

# 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)  | 58,475.73    | 58,036.07    | -0.75%  |
| Market Capitalization (US\$million) | 13,362.83    | 13,250.24    | -0.84%  |
| Volume traded (shares)              | 1,178,161.00 | 4,767,109.00 | 304.62% |
| Value Traded (GH¢)                  | 3,178,345.56 | 6,946,786.04 | 118.57% |
| Value Traded (US\$)                 | 726,312.97   | 1,586,024.21 | 118.37% |

Table 1: Market Summary

## INDEX ANALYSIS

| INDICATORS                 | CLOSING LEVEL | WEEK CHANGE | YTD CHANGE |
|----------------------------|---------------|-------------|------------|
| GSE Composite Index        | 2,363.62      | 0.63%       | 39.93%     |
| SIC-FSL Top 15 Index       | 3,959.67      | 0.46%       | 51.83%     |
| GSE Financial Stocks Index | 2,033.83      | -0.09%      | 31.60%     |

Table 2: Key Stock Market Indices

## LIQUIDITY

A single block trade of 3.99 million shares in Cal Bank shares was all that was needed to surpass the previous week's performance. A total of 4.77 million shares exchanged hands and this was valued at GH¢6.95 million. In all, nineteen (19) equities traded involving eighteen (18) ordinary shares, one (1) preference share and one (1) equity traded on the Ghana Alternative Market (GAX).

Financial stocks were the preferred choice of most investors, as the sector contributed 97.44% and 95.51% to the total volume and value traded respectively.

The shares of Cal Bank Limited (CAL) were the most active on the bourse, accounting for 4 million of total shares traded representing 83.84% of total market volume. CAL contributed 60.41% of total market value.

## STRONG APPETITE DRIVES PERFORMANCE FURTHER UP

High demand pressure on the Ghana Stock Exchange (GSE) saw key performance indicators end in green last week. In spite of an equal numerical strength of gainers and laggards, the magnitude of gains recorded was enough to drive performance further up. Shares of Total Petroleum Ghana Limited (TOTAL), Unilever Ghana Limited (UNIL), Guinness Ghana Breweries Limited (GGBL) and Standard Chartered Bank Limited (SCB) made the biggest gains.

Yield on the GSE-Composite Index (GSE-CI) and the SIC-FSL Top 15 liquid Index (T-15 Index) rose from the previous week's year-to-date gain of 39.05% and 51.14% to settle at 39.93% and 51.83% respectively. However, the decline in Ecobank Ghana Limited (EGH) and Societe Generale Ghana Limited (SOGEGH) shares saw returns on the GSE Financial Stocks Index (GSE-FSI) drop to 31.60% from 31.73% previously.

Total market capitalization dropped from GH¢58.47 billion to GH¢58.04 billion last week. However, the equivalent dollar value appreciated from the previous week's figure of USD 13.26 billion to USD 13.25 billion because of the Cedi's depreciation against the Dollar.

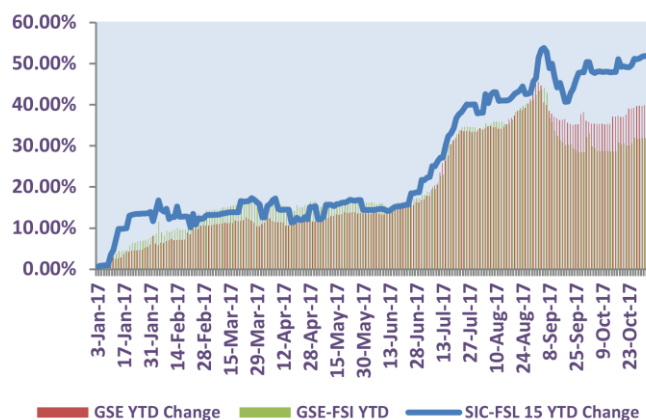


Fig 1: Year -to-date returns

## MARKET MOVERS

### TOTAL leads gainers list

A 45-pesewa rise in the price of Total Petroleum Ghana Limited (TOTAL) shares saw the company leading the gainers list on the Exchange last week. At the close of Thursday's session, TOTAL was selling at GH¢3.65 per share from an opening price of GH¢3.20 per share. At present, TOTAL is ranked 4<sup>th</sup> among the thirty-six (36) listed companies on the GSE in terms of returns with a year-to-date gain of 84.34%.

The rise in TOTAL's share price appeared to have been partly triggered by the announcement of interim dividend payment. The announcement of an interim dividend payment of GH¢0.0631 per share seemed to have guided investors decision in last week's momentous price change.

### SCB fans by strong results

Release of better-than-expected third quarter result saw the price of Standard Chartered Bank (SCB) jump from an opening price of GH¢19.56 to GH¢19.61 per share last week. SCB is presently ranked eighth (8<sup>th</sup>) among the thirty-six (36) equities on the GSE in terms of return, with a year-to-date gain of 61%.

SCB's revenue grew from the GH¢532.80 million in Q3'16 to GH¢579.94 million in Q3'17 because of strong interest income, fees & commission and net trading income. As a result, net profit after tax grew from the GH¢186.20 million in Q3'16 to GH¢231.44 million in Q3'17.

SCB is currently trading at 66% below the sector's trailing P/E ratio of 16x, indicating prospects of upward price review in the future.

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| GCB          | 4.20    | 4.21   | 0.01   | 0.24%    |
| GGBL         | 1.70    | 1.76   | 0.06   | 3.53%    |
| GOIL         | 2.48    | 2.52   | 0.04   | 1.61%    |
| SCB          | 19.56   | 19.61  | 0.05   | 0.26%    |
| TOTAL        | 3.20    | 3.65   | 0.45   | 14.06%   |
| UNIL         | 10.60   | 10.99  | 0.39   | 3.68%    |

Table 4: Gainers for the week

| STOCK TICKER | Wk Open | Wk End | Change | % change |
|--------------|---------|--------|--------|----------|
| EGH          | 7.58    | 7.54   | -0.04  | -0.53%   |
| EGL          | 3.96    | 3.95   | -0.01  | -0.25%   |
| FML          | 19.40   | 19.39  | -0.01  | -0.05%   |
| SPL          | 0.03    | 0.02   | -0.01  | -33.33%  |
| SOGEH        | 0.76    | 0.75   | -0.01  | -1.32%   |
| TLW          | 17.69   | 17.30  | -0.39  | -2.20%   |

Table 4: Laggards for the week

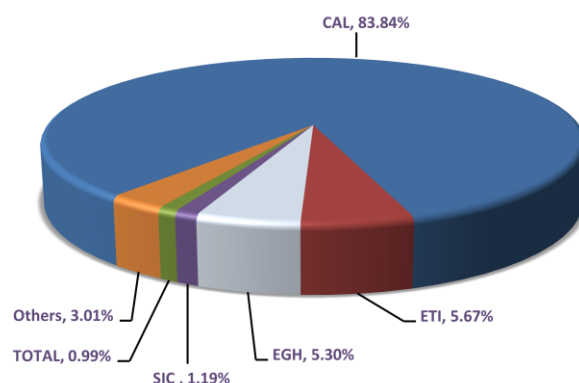


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**GCB BANK LIMITED (GCB) APPOINTS DIRECTORS:** GCB has announced the appointment of the following as Directors of the company:

1. Mr. Samuel Amankwah – Executive Director
2. Mr. Emmanuel Ray Ankrah – Independent Non-Executive director
3. Mr. Francis Arthur-Collins – Independent Non-Executive Director
4. Mr. Osmani Aludiba Ayuba – Non-Executive Director

**TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES INTERIM DIVIDEND PAYMENT:** TOTAL has announced an interim dividend payment of GH¢ 0.0631 per share in respect of 2017 financial year.

In view of the aforementioned, any investor who buys TOTAL shares on or after Wednesday, November 15, 2017 will not be entitled to the interim dividend payment. The dividend will be paid from Friday December 15, 2017.

**PBC LIMITED (PBC) ANNOUNCES RESIGNATION OF DEPUTY CHIEF EXECUTIVE OFFICER:** PBC has announced the resignation of Nana Agyenim Boateng 1, the Deputy Chief Executive Officer in charge of operations, effective September 22, 2017.

| Stock                                     | Ticker   | Year Opening Price(GH¢) | Closing Price @ 2/11/2017 (GH¢) | YTD Gain/Loss (%) |
|---|----------|-------------------------|---------------------------------|-------------------|
| Access Bank Ghana PLC                     | ACCESS   | 4.10                    | 3.91                            | -4.63%            |
| 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                    | 6.00                            | 188.46%           |
| Cal Bank Ltd                              | CAL      | 0.75                    | 1.05                            | 40.00%            |
| 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                    | 7.54                            | 17.81%            |
| Enterprise Group Limited                  | EGL      | 2.40                    | 3.95                            | 64.58%            |
| Ecobank Transnational Inc.                | ETI      | 0.10                    | 0.18                            | 80.00%            |
| Fan Milk Ltd.                             | FML      | 11.14                   | 19.39                           | 74.06%            |
| Ghana Commercial Bank Ltd.                | GCB      | 3.56                    | 4.21                            | 18.26%            |
| Guinness Ghana Breweries Ltd.             | GGBL     | 1.63                    | 1.76                            | 7.98%             |
| Ghana Oil Company Limited                 | GOIL     | 1.10                    | 2.52                            | 129.09%           |
| 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                    | 0.09                            | -40.00%           |
| 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                   | 19.61                           | 61.00%            |
| 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                    | 0.75                            | 20.97%            |
| 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                    | 3.65                            | 84.34%            |
| Transaction Solutions (Ghana) Ltd.        | TRANSOL  | 0.03                    | 0.03                            | 0.00%             |
| Tullow Oil Plc                            | TLW      | 26.88                   | 17.30                           | -35.64%           |
| Unilever Ghana Ltd.                       | UNIL     | 8.51                    | 10.99                           | 29.14%            |
| 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

### CEDI UP BY 0.05%

| EXCHANGE RATES | BUYING | SELLING | YTD CHANGE |
|----------------|--------|---------|------------|
| USDGHS         | 4.3778 | 4.3822  | 4.28% ▼    |
| GBPGHS         | 5.7380 | 5.7451  | 10.49% ▼   |
| EURGHS         | 5.1091 | 5.117   | 15.18% ▼   |

Table 6: Inter-bank indicative rates

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

### Dollar bounces back

The Dollar was resilient in the period under consideration, after some weeks of losses suffered against the Ghanaian Cedi.

The week witnessed a gradual rise in corporate demand of which supply couldn't meet, hence, favouring the greenback.

By the close of trading on Thursday, \$1.00 was trading at a midrate of GH¢4.3800 from the previous week's midrate of GH¢4.3760. This reflected a rise in the Dollar's annual yield to 4.28%.

### Euro loses to Cedi

The shared currency recorded a second conservative weekly depreciation in value on Ghana's inter-bank market.

At a buying price of GH¢5.1091 and a selling price of GH¢5.117, the Euro was down by 0.12% against the local currency last Thursday.

As a result, the year-to-date return of the Euro reduced from 15.32% to 15.18% to end Thursday's currency trading activities.

The local currency managed to record a holistic appreciation against its major currency partners, although it lost to the Dollar.

Amid the worry expressed by the International Monetary Fund (IMF) over Government's pursuit of high expenditure programs, the Cedi posted a 0.05% rise in value in the period under review. This saw the year-to-date loss of the Cedi reduce to 8.55% from 8.61% a week ago.

Also, the international business community has expressed confidence in the set of economic measures being currently executed to close the industrialization gap in Ghana and this in a way is expected to give the Cedi a leg-up on the currency market.

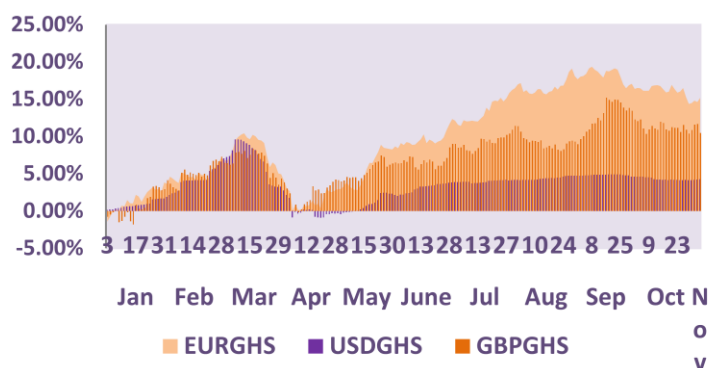


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound declines as BoE increases rate

The Pound Sterling nosedived in value after the Bank of England (BoE) announced a hike in its interest rates for the first time since July 2007.

The nine-member Monetary Policy Committee of the BoE, voted by a margin of 7 to 2 to increase interest rates from 0.25% to 0.5%. Signs of a pick-up in domestic inflationary pressures and persistent weakness in productivity growth included the reason for the rate hike, according to the minutes of the committee.

Similarly on Ghana's inter-bank market, the Pound lost 0.38% of its value to the Cedi as its value was pegged between GH¢5.7380 and GH¢5.7451, resulting in a decline in its annual return to 10.49%.

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