

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

23rd March, 2017



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	48,984.62	49,247.38	0.54%
Market Capitalization (US\$million)	10,751.91	11,137.91	3.59%
Volume traded (shares)	14,812,157.00	2,204,711.00	-85.12%
Value Traded (GH¢)	11,787,713.60	3,838,627.48	-67.44%
Value Traded (US\$)	2,587,351.26	868,153.49	-66.45%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,887.90	0.52%	11.77%
SIC-FSL Top 15 Index	3,039.21	2.34%	16.54%
GSE Financial Stocks Index	1,797.66	0.73%	16.32%

Table 2: Key Stock Market Indices

LIQUIDITY

Lack of block trades in last week's market activities saw total traded shares slip significantly when compared to the previous week. Twenty-One (21) equities were active last week and this resulted in 2.20 million shares exchanging hands. In all, total shares traded lagged the previous week's figure by 85.12% and corresponding value traded also dropped from the GH¢11.79 million to GH¢3.84 million because of the low activities.

Shares of Guinness Ghana Breweries Limited (GGBL) were the most active equity on the bourse after accounting for 1.02 million of the total traded shares, representing 46.04% and valued at GH¢1.52 million.

GSE STRENGTHENS FURTHER

Activities on the Ghana Stock Exchange (GSE) remained upbeat despite the advantage laggards had over gainers in numbers last week. Shares of Ecobank Transnational Incorporated (ETI), GCB Bank Limited (GCB), Societe Generale Ghana Limited (SOGEGH) and Ghana Oil Company Limited (GOIL) rallied behind the market's upward trajectory.

The year-to-date returns on the GSE-Composite Index, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top 15 liquid Index (T-15 Index) rose from 11.19%, 15.48% and 13.87% each to close at 11.77%, 16.32% and 16.21% respectively last Thursday.

Total market capitalization on the GSE was also up from the GH¢48.98 billion to GH¢49.25 billion. Also, the equivalent dollar value appreciated from the USD10.75 billion a fortnight ago to USD 11.14 billion due to the significant rise in the Cedi's value.



Fig 1: Year -to -date returns

MARKET MOVERS

Investors hunt for GCB shares

Increase demand for GCB shares saw the price appreciate on the Exchange last week as investors opted to buy at a premium. In effect, GCB shares appreciated by 2.62% to settle at GH¢5.09 per share. The company is currently the second best performing stock on the Ghana Stock Exchange, with a year-to-date gain of 42.98% returns for investors, after UT Bank's (UTB) shares' 66.67% gain.

The rise in the Bank's share price appeared to have been backed by the prospects envisaged in the company's strong fundamentals and the general growing investor confidence in equities.

Currently at a price of GH¢5.09 per share, GCB is trading at a discount of 30% to the sector's average trailing P/E ratio of 5x, indicating a high possibility of upward price review.

ETI up by 1- pesewa

The "Big Cap" stock; Ecobank Transnational Incorporated (ETI) benefitted from the general growing market confidence on the Exchange last week. ETI at the close of trading last week witnessed a pesewa rise in value to settle at GH¢0.13 per share. The rise appeared to be all that was needed to foil the impact of the numerous price-cut on the Bourse. ETI currently ranks fourth among the thirty-seven listed equities on the GSE in terms of returns to investors with a year-to-date gain of 30.00%.

Presently, ETI is still trading below the 248-Day Volume Weighted Average Price (VWAP₂₄₈) of GH¢0.20 per share and 248-Day Average Trading Price of (ATP₂₄₈) of GH¢0.18 a share, hence the possibility of further upward price review appears more likely in the future.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.85	2.87	0.02	0.70%
EGH	7.25	7.26	0.01	0.14%
ETI	0.12	0.13	0.01	8.33%
GCB	4.96	5.09	0.13	2.62%
GOIL	1.20	1.21	0.01	0.83%
SCB	15.38	15.44	0.06	0.39%
SOGEGH	0.77	0.78	0.01	1.30%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.15	0.14	-0.01	-6.67%
CAL	0.74	0.73	-0.01	-1.35%
EGL	2.40	2.39	-0.01	-0.42%
HFC	0.68	0.65	-0.03	-4.41%
SIC	0.15	0.13	-0.02	-13.33%
TBL	0.30	0.26	-0.04	-13.33%

Table 4: Laggards for the week

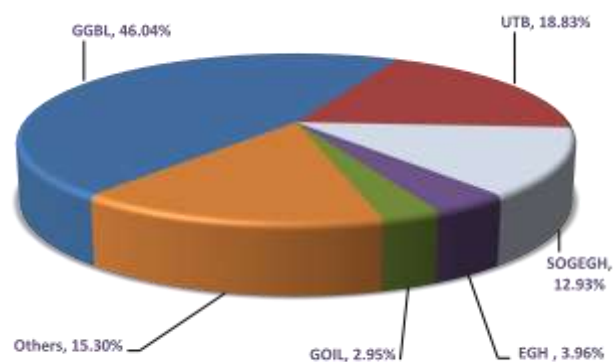


Fig 2: Top 5 most liquid equities with respect to volume traded

CORPORATE NEWS

TULLOW OIL PLC (TLW) ANNOUNCES ANNUAL GENERAL MEETING (AGM) AND PROPOSES RIGHT ISSUE: TLW has proposed a fully underwritten right issue to raise approximately £607 million. The proposed 25 for 49 right issue of 466,925,724 New Ordinary shares is subject to shareholders approval in an upcoming Annual General Meeting (AGM).

AGM will be held at the company's registered address at 9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT on Wednesday 26 April 2017 at 12 noon.

AGRICULTURE DEVELOPMENT BANK (ADB) POSTPONES EXTRA-ORDINARY GENERAL MEETING: Management of ADB has rescheduled its planned Extraordinary General Meeting (EGM) scheduled for Friday, March 24, 2017.

New date for the meeting will be communicated to the investing public at the appropriate time, according to the company.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 23/03/2017 (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	2.87	37.98%
Cal Bank Ltd	CAL	0.75	0.73	-2.67%
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	7.26	13.44%
Enterprise Group Limited	EGL	2.40	2.39	-0.42%
Ecobank Transnational Inc.	ETI	0.10	0.13	30.00%
Fan Milk Ltd.	FML	11.14	11.30	1.44%
Ghana Commercial Bank Ltd.	GCB	3.56	5.09	42.98%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.21	10.00%
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	0.65	-13.33%
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	15.44	26.77%
SIC Insurance Company Ltd.	SIC	0.12	0.13	8.33%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.78	25.81%
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	2.18	10.10%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	21.00	-21.88%
Unilever Ghana Ltd.	UNIL	8.51	9.00	5.76%
UT Bank	UTB	0.03	0.05	66.67%
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	4.4194	4.4238	5.27% ▼
GBPGHS	5.5260	5.5320	6.40% ▼
EURGHS	4.7634	4.7652	7.38% ▼

Table 6: Inter-bank indicative rates

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

Dollar loses to Cedi

The American Dollar recorded another significant depreciation against the Cedi on the currency market last week, boosting the value of the Cedi.

The Central Bank's auction of \$120 million in the first quarter of this year is believed to be yielding fruitful results seeing the recent and continuous decline in the value of the Dollar. Thus the bid of the Bank to curtail the depreciation of the Cedi seems to come to fruition.

Consequently, the annual yield of the Dollar dropped to 5.27% after it was pegged at GH¢4.4216, i.e. 2.95% lower than it traded a fortnight ago.

Going forward, the Cedi is expected to be more stable in the face of improved forex liquidity.

Pound verses Cedi

The Pound Sterling manage to rise strongly on the international front in spite of a suspected terrorist incident outside of the houses of parliament and a likelihood of a second independence referendum from Scotland.

The appreciation in the Pound's worth was due to the release of a stronger retail sales data during the period.

According to figures from the Office for National Statistics (ONS), the retail sales grew by 1.4% in February, better than the 0.4% that was expected, causing the Pound to outperform other major currencies.

On the other hand, the Pound lost 1.83% of its strength to the Cedi on the inter-bank market as it was bought at GH¢5.5260 and sold for GH¢5.5320. This translated to a lower annual yield of 6.40% on Thursday.

CEDI RECORDS SIGNIFICANT GAIN

The Ghanaian currency recorded a sturdy appreciation against its major trading partners on the inter-bank market in the period under review.

The Cedi record a significant gain of 2.64% last Thursday; being its highest weekly appreciation recorded since the beginning of the year.

The rise in value of the Cedi has been attributed to investors' response to policies outlined in Ghana's 2017 budget, which was read at the beginning of this month.

By close of trading on Thursday, the year-to-date loss of the Cedi which stood at 9.42% the week earlier, reduced to 6.10%.



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

Euro mimics Pound

Just like the Pound, the Euro lost significantly to the Cedi despite the upward stance it recorded on the global front.

The shared currency lost as much as 2.58% of its worth to the Cedi among the banks, pulling down its year-to-date gain from 10.23% a week ago to 7.38%. One Euro was trading at a midrate of GH¢4.7643 by end of the currency trading activities on Thursday.

On the contrary, the Euro cruised in the green on the global market as a combination of a positive French GDP and German Purchasing Managers' Index (PMI) supported the value of the Euro.

The French GDP came out at 0.4% while the German PMI which also came out stronger than expected at 58.3 points.

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