

# WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

5<sup>th</sup> January, 2017



## STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	52,690.99	52,784.54	0.18%
Market Capitalization (US\$'million)	12,602.18	12,537.60	-0.51%
Volume traded (shares)	602,295.00	1,672,277.00	177.65%
Value Traded (GH¢)	142,023.71	3,428,717.39	2314.19%
Value Traded (US\$)	33,968.03	814,402.84	2297.56%

Table 1: Market Summary

## INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,703.77	0.87%	0.87%
SIC-FSL Top 15 Index	2,632.39	0.94%	0.94%
GSE Financial Stocks Index	1,564.45	1.23%	1.23%

Table 2: Key Stock Market Indices

## LIQUIDITY

Improved market sentiment appeared to have accounted for the 1.67 million shares that exchanged hands over the period, valued at GH¢3.43 million. In all, twenty-four (24) stocks participated in last week's trading sessions, involving twenty-three (23) listed companies on the GSE and one (1) company on the Ghana Alternative Market (GAX).

Financial stocks were most investors choice, the sector contributed 53.44% of the total volume that traded in the week, representing 10.30% of total value traded.

The shares of UT Bank Limited (UTB) emerged the most traded equity on the bourse, accounting for 428,253 of the total traded shares, representing 25.61% of market volume. Fan Milk Limited (FML) by virtue of its high price recorded the highest value in the week, accounting for GH¢2.29 million of the total traded value.

## ACCRA BOURSE MAKES PROMISING START

The first week of trading in 2017 yielded positive returns following renewed investor confidence in equity market activities. Equities from the Banking, Consumer, Petroleum and Insurance sectors moved up, pushing the broader market up by 0.33% last Thursday. In the end, gains in Ecobank Ghana Limited (EGH), Standard Chartered Bank (SCB) and Fan Milk Limited (FML) shares were enough to keep the Ghana Stock Exchange buoyant for year's opening week.

Key benchmark indices edged higher, as the GSE-CI recorded 14.68 points increase over its opening level of 1,689.09 points, settling at an annual yield of 0.87%. The SIC-FSL Top 15 Index closed at 2,632.39 points with a year-to-date return of 0.94%, whilst the GSE Financial Stock Index (GSE FI) also settled at 1,564.45 points, representing 1.23% returns.

Total market capitalization of the Ghana Stock Exchange was GH¢52.78 billion, being equivalent to USD12.54 billion.



Fig 1: Year -to -date returns

## MARKET MOVERS

### Investors shows interest in EGH shares

Increased demand for Ecobank Ghana Limited (EGH) shares saw the Bank's share value soared from the week's opening price of GH¢6.40 per share to GH¢6.50 a share last week. The rise, appeared to have been largely supported by the growing market confidence in the economy. A situation identified after successful general elections last year.

Though the bank reported lower-than-expected net profit after tax (NPAT) for the nine month period (Q3'16) investors acted different, as they turned to consolidate their holding positions in the Bank. The Bank posted a NPAT of GH¢273.77 million compared to the GH¢287.61 million recorded in the year before.

At the current price above, the bank is trading below its 248-Days Volume Weighted Average Price (VWAP<sub>248</sub>) of GH¢6.82 and the 248-Day Average Trading Price (ATP<sub>248</sub>) of GH¢6.76.

### SCB prune down losses

Improved investor confidence saw the shares of Standard Chartered Bank (SCB) pruned down the losses recorded in last year's activities. SCB closed the year at GH¢12.18 per share, but manage to recover 8-pesewas during last week's trading session to close at GH¢12.26 a share.

The upsurge appeared to have been supported by the apparent lower price-tag of the company. As a result, investors seemed to have increased their discovery for the Bank's shares on the Exchange.

SCB at the current price of GH¢12.26 per share, is trading below the VWAP<sub>248</sub> of GH¢14.14 per share and ATP<sub>248</sub> of GH¢14.38 a share, supporting the possibility of upward price correction in the future.

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.75	0.78	0.03	4.00%
EGH	6.40	6.50	0.10	1.56%
FML	11.14	11.20	0.06	0.54%
GCB	3.56	3.62	0.06	1.69%
GOIL	1.10	1.12	0.02	1.82%
SCB	12.18	12.26	0.08	0.66%
SIC	0.12	0.13	0.01	8.33%
SOGEGH	0.62	0.66	0.04	6.45%
TOTAL	1.98	2	0.02	1.01%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
AYRTN	0.12	0.10	-0.02	-16.67%
GGBL	1.63	1.60	-0.03	-1.84%

Table 4: Laggards for the week

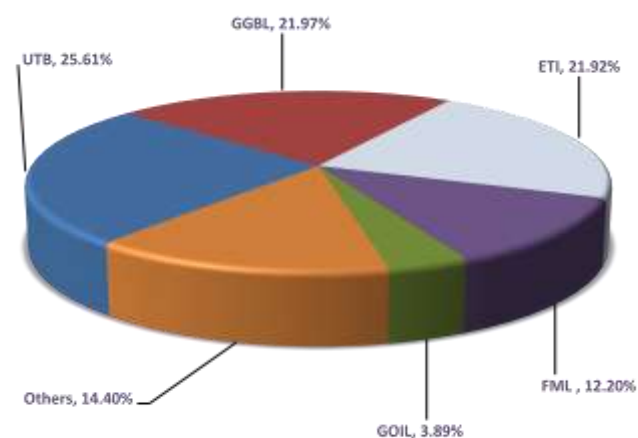


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 5/01/2017 (GH¢)	YTD Gain/Loss (%)
Access Bank Ghana PLC	ACCESS	4.10	4.10	0.00%
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	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.12	0.10	-16.67%
Benso Oil Palm Plantation	BOPP	2.08	2.08	0.00%
Cal Bank Ltd	CAL	0.75	0.78	4.00%
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	0.02	0.00%
Ecobank Ghana Ltd.	EGH	6.40	6.50	1.56%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.10	0.00%
Fan Milk Ltd.	FML	11.14	11.20	0.54%
Ghana Commercial Bank Ltd.	GCB	3.56	3.62	1.69%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.60	-1.84%
Ghana Oil Company Limited	GOIL	1.10	1.12	1.82%
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	0.75	0.00%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.15	0.15	0.00%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.06	0.06	0.00%
PZ Cussons Ghana Ltd.	PZ	0.22	0.22	0.00%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	12.26	0.66%
SIC Insurance Company Ltd.	SIC	0.12	0.13	8.33%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
Societe Generale Ghana Limited	SOGEGH	0.62	0.66	6.45%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.26	0.26	0.00%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.00	1.01%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	26.88	0.00%
Unilever Ghana Ltd.	UNIL	8.51	8.51	0.00%
UT Bank	UTB	0.03	0.03	0.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
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	4.2080	4.2122	0.24% ▼
GBPGHS	5.1838	5.1911	0.17% ▲
EURGHS	4.4352	4.4399	0.02% ▼

Table 6: Inter-bank indicative rates

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

### Dollar records a good start

The American Dollar ended the period under review with a 0.69% rise in value against the Ghana Cedi despite the growth in Ghana's economy for the third quarter of 2016.

According to the Ghana Statistical Service (GSS), Ghana's Gross Domestic Product (GDP) recorded a growth of 4% year-on-year in Q3'2016 up from 3.6% a year ago. This was due to increase oil production from the Jubilee field as well as the start of oil from the TEN field.

That notwithstanding the Dollar closed trading at an annual return of 0.24%, after being pegged at a midrate of GH¢4.5101 on Thursday.

### Euro versus Cedi

The recent positive data in the Euro region bolstered investors' confidence of the shared currency to intensify their bet in the region's currency.

Strong German Services and Italian Consumer Price Index data boosted confidence that the European Central Bank's quantitative easing programme was finally beginning to have an effect, affecting the currency positively.

Similarly on Ghana's inter-bank market, the EURGHS exchange rate ended the period trading between GH¢4.4352 and GH¢4.4399, representing a marginal year-to-date gain of 0.02%.

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## CEDI DECLINES IN VALUE

Although the local currency commenced trading in 2017 on a good note, it failed to maintain the gains it recorded on the first day during the subsequent trading days.

The Ghanaian Cedi lost holistically to its major trading partners on the inter-bank market by close of trading on Thursday amid the optimism expressed by the Governor of the central bank, Dr. Abdul-Nashiru Issahaku.

According to the Dr. Issahaku, the Cedi had remained broadly stable during the year 2016, reducing some level of domestic inflationary pressures although inflation is above target, nonetheless he is optimistic that the cumulative depreciation for the year will remain in the single digits.

Thursday's trading saw the Cedi decline by 1.00% in value to settle at a year-to-date loss of 0.09%.

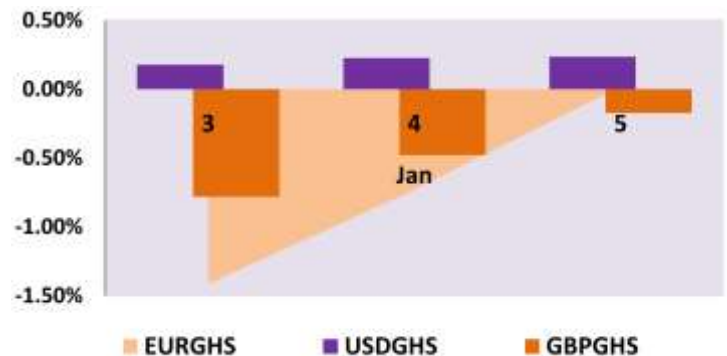


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

### Pound records highest weekly gain

Among the Cedi's key trading partners, the Pound emerged as the highest traded currency on the interbank market as it sprang up by 1.41% against the local currency.

The appreciation was not enough to clear the entire loss recorded by the Pound from the beginning of this year, though it trimmed down to 0.17% after being bought at GH¢5.1838 and sold for GH¢5.1911.

The rise can be linked to the Pound's performance on the international market as it appreciated against a basket of currencies on the world market.

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