

# 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)	58,022.89	57,733.45	-0.50%
Market Capitalization (US\$million)	13,171.45	13,098.61	-0.55%
Volume traded (shares)	3,860,498.00	1,299,825.00	-66.33%
Value Traded (GH¢)	9,038,209.20	1,160,814.86	-87.16%
Value Traded (US\$)	2,051,713.70	263,366.65	-87.16%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,305.37	-0.44%	36.49%
SIC-FSL Top 15 Index	3,725.54	-1.70%	42.86%
GSE Financial Stocks Index	2,015.66	-0.72%	30.43%

Table 2: Key Stock Market Indices

## LIQUIDITY

Turnover dropped last week due to the reduced number of trading days following the public holiday that is associated with the celebration of Kwame Nkrumah's birthday. A total of 1.30 million shares exchanged hands, valued at GH¢1.16 million. The decline represents 66.33% and 87.16% in volume and value of shares traded respectively. In all, twenty-two (22) companies and one (1) preference share traded on the GSE.

Financial stocks remained the preferred choice of most investors, as the sector contributed 69.73% and 57.39% of both volume and value of shares traded in the past week.

SIC Insurance Company Limited (SIC) was the most traded equity on the bourse, accounting for 458,900 shares, representing 35.30% of market volume. Fan Milk Limited (FML) by virtue of its high price recorded the biggest value in the week, contributing a total of GH¢263,720 out of the GH¢1.16 million value of traded shares.

## GSE SLIPS AGAIN

The Ghana Stock Exchange (GSE) slipped for a second consecutive week this month following the advantage laggards had in value over gainers. Out of the eleven (11) price movers, six (6) equities were ticked-down while the rest appreciated. Shares of Guinness Ghana Breweries Limited (GGBL), Standard Chartered Bank Limited (SCB), PBC Limited (PBC) and Ecobank Transnational Incorporated (ETI) were last week's poor performers.

The yield on the GSE Composite Index (GSE-CI) dropped from 2,315.48 points to 2,305.37 points, resulting in a drop from 37.08% to 36.49% in year-to-date gain. 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 of 30.43% and 42.86% respectively lower than 31.38% and 45.33% recorded in the previous week.

Total market capitalization dropped from the previous week's figure of GH¢58.02 billion to GH¢57.73 billion last Thursday. Also, an equivalent dollar value dropped from the previous week's figure of USD 13.17 billion to USD 13.10 billion.

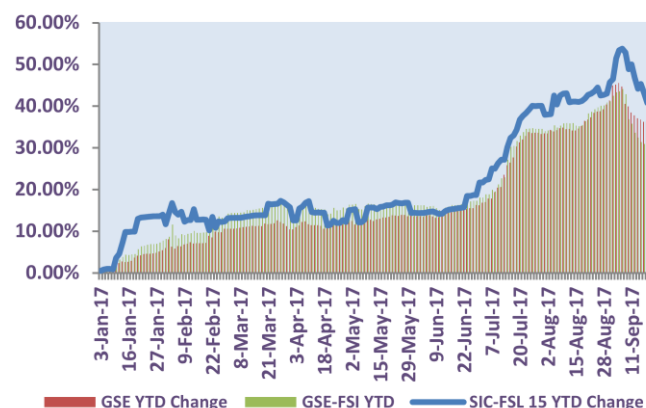


Fig 1: Year -to -date returns

## MARKET MOVERS

### GCB drops further

Activity in GCB Bank saw the share price dip further to GH¢4.30 from the week's opening price of GH¢4.44 per share following increased selling pressure on the stock. Presently, the company is ranked 12<sup>th</sup> on the GSE with a year-to-date gain of 20.79% to shareholders.

Possibly, the decline could be linked to the company's uninspiring half-year results. GCB's reported a revenue growth from GH¢578.79 million in HY'16 to GH¢653.75 million in HY'17. However, net profit after tax dropped to GH¢101.59 million in HY'17 from GH¢187.22 million in HY'16.

At the current market price, GCB is trading at a 53% discount to the sector's average trailing P/E ratio of 11x, nonetheless further downward price review appears more likely in the short-term gauging from the prevailing market forces.

### PBC swings down

The share price of PBC Limited (PBC) swung downward on the Exchange last week despite the release of better-than-expected third quarter results. PBC closed trading at GH¢0.04 from the week's open-price of GH¢0.05 per share. The company is the third worst performing equity on the Ghana Stock Exchange in terms of returns with a year-to-date loss of 33.33%

At the current market price, the stock is trading at par to its trailing P/E ratio of 14x. However, current demand trend on the market tends to favour upward price review in the short-term.

## CORPORATE NEWS

**GHANA STOCK EXCHANGE (GSE) ANNOUNCES STAY OF SUSPENSION:** GSE has announced the continued suspension of trading in CPC shares until November 30, 2017.

According to GSE, CPC has been asked to rectify all the anomalies that led to their suspension by the above date.

**CLYDETONE GHANA LIMITED (CLYD) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** Management of CLYD has announced its Annual General Meeting, scheduled for Wednesday, October 25, 2017.

The meeting will be held at the GNAT Hall, Accra at 10:00 am.

**SAM-WOODE LIMITED (SWL) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** Management of SWL has announced the company's Annual General Meeting, scheduled for Thursday, October 26, 2017.

The meeting will be held at the GNAT Hall, Accra at 10:00 am.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	5.61	5.65	0.04	0.71%
GGBL	1.47	1.50	0.03	2.04%
GSR	1.90	1.91	0.01	0.53%
HFC	1.34	1.37	0.03	2.24%
SOGEGH	0.76	0.77	0.01	1.32%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	5.00	4.99	-0.01	-0.20%
ETI	0.16	0.15	-0.01	-6.25%
GCB	4.44	4.30	-0.14	-3.15%
PBC	0.05	0.04	-0.01	-20.00%
SCB	20.00	19.97	-0.03	-0.15%
TOTAL	2.30	2.29	-0.01	-0.43%

Table 4: Laggards for the week

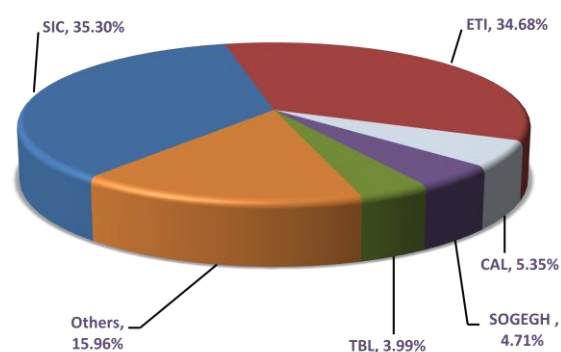


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 20/09/2017 (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	5.65	171.63%
Cal Bank Ltd	CAL	0.75	1.00	33.33%
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	7.00	9.38%
Enterprise Group Limited	EGL	2.40	4.99	107.92%
Ecobank Transnational Inc.	ETI	0.10	0.15	50.00%
Fan Milk Ltd.	FML	11.14	20.00	79.53%
Ghana Commercial Bank Ltd.	GCB	3.56	4.30	20.79%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	2.32	110.91%
Golden Star Resources Ltd.	GSR	1.95	1.91	-2.05%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.75	1.37	82.67%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.09	-40.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.04	-33.33%
PZ Cussons Ghana Ltd.	PZ	0.22	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	19.97	63.96%
SIC Insurance Company Ltd.	SIC	0.12	0.12	0.00%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.77	24.19%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.35	34.62%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.29	15.66%
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	10.55	23.97%
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

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.4054	4.4098	4.94% ▼
GBPGHS	5.9693	5.9770	14.95% ▼
EURGHS	5.2845	5.2880	19.15% ▼

Table 6: Inter-bank indicative rates

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

### Dollar up by 0.05%

The USDGHS maintained its steadiness around the GH¢4.40 region, although the Dollar appreciated by 0.05% against the Cedi during the period under consideration.

The continuous fall in the value of the Cedi coupled with increase in global crude oil prices resulting from the Hurricane Harvey which affected oil refineries across the globe saw fuel prices go up by 8% in Ghana.

That notwithstanding, proceeds of the \$1.3 billion cocoa syndicated loan which will increase the supply of Dollars is expected to cushion the value of the Cedi.

By the closed of trading activities, \$1.00 was pegged at a midrate of GH¢4.4076 leading to an annual return of 4.94%, in the Dollar's favour.

### Euro gains support from positive data

The European currency bolstered in value following the release of a better than expected data from Germany and France.

According to the data, the manufacturing data of France rose to 58.2 points from 57.4 points while the output in services hit 55.6 points from 54.7 points for the month of September. Also, Germany's services data climbed to 55.6 points while its manufacturing index also shot up to 60.6 points, signaling growth in both economies.

The situation was not different on Ghana's inter-bank market as the Euro increased by 1.06% in value to a midrate of GH¢5.2863, pushing the shared currency's annual yield to 19.15%.

## CEDI MAINTAINS DOWNWARD TREND

The local currency remained in the red for yet another week as it continued to lose significantly to the Pound Sterling and the Euro on the inter-bank market. However, the Cedi-Dollar pair maintained a quite stable streak.

Fitch Rating Agency earlier last week forecasted that, the Government of Ghana is likely not to meet its end of year growth projection of 6.3% due to lower than expected revenue though expenditure had reduced. The Agency has therefore projected that Ghana's economy will grow by 6% by the end of 2017 from the 3.5% recorded last year.

As at the close of trading on Wednesday, the Cedi had dwindled by 0.62% to settle at a year-to-date loss of 10.79% from 10.11% a week ago.

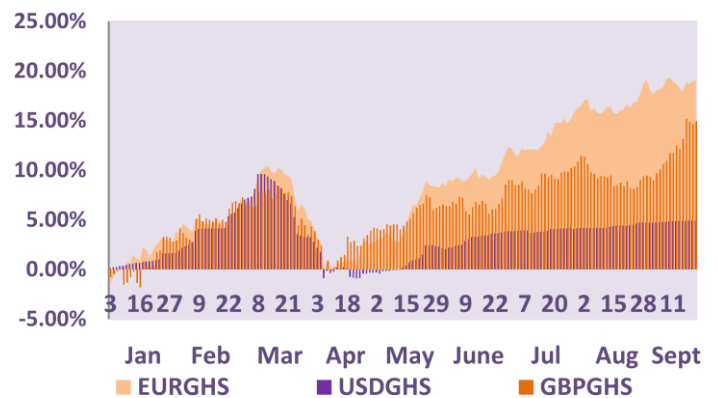


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound vs. Cedi

The Pound lost footing on the international market following comments made by UK's Prime Minister on Brexit negotiations.

Theresa May, in delivering her much awaited speech in Florence, Italy, warned that she was still prepared to tweak the UK out of the European region without a deal at all. This is seen to have a negative impact on UK's economy going forward.

However on Ghana's inter-bank market, the Pound Sterling gained 1.58% in value as it was bought at GH¢5.9693 and sold for GH¢5.9770. This led to a rise in the Sterling's annual return to 14.95%.

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