

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)	58,768.13	58,789.60	0.04%
Market Capitalization (US\$million)	13,710.21	13,654.85	-0.40%
Volume traded (shares)	3,355,674.00	2,715,687.00	-19.07%
Value Traded (GH¢)	3,505,122.33	6,159,565.85	75.73%
Value Traded (US\$)	817,721.50	1,430,660.53	74.96%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,922.39	0.18%	13.81%
SIC-FSL Top 15 Index	2,992.63	0.31%	14.75%
GSE Financial Stocks Index	1,794.09	-0.12%	16.09%

Table 2: Key Stock Market Indices

LIQUIDITY

Total shares traded dipped by 14.75% to settle at 2.72 million shares despite improved market performance last week, while the corresponding value traded appreciated from the GH¢3.51 million to GH¢6.16 million last week. In all, nineteen (19) out of thirty-seven (37) equities listed on the GSE were active within the period.

Market activities were hugely dominated by the petroleum stocks, as the sector recorded 67.32% and 63.32% of both volume and value of shares traded.

Total Petroleum Ghana Limited (TOTAL) was the most traded in terms of volume and value of shares traded in the week under review. The stock accounted for 1.54 million of the total shares that traded which represented 56.70% of the entire market volume. Corresponding value traded was also GH¢3.42 million, representing 55.49% of the total net value traded.

INVESTORS RENEW CONFIDENCE IN GSE

Renewed investor confidence in equities saw the Ghana Stock Exchange (GSE) perform better last week with gainers outperforming laggards in both magnitude and numbers. Shares of Benso Oil Palm Plantation Limited (BOPP), Ghana Oil Company Limited (GOIL), Fan Milk Limited (FML) and Standard Chartered Bank Limited (SCB) were the main upward drivers last week.

The yield on the GSE Composite Index (GSE CI) improved from 1,919.02 points to 1,922.39 points, resulting in an improved year-to-date gain of 13.81%. Similarly, the SIC-FSL Top 15 Index (SIC-FSL T-15) also saw 0.31% rise in level, closing at a return of 14.75%. However, the GSE Financial Stocks Index (GSE-FSI) slipped marginally from 1,796.24 points to 1,794.09 points, representing a drop in its year-to-date gain from the 16.23% to 16.09% last Thursday.

Regardless, total market capitalization was up from GH¢58.77 billion to GH¢58.79 billion, although the dollar value slipped from the previous week's figure of USD 13.71 billion to USD 13.65 billion due to the Cedi's depreciation against the dollar.



Fig 1: Year -to- date returns

MARKET MOVERS

BOPP returns to GH¢4.00 after 2-years

Investors bid up the share price of Benso Oil Palm Plantation (BOPP) from an opening price of GH¢3.56 to a two year-high of GH¢4.00 per share. BOPP is presently the second best performing stock on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 92.31%, after UTB which posted a gain of 100%.

The rise appeared to have been partly influenced by the company's sterling performance as evident in the first quarter (Q1'17) results released. BOPP reported a revenue growth from GH¢17.03 million in Q1'16 to GH¢28.12 million in Q1'17 on the back of improved performance and cost management. This translated into a net profit of GH¢5.51 million in Q1'17, better than the GH¢1.75 million recorded in Q1'16.

At the current price of GH¢4.00 a share, the stock is trading above the 91-day trading average price of GH¢2.39 a share and the 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢2.73 a share this year.

GOIL shares kick up upon demand

Demand for the shares of Ghana Oil Company Limited (GOIL) intensified last week as investors ticked up the price from GH¢1.63 to GH¢1.68 a share. At present, GOIL is ranked 3rd among the thirty-seven (37) listed companies on the Ghanaian bourse in terms of performance, with a year-to-date gain of 52.73%.

In spite of the seeming over-priced tag on GOIL especially compared to the 91-day trading average price of GH¢1.16 a share and the 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢1.18 a share this year, investors remain resolute in purchasing the company's shares. The reason appeared to be due to the rising market confidence coupled with the industry prospects for the future.

FML remains investors safer bet

Undoubtedly, the yoghurt company remains most investors' bull's eye on the Ghanaian bourse. Over the week, prospecting buyers bid-up the share price from a record price of GH¢11.54 to a new record price of GH¢11.57 per share. FML currently ranks 14th on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 3.86%.

At present, the stock is trading above the 91-Day Average Trading Price of GH¢11.22 per share and the 91-Day Volume Weighted Average Price (VWAP₉₁) of GH¢11.22 a share this year.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.56	4.00	0.44	12.36%
CAL	0.77	0.80	0.03	3.90%
FML	11.54	11.57	0.03	0.26%
GOIL	1.63	1.68	0.05	3.07%
SCB	16.10	16.12	0.02	0.12%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.42	2.40	-0.02	-0.83%
GCB	5.23	5.22	-0.01	-0.19%
MLC	0.11	0.10	-0.01	-9.09%
UNIL	9.00	8.90	-0.10	-1.11%

Table 4: Laggards for the week

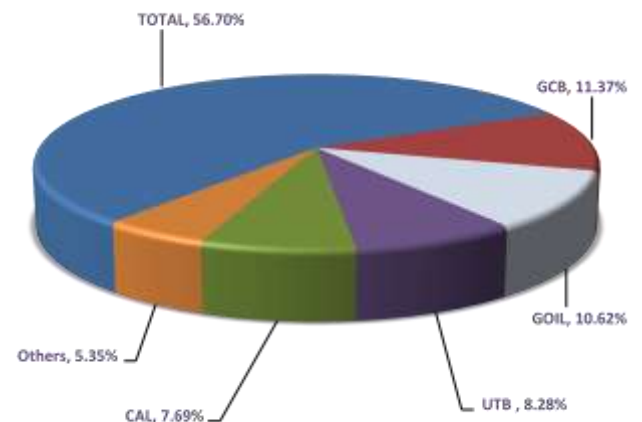


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 8/06/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.80	-7.32%
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	0.15	7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	4.00	92.31%
Cal Bank Ltd	CAL	0.75	0.80	6.67%
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	7.25	13.28%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.11	10.00%
Fan Milk Ltd.	FML	11.14	11.57	3.86%
Ghana Commercial Bank Ltd.	GCB	3.56	5.22	46.63%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.68	52.73%
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	0.50	-33.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.11	-33.33%
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	16.12	32.35%
SIC Insurance Company Ltd.	SIC	0.12	0.13	8.33%
Starwin Products Ltd.	SPL	0.03	0.02	-33.33%
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	0.25	-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	8.90	4.58%
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	4.3033	4.3075	2.50% ▼
GBPGHS	5.5685	5.5761	7.23% ▼
EURGHS	4.8279	4.8328	8.87% ▼

Table 6: Inter-bank indicative rates

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

Dollar rallies in value

Increased Dollar-buying on the currency market driven by exchange rate uncertainty continues to disfavor the local currency, as the weekly Dollar sales by the Central Bank failed to meet demand.

The Dollar as a result appreciated by 0.44%, trading between GH¢4.3033 and GH¢4.3075 in the period under review.

This saw the year-to-date returns of the Dollar increase to 2.50%.

Euro gains on the inter-bank market

The shared currency recorded a rise against the Cedi on Ghana's inter-bank market last Thursday.

The Euro increased by 0.41% in value, indicating investors' confidence in the currency as opposed to the Cedi.

At the end of last Thursday's trading, the Euro climbed to an annual returns of 8.87% against the Cedi after trading at a midrate of GH¢4.8304.

CEDI DOWN BY 0.49%

The local currency lost its traction on the interbank market after failing to catch-up with its previous performance in currency trading.

The Cedi lost 0.49% of its composite value against its major trading partners and lingered in red as its yield since the year began cumulated to a loss of 5.21% from the previous 4.70%.

Going forward, the Central Bank is expected to render substantial support to curb the building pressure on the local currency.

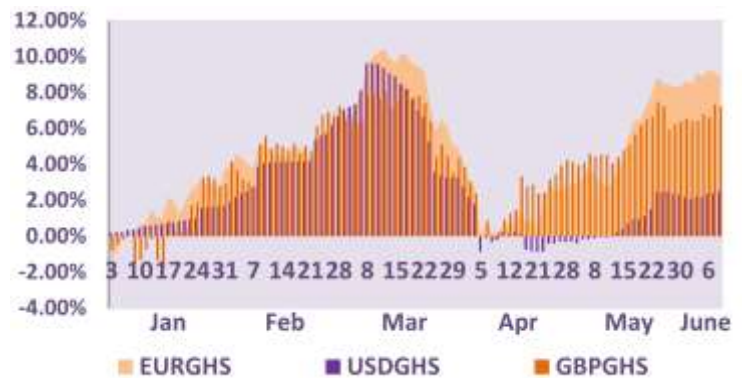


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound versus Cedi

The British Pound was under pressure on the international market after the general election result saw the ruling Conservative Party led by Prime Minister Theresa May fail to reach a majority in the British Parliament.

Also, uncertainty of the outcome of the upcoming negotiations with the EU over leaving the trading bloc seemed to be weighing on the value of the UK currency.

On the other hand, the British Pound managed to recoup some gains on Ghana's inter-bank market after losing to the Cedi the week earlier.

Trading at a midrate of GH¢5.5723, the Pound was up by 0.78% to settle at an annual yield of 7.23%.

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