

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)	52,205.51	52,156.74	-0.09%
Market Capitalization (US\$million)	11,934.32	11,756.94	-1.49%
Volume traded (shares)	1,937,237.00	519,220.00	-73.20%
Value Traded (GH¢)	7,217,567.44	316,894.50	-95.61%
Value Traded (US\$)	1,649,955.98	71,432.97	-95.67%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,832.90	1.32%	8.51%
SIC-FSL Top 15 Index	2,890.14	-1.75%	10.82%
GSE Financial Stocks Index	1,728.04	1.99%	11.82%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of 519,220 shares exchanged hands last week and this was valued at GH¢316,894.50 million, representing 73.20% and 95.61% decline in both volume and value of shares traded previously. Twenty-two (22) stocks participated in last week's trading sessions, and these were all equities listed on the GSE.

Financial stocks remained the preferred choice of most investors, as the sector contributed 90.47% and 82.71% of both volume and value of shares that traded in the past week.

UT Bank Limited (UTB) was the most traded equity on the bourse, accounting for 219,400 of the total traded shares, which represented 42.26% of the week's volume. GCB by virtue of its high price recorded the biggest value in the week, accounting for GH¢130,956.49 of the total value traded.

GSE ROLLS-UP AGAIN

The excitement on the Ghana Stock Exchange (GSE) improved last week because of the increasing investor confidence on the market. At the close of last Thursday's session gainers outshined laggards in numbers and magnitude. Shares of GCB Bank Limited (GCB), Ecobank Ghana Limited (EGH), Standard Chartered Bank Limited (SCB) and Trust bank Gambia Limited (TBL) further bolstered market's performance.

Key benchmark indices like the GSE Composite Index (GSE-CI) which tracks the performance of the entire market, saw its level improved from a year-to-date gain of 7.11% to 8.51%. Similarly, the Financial Stocks Index (GSE-FSI) which measures the performance of financial stocks improved from 9.64% to 11.82%. However, the SIC-FSL Top 15 liquid Index (SIC-FSL T-15) which tracks the performance of the top 15 most liquid equities on the GSE slipped from the 12.79% annual yields in the week before to 10.82% returns last Thursday. The decline in the returns of SIC-FSL T-15 was due to a decline in the share prices of Ecobank Transnational Incorporated (ETI), Fan Milk Limited (FML) and Total Petroleum Ghana Limited (TOTAL).

Total market capitalization dropped by 0.09% to settle at GH¢52.16 billion from the previous week's GH¢52.21 billion. An equivalent dollar value also declined by 1.49% to USD11.76 billion because of the losses the Cedi suffered against the greenback.



MARKET MOVERS

Investors demand more equity in GCB

The search for GCB shares on the GSE intensified last week, as most investors sought after the unavailable shares of the Bank to consolidate their holding positions. In the end, GCB shares appreciated by 10.91% to settle at GH¢4.88 per share. Presently, GCB is ranked 2nd among the thirty-seven (37) listed companies on the GSE in terms of returns to shareholders with a year-to-date gain of 37.08%.

The rise in the Bank's share appeared to have been possible because of the increased demand and the rising market confidence. The reasons above and the Bank's historic price performance seem to have lured investors to further push the price further up last week.

At the current price of GH¢4.88 per share, the stock is still trading at a discount of 48% to the sector's average trailing P/E ratio of 7x strengthening the belief that, the price may rise in the future.

EGH hits GH¢7.20 after almost 2-years

The shares of Ecobank Ghana Limited (EGH) closed last Thursday's trading at GH¢7.20 per share, representing an upsurge of 2.71% in value. At present, SCB is ranked ninth (9th) among the thirty-seven (37) listed equities on the Exchange after posting an annual yield of 12.50% returns on invested funds.

At the current price above, the Bank's share is trading at an almost 2-year high on the Exchange after it dropped in November 2015. Investors appear to be motivated by the Bank's long standing historic share price performance on the GSE, hence the rush to consolidate their holding positions.

STOCK TICKER	Wk Open	Wk End	Change	% change
EGH	7.01	7.20	0.19	2.71%
GCB	4.40	4.88	0.48	10.91%
SCB	13.36	13.40	0.04	0.30%
SOEGEH	0.75	0.76	0.01	1.33%
TBL	0.26	0.30	0.04	15.38%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.13	0.12	-0.01	-7.69%
FML	11.10	11.08	-0.02	-0.18%
TOTAL	2.34	2.29	-0.05	-2.14%

Table 4: Laggards for the week

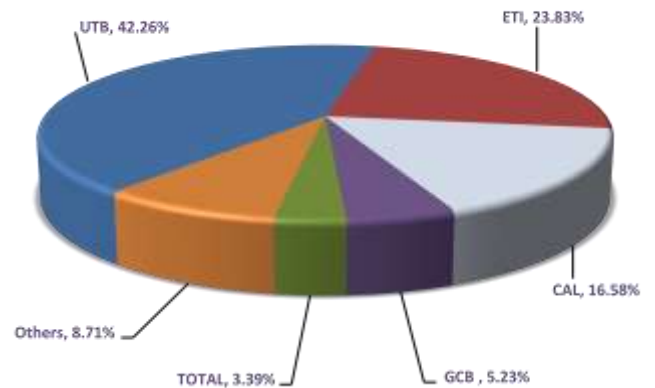


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

GOIL INCREASES MARKET SHARE: According to the Chief Operating Officer (COO) of GOIL, Mr Alex Adzew, the company's market share has increased to 23%. This, according to COO was due to the establishment of GO Energy to procure and distribute petroleum products to its retail outlets.

Prior to the formation of GO Energy, GOIL used to take products from private BDCs, which saw setbacks in its operations each time the BDCs had challenges with the commercial banks.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 23/02/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.10	0.00%
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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	2.21	6.25%
Cal Bank Ltd	CAL	0.75	0.75	0.00%
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	0.03	50.00%
Ecobank Ghana Ltd.	EGH	6.40	7.20	12.50%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.12	20.00%
Fan Milk Ltd.	FML	11.14	11.08	-0.54%
Ghana Commercial Bank Ltd.	GCB	3.56	4.88	37.08%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.52	-6.75%
Ghana Oil Company Limited	GOIL	1.10	1.17	6.36%
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	0.68	-9.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.15	0.00%
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	13.40	10.02%
SIC Insurance Company Ltd.	SIC	0.12	0.15	25.00%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
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	0.30	15.38%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.29	15.66%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	24.83	-7.63%
Unilever Ghana Ltd.	UNIL	8.51	8.85	4.00%
UT Bank	UTB	0.03	0.04	33.33%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.75	0.75	0.00%
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	0.09	0.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.4340	4.4385	5.62% ▼
GBPGHS	5.5434	5.5499	6.74% ▼
EURGHS	4.6898	4.6938	5.75% ▼

Table 6: Inter-bank indicative rates

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

Dollar up by 0.07%

The American Dollar appreciated by 1.42% versus the local currency, pushing its return since year open further up from the previous week's figure of 4.15% to 5.62%.

The British Pound gained further momentum on the international market as demand for Dollars continues to outrun supply on the market. Investors, market participants and speculators are all waiting to hear from the Finance Minister on Thursday as he presents the budget on the floor of Parliament to see measures he will outline to boost the Ghanaian economy.

On Thursday, \$1 was pegged at a midrate of GH¢4.4363.

Pound records significant gain

The British Pound gained the most against the Ghana Cedi last week among Cedi's major trading currencies, appreciating by 1.52%.

The Euro broke its resistance level of GH¢5.46 during the week's trading to reach a new high of GH¢5.55, representing a year-to-date appreciation of 6.74% against the Cedi.

On the international market the Pound Sterling gained support from a positive data released on the Confederation of British Industry (CBI) distributive trade. The report showed that trades rose more than expected to 9 points in February from -8 points in the preceding month. This saw the Pound gain across board on the market.

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CEDI PLUMMETS ON THE INTER-BANK MARKET

Ghana's currency plunged in value on the currency market amid the reading of the State of the Nation Address (SONA) by President Nana Addo Dankwa Akufo-Addo.

The address spelled out that while growth slowed to 3.6%, Ghana's total debt stock had risen from GH¢9.5 billion in 2009 to GH¢122 billion by the end of 2016, representing 74% of the Gross Domestic Product (GDP) per figures from the Finance Ministry.

By close of trading, the Ghanaian Cedi had lost 1.19% of its holistic value to its major trading partners, signifying a year-to-date loss of 5.85% from 4.60% a week ago.



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

Euro versus Cedi

The Euro managed to record some of the gains against the Cedi on the inter-bank as it was bought at GH¢4.6898 and sold for GH¢4.6938 on the inter-bank market.

Subsequently the year-to-date loss of the Pound climbed to 5.75%.

However, the Euro lost its footing on the global market as there wasn't any solid and positive data to bolster its value among its trading partners.