

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)	49,247.38	49,138.04	-0.22%
Market Capitalization (US\$million)	11,137.91	11,326.30	1.69%
Volume traded (shares)	2,204,711.00	3,581,141.00	62.43%
Value Traded (GH¢)	3,838,627.48	4,012,333.06	4.53%
Value Traded (US\$)	868,153.49	924,841.66	6.53%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,879.25	-0.46%	11.26%
SIC-FSL Top 15 Index	3,018.11	-0.69%	15.73%
GSE Financial Stocks Index	1,785.55	-0.67%	15.54%

Table 2: Key Stock Market Indices

LIQUIDITY

A block trade in Societe Generale Ghana Limited (SOGEGH) saw a rise in shares traded on the bourse last week. Total shares traded increased from the 2.20 million a fortnight ago to 3.58 million last week because of the 2.0 million block trade in SOGEGH shares last Wednesday. Corresponding value traded was also 4.53% better than the previous week's figure of GH¢3.84 million, closing at GH¢4.01 million.

In all, twenty-one (21) equities participated in last week's trading, involving eighteen (18) listed companies on the GSE, one (1) company on the Ghana Alternative Market (GAX) and one (1) depository shares. Market activities were largely skewed towards the financial stocks, as the sector recorded 96.53% and 93.99% of both volume and value of shares that traded.

Undoubtedly, shares of SOGEGH was the most traded in terms of volume and value of activities recorded on the Exchange last week. The stock accounted for 2.42 million of the total shares that traded which represented 67.46% of the entire market volume. Corresponding value traded was also GH¢1.84 million, representing 45.87% of the total value traded.

ACCRA BOURSE HALTS UPWARD TRAJECTORY

The excitement on the Ghana Stock Exchange (GSE) slowed down as a consequence of increased bearish sentiment in last week's market activities. At the close of the week's trading laggards emerged stronger Shares of Cal Bank Limited (CAL), SIC Insurance Company Limited (SIC), Societe Generale Ghana Limited (SOGEGH) and Tullow Oil Plc (Plc) pause the market's upward course.

In effect, the yields on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) dropped from their previous week year-to-date returns of 11.77%, 16.32% and 16.27% each to close at 11.26%, 15.54% and 15.73% respectively last Thursday.

Total market capitalization dropped from the previous week's figure of GH¢49.25 billion to GH¢49.14 billion last Thursday due to depreciations in CAL, SIC, SOGEGH and TLW. However, an equivalent dollar value appreciated from the previous week's figure of USD 11.14 billion to USD 11.33 billion due to significant appreciation in the Ghana Cedi.



Fig 1: Year -to -date returns

MARKET MOVERS

CAL drops following huge profit decline

The price of Cal Bank's shares dropped from the week's opening of GH¢ 0.73 to close at GH¢0.58 last Thursday. This saw CAL hitting its lowest price in about four years. CAL posted a year-to-date loss of 22.67% to shareholders.

The decline in the share price appeared to have been due to the huge drop in the company's bottom-line as witnessed in its end of year financial results. CAL reported a decline in net profit from GH¢160.04 million in FY'15 to GH¢7.20 million in FY'16 because of huge net impairment losses on financial assets.

CAL at the current price of GH¢0.58 per share is still trading below the passed year's Volume Weighted Average Price (VWAP) of GH¢0.92 and the past year's Average Trading Price of GH¢0.87 a share. This is an indication of possible future price appreciation and a good 'buy' signal.

SIC slips on speculations

The nation's biggest insurer; SIC Insurance Company Limited (SIC) saw a fall in share price from GH¢0.13 to GH¢0.11 per share last week following damning speculations from sections of the Ghanaian electronic media. Analysts believe speculations of financial misappropriation in the media might have influenced the decline in the company's share on the Bourse last week.

In contrast, the current price above is far below the past year's Volume Weighted Average Price (VWAP₉₁) of GH¢0.15 per share and the past year's Average Trading Price of GH¢0.15 per share.

CORPORATE NEWS

CAL BANK LIMITED (CAL) ANNOUNCES ANNUAL GENERAL MEETING (AGM): Directors of CAL have scheduled Wednesday, April 26, 2017 for the Annual General meeting.

The meeting will be held at the National Theatre, Opposite the Efua Sutherland Children's Park, Accra, at 10:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
EGH	7.26	7.30	0.04	0.55%
GCB	5.09	5.20	0.11	2.16%
GOIL	1.21	1.24	0.03	2.48%
SCB	15.44	15.45	0.01	0.06%
TOTAL	2.18	2.20	0.02	0.92%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.73	0.58	-0.15	-20.55%
PBC	0.06	0.05	-0.01	-16.67%
SIC	0.13	0.11	-0.02	-15.38%
SOGEGH	0.78	0.76	-0.02	-2.56%
TLW	21.00	20.94	-0.06	-0.29%
UTB	0.05	0.04	-0.01	-20.00%
AADs	0.52	0.45	-0.07	-13.46%

Table 4: Laggards for the week

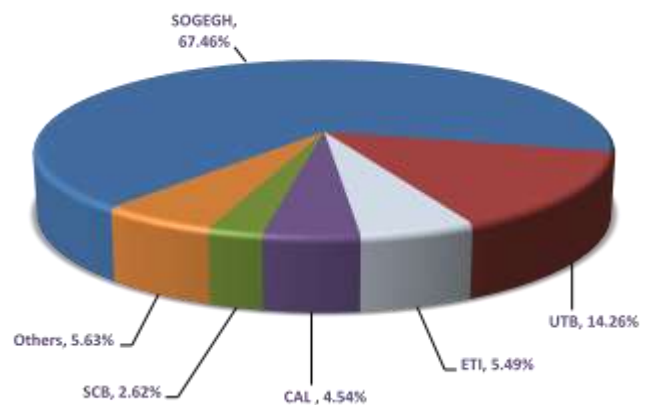


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 30/03/2017 (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	2.87	37.98%
Cal Bank Ltd	CAL	0.75	0.58	-22.67%
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	7.30	14.06%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.10	0.13	30.00%
Fan Milk Ltd.	FML	11.14	11.30	1.44%
Ghana Commercial Bank Ltd.	GCB	3.56	5.20	46.07%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.24	12.73%
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	0.65	-13.33%
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	0.05	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	15.45	26.85%
SIC Insurance Company Ltd.	SIC	0.12	0.11	-8.33%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.76	22.58%
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	2.20	11.11%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	20.94	-22.10%
Unilever Ghana Ltd.	UNIL	8.51	9.00	5.76%
UT Bank	UTB	0.03	0.04	33.33%
AngloGold Ashanti Depository Shares	AADS	0.52	0.45	-13.46%
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	4.3362	4.3406	3.29% ▼
GBPGHS	5.4185	5.4258	4.34% ▼
EURGHS	4.6539	4.6581	4.94% ▼

Table 6: Inter-bank indicative rates

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

Dollar records another loss

The greenback logged a three straight-week-on-week downgrade in value versus the Cedi on Thursday following renewed confidence in Ghana's economy as well as improved foreign exchange inflows.

On the inter-bank market, a Dollar was bought at GH¢4.3362 and sold for GH¢4.3406, representing a 1.88% drop in the value of the Dollar against the Cedi.

Consequently, the Dollar's return on the inter-bank market since the beginning of the year dwindled to 3.29% from 5.27% a fortnight ago.

Pound vs. Cedi

The British Pound managed to rise against some of its major trading counterparts on the international market amid the ongoing uncertainty ahead of the upcoming Brexit negotiations.

However, a data report released by the close of the week saw the Pound dwindle across board. Data on UK's nationwide house price landed in the negative terrain coupled with a 0.1% fall in annualized GDP data to 1.9%, capped the gains chalked by the Pound in the early part of the week.

On Ghana's local market also, the Pound depreciated by 1.93% after trading at a midrate of GH¢5.4222, translating into a lower year-to-date return of 4.34%.

CEDI APPRECIATES AGAIN

The local currency reported another holistic appreciation against its major trading partners on the inter-bank market in the period under review.

The Ghanaian currency recorded a significant weekly appreciation of 2.01% by close of Thursday's trading activities. This reduced its year-to-date loss from 6.10% to 3.97%.

During the period, the Bank of Ghana (BoG) announced a decline in its policy rate by 200 basis points to 23.5%, being the biggest cut since February 2010. Improved inflation and indication of low growth necessitated the reduction of the policy rate, according to the then BoG Governor, Dr. Abdul Nashiru Issahaku, who resigned from office on Thursday due to personal reasons.

However, President Nana Addo Dankwa Akufo Addo has appointed Dr. Ernest Kwamina Yedu Addison as Governor of the central bank effective Saturday, 1st April, 2017.



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

Euro plunges in value

The shared currency was down by 2.27% against the Cedi by the close of Thursday's trading activities, reducing its year-to-date appreciation versus the local currency from the previous week's figure of 7.38% to 4.94%.

The Euro lost traction on the global front, following the triggering of the Brexit process and the decision by the European Central Bank on its policy stance. According to the ECB, it is being cautious about changing its monetary policy decision before June.

Consequently, investors reduced their bet in the Euro across the globe.

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