

# 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)	58,554.00	58,551.63	0.00%
Market Capitalization (US\$million)	13,983.38	13,965.80	-0.13%
Volume traded (shares)	1,929,772.00	4,137,456.00	114.40%
Value Traded (GH¢)	2,996,815.10	5,771,067.03	92.57%
Value Traded (US\$)	715,674.43	1,376,521.65	92.34%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,885.04	0.00%	11.60%
SIC-FSL Top 15 Index	2,925.21	-0.02%	12.17%
GSE Financial Stocks Index	1,781.83	-0.11%	15.30%

Table 2: Key Stock Market Indices

## LIQUIDITY

A 2.02 million block trade in Guinness Ghana Breweries Limited (GGBL) shares was all that was needed to outperform the previous week's figure. A total of 4.14 million shares changed hands last week and this was valued at GH¢5.77 million.

In all, eighteen (18) equities participated in last week's activities on the Ghana Stock Exchange (GSE). Trading were largely dominated by the breweries sector with Guinness Ghana Breweries Limited (GGBL) contributing 63.65% and 68.45% of both volume and value of shares traded respectively.

## GSE FAIRLY STABLE

Activities on the Ghana Stock Exchange was fairly stable last week despite the superior advantage gainers had over laggards in numbers. Out of the eleven (11) price movers, only three equities experienced price ticked-down and these were Ecobank Ghana Limited (EGH), Guinness Ghana Breweries Limited (GGBL) and Societe Generale Ghana Limited (SOGEH). Standard Chartered Bank led the pack of gainers followed by Cal Bank, Fan Milk Limited and Benso Oil Palm Plantation last week.

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 marginally from their previous week's year-to-date returns of 11.62%, 15.43% and 12.19% each to close at 11.60%, 15.30% and 12.17% respectively last Thursday.

Total market capitalization remained stable at GH¢58.55 billion whereas an equivalent dollar value dropped slightly from the USD 13.98 billion to USD 13.97 billion because of depreciation in the Ghana Cedi against the latter.



Fig 1: Year-to-date returns

## MARKET MOVERS

### Profit-taking drags EGH shares down

Intense profit-taking in Ecobank Ghana Limited (EGH) saw the Bank's share price dropped from the week's open price of GH¢7.49 to GH¢7.35 per share last Thursday. EGH is currently ranked seventh (7<sup>th</sup>) among the thirty-seven (37) listed equities on the Exchange after recording an annual yield of 14.84% returns on invested funds.

Investors were in a hurry to cream-off some gains last week as prospect in the future looks bright following the impressive first quarter results of the Bank. EGH reported a growth in revenue of 17% over the GH¢252.63 million recorded in Q1'16. Net profit after tax also improved from the GH¢72.64 million in Q1'16 to GH¢85.61 million in Q1'17, to back the anticipated future prospects in the Bank.

At the current price above, the Bank is trading at 53% below the trailing P/E ratio of 14x for the sector, signaling the possibility of upward price rally in future sessions.

### GGBL slips despite results

Shareholder's gave up holdings in Guinness Ghana Breweries Limited (GGBL) despite the improvement witnessed in its third quarter 2017 financial results per the Bank's calendar. Some industry analysts have likened the decline to the company's inability to return to profitability regardless of seeming improved loss of the company. GGBL's loss after tax improved to GH¢3.20 million in Q3'17 from the GH¢8.19 million loss in Q3'16.

Currently, GGBL is ranked 28th on the Ghana Stock Exchange in terms of returns to investors with a year-to-date loss of 7.98%. At the current price of GH¢1.50 a share, the stock is fairly priced compared to the 91-day average trading price of GH¢1.51 per share and the 91-day volume weighted average price of GH¢1.50 per share.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.14	0.16	0.02	14.29%
BOPP	3.22	3.25	0.03	0.93%
CAL	0.69	0.73	0.04	5.80%
EGL	2.40	2.41	0.01	0.42%
FML	11.32	11.35	0.03	0.27%
GOIL	1.31	1.32	0.01	0.76%
SCB	15.47	15.60	0.13	0.84%
SIC	0.09	0.10	0.01	11.11%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGH	7.49	7.35	-0.14	-1.87%
GGBL	1.52	1.50	-0.02	-1.32%
SOGEGH	0.76	0.74	-0.02	-2.63%

Table 4: Laggards for the week

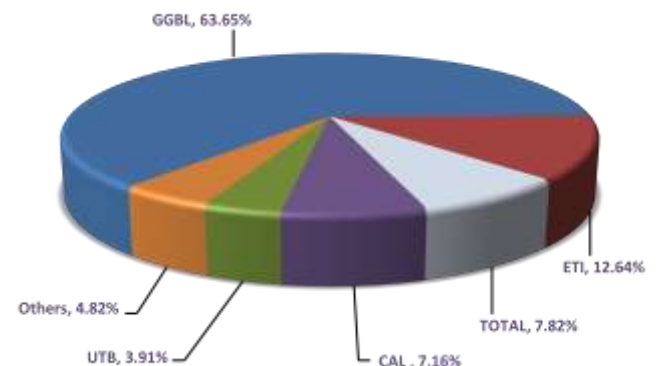


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**GCB BANK LIMITED (GCB) ANNOUNCES DIRECTORS RESIGNATION:** GCB has announced the resignation of Ms. Ama Sarpong Bawuah and Mr. Elliot Gordor as Board members effective April 24<sup>th</sup>, 2016.

**GHANA OIL COMPANY LIMITED (GOIL) ANNOUNCES DIVIDEND PAYMENT:** GOIL has proposed a dividend payment of GH¢0.025 per share to shareholders in respect of 2016 financial year subject to shareholders approval in an upcoming Annual General Meeting (AGM).

In view of the above, any investor who buys GOIL's shares on or after Tuesday, 16<sup>th</sup> May, 2017 will not be entitled to the dividend. The dividend payment date is Monday, June 19, 2017.

**STANDARD CHARTERED BANK LIMITED (SCB) ANNOUNCES DIVIDEND PAYMENT AND ANNUAL GENERAL MEETING:** SCB has declared a dividend payment of GH¢1.12 per share to in respect of the 2016 financial year.

In view of the above, any investor who buys SCB shares on or after Wednesday 31<sup>st</sup> May 2017 will not be entitled to the dividend. The dividend will be paid on Friday, 30<sup>th</sup> June, 2017.

The intends to hold its Annual General Meeting on the 6<sup>th</sup> of June, 2017, at the National Theatre, Accra, at 11:00am.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 5/05/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.00	-2.44%
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	3.25	56.25%
Cal Bank Ltd	CAL	0.75	0.73	-2.67%
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	7.35	14.84%
Enterprise Group Limited	EGL	2.40	2.41	0.42%
Ecobank Transnational Inc.	ETI	0.10	0.11	10.00%
Fan Milk Ltd.	FML	11.14	11.35	1.89%
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	1.32	20.00%
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	0.52	-30.67%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.12	-20.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.04	-33.33%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	15.60	28.08%
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	0.74	19.35%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.25	-3.85%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.22	12.12%
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	9.05	6.35%
UT Bank	UTB	0.03	0.06	100.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.48	-7.69%
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	4.1904	4.1946	0.18% ▲
GBPGHS	5.4065	5.4123	4.10% ▼
EURGHS	4.5833	5.5871	3.35% ▼

Table 6: Inter-bank indicative rates

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

### Dollar appreciates in value

The American Dollar managed to record an appreciation on the currency market as demand for Dollars outran supply in the period under review.

The greenback was valued between GH¢4.1904 and GH¢4.1946 on the inter-bank market, representing a gain of 0.12% against the Cedi.

This saw the Dollar trim down its year-to-date loss from 0.30% a week ago to 0.18% on Thursday.

However, the USDGHS exchange rate is expected to be fairly stable in the coming weeks.

### Cedi vs. Euro

The value of the common currency shot-up on the global front subsequent to a positive German Services PMI data.

The 0.7% rise in German's Services PMI coupled with a growing sentiment that Emmanuel Macron will win the French election gave the Euro a leg-up on the currency market.

Similarly, the Euro sustained its upward trend for yet another week as it appreciated by 0.76% in value to settle at an annual yield of 3.35%.

On Thursday, €1.00 traded at a midrate of GH¢4.5852.

## CEDI'S RECORDS HOLISTIC LOSS

The value of the local currency declined in the week under consideration after the release of a report on Ghana's Gross Domestic Product (GDP) a week ago.

According to the Acting Government Statistician, Mr. Baah Wadieh, the provisional annual growth rate for 2016 stood at 3.5%, down from 3.8% recorded in 2015. He indicated that the Services sector recorded a year-on-year GDP growth rate of 5.7%, 3.0% by the Agriculture sector while the Industry sector posted a rate of -1.4%.

By close of trading on Thursday, the Ghanaian currency had receded by 0.32% against its major trading partners to settle at a year-to-date loss of 1.61%.

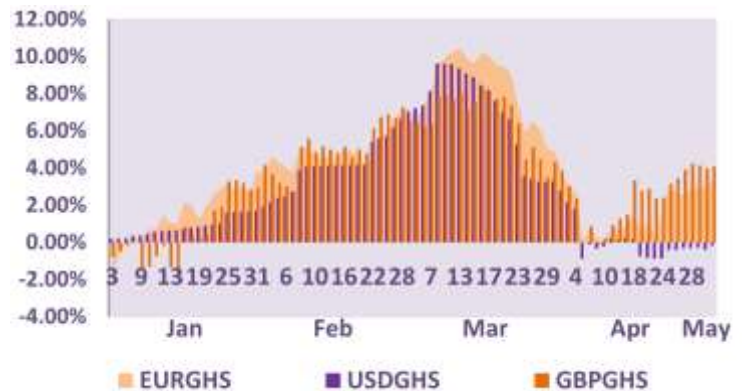


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Sterling maintains upward trend

The British Pound posted a rise in value on the international market following the release of a positive data on UK's Services Purchasing Managers' Index (PMI) data.

The data which was expected to drop startled investors, rising by 0.8 of a point, bolstering the value of the Pound against some of its currency trading partners.

On Ghana's inter-bank market also, the value of the Pound was up by 0.16% after it was pegged between GH¢5.4065 and GH¢5.4123.

This translated to an annual return of 4.10%.

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