

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)	49,168.43	48,984.62	-0.37%
Market Capitalization (US\$million)	10,679.73	10,751.91	0.68%
Volume traded (shares)	1,376,659.00	14,812,157.00	975.95%
Value Traded (GH¢)	2,536,094.27	11,787,713.60	364.80%
Value Traded (US\$)	550,857.81	2,587,351.26	369.69%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,878.11	0.35%	11.19%
SIC-FSL Top 15 Index	2,969.63	0.47%	13.87%
GSE Financial Stocks Index	1,784.71	0.80%	15.48%

Table 2: Key Stock Market Indices

LIQUIDITY

Multiple block trades last week saw total traded shares exceed the previous week's performance. A total of 14.81 million shares exchanged hands, and this was valued at GH¢11.79 million. Twenty-three (23) stocks were active in last week's trading sessions which comprised of twenty-two (22) equities on the GSE and one (1) on the Ghana Alternative Market (GAX).

Financial stocks maintained their lead as the sector contributed 32.96% of the total shares that traded, representing 26.21% of the net value traded.

The shares of African Champion Limited (ACI) were the most traded equity on the Bourse; accounting for 32.86% of the entire traded market volume. Guinness Ghana Breweries Limited (GGBL) recorded the highest value of GH¢4.55 million last week.

GSE MAINTAINS UPWARD MOMENTUM

The excitement on the Ghana Stock Exchange (GSE) continued last week, despite equal numerical strength of gainers and laggards. Shares of Standard Chartered Bank Limited (SCB), Unilever Ghana Limited (UNIL), GCB Bank Limited (GCB) and Ecobank Ghana Limited (EGH) were the major movers that pushed performance further up.

At the close of week, 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) improved over the previous week's returns. The GSE-CI, GSE-FSI and SIC-FSL T-15 close at yields of 11.19%, 15.48% and 13.87% respectively.

Total market capitalization dropped by 0.37% to settle at GH¢48.98 billion from the previous week's GH¢49.17 billion. This is translated in dollar equivalent of USD10.75 billion; a gain of 0.68% due to the Cedi's appreciation against the greenback during the period under review.



Fig 1: Year -to -date returns

MARKET MOVERS

Strong results boost investors interest

Release of better-than-expected financial results appears to be influencing the performance of the Asian Bank; Standard Chartered Bank Limited (SCB) on the Exchange. Investors bid-up the share price from an opening price of GH¢15.00 to GH¢15.38 per share last Thursday. Currently, the Bank is ranked fourth (4th) among the thirty-seven (37) listed equities on the Exchange with a year-to-date return of 26.27% to shareholders.

SCB's revenue jumped from the GH¢657.54 million in FY'15 to GH¢721.37 million last year, which translated into a significant net profit growth. Total profit realized was GH¢224.51 million far better than the GH¢66.15 million in FY'15. Investors seem to be demonstrating their approval of the results with some trying to consolidate their holdings in the Bank in recent times.

UNIL climbs to GH¢9.00

Investors were willing to buy the shares of Unilever Ghana Limited's (UNIL) at a premium, from GH¢8.86 to a two year-high of GH¢9.00 per share. This is attributed partly, to the conglomerate's improved bottom-line performance. UNIL is presently ranked 13th among the thirty-seven (37) listed companies on the Exchange in terms of returns to shareholders.

UNIL's net profit after tax grew from the GH¢35.71million in FY'15 to GH¢39.81million in FY'16 because of proper cost control structure. Prospects are still high, considering the company's trailing P/E ratio ratio of 14x as against the sector's ratio of 16x.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.82	2.85	0.03	1.06%
EGH	7.17	7.25	0.08	1.12%
GCB	4.90	4.96	0.06	1.22%
SCB	15.00	15.38	0.38	2.53%
UNIL	8.86	9.00	0.14	1.58%
UTB	0.04	0.05	0.01	25.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.16	0.15	-0.01	-6.25%
CAL	0.77	0.74	-0.03	-3.90%
CPC	0.03	0.02	-0.01	-33.33%
SOGE GH	0.78	0.77	-0.01	-1.28%
TOTAL	2.29	2.19	-0.10	-4.37%
TLW	21.25	21.00	-0.25	-1.18%

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 DIVIDEND PAYMENT: AGA has issued a final dividend payment of GH¢0.3634 per share to ordinary shareholders in respect of 2016 financial year and GH¢0.003634 per share dividend payment to AngloGold Ashanti Depository.

The actual final dividend payment date has been scheduled for Monday, April 10, 2017.

SIC INSURANCE COMPANY LIMITED ISSUES PRESS RELEASE: Insurance giant, SIC, has released a statement on the re-emergence in the media of its loan agreement gridlock with the investment firm, Ivory Finance Company. SIC Insurance and Ivory Finance Limited are in court over a GH¢14 million loan from the finance company, which SIC guaranteed for Ital Construction on March 26, 2013, for the construction of 4,100 affordable houses.

According to the statement, the on-going discussions by parties/solicitors to the case in the media are distortions, fabrications and exaggerations designed to tarnish the image of the company (SIC).

Management, however is fully convinced that SIC has a good case and shall prove that in court, hence has restrained from discussing the matter in the media.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 16/03/2017 (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	2.85	37.02%
Cal Bank Ltd	CAL	0.75	0.74	-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	7.25	13.28%
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	11.30	1.44%
Ghana Commercial Bank Ltd.	GCB	3.56	4.96	39.33%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.20	9.09%
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	0.68	-9.33%
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	15.38	26.27%
SIC Insurance Company Ltd.	SIC	0.12	0.15	25.00%
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	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.30	15.38%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.19	10.61%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	21.00	-21.88%
Unilever Ghana Ltd.	UNIL	8.51	9.00	5.76%
UT Bank	UTB	0.03	0.04	66.67%
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	4.5536	4.5582	8.47% ▼
GBPGHS	5.6292	5.6353	8.39% ▼
EURGHS	4.8885	4.8926	10.23% ▼

Table 6: Inter-bank indicative rates

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

Dollar records its first weekly loss to Cedi

For the first time this year, the Dollar posted its first, but significant, weekly loss against the Cedi in the period under review. This can be associated with the rising forex inflows to the country, coupled with the gradual ease in demand for Dollars.

By close of Thursday's currency activities, the greenback was trading at an average of GH¢4.5559 which was 1.04% lower than its previous value of GH¢4.6039. This translated into a drop in its annual return to 8.47% in favour of the Cedi.

The USDGHS exchange rate is expected to stabilize by the end of the first quarter.

Pound maintains upward trend

The Pound Sterling appreciated against some of its major trading currency partners on the international market following the split in votes on interest rate by policymakers in UK.

Last week, one of the nine Bank of England's policymakers, Kristen Forbes, voted for a rise in interest rates during the meeting. This bolstered the value of the Sterling as it raised the hopes of investors in the currency, thereby increasing their bet in it.

Likewise on Ghana's currency market, the British Pound maintained its upward stance against the Cedi as it rose by 0.41% after trading between GH¢5.6292 and GH¢5.6353. The Pound's annual yield therefore climbed to 8.39%.

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CEDI APPRECIATES IN VALUE

The local currency recorded a quite substantial holistic appreciation on the inter-bank market amid the marginal decline in inflation.

According to the Ghana Statistical Service (GSS), the country's inflation dropped marginally from 13.3% in January to 13.2% in February. The slight fall was due to the decline in some key components like petroleum products, transport, education and communication.

In that regard, the Cedi recorded a holistic appreciation of 0.40%, with the Dollar contributing significantly to the rise. This represented a drop in the Cedi's year-to-date loss from 9.42% to 8.98%.

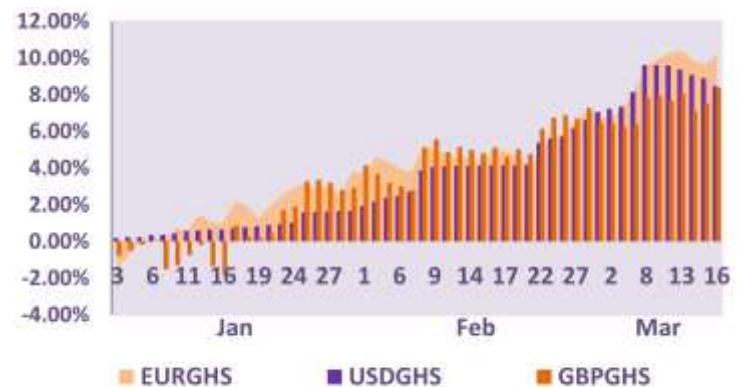


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro vs Cedi

The aftermath of the Dutch elections gave the Euro a leg-up on the global front in the period under review.

The Dutch elections which is said to have offered a relief to other Governments across Europe, saw the Liberal party which was led by Mark Rutte win the election against its rival, the Freedom Party also led by Geert Wilders.

This performance of the Euro seemed to have had an impact on the Ghanaian currency market last week. Thus, the shared currency gained 0.24% in value after it was bought at GH¢4.8885 and sold for GH¢4.8926 on Thursday.