

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

8th December, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	50,823.73	50,737.17	-0.17%
Market Capitalization (US\$million)	12,604.47	12,565.86	-0.31%
Volume traded (shares)	116,865,851.00	1,976,358.00	-98.31%
Value Traded (GH¢)	15,075,838.89	819,048.36	-94.57%
Value Traded (US\$)	3,738,861.88	202,850.23	-94.57%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,544.10	-0.98%	-22.60%
SIC-FSL Top 15 Index	2,463.97	-0.83%	-33.59%
GSE Financial Stocks Index	1,356.72	-1.32%	-29.71%

Table 2: Key Stock Market Indices

LIQUIDITY

Both the total volume and value traded retreated from the previous week's figure following a slag in demand in the period under consideration.

The 1.28 million block trade in Ecobank Transnational Incorporated was not enough to support total volume traded for the period. As such a total of 1.98 million shares exchanged hands on the floor which was 98.31% lower than the previous week's figure of 116.87 million shares. Liquid stocks were valued at GH¢0.82 million which was also 94.57% weaker than the previous value.

In all, 13 stocks were active within the period.

MARKET MAINTAINS DOWNWARD TREND

The performance of the stock market in election years in Ghana has historically been positive except this year which has witnessed negative returns on all the major performance indicators. This can be attributed to the panic selling of stocks due to political risk.

The period under review saw the broader market mired with losses from some blue-chip stocks, further dragging down the performance of the composite index by close of trading on Thursday. The GSE Composite index was down by 0.76% to settle at a lower year-to-date loss of 22.60% while the GSE Financial Stocks Index also dropped to 1,356.72 points, representing a year-to-date loss of 29.71%. The SIC-FSL Top 15 Index sunk to a low of 2,463.97 points, representing a year-to-date loss of 33.59%. This was on the back of losses in key stocks such as CAL Bank Limited (CAL), Ecobank Ghana Limited (EGH), Standard Chartered Bank Limited (SCB) and SIC Insurance Company Limited.

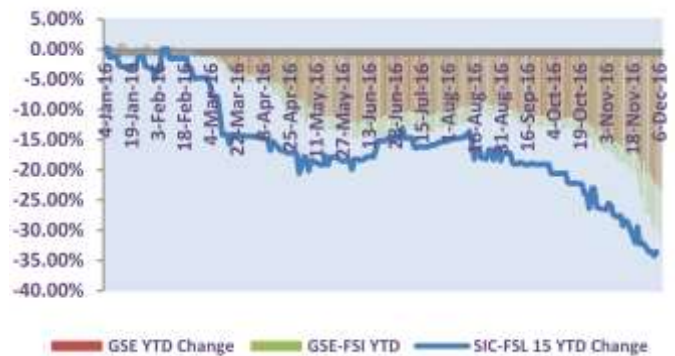


Fig 1: Year-to-date returns

MARKET MOVERS

EGH tops losers' chart

Profit-taking by investors in Ecobank Ghana Limited (EGH) saw the value of the stock decline from GH¢6.25 a week before to GH¢6.00 a share last week. This translated into a year-to-date loss of 14.41% in the company's market price since the beginning of the year.

Despite the 15% growth in the company's revenue for the Q3'2016, its profit after tax declined by 5% to GH¢273.77 million. This seemed not to have impressed shareholders of the stock. Currently, EGH is trading at a trailing P/E of 6x which is above the sector average P/E of 5x.

GOIL declines in price

The petroleum firm, Ghana Oil Company Limited (GOIL) placed second on the losers' chart on the stock market in the period under consideration, as a three-pesewa loss in the share price of the stock, resulted in a depreciation of about 3%.

Though the company's revenue rose by 5%, the rise in general and administrative expenses led to a reduction in the company's profits for the third quarter of this year.

STOCK TICKER	Wk Open	Wk End	Change	% change
SCB	8.49	8.50	0.01	0.12%
TOTAL	1.99	2.00	0.01	0.50%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.10	2.08	-0.02	-0.95%
EGH	6.25	6.00	-0.25	-4.00%
GGBL	1.64	1.63	-0.01	-0.61%
GOIL	0.99	0.96	-0.03	-3.03%

Table 4: Laggards for the week

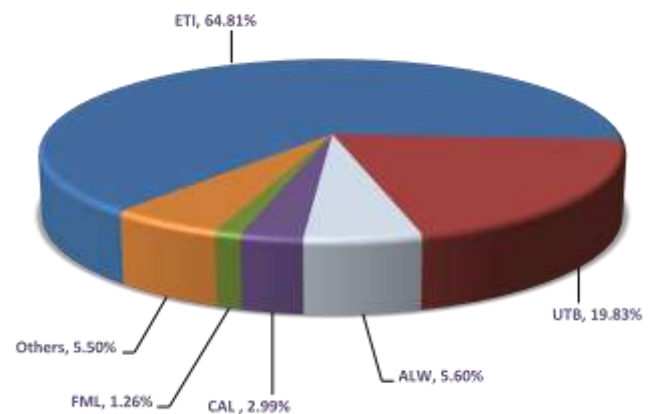


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

ADB ANNOUNCES THE COMPLETION OF ITS INITIAL PUBLIC OFFER (IPO): The Agricultural Development Bank Limited (ADB) has announced the successful completion of its IPO .

The public share offer of ADB consisted of a sale of 69,326,036 existing ordinary shares of no par value at GHS 2.65 per share, an offer for subscription of 75,471,698 new ordinary shares of no par value at GHS 2.65 per share issued and fully paid and a listing by introduction of 86,125,488 existing ordinary shares on the Ghana Stock Exchange.

In total, 405 applications were made for shares in the IPO with majority of the applications, by number, being made by Ghanaian retail investors.

EGH APPOINTS A DIRECTOR: Ecobank Ghana Limited (EGH) has appointed Mr. George Mensah-Asante as the Managing Director of Ecobank Liberia effective 1st December, 2016.

Mr. Mensah-Asante therefore resigned from the Board of Directors of Ecobank Ghana Limited on Thursday, 1st December, 2016.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 8/12/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.10	-44.44%
Benso Oil Palm Plantation	BOPP	2.50	2.08	-16.80%
Cal Bank Ltd	CAL	1.00	0.75	-25.00%
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	7.01	6.00	-14.41%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.10	-62.96%
Fan Milk Ltd.	FML	7.35	11.27	53.33%
Ghana Commercial Bank Ltd.	GCB	3.79	3.50	-7.65%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.63	-18.09%
Ghana Oil Company Limited	GOIL	1.40	0.96	-31.43%
Golden Star Resources Ltd.	GSR	1.99	1.95	-2.01%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.79	-12.22%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.15	-21.05%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.06	-40.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.20	-41.18%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	8.50	-47.85%
SIC Insurance Company Ltd.	SIC	0.14	0.12	-14.29%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.60	-25.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.26	-29.73%
Total Petroleum Ghana Ltd.	TOTAL	5.10	2.00	-60.78%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	26.90	-3.93%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.03	-70.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PRAF	0.71	0.75	5.63%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.72	-1.37%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.10	25.00%
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	4.0357	4.0397	6.40% ▼
GBPGHS	5.0680	5.0751	9.70% ▲
EURGHS	4.2819	4.2846	3.66% ▼

Table 6: Inter-bank indicative rates

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

Dollar up by 0.14%

The Dollar surged above the Cedi as some investors sought it as a safe haven against any political risk that may arise in the country. Also, higher demand for the dollar to pay for orders of goods to be imported into the country for the festive season supported the rise in value of the Dollar on the inter-bank market.

The Greenback was up by 0.14% on the interbank market as it was bought at GH¢4.0357 and sold for GH¢4.0397 on Thursday.

As a result the annual return of the American Dollar rose to 6.40% in the period under review from 6.25% a fortnight ago.

Euro versus Cedi

The Euro lost traction on the international market following a decision made by the European Central Bank (ECB) on its debt buying programme.

The central bank announced that it was extending its debt buying programme by a further 3 months and also reducing the size of its monthly purchases from €80 billion in April to €60 billion. This led to a decline in the Euro's worth on the market.

However, at the close of trading on Ghana's local market on Thursday, the shared currency was trading at midrate GH¢4.2833 on the inter-bank market, leading to a higher annual yield of 3.66% against the Cedi.

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CEDI DECLINES IN VALUE

The anticipation of the official outcome of the just ended 2016 elections stoked the apprehension for the Cedi on the currency market as it shed-off some gains to its major trading partners.

Although Ghana's two major political parties seem to claim victory for themselves, Ghanaians and possibly the world at large remain in suspense as all await the Electoral Commission to finally declare the winner of the 2016 election.

As assured by the Governor of the central bank, the local currency was not significantly affected by the on-going situations surrounding the elections. Thus, the Ghanaian Cedi was down by 0.07% to settle at a lower year-to-date loss of 2.59%.

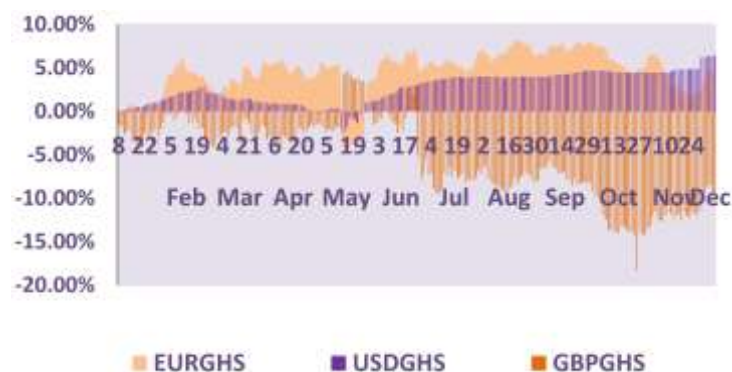


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound loses to Cedi

The British Pound witnessed a decline against some of its major trading currency partners on the global front, following the release of a lower than expected data on the nation's manufacturing and industrial output.

The data released showed a sharp decline in industrial index to -1.3% in October from 0.3% while that of the manufacturing index shrunk from 0.6% to -0.9% in October, triggering the decline in value of the Pound.

On Ghana's inter-bank market, the Pound lost 0.40% of its value to the Cedi, increasing its year-to-date loss to 9.70%. By the close of trading on Thursday, £1 was pegged at a midrate of GH¢5.0716.

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