

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) | 60,122.14 | 61,158.99 | 1.72% |
| Market Capitalization (US\$million) | 13,794.23 | 13,994.23 | 1.45% |
| Volume traded (shares) | 1,380,362.00 | 2,236,022.00 | 61.99% |
| Value Traded (GH¢) | 7,503,011.24 | 3,551,480.49 | -52.67% |
| Value Traded (US\$) | 1,721,466.39 | 812,639.98 | -52.79% |

Table 1: Market Summary

INDEX ANALYSIS

| INDICATORS | Closing Level | Week Change | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index | 2,201.63 | 8.06% | 30.34% |
| SIC-FSL Top 15 Index | 3,566.31 | 7.53% | 36.75% |
| GSE Financial Stocks Index | 2,054.59 | 8.18% | 32.95% |

Table 2: Key Stock Market Indices

LIQUIDITY

Total shares traded improved by 61.99% to settle at 2.24 million shares backed by strong market performance. However, corresponding value traded slipped from the GH¢7.50 million to GH¢3.55 million last week because of increased activity in lower priced equities. In all, twenty-three (23) equities traded on the GSE, one (1) equity on the Ghana Alternative Market (GAX) and one (1) preference share.

The financial sector was in the lead as the biggest beneficiary of the week's activities, after contributing 78.22% and 70.66% of both volume and value of shares traded.

Cal Bank Limited (CAL) was the most traded stock last week, accounting for 20.76% of the total market volume, whereas Ecobank Ghana Limited (EGH) emerged as the most valuable stock with a total value of GH¢859,861.09, representing 24.21% of market value.

GSE RALLIES FURTHER AS APPETITE IMPROVES

The momentum on Ghana Stock Exchange (GSE) was very positive, as robust appetite in listed companies pushed performance further up last week. Shares of Standard Chartered Bank Limited (SCB), Fan Milk Limited (FML), Benso Oil Palm Plantation Limited (BOPP) and HFC Bank (Ghana) Limited (HFC) were behind last week's upward trajectory.

The yield on the GSE Composite Index (GSE CI), an index that tracks the performance of the broader market; jumped from a year-to-date gain of 20.62% to 30.34% last Thursday. Likewise, the yield on the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) improved from 22.90% and 27.17% each to settle at 32.95% and 36.75% respectively.

The value of listed companies on the GSE rose from the previous week's figure of GH¢60.12 billion to GH¢61.16 billion last Thursday. An equivalent dollar value also appreciated to USD 13.99 billion from USD 13.79 billion.



Fig 1: Year -to -date returns

MARKET MOVERS

SCB remains on upward flight

The rise in the share price of Standard Chartered Bank was on course last week, as investors rushed to consolidate their holding position in the company. Investors bid up the share price from a week open of GH¢19.09 to GH¢25.11 per share. SCB is currently ranked third (3rd) among the thirty-seven (37) equities on the GSE in terms of returns, with a year-to-date gains of 106.16%.

Investor confidence in the company has improved significantly, and this can be partly attributed to the strong first quarter 2017 results. SCB's revenue grew from the GH¢171.94 million in Q1'16 to settle at GH¢188.75 million in Q1'17, representing 10% growth in revenue. The company's net profit after tax also improved from the GH¢70.91 million in Q1'16 to GH¢83.64 million in Q1'17.

Currently, SCB is trading at 6% below its trailing P/E ratio of 12x as compared to the sector's average of 13x. Investors appeared strengthened by the seeming prospects in the company despite the huge price jump this year.

FML hits GH¢14.40

The shares of Fan Milk Limited hit a new year-high of GH¢14.40 from an opening price of GH¢12.25 a share. FML currently ranks 8th on the GSE among the thirty-seven (37) listed equities in terms of returns to investors with a year-to-date gain of 29.26%.

At the current price above, the stock is still trading above its trailing P/E ratio of 25x as against the sectors average of 18x. Even so, the demand for FML's share is still high on the GSE, possibly because of the past price performance.

BOPP leads gainers list on GSE

The shares of Benso Oil Palm Plantation Limited (BOPP) top the list of gainers on the Accra Bourse this year following a 10.84% rise in nominal value last week. The stock ended trading at GH¢5.01 from week-open price of GH¢4.52 per share. BOPP is currently the best performing stock on the GSE in terms of returns to investors with a year-to-date gain of 140.87%.

At present, the stock is trading above the 123-day trading average price of GH¢2.96 and the 123-Day Volume Weighted Average Price (VWAP₁₂₃) of GH¢3.10 a share. Nonetheless, investors' confidence remains high as they continue to bid up the share price.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| BOPP | 4.52 | 5.01 | 0.49 | 10.84% |
| CAL | 0.85 | 0.90 | 0.05 | 5.88% |
| EGL | 2.41 | 2.43 | 0.02 | 0.83% |
| FML | 12.25 | 14.40 | 2.15 | 17.55% |
| GOIL | 2.03 | 2.15 | 0.12 | 5.91% |
| HFC | 0.70 | 0.73 | 0.03 | 4.29% |
| SCB | 19.09 | 25.11 | 6.02 | 31.53% |
| SPL | 0.03 | 0.04 | 0.01 | 33.33% |
| UNIL | 9.00 | 9.01 | 0.01 | 0.11% |
| SCB PREF | 0.85 | 0.90 | 0.05 | 5.88% |
| IIL | 0.08 | 0.09 | 0.01 | 12.50% |

Table 4: Gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| GSR | 1.95 | 1.90 | -0.05 | -2.56% |
| PBC | 0.05 | 0.04 | -0.01 | -20.00% |

Table 4: Laggards for the week

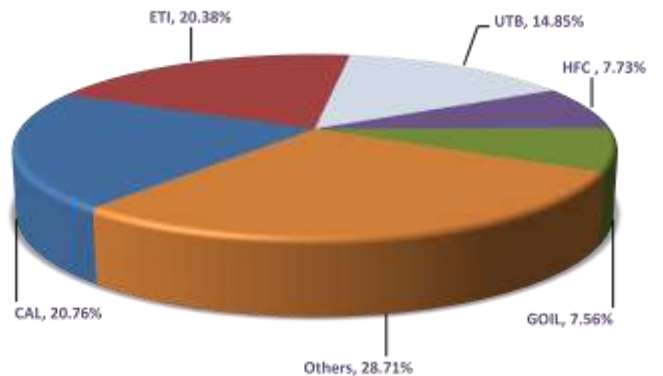


Fig 2: Top 5 most liquid equities with respect to volume traded

| Stock | Ticker | Year Opening Price(GH¢) | Closing Price @ 20/07/2017 (GH¢) | YTD Gain/Loss (%) |
|---|----------|-------------------------|----------------------------------|-------------------|
| Access Bank Ghana PLC | ACCESS | 4.10 | 3.98 | -2.93% |
| 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 | 5.01 | 140.87% |
| Cal Bank Ltd | CAL | 0.75 | 0.90 | 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 | 6.40 | 7.00 | 9.38% |
| Enterprise Group Limited | EGL | 2.40 | 2.43 | 1.25% |
| Ecobank Transnational Inc. | ETI | 0.10 | 0.14 | 40.00% |
| Fan Milk Ltd. | FML | 11.14 | 14.40 | 29.26% |
| Ghana Commercial Bank Ltd. | GCB | 3.56 | 5.20 | 46.07% |
| Guinness Ghana Breweries Ltd. | GGBL | 1.63 | 1.45 | -11.04% |
| Ghana Oil Company Limited | GOIL | 1.10 | 2.15 | 95.45% |
| 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 | 0.73 | -2.67% |
| Mega Africa Capital Ltd | MAC | 6.00 | 6.00 | 0.00% |
| Mechanical Lloyd Co. Ltd. | MLC | 0.15 | 0.10 | -33.33% |
| Pioneer Kitchenware Ltd. | PKL | 0.05 | 0.05 | 0.00% |
| Produce Buying Company Ltd. | PBC | 0.06 | 0.04 | -33.33% |
| PZ Cussons Ghana Ltd. | PZ | 0.22 | 0.20 | -9.09% |
| Standard Chartered Bank (GH) Ltd.* | SCB | 12.18 | 25.11 | 106.16% |
| SIC Insurance Company Ltd. | SIC | 0.12 | 0.12 | 0.00% |
| Starwin Products Ltd. | SPL | 0.03 | 0.04 | 33.33% |
| 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 | 0.25 | -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 | 20.94 | -22.10% |
| Unilever Ghana Ltd. | UNIL | 8.51 | 9.01 | 5.88% |
| UT Bank | UTB | 0.03 | 0.07 | 133.33% |
| AngloGold Ashanti Depository Shares | AADS | 0.52 | 0.48 | -7.69% |
| Standard Chartered Bank Preference shares | SCB PREF | 0.75 | 0.90 | 20.00% |
| 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 | 4.3682 | 4.3724 | 4.05% ▼ |
| GBPGHS | 5.6664 | 5.6745 | 9.12% ▼ |
| EURGHS | 5.0856 | 5.0897 | 14.67% ▼ |

Table 6: Inter-bank indicative rates

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

Dollar retrieves gains

The American Dollar rebounded in value against the Cedi after appreciating by 0.27% on Ghana's inter-bank market.

One Dollar was trading at a mid-rate of GH¢4.3703 on Thursday, compared to a midrate of GH¢4.3585 a week earlier. This represented a year-to-date gain of 4.05%, indicating the gradual decline in confidence in the local currency.

On the other hand, expected inflows from the forthcoming bond sales are expected to support the value of the Cedi on the currency market.

Euro gains significantly as it touches GH¢5.00

The shared currency fortified itself against a basket of major currencies on the global front last Thursday, after German's Producer Prices rose more than expected, the monthly index appreciated from a negative rate by 0.2% to 0.0% although the yearly index fell 0.1% less than expected.

Trading activities on Ghana's inter-bank market was no different as the shared currency appreciated by as much as 2.36% against the Cedi, pushing up its annual yield to 14.67%.

During the period under review, the Euro broke into the GH¢5.00 terrain, thereby ending trading between GH¢5.0856 and GH¢5.0897.

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CEDI'S VALUE TAILS OFF

Trading on the inter-bank market did not favour the local currency as it ended Thursday's trading with a year-to-date loss of 8.04% from 7.02% the week earlier.

The Cedi which managed to recoup some of its gains in the previous week failed to do same in the week under review amid comment by the President of Ghana during his meeting with the press as he touched on the issue of the IMF bailout.

According to His Excellency, Nana Addo Dankwa Akufo-Addo Ghana will complete the IMF programme in the last budget statement in 2018. He added that the Government was determined to reduce its over-reliance on external donors to support the country's budget.

At the end of trading on Thursday, the Cedi had declined by 0.96% on the inter-bank market.

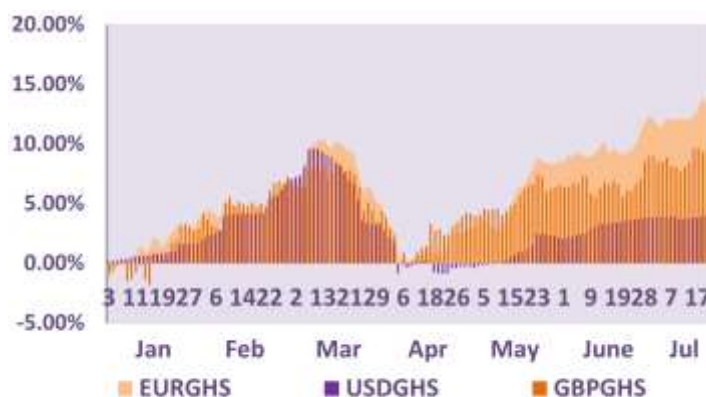


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound versus Cedi

Data on UK's retail sales lent some support to the Pound on the international market.

According to the data released, the monthly index rose from a negative rate by 1.8% to a positive 0.6% and the annualized index also climbed by 2% to 2.9%, boosting the value of the Pound.

On Ghana's local market, the Pound gained 0.61% in value after being pegged at a midrate of GH¢5.6705, increasing its annual return to 9.12% in the period under review.