

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

16<sup>th</sup> February, 2017



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	52,123.10	52,205.51	0.16%
Market Capitalization (US\$million)	11,924.21	11,934.32	0.08%
Volume traded (shares)	156,697,002.00	1,937,237.00	-98.76%
Value Traded (GH¢)	120,556,058.02	7,217,567.44	-94.01%
Value Traded (US\$)	27,579,625.28	1,649,955.98	-94.02%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,809.10	0.71%	6.35%
SIC-FSL Top 15 Index	2,941.55	0.47%	12.27%
GSE Financial Stocks Index	1,694.31	0.56%	9.03%

Table 2: Key Stock Market Indices

## LIQUIDITY

Activity in twenty-one (21) symbols yielded a total of 1.94 million shares being traded, which nonetheless was 98.76% lower than the previous week's performance. The drop could be partly due to the absence of block trade on the Exchange. Similarly, corresponding value traded also dipped by 94.01% to GH¢7.22 million for the same reasons above.

The financial stocks recorded the highest activity last week, the sector contributed 78.45% of the total shares that traded, which accounted for 66.54% of the total value traded.

The shares of Enterprise Group Limited (EGL) was the single most traded equity on the Exchange, it accounted for 37.79% of total market volume. Standard Chartered Bank (SCB) by virtue of its higher price recorded the biggest value of GH¢2.68 million out of the total market value of traded shares, which represented 37.19%.

## GSE FANNED BY EASING INFLATIONARY PRESSURE

The excitement on the Ghana Stock Exchange (GSE) improved last week, fanned by the decreasing inflationary pressure in the economy. The Ghana Statistical Service (GSS) announced a decline in inflationary pressure from 15.4% previously to 13.3% for the month of January. The announcement coupled with the rising market confidence appeared to have contributed to the market's upside performance.

Shares of GCB Bank Limited (GCB), Unilever Ghana Limited (UNIL), Ghana Oil Company Limited (GOIL) and Standard Chartered Bank (SCB) influenced the market's upward trajectory.

In effect, the yield on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) moved up from their previous week annual yields of 6.35%, 9.03% and 12.27% each to settle at 7.11%, 9.64% and 12.79% respectively, last Thursday.

Total market capitalization on the GSE was also up from the GH¢52.12 billion to GH¢52.21 billion, whilst an equivalent dollar value also appreciated by 0.08% to USD11.93 billion.



Fig 1: Year -to -date returns

## MARKET MOVERS

### Investors demand GCB shares

Increasing demand for GCB shares on the Accra bourse saw the Bank once more lead the gainers chart in last week's activities. GCB shares rose from an opening price of GH¢4.24 a share to settle at GH¢4.40 per share, which represented a growth of 3.77% in nominal value. Presently, GCB ranks 5<sup>th</sup> on the GSE in terms of returns to investors with a year-to-date gain of 23.60%

At the current price above, GCB shares is trading at a discount of 51% of its P/E ratio when compared to the sector's average trailing P/E ratio of 7x.

Investors appeared to have considered the reason above and the Bank's past price performance on the Exchange, hence the rush to consolidate their holding position in the Bank.

### UNIL hits GH¢8.85 a share

Investors pushed up the shares of Unilever Ghana Limited's (UNIL) from GH¢8.76 to a high of GH¢8.85 per share last week, its highest since February 2015. UNIL is currently ranked 12<sup>th</sup> among the thirty-seven (37) listed companies on the Exchange in terms of returns to shareholders.

The rise in the company's share price appeared to have been supported by improved bottom-line performance in 2016 financial performance and the rising general market confidence. UNIL posted a growth in net profit from GH¢35.71 million in FY'15 to GH¢39.81 million in FY'16.

UNIL is trading at a P/E ratio ratio of 14x below the sector's average trailing P/E ratio of 16x, giving credence to the possibility of future upward price adjustment.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.17	2.21	0.04	1.84%
EGH	7.00	7.01	0.01	0.14%
GCB	4.24	4.40	0.16	3.77%
GOIL	1.09	1.17	0.08	7.34%
SCB	13.30	13.36	0.06	0.45%
UNIL	8.76	8.85	0.09	1.03%
UTB	0.03	0.04	0.01	33.33%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
SIC	0.16	0.15	-0.01	-6.25%
TOTAL	2.35	2.34	-0.01	-0.43%

Table 4: Laggards for the week

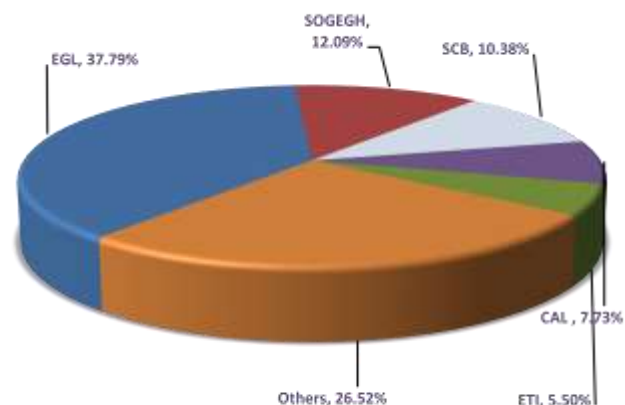


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL:** AGA has announced an increase of its ordinary shares from 408,222,600 to 408,223,760 as at December 31, 2016. This follows, the listing of 1,160 additional ordinary shares on the Johannesburg Securities Exchange, South Africa.

In view of the above, AGA share capital has risen to 50,385,115,367.38 South African Rand.

**CAL BANK LIMITED (CAL) ANNOUNCES RESIGNATION OF A DIRECTOR:** CAL has confirmed the resignation Mr. Eduardo Gutierrez, Non-Executive Director from the Board of the Bank. His resignation took effect on the 9<sup>th</sup> February, 2017.

His resignation follows Development Partners International's sale of its entire 27.7% in CAL Bank.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 12/02/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.10	0.00%
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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	2.21	6.25%
Cal Bank Ltd	CAL	0.75	0.75	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	0.03	50.00%
Ecobank Ghana Ltd.	EGH	6.40	7.01	9.53%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.13	30.00%
Fan Milk Ltd.	FML	11.14	11.10	-0.36%
Ghana Commercial Bank Ltd.	GCB	3.56	4.40	23.60%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.52	-6.75%
Ghana Oil Company Limited	GOIL	1.10	1.17	6.36%
Golden Star Resources Ltd.	GSR	1.95	1.95	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.75	0.68	-9.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.15	0.00%
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	13.36	9.69%
SIC Insurance Company Ltd.	SIC	0.12	0.15	25.00%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
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	0.26	0.00%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.34	18.18%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	24.83	-7.63%
Unilever Ghana Ltd.	UNIL	8.51	8.85	4.00%
UT Bank	UTB	0.03	0.04	33.33%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.75	0.75	0.00%
NewGold Exchange Traded Fund	GLD	38.80	38.80	0.00%
Samba Foods Ltd	SAMBA	0.72	0.72	0.00%
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

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3722	4.3766	4.15% ▼
GBPGHS	5.4596	5.4677	5.14% ▼
EURGHS	4.6607	4.6661	5.11% ▼

Table 6: Inter-bank indicative rates

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

### Dollar up by 0.07%

The week-on-week data on the USDGHS exchange rate showed an appreciation of 0.07% in the value of the Dollar against the Cedi, indicating a slower pace of appreciation compared to previous weeks.

The failure for supply of the greenback to meet demand coupled with the state of Ghana's current fiscal position continues to wane on the value of the Cedi as investors wait to see how the Government plans to tackle key economic issues facing the country.

Nevertheless, we expect the local currency to be quite stable against the American dollar going forward as the Government prepares to outline its budget next month.

The Dollar, at the close of Thursday's trading was pegged at a midrate of GH¢4.3744, increasing its annual return to 4.15% in the period under review.

### Data supports Euro's rise

The shared currency was quite stronger than the local currency on the inter-bank market last week, as it managed to appreciate by 0.07% against the later.

The EURGHS pair traded between GH¢4.6607 and GH¢4.6661 in the period under review to settle at an annual yield of 5.11%.

On the global front also, a 0.1% decline in French's unemployment data was enough to support the value of Euro, as it recorded a gain across board on the currency market.

## CEDI SLIGHTLY UNCHANGED AS INFLATION DECLINES

The local currency recorded a very low holistic gain of 0.01%, marking its first weekly gain on Ghana's inter-bank market as compiled by SIC-FSL Investment Research.

This is subsequent to an announcement of a decline in general prices of goods and services in Ghana for the month of January this year. According to the Ghana Statistical Service (GSS), Ghana's inflation for last month dropped from 15.4% in December last year to 13.3%, the lowest rate since December 2013. The sharp fall in general inflation was due to the decline in both food and non-food inflation during the period.

By the close of trading on Thursday, the year-to-date loss on the Cedis value had dropped slightly to 4.60% from 4.62% a week ago.



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

### Pound loses to Cedi

The British Pound lost to the Ghanaian Cedi on the inter-bank market, as it replicated the performance of the Pound on the international market.

The Pound came under pressure last week following the release of data on UK's retailing sales which showed a decline whereas an appreciation was expected. The retail sales data showed a drop of 0.3% for the month of January, triggering investors to bid down their interest in the Pound.

On Ghana's inter-bank market also, the Pound lost 0.40% of its value to the Cedi reducing its year-to-date gain from 5.57% to 5.14%.

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NB: The data in this report is Thursday on Thursday (w-o-w)