

# 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)	58,929.49	58,980.18	0.09%
Market Capitalization (US\$million)	13,894.37	13,706.12	-1.35%
Volume traded (shares)	2,039,904.00	7,309,467.00	258.32%
Value Traded (GH¢)	5,731,626.22	11,559,470.00	101.68%
Value Traded (US\$)	1,351,400.23	2,686,249.77	98.78%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,920.86	0.38%	13.72%
SIC-FSL Top 15 Index	3,043.88	0.42%	16.72%
GSE Financial Stocks Index	1,800.93	0.21%	16.53%

Table 2: Key Stock Market Indices

## LIQUIDITY

Multiple block trades in last week's activities saw total traded shares exceed the previous week's performance. A total of 7.31 million shares exchanged hands, and this was valued at GH¢11.56 million. In all, twenty-four (24) equities participated, which included twenty-three (23) listed equities on the GSE and one (1) equity on the Ghana Alternative Market (GAX).

Guinness Ghana Breweries Limited (GGBL) was the most traded in terms of volume and value of shares recorded in the week under review. The stock accounted for 5.17 million of the total shares that traded which represented 70.73% of the entire market volume. Corresponding value traded was also GH¢7.76 million, representing 67.09% of the total net value traded.

## ACCRA BOURSE EXTENDS GAINS

The excitement on the Ghana Stock Exchange (GSE) was better last week following improved market appetite. Shares of Standard Chartered Bank Limited (SCB), Ghana Oil Company Limited (GOIL), Benso Oil Palm Plantation Limited (BOPP) and Fan Milk Limited (FML) were the main upside drivers.

At the close of the week, the yield on the GSE-Composite Index (GSE-CI), 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 13.27%, 16.29% and 16.23% to settle at 13.72%, 16.53% and 16.72% respectively.

Total market capitalization was also up from the GH¢58.93 billion to GH¢58.98 billion. However, an equivalent dollar value slipped from the previous week's figure of USD 13.89 billion to USD 13.71 billion due to the Cedi's depreciation against the dollar.



Fig 1: Year -to -date returns

## MARKET MOVERS

### SCB swings back to GH¢16.00

The shares of Standard Chartered Bank's (SCB) swung back to GH¢16.00 per share last week following strong market demand. Presently, the Bank is ranked fifth (5<sup>th</sup>) out of the thirty-seven (37) listed equities on the Exchange with a year-to-date return of 31.36% to shareholders.

Some market analysts have partly attributed the rise in the share price to the release of better-than-expected first quarter 2017 results. SCB's revenue grew from the GH¢171.94 million in Q1'16 to GH¢188.75 million in Q1'17 and this resulted in a net profit after tax of GH¢70.91 million.

In spite of seeming high market demand, the current price of GH¢16.00 per share is over-heated when compared to the market's 91-day average price of GH¢13.82 and the 91-day volume weighted average price of GH¢13.95 on the market.

### Investors crave for GOIL shares

Rising investor confidence in Ghana Oil Company Limited (GOIL) shares saw the share price appreciated to GH¢1.61 last week from GH¢1.53 a share previously. At present, GOIL is ranked 4<sup>th</sup> among the thirty-seven (37) listed companies on the Ghanaian bourse in terms of performance, with a year-to-date gain of 46.36%.

The rise appeared to have been necessitated by the prospects in the company as revealed during this year's Annual General Meeting (AGM). The new Board Chairman, Kwamina Bartels affirmation of initiating the establishment of a bitumen production company in Tema seems to have revived investors appetite in the company.

GOIL is currently trading above its own market averages, especially when compared to the 91-day trading average price of GH¢1.16 a share and the 91-Day Volume Weighted Average Price (VWAP<sub>91</sub>) of GH¢1.18 a share this year.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.52	3.55	0.03	0.85%
FML	11.51	11.52	0.01	0.09%
GCB	5.21	5.22	0.01	0.19%
GOIL	1.53	1.61	0.08	5.23%
SCB	15.83	16.00	0.17	1.07%
IIL	0.08	0.09	0.01	12.50%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
SOGEH	0.77	0.76	-0.01	-1.30%
UNIL	9.05	9.00	-0.05	-0.55%

Table 4: Laggards for the week

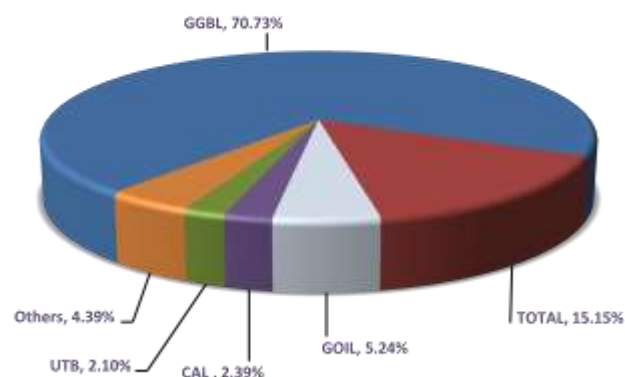


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**CAMELOT GHANA LIMITED (CMLT) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** Directors of CMLT have scheduled Thursday, June 15, 2017 at 10.00 am for the company's Annual General meeting.

The meeting will be held at the Christ The King Parish, opposite Flagstaff House, Cantonments, Accra.

**ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL:** AGA has announced an increase of its ordinary shares from 408,324,232 to 408,946,537 as at March 31, 2017. This follows, the listing of 622,305 additional ordinary shares on the Johannesburg Securities Exchange, South Africa.

In view of the above, AGA share capital has risen to 50,519,778,038.33 South African Rand.

**ECOBANK TRANSNATIONAL INCORPORATED (ETI) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** Directors of ETI have scheduled Friday, June 16, 2017 for the Annual General meeting.

The meeting will be held at the Conference Centre of the Ecobank Pan African Centre, Lome, Togo at 10:30 am.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 24/05/2017 (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	0.15	7.14%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	3.55	70.67%
Cal Bank Ltd	CAL	0.75	0.77	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	7.25	13.28%
Enterprise Group Limited	EGL	2.40	2.42	0.83%
Ecobank Transnational Inc.	ETI	0.10	0.12	20.00%
Fan Milk Ltd.	FML	11.14	11.52	3.41%
Ghana Commercial Bank Ltd.	GCB	3.56	5.22	46.63%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.50	-7.98%
Ghana Oil Company Limited	GOIL	1.10	1.61	46.36%
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	0.50	-33.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.11	-26.67%
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	16.00	31.36%
SIC Insurance Company Ltd.	SIC	0.12	0.11	-8.33%
Starwin Products Ltd.	SPL	0.03	0.02	-33.33%
Societe Generale Ghana Limited	SOGEGH	0.62	0.76	22.58%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.25	-3.85%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.22	12.12%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	20.94	-22.10%
Unilever Ghana Ltd.	UNIL	8.51	9.00	5.76%
UT Bank	UTB	0.03	0.06	100.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.48	-7.69%
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	4.3010	4.3054	2.45% ▼
GBPGHS	5.5689	5.5772	7.25% ▼
EURGHS	4.8120	4.8150	8.49% ▼

Table 6: Inter-bank indicative rates

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

### Dollar increases momentum

Continuous rise in corporate demand for Dollars to meet dividend payment of foreign shareholders coupled with rising imports are gradually intensifying the value of the Dollar against the Cedi on the currency market.

The period under review indicated a 1.46% rise in the value of the Dollar against the Cedi as one Dollar was pegged at a midrate of GH¢4.3032 from a midrate of GH¢4.2413 about a week ago. This translated into a rise in the greenback's annual return to 2.45%.

However, the Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) has for the second time this year reduced its policy rate by 100 basis points to 22.5% as a result of lower risk to inflation and growth. Accordingly, we expect to soon see its repercussions on the local currency.

### Pound vs. Cedi

The British Pound was under pressure on the international market, following the release of a poor economic data on the nation's GDP.

The quarterly and yearly GDP both declined by 0.1%, disappointing investors on the currency market.

However, the report of a 0.4% rise in business investment, which was beyond prediction, gave the Pound some support on the market.

Conversely on Ghana's inter-bank market, the Pound shot up by 1.00% after it was bought at GH¢5.5689 and sold for GH¢5.5772, this pushed the Pound's annual yield to 7.25% from 6.19% the week earlier.

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

## CEDI LOSES AGAIN

The local currency recorded another weekly decline in value on the inter-bank market despite the release of positive data on the economy.

According to data released by Ghana's Central Bank, the nation's export proceeds for the first quarter of 2017 outweighed that of imports by 30.2%, indicating a Balance of Trade (BOT) surplus. This was due to a decline in oil and non-oil imports as against a strong growth in gold and oil exports.

Thus, on the year-on-year basis, exports appreciated by 44.1% to US\$4.92 billion while imports dropped by 11.6% to US\$3.78 billion, resulting in a BOT surplus of US\$1.12 billion compared to a BOT deficit of US\$935.7 million in the same period last year.

Nonetheless, the Cedi lost as much as 1.52% of its value to its major trading partners to settle at a year-to-date loss of 5.07%.

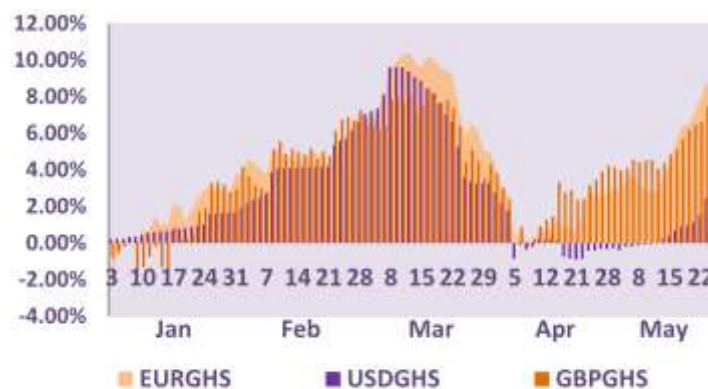


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro outruns Cedi

With support from a positive consumer sentiment, the Euro gained across board on the global front, i.e. the report of the better than expected rise in German's consumer sentiment was all that was needed to keep the Euro up on the currency market.

Mimicking international trend, the Euro posted strong gains on Ghana's inter-bank market as it was pegged between GH¢4.8120 and GH¢4.8150 during the period under consideration.

Subsequently the year-to-date return of the shared currency climbed to 8.49%.