

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)	58,503.37	58,219.42	-0.49%
Market Capitalization (US\$million)	13,259.46	13,198.09	-0.46%
Volume traded (shares)	5,019,353.00	2,297,271.00	-54.23%
Value Traded (GH¢)	13,765,756.99	2,664,838.94	-80.64%
Value Traded (US\$)	3,119,930.42	604,107.49	-80.64%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	CLOSING LEVEL	WEEK CHANGE	YTD CHANGE
GSE Composite Index	2,508.53	-0.52%	48.51%
SIC-FSL Top 15 Index	3,922.78	-1.31%	50.42%
GSE Financial Stocks Index	2,212.21	-0.72%	43.15%

Table 2: Key Stock Market Indices

LIQUIDITY

At the close of Thursday's trading, a total of 2.30 million shares exchange hands and this was valued at GH¢2.66 million. Altogether, eighteen (18) equities actively traded on the local Bourse last week.

Financial stocks remained most investor's preferred stock in the week, as the sector contributed 98.03% and 87.52% of volume and value of total traded shares respectively.

The shares of Cal Bank Limited (CAL) were the most active on the bourse, accounting for 1.90 million of total shares traded representing 82.74% of total market volume. CAL's net market value was GH¢2.09 million, signifying 78.45% of total market value.

GSE STARTS ON POOR NOTE

The Ghana Stock Exchange (GSE) started the festive month on a poor note despite strong numerical strength of gainers over laggards. Out of the seven (7) price movers, four (4) equities were ticked-up with the rest dipping. Shares of Access Bank Limited (ACCESS), Ecobank Transnational Incorporated (ETI) and Ghana Oil Company Limited (GOIL) were the most affected.

The yield on the GSE Composite Index (GSE-CI) dropped from 2,521.67 points to 2,508.53 points, resulting in year-to-date gain 48.51%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Index (SIC-FSL T-15) closed at year-to-date returns of 43.15% and 50.42% respectively lower than 44.19% and 52.42% recorded in the previous week.

Total market capitalization dropped from the previous week's figure of GH¢58.50 billion to GH¢58.22 billion last Thursday. Also, an equivalent dollar value dropped from the previous week's figure of USD 13.26 billion to USD 13.20 billion.

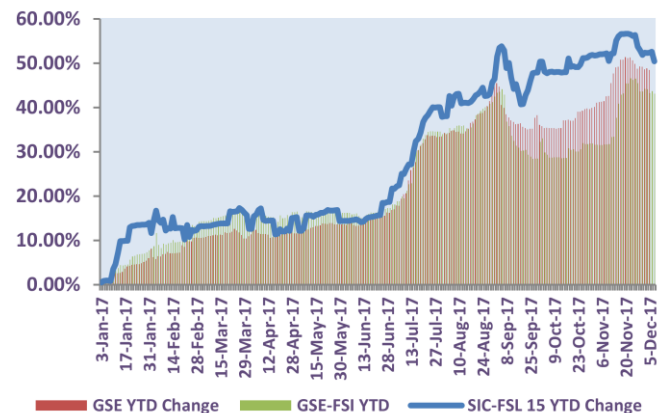


Fig 1: Year -to-date returns

MARKET MOVERS

ACCESS dips despite right issue hint

The price of Access Bank Ghana Plc (ACCESS) declined from GH¢4.00 to GH¢3.40 a share despite pending deliberation on right issue in upcoming Extraordinary General Meeting (EGM). The decline appeared to have been influenced by the Bank's poor results in the third quarter results. Currently, the Bank is ranked 33rd among the thirty-six (36) listed equities on the Ghana Stock Exchange in terms of returns to investors with a year-to-date loss of 17.07%.

The Bank's revenue dropped from GH¢363.64 million in Q3'16 to GH¢323.31 million in Q3'17 and this represented 11% decline in nominal value terms. Subsequently, bottom-line also reduced from the GH¢43.85 million in Q3'16 to GH¢36.96 million in Q3'17, representing 16% decline in nominal value.

The Bank, nonetheless, is fundamentally robust on the equity market gauging the current trailing P/E ratio of 11x as against the sector's average trailing P/E ratio of 17x, signaling high possibility of future upward price review.

ETI reverses to 15-pesewas

Poor bargain hunting in Ecobank Transnational Incorporated (ETI) shares saw the price returned to GH¢0.15 per share from the week's opening price of GH¢0.16 per share. At present, ETI is the ninth (9th) best performing equity on the GSE among the thirty-six (36) listed companies with a year-to-date gain of 50.00%.

Some analyst believe the fall was partially due to the strong sell-side pressure on the market last week. Nonetheless, the Bank's past price performance on the Exchange this year seems to be enough buy-side enticement for investors, hence future upward price recovery looks possible.

CORPORATE NEWS

ACCESS BANK GHANA PLC (ACCESS) ANNOUNCES EXTRAORDINARY GENERAL MEETING (EGM): The management of ACCESS has announced to all shareholders and the general public of its pending Extraordinary General Meeting slated for Tuesday, December 12, 2017.

The meeting will be held at the Coconut Grove Hotel in Accra, Ghana at 10:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	6.05	6.10	0.05	0.83%
CAL	1.05	1.10	0.05	4.76%
GCB	4.50	4.53	0.03	0.67%
TOTAL	3.50	3.52	0.02	0.57%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ACCESS	4.00	3.40	-0.60	-15.00%
ETI	0.16	0.15	-0.01	-6.25%
GOIL	2.67	2.64	-0.03	-1.12%

Table 4: Laggards for the week

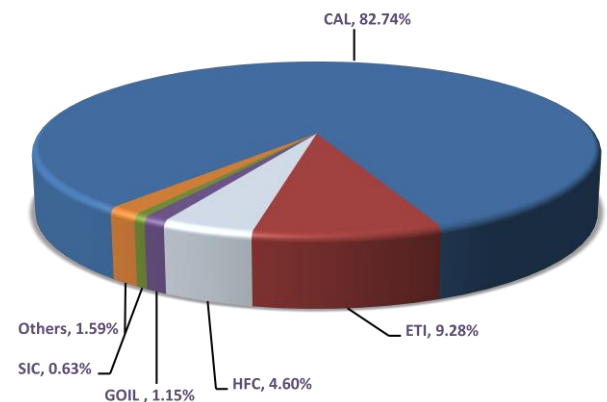


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 8/12/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.40	-17.07%
African Champion Industries Ltd.	ACI	0.01	0.01	0.00%
Agricultural Development Bank	ADB	3.83	5.64	47.26%
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	6.10	193.27%
Cal Bank Ltd	CAL	0.75	1.10	46.67%
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	7.55	17.97%
Enterprise Group Limited	EGL	2.40	3.83	59.58%
Ecobank Transnational Inc.	ETI	0.10	0.15	50.00%
Fan Milk Ltd.	FML	11.14	18.00	61.58%
Ghana Commercial Bank Ltd.	GCB	3.56	4.53	27.25%
Guinness Ghana Breweries Ltd.	GGBL	1.63	2.06	26.38%
Ghana Oil Company Limited	GOIL	1.10	2.64	140.00%
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	5.98	-0.33%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.06	-60.00%
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	24.00	97.04%
SIC Insurance Company Ltd.	SIC	0.12	0.09	-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	0.05	25.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.35	34.62%
Total Petroleum Ghana Ltd.	TOTAL	1.98	3.52	77.78%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.20	-36.01%
Unilever Ghana Ltd.	UNIL	8.51	12.80	50.41%
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

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.4090	4.4134	5.02% ▼
GBPGHS	5.8988	5.9065	13.59% ▼
EURGHS	5.1986	5.2044	17.24% ▼

Table 6: Inter-bank indicative rates

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

Dollar loses marginally to Cedi

The week-on-week data on the USDGHS exchange rate showed a depreciation of 0.02% in the value of the Dollar against the Cedi, indicating steadiness in the pair during the period.

Supply of Dollars on the currency market was enough to meet the Dollar demand during the period under consideration. This was as a result of the Central Bank's support on the market, in its bid to curb the fall in the value of the Cedi.

The Dollar, at the close of Thursday's trading was pegged at a midrate of GH¢4.4112, reducing its annual return to 5.02%.

Pound vs. Cedi

The British Pound lost to the Ghanaian Cedi on the inter-bank market, although it recorded an appreciation against some of its major currency partners on the international market.

There has been advancement in Brexit negotiations following the sign off of a progress report between UK's Prime Minister, Theresa May and President of the European Commission, Jean-Claude Juncker. This has paved way for trade talks between the negotiators to begin soon. This saw currency traders purchase more of the Pound, thereby pushing its value up on the market.

On the other hand, the Pound was down by 1.02% in value as it was bought at GH¢5.8988 and sold for GH¢5.9065 on Ghana's inter-bank market. This reduced the level of its annual yield to 13.59%.

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CEDI RECOUPS GAINS

The local currency realized some level of stability on the currency market, subsequent to the confirmation of receipt of \$1.05 billion of the cocoa syndicated loan by the Bank of Ghana (BoG).

According to the Central Bank, the money received which is more than 80% of the total loan, has bolstered Ghana's gross reserves to \$6.9 billion, equivalent to 3.9 months of import cover for September and October.

In the period under review, the Cedi's value appreciated by 0.51%, trimming down its year-to-date loss from 10.64% to 10.07% on Thursday.

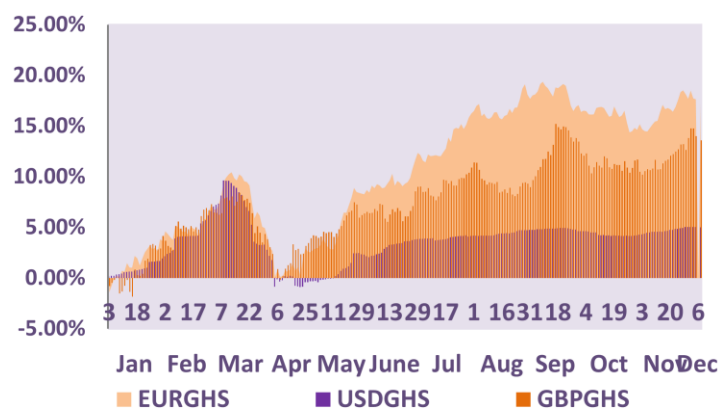


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro declines by 1.06%

The Euro lost to a basket of currencies on the global front following the release of a poor data on German's industrial output. The data which was expected to appreciate ended up dwindling to -1.4%.

Likewise, the Euro fell by 1.06% on the local market after trading at a midrate of GH¢5.2015. This translated to a lower annual return of 17.24%.