

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

20<sup>th</sup> October, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	52,780.97	52,542.24	-0.45%
Market Capitalization (US\$'million)	13,299.81	13,254.52	-0.34%
Volume traded (shares)	348,651.00	1,445,517.00	314.60%
Value Traded (GH¢)	454,858.25	371,669.73	-18.29%
Value Traded (US\$)	114,615.73	93,758.92	-18.20%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,755.90	-0.83%	-11.98%
SIC-FSL Top 15 Index	2,887.49	-2.09%	-22.18%
GSE Financial Stocks Index	1,663.85	-0.83%	-13.79%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in twenty-two (22) equities saw a total of 1.45 million shares exchanging hands and this was valued at GH¢371,669.73. The figure represented an appreciation of 314.60% over the previous week performance and a depreciation of 18.29% in the value of shares that traded fortnight ago.

Financial stocks were most investors preferred choice, as the sector contributed 88.76% and 82.27% of both volume and value of shares that traded within the past week.

UT Bank Limited (UTB) recorded the highest activity in the past week, recording 962,500 of the total traded shares, representing 66.59% of the market volume. Cal Bank Limited (CAL) recorded the biggest value of GH¢214,646.44 which represented 57.75% of the total traded value.

## ACCRA BOURSE SWINGS BACK

Increased bearish sentiment saw major performance indicators on the Ghana Stock Exchange (GSE) swung back last week, following a drop in the shares of blue-chip stocks. Key among these stocks include the shares of Standard Chartered Bank Limited (SCB), Total Petroleum Ghana Limited (TOTAL), Guinness Ghana Breweries Limited (GGBL) and GCB Bank Limited (GCB).

In the end, the yield on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) slipped from their previous week losses of 11.25%, 13.08% and 20.52% each to settle at 11.98%, 13.79% and 22.18% respectively.

Total market capitalization of the GSE also dropped from the previous week's figure of GH¢52.78 billion to GH¢52.54 billion, whilst an equivalent dollar value also dipped from the previous week's USD 13.30 billion to USD13.25 billion last Thursday.

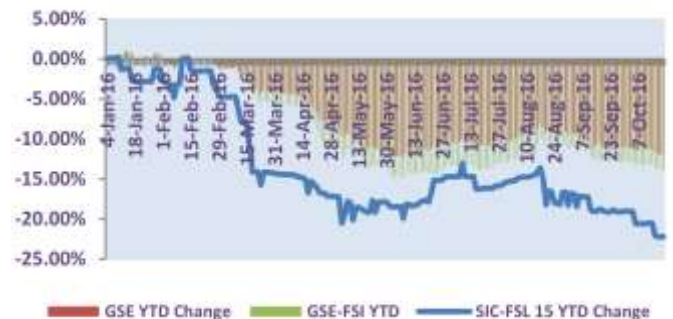


Fig 1: Year -to -date returns

## MARKET MOVERS

### SCB slips on poor investor confidence

The volatility in the share price of Standard Chartered Bank (SCB) appeared not to be over yet, following last week's 19-pesewa unexpected decline in value. The drop appeared to have been caused by the declining investor confidence not necessarily in the Bank per se but the market at large. SCB closed last Thursday activities at GH¢14.00 from the week's open price of GH¢14.19 per share.

In spite of the aforementioned, analysts still believe in the prospects of the Asian Bank following the improved performance in the results and past performance on the GSE. SCB reported a revenue growth from GH¢301.51 million in HY'15 to GH¢344.65 million in HY'16. In effect, Net Profit After Tax (NPAT) improved significantly from the previous figure of GH¢72.97 million in HY'15 to GH¢149.58 million in HY'16.

### TOTAL slips deep

The shares of Total Petroleum Ghana Limited (TOTAL) slipped further, as investors bid-down the share price by 9-pesewa last week. TOTAL is currently the worst performing stock on the Ghana Stock Exchange in terms of returns to investors with a year-to-date loss of 56.86%, followed by Ecobank Transnational Incorporated (ETI) with a current annual loss of 51.85% last Thursday.

The company's revenue dropped from GH¢923.19 million in HY'15 to GH¢854.14 million in HY'16, which represented a decline of 7% from the previous year's figure. This saw the bottom-line (NPAT) dropped from the GH¢27.69 million in HY'15 to GH¢20.75 million in HY'16.

Shareholders ignored the 0.01% dividend paid on their investments for the past year, hence the increase downward volatility in TOTAL shares during recent market activities.

## CORPORATE NEWS

**ACCESS BANK GHANA LIMITED (ABG) LAUNCHES INITIAL PUBLIC OFFER (IPO):** Management of Access Bank Ghana Limited started the planned Initial Public Offer (IPO) to raise GHS104 million (US\$26 million) to finance the Bank's branch expansion strategy and enhance their IT infrastructure for better service to a growing number of technologically savvy consumers.

The offer period is from October 19, to November 11, 2016 and if successful will be listed on the GSE on November 30<sup>th</sup> 2016. The minimum amount for the offer to be successful is GH¢ 21 million.

**SOCIETE GENERALE GHANA LIMITED (SOGEGH) LIST ADDITIONAL SHARES:** Following the success of SOGEGH's right issue offer, the Bank's ordinary shares has increased to 429,060,180. This is because of the listing of additional 61,778,911 ordinary shares.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.80	0.84	0.04	5.00%
EGH	6.81	6.82	0.01	0.15%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.14	0.13	-0.01	-7.14%
GCB	3.95	3.90	-0.05	-1.27%
GGBL	1.75	1.69	-0.06	-3.43%
SCB	14.19	14.00	-0.19	-1.34%
SOGEGH	0.73	0.72	-0.01	-1.37%
TOTAL	2.29	2.20	-0.09	-3.93%

Table 4: Laggards for the week

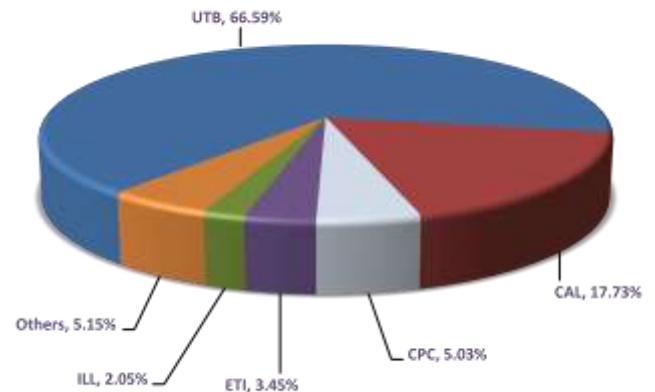


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 20/10/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.40	-4.00%
Cal Bank Ltd	CAL	1.00	0.84	-16.00%
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	7.01	6.82	-2.71%
Enterprise Group Limited	EGL	2.40	2.38	-0.83%
Ecobank Transnational Inc.	ETI	0.27	0.13	-51.85%
Fan Milk Ltd.	FML	7.35	9.80	33.33%
Ghana Commercial Bank Ltd.	GCB	3.79	3.90	2.90%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.69	-15.08%
Ghana Oil Company Limited	GOIL	1.40	1.22	-12.86%
Golden Star Resources Ltd.	GSR	1.99	1.95	-2.01%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.80	-11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.16	-15.79%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.06	-40.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.23	-32.35%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.00	-14.11%
SIC Insurance Company Ltd.	SIC	0.14	0.15	7.14%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.72	-10.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.26	-29.73%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.20	-56.86%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	26.90	-3.93%
Unilever Ghana Ltd.	UNIL	8.50	8.47	-0.35%
UT Bank	UTB	0.10	0.05	-50.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.75	5.63%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.72	-1.37%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.10	25.00%
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	3.9621	3.9661	4.46% ▼
GBPGHS	4.8496	4.8565	13.59% ▲
EURGHS	4.3281	4.3319	4.49% ▼

Table 6: Inter-bank indicative rates

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

### Dollar nosedives again

The greenback suffered another loss in value last week as Ghana benefits from its gold production in the first half of the year.

According to reports released by the Chamber of Mines, proceeds from Ghana's gold production for the first six months of this year rose to US\$2.43 billion from the US\$1.75 billion recorded in the same period last year.

Gold production during that period was 1,993,850 ounces, which represents an increase of 38.6% from the production figure of 1,438,656 ounces a year ago.

This was enough to keep the Cedi ahead of the Dollar last week by 0.11%. The Dollar was bought at GH¢3.9621 and sold for GH¢3.9661, this brought the Dollar's annual yield to 4.46%.

### Comments from ECB boss sends Euro down

Comments made by the European Central Bank (ECB) President, Mario Draghi, saw the Euro nosedive against a basket of currencies on the global front.

President Draghi echoed that an extension to the Quantitative Easing (QE) program would be implemented should the Eurozone not meet the banks targets and debunked rumors that the ECB was considering a tapering of the current QE program. This saw investors damp the Euro for safer haven currencies.

Similarly, the Euro suffered same fate on Ghana's local market as it lost as much as 1.17% to settle at a lower annual return of 4.79% on Thursday.

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## CEDI APPRECIATES ON THE INTER-BANK MARKET

The local currency recorded another gain last week, marking its third consecutive weekly win on the inter-bank market.

The Cedi continued to benefit from rising investors' confidence subsequent to the successful outcome of the cocoa syndicated loan and the local dollar bond issue notwithstanding the news of the rise in Ghana's budget deficit.

Ghana's budget deficit missed a target from January to July as the Government raised less revenue than forecast and exceeded spending plans. Thus the country posted an overall budget shortfall of 3.5% of GDP in the first seven months of this year while the target was 3%, according to the Ministry of Finance.

Nonetheless, the Ghanaian Cedi posted a holistic win of 0.38% against its major trading partners despite losing to the British Pound. This saw the year-to-date loss of the Cedi decline from 1.55% to 1.16% last Thursday.



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

### Pound bounces back

The British Pound retreated from its weeks of losses against the Cedi as it appreciated by 0.22% by close of trading on Thursday.

On the international market, a report on an improvement in UK employment and earnings data gave the Pound a leg up although it did not last long as other economic issues put pressure on the currency.

Consequently on Ghana's inter-bank market, the Pound trimmed down its year-to-date loss from 13.78% to 13.59% as its value was pegged at a midrate of GH¢4.853 for every one Pound.

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