

# 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)	53,989.20	54,135.99	0.27%
Market Capitalization (US\$'million)	12,649.62	12,615.29	-0.27%
Volume traded (shares)	1,281,047.00	2,911,708.00	127.29%
Value Traded (GH¢)	854,165.76	2,030,982.42	137.77%
Value Traded (US\$)	200,130.21	473,279.06	136.49%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,790.10	1.30%	5.98%
SIC-FSL Top 15 Index	2,981.21	0.65%	14.31%
GSE Financial Stocks Index	1,679.36	1.62%	8.67%

Table 2: Key Stock Market Indices

## LIQUIDITY

At close of the week's session, a total of 2.91 million shares exchanged hands, and this was valued at GH¢ 2.03 million. In all, twenty-three stocks participated in the week's trading sessions involving twenty-two (22) listed companies on the GSE and One (1) preference share.

Financial stocks were investors' preferred choice, as the sector contributed 81.35% and 51.76% of both volume and value of shares that traded in the past week.

UT Bank Limited (UTB) remained the most traded equity on the bourse, accounting for 1.03 million of the total traded shares, representing 35.29% of market volume. Total Petroleum Ghana Limited (TOTAL) by virtue of its high price recorded the biggest value in the week, accounting for GH¢786,060.84 of the total traded value.

## ACCRA BOURSE SUSTAINS UPWARD COURSE

Rising investor confidence in the Ghanaian Stock Market (GSE) saw key market performance indicators further strengthened in last week's market activities. Shares of GCB Bank Limited (GCB), Standard Chartered Bank Limited (SCB), Societe Generale Ghana Limited (SCB) and Ecobank Ghana Limited (EGH) pushed performance further up.

At close of the week, 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) improved from their previous week's annual returns of 4.62%, 6.94% and 13.57% each, to close last Thursday's session at 5.98%, 8.67% and 14.31% respectively.

Total market capitalization improved from the GH¢53.99 billion to settle at GH¢54.14 billion last Thursday, representing 0.27% rise. However, the equivalent dollar value declined by 0.27% to close at USD12.62 billion due to the losses the Cedi suffered against the greenback.



Fig 1: Year -to -date returns

## MARKET MOVERS

### Investors rush for SCB shares

The rush for shares of Standard Chartered Bank Limited (SCB) continued last week, following 1.31% rise in its market value. The Bank closed the week's session at GH¢13.19 per share from an opening price of GH¢13.02 a share. SCB is presently ranked seventh (7<sup>th</sup>) among the thirty-seven (37) listed equities on the Exchange owing to 8.29% returns on invested funds to shareholders from year-to-date.

Appetite for the Bank's shares remain high as investors see the stock as under priced. SCB could still record price gains in the coming weeks. Currently, SCB is trading below the 248-Day Volume Weighted Average Price (VWAP<sub>248</sub>) of GH¢14.14 per share and 248-Day Average Trading Price of GH¢14.38 a share.

### GCB up by 23-pesewas

A 23-pesewa rise in GCB shares saw the Bank led of the gainers on the Exchange, closing the week's activities at GH¢4.14 a share. The Bank is currently ranked fifth (5<sup>th</sup>) among the 37 listed companies on the GSE in terms of gains on invested funds by shareholders.

Investors appeared to have relied on the Bank's past price performance on Exchange and the general rising market to consolidate their holding positions, particularly at the time when GCB shares appears relatively lower when compared to past priced trend on the market.

### SOGEGH improves on year-open price

The shares of Societe Generale Ghana Limited (SOGEGH) benefitted from the on-going share consolidation on the GSE, as investors bid-up the share from GH¢0.67 to GH¢0.75 per share last Thursday. The rise, has positioned the Bank fourth (4<sup>th</sup>) among the thirty-seven (37) listed companies on the GSE in terms gains recorded on invested funds since the beginning of the year.

With glimpses of positive year-end financial results, especially when the Bank's third quarter results is considered, investors appeared to be consolidating their holding positions in anticipation for higher future gains.

SOGEGH showed a growth in revenue from GH¢240.64 million in Q3'15 to GH¢290.09 million in Q3'16, resulting in a net profit after tax of GH¢44.58 million in Q3'16 from GH¢35.15 million in Q3'15.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.09	2.11	0.02	0.96%
CPC	0.02	0.03	0.01	50.00%
EGH	6.86	6.91	0.05	0.73%
GCB	3.90	4.14	0.24	6.15%
SCB	13.02	13.19	0.17	1.31%
SOGEGH	0.67	0.75	0.08	11.94%
TOTAL	2.15	2.18	0.03	1.40%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
GOIL	1.12	1.11	-0.01	-0.89%
HFC	0.72	0.70	-0.02	-2.78%

Table 4: Laggards for the week

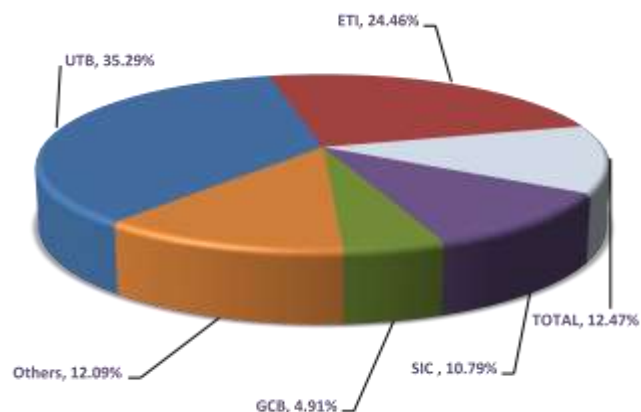


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 2/02/2017 (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	2.11	1.44%
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	0.03	50.00%
Ecobank Ghana Ltd.	EGH	6.40	6.91	7.97%
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	4.14	16.29%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.51	-7.36%
Ghana Oil Company Limited	GOIL	1.10	1.11	0.91%
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	0.70	-6.67%
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	13.19	8.29%
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	0.75	20.97%
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	2.18	10.10%
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	4.2892	4.2934	2.17% ▼
GBPGHS	5.3842	5.3912	3.68% ▼
EURGHS	4.6396	4.6436	4.62% ▼

Table 6: Inter-bank indicative rates

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

### Dollar maintains upward stance

The Dollar got the better part of the Cedi as investors and market participants held on firmly to the greenback. This was spurred by the uncertainty as to what the Government's policies concerning businesses will be and its interventions as well as the rise in the country's debt.

Nonetheless, the Minister of Finance, Mr. Ken Ofori-Atta has indicated that the Government will outline measures to cut waste, widen revenue sources and reduce levies, as the Government is expected to present its first budget next month.

That notwithstanding, \$1 was bought at GH¢4.2892 and sold for GH¢4.2934 on the inter-bank market in the period under review. This translated into an increase in the Dollar's annual yield from 1.62% to 2.17%.

### Pound versus Cedi

The British Pound declined in value to some of its key currency traders on the international market following the decline in UK's services growth.

The key driving force of Britain's economy, the services sector, saw its Purchasing Managers' Index (PMI) drop to 54.5 points from 56.2 points in December, triggering the fall in value of the Pound against its peers.

On the Ghanaian currency market however, the Sterling rose by 0.31% against the Cedi as it climbed to a year-to-date return of 3.68%. The GBPGHS was valued at a midrate of GH¢5.39 from its previous exchange rate GH¢5.37 on the inter-bank market.

## CEDI NOSEDIVES AGAIN

The local currency failed to rebound on the inter-bank market in spite of the successive weekly losses it has recorded since the beginning of the year. This can be attributed to the recent data released on the country's budget deficit for the period of January to November 2016.

According to a provisional data from the Central Bank, the budget deficit showed a shortfall of 7% of GDP for the period of 11 months due to the frail means of revenue collection. The rate exceeded government's target of 4.7%. In addition, the Government revealed that it has inherited an undisclosed debt arrears of about GH¢7 billion (\$1.6 billion) from state-owned enterprises and government ministries.

Subsequently, the Cedi dwindled by 0.86% against its major trading partners to settle at a year-to-date loss of 3.16%.



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

### Euro thrives on

The Euro emerged the best currency last Thursday after gaining 1.73% on the interbank market. This marks the third significant gain the Euro has recorded this year against the Cedi.

The shared currency traded at a midrate of GH¢4.6416 last week, pushing up its annual return to 4.62% from 2.83% a week ago.

Also on the global front, the release of French and German Services PMI bolstered the value of the Euro, as the two indices appreciated higher than expected to 54.1 points and 53.4 points respectively.

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