS exchange rate remain fairly stable on the inter-bank market.

That notwithstanding, the Dollar managed to record a week-on-week appreciation of 0.07% against the Cedi on the local market. A Dollar was being bought at GH¢4.4030 and sold for GH¢4.4074 at the close of the trading day on Thursday.

Consequently, the annual yield of the Dollar climbed from 4.80% a fortnight ago to 4.88%.

Pound soars high

The Pound gained momentum on the international market today following comments made by one of UK's policymaker on interest rate.

Dr. Gertjan Vlieghe, who is seen as the most cautious member of the MPC when it comes to raising interest rates stated that BoE's interest rate could rise in the coming months. This spurred the value of the Pound on the currency market, as it was seen rising against some of its major currency partners.

Similarly on Ghana's inter-bank market, the Pound Sterling gained as much as 1.99% in value after its value was pegged at a midrate of GH¢5.8803. This pushed up its annual return to 13.16%.

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CEDI DWINDLES AS INFLATION INCHES UP

The Ghanaian Cedi posted its fifth consecutive weekly loss last Thursday amid the announcement of an increase in the general prices of goods and services in the country.

The Ghana Statistical Service (GSS) last week announced an inflation rate of 12.3% for the month of August, an increase of 0.4% above the 11.9% in the previous month, the highest rate for the year. According to the Statistical Unit, the rise in inflation rate was due to the flat VAT rate levied by the Government which affected several items, particularly, imported goods.

By the close of trading on Thursday, the Cedi's value had declined by 0.06% against its major trading currencies to close at a year-to-date loss of 10.11%.

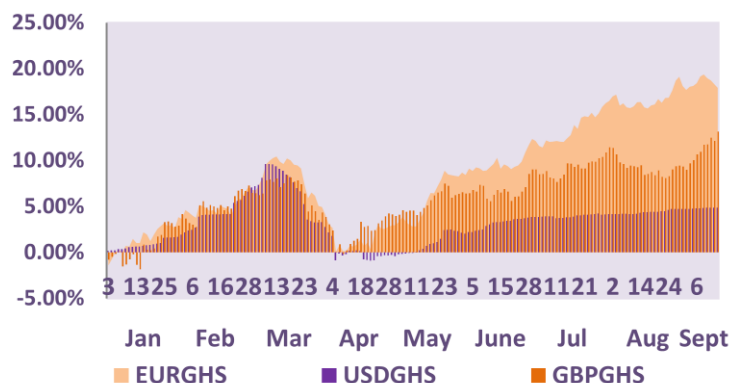


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro vs. Cedi

The Euro tailed off its value in the period under review as it lost to the Cedi on the inter-bank market.

The Pound Sterling declined by 1.04% in value to end the week's trading at a year-to-date return of 17.91% from 19.14% a week ago.

Sterling traded between GH¢5.2292 and GH¢5.2330 by the close of trading on Thursday.