

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

24th November, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	51,438.18	51,001.68	-0.85%
Market Capitalization (US\$million)	12,934.24	12,816.75	-0.91%
Volume traded (shares)	1,902,646.00	2,979,762.00	56.61%
Value Traded (GH¢)	1,428,989.43	9,284,532.62	549.73%
Value Traded (US\$)	359,322.44	2,333,207.50	549.34%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,590.57	-4.60%	-20.27%
SIC-FSL Top 15 Index	2,521.78	-3.98%	-32.03%
GSE Financial Stocks Index	1,452.32	-6.82%	-24.75%

Table 2: Key Stock Market Indices

LIQUIDITY

At close of the week's session, a total of 2.98 million shares exchanged hands, and this was valued at GH¢ 9.28 million. In all, twenty-three stocks participated in the week's trading sessions. They included twenty-one (21) listed companies on the GSE, One (1) preference share and one (1) company on the Ghana Alternative Market (GAX).

Market activities were skewed towards the consumer goods stocks, as the sector contributed 45.81% of the total shares traded, corresponding to 3.13% of net value traded.

The shares of UT Bank Limited (UTB) emerged the most traded equity on the market after contributing 989,300 out of the total traded shares, representing 33.20% of market volume. Fan Milk Limited (FML) by virtue of its high price was the most valuable equity within the week, accounting for GH¢8.71 million of the total traded value.

ACCRA BOURSE SLIPS FURTHER

Intense bearish sentiments on the Ghana Stock Exchange (GSE) saw major performance indicators decline further during last week's market activities. Shares of Standard Chartered Bank Limited (SCB), Benso Oil Palm Plantation (BOPP), Ecobank Ghana Limited (EGH), Cal Bank Limited (CAL) and Societe Generale Ghana Limited (SOGEGH) ostensibly dragged the broader market further down.

At 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 16.42%, 19.24% and 29.22% each to close last Thursday's session at 20.27%, 24.75% and 32.03% respectively.

Total market capitalization on the GSE slipped to GH¢51.00 billion from GH¢51.44 billion, while an equivalent dollar value also declined by 0.91% to USD12.82 billion.



Legend: GSE YTD Change (Red), GSE-FSI YTD (Green), SIC-FSL 15 YTD Change (Blue)

Fig 1: Year -to -date returns

MARKET MOVERS

SCB hits GH¢10.00 after almost four years

A 6-pesewa decline in the value of Standard Chartered Bank (SCB) saw the bank's share price hit GH¢10.00 per share after four years of improved performance. Currently, the stock is ranked 28th on the Ghana Stock Exchange in terms of performance with a year-to-date loss of 38.65%.

According to some analysts, the drop in price might be due to the seemingly over-priced status of SCB's shares on the Exchange. At the current market price of GH¢10.00 per share, the Bank is trading at a trailing P/E ratio of 11x compared to the sectors average ratio of 5x. This tends to suggest the possibility of further downward price review in future sessions.

BOPP slips as GSE flops

Investors bid-down the share price of Benso Oil Palm Plantation (BOPP) following high selling pressure on the bourse last week. In effect, the price of BOPP declined from the week's opening price of GH¢2.40 per share to GH¢ 2.10 a share.

Some analysts have attributed the recent dwindling fortunes in BOPP to the general poor performance of the GSE. Declining market confidence appeared to be key in the poor performance of the listed companies.

At the current price of GH¢2.10 a share, BOPP is trading at 53% above its fundamentals when compared to the sectors average trailing P/E ratio of 3x, indicating the likelihood of downward price correction in future activities.

STOCK TICKER	Wk Open	Wk End	Change	% change
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Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.40	2.10	-0.30	-12.50%
CAL	0.85	0.79	-0.06	-7.06%
EGH	6.77	6.59	-0.18	-2.66%
GOIL	1.05	1.04	-0.01	-0.95%
HFC	0.80	0.79	-0.01	-1.25%
SCB	12.59	10.00	-2.59	-20.57%
SOGEGH	0.70	0.62	-0.08	-11.43%

Table 4: Laggards for the week

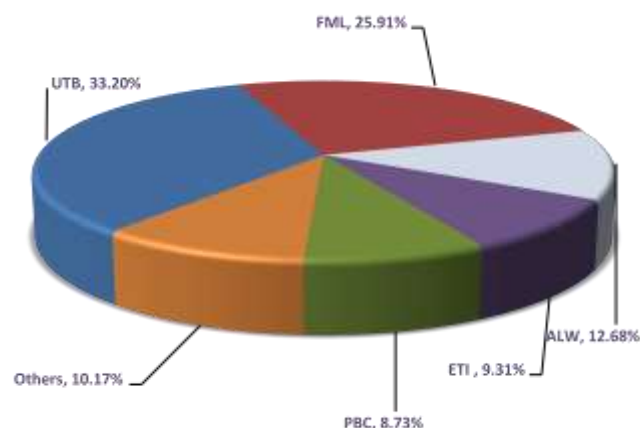


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

AGRICULTURAL DEVELOPMENT BANK (ADB) RE-OPENS INITIAL PUBLIC OFFER (IPO): ADB has announced a re-open of the Initial Public Offer ("IPO") to allow the Bank list on the Ghana Stock Exchange (GSE). The offer opens November 24, 2016 and is scheduled to close on December 05, 2016.

In view of the above, investors can purchase shares of the Bank at SIC Brokerage Limited or any of the Licensed Dealing Members ("LDM") of the GSE.

ECOBANK TRANSNATIONAL INCORPORATED (ETI) APPOINTS COMPANY SECRETARY CUM COUNSEL: ETI has announced the appointment of Mr. Madibinet Cisse as Group Head, Legal and Company Secretary/Group Counsel.

His appointment takes effect on the 9th of January 2017.

STANDARD CHARTERED BANK LIMITED (SCB) APPOINTS A NEW DIRECTOR: SCB announces the appointment of Mr. Kweku Nimfah-Essuman as an Executive Director of the Bank effective November 18, 2016.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 24/11/2016 (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	2.10	-16.00%
Cal Bank Ltd	CAL	1.00	0.79	-21.00%
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	6.59	-5.99%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.27	0.10	-62.96%
Fan Milk Ltd.	FML	7.35	9.83	33.74%
Ghana Commercial Bank Ltd.	GCB	3.79	3.50	-7.65%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.69	-15.08%
Ghana Oil Company Limited	GOIL	1.40	1.04	-25.71%
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	0.79	-12.22%
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	0.22	-35.29%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	10.00	-38.65%
SIC Insurance Company Ltd.	SIC	0.14	0.14	0.00%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.62	-22.50%
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	2.00	-60.78%
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	0.03	-70.00%
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	3.9773	3.9813	4.86% ▼
GBPGHS	4.9633	4.9699	11.57% ▲
EURGHS	4.2047	4.2071	1.79% ▼

Table 6: Inter-bank indicative rates

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

Dollar vs. Cedi

Thursday's trading ended with the Dollar rising by 0.06% in value, pushing up its year-to-date appreciation rate on the inter-bank market.

Despite the marginal losses the Ghanaian Cedi has been suffering against the American Dollar, the Governor of the Bank of Ghana, Dr. Abdul Nashiru Issahaku, has indicated that the local currency is not likely to record further depreciations on the currency market, notwithstanding the fast approaching elections and yuletide season

By close of trading, the annual return of the Dollar had risen to 4.86% from the 4.79% a fortnight ago, as it was pegged at a midrate of GH¢3.9793.

Euro under pressure

The shared currency lost value to some of its major trading counterparts on the global front amid rising political risk in the European Union.

Rising concerns that the European region may further face anti-EU parties following the upcoming Italian referendum and elections in the Netherlands and Germany which are due next year, seemed to have disfavored the Euro.

Similarly on Ghana's inter-bank market, the Euro lost significantly by 1.11% to settle at a lower annual yield of 1.79%, after trading at a midrate of GH¢4.2059.

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CEDI APPRECIATES IN VALUE

The local currency maintained its positive footing in the period under review to mark its third successive weekly appreciation on the inter-bank market.

This was subsequent to the decision made by the Monetary Policy Committee (MPC) of the central bank on its policy rate. Last week, the MPC cut its policy rate by 50 basis point to 25.5%. This marks the first rate cut since 2011.

According to the committee, the reduction in rate was due to the recent slowdown in inflation and relative steadiness in the value of the Cedi, adding that the downside risks to growth outweighs the risks to inflation.

Consequently, the Cedi recorded a holistic appreciation of 0.26%, reducing its year-to-date loss to 0.88% from 1.14% the previous week.

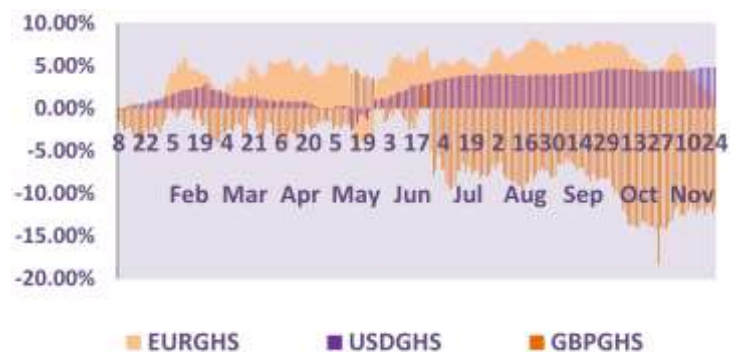


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound upholds gains

Mimicking international trend, the British Pound managed another appreciation on the Ghana's currency market in the period under review.

At a buying price of GH¢4.9633 and a selling price of GH¢4.9699, the Pound was up by 0.28% against the local currency last Thursday.

As a result, the year-to-date loss of the Sterling trimmed down from 11.82% to 1.79%, marking its fourth consecutive weekly win against the Cedi.

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