

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

2<sup>nd</sup> June, 2016



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,311.73	54,221.06	-0.17%
Market Capitalization (US\$million)	14,183.94	14,119.52	-0.45%
Volume traded (shares)	1,768,797.00	1,420,412.00	-19.70%
Value Traded (GH¢)	1,272,269.44	1,778,198.31	39.77%
Value Traded (US\$)	332,263.31	463,054.39	39.36%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,751.79	-1.06%	-12.20%
SIC-FSL Top 15 Index	3,024.72	-0.70%	-18.48%
GSE Financial Stocks Index	1,646.69	-1.42%	-14.68%

Table 2: Key Stock Market Indices

## LIQUIDITY

A total of 1.42 million shares exchanged hands last week, representing a decline of 19.70% of the previous week's figure. However, corresponding value traded rose by 39.77% to settle at GH¢1.78 million.

Market activities were largely skewed towards finance stocks, as the sector recorded 90.12% and 89.43% of both aggregate volume and value of shares that traded respectively.

Cal Bank Limited (CAL) recorded the highest activity in the week, with a total of 841,861 shares exchanging hands, thus representing 59.27% of total traded shares. Enterprise Group Limited (EGL), by virtue of its higher price recorded the biggest value of GH¢799,383.30 which represented 44.27% of the total value traded.

## GSE SUFFERS FURTHER LOSSES

The Ghana Stock Exchange (GSE) saw further losses last week as speculations of increase tightening policies dampens investor confidence. News that the government might introduce fresh taxes into the economy appeared to have spark concerns among investors, as they continued reducing offers on the Bourse. In the end, the shares of Standard Chartered Bank (SCB), Total Petroleum Ghana Limited (TOTAL), GCB Bank Limited (GCB) and Benso Oil Palm Plantation (BOPP) recorded heavy losses on the market.

At the close of the week, the GSE Composite Index (GSE-CI) which tracks the performance of the broader market declined to 1,751.79 points from 1,770.49 points, representing a year-to-date loss of 12.20%. Similarly, the GSE Financial Stocks Index (GSE-FSI) and the SIC-FSL Top-15 Index also dropped from their year-to-date losses of -13.45% and -17.90% respectively an annual losses of 14.68% and 18.48% accordingly.

The value of listed companies on the Ghana Stock Exchange declined to GH¢54.22 billion from GH¢54.31 billion, whereas corresponding dollar value also dipped by 0.45% to settle at USD 14.12 billion.



## MARKET MOVERS

### SCB's volatility continues

The swing in the share price of Standard Chartered Bank (SCB) worsened last week, after investors beat-down the stock's price to GH¢14.28 from GH¢14.98 per share. The drop appeared to have been due to the dwindling fortunes on the Ghanaian equity market.

Though, the Bank's results for the first quarter 2016 (Q1'16) was comparatively better, it had very little impact on the market, as the share price drop further down. SCB's revenue grew from the GH¢133.91 million in Q1'15 to GH¢152.50 million in Q1'16, reflecting in the company's 105.54% increase in net profit after tax within the period.

### TOTAL declines on uninspiring figures

Despite the huge drop in shares price of Total Petroleum Ghana Limited (TOTAL), investors still gave up share positions at lower-than-expected price last week. According to analysts, the issue appeared to have been caused by the company's uninspiring results within the first quarter of the year.

TOTAL's net profit after tax decline by 22% in the first quarter, settling at GH¢11.24 million in Q1'16.

In spite of the aforementioned, TOTAL is currently trading far below the company's 248-Day Volume Weighted Average Price (VWAP<sub>248</sub>) of GH¢5.33 per share.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.09	0.10	0.01	11.11%
GOIL	1.36	1.37	0.01	0.74%
PZC	0.26	0.27	0.01	3.85%
SOEGEH	0.76	0.77	0.01	1.32%

Table 4: gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	3.00	2.98	-0.02	-0.67%
GCB	3.04	3.02	-0.02	-0.66%
PBC	0.08	0.07	-0.01	-12.50%
SCB	14.98	14.28	-0.70	-4.67%
SIC	0.15	0.14	-0.01	-6.67%
TOTAL	4.08	4.00	-0.08	-1.96%
UNIL	8.48	8.47	-0.01	-0.12%
UTB	0.10	0.08	-0.02	-20.00%

Table 4: Laggards for the week

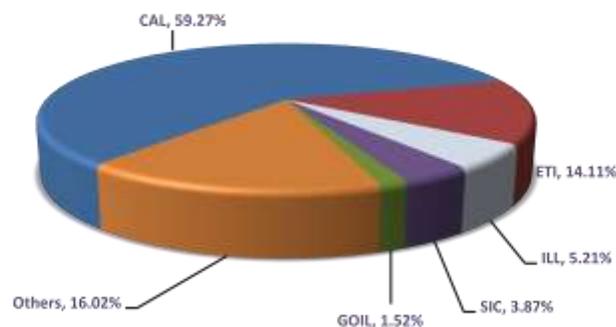


Fig 2: Top 5 most liquid equities with respect to volume traded

## CORPORATE NEWS

**ENTERPRISE GROUP LIMITED (EGL) ANNOUNCES FINAL DIVIDEND PAYMENT & ANNUAL GENERAL MEETING (AGM):** EGL has proposed a final dividend payment of GH¢0.05 per share in respect of the 2015 financial year dependent on shareholder's approval at the upcoming AGM. The dividend is expected to be paid on Thursday, 8<sup>th</sup> July, 2016.

The Bank's AGM is scheduled to take place at the Ghana College of Physicians and Surgeons, Independence Avenue, Accra on Tuesday, July 12, 2016 at exactly 10:00 am.

**SAMBA FOODS LIMITED (SAMBA) TO HOLD ANNUAL GENERAL MEETING:** Management of SAMBA has announced that the Bank's 24th Annual General Meeting (AGM) will be held at the Hotel Joecarl, Community 6, Tema, on Monday, June 24, 2016 at 10:00 am.

**ANGLOGOLD ASHANTI LIMITED (AGA) ANNOUNCES INCREASE IN SHARE CAPITAL:** AGA has increased its ordinary shares to 407,665,393 as at April 30, 2016 on the Johannesburg Securities Exchange, South Africa, following the issuance and listing of additional 307,916 ordinary shares.

In view of the above, AGA share capital has risen to 50,265,942,097.58 South African Rand.

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 2/06/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.10	-28.57%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.12	-33.33%
Benso Oil Palm Plantation	BOPP	2.50	2.98	19.20%
Cal Bank Ltd	CAL	1.00	0.79	-21.00%
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	0.01	-50.00%
Ecobank Ghana Ltd.	EGH	7.01	6.30	-10.13%
Enterprise Group Limited	EGL	2.40	2.44	1.67%
Ecobank Transnational Inc.	ETI	0.27	0.19	-29.63%
Fan Milk Ltd.	FML	7.35	7.35	0.00%
Ghana Commercial Bank Ltd.	GCB	3.79	3.02	-20.32%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.90	-4.52%
Ghana Oil Company Limited	GOIL	1.40	1.37	-2.14%
Golden Star Resources Ltd.	GSR	1.99	1.99	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.85	-5.56%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.19	0.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.07	-30.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.27	-20.59%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.28	-12.39%
SIC Insurance Company Ltd.	SIC	0.14	0.14	0.00%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.77	-3.75%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.35	-5.41%
Total Petroleum Ghana Ltd.	TOTAL	5.10	4.00	-21.57%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.92	-0.29%
Unilever Ghana Ltd.	UNIL	8.50	8.47	-0.35%
UT Bank	UTB	0.10	0.08	-20.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.71	0.73	2.82%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.10	25.00%
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	3.8382	3.8421	1.19% ▼
GBPGHS	5.5393	5.5453	1.32% ▲
EURGHS	4.2831	4.2861	3.69% ▼

Table 6: Inter-bank indicative rates

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

### Dollar remains buoyant

Efforts to curtail the continuous rise in the value of the Dollar against the Cedi have so far proven quite futile. The value of the Dollar on Ghana's interbank market rose by 0.29%, encouraging investors to hold on to the foreign currency as a safer hedge against the local currency.

Although the Cedi managed to rise against the Pound last week, it has since the beginning of the year not been able to consecutively outrun with the Dollar, gradually waning investor's confidence in the currency.

The Dollar as a result, climbed from the previous week's midrate of GH¢3.8291 to GH¢3.8402, pushing the annual yield of the Dollar up to 35.58%.

### Pound pares its gains

The value of the British Pound declined on the international market following the tip in Brexit polls last week.

Contrary to previous polls where the 'in' camp was on the lead, recent outcome of polls concerning the European Union referendum swayed in favour of the 'out' camp.

Mimicking the international trend, the Pound recorded a significant loss in value versus the Cedi on the inter-bank market.

Thus the British Pound pared its weekly gains as it traded at a midrate of GH¢5.5423 last Thursday, resulting in a 1.35% decline in value. At the close of trading it recorded a year-to-date loss of 1.32%.

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## CEDI GAINS SLIGHTLY AS BoG OUTLINES NEW FOREX RULES

As part of measures to deepen the foreign exchange market and promote greater transparency in the determination of exchange rates, the Bank of Ghana (BoG) has outlined new forex rules.

The new forex rules will from 1st July this year require exporters to repatriate all export proceeds to the country, altering several forex requirements of the central bank. The central bank explained that the measures thus require exporters to transfer export proceeds through an external bank to their Foreign Exchange Account with any of the banks in the country on receipt of the money, or within 60 days from the day of shipping goods.

Consequently, the Cedi recorded holistic appreciation against its trading partners on the interbank market last Thursday. Thus, the Cedi gained 0.05% in value to trim down its year-to-date loss to 1.50% from the 1.55% recorded a fortnight ago.

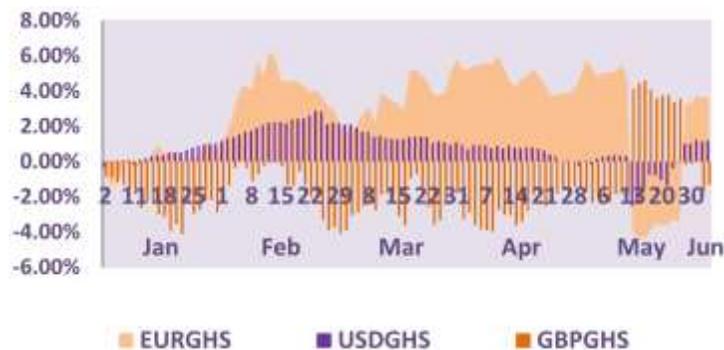


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Euro versus Cedi

The shared currency regained its footing on the currency market last week as it was bought at GH¢4.2831 and sold for GH¢4.2863 on the inter-bank market.

Gaining by 0.11%, the Euro ended Thursday's trading on Ghana's inter-bank market at an annual return of 3.69% from 3.57% a week earlier.

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