

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

29<sup>th</sup> June, 2017



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## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	58,908.79	59,176.21	0.45%
Market Capitalization (US\$million)	13,532.30	13,566.92	0.26%
Volume traded (shares)	2,499,559.00	1,796,032.00	-28.15%
Value Traded (GH¢)	4,576,227.19	6,527,887.96	42.65%
Value Traded (US\$)	1,051,232.93	1,496,604.15	42.37%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,951.77	0.53%	15.55%
SIC-FSL Top 15 Index	3,096.05	2.56%	18.72%
GSE Financial Stocks Index	1,813.38	0.64%	17.34%

Table 2: Key Stock Market Indices

## LIQUIDITY

A total of 1.80 million shares exchanged hands last week, representing a decline of 28.15% when compared to the previous week's figure. In all, Nineteen (19) listed equities on the GSE, One preference share (1) and One (1) equity on the Ghana Alternative Market (GAX) were active.

Trading were largely dominated by the financial stocks, as the sector recorded 69.24% and 24.82% of both volume and value of shares traded.

Societe General Ghana Limited (SOGEGH) was the most traded stock last week, accounting for 51.21% of the total market volume. Fan Milk Limited (FML) recorded the highest value of GH¢4.54 million, representing 69.60% of the net value.

## GSE REMAINS ON COURSE

The excitement on Ghana Stock Exchange (GSE) remained on course last week as gainers surged in strength and numbers over laggards. Out of the ten (10) price movers, only two equities were losers, this pushed to push key performance indicators further. Shares of Standard Chartered Bank (SCB), HFC Bank (Ghana) Limited (HFC), Fan Milk Limited (FML) and Ecobank Transnational Incorporated (ETI) were behind the market's upside performance.

The yield on the GSE Composite Index (GSE CI) improved from 1,941.43 points to 1,951.77 points, resulting in an improved year-to-date gain of 15.55%. 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 17.34% and 18.72% respectively better than the 16.60% and 15.75% recorded in the previous week.

Total market capitalization on the GSE was also up from the GH¢58.91 billion to GH¢59.18 billion, whilst an equivalent dollar value also appreciated by 0.26% to USD13.57 billion.



Fig 1: Year -to-date returns

## MARKET MOVERS

### Investor interest heightens for SCB

The intense demand for the shares of Standard Chartered Bank on the bourse saw the share price hopped from the GH¢16.78 to a new year-high of GH¢16.93 per share. SCB is currently ranked fifth (5<sup>th</sup>) on the Ghana Stock Exchange among the thirty-seven (37) equities in terms of returns to investors with a year-to-date gain of 39.00%

Intrinsically the Bank is fairly-priced considering the current trailing P/E ratio of 8x as compared to the sector's average of 8x. However, investors seemed to have relied on SCB's past price performance on the GSE to further consolidate their holding positions in the Bank, especially with the general upside performance on the market.

### HFC trims-down losses

The shares of HFC Bank (Ghana) Limited (HFC) saw some activity last week after investors bid-up the price to GH¢0.55 from a low of GH¢0.50 per share. The rise appeared not only to have been backed by the general upward performance of the Exchange but also the stirring first quarter results churned-out by the company.

The Bank's revenue grew from the GH¢74.21 million in Q1'16 to GH¢7.40 million in Q1'17, translating into a growth in net profit from GH¢7.40 million in Q1'16 to GH¢10.77 million in Q1'17.

HFC is currently ranked 34<sup>th</sup> among the thirty-seven (37) listed equities on the GSE in terms of returns, with a year-to-date loss of 26.67%. At the current price above, the Bank is trading far below its year-open price of GH¢0.75 per share, signalling a possibility of further upward price review in future sessions.

### Investors finds space in FML

The search for safety in Fan milk Limited's (FML) share appeared not to be over yet as investors paid 3-pesewas premium on the market to consolidate their holding position in the company. Prospecting buyers bid-up the company's share price from the week's open price of GH¢11.75 to a new record price of GH¢11.78 per share last Thursday.

FML currently ranks 13<sup>th</sup> among the thirty-seven (37) listed equities on the GSE in terms of returns to investors with a year-to-date gain of 5.75%.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	4.31	4.32	0.01	0.23%
CAL	0.83	0.85	0.02	2.41%
ETI	0.11	0.12	0.01	9.09%
FML	11.75	11.78	0.03	0.26%
GOIL	1.80	1.82	0.02	1.11%
HFC	0.50	0.55	0.05	10.00%
SCB	16.78	16.93	0.15	0.89%
SCB PREF	0.76	0.85	0.09	11.84%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
EGL	2.39	2.38	-0.01	-0.42%
SOGEGH	0.76	0.75	-0.01	-1.32%
SAMBA	0.72	0.65	-0.07	-9.72%

Table 4: Laggards for the week

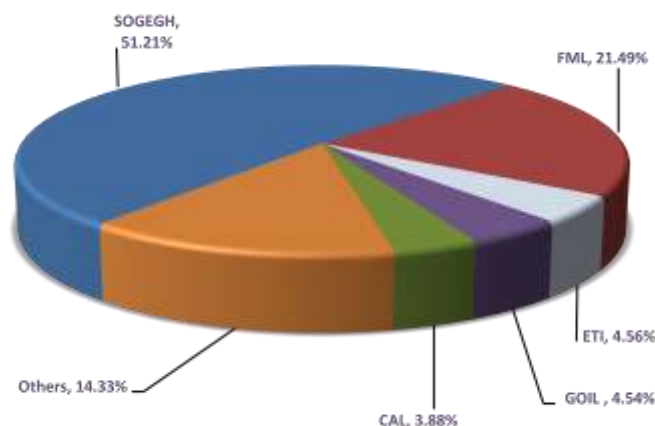


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 29/06/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	3.90	-7.32%
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	4.32	107.69%
Cal Bank Ltd	CAL	0.75	0.85	13.33%
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	7.00	9.38%
Enterprise Group Limited	EGL	2.40	2.38	-0.83%
Ecobank Transnational Inc.	ETI	0.10	0.12	20.00%
Fan Milk Ltd.	FML	11.14	11.78	5.75%
Ghana Commercial Bank Ltd.	GCB	3.56	5.20	46.07%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.49	-8.59%
Ghana Oil Company Limited	GOIL	1.10	1.82	65.45%
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	0.55	-26.67%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.10	-33.33%
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	16.93	39.00%
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	0.75	20.97%
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	0.07	133.33%
AngloGold Ashanti Depository Shares	AADS	0.52	0.48	-7.69%
Standard Chartered Bank Preference shares	SCB PREF	0.75	0.85	13.33%
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	0.08	-11.11%

Table 5: Performance of listed equities from year open

## CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	4.3596	4.3640	3.85% ▼
GBPGHS	5.6614	5.6684	9.01% ▼
EURGHS	4.9836	4.9858	12.35% ▼

Table 6: Inter-bank indicative rates

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

### Dollar maintains upward trend

The trading week witnessed an increase in Dollar demand on the currency market, pushing the value of the Dollar up, as Dollar sales by the central bank was not enough to meet demand.

The greenback appreciated by 0.20% in value, reflecting a decline in value of the Cedi in the period under consideration.

One Dollar by close of trading on Thursday was pegged between GH¢4.3596 and GH¢4.3640, this represented a rise in the Dollar's annual return from 3.64% to 3.85%.

### Pound vs. Cedi

Comment from the Governor of the Bank of England (BoE), Mark Carney, that it's likely the central bank would need to raise rates, spurred the rise in value of the Pound against some of its key currency partners.

Additionally, the release of a better than expected UK mortgage and consumer credit data provided the British Pound with a further upside support on the international market.

Mimicking international trend, the British Pound revamped in value on the Ghanaian market after a two successive weekly loss to the Cedi.

Appreciating by 2.76%, the Pound ended Thursday's trading on Ghana's inter-bank market as the key facilitator behind the local currency's composite loss. Subsequently the year-to-date gain of the Pound climbed to 9.01% from 6.08% a week ago after trading at a midrate of GH¢5.6649.

## CEDI FAILS TO CUT DOWN LOSSES

The local currency tailed off in value on the interbank market, amid the release of a positive Gross Domestic Product (GDP) for the first quarter of 2017.

According to the Ghana Statistical Service (GSS) Ghana's economy grew by 6.6% in Q1'2017, the highest recorded since the fourth quarter of 2014, where the growth rate was 5.6%. The growth is keenly attributed to the coming on-stream of oil produced from the Tweneboah Enyenra and Ntomme (TEN) oil field.

The 6.6% growth compares favourably with the 4.4% growth recorded during the same period a year ago.

Nonetheless, the Cedi depreciated by 1.38% to settle at an annual loss of 7.25%.

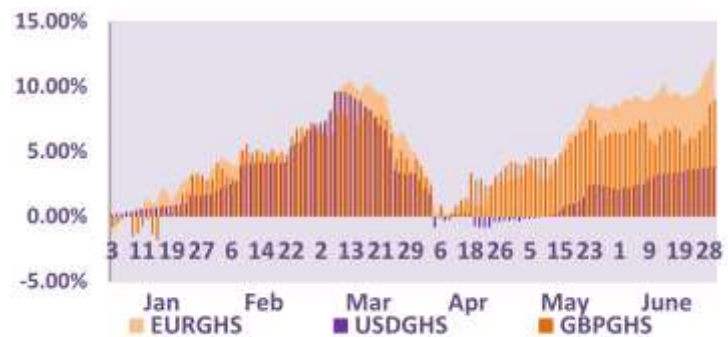


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Draghi's comment supports Euro

The Euro appreciated on the international market after comments from the President of the European Central Bank (ECB), Mario Draghi at a conference in Portugal suggested that the day of aggressive easing plan by the ECB may be coming to an end.

The situation was not different on Ghana's local market as the Euro was up against the Cedi after appreciating by 2.64% on the interbank market with a year-to-date rate of 12.35%.

The Euro closed Thursday's trading at a midrate of GH¢4.9847.

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