

# 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)	57,324.93	57,933.00	1.06%
Market Capitalization (US\$million)	13,070.58	13,181.27	0.85%
Volume traded (shares)	3,906,266.00	3,455,590.00	-11.54%
Value Traded (GH¢)	4,531,245.20	6,391,952.48	41.06%
Value Traded (US\$)	1,033,162.75	1,454,336.07	40.77%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,338.41	2.81%	38.44%
SIC-FSL Top 15 Index	3,767.97	2.27%	44.48%
GSE Financial Stocks Index	2,159.65	3.15%	39.75%

Table 2: Key Stock Market Indices

## LIQUIDITY

At the close of the week, a total of 3.45 million shares traded. This was valued at GH¢ 6.39 million, down from the 3.91 million shares that traded in the previous week. However, its corresponding value traded was up by 41.06% because of activities in higher-priced equities. In all, twenty-four (24) equities traded on the GSE, one (1) equity on the Ghana Alternative Market (GAX) and one (1) preference share.

Financial stocks remained the preferred choice of most investors, as the sector contributed 85.76% and 85.07% of both volume and value of shares traded.

Ecobank Transnational Incorporated (ETI) was the most traded equity on the bourse, accounting for 1.89 million shares traded, which represented 54.69% of market volume. Ecobank Ghana Limited (EGH) made the biggest gain in terms of value, contributing a total of GH¢2.18 million of total market value.

## GSE RETURNS TO WINNING WAYS

The excitement on the Ghana Stock Exchange (GSE) re-emerged last week after a slip in market activities in the previous session, backed by strong bullish sentiment. Shareholders of Enterprise Group Limited (EGL), Fan Milk Limited (FML), Access Bank (Ghana) Plc (ACCESS) and Standard Chartered Bank Limited (SCB) actively supported the market's upward course.

Yields on the GSE Composite Index (GSE-CI) appreciated from 2,274.41 points to 2,338.41 points, resulting in an improved year-to-date gain of 38.44%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) closed at year-to-date returns of 39.75% and 44.48% respectively, better than the previous week's returns of 35.48% and 41.28%.

Total market capitalization improved from the previous week's figure of GH¢57.32 billion to GH¢57.93 billion last Thursday. Its equivalent Dollar value also rose from the previous week's figure of USD 13.07 billion to USD 13.18 billion.



Fig 1: Year -to-date returns

## MARKET MOVERS

### EGL rises up to GH¢3.98

Strong investor confidence in Enterprise Group Limited (EGL) saw a 30.92% rise in the company's share price last week, as the price hit new record-high of GH¢3.98 from an opening price of GH¢3.04 per share. Presently, EGL is ranked 5<sup>th</sup> in terms of returns on the GSE with a year-to-date gain of 65.83%.

The rise could be likened to the better-than-expected half-year financial results released by the company. Net insurance premium rose from GH¢140.76 million in HY'16 to GH¢181.66 million in HY'17 while profit for the period increased from GH¢20.26 million in HY'16 to GH¢22.86 million in HY'17.

At the current market price of GH¢3.98 a share, the stock is trading at 29% above the sector's average trailing P/E ratio of 6x.

### FML climbs to 17-Cedis

A 74-pesewas rise in the share price of Fan Milk Limited (FML) pushed its value further up to GH¢17.00 per share last Thursday on the back of increase demand on the Exchange. At present, FML is ranked 6<sup>th</sup> in terms of returns on the GSE with a year-to-date gain of 52.60%.

The rise in FML's price was largely due to improved appetite for FML's share on the equity market as shareholders were keen on consolidating their holding position.

In spite of the above, the stock is still trading at a trailing P/E ratio of 31x as against the sectors average of 19x, showing the heat in the current market price fundamentally.

## CORPORATE NEWS

**ENTERPRISE GROUP LIMITED (EGL) ANNOUNCES DIRECTOR'S RESIGNATION:** EGL has announced the resignation of Mrs. Margaret Clarke-Kwesie from the company's Board.

**ANGLOGOLD ASHANTI (AGA) ANNOUNCES STRONG OPERATING PERFORMANCE IN SECOND QUARTER:** According to the Chief Executive Officer, Srinivasan Venkatakrishnan, the company's performance in the second quarter (Q2) was exceptionally strong. Production was 1.748 million ounces (Moz) at a total cash cost of \$ 796/oz for the first half of the year, compared to the 1.745Moz at \$ 706/oz the same period last year.

STOCK TICKER	Wk Open	Wk End	Change	% change
ACCESS	3.50	4.00	0.50	14.29%
BOPP	5.25	5.30	0.05	0.95%
CAL	0.91	0.98	0.07	7.69%
EGL	3.04	3.98	0.94	30.92%
ETI	0.14	0.15	0.01	7.14%
FML	16.26	17.00	0.74	4.55%
GGBL	1.45	1.46	0.01	0.69%
GOIL	2.30	2.32	0.02	0.87%
HFC	0.85	0.92	0.07	8.24%
SCB	26.39	26.60	0.21	0.80%
SIC	0.10	0.12	0.02	20.00%
SPL	0.03	0.04	0.01	33.33%
TBL	0.25	0.29	0.04	16.00%
TOTAL	2.22	2.23	0.01	0.45%
UNIL	9.05	9.06	0.01	0.11%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.17	0.16	-0.01	-5.88%
GCB	5.14	5.11	-0.03	-0.58%
PBC	0.05	0.04	-0.01	-20.00%

Table 4: Laggards for the week

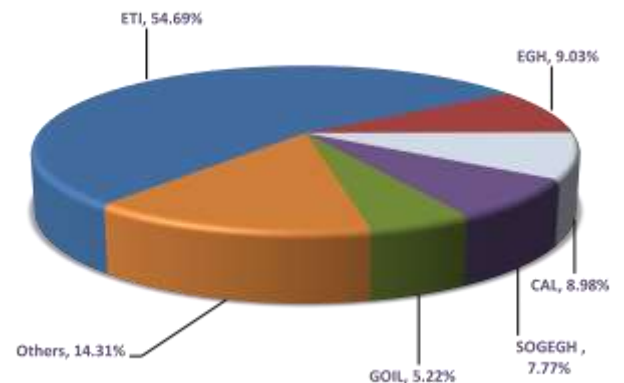


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 24/08/2017 (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	5.30	154.81%
Cal Bank Ltd	CAL	0.75	0.98	30.67%
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	3.98	65.83%
Ecobank Transnational Inc.	ETI	0.10	0.15	50.00%
Fan Milk Ltd.	FML	11.14	17.00	52.60%
Ghana Commercial Bank Ltd.	GCB	3.56	5.11	43.54%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.46	-10.43%
Ghana Oil Company Limited	GOIL	1.10	2.32	110.91%
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	0.92	22.67%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.09	-40.00%
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	26.60	118.39%
SIC Insurance Company Ltd.	SIC	0.12	0.11	0.00%
Starwin Products Ltd.	SPL	0.03	0.04	33.33%
Societe Generale Ghana Limited	SOGEGH	0.62	0.75	20.97%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.29	11.54%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.23	12.63%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.80	-33.78%
Unilever Ghana Ltd.	UNIL	8.51	9.06	6.46%
UT Bank	UTB	0.03	0.06	100.00%
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	4.3929	4.3973	4.64% ▼
GBPGHS	5.6242	5.6303	8.29% ▼
EURGHS	5.1812	5.1859	16.83% ▼

Table 6: Inter-bank indicative rates

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

### Dollar up by 0.21%

The Dollar posted an appreciation of 0.21% despite support from the central bank through the sale of Dollars on the inter-bank market.

The rise was evident in the annual return of 4.64% recorded by the greenback after it was bought at GH¢4.3929 and sold for GH¢4.3973 on the inter-bank market

The Central Bank is however expected to continue its support on the currency market which has helped stabilize the USDGHS exchange rate in recent times.

### Euro maintain upward trend

The shared currency gained further footing against the Cedi after trading between GH¢5.1812 and GH¢5.1859 on the inter-bank market last Thursday. This signifies the gradual disinvestments investors are making from the Cedi to seek better returns in the Euro.

Consequently, the Cedi's year-to-date loss to the Euro shot from 16.00% to 16.83%. This represented a gain of 0.72% in favour of the Euro.

## CEDI DECLINES IN VALUE

Last week, the local currency failed to trim the losses it had suffered against its major partners since the beginning of the year and rather settled at a lower year-to-date loss of 8.83%.

The Cedi shed-off 0.25% of its holistic value on the inter-bank market by close of trading on Thursday.

Although it managed to appreciate against the Pound, the gains made against it by the Euro and the Dollar were strong enough to keep the Cedi on the downside.

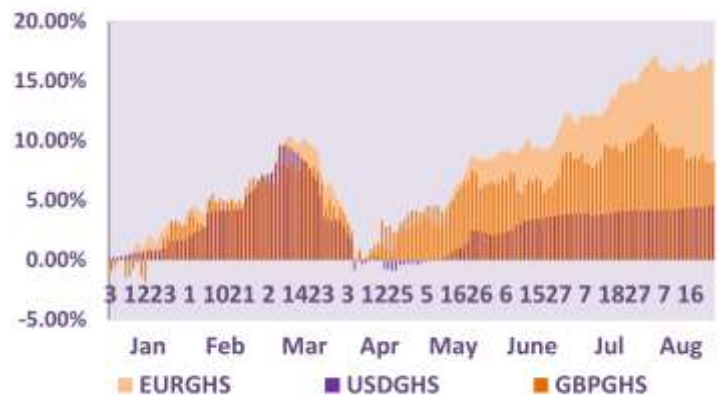


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound loses to Cedi

The Pound recorded its third consecutive weekly loss against the Cedi on the inter-bank market after trading at a midrate of GH¢5.6273 from a midrate of GH¢5.6509, the week earlier.

The 0.42% decline in the Pound Sterling's value led to a drop in its year-to-date return from 8.75% to 8.29% on Thursday.

Similarly on the international market, the Pound reported a decline in value following concerns over Britain's economy and Brexit negotiation. This saw the Pound lose to some of its key currency partners.

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