

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

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Address: No. 67A & B Switchback Road,
 Email: research@sic-fsl.com
 Website: www.sic-fsl.com
 Phone: +233-302-767-051
 +233-302-767-123

STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	58,036.07	57,971.89	-0.11%
Market Capitalization (US\$million)	13,250.24	13,197.93	-0.39%
Volume traded (shares)	4,767,109.00	5,339,916.00	12.02%
Value Traded (GH¢)	6,946,786.04	11,165,655.27	60.73%
Value Traded (US\$)	1,586,024.21	2,541,981.85	60.27%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	CLOSING LEVEL	WEEK CHANGE	YTD CHANGE
GSE Composite Index	2,389.34	1.09%	41.46%
SIC-FSL Top 15 Index	3,925.63	-0.86%	50.53%
GSE Financial Stocks Index	2,035.96	0.10%	31.74%

Table 2: Key Stock Market Indices

LIQUIDITY

Multiple block trades on the Exchange last week saw liquidity better than the previous level. A total of 5.34 million shares exchanged hands and this was valued at GH¢11.17 million. In all, Twenty-Two (22) equities traded on the GSE while one (1) equity traded on the Ghana Alternative Market (GAX).

Financial stocks remained most investors safest bet last week, as the sector contributed 76.70% and 60.72% of volume and value of total traded shares respectively.

SIC Insurance Company Limited (SIC) was the most traded equity on the bourse, accounting for 1.86 million shares traded, which represents 34.77% of total market volume. Total Petroleum Ghana Limited (TOTAL) by virtue of its high price recorded the largest value of GH¢3.34 million, representing 29.93% of total market value.

ACCRA BOURSE BUOYS DESPITE...

Appreciations in blue-chip stocks saw returns on the Ghana Stock Exchange (GSE) improve despite even numerical strength of both gainers and laggards. Out of the ten (10) price movers, five (5) equities were ticked-up with the rest dipping. Shares of Unilever Ghana Limited (UNIL), Guinness Ghana Breweries Limited (GGBL), Ghana Oil Company Limited (GOIL) and Standard Chartered Bank (SCB) hugely influenced last week's activities.

At the close of last week's session, yields on the GSE-Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) rose from the previous week's year-to-date gains of 39.93% and 31.60% to settle at 41.46% and 31.74% respectively. However, decline in share price of "big cap" stock Ecobank Transnational Incorporated (ETI), Fan Milk Limited (FML), Total Petroleum Ghana (TOTAL) and Tullow Oil Plc (TLW) saw the yield on the SIC-FSL Top 15 liquid Index (T-15 Index) drop from the previous week's year-to-date gain of 51.83% to settle at a return of 50.53%.

Total market capitalization dropped from the previous week's figure of GH¢58.04 billion to GH¢57.97 billion last Thursday. Also, an equivalent Dollar value dropped from the previous week's figure of USD 13.25 billion to USD 13.20 billion.

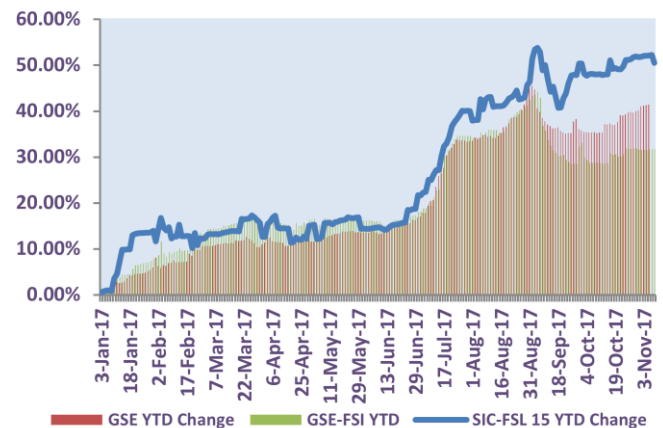


Fig 1: Year -to -date returns

MARKET MOVERS

UNIL hits year-high price

Increased market demand for Unilever Ghana Limited's (UNIL) shares on the Exchange saw the price hit a year-high of GH¢12.64 from GH¢10.99 per share last week. UNIL is presently ranked 9th on the Ghana Stock Exchange in terms of returns to investors with a year-to-date gain of 48.53%.

The rise appeared to have been triggered by the released of better-than-expected third quarter company results. The company's revenue for the period increased by 14.6%, from GH¢373.57 million to GH¢428.24 million. Net profit after tax also grew from the GH¢23.94 million in Q3'16 to GH¢33.71 million in the same period this year.

At the current market price above, UNIL is trading at a 10% discount when compared to the trailing sector average P/E ratio of 18x, indicating possibility of further upward price correction.

GGBL rides-on market confidence

The share price of Guinness Ghana Breweries Limited (GGBL) touched a fresh year-high price of GH¢1.92 per share from the week's opening price of GH¢1.76 a share. Presently, GGBL is ranked 16th on the Ghana Stock Exchange in terms of returns with a year-to-date gain of 17.79%.

The rise in the share price appeared to have been rather influenced by the growing capital market appetite as investors appeared to have relied on the past performance, considering the company's uninspiring third quarter results. GGBL posted a revenue growth from GH¢118.35 million in Q3'16 to GH¢125.37 million in Q3'17 but suffered a loss after tax of GH¢6.26 million in Q3'17 from GH¢5.71 million in Q3'16.

STOCK TICKER	Wk Open	Wk End	Change	% change
GCB	4.21	4.23	0.02	0.48%
GGBL	1.76	1.92	0.16	9.09%
GOIL	2.52	2.60	0.08	3.17%
SCB	19.61	20.00	0.39	1.99%
UNIL	10.99	12.64	1.65	15.01%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ETI	0.18	0.17	-0.01	-5.56%
FML	19.39	19.28	-0.11	-0.57%
MLC	0.09	0.08	-0.01	-11.11%
TOTAL	3.65	3.50	-0.15	-4.11%
TLW	17.30	17.28	-0.02	-0.12%

Table 4: Laggards for the week

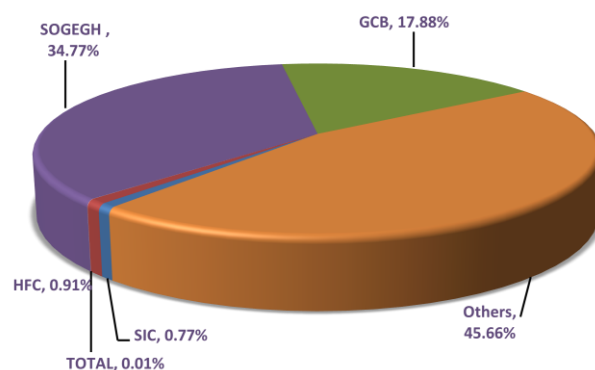


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

CAL BANK LIMITED (CAL) APPOINTS NON-EXECUTIVE DIRECTOR: CAL has announced the appointment of Nana Otuo Acheampong as a Non-Director of the company.

The appointment has been approved by the Bank of Ghana on October 27, 2017.

HFC BANK (GHANA) LIMITED (HFC) HINTS OF RENOUNCEABLE RIGHT ISSUE: HFC has announced to the general public of an on-going process for a renounceable rights offer after receipt of approval from the Board of Directors and shareholders.

The prospectus for the transaction has been forwarded to the Securities and Exchange Commission (Ghana) awaiting approval for 90,909,094 ordinary shares in a ratio of 1 new share for every 3.2716 existing shares held. The offer seeks to raise GH¢50 million at a discounted price of 60% to the market price and this is expected to commence on November 22, 2017.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 9/11/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.91	-4.63%
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	6.00	188.46%
Cal Bank Ltd	CAL	0.75	1.05	40.00%
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	7.54	17.81%
Enterprise Group Limited	EGL	2.40	3.95	64.58%
Ecobank Transnational Inc.	ETI	0.10	0.17	70.00%
Fan Milk Ltd.	FML	11.14	19.29	73.07%
Ghana Commercial Bank Ltd.	GCB	3.56	4.23	18.82%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.92	17.79%
Ghana Oil Company Limited	GOIL	1.10	2.60	136.36%
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	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.08	-46.67%
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	20.00	64.20%
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	0.75	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	3.50	76.77%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.28	-35.71%
Unilever Ghana Ltd.	UNIL	8.51	12.64	48.53%
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

CEDI DWINDLES IN VALUE

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3903	4.3947	4.58% ▼
GBPGHS	5.7535	5.7610	10.79% ▼
EURGHS	5.1069	5.1114	15.16% ▼

Table 6: Inter-bank indicative rates

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

Dollar improves in yield

The greenback topped the Cedi's currency rival chart last week with a 0.29% appreciation in value as supply of Dollars failed to meet demand in the period under review.

With the fast approaching yuletide season, a gradual rise in demand for Dollars by importers is seen to be weakening the value of the Cedi.

On Thursday, the exchange rate for the greenback was pegged between GH¢4.3903 and GH¢4.3947, reflecting a rise in the Dollars annual return from 4.28% to 4.58%.

Euro loses slightly to Cedi

The Euro posted gains on the global front following the release of a positive growth forecast for the Euro region.

The European Commission raised its 2017 forecast for the region's GDP from 1.7% to 2.2%. In addition the Commission forecasted a 2018 growth of 2.1%, favouring the Euro.

However, the Euro lost marginally to the Cedi after it was bought at GH¢5.1069 and sold for GH¢5.114, representing a 0.02% decline in the Euro's worth.

Consequently, the annual yield of the Euro dropped slightly from 15.18% to 15.16% on Thursday.

Ghana's currency recorded a holistic depreciation in value after its week-on-week analysis against its major trading partners.

The news of a decline in Ghana's foreign exchange reserves by 13.3% from US\$ 5.77 billion in June 2017 to US\$5.1 billion in August 2017 saw the Cedi's loss deepen on the currency market.

The Cedi thus lost 0.19% of its value on the inter-bank market by close of trading on Thursday to settle at a year-to-date loss of 8.76% from 8.55% week ago.

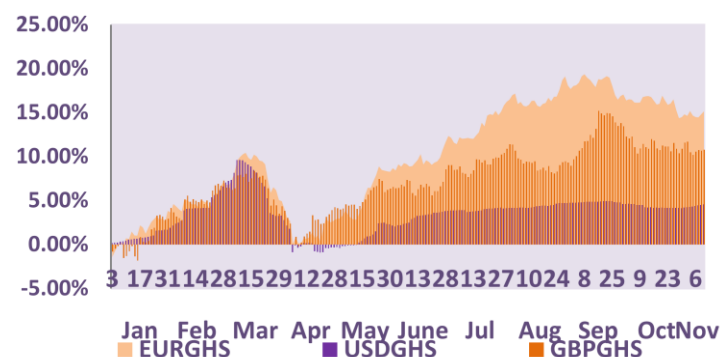


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound vs. Cedi

The Pound Sterling bounced back in value after losing to the Cedi on the inter-bank market a fortnight ago.

The Pound was up by 0.27% after trading at a midrate of GH¢5.7573 against the Cedi. This pushed the Pound's yield up to 10.79% by the end of Thursday's trading activities.

On the other hand, the Pound lost to a basket of currencies on the international market as political uncertainty in the nation rises. Priti Patel was forced to resign as the Secretary of State after she held unauthorized meetings with Israeli politicians. Her resignation is the second after Defence Secretary; Michael Fallon resigned a week ago.

The situation has raised concerns about Theresa May's stability. This led to a fall in value of the Pound on the currency market.

Alice Osei Okrah (Head)
Email: aokrah@sic-fsl.com

Isaac Kwasi Mensah (Analyst)
Email: ikmensah@sic-fsl.com

Georgina Arhin (Analyst)
Email: garhin@sic-fsl.com