

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)	57,971.89	58,788.16	1.41%
Market Capitalization (US\$million)	13,197.93	13,378.58	1.37%
Volume traded (shares)	5,339,916.00	1,122,098.00	-78.99%
Value Traded (GH¢)	11,165,655.27	5,779,090.58	-48.24%
Value Traded (US\$)	2,541,981.85	1,315,163.30	-48.26%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	CLOSING LEVEL	WEEK CHANGE	YTD CHANGE
GSE Composite Index	2,517.71	5.37%	49.06%
SIC-FSL Top 15 Index	4,084.86	4.06%	56.63%
GSE Financial Stocks Index	2,208.55	8.48%	42.91%

Table 2: Key Stock Market Indices

LIQUIDITY

Absence of a block trade in last week's market session left liquidity crawling behind its performance. A total of 1.12 million shares exchanged hands and this was valued at GH¢5.78 million. In all, twenty (20) out of the thirty-six (36) listed equities traded on the GSE.

Financial stocks were the most active on the market, with the sector contributing 74.42% and 83.42% of volume and value of total shares traded.

The shares of Ecobank Ghana Limited (EGH) was the most traded on the bourse, accounting for 417,713 of total shares traded representing 37.23% and 54.57% of total market volume and value traded respectively.

BLUE-CHIP STOCKS SUPPORTS MARKET'S RALLY

The excitement on the Ghana Stock Exchange (GSE) improved as blue-chip stocks raked in bigger gains last week. Shares of Standard Chartered Bank Limited (SCB), Agricultural Development Bank (ADB), Benso Oil Palm Plantation (BOPP) and GCB Bank Limited (GCB) made significant gains. Out of the ten (10) price movers, seven (7) equities were gainers with the rest dipping.

The yield on the GSE Composite Index (GSE-CI) moved up to 2,517.71 points from 2,389.34 points, resulting in a year-to-date gain of 49.06%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) closed at a year-to-date return of 42.91% and 56.63% respectively, better than the previous week's returns of 31.74% and 50.53% on-record.

Total market capitalization appreciated from the previous week's figure of GH¢57.97 billion to GH¢58.79 billion. Equivalent Dollar value also rose from the previous week's figure of USD 13.20 billion to USD 13.38 billion.

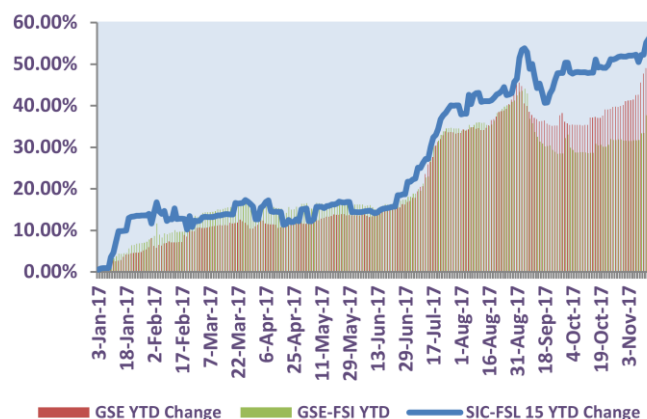


Fig 1: Year -to-date returns

MARKET MOVERS

SCB surges as demand rises

High demand pressure in Standard Chartered Bank (SCB) shares saw the price hop from GH¢20.00 to GH¢25.50 per share last week. The rise appeared to be backed by the Bank's strong third quarter performance amid stronger intrinsic value. SCB is currently ranked third (3rd) among the thirty-six (36) equities on the GSE in terms of return, with a year-to-date gain of 109.36%.

SCB reported a revenue growth from GH¢532.80 million in Q3'16 to GH¢579.94 million in Q3'17 because of strong interest income, fees & commission and net trading income. This resulted in net profit after tax growth of GH¢231.44 million in Q3'17 from the GH¢186.20 million recorded in Q3'16.

The Bank is currently trading at 56% below the sector's trailing P/E ratio of 7x, still indicating prospects of higher price discovery.

ADB hits record-high price

The share price of Agriculture Development Bank Limited (ADB) hit a record-high price of GH¢4.80 per share from a week's opening price of GH¢3.83 per share. The stock is presently ranked 12th among the thirty-six (36) listed equities on the GSE in terms of returns to investors with a year-to-date gain of 25.33%.

Analysts have attributed the rise to the growing investor confidence in equities on the Ghanaian bourse and the Bank's impressive third quarter results. The Bank's revenue grew from GH¢316.34 million in Q3'16 to GH¢365.25 million in Q3'17, representing 15% rise in nominal value terms. Net Profit After Tax (NPAT) also grew from GH¢0.96 million in Q3'16 to a staggering GH¢48.58 million in Q3'17.

In spite of strong the Bank's sterling Q3'17 results, low activity in the shares on the market seems to have an edge to drag the price down in future sessions.

STOCK TICKER	Wk Open	Wk End	Change	% change
ADB	3.83	4.80	0.97	25.33%
BOPP	6.00	6.05	0.05	0.83%
CAL	1.05	1.06	0.01	0.95%
EGH	7.54	7.55	0.01	0.13%
GCB	4.23	4.27	0.04	0.95%
SCB	20.00	25.50	5.50	27.50%
UNIL	12.64	12.66	0.02	0.16%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ACCESS	3.91	3.40	-0.51	-13.04%
MLC	0.08	0.07	-0.01	-12.50%
SOGEGH	0.75	0.74	-0.01	-1.33%

Table 4: Laggards for the week

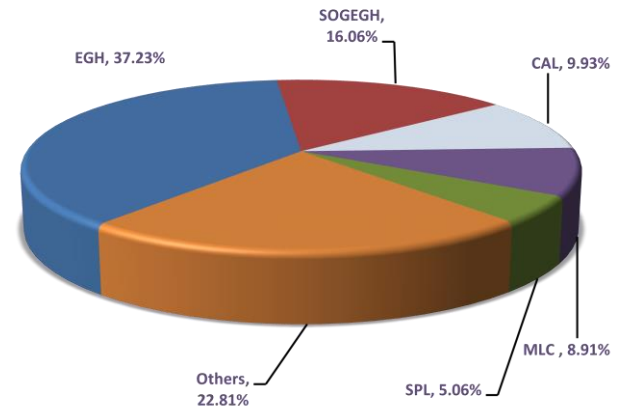


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

HORDS LIMITED (HORDS) ANNOUNCES ANNUAL GENERAL MEETING (AGM): The management of HORDS has announced to all shareholders and the general public of its pending Annual General Meeting slated for Monday, December 11, 2017.

The meeting will be held at the Coconut Grove Regency Hotel, Accra at 10:00 am.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 16/11/2017 (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	4.80	25.33%
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	6.05	190.87%
Cal Bank Ltd	CAL	0.75	1.06	41.33%
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	7.55	17.97%
Enterprise Group Limited	EGL	2.40	3.95	64.58%
Ecobank Transnational Inc.	ETI	0.10	0.17	70.00%
Fan Milk Ltd.	FML	11.14	19.28	73.07%
Ghana Commercial Bank Ltd.	GCB	3.56	4.27	19.94%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.92	17.79%
Ghana Oil Company Limited	GOIL	1.10	2.60	136.36%
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	0.07	-53.33%
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	25.50	109.36%
SIC Insurance Company Ltd.	SIC	0.12	0.10	-16.67%
Starwin Products Ltd.	SPL	0.03	0.02	-33.33%
Societe Generale Ghana Limited	SOGEGH	0.62	0.74	19.35%
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	3.50	76.77%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.28	-35.71%
Unilever Ghana Ltd.	UNIL	8.51	12.66	48.77%
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

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EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3920	4.3964	4.62% ▼
GBPGHS	5.7944	5.8019	11.58% ▼
EURGHS	5.1740	5.1784	16.67% ▼

Table 6: Inter-bank indicative rates

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

Dollar appreciates marginally

The American Dollar gained 0.04% in value against the Ghanaian Cedi after \$1.00 was bought at GH¢4.3728 and sold for GH¢4.3772 in the week under review.

Increasing demand for Dollars by importers continue to push the value of the greenback up notwithstanding the efforts by the Central Bank to curtail the fall in value of the Cedi against its major currency rival.

Consequently, the Dollar's annual return appreciated to 4.62% on Thursday from 4.58% on a week ago.

Euro rebounds strongly

The EURGHS traded at a midrate of GH¢5.1762 last week indicating a strong appreciation in the value of the shared currency against the Cedi.

With a year-to-date gain of 16.67%, the Euro gained as much as 1.31% in value before the close of trading on Thursday.

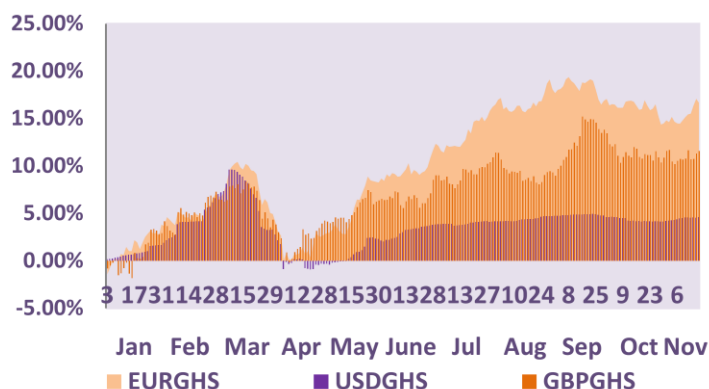
Similarly, the Euro bolstered in value against a basket of currencies on the global front, after the release of an impressive German GDP data which signaled a step up in the nation's economy. Germany's economy grew by 0.2% from to 0.8% in the third quarter, beating expectations.

The local currency posted a composite loss of 0.54% on the inter-bank market amid the release of Government's 2018 Budget Statement and Economic Policy.

The 2018 budget statement which was presented by the Finance Minister, Mr. Ken Ofori-Atta to Parliament pointed out some highlights on macroeconomic targets for 2018. This included an overall GDP growth rate of 6.8%, an end of year inflation of 8.9%, a fiscal deficit of 4.5% of GDP, primary balance (surplus) of 1.6% of GDP among others.

Although macroeconomic performance for 2017 as stated in the budget highlights showed quite impressive performance it was not enough to save the Cedi from declining against its major trading partners.

The year-to-date loss of the Cedi as a result dwindled further to 9.34% on Thursday.



Pound vs. Cedi

Although UK's political uncertainty continued in the period under review, a rise in the nation's retail sales managed to give the Pound some support on the international market.

According to the data issued by the Office for National Statistics (ONS), UK's retail sales for the month of October rose by 0.3% from the previous month, cushioning the pressure on the Pound Sterling.

On Ghana's currency market also, the Pound rose by 0.71% in value to settle at an annual return of 11.58%. The Pound was pegged at a midrate of GH¢5.7982 on Thursday.

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