

# 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)  | 58,788.16    | 59,013.44    | 0.38%   |
| Market Capitalization (US\$million) | 13,378.58    | 13,401.18    | 0.17%   |
| Volume traded (shares)              | 1,122,098.00 | 2,261,319.00 | 101.53% |
| Value Traded (GH¢)                  | 5,779,090.58 | 5,606,381.58 | -2.99%  |
| Value Traded (US\$)                 | 1,315,163.30 | 1,273,135.98 | -3.20%  |

Table 1: Market Summary

## INDEX ANALYSIS

| INDICATORS                 | CLOSING LEVEL | WEEK CHANGE | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index        | 2,553.14      | 1.41%       | 51.15%     |
| SIC-FSL Top 15 Index       | 4,073.06      | -0.29%      | 56.18%     |
| GSE Financial Stocks Index | 2,260.54      | 2.35%       | 46.27%     |

Table 2: Key Stock Market Indices

## LIQUIDITY

Increased market activity had an overall positive impact on liquidity last week. A total of 2.26 million shares exchanged hands and this was valued at GH¢5.61 million. In all, Twenty-two (22) equities traded on the GSE's main board including one preference share and one (1) equity traded on the Ghana Alternative Market (GAX).

Financial stocks were the most sought after last week, as the sector contributed 56.28% and 63.09% of volume and value of total traded shares respectively.

Societe Generale Ghana Limited (SOGEGH) was the most traded equity on the bourse, accounting for 611,132 shares traded, which represents 27.03% of total market volume. Enterprise Group Limited (EGL) by virtue of its high price recorded the largest value of GH¢1.27 million, representing 22.72% of total market value.

## ACCRA BOURSE SUSTAINS UPWARD TRAJECTORY

The Ghana Stock Exchange (GSE) sustained its upside performance last week following the advantage gainers had over laggards in magnitude and numbers. Out of the nine (9) price movers, five (5) equities saw an uptick in price while the rest dipped in value. Shares of Access Bank Ghana Plc (ACCESS), Agricultural Development Bank Limited (ADB), Unilever Ghana Limited (UNIL) and GCB Bank Limited (GCB) were the biggest market gainers.

The yields on the GSE-Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) rose from the previous week's year-to-date gains of 49.06% and 42.91% to settle at 51.15% and 46.27% respectively. However, decline in the share prices of Societe Generale Ghana Limited (SOGEGH), Fan Milk Limited (FML), Enterprise Group Limited (EGL) and Standard Chartered Bank (SCB) saw the yield on the SIC-FSL Top 15 liquid Index (T-15 Index) drop from the previous week's year-to-date gain of 56.63% to settle at a return of 56.18%.

Total market capitalization improved from the previous week's figure of GH¢58.79 billion to GH¢59.01 billion last Thursday. An equivalent dollar value also appreciated from the previous week's figure of USD 13.38 billion to USD 13.40 billion.

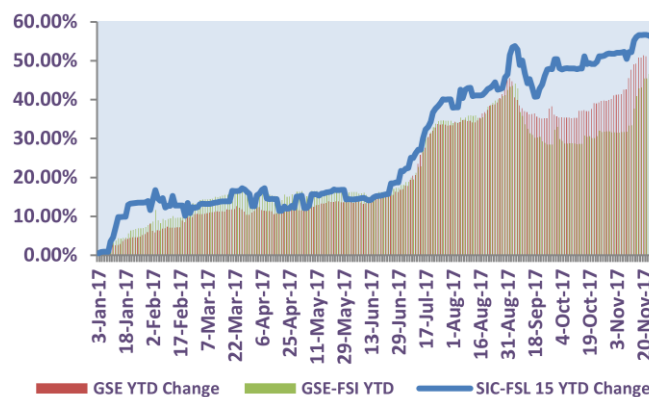


Fig 1: Year -to-date returns

## MARKET MOVERS

### ACCESS climbs up

Activity in Access Bank Ghana PLC (ACCESS) shares saw the price rise to GH¢4.00 from GH¢3.40 per share last week. Some analysts have likened the rise to the general upsurge in investor appetite on the equity market this year. The stock is currently ranked 28<sup>th</sup> among thirty-six (36) listed equities on the Ghana Stock Exchange in terms of returns to investors with a year-to-date loss of 2.44%.

Investors appeared to have paid little or no attention to the Bank's slippery third quarter 2017 results as they bid the share price up last week. The Bank reported a reduction in revenue from GH¢363.64 million in Q3'16 to GH¢323.31 million in Q3'17, representing 11% drop in nominal value. Subsequently, net profit after tax (npat) also dropped from GH¢43.85 million in Q3'16 to GH¢36.96 million in Q3'17.

However, the Bank is currently trading at a discount of 18% when gauged against the sector's average trailing P/E ratio of 16x, signaling the possibility of further upward price correction in future.

### ADB touches GH¢5.64

Increased appetite in Agricultural Development Bank Limited (ADB) shares saw the stock hit a fresh year-high price of GH¢5.64 per share from an opening price of GH¢4.80 per share. The rise in ADB's share price appeared to have been influenced by market's high demand-pressure. The stock is now ranked 10<sup>th</sup> among the thirty-six (36) listed equities on the GSE in terms of yields to investors with a year-to-date gain of 47.26%.

At the moment, the Bank is not only trading at its peak share price on the Exchange but also above the current Price-Value-Per-share of GH¢2.18. Thus an indication of the share price being fundamentally over-priced.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| ACCESS       | 3.40    | 4.00   | 0.60   | 17.65%   |
| ADB          | 4.80    | 5.64   | 0.84   | 17.50%   |
| GCB          | 4.27    | 4.30   | 0.03   | 0.70%    |
| GOIL         | 2.60    | 2.61   | 0.01   | 0.38%    |
| UNIL         | 12.66   | 12.80  | 0.14   | 1.11%    |

Table 4: Gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| EGL          | 3.95    | 3.88   | -0.07  | -1.77%   |
| FML          | 19.28   | 19.00  | -0.28  | -1.45%   |
| SCB          | 25.50   | 25.49  | -0.01  | -0.04%   |
| SOGEGH       | 0.74    | 0.70   | -0.04  | -5.41%   |

Table 4: Laggards for the week

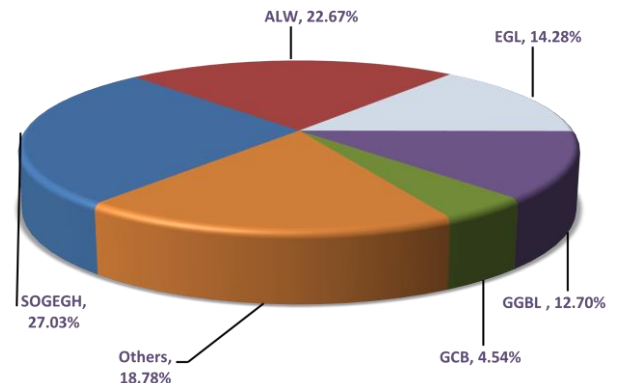


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**MERIDIAN-MARSHALLS HOLDING (MMH) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** The management of MMH has announced to all shareholders and the general public of its pending Annual General Meeting slated for Friday, December 8, 2017.

The meeting will be held at the Campus of Marshalls College, Odorkor - Accra at 10:00 am.

| Stock                                     | Ticker   | Year Opening Price(GH¢) | Closing Price @ 23/11/2017 (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                    | 5.64                             | 47.26%            |
| 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                    | 6.05                             | 190.87%           |
| Cal Bank Ltd                              | CAL      | 0.75                    | 1.06                             | 41.33%            |
| Clydestone (Ghana) Ltd.                   | CLYD     | 0.03                    | 0.03                             | 0.00%             |
| Camelot Ghana Ltd.                        | CMLT     | 0.12                    | 0.11                             | -8.33%            |
| Cocoa Processing Co. Ltd.                 | CPC      | 0.02                    | 0.02                             | 0.00%             |
| Ecobank Ghana Ltd.                        | EGH      | 6.40                    | 7.55                             | 17.97%            |
| Enterprise Group Limited                  | EGL      | 2.40                    | 3.88                             | 61.67%            |
| Ecobank Transnational Inc.                | ETI      | 0.10                    | 0.17                             | 70.00%            |
| Fan Milk Ltd.                             | FML      | 11.14                   | 19.00                            | 70.56%            |
| Ghana Commercial Bank Ltd.                | GCB      | 3.56                    | 4.30                             | 20.79%            |
| Guinness Ghana Breweries Ltd.             | GGBL     | 1.63                    | 1.92                             | 17.79%            |
| Ghana Oil Company Limited                 | GOIL     | 1.10                    | 2.61                             | 137.27%           |
| 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                    | 1.39                             | 85.33%            |
| Mega Africa Capital Ltd                   | MAC      | 6.00                    | 6.00                             | 0.00%             |
| Mechanical Lloyd Co. Ltd.                 | MLC      | 0.15                    | 0.07                             | -53.33%           |
| 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                   | 25.49                            | 109.28%           |
| SIC Insurance Company Ltd.                | SIC      | 0.12                    | 0.10                             | -16.67%           |
| Starwin Products Ltd.                     | SPL      | 0.03                    | 0.02                             | -33.33%           |
| Societe Generale Ghana Limited            | SOGEGH   | 0.62                    | 0.70                             | 12.90%            |
| Sam Woode Ltd.                            | SWL      | 0.04                    | 0.05                             | 25.00%            |
| Trust Bank Ltd. (The Gambia)              | TBL      | 0.26                    | 0.35                             | 34.62%            |
| Total Petroleum Ghana Ltd.                | TOTAL    | 1.98                    | 3.50                             | 76.77%            |
| Transaction Solutions (Ghana) Ltd.        | TRANSOL  | 0.03                    | 0.03                             | 0.00%             |
| Tullow Oil Plc                            | TLW      | 26.88                   | 17.28                            | -35.71%           |
| Unilever Ghana Ltd.                       | UNIL     | 8.51                    | 12.80                            | 50.41%            |
| 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         | 4.4014 | 4.4058  | 4.84% ▼    |
| GBPGHS         | 5.8525 | 5.8602  | 12.70% ▼   |
| EURGHS         | 5.2125 | 5.2174  | 17.54% ▼   |

Table 6: Inter-bank indicative rates

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

### Dollar up by 0.21%

The Dollar posted its fourth successive weekly win against the Cedi supported by the rising import activities to meet sales for the fast approaching festive season supported the Dollar's appreciation.

Also, speculative trading as a result of an anticipation of a further rise of Dollar rates, affected the Cedi's worth on the inter-bank market against the Dollar.

The Dollar recorded an upward adjustment of 0.21% against the Cedi, to end trading at a midrate of GH¢4.4036 and to settle at an annual return of 4.84%.

### Pound records significant gain

Among the Cedi's majors, it was the Pound that recorded the highest appreciation as investors' confidence turned in favour of the GBPGHS exchange rate.

Sterling was buying at GH¢5.8525 and selling for GH¢5.8602 on the inter-bank market at the close of trading last Thursday, down from GH¢5.7944 and GH¢5.8019 the week before. This saw the annual yield of the Pound climb to 12.70% on Thursday.

On the other hand, the Pound was under pressure on the international market following the downward adjustment of growth forecasts of the UK's economy. The nation's 2017 growth forecast was cut from 2% to 1.5%. Also growth forecasts for 2018 through to 2021 were cut.

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NB: The data in this report is Thursday on Thursday (w-o-w)

## CEDI MAINTAINS DOWNWARD TREND

Activities on the inter-bank market saw the Cedi priced 0.51% lower than its holistic value last Thursday, marking the Cedi's third consecutive weekly loss on the currency market.

Recording a significant decline against its major trading partners specifically the Pound and Euro, the Cedi's year-to-date loss deteriorated to 9.90%.

That notwithstanding the Bank of Ghana (BoG) has assured Ghanaians that its reserves are in a good position to stabilize the Cedi and as such there is no cause for alarm.

According to the Head of Financial Markets at the BoG, Stephen Opata, the Bank expects to end the year with a current account surplus as its reserves currently stands at \$7.29 billion which is equivalent to 4.1 months of import cover.

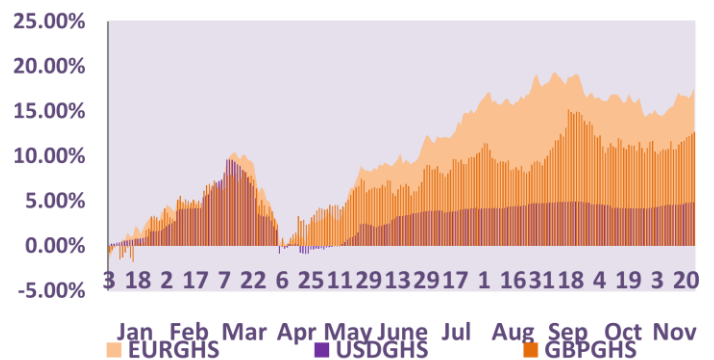


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Economic data supports Euro

The shared currency recorded an impressive gain on the global front during the period under review, subsequent to the release of a positive data on Germany's business confidence survey.

According to the data collected by the Ifo Institute for Economic Research, domestic business confidence in Europe's largest economy appreciated from 116.8 points to 117.5 points in November, rising higher than expected.

The compounded effect resulted in a 0.75% gain in the value of the Euro against the Cedi on the inter-bank market, reflecting a higher annual return of 17.54% from 16.67% a week earlier.

One Euro was pegged at a midrate of GH¢5.2150.