

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)	56,993.68	57,543.70	0.97%
Market Capitalization (US\$million)	13,027.13	13,149.54	0.94%
Volume traded (shares)	3,709,501.00	3,095,748.00	-16.55%
Value Traded (GH¢)	8,603,444.76	4,285,336.43	-50.19%
Value Traded (US\$)	1,966,501.66	979,259.26	-50.20%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,277.65	1.04%	34.85%
SIC-FSL Top 15 Index	3,731.72	3.64%	43.09%
GSE Financial Stocks Index	2,101.43	1.33%	35.98%

Table 2: Key Stock Market Indices

LIQUIDITY

At the close of the week, a total of 3.10 million shares traded valued at GH¢ 4.29 million down from the 3.71 million shares that traded in the previous week. Corresponding value traded was also down by 50.19% because of activity in lower priced equities. In all, twenty-three (23) equities traded on the GSE, one (1) equity on the Ghana Alternative Market (GAX) and one (1) preference share.

Financial stocks remained the preferred choice of most investors, as the sector contributed 74.34% and 63% of both volume and value of shares that traded in the past week.

GCB Bank Limited (GCB) was the most traded equity on the bourse, accounting for 624,091 shares traded, which represented 20.16% of market volume. Total Petroleum Ghana Limited (TOTAL) by virtue of its high price made the biggest gain in terms of value, contributing a total of GH¢883,930.74 of total market value.

GSE PERFORMS BETTER

The performance of the Ghana Stock Exchange (GSE) improved last week following strong bullish sentiment in market activities. Among the eleven (11) price movers, only two equities were losers, the rest were all price gainers supporting the market's upward course. Shares of Enterprise Group Limited (EGL), PBC Limited (PBC), Ecobank Transnational Incorporated (ETI) and Cal Bank Limited (CAL) were behind the market's upside performance.

Yields on the GSE Composite Index (GSE CI) improved from 2,254.22 points to 2,277.65 points, resulting in an improved year-to-date gain of 34.85%. 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 at 35.98% and 43.09% respectively better than the 34.19% and 38.07% recorded in the previous week.

Total market capitalization improved from the previous week's figure of GH¢56.99 billion to GH¢57.54 billion last Thursday. An equivalent dollar value also appreciated from the previous week's figure of USD 13.03 billion to USD 13.15 billion.



Fig 1: Year -to -date returns

MARKET MOVERS

EGL hits record high price despite...

In spite of the company's failure to declare dividend for shareholders, demand for the company's share increased pushing the price further up to GH¢2.97 from an opening price of GH¢2.65 per share the highest since 2010. At present, EGL is ranked 9th in terms of returns to investors on the GSE with a year-to-date gain of 23.75%.

Analysts have likened the appreciation to the company's strong financial result as witnessed in its half-year 2017 financial report. Net insurance premium rose from GH¢140.76 million in HY'16 to GH¢181.66 million in HY'17 while profit for the period increased from GH¢20.26 million in HY'16 to GH¢22.86 million in HY'17.

On the flipside, the current market price is above the company's 123-Day Volume Weighted Average Price (VWAP₁₂₃) and the 123-Day Average Trading Price of GH¢2.40 per share.

ETI returns to 15-pesewas

Improved investor confidence in Ecobank Transnational Incorporated (ETI) shares saw the price returned to GH¢0.15 per share after it decline in October last year. Presently, ETI is the fifth best performing equity on the GSE among the thirty-seven (37) listed equities with a year-to-date gain of 50%.

The rise in the ETI's share price appeared to have been backed by the growing market interest in equities on the local bourse.

Currently, ETI is trading above the 123-Day Volume Weighted Average Price (VWAP₁₂₃) and 123-Day Average Trading Price of (ATP₁₂₃) of GH¢0.12 a share. Even so, the Bank's past price performance on the Exchange appears to be enough bait for investors as possibility of further upward price review looks bright.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	5.04	5.08	0.04	0.79%
CAL	0.88	0.90	0.02	2.27%
EGL	2.65	2.97	0.32	12.08%
ETI	0.13	0.15	0.02	15.38%
FML	16.08	16.10	0.02	0.12%
GOIL	2.30	2.32	0.02	0.87%
PBC	0.04	0.05	0.01	25.00%
SCB	26.22	26.25	0.03	0.11%
UNIL	9.01	9.05	0.04	0.44%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
GCB	5.15	5.14	-0.01	-0.19%
UTB	0.07	0.06	-0.01	-14.29%

Table 4: Losers for the week

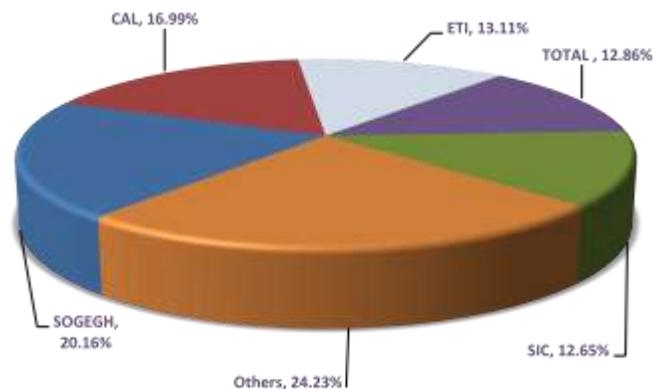


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

UNILEVER GHANA LIMITED (UNIL) ANNOUNCES DIRECTOR'S RESIGNATION: UNIL has announced the resignation of Mr. Joseph Z. Amuna from the company's Board of Directors.

The resignation took effect on July 31st, 2017 and the company would announce his replacement soon.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 10/08/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.00	-2.44%
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	5.08	144.23%
Cal Bank Ltd	CAL	0.75	0.90	20.00%
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	6.40	7.00	9.38%
Enterprise Group Limited	EGL	2.40	2.97	23.75%
Ecobank Transnational Inc.	ETI	0.10	0.15	50.00%
Fan Milk Ltd.	FML	11.14	16.10	44.52%
Ghana Commercial Bank Ltd.	GCB	3.56	5.14	44.38%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.45	-11.04%
Ghana Oil Company Limited	GOIL	1.10	2.32	110.91%
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	0.73	-2.67%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.10	-33.33%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.05	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	26.25	115.52%
SIC Insurance Company Ltd.	SIC	0.12	0.12	0.00%
Starwin Products Ltd.	SPL	0.03	0.04	33.33%
Societe Generale Ghana Limited	SOGEGH	0.62	0.75	20.97%
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	17.80	-33.78%
Unilever Ghana Ltd.	UNIL	8.51	9.05	6.35%
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	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	0.08	-11.11%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3739	4.3783	4.19% ▼
GBPGHS	5.6804	5.6874	9.38% ▼
EURGHS	5.1402	5.1437	15.90% ▼

Table 6: Inter-bank indicative rates

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

Dollar posts marginal gain

In the period under review, the American Dollar managed to record an increase in value as demand rose slightly above supply.

Accordingly, the Dollar realized a 0.03% gain against the Cedi on the currency market to settle at an annual yield of 4.19% on Thursday. This was after the Dollar was bought at GH¢4.3739 and sold for GH¢4.3783 on the inter-bank market.

The USDGHS exchange rate is expected to maintain its stability in the coming weeks.

Pound loses to Cedi

The British Pound lost as much as 1.16% of its strength to the local currency after trading between GH¢5.6804 and GH¢5.6874 on the inter-bank market.

The Pound's annual yield therefore dropped to 9.38%.

Likewise, the state of the Pound Sterling on the international market was no different from that of Ghana's local market. Investors' growing concerns about British's economic outlook saw market participants decrease their bet in the Pound, thereby keeping the Pound under pressure against its major currency partners.

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CEDI RECOUPS GAINS

The local currency recorded a composite appreciation of 0.52% against its major trading partners on the inter-bank market.

This occurred amid the report of a decline in inflation for the month of July 2017. Ghana's inflation dropped for the third straight month from 12.1% in June to 11.9% in July, the lowest rate since September 2013.

According to the Ghana Statistical Service (GSS), the main drivers of the decline comprised of transport, recreation and culture, household goods and services.

As a result, the Cedi saw its year-to-date loss trim from 9.08% the week earlier to 8.51% on Thursday, although it lost slightly to the Dollar.

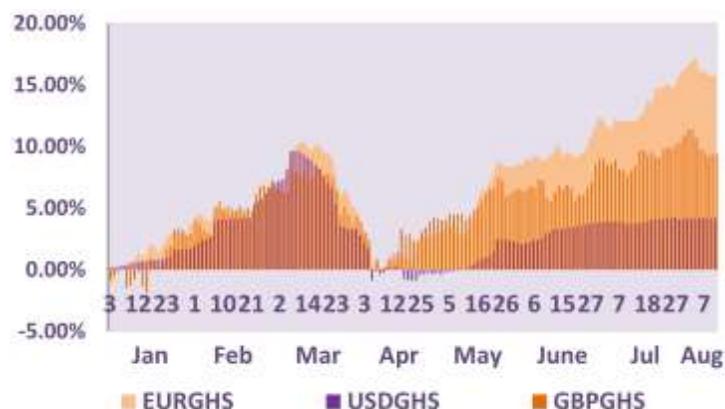


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Euro declines in value

The Euro lost grounds on the global front following the release of France's industrial output, which came out poor than expected.

The French industrial output fell 1.1% in June from 1.9% in May, although Economists poll forecasted a 0.5% decline. This waned on the valued of the Euro during trading.

Similarly on Ghana's inter-bank market, the shared currency declined by 1.09% in value after it was priced at a midrate of GH¢5.1420. This translated to a year-to-date return of 15.90%.