[](http://www.google.com.gh/imgres?q=stock+market&hl=en&sa=X&qscrl=1&nord=1&rlz=1T4TSNO_enUS467GH480&biw=1311&bih=615&tbm=isch&prmd=imvns&tbnid=oTioz7hRPOiMTM:&imgrefurl=http://news.discovery.com/tech/zooms/twitter-stock-market-finance.html&docid=mIFjSovtf7AOlM&imgurl=http://news.discovery.com/tech/2010/11/01/stock-market-zoom.jpg&w=825&h=620&ei=MdLRT6XZI8iBhQe9x_zeAw&zoom=1&iact=hc&vpx=113&vpy=233&dur=1294&hovh=195&hovw=259&tx=160&ty=91&sig=105561116290448373908&page=3&tbnh=127&tbnw=169&start=45&ndsp=24&ved=1t:429,r:0,s:45,i:282)+

**SIC-FSL INVESTMENT RESEARCH| MARKET REVIEWS|GHANA**

23rd September, 2015

**SIC FINANCIAL SERVICES LIMITED|ADVISORY|FUND MANAGEMENT|STOCK BROKERAGE|INVESTMENT RESEARCH**



WEEKLY MARKET WATCH

**GSE DIPS FURTHER IN NEGATIVE ZONE**

**STOCK MARKET**

Activities on the Ghana Stock Exchange dipped further into negative zone last week, as laggards overpowered gainers in numbers and magnitude. Poor share performances of GCB Bank Limited (GCB), Benso Oil Palm Plantation Limited (BOPP), HFC Bank (Ghana) Limited and Ghana Oil Company Limited (GOIL) were enough to drag the broader market down by 1.11%.

At the close of the week’s activities, all the three key market indices closed lower than they opened. The yield on the GSE Composite Index (GSE-CI), the GSE Financial Stocks Index (GSE FSI) and the SIC-FSL Top 15 Index (T-15 Index) which measures the performance of the top 15 most liquid equities on the GSE ended the week at 102, 114 and 57 basis points lower in their respective levels.

In the end, the year-to-date losses on the GSE-CI, GSE-FSI and the T-15 Index hit 9.82%, 11.22% and 3.58 from the previous week’s 8.80%, 10.08% and 3.01% respectively.

Total market capitalization of the market dropped to GH¢62.34 billion, from a week opening value of GH¢62.46 billion. However, corresponding value in Dollars increased to USD 16.36 billion from USD 16.19 billion due to an appreciation in the local currency.

|  |  |  |  |
| --- | --- | --- | --- |
| INDICATORS | WEEK OPEN | WEEK END | CHANGE |
| Market Capitalization (GH¢'million) | 62,463.82 | 62,339.27 | -0.20% |
| Market Capitalization (US$'million) | 16,188.21 | 16,358.58 | 1.05% |
| Volume traded (shares) | 2,044,618.00 | 12,746,919.00 | 523.44% |
| Value Traded (GH¢) | 4,130,232.12 | 17,962,234.12 | 334.90% |
| Value Traded (US$) | 1,070,396.55 | 4,713,507.43 | 340.35% |

**Table 1: Market Summary**

**INDEX ANALYSIS**

|  |  |  |  |
| --- | --- | --- | --- |
| INDICATORS | Closing Level | Week Change | YTD CHANGE |
| GSE Composite Index | 2,039.07 | -1.11% | -9.82% |
| SIC-FSL Top 15 Index | 3,802.12 | -0.58% | -3.58% |
| GSE Financial Stocks Index | 1,991.88 | -1.27% | -11.22% |

**Table 2: Key Stock Market Indices**

**LIQUIDITY**

Despite the reduced number of trading days last week following the holidays that accompanied the Founder’s Day and Eid al-Adha celebration, total shares traded were still better than the previous week’s figure. Ghana Oil Company Limited (GOIL) recorded an approximate 10 million block trade last week to shoot market activities up considerably. A total of 12.75 million shares traded, and this represented an increase of 523.44% over its performance the week before. Similarly, corresponding value traded also increased by 334.90% to settle at GH¢17.96 million.

As expected, GOIL emerged the most active stock in the week after contributing 79.05% and 78.53% of both volume and value traded.

**Fig 1: Year -to -date returns**

***BOPP dips to GH¢4.00***

The share price of Benso Oil Palm Plantation (BOPP) touched GH¢4.00 per share from a week opening price of GH¢4.16 last week, being the stock’s lowest selling price on the exchange since November last year. The drop in the Oil-giants price appeared to have been caused by the company’s half-year performance released a few weeks ago.

BOPP’s half-year results was disappointing when compared to the same period last year, though the company’s revenue improved to GH¢30.61 million from GH¢29.63 million within the period, its net profit after tax dropped to GH¢4.36 million compared to the GH¢7.15 million recorded the same period in the previous year.

In fact, market participants appeared worried about the trend of performance, as they bid-down the value of the company’s share price below its year-open price of GH¢4.10 and year-to-date average trading price of GH¢4.48 per share.

***GCB’s slips on profit-taking***

GCB Bank Limited (GCB) shares emerged the worst performing stock on the Exchange, after losing 21-pesewas of its market value last week.

Even though, the Bank’s half-year 2015 (HY’15) result was better-than-expected, investors still bid-down the Bank’s value over what appeared to be intense profit-taking by shareholders.

In the long run, GCB’s share price dropped from the GH¢3.90 in the previous week to GH¢3.69 per share last week. Nonetheless, the propensity of an upward price correction appears promising as the Bank currently trades far below the year’s average price of GH¢5.08 per share and at a price-to-book ratio of 1x.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| STOCK TICKER | Wk Open | Wk End | Change | % change |
| ACI | 0.01 | 0.02 | 0.01 | 100.00% |
| ALW | 0.04 | 0.06 | 0.02 | 50.00% |
| FML | 6.75 | 6.78 | 0.03 | 0.44% |
| SCB | 16.23 | 16.26 | 0.03 | 0.18% |
| UNIL | 7.62 | 7.65 | 0.03 | 0.39% |

**Table 3: Gainers for the week**

**MARKET MOVERS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| STOCK TICKER | Wk Open | Wk End | Change | % change |
| BOPP | 4.16 | 4.00 | -0.16 | -3.85% |
| CAL | 0.85 | 0.84 | -0.01 | -1.18% |
| GCB | 3.90 | 3.69 | -0.21 | -5.38% |
| GGBL | 2.20 | 2.19 | -0.01 | -0.45% |
| GOIL | 1.50 | 1.40 | -0.10 | -6.67% |
| HFC | 1.15 | 1.01 | -0.14 | -12.17% |
| SIC | 0.13 | 0.12 | -0.01 | -7.69% |
| TOTAL | 5.38 | 5.37 | -0.01 | -0.19% |

**Table 4: Laggards for the week**

**CORPORATE NEWS**

**ENTERPRISE GROUP LIMITED (EGL) LISTS ADDITIONAL SHARES:** EGL has increased its ordinary shares to 133,120,825, following the issuance and listing of additional 120,000 ordinary shares. This was as a result of an employee exercising her rights under the Executive Share Option Scheme.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Stock | Ticker | | Year Opening Price(GH¢) | Closing Price @ 23/09/2015 (GH¢) | YTD Gain/Loss (%) |
| African Champion Industries Ltd. | | ACI | 0.02 | 0.02 | 0.00% |
| AngloGold Ashanti Ltd. | | AGA | 37.00 | 37.00 | 0.00% |
| Aluworks Limited | | ALW | 0.02 | 0.06 | 200.00% |
| Ayrton Drug Manufacturing Ltd. | | AYRTN | 0.18 | 0.18 | 0.00% |
| Benso Oil Palm Plantation | | BOPP | 4.10 | 4.00 | -2.44% |
| Cal Bank Ltd | | CAL | 1.01 | 0.84 | -16.83% |
| 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. | | EBG | 7.60 | 7.84 | 3.16% |
| Enterprise Group Limited | | EGL | 1.75 | 2.20 | 25.71% |
| Ecobank Transnational Inc. | | ETI | 0.28 | 0.30 | 7.14% |
| Fan Milk Ltd. | | FML | 5.25 | 6.78 | 29.14% |
| Ghana Commercial Bank Ltd. | | GCB | 5.30 | 3.39 | -30.38% |
| Guinness Ghana Breweries Ltd. | | GGBL | 3.20 | 2.19 | -31.56% |
| Ghana Oil Company Limited | | GOIL | 1.05 | 1.40 | 33.33% |
| Golden Star Resources Ltd. | | GSR | 2.34 | 1.99 | -14.96% |
| Golden Web Ltd. | | GWEB | 0.03 | 0.02 | -33.33% |
| HFC Bank (Ghana) Ltd. | | HFC | 1.50 | 1.01 | -32.67% |
| Mega Africa Capital Ltd | | MAC | 4.50 | 5.50 | 22.22% |
| Mechanical Lloyd Co. Ltd. | | MLC | 0.28 | 0.15 | -46.43% |
| Pioneer Kitchenware Ltd. | | PKL | 0.06 | 0.05 | -16.67% |
| Produce Buying Company Ltd. | | PBC | 0.12 | 0.10 | -16.67% |
| PZ Cussons Ghana Ltd. | | PZ | 0.30 | 0.34 | 13.33% |
| Standard Chartered Bank (GH) Ltd.\* | | SCB | 20.35 | 16.26 | -20.10% |
| SIC Insurance Company Ltd. | | SIC | 0.37 | 0.12 | -67.57% |
| Starwin Products Ltd. | | SPL | 0.02 | 0.04 | 100.00% |
| Societe Generale Ghana Limited | | SOGEGH | 1.00 | 0.80 | -20.00% |
| Sam Woode Ltd. | | SWL | 0.04 | 0.04 | 0.00% |
| Trust Bank Ltd. (The Gambia) | | TBL | 0.24 | 0.35 | 45.83% |
| Total Petroleum Ghana Ltd. | | TOTAL | 6.10 | 5.37 | -11.97% |
| Transaction Solutions (Ghana) Ltd. | | TRANSOL | 0.03 | 0.03 | 0.00% |
| Tullow Oil Plc | | TLW | 34.99 | 32.89 | -6.00% |
| Unilever Ghana Ltd. | | UNIL | 10.70 | 7.65 | -28.50% |
| UT Bank | | UTB | 0.25 | 0.10 | -60.00% |
| AngloGold Ashanti Depository Shares | | AADS | 0.52 | 0.52 | 0.00% |
| Standard Chartered Bank Preference shares | | SCB PREF | 0.58 | 0.69 | 18.97% |
| NewGold Exchange Traded Fund | | GLD | 35.80 | 39.95 | 11.59% |
| Samba Foods Ltd | | SAMBA | 0.73 | 0.73 | 0.00% |
| Meridian Marshalls Holding Company | | MMH | 0.11 | 0.11 | 0.00% |
| Hords Limited  **Table 5: Performance of listed equities from year open** | | HORDS | 0.05 | 0.07 | 40.00% |

**CEDI RECOUPS SOME GAINS**

**CURRENCY MARKET**

Barely a week after the oversubscription of the $1.8 billion cocoa syndicated loan, the Cedi began to trim the losses it had suffered against its major trading partners on the inter-bank market.

The loan which was oversubscribed by 44% is yet to hit the account of the central bank and is expected to further help curtail the fall in value of the Cedi.

This saw the local currency’s holistic year-to-date depreciation slash by 2.3% to 15.55%, amassing to the gains it recorded against the sterling, the greenback and the shared currency.

|  |  |  |  |
| --- | --- | --- | --- |
| EXCHANGE RATES | BUYING | SELLING | YTD CHANGE |
| USDGHS | 3.8089 | 3.8127 | 19.09%*▼* |
| GBPGHS | 5.8021 | 58086 | 16.59%*▼* |
| EURGHS | 4.2503 | 4.2520 | 9.12%*▼* |

**Table 6: Inter-bank indicative rates**

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

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

***Dollar takes a breather***

The Dollar paused for a breather last week after surrendering 1.24% of its strength to the Cedi on the inter-bank market.

This came in after Fitch Ratings kept Ghana's credit ratings at ‘B’ but with a negative outlook. The rate was unchanged because some progress was made by the Government in its fiscal consolidation program. Fitch is however concerned about Ghana’s external debt position which is vulnerable because of the current account position of the country.

That notwithstanding, Fitch maintained that it might revise Ghana’s outlook to stable if there is some improvement in the country’s debts position.

Consequently, the Dollar’s annual yield against the Cedi trimmed to 19.09% after trading at a midrate of GH¢3.8586.

***Consumer confidence data weighs on Euro***

The Euro, like the other major currencies lost footing on the global front, after the Euro-zone’s consumer confidence index weakened further in September.

Data showed that the Eurozone consumer confidence indicator dropped to -7.1 points in September, after witnessing a decline of -6.9 in the previous month, while market participants had expected the index to decline to -7.0.

The state of the shared currency on Ghana’s inter-bank market was no different from that of the international market. €1 was bought at GH¢4.2503 and sold for GH¢4.2520, representing a fall in the Euro’s annual yield to 9.12% from 12.01%, a fortnight ago.

***Pound declines as UK Government debt rises***

Subsequent to the release of an official data on a rise in UK Government’s debt, the Pound declined in value against a basket of currencies on the international market.

Public sector net debt excluding public sector banks at the end of August 2015 was about £1,505.5 billion, i.e. 80.6% of GDP, an increase of £68.9 billion when compared with that of August 2014.

Similarly on Ghana’s inter-bank market, the Pound declined in value as it recorded a weekly loss of 2.99% versus the Cedi to settle at an annual yield of 16.59%.

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

**Alice Osei Okrah (Head)**

Email: [aokrah@sic-fsl.com](mailto:btetteh-dumanya@sic-fsl.com)

Email: [research@sic-fsl.com](mailto:research@sic-fsl.com)

**Isaac Kwasi Mensah (Analyst)**

Email: [ikmensah@sic-fsl.com](mailto:ikmensah@sic-fsl.com)

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