



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING 17<sup>TH</sup> AUGUST, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,942.89	2,944.38	-1.49
Year-to-date	14.08	14.14	-0.42%
Price Movements	GHS	GHS	
CAL	1.27	1.23	3.30%
EGH	8.96	8.30	8.00%
EGL	3.11	3.10	0.32%
GCB	5.29	5.17	2.30%
SCB	26.01	25.99	0.10%
SPL	0.02	0.01	100.00%
ACCESS	3.50	3.98	-12.10%
CMLT	0.14	0.15	-6.67%
FML	13.70	13.76	-0.44%
GOIL	3.20	3.70	-13.51%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,033,074	1,786,927	13.77%
Value Traded (GHS)	11,444,743.81	7,061,051.28	62.08%
Value Traded (\$)	2,427,871.57	1,502,383.30	61.60%
Market Capitalization (GHS)	56,392.57	55,806.45	1.05%
Market Capitalization (\$)	11,963.04	11,873.97	0.75%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.8698	12.8779	13.2976	13.3063
182-DAY	12.9629	12.9243	13.8613	13.8172
1-YEAR NOTE			14.5000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	17/08/2018	10/08/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.7139	4.6999	-0.29	4.4157	-6.75
-Pound (£)	6.0004	6.0060	0.09	5.9669	-0.56
Euro (€)	5.3757	5.3656	-0.19	5.2964	-1.50

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### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by **1.49points** to close at **2,942.89** bringing the Year-to-date return of GSE Composite Index to **14.08%**. Market Capitalization also increased by **GHC586.12m** to settle at **GHC56,392.57m** representing a **1.05%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **2,033,074** valued at **GHC11,444,743.81 (US\$2,427,871.57)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
SOGE GH	520,100	639,723.00	135,709.92	25.62
FML	463,500	6,350,016.00	1,347,083.31	22.83
EGH	372,500	3,336,602.00	707,821.97	18.35
ETI	301,200	73,401.00	15,571.18	14.83
CAL	108,100	136,963.00	29,055.13	5.32

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SPL	877,940	ALW	618,240
ETI	429,900	SPL	250,540
GCB	339,960	SIC	214,560
UNIL	87,740	IIL	172,040
CMLT	60,000	HORDS	118,360

Share prices of **SPL, ETI, GCB, UNIL and CMLT** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **ALW, SIC, IIL and HORDS** are however expected to fall in the coming week as they had the highest offers outstanding in the week under review.

#### Money Market:

On the Money-Market, the 91-Day Treasury bill rate decreased by 0.0087% to close the review week at **13.2976%**. The 182-Day Treasury bill rate increased by 0.0441% to close the week at **13.8613%**. The One year note decreased by 0.5000 to close at **14.5000%** and the Two and Three year note ended the review week at **16.2500%**.

#### The Currency Market:

On the Inter Bank market, the Cedi depreciated against some of the major trading currencies. It lost 0.299% against the US Dollar closing the review week at **GHC4.7139**. It gained 0.09% against the UK Pound closing the review week at **GHC6.0004**. It also lost 0.19% against the Euro to close at **GHC5.3757**.

### CORPORATE NEWS

#### PKL-SUSPENSION OF LISTING STATUS

Pioneer Kitchenware Limited (PKL) in February, 2017 submitted a request to voluntarily de-list from the main market of the Ghana Stock Exchange. This move was to aid directors restructure the company. PKL has since withdrawn that request with the intention to restructure its operations and remain listed. Under the rules of the Ghana Stock Exchange, a listed firm may be de-listed on the grounds of non-disclosure regarding its continuing listing obligation or if the finances of the company are significantly threatened. With immediate effect, the Ghana Stock Exchange has decided to suspend the listing status of PKL because they are currently not in production. Successful conclusion of the company's restructuring will have the suspension lifted otherwise it will be compulsorily de-listed at end of December, 2018.

Source: GSE

#### INFLATION DROPS TO 9.60% FOR JULY

Consumer Price Index (CPI) measures the percentage change over time in the general price level of goods and services. The year-on-year inflation as measured by the CPI for July, 2018 was 9.60% down by 0.40% from 10.00% recorded in June, 2018. The reduction in the rate could be attributed to a drop in the non-food component of the inflation basket. The food and non-beverages group recorded an inflation rate of 7.4% thus a 0.10% increase from 7.3% recorded in June, 2018. The non-food group recorded a year-on-year inflation rate of 10.7% compared to 11.2% recorded in June, 2018. The percentage decrease over the period was 0.5%.

Source: GSS

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.60%	17.00%
NIGERIA	11.14%	14.00%
KENYA	4.35%	7.15%
MAURITIUS	4.00%	3.50%
S. AFRICA	4.60%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,193.50	1,178.64	-1.25
COCOA \$/METRIC TON	2,148.00	2,146.00	-0.09

Source: Bloomberg

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2017				
GHANA	2,579.72	2,897.67	2,942.89	45.22	14.08
NIGERIA	38,243.19	35,399.28	35,266.29	-132.99	-7.78
MAURITIUS	2,202.14	2,234.77	2,244.67	9.90	1.93
KENYA	171.20	173.51	174.59	1.08	1.98
SOUTH AFRICA	59,504.67	57,885.26	56,647.52	-1237.74	-4.80

### BUSINESS TERMS OF THE WEEK

#### MARKET INDEX

A market index is a weighted average of several stocks or other investment vehicles from a stock market, and it is calculated from the price of selected stocks. A market index is intended to represent an entire stock market and track the market changes over time. Investors usually track changes in the index's value over time and use it as a benchmark for their own portfolio returns.

Source: Investopedia

#### COVERAGE RATIO

A coverage ratio is a measure of a company's ability to service its debt and meet its financial obligations. The higher the coverage ratio of a company, the easier it should be to make interest payments on its debt or pay dividends. Coverage ratios can be used to help identify companies in a potentially troubled financial situation- though low ratios are not necessarily an indication that a company is in financial difficulty.

Source: Investopedia

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