

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

8th October, 2015

STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	62,132.56	62,106.30	-0.04%
Market Capitalization (US\$'million)	16,741.45	16,556.38	-1.11%
Volume traded (shares)	1,789,802.00	3,352,226.00	87.30%
Value Traded (GH¢)	6,969,175.57	2,845,607.24	-59.17%
Value Traded (US\$)	1,877,825.98	758,585.85	-59.60%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,995.31	-0.24%	-11.75%
SIC-FSL Top 15 Index	3,761.32	0.09%	-4.61%
GSE Financial Stocks Index	1,928.43	-0.32%	-14.05%

Table 2: Key Stock Market Indices

LIQUIDITY

A total of 3.35 million shares exchanged hands last week and this was 87.30% better than the previous week's figure. However, corresponding value traded went down by 59.17% to settle at GH¢2.85 million.

Undoubtedly, financial stocks were the most active in the week, contributing 92.11% and 86.52% of cumulative volume and value of shares traded.

In all, 19 out of the 35 listed companies were active on the market. Societe Generale Ghana Limited (SOGEGH) was the highest traded equity with respect to volume and value, accounting for 30.22% and 30.95% of total shares and value traded respectively.

ACCRA BOURSE STILL UNEXCITING

The market still remained unexciting in last week's activities, following the advantage laggards had over gainers in terms of numbers and magnitude. Shares of HFC Bank (Ghana) Limited (HFC), Fan Milk Limited (FML), Guinness Ghana Breweries Limited (GGBL) and Cal Bank Limited (CAL) caused the week's sloppy performance.

Observably, continuous profit-taking and decline in investors' confidence appeared to be part of the factors that dragged performance down.

At the close of the week's activities, key benchmark indices turn southwards, as the GSE Composite Index (GSE CI), thus the broader market lost 0.24% in level to close at 1,995.31 points. The Financial Stocks Index and the SIC-FSL Top 15 Index also dipped by 0.32% and 0.09% in their respective levels to settle lower at 1,928.43 points and 3,761.32 points accordingly. In the end, GSE Composite Index closed at a year-to-date loss of 11.75%, as the year-to-date loss by the GSE FSI and the SIC-FSL Top 15 liquid Index widened to 14.05% and 4.61% respectively.

Total market capitalization of the Ghana Stock Exchange also declined by 0.04% to GH¢62.12 billion from GH¢62.13 billion, whilst its dollar equivalent declined by 1.11% to USD16.56 billion due to the losses the Cedi suffered against the greenback within the period.

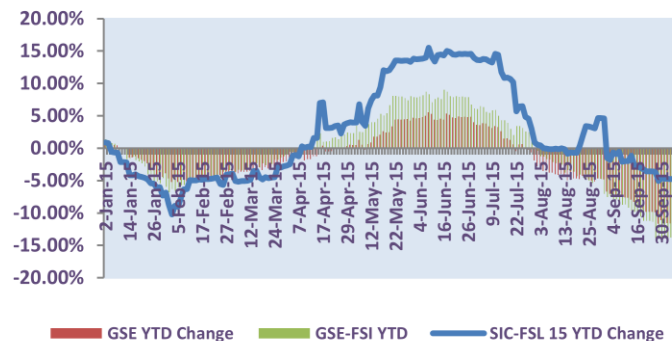


Fig 1: Year -to -date returns

MARKET MOVERS

HFC's shares slip further down

The volatility in the price of HFC Bank shares worsened last week, as the banking stock dropped to a record price of GH¢0.86 per share for the first time since November 2013. This saw HFC closing the past week as the worst performing stock on the Exchange.

At the current price above, the Bank is trading at a discount of 5% to its trailing P/E ratio compared to the sector's average ratio of 6x and also 41% below the market when compared to the year-to-date average trading price of Gh¢1.45 per share.

FML shareholders lose-out

The dairy giant; Fan Milk Limited (FML) slipped from its week-open price of GH¢7.35 to GH¢7.31 per share last Thursday, following the intense profit-taking on the market by shareholders. As a result, FML was the second worst stock in term of performance on the exchange within the period.

The situation appeared to have caused due to shareholders unyielding quest to cash-out some capital gains, hence forcing the company's share price down by GH¢0.04 in process, in the form of price competition on the market. This reduced the company's year-to-date gains to 39.24% compared to the previous week's 40.00%.

Nonetheless, FML still emerged the best performing equity on the Accra bourse in absolute value after gaining GH¢2.06 a share more on the year-open price of GH¢5.23 per share.

CORPORATE NEWS

ENTERPRISE GROUP LIMITED (EGL) APPOINTS A NEW DIRECTOR:

Management of EGL has appointed Dr. Angela Ofori-Atta as a Director of the Company's Board. Her appointment took effect from October 1, 2015.

ANGLOGOLD ASHANTI (AGA) DISCLOSES BENEFICIAL INTEREST:

AGA in accordance with listing regulations on the Johannesburg Stock Exchange (JSE) has notified shareholders of notification from First Eagle Investment Management, LLC ("First Eagle") in the company's shares.

In line with the above, First Eagle's total beneficial interest in AngloGold Ashanti's now amounts to 4.61% of the total issued American Depositary Receipts of the Company.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.06	0.07	0.01	16.67%
EBG	7.04	7.05	0.01	0.14%
SCB	16.27	16.29	0.02	0.12%
SIC	0.12	0.13	0.01	8.33%
SOGEGH	0.80	0.87	0.07	8.75%
UNIL	7.73	7.79	0.06	0.78%

Table 3: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.84	0.83	-0.01	-1.19%
CLYD	0.03	0.02	-0.01	-33.33%
FML	7.35	7.31	-0.04	-0.54%
GGBL	2.00	1.98	-0.02	-1.00%
HFC	1.00	0.86	-0.14	-14.00%
TOTAL	5.37	5.36	-0.01	-0.19%
UTB	0.10	0.09	-0.01	-10.00%

Table 4: Laggards for the week

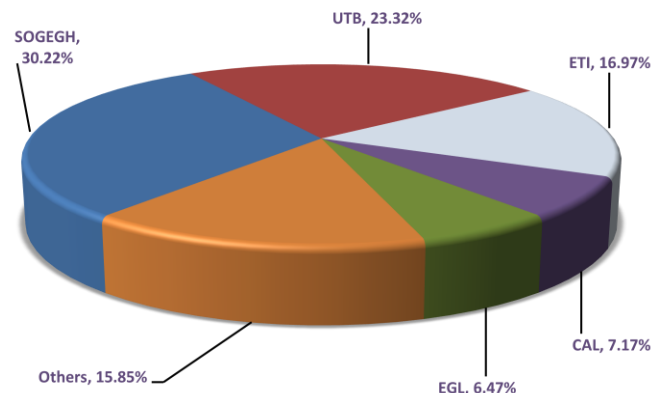


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 8/10/2015 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.02	0.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.02	0.07	250.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.18	0.00%
Benso Oil Palm Plantation	BOPP	4.10	4.00	-2.44%
Cal Bank Ltd	CAL	1.01	0.82	-17.82%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	-33.33%
Camelot Ghana Ltd.	CMLT	0.12	0.12	0.00%
Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0.00%
Ecobank Ghana Ltd.	EBG	7.60	7.05	-7.24%
Enterprise Group Limited	EGL	1.75	2.20	25.71%
Ecobank Transnational Inc.	ETI	0.28	0.30	7.14%
Fan Milk Ltd.	FML	5.25	7.31	39.24%
Ghana Commercial Bank Ltd.	GCB	5.30	3.73	-29.62%
Guinness Ghana Breweries Ltd.	GGBL	3.20	1.98	-38.13%
Ghana Oil Company Limited	GOIL	1.05	1.33	26.67%
Golden Star Resources Ltd.	GSR	2.34	1.99	-14.96%
Golden Web Ltd.	GWEB	0.03	0.02	-33.33%
HFC Bank (Ghana) Ltd.	HFC	1.50	0.86	-42.67%
Mega Africa Capital Ltd	MAC	4.50	5.50	22.22%
Mechanical Lloyd Co. Ltd.	MLC	0.28	0.15	-46.43%
Pioneer Kitchenware Ltd.	PKL	0.06	0.05	-16.67%
Produce Buying Company Ltd.	PBC	0.12	0.10	-16.67%
PZ Cussons Ghana Ltd.	PZ	0.30	0.34	13.33%
Standard Chartered Bank (GH) Ltd. *	SCB	20.35	16.29	-19.95%
SIC Insurance Company Ltd.	SIC	0.37	0.13	-64.86%
Starwin Products Ltd.	SPL	0.02	0.04	100.00%
Societe Generale Ghana Limited	SOGEGH	1.00	0.87	-13.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.24	0.35	45.83%
Total Petroleum Ghana Ltd.	TOTAL	6.10	5.36	-12.13%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	34.99	32.89	-6.00%
Unilever Ghana Ltd.	UNIL	10.70	7.82	-27.20%
UT Bank	UTB	0.25	0.09	-64.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PREF	0.58	0.69	18.97%
NewGold Exchange Traded Fund	GLD	35.80	39.95	11.59%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.05	0.07	40.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.7493	3.7531	17.22% ▼
GBPGHS	5.7443	5.7524	15.45% ▼
EURGHS	4.2300	4.2353	8.65% ▼

Table 6: Inter-bank indicative rates

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

Dollar bounces back in value

In spite of the oversubscription of Ghana's fourth Eurobond last week, the Dollar managed to end Thursday's trading activities on a positive note as it recovered 1.08% of its values against the Cedi.

The 15-year Eurobond recorded orders exceeding US\$2 billion compared to a target of US\$ 1.0 billion and was pegged at a coupon rate of 10.75%.

However, the greenback retreated from its two-week loss versus the Cedi as it traded at a midrate of GH¢3.75 from a midrate of GH¢3.71 the week earlier.

Euro gains on economic data

French industrial output data gave the Euro an added boost as output levels increased more than expected. Output in France increased 1.6% in September compared to -0.8% in August.

The Euro appreciated against the Cedi as it traded between GH¢4.23 and GH¢4.24 on the inter-bank. This corresponds with the optimistic trend of the Euro globally, following rising level of investors' confidence in the value of the Euro.

The week therefore ended with the pound gaining 1.86% on the interbank market.

Alice Osei Okrah (Head)

Email: aokrah@sic-fsl.com

Email: research@sic-fsl.com

CEDI FAILS TO CLING TO PREVIOUS GAIN

The local currency settled at a year to date loss of 14.25% after failing to catch up with the gains it recorded a fortnight ago. This comes after the central bank had received a portion of the cocoa syndicated loan.

The Bank of Ghana (BoG) last week, received the first tranche of \$800 million of this year's cocoa syndication and is expecting an additional \$1 billion as final drawdown.

Despite the 1.51% decline in value of the Cedi in the period under review, BoG is believed to be well placed now to meet market dollar demands and support other foreign exchange transactions.

The positive impact of the Dollar inflow is expected in the coming weeks to support the value of the local currency.

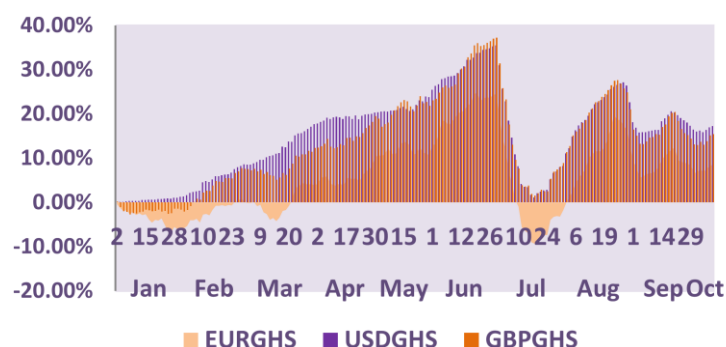


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Pound recoups gains

The Bank of England kept interest rates unchanged at 0.50% as expected, while investors continued to predict an interest rate hike for early next year amid forecasting for lower short term inflation and growth, putting pressure on the Great Britain Pound.

On the other hand, the Pound concluded Thursday's trading with a win over the Cedi after it was pegged between GH¢5.7443 and GH¢5.7524 last Thursday. The GBPGHS exchange rate gained 2.18%, contributing predominantly to the weakness in the value of the Cedi.

Isaac Kwasi Mensah (Analyst)

Email: ikmensah@sic-fsl.com