

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)	53,883.92	53,989.20	0.20%
Market Capitalization (US\$million)	12,724.38	12,649.62	-0.59%
Volume traded (shares)	10,752,106.00	1,281,047.00	-88.09%
Value Traded (GH¢)	3,627,920.64	854,165.76	-76.46%
Value Traded (US\$)	856,712.55	200,130.21	-76.64%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,767.06	0.94%	4.62%
SIC-FSL Top 15 Index	2,961.88	0.53%	13.57%
GSE Financial Stocks Index	1,652.66	1.22%	6.94%

Table 2: Key Stock Market Indices

LIQUIDITY

At the close of trading last week, a total of twenty-one (21) symbols participated, involving twenty (20) listed companies on the GSE and one (1) company on the Ghana Alternative Market (GAX). In the end, 1.28 million shares exchanged hands, valued at GH¢854,165.76. The figures represent 88.09% and 76.46% decline in both volume and value of shares that traded a fortnight ago.

Financial stocks emerged most investors preferred choice, as the sector contributed 74.21% and 50.02% 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 642,400 of the total traded shares, representing 50.15% of market volume. Unilever Ghana Limited (UNIL) by virtue of its high price recorded the biggest value in the week, accounting for GH¢285,522.98 of the total traded value.

ACCRA BOURSE EXTENDS GAINS

The excitement on the Ghana Stock Exchange (GSE) continued last week following the numerical advantage gainers had over losers. Shares of Standard Chartered Bank Limited (SCB), GCB Bank Limited (GCB), Total Petroleum Ghana Limited (TOTAL) and SIC Insurance Company Limited (SIC) supported the market's upward trajectory.

At the end of the week, 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 3.64% to 4.62% last Thursday. Similarly, the Financial Stocks Index (GSE-FSI) which measures the performance of financial stocks improved from 5.65% to 6.94%. 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 also improved to 13.57% from 12.97% the week before.

Total market capitalization of the GSE also appreciated by 0.20% to GH¢53.99 billion from GH¢53.88 billion. However, an equivalent dollar value also dipped from the USD12.72 billion a fortnight ago to USD 12.65 billion.



Fig 1: Year -to- date returns

MARKET MOVERS

SCB leads team of gainers

The shares of Standard Chartered Bank Limited (SCB) led the team of gainers on the Exchange with an appreciation of 33-pesewas in its value last week. The bank's week-opening price of GH¢12.69 per share rose to GH¢13.02 per share, representing a nominal increase of 2.60% in the company's share price. The growth also extended the Bank's year-to-date return to 6.90% and ranked seventh (7th) among the thirty-seven (37) listed equities on the Accra Bourse.

Analysts believe that the rise might have been motivated by the renewed investor confidence on the Ghanaian equity market, following the successful general elections.

At the current price of GH¢13.02 per share, SCB is still trading below the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢14.14 per share and 248-Day Average Trading Price of GH¢14.38 a share, signalling the possibility of future upward price correction.

GCB shares climbs up again

Increasing demand for GCB Bank Limited (GCB) shares saw the company's value ticked-up from the week's opening price of GH¢3.69 to settle at GH¢3.90 a share. The Bank is currently ranked third (3rd) among the 37 listed companies on the GSE in terms of nominal gains on invested funds.

In fact, analysts believe the prospects in the Bank following the Bank's inspiring third quarter results, coupled with the rising investor confidence seem to be pushing the price higher on the market.

The Bank's net profit after tax (npat) grew from the GH¢624.69 million in Q3'15 to GH¢783.01 million in Q3'16, suggesting an increase of 25% within the comparative period.

TOTAL stays up despite...

Despite release of lower-than-expected third quarter results by Total Petroleum Ghana Limited (TOTAL), investors still bid up the shares of the company last week. TOTAL is currently trading at GH¢2.15 from the week's opening price of GH¢2.08 per share, representing 3.37% rise in nominal value terms.

According to some analysts, the rise in TOTAL's value appeared to have been inspired by the company's historical price trend on the GSE, hence the huge upward price anticipation in the near future.

TOTAL reported a decline in net profit after tax (npat) from GH¢33.19 million in Q3'15 to GH¢30.54 million in Q3'16.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.08	2.09	0.01	0.48%
EGH	6.85	6.86	0.01	0.15%
GCB	3.69	3.90	0.21	5.69%
GGBL	1.50	1.51	0.01	0.67%
SCB	12.69	13.02	0.33	2.60%
SIC	0.14	0.15	0.01	7.14%
SOGEGH	0.66	0.67	0.01	1.52%
TOTAL	2.08	2.15	0.07	3.37%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
HFC	0.75	0.72	-0.03	-4.00%

Table 4: Laggards for the week

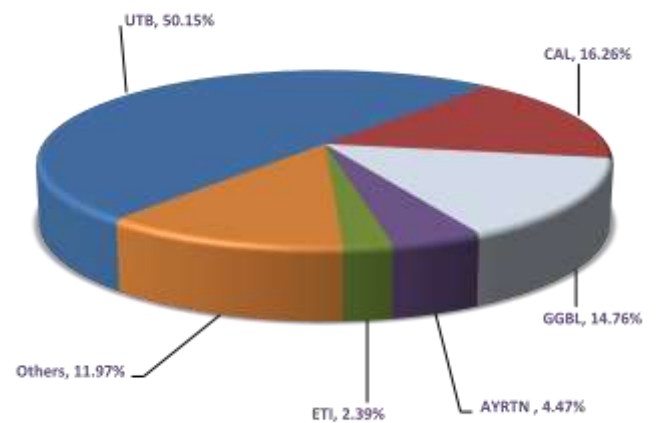


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 26/01/2017 (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	2.09	0.48%
Cal Bank Ltd	CAL	0.75	0.76	1.33%
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	6.86	7.19%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.14	40.00%
Fan Milk Ltd.	FML	11.14	11.20	0.54%
Ghana Commercial Bank Ltd.	GCB	3.56	3.90	9.55%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.51	-7.36%
Ghana Oil Company Limited	GOIL	1.10	1.12	1.82%
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	0.72	-4.00%
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	13.02	6.90%
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	0.67	8.06%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.26	0.00%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.15	8.59%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	26.88	0.00%
Unilever Ghana Ltd.	UNIL	8.51	8.51	0.00%
UT Bank	UTB	0.03	0.03	0.00%
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	4.2659	4.2702	0.82% ▼
GBPGHS	5.3674	5.3745	0.23% ▲
EURGHS	4.5610	4.5639	1.23% ▼

Table 6: Inter-bank indicative rates

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

Dollar increases in value

The American Dollar continues to thrive on Ghana's inter-bank market despite the Central Bank's effort to curtail the losses suffered by the Ghanaian currency against it.

Still in its effort to stabilize the value of the Cedi on the currency market, the Bank of Ghana plans to inject more Dollars into the market by selling \$120 million in the first quarter of this year, indicating that this is part of its broader strategy to support the value of the Cedi.

However, some economists believe that the effect of this move will be short-lived and must therefore be clogged.

The greenback saw its value appreciate by 0.79% after trading at a midrate of GH¢4.2681, translating to an annual return of 1.62% on Thursday.

Euro rebounds on the inter-bank market

A 0.3 point rise in German consumer sentiment, although supported the value of the Euro, was not enough to see the Euro surge above some of its key trading partners on the global front.

However, the Euro climbed by 1.59% to a midrate of GH¢4.5625 against the Cedi on Ghana's inter-bank market after losing 0.25% to the Cedi a week earlier.

By the close of trading on Thursday, the year-to-date gain of the shared currency had soared from 1.23% a fortnight ago to 2.83%.

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CEDI DWINDLES FURTHER

The Ghanaian Cedi for the fourth consecutive week this year recorded another decline in its value amid the decision made by the Monetary Policy Committee (MPC) of the Central Bank on its policy rate.

The MPC maintained its rate at 25.5% last week, although some analysts and economists expected a reduction in the rate. The Governor of the Bank of Ghana (BoG), Dr. Abdul-Nashiru Issahaku, indicated that the move to enhance fiscal consolidation and the decline in headline and core inflation, were the key reasons for maintaining the rate.

That notwithstanding, the local currency ended the week-on-week trading with a year-to-date loss of 2.28% after losing 1.43% of its holistic value to its major trading partners.



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

Pound records significant gain

The British Pound emerged the best currency on Ghana's inter-bank market in the period under review after gaining as much as 3.12% rise in value.

On the international market also, the Pound managed to rise above some of its currency competitors after the release of positive data on the economy. A rise of 0.1% in UK's fourth quarter GDP coupled with the 15 point rise (from -8 points in October) in the Confederation of British Industry's quarterly business optimism index, was enough to bolster the confidence of investors in the value of the Sterling.

On Ghana's inter-bank market, £1 was bought at GH¢5.3674 and sold for GH¢5.3745. This represented an annual yield of 3.36% from 0.23% a week ago.