

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

15th December, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	50,737.17	51,551.29	1.60%
Market Capitalization (US\$million)	12,604.47	12,558.48	-0.36%
Volume traded (shares)	1,976,358.00	9,813,381.00	396.54%
Value Traded (GH¢)	819,048.36	2,246,773.26	174.32%
Value Traded (US\$)	202,850.23	547,339.34	169.82%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,579.12	2.27%	-20.84%
SIC-FSL Top 15 Index	2,497.83	1.37%	-32.68%
GSE Financial Stocks Index	1,403.08	3.42%	-27.30%

Table 2: Key Stock Market Indices

LIQUIDITY

An 8.3 million block trade in UT Bank shares was all that was needed to out-pace the previous week's performance. Total shares traded surged from the 1.98 million shares to 9.81 million shares last Thursday, valued at GH¢ 2.25 million. In all, twenty-one stocks participated in last week's trading sessions, including twenty-one (21) listed companies on the GSE and one (1) company on the Ghana Alternative Market (GAX).

Financial stocks were most investors preferred choice, as the sector contributed 98.74% and 69.73% of both volume and value of shares that traded in the past week.

The shares of UT Bank Limited (UTB) emerged the most traded equity on the bourse, accounting for 8.72 million of the total traded shares, representing 23.32% of market volume. Unilever Ghana Limited (UNIL) by virtue of its high price recorded the biggest value in the week, accounting for GH¢523,924 of the total traded value.

ACCRA BOURSE STRENGTHENS FOLLOWING SUCCESSFUL ELECTION

Activities on the Ghana Stock Exchange (GSE) strengthened last week following improved market confidence after successful parliamentary and presidential elections. Out of the seven (7) equities that witnessed price changes last week, five (5) made gains, key among these were the shares of Standard Chartered Bank (SCB), Ghana Oil Company Limited (GOIL), Ecobank Ghana Limited (EGH) and the newly listed; Agricultural Development Bank (ADB).

At the close of the week's session, key market indicators pruned down their losses, the GSE-Composite Index improved from the previous year-to-date loss of 22.60% to settle at an annual loss of 20.84%. Similarly, the GSE Financial Stock Index (GSE-FSI) which tracks the performance of all financial stocks and the SIC-FSL Top 15 Index (T-15 Index), a measure of the top 15 liquid stocks on the GSE, also improved from their previous losses of 29.71% and 33.59% each to close at year to-date losses of 27.30% and 32.68% respectively.

Total market capitalization improved from the GH¢50.74 billion to settle at GH¢51.55 billion last Thursday, representing 1.60% rise. However, an equivalent dollar value declined by 0.36% to close at USD12.55 billion because of the losses the Cedi suffered against the greenback.

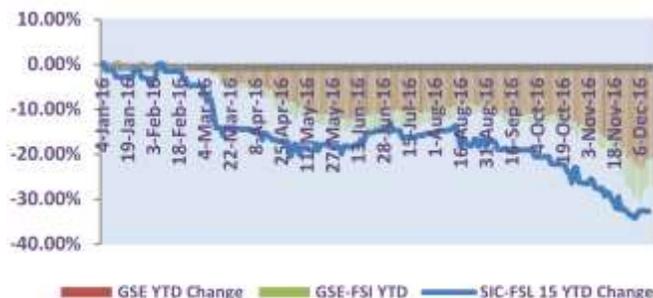


Fig 1: Year -to -date returns

MARKET MOVERS

Investors rush for EGH shares

Improved confidence in Ecobank Ghana Limited (EGH) shares saw the Bank's share value appreciated from GH¢6.00 per share to GH¢6.42 a share last week. The rise, according to some analysts might be due to the rising confidence on the market and the seeming under-price status of the Bank's current share price.

Though the bank reported lower-than-expected net profit after tax (NPAT) for the nine month period (Q3'16) traders ignored that, as they sought to consolidate their holding positions in bank. The Bank posted a NPAT of GH¢273.77 million compared to the GH¢287.61 million recorded in the same period last year. In spite of downside performance, investors still banked their hopes in future prospects of the Bank.

ADB starts well...

The newly listed company; Agricultural Development Bank (ADB) shares picked a good start on the Ghana Stock Exchange last week, following a 10.57% rise in opening value last week.

ADB opened trading at an IPO price of GH¢2.65 per share, and closed the week at GH¢2.93 per share as the second best performing equity on the Ghanaian Bourse after Fan milk (FML), posting a year-to-date gains of 10.57%.

Some analysts still believe its too early to attribute the rise to any indicator than sheer market sentiment backing price movement.

STOCK TICKER	Wk Open	Wk End	Change	% change
ADB	2.65	2.93	0.28	10.57%
EGH	6.00	6.42	0.42	7.00%
GOIL	0.96	1.00	0.04	4.17%
SCB	8.50	8.55	0.05	0.59%
UNIL	8.50	8.51	0.01	0.12%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.75	0.74	-0.01	-1.33%
TOTAL	2.00	1.98	-0.02	-1.00%

Table 4: Laggards for the week

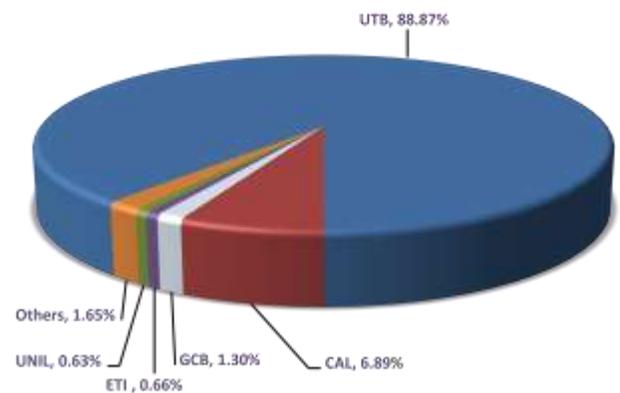


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

ACCESS BANK GHANA ("ACCESS BANK") ANNOUNCES COMPLETION OF INITIAL PUBLIC OFFER (IPO): The managers of Access Bank has announced the successful completion of its IPO which ended on November 25, 2016.

In all, a total of 1,820 applicants applied for 7,404,575 shares amounting to GH¢29.62 million compared to the GH¢21.00 million minimum subscription needed to declare the offer successful.

As per the terms of the offer, all successful applicants will have their shares credited to their respective accounts by the 16th of December, 2016. The Bank will officially list on the Ghana stock Exchange on December 21, 2016.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 15/12/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
Agricultural Development Bank	ADB	2.65	2.93	10.57%
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	0.74	-26.00%
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	6.42	-8.42%
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	1.00	-28.57%
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	8.55	-47.55%
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	SOEGGH	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	1.98	-61.18%
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	8.51	0.12%
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 PREF	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	4.1029	4.1069	8.17% ▼
GBPGHS	5.1180	5.1242	8.82% ▲
EURGHS	153.28	153.39	3.53% ▼

Table 6: Inter-bank indicative rates

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

Dollar gains significantly

High corporate and offshore demand for foreign currencies, especially the American Dollar to meet import bills saw the Dollar outpace the Cedi in value.

The greenback appreciated significantly in value by 1.66% as supply of the Dollar could not match-up with demand, favouring the Dollar on the inter-bank market in the period under review.

One Dollar by close of trading on Thursday was pegged between GH¢4.1029 and GH¢4.1069, this represented a higher annual return of 8.17%, against the Ghanaian Cedi.

Euro declines in value

The shared currency slid in value on the global market as key economic risks seemed to have affected investment sentiment about the currency.

Investors continue to be anxious about the gloomy outlook of the economic issues in the region following Italy's banking crisis, Greece's debt deal as well as French and German elections which is to take place next year.

On the Ghana's inter-bank market, the Euro lost footing against the Cedi as it depreciated by 0.12% to settle at a lower annual yield of 3.53% on Thursday.

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CEDI UNDER PRESSURE

The local currency came under pressure last week in spite of the peaceful elections which was won by the New Patriotic Party (NPP) led by its Presidential Candidate Nana Addo Dankwa Akufo-Addo

The Cedi was down by 1.00% in value against its major trading partners, particularly the Dollar and Pound. Inflation for the month of November dropped by 0.03% from the previous month to 15.5%, according to the Ghana Statistical Services. The slight decline signified that the rate of goods and services were fairly stable but did not reduce and the non-food group was the main cause of the dip as there was enough supply of goods during the period.

Consequently, the Ghanaian Cedi recorded a rise in its year-to-date loss from 2.59% a week ago to 3.61%.



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

Pound versus Cedi

The British Pound managed to recoup some of the gains it lost to the Cedi on the inter-bank market last week as it was bought at GH¢5.1180 and sold for GH¢5.1242 on the inter-bank market.

Appreciating by 0.98%, the Pound ended Thursday's trading on Ghana's inter-bank market as the major facilitator behind the local currency's composite loss on the market.

Subsequently the year-to-date loss of the Pound reduced to 8.82% from 9.70% a week ago.

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