

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

22nd June, 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)	58,829.49	58,908.79	0.13%
Market Capitalization (US\$million)	13,556.74	13,532.30	-0.18%
Volume traded (shares)	2,407,323.00	2,499,559.00	3.83%
Value Traded (GH¢)	7,524,838.98	4,576,227.19	-39.19%
Value Traded (US\$)	1,734,033.64	1,051,232.93	-39.38%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,941.43	0.66%	14.94%
SIC-FSL Top 15 Index	3,018.75	0.51%	15.75%
GSE Financial Stocks Index	1,801.91	0.57%	15.94%

Table 2: Key Stock Market Indices

LIQUIDITY

At the close of trading last week, a total of 2.50 million shares traded representing an appreciation of 3.83% over the previous week's figure. However, corresponding value traded also dipped from GH¢7.52 million to GH¢4.58 million due to activities in comparatively lower-priced equities. In all, twenty-two (22) equities were active in last week's trading, involving twenty (20) listed companies on the GSE, one (1) equity on the Ghana Alternative Market (GAX) and one (1) depository shares.

Market activities were dominated by the financial stocks, as the sector contributed 66.48% and 60.85% of both volume and value of shares traded.

Total Petroleum Ghana Limited (TOTAL) was the most traded equity on the Exchange in the period under review in both numbers and value of shares that traded. The stock accounted for 696,693 of the total traded shares which represented 27.87% of market volume. The shares traded was valued at GH¢1.55 million, representing 33.80% of net value traded.

ACCRA BOURSE SUSTAINS UPWARD TREND

Strong investor appetite on the Ghana Stock Exchange (GSE) saw bargain ended on the side of bulls last week. Shares of UT Bank Limited (UTB), Unilever Ghana Limited (UNIL), Benso Oil Palm Plantation Limited (BOPP) and Standard Chartered Bank Limited (SCB) were the main upside drivers.

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) improved from their previous week annual yields of 14.18%, 15.94% and 15.17% to settle at 14.94%, 16.60% and 15.75% respectively.

Total market capitalization was up from GH¢58.83 billion to GH¢58.91 billion. Nonetheless, an equivalent dollar value dropped from the previous week's figure of USD 13.56 billion to USD 13.53 billion due to depreciation of the Cedi against the dollar last week.



Fig 1: Year -to -date returns

MARKET MOVERS

UTB leads gainers

The shares of UT Bank Limited (UTB) saw an upward surge last week after investors saw some prospects in Bank. UTB led the pack of gainers in nominal terms on the Exchange last week after wandering in the wilderness for lack of sustained price appreciation in the past twelve months. The company's share price moved up to GH¢0.07 from GH¢0.06 per share, representing 16.67% rise in nominal value. UTB is currently the best performing stock on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 133.33%, followed by BOPP with a year-to-date gain of 107.21%.

At the current price of GH¢0.07 per share, investors appeared to be relying on the Bank's past performance on the Exchange to consolidate holdings in the Bank, especially at the current rising momentum of the GSE.

UNIL returns to GH¢9.00 despite...

The shares of Unilever Ghana Limited's (UNIL) bounced-back to GH¢9.00 from GH¢8.90 a share last week despite lower-than-expected first quarter results (Q1'17). UNIL is presently ranked 12th on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 5.76%.

UNIL's revenue grew from GH¢127.14 million in Q1'16 to GH¢138.28 million in Q1'17. However, net profit after tax (NPAT) dropped significantly from GH¢14.03 million in Q1'16 to GH¢6.44 million in Q1'17 because of increases in cost of raw materials as well as depreciation in the Cedi.

BOPP rallies to 2-year high

The shares of Benso Oil Palm Plantation Limited (BOPP) bounced-back to a two-year high of GH¢4.31 per share because of increased demand. The stock closed trading at GH¢4.31 from GH¢4.20 per share the previous week. BOPP is currently the second best performing stock on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 107.21%.

At present, the stock is trading above the 91-day trading average price of GH¢2.39 and the 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢2.73 a share.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	4.20	4.31	0.11	2.62%
CAL	0.82	0.83	0.01	1.22%
FML	11.65	11.75	0.10	0.86%
GOIL	1.77	1.80	0.03	1.69%
SCB	16.56	16.78	0.22	1.33%
UNIL	8.90	9.00	0.10	1.12%
UTB	0.06	0.07	0.01	16.67%
SCB PREF	0.75	0.76	0.01	1.33%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGH	7.01	7.00	-0.01	-0.14%
SIC	0.13	0.11	-0.02	-15.38%
SOGE GH	0.77	0.76	-0.01	-1.30%
IIL	0.09	0.08	-0.01	-11.11%

Table 4: Laggards for the week

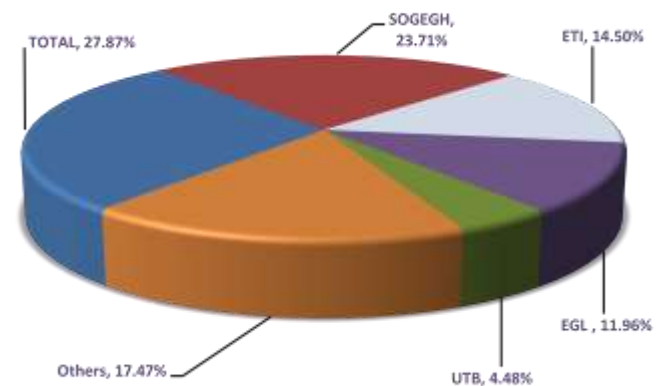


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 22/06/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.00	-2.44%
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	4.31	107.21%
Cal Bank Ltd	CAL	0.75	0.83	10.67%
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	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.10	0.11	10.00%
Fan Milk Ltd.	FML	11.14	11.75	5.48%
Ghana Commercial Bank Ltd.	GCB	3.56	5.20	46.07%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.49	-8.59%
Ghana Oil Company Limited	GOIL	1.10	1.80	63.64%
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	0.50	-33.33%
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	16.78	37.77%
SIC Insurance Company Ltd.	SIC	0.12	0.11	-8.33%
Starwin Products Ltd.	SPL	0.03	0.02	-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	9.00	5.76%
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	0.76	1.33%
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	0.08	-11.11%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3510	4.3554	3.64% ▼
GBPGHS	5.5092	5.5161	6.08% ▼
EURGHS	4.8544	4.8587	9.46% ▼

Table 6: Inter-bank indicative rates

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

Demand for Dollars increases

Increasing demand for the greenback continues to outrun supply in the absent of significant inflow of Dollars. This saw the value of the Dollar shoot up by 0.34% in the period under review.

Currency trading on Thursday showed a Dollar being bought at GH¢4.3510 and sold for GH¢4.3554, representing a year-to-date appreciation of 6.08% in favour of the Dollar.

Going forward, Ghana's Central Bank is expected to raise its inter-bank Dollar sales to curb the decline in value of the Cedi against its major trading partners.

Euro sustains upward stance

The Euro appreciated on the international market after data released showed that both French and German manufacturing data came out better than expected, fuelling an appreciation in the Euro's value on the global front.

The situation was not different on Ghana's local market as the Euro was up against the Cedi after appreciating by 0.33% on the interbank market with a year-to-date rate of 9.46%.

The Euro closed Thursday's trading at a midrate of GH¢4.8566.

CEDI NOSEDIVES FURTHER

The local currency ended the week-on-week trading on the downside following a composite loss of 0.19% on the inter-bank market.

Though the Cedi appreciated against the British Pound, it was the loss it extended against the Dollar and the Euro to the third consecutive week that determined its performance on the currency market.

Consequently, the year-to-date loss of the Cedi worsened further to 5.79% by close of trading on Thursday.

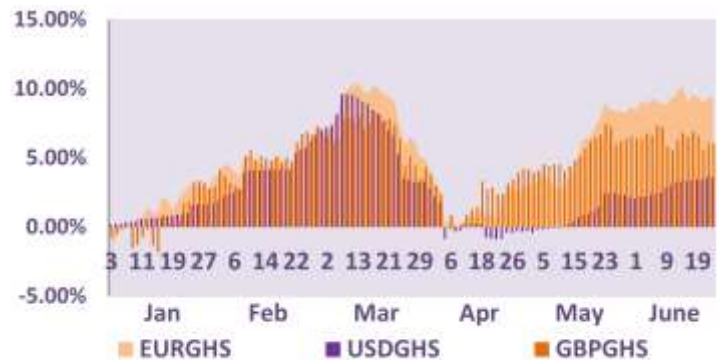


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound vs. Cedi

The Pound strengthened in the week under review after one of the Bank of England's key policymakers, Andy Haldane, signaled that he expects to vote for a rate hike later this year.

Haldane indicated that a slow removal of the economic stimulus package combined with an eventual hiking of rates could be prudent in the medium term. This buoyed investors' confidence in the Pound on the international market.

However, the impact of the Pound's performance on the international market was not felt on Ghana's inter-bank market as the Pound Sterling tailed off by 0.42% of its value to the Cedi.

The Sterling closed Thursday's trading at a midrate of GH¢5.5127 from GH¢5.5357 a week ago, this translated to a drop in the Pound's annual yield to 6.08%.

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