



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING 31<sup>ST</sup> AUGUST, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,897.53	2,939.86	-1.44%
Year-to-date	12.32	13.96	-11.75%
Price Movements	GHS	GHS	
ACCESS	3.91	3.80	2.90%
GCB	5.35	5.32	0.60%
TOTAL	4.63	4.51	2.66%
AYRTN	0.07	0.08	-12.50%
CAL	1.10	1.27	-13.40%
CMLT	0.12	0.14	-14.30%
EGH	8.97	8.98	-0.10%
EGL	3.09	3.10	-0.32%
ETI	0.21	0.23	-8.70%
FML	13.40	13.60	-1.47%
GOIL	2.99	3.15	-5.08%
MLC	0.09	0.10	-10.00%
SCB	26.02	26.11	-0.34%
SIC	0.22	0.24	-8.30%
SOGEGH	1.18	1.22	-3.28%
TBL	0.26	0.31	-16.10%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,270,723	1,309,412	73.42%
Value Traded (GHS)	7,396,779.05	5,815,980.92	27.18%
Value Traded (\$)	1,565,754.12	1,232,564.94	27.03%
Market Capitalization (GHS)	55,971.16	55,972.06	-0.002%
Market Capitalization (\$)	11,848.00	11,862.01	-0.12%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.8968	12.8793	13.3264	13.3078
182-DAY	12.9667	12.9640	13.8656	13.8625
1-YEAR NOTE			14.5000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	31/08/2018	24/08/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.7241	4.7186	-0.116	4.4157	-6.98
-Pound (£)	6.1344	6.0667	-1.12	5.9669	-2.81
Euro (€)	5.4951	5.4281	-0.24	5.2964	-3.75

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## WEEKLY MARKET REVIEW

### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by **42.33points** to close at **2,897.53** bringing the Year-to-date return of GSE Composite Index to **12.32%**. Market Capitalization decreased by **GHC0.90m** to settle at **GHC55,971.16m** representing a **0.002%** downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **2,270,723** valued at **GHC7,396,779.05 (US\$1,565,754.12)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
EGL	801,300	2,479,531.00	524,868.44	35.34
CAL	630,200	694,856.00	147,087.49	27.79
GOIL	274,200	820,955.00	173,780.19	12.09
EGH	235,900	2,116,023.00	447,920.87	10.40
ETI	125,600	26,755.00	5,663.51	5.54

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	732,660	TBL	1,200,000
SPL	640,000	SPL	523,200
TBL	420,000	CMLT	271,780
GCB	282,780	CAL	220,380
CMLT	120,000	AADS	189,900

Share prices of **SPL, ETI and GCB** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **CMLT, TBL, CAL and AADS** 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 increased by 0.0186% to close the review week at **13.3264%**. The 182-Day Treasury bill rate increased by 0.0031% to close the week at **13.8656%**. 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 all the major trading currencies. It lost 0.116% against the US Dollar closing the review week at **GHC4.7241**. It lost 1.12% against the UK Pound closing the review week at **GHC6.1344**. It also lost 0.24% against the Euro to close at **GHC5.4951**.

### CORPORATE NEWS

#### MTN GHANA COMPLETES ITS IPO

Scancom Plc ("MTN Ghana") has announced the successful completion of its Initial Public Offering. The offer period which ran from 29<sup>th</sup> May to 31<sup>st</sup> July, 2018 saw a public offer of 4,637,394,533 ordinary shares valued at GHC3.47 billion. At the end of the offer period, the amount raised exceeded the minimum required to be raised. A total amount of GHC1,465,589,464.75 was realized from 128,152 applicants. This amount exceeds the minimum of GHC347,804,590 required to be raised for the offer to be declared successful. All successful applicants will be allotted all the shares they applied for. Applicants with Central Securities Depository (CSD) accounts will have their accounts credited with their allotment on 4<sup>th</sup> September at 5:00pm.

Source: GSE

#### ADB GETS NEW BOARD OF DIRECTORS

ADB bank has inaugurated new Board of Directors. The new board has lesser number of directors as a result of the annulment of four institutional shareholders of the bank. These institutional shareholders were Belstar Company Ltd, Starmount Company Ltd; SIC Financial Services and EDC Investment. Their shareholdings were annulled because the Bank of Ghana believed they acquired the shares under suspicious means. The new Board of Directors include Professor Peter Quartey, Dr. Mark Assibey Yeboah, Abena Osei Asare, Madam Mary Abla Kessie and Mr. Kwesi Korboe. The Deputy Minister of Finance charged the Board to achieve its core mandate of working to support the growth of Ghana's agrig sector.

Source: Citi Business

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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	5.10%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,211.38	1,200.39	-0.91
COCOA \$/METRIC TON	2,346.00	2,338.00	-0.34

Source: Bloomberg

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2017				
GHANA	2,579.72	2,943.67	2,897.53	-46.14	12.32
NIGERIA	38,243.19	35,311.36	34,848.45	-462.91	-8.88
MAURITIUS	2,202.14	2,226.67	2,221.77	-4.90	0.89
KENYA	171.20	171.33	167.59	-3.74	-2.11
SOUTH AFRICA	59,504.67	59,655.56	58,668.48	-987.08	-1.41

### BUSINESS TERMS OF THE WEEK

#### BOND

A bond is a fixed income investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and governments to raise and finance a variety of projects and activities. Owners of bonds are creditors or debt holders of the issuer. The interest rate which is the coupon rate is the return that bondholders earn from loaning their funds out to the issuer.

Source: Investopedia

#### NET PRESENT VALUE

Net Present Value also known as NPV is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. In capital budgeting, NPV is used to analyze the profitability of a projected investment. A positive Net Present value indicates that the projected earnings generated by an investment exceed the anticipated cost. Generally, an investment with a positive NPV will be profitable.

Source: Investopedia

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