

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

17th August, 2017



Address: No. 67A & B Switchback Road,
 Email: research@sic-fsl.com
 Website: www.sic-fsl.com
 Phone: +233-302-767-051
 +233-302-767-123

STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	57,543.70	57,324.93	-0.38%
Market Capitalization (US\$million)	13,149.54	13,070.58	-0.60%
Volume traded (shares)	3,095,748.00	3,906,266.00	26.18%
Value Traded (GH¢)	4,285,336.43	4,531,245.20	5.74%
Value Traded (US\$)	979,259.26	1,033,162.75	5.50%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,274.41	-0.14%	34.65%
SIC-FSL Top 15 Index	3,684.41	-1.27%	41.28%
GSE Financial Stocks Index	2,093.69	-0.37%	35.48%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of 3.91 million shares exchanged hands and this was valued at GH¢ 4.53 million representing an appreciation of 26.18% and 5.74% in both volume and value of shares traded. In all, twenty-four (24) equities traded on the GSE, one (1) equity on the Ghana Alternative Market (GAX) and one (1) preference share.

Financial stocks were the preferred choice for most investors, as the sector contributed 90.56% and 86.31% of both volume and value of shares that traded in the past week.

Cal bank Limited (CAL) was the most traded equity on the Exchange in the period under review in terms of volume and value of shares traded. The stock accounted for 2.85 million of traded shares which represented 72.92% of total market volume valued at GH¢2.59 million, being 57.20% of net value traded.

PANIC STRICKEN INVESTORS DRIVE PERFORMANCE DOWN

Apprehension on the Ghana Stock Exchange (GSE) following the suspension of UT Bank from trading on the exchange saw key market indices flop in last week's activities. Fear stricken investors appeared to have rushed in reducing their exposure on the equity market. In all, thirteen (13) equities witnessed price movement, seven (7) as gainers and the rest as laggards. Shares of Starwin Product Limited (SPL), Access Bank Ghana PLC (ACCESS), SIC Insurance Company Limited (SIC) and Ecobank Transnational Incorporated (ETI) were the most affected.

The 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) dropped from their previous week annual yields of 34.85%, 35.98% and 43.09% to settle at 34.65%, 35.48% and 41.28% respectively.

Total market capitalization dropped from the previous week's figure of GH¢57.54 billion to GH¢57.32 billion last Thursday. Also, an equivalent Dollar value dropped from the previous week's figure of USD 13.15 billion to USD 13.07 billion.



Fig 1: Year -to-date returns

MARKET MOVERS

SIC slips to 10-pesewas despite...

The nation's biggest insurer; SIC Insurance Company Limited (SIC) returned to GH¢0.10 per share last week after investors bid-down the share price by 2-pesewas regardless of improved half-year results. Presently, SIC is ranked 33rd among the thirty-seven listed equities on the GSE with a year-to-date loss of 16.67%.

SIC posted a revenue growth from 94.88 million in half-year 2016 (HY'16) to GH¢96.08 million in half-year 2017 (HY'17) results. This translated into a growth in net profit after tax from GH¢2.76 million in HY'16 to GH¢4.69 million in HY'17. That nonetheless could not convince prospecting buyers, as they tipped-down the price from GH¢0.12 a share.

ACCESS reverses to year-low price

The share price of Access Bank Ghana PLC (ACCESS) returned to this year's low price of GH¢3.50 from an opening price of GH¢4.00 per share last week. Analysts have attributed the decline to the fear that characterized the news of UT Bank's suspension on the Exchange last week. The stock is currently ranked 32nd among thirty-seven (37) listed equities on the Ghana Stock Exchange in terms of returns to investors with a year-to-date loss of 14.63%.

The Bank's revenue grew from GH¢236.40 million in HY'16 to GH¢218.33 million in HY'17, representing 8% rise in nominal value. Net Profit After Tax (NPAT) also grew from GH¢26.41 million in HY'16 to GH¢28.18 million in HY'17.

CORPORATE NEWS

HFC BANK (GHANA) LIMITED (HFC) APPOINTS ACTING MANAGING DIRECTOR: HFC has appointed Mr. Anthony Jordan, the General Manager, Risk Management of the Bank as the Acting Managing Director of the Bank effective August 22, 2017.

The appointment has become necessary because of early retirement of the Managing Director, Mr. Robert Le Hunte on August 21, 2017.

GCB BANK LIMITED (GCB) ANNOUNCES ASSUMPTION OF ASSETS AND LIABILITY OF UT BANK AND CAPITAL BANK: The management of GCB has announced the assumption of selected assets and liabilities of UT Bank and Capital Bank and will henceforth be carrying on all the banking activities of these two Banks.

This follows the revocation of the license of these two Banks by the Central Bank.

GHANA STOCK EXCHANGE (GSE) SUSPENDS UT BANK LIMITED (UTB) LISTING STATUS: The GSE has announced the suspension of UT Bank's listing status indefinitely with effect from Monday, August 14, 2017.

According to the managers of the Exchange, the Bank has breached its continuing listing obligations under the GSE Listing Rules. The suspension has also been necessitated by the revocation of the Bank's license by Bank of Ghana.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.16	0.17	0.01	6.25%
BOPP	5.08	5.25	0.17	3.35%
CAL	0.90	0.91	0.01	1.11%
EGL	2.97	3.04	0.07	2.36%
FML	16.10	16.26	0.16	0.99%
HFC	0.73	0.85	0.12	16.44%
SCB	26.25	26.39	0.14	0.53%
IIL	0.08	0.09	0.01	12.50%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ACCESS	4.00	3.50	-0.50	-12.50%
ETI	0.15	0.14	-0.01	-6.67%
GOIL	2.32	2.30	-0.02	-0.86%
MLC	0.10	0.09	-0.01	-10.00%
SIC	0.12	0.10	-0.02	-16.67%
SPL	0.04	0.03	-0.01	-25.00%

Table 4: Laggards for the week

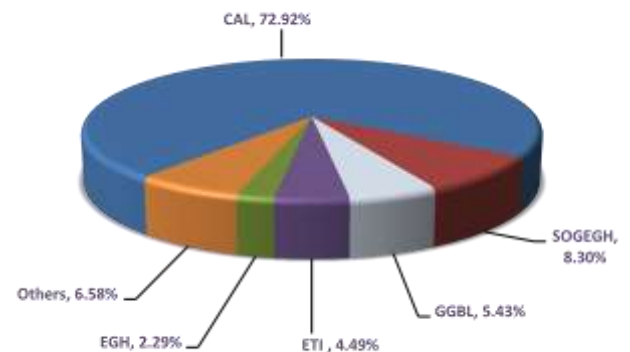


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 17/08/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.50	-14.63%
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	0.17	21.43%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	5.25	152.40%
Cal Bank Ltd	CAL	0.75	0.91	21.33%
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	7.00	9.38%
Enterprise Group Limited	EGL	2.40	3.04	26.67%
Ecobank Transnational Inc.	ETI	0.10	0.14	40.00%
Fan Milk Ltd.	FML	11.14	16.26	45.96%
Ghana Commercial Bank Ltd.	GCB	3.56	5.14	44.38%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.45	-11.04%
Ghana Oil Company Limited	GOIL	1.10	2.30	109.09%
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	0.85	13.33%
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	26.39	116.67%
SIC Insurance Company Ltd.	SIC	0.12	0.10	-16.67%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.75	20.97%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.25	-3.85%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.22	12.12%
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	9.05	6.35%
UT Bank	UTB	0.03	0.06	100.00%
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	4.3836	4.3880	4.42% ▼
GBPGHS	5.6474	5.6544	8.75% ▼
EURGHS	5.1443	5.1492	16.00% ▼

Table 6: Inter-bank indicative rates

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

Dollar gains most

Activity on the wholesale market saw the Cedi lose 0.22% of its value to the Dollar over the period with a year-to-date depreciation of 4.42% as market participants continue to support the value of the Dollar with their day-to-day activities.

By the close of trading on Thursday, a Dollar was bought at GH¢4.3836 and sold for GH¢4.3880 on the inter-bank market.

However, the USDGHS pair is expected to maintain a steady range in the coming weeks.

Euro vs. Cedi

The EURGHS exchange rate trading on Ghana's inter-bank market saw the shared currency appreciate by 0.09% to settle at an annual return of 16.00%. i.e €1.00 was pegged at a midrate of GH¢5.1468 from GH¢5.1420 a fortnight ago.

On the global front, the Euro lost to some of its major trading counterparts after the European Central Bank (ECB) had expressed concerns over the strengthening Euro. The ECB indicated that a stronger Euro could make export unattractive to market participants or buyers outside the Euro region since the region depend on exports and this may also slow the Eurozone's recovery.

The comment saw the Euro shed-off some of the gains it had recorded earlier.

Alice Osei Okrah (Head)
Email: aokrah@sic-fsl.com

Isaac Kwasi Mensah (Analyst)
Email: ikmensah@sic-fsl.com

Georgina Arhin (Analyst)
Email: garhin@sic-fsl.com

CEDI DECLINES marginally

The Ghanaian Cedi recorded a marginal decline in value by close of trading on Thursday amid the absence of key data to support the currency.

Among the Cedi's major trading partners, it was the Dollar that posted the highest gain to curtail the Cedi's worth, while gains chalked by the Cedi against the Pound did little to push the Cedi above its trading partners.

Correspondingly, the Cedi which commenced the year with a year-to-date gain of 0.48% had since dropped in value against its major trading partners as it stood at a year-to-date loss of 8.56% after losing 0.04% of its value on the inter-bank market.

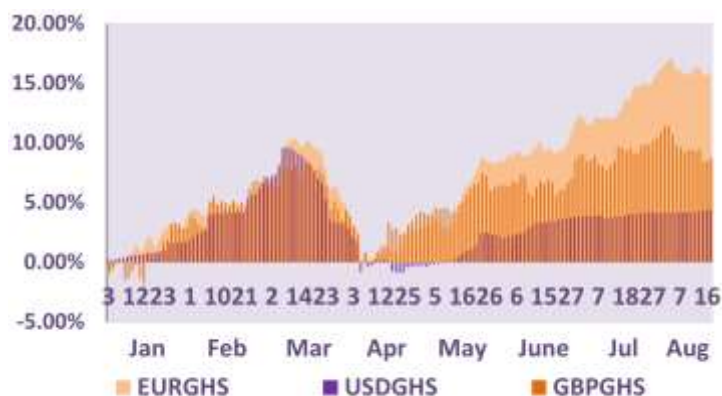


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound loses to Cedi on Ghana's currency market

In the period under review, the British Pound experienced some appreciation on the international market following the report of a decline in unemployment in UK.

The official figures from the UK showed that the jobless rate dropped by 57,000 to 4.4% in the second quarter of this year, marking the lowest decline since 1975. Average earnings also rose by 0.3% to 2.1%, supporting the value of the Pound.

However, the value of the Pound decreased on Ghana's inter-bank, after trading between GH¢5.6474 and GH¢5.6544, last week. This represented a loss of 0.58% in the Pound's value, leading to a lower annual yield of 8.75% from 9.38% a week earlier.