

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

28<sup>th</sup> September, 2017



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	57,733.45	58,115.75	0.66%
Market Capitalization (US\$million)	13,098.61	13,202.72	0.79%
Volume traded (shares)	1,299,825.00	1,413,610.00	8.75%
Value Traded (GH¢)	1,160,814.86	2,974,512.06	156.24%
Value Traded (US\$)	263,366.65	675,749.03	156.58%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	2,284.30	-0.91%	35.24%
SIC-FSL Top 15 Index	3,799.59	1.99%	45.70%
GSE Financial Stocks Index	1,985.52	-1.50%	28.48%

Table 2: Key Stock Market Indices

## LIQUIDITY

Market activities went up last week following the exchange of 1.41 million shares on the Exchange compared to the 1.30 million shares that traded the previous week. Similarly, corresponding value traded also improved from GH¢1.16 million in the previous week to GH¢2.97 million last week. In all, twenty-three (23) equities traded on the GSE and one (1) equity on the Ghana Alternative Market (GAX).

Financial stocks remained the preferred choice of most investors, as the sector contributed 80.18% and 79.28% of volume and value of shares traded respectively.

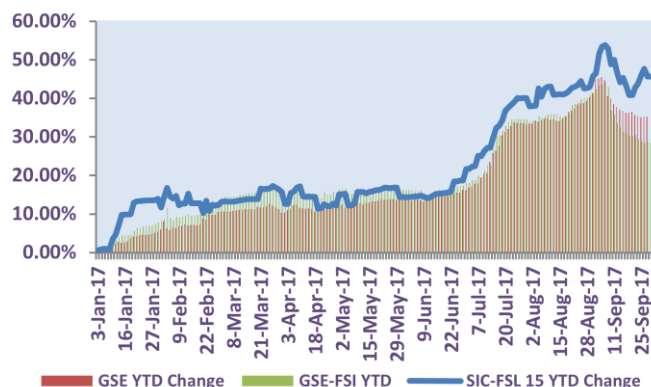
Societe Generale Ghana Limited (SOGEGH) was the most traded equity on the bourse, accounting for 323,344 shares of total traded shares representing 22.87%. Enterprise Group Limited (EGL) by virtue of its high price recorded the largest value traded of GH¢1.24 million, representing 41.65%.

## STRONG SELLING PRESSURE DRIVES INDICATORS FURTHER DOWN

Intense selling pressure on the Ghana Stock Exchange (GSE) saw major performance indicators tumbling for a third consecutive week this month. Among the fifteen (15) price movers on the Exchange, nine (9) equities were ticked-down while the rest appreciated. Shares of Enterprise Group Limited (EGL), Access Bank Ghana Plc (ACCESS), GCB Bank Limited (GCB), Fan Milk Limited (FML) and Tullow Oil Plc (TLW) were the most negatively affected.

At the close of last Thursday's session, yields on the GSE-Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) dropped from their previous week's year-to-date gains of 36.49% and 30.43% to settle at 35.24% and 28.48% respectively. However, appreciation in Benso Oil Palm Plantation (BOPP), Ecobank Transnational Incorporated (ETI) and Ghana Oil Company Limited (GOIL) saw the SIC-FSL Top 15 liquid Index (T-15 Index) improve from the previous week's year-to-date gain of 42.86% to settle at a return of 45.70%.

Total market capitalization appreciated from the previous week's figure of GH¢57.73 billion to GH¢58.12 billion last Thursday. Equivalent Dollar value also rose from the previous week's figure of USD 13.10 billion to USD 13.20 billion.



## MARKET MOVERS

### Profit-taking drags EGL down

Increased profit-taking in Enterprise Group Limited's (EGL) shares saw an 18.24% decline in the company's value. EGL closed trading at GH¢4.08 from an opening price of GH¢4.99 per share. Currently, EGL is ranked 6<sup>th</sup> in terms of returns on the GSE with a year-to-date gain of 70%.

The decline in the company's share price appeared to have been triggered by the excessive profit-taking by shareholders last week. At the current market price, the stock is still trading at a 34% premium against the sector's average trailing P/E ratio of 6x. Hence, the possibility of further downward price review seems likely.

### Tullow loses 6-pesewas despite...

The share price of Tullow Oil Plc dropped from a week-open price of GH¢17.80 to GH¢17.74 per share last Thursday in spite of the ruling given by the International Tribunal for the Law of the Sea (ITLOS) that favoured Ghana's maritime boundary. The ITLOS in a unanimous decision ruled that Ghana has not violated on its maritime boundary with Côte d'Ivoire's.

The news however failed to lure investors on the local bourse as investors bid the share value further down. The stock is currently ranked 35<sup>th</sup> among thirty-six (36) listed equities on the GSE in terms of returns, with a year-to-date loss of 34%.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	5.65	5.80	0.15	2.65%
ETI	0.15	0.18	0.03	20.00%
GGBL	1.50	1.52	0.02	1.33%
GOIL	2.32	2.35	0.03	1.29%
HFC	1.37	1.39	0.02	1.46%
SWL	0.04	0.05	0.01	25.00%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
ACCESS	4.00	3.40	-0.60	-15.00%
EGL	4.99	4.08	-0.91	-18.24%
FML	20.00	19.90	-0.10	-0.50%
GCB	4.30	4.13	-0.17	-3.95%
GSR	1.91	1.90	-0.01	-0.52%
SCB	19.97	19.71	-0.26	-1.30%
SIC	0.12	0.11	-0.01	-8.33%
TOTAL	2.29	2.26	-0.03	-1.31%
TLW	17.80	17.74	-0.06	-0.34%

Table 4: Laggards for the week

## CORPORATE NEWS

**TOTAL PETROLEUM GHANA LIMITED (TOTAL) ANNOUNCES CHANGES IN BOARD MEMBERSHIP:** TOTAL has announced the appointment of Mr. Eric Fanchini, Mr. Samba Salfal and Mr. Alfred George Thompson onto the company's Board.

The appointments took effect on 15<sup>th</sup> September 2017, 28<sup>th</sup> August 2017 and September 12, 2017 respectively.

**GUINNESS GHANA BREWERIES LIMITED (GGBL) ANNOUNCES ANNUAL GENERAL MEETING (AGM):** Management of GGBL has announced its upcoming Annual General Meeting which has been slated for Wednesday, November 1, 2017.

The meeting will be held at the Golden Tulip Hotel, Kumasi at 10:00 am.

**COCOA PROCESSING COMPANY LIMITED (CPC) APPOINTS ACTING MANAGING DIRECTOR:** CPC has announced the appointment of Nana Agyenim Boateng as the Acting Managing Director of the company.

The appointment took effect on September 18, 2017.

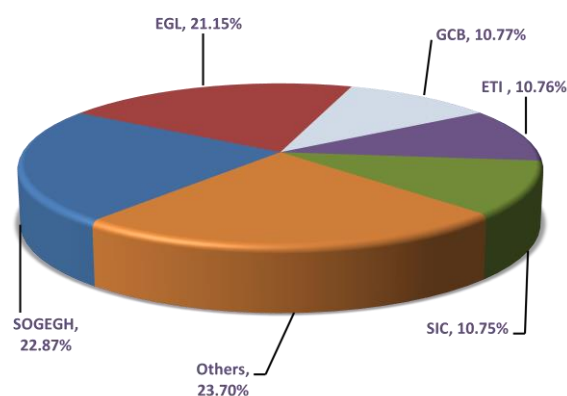


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 28/09/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.40	-17.07%
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	5.80	178.85%
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	4.08	70.00%
Ecobank Transnational Inc.	ETI	0.10	0.18	80.00%
Fan Milk Ltd.	FML	11.14	19.90	78.64%
Ghana Commercial Bank Ltd.	GCB	3.56	4.13	16.01%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.52	-6.75%
Ghana Oil Company Limited	GOIL	1.10	2.35	113.64%
Golden Star Resources Ltd.	GSR	1.95	1.90	-2.56%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.75	1.39	85.33%
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	19.71	61.82%
SIC Insurance Company Ltd.	SIC	0.12	0.11	-8.33%
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	0.05	25.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.35	34.62%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.26	14.14%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	17.74	-34.00%
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	4.3996	4.4040	4.80% ▼
GBPGHS	5.9117	5.9185	13.83% ▼
EURGHS	5.1835	5.1885	16.89% ▼

Table 6: Inter-bank indicative rates

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

### Dollar down by 0.13%

The American Dollar declined in value last week despite news of a rise in Ghana's public debt for the first half period of the year.

According to the Central Bank's latest economic and financial data, the country's debt stock climbed to GH¢139 billion at the end of June 2017, with GH¢74.6 billion of the debt being loans secured overseas and GH¢64 billion being domestic debt.

During the period under review, the Monetary Policy Committee of the Central Bank also kept its policy rate unchanged at 21% due to recent increase in price of petroleum products and the rise in Government's expenditure among others.

That notwithstanding, the Dollar slipped in value by 0.13% to settle at a lower year-to-date return of 4.80%, favoring the Cedi. One Dollar was pegged at a midrate of GH¢4.4018.

### Pound loses to Cedi

The British Pound dwindled in yield on the international market resulting from the report from the Office for National Statistics on the state of UK's economy for the second quarter.

The data revealed that UK's recorded a year-on-year growth of 1.5%, the lowest growth since Q1'2013.

Likewise, the Pound Sterling was down by 0.97% on Ghana's inter-bank market as it was bought at GH¢5.9117 and sold for GH¢5.9185. This reduced its annual return to 13.83% on Thursday.

## CEDI RECOUPS GAINS

The local currency retrieved some gains in the period under review following the release of positive data on Ghana's economy for the second quarter.

Data released by the Ghana Statistical Service showcased a growth of 9% for HY'2017, the highest growth rate over the last two years. The Service credited the outcome to the substantial growth in the mining and quarrying sector, oil and gas production. These recorded a growth of 188%.

The Cedi, which had been on the downside for six consecutive weeks, gained footing on the inter-bank market with a 0.82% appreciation in value. This trimmed down its year-to-date loss from 10.79% to 9.89% on Thursday.

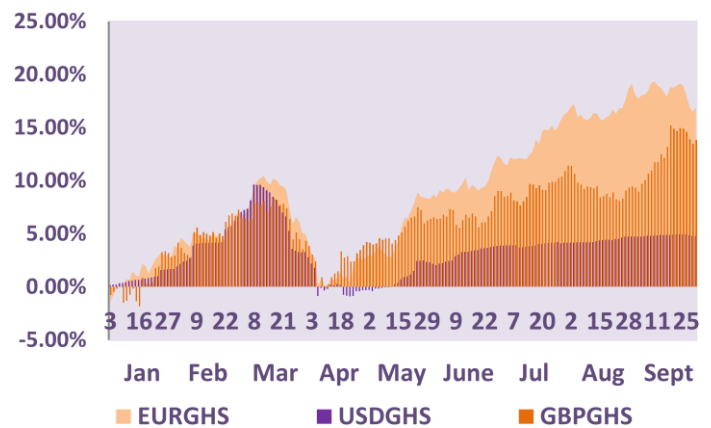


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro vs. Cedi

The disputed Catalan referendum saw investors profit-take from the Euro on the global front. Though the Spanish Government has declared the act as illegal based on the country's highest court barring it as unconstitutional, the Catalanian Government has decided to go ahead with its referendum. This kept the Euro under pressure on the currency market.

Similarly, the shared currency lost as much as 1.90% against the Cedi at a midrate of GH¢5.1860, lowering its year-to-date return to 16.89%.

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