

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

3rd March, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	56,587.52	56,312.92	-0.49%
Market Capitalization (US\$'million)	14,601.72	14,559.04	-0.29%
Volume traded (shares)	2,702,933.00	1,561,353.00	-42.23%
Value Traded (GH¢)	1,502,835.00	1,836,433.71	22.20%
Value Traded (US\$)	387,788.36	474,788.31	22.43%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,969.92	-0.60%	-1.25%
SIC-FSL Top 15 Index	3,534.02	-1.63%	-4.75%
GSE Financial Stocks Index	1,906.31	-0.74%	-1.23%

Table 2: Key Stock Market Indices

LIQUIDITY

Over-all market turnover was lower than the previous week's activities. The aggregate volume of shares traded declined by 42.23% to close at 1.56 million shares traded. However, corresponding value traded appreciated to GH¢1.84 million, representing an increase of 22.20%.

As expected, the financial stocks contributed 93.62% and 87.85% of the total volume and value of shares traded in the past week.

Ecobank Transnational Incorporated (ETI) recorded the highest activity in the week, with a contribution of 882,741 shares, which translated into 56.54% of total traded shares. On the other hand, Enterprise Group Limited (EGL) recorded the highest value in terms of trade, accounting for GH¢613,014, which represented 33.38%.

ACCRA BOURSE DROPS AGAIN

Activities on the Ghana Stock Exchange (GSE) remained sluggish for the second consecutive time last week. This was due to the superior advantage laggards had over gainers in numbers and magnitude. Shares of HFC Bank (HFC), Cal Bank (CAL), Standard Chartered Bank (SCB), Enterprise Group Limited (EGL) and PBC Limited (PBC) dropped to drag the broader market further down by 0.60% last Thursday.

In effect, key benchmark indices like the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 Liquid Index (SIC-FSL T-15) closed the week at an annual loss of 1.25%, 1.23% and 4.75% respectively worse than the previous week's 0.65%, 0.50% and 3.17% accordingly.

Unsurprisingly, total value of listed companies dropped from the GH¢56.59 billion to GH¢56.31 billion last Thursday, whilst an equivalent dollar value also decline to USD 14.60 billion from the USD 14.56 billion the week before.

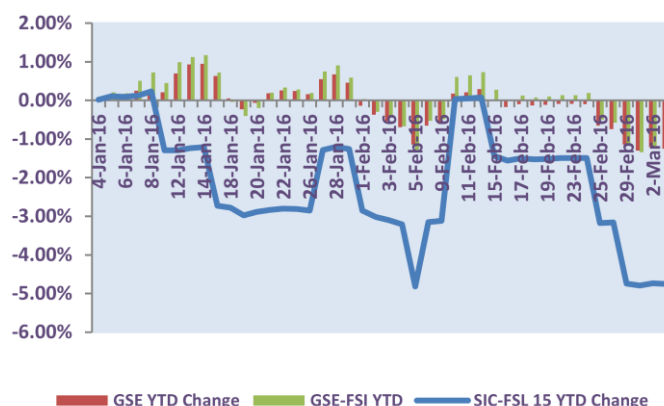


Fig 1: Year -to -date returns

MARKET MOVERS

Hint of dividend payment drives up CAL price

A proposed dividend payment of GH¢0.097 per share by the Board and Management of Cal Bank appeared to have rekindled an interest in the company's shares on the market. This was evident in the 3-pesewas rise in the price of the Bank's share. The rise, according to analyst was due to the rush by investors to consolidate their holding position in the Bank to enable them benefit hugely in the dividend payment and capital appreciations.

The Directors of Bank announced the above dividend payment subject to shareholder's approval in its upcoming Annual General Meeting (AGM) at Ghana College of Physicians Surgeons. The meeting is scheduled to take place on March 31, 2016 at exactly 10:00 am.

In view of the aforementioned, any investor who buys CAL shares before March 22, 2016 will be entitled to the dividend payment. This has undoubtedly been the cause of increase in demand for shares of the Bank, propping the share price up to GH¢1.00 per share.

HFC tick-down over poor result

The exhibit of poor financial performance by HFC Bank in its 2015 full-year result appeared to have influenced the Bank's share performance on the Exchange. The Bank's share value decline by 5-pesewas to settle at GH¢1.00 per share last Thursday, a scenario most analyst have attributed to the poor result released by the company.

HFC Bank posted an improved revenue growth from the GH¢239.25 million in FY'14 to GH¢293.71 million in FY'15, however, the company posted a net loss after tax of GH¢35.60 million in FY'15 compared to the GH¢54.26 million recorded in FY'14. The poor result was largely due to the huge operating losses and impairment charge for credit losses that the company witnessed last year.

CORPORATE NEWS

SIMON DORNOO LEAVES GCB BANK LIMITED (GCB): Mr. Simon Dornoo, the Managing Director of GCB, has left Bank to pursue other interests. He resigned on 3rd March, 2016 after six long years of service.

Meanwhile, the Board has asked Mr. Samuel Sarpong, Chief Operating Officer to act in his stead.

ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL: AGA has increased its ordinary shares to 405,482,089 as at January 31, 2016 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 216,774 ordinary shares.

In view of the above, AGA share capital has risen to 49,814,647,642.36 South African Rand.

SOCIETE GENERALE GHANA LIMITED (SOGEGH) ANNOUNCES DIVIDEND PAYMENT: Management of SOGEGH have announced a final dividend of GH¢0.076 per share in respect of 2015 financial year. This is subject to shareholders' approval at the upcoming Annual General Meeting (AGM).

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.11	3.13	0.02	0.64%
CAL	0.97	1.00	0.03	3.09%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.42	2.40	-0.02	-0.83%
ETI	0.25	0.24	-0.01	-4.00%
GCB	3.71	3.70	-0.01	-0.27%
GOIL	1.45	1.44	-0.01	-0.69%
HFC	1.05	1.00	-0.05	-4.76%
PBC	0.09	0.08	-0.01	-11.11%
PZC	0.30	0.29	-0.01	-3.33%
SCB	16.29	16.26	-0.03	-0.18%
SOGEGH	0.81	0.80	-0.01	-1.23%
TOTAL	5.13	5.12	-0.01	-0.19%
TLW	27.93	27.92	-0.01	-0.04%
UTB	0.12	0.11	-0.01	-8.33%

Table 4: Laggards for the week

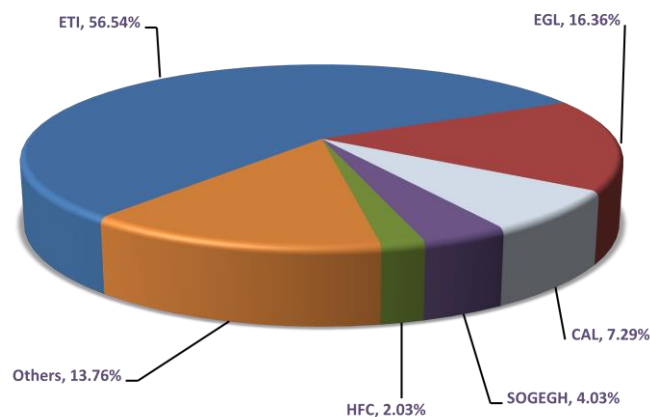


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 3/3/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.02	0.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.07	-50.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.13	-27.78%
Benso Oil Palm Plantation	BOPP	2.50	3.13	25.20%
Cal Bank Ltd	CAL	1.00	1.00	0.00%
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	0.01	-50.00%
Ecobank Ghana Ltd.	EBG	7.01	7.05	0.57%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.27	0.24	-11.11%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.70	-2.37%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.96	-1.51%
Ghana Oil Company Limited	GOIL	1.40	1.44	2.86%
Golden Star Resources Ltd.	GSR	1.99	1.99	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	1.00	11.11%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.20	5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.08	-20.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.29	-14.71%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	16.26	-0.25%
SIC Insurance Company Ltd.	SIC	0.14	0.19	35.71%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.37	0.00%
Total Petroleum Ghana Ltd.	TOTAL	5.10	5.12	0.39%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.92	-0.29%
Unilever Ghana Ltd.	UNIL	8.50	8.50	0.00%
UT Bank	UTB	0.10	0.11	10.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.71	0.00%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.09	12.50%
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	3.8660	3.8698	1.92% ▼
GBPGHS	5.4503	5.4572	2.90% ▲
EURGHS	4.2188	4.2215	2.13% ▼

Table 6: Inter-bank indicative rates

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

Dollar loses to Cedi

The greenback last week failed to rise from the loss it suffered versus the Cedi a fortnight ago, marking its second weekly loss to the local currency on the Ghanaian market.

This was driven by the decline in corporate demand for Dollars as well as the steady sale of Dollars by the Central bank, bolstered by offers from local mines and offshore investors.

After trading at a midrate of GH¢3.8679, the Dollar was down by 0.19% in value. This brought about a decline in its annual yield to 1.92% on Thursday.

Euro versus Cedi

The Euro was under pressure on the global front as investors await the European Central Bank (ECB) monetary policy decision this week. The central bank is widely expected to increase its monetary accommodation this week in order to support an ailing economy.

Losing by 0.97%, the Euro ended Thursday's trading on Ghana's inter-bank market as the major facilitator behind the local currency's composite gain.

This translated to a fall in the yield of the shared currency from 3.14% to 2.13% last week.

CEDI RECORDS HOLISTIC GAIN

The Ghanaian Cedi for the third consecutive week recoded an appreciation last Thursday. This follows the gains it chalked from the American Dollar and European currency on the inter-bank market.

The gradual rise in investor confidence in the value of the local currency seems sustainable on the currency market, taking into consideration the gains it has posted so far in recent times.

Consequently, the Cedi ended Thursday's trading with a holistic appreciation of 0.22% to trim its year-to-date loss from 1.35% to 1.13% in the period under review.

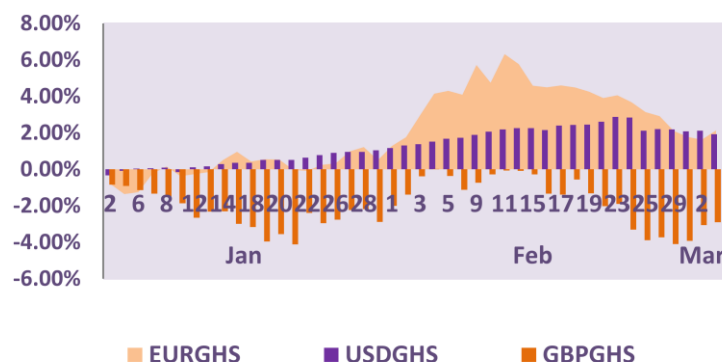


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound trims down its YTD loss

The Pound gained a positive stance on the international market last week. The rally was on due to the further ease on the issue of Britain's exit (Brexit) from the European region.

However, analysts believe that the Pound is likely to be vulnerable as economic data continues to support a delay in the potential for monetary tightening over the medium to long term.

Locally, The GBPGHS exchange rate however closed the week 1.03% better than it had begun, after trading between Gh¢5.45 and Gh¢5.46 last Thursday, with a decline in its year-to-date loss to 2.90% against the Cedi.

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