

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

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STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢million)	54,135.99	52,123.10	-3.72%
Market Capitalization (US\$million)	12,615.29	11,924.21	-5.48%
Volume traded (shares)	2,911,708.00	156,697,002.00	5281.62%
Value Traded (GH¢)	2,030,982.42	120,556,058.02	5835.85%
Value Traded (US\$)	473,279.06	27,579,625.28	5727.35%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,796.31	0.35%	6.35%
SIC-FSL Top 15 Index	2,927.87	-1.79%	12.27%
GSE Financial Stocks Index	1,684.95	0.33%	9.03%

Table 2: Key Stock Market Indices

LIQUIDITY

Multiple block trades in Cal Bank Limited (CAL) shares was enough to outdo the previous week's performance on the GSE. A total of 156.70 million shares exchanged hands last week and this was valued at GH¢120.56 million. On the whole, 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 remained most investors preferred choice, as the sector contributed 99.68% and 96.86% of both volume and value of shares that traded in the past week.

As expected, shares of Cal Bank Limited (CAL) was the most traded in terms of volume and value of shares on the bourse last week. The stock accounted for 155.92 million, representing 99.50% of the entire market volume. Total corresponding value traded was also GH¢116.54 million, which represented 96.67% of the total market value.

BULLS STAMP AUTHORITY OVER MARKET

Intense activities on the Ghana Stock Exchange (GSE) last week saw bulls outpaced bears in both numbers and magnitude. Shares of Unilever Ghana Limited (UNIL), Total Petroleum Ghana Limited (TOTAL), Standard Chartered Bank (SCB) and Ecobank Ghana Limited (EGH) were key in sustaining the GSE's upward trajectory.

At the close of the week's trading, the GSE Composite Index (GSE-CI) which tracks the performance of the broader market improved from the 1,790.10 points previously to 1,796.31 points, representing a year-to-date gain of 6.35%. Similarly, the GSE Financial Stocks Index (GSE-FSI) also improved its year-to-date gains to 9.03% from the previous week's 8.67%. However, a drop in the shares of Tullow Oil Plc (TLW), Fan Milk Limited (FML) and Cal Bank Limited (CAL) force the SIC-FSL Top-15 liquid Index to drop from a year-to-date gains of 14.31% in the previous week to 12.27% last Thursday.

Total market capitalization also dropped from the previous week's figure of GH¢54.14 billion to GH¢52.12 billion last Thursday due to depreciation in Tullow Oil and Cal Bank. An equivalent dollar value also dipped from the previous week's figure of USD 14.31 billion to USD12.27 billion.



Fig 1: Year -to- date returns

MARKET MOVERS

Inspiring bottom-line spurs performance

In spite of the decline in top-line performance of Unilever Ghana Limited's (UNIL) for the year ended December 2016, investors still remain upbeat about the prospects in the company. UNIL closed last Thursday's trading at GH¢8.76 per share, from an opening price of GH¢8.51 a share. The rise, analysts have attributed to the company's improved bottom-line performance.

UNIL's revenue showed a decline of 4.3%, thus from GH¢518.7 million in FY'15 to GH¢496.5 million in FY'16, reflecting the complex and challenging economic environment in the country. Nonetheless, profit after tax improved from GH¢35.71 in FY'15 to GH¢39.81 million in FY'16 this the company attributed to cost savings and continues improvement culture.

At the current price of GH¢8.76 per share, investors are still expecting upward price review because of the past performance on the Exchange.

Investors bid-up the shares of TOTAL

investors gave little attention to the 8% decline in the company's net profit in Q3'16 to bid TOTAL's share price up last week. TOTAL reported a decline in net profit after tax (npat) from GH¢33.19 million in Q3'15 to GH¢30.54 million in Q3'16.

TOTAL closed at GH¢2.35 per share from the week's opening price of GH¢2.18 per share, representing an increase of 7.80% in value. Currently, TOTAL is ranked 6th among the thirty-seven (37) listed companies on the GSE.

Some analysts believe the rise in TOTAL's value appeared to have been inspired by the company's historical performance on the Exchange.

CORPORATE NEWS

ARISE B. V ACQUIRES STAKE IN CAL BANK LIMITED:

Development Partners International (DPI) has confirmed the sale of its 27.69% shareholding in CAL Bank to Arise B. V.

The acquisition involve the purchase of 151,830,692 ordinary shares from DPI through negotiated window of the Ghana Stock Exchange. The success of this acquisition will make Arise B. V the second largest shareholder in CAL Bank Limited.

STOCK TICKER	Wk Open	Wk End	Change	% change
BOPP	2.11	2.17	0.06	2.84%
EGH	6.91	7.00	0.09	1.30%
GCB	4.14	4.24	0.10	2.42%
GGBL	1.51	1.52	0.01	0.66%
SCB	13.19	13.30	0.11	0.83%
SIC	0.15	0.16	0.01	6.67%
TOTAL	2.18	2.35	0.17	7.80%
UNIL	8.51	8.76	0.25	2.94%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
CAL	0.76	0.75	-0.01	-1.32%
ETI	0.14	0.13	-0.01	-7.14%
FML	11.20	11.10	-0.10	-0.89%
GOIL	1.11	1.09	-0.02	-1.80%
HFC	0.70	0.68	-0.02	-2.86%
TLW	26.88	24.83	-2.05	-7.63%

Table 4: Laggards for the week

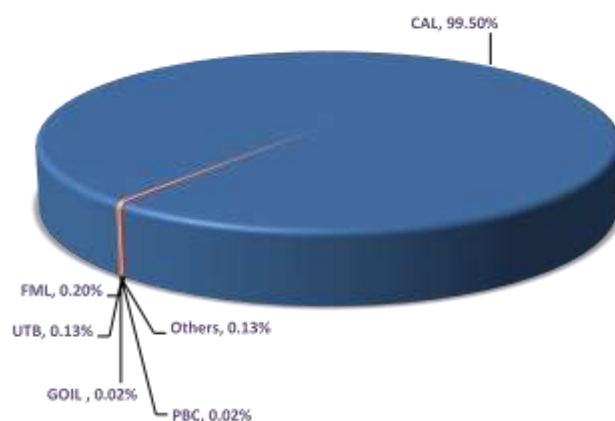


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 9/02/2017 (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	2.17	4.33%
Cal Bank Ltd	CAL	0.75	0.75	0.00%
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	0.03	50.00%
Ecobank Ghana Ltd.	EGH	6.40	7.00	9.38%
Enterprise Group Limited	EGL	2.40	2.40	0.00%
Ecobank Transnational Inc.	ETI	0.10	0.13	30.00%
Fan Milk Ltd.	FML	11.14	11.10	-0.36%
Ghana Commercial Bank Ltd.	GCB	3.56	4.24	19.10%
Guinness Ghana Breweries Ltd.	GGBL	1.63	1.52	-6.75%
Ghana Oil Company Limited	GOIL	1.10	1.09	-0.91%
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	0.68	-9.33%
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	0.20	-9.09%
Standard Chartered Bank (GH) Ltd.*	SCB	12.18	13.30	9.20%
SIC Insurance Company Ltd.	SIC	0.12	0.16	33.33%
Starwin Products Ltd.	SPL	0.03	0.03	0.00%
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	0.26	0.00%
Total Petroleum Ghana Ltd.	TOTAL	1.98	2.35	18.69%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	26.88	24.83	-7.63%
Unilever Ghana Ltd.	UNIL	8.51	8.76	2.94%
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	4.3690	4.3734	4.07% ▼
GBPGHS	5.4818	5.4899	5.57% ▼
EURGHS	4.6578	4.6628	5.04% ▼

Table 6: Inter-bank indicative rates

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

Dollar registers more gains

Low commodity prices coupled with low foreign exchange earnings seemed to wane the value of the Cedi against the Dollar on the inter-bank market as demand for the USDGHS exchange rate outruns supply.

This pushed the value of the Dollar higher from a midrate of GH¢4.2913 the week earlier to GH¢4.3712 on Thursday. This represented a gain of 1.86%, pushing up the Dollar's annual return to 4.07%.

Going forward however, the Central Bank's effort to supply more dollars into the market coupled with expected growth in Government's earnings from increased oil production is expected to support the value of the local currency.

Pound maintains upward trajectory

An expansion in some of UK's economic data, especially the manufacturing output bolstered the investors' confidence in the Pound. The manufacturing output which was expected to fall by 0.8% rather rose by 0.8% in the month of December.

This news gave a boost to the Pound on the international market despite some slight falls the Pound recorded against a few of its major trading counterparts on the market.

Similarly on Ghana's inter-bank market, the Sterling maintained its appreciation against the Cedi on the interbank market as it rose 1.82% stronger than the Cedi. The Euro as a result recorded a year-to-date gain of 5.57% after trading between GH¢5.4818 and GH¢5.4899.

CEDI RECORDS SIGNIFICANT DROP IN VALUE

The Ghanaian Cedi recorded another depreciation in the week under review, marking its sixth composite weekly fall on the inter-bank market, amid Government's plans to stabilize the Cedi.

According to the Minister of Finance, Mr. Ken Ofori Atta, in the bid to stabilize the local currency, the Government has outlined some fiscal policies and practical economic measures to bring this to fruition. These include, making Ghana a net exporter of food by increasing agriculture output to correct the imbalances between export and imports of agriculture produce, reducing the importation of crude oil as the Sankofa Gas project comes on board, and among others.

Despite these outlined measures, the Cedi declined by 1.41% on the inter-bank market, reflecting a year-to-date depreciation of 4.62% in the value of the Cedi.

Going forward, the enforcement of these measures is expected to impact positively on the Cedi, thereby improving the Ghanaian economy.



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

Euro vs Cedi

The shared currency managed to record some gains on the wholesale market last week as it was pegged between GH¢4.6578 and GH¢4.6628 on Thursday.

Appreciating by 0.40%, the Euro ended Thursday's trading on Ghana's inter-bank market, marking the gain as its third consecutive weekly rise on the currency market.

Subsequently, the annual yield of the Pound climbed to 5.04% from 4.62% a week ago.

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