

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 5TH DECEMBER, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,162.05	2,137.91	24.14
Year-to-date	-15.95	-16.88	-5.51%
Price Movements	GHS	GHS	
ACCESS	2.88	2.43	18.52%
GCB	4.90	4.85	1.03%
SCB	14.00	13.00	7.69%
TOTAL	3.15	2.92	7.88%
GOIL	1.66	1.67	-0.60%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	753,875	5,125,117	-85.29%
Value Traded (GHS)	762,659.73	8,977,188.49	-91.50%
Value Traded (\$)	137,741.29	1,624,712.87	-91.52%
Market Capitalization (GHS)	55,811.46	55,563.37	0.45%
Market Capitalization (\$)	10,079.91	10,055.99	0.24%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1637	14.1774	14.6836	14.6984
182-DAY	14.0767	14.0725	15.1425	15.1376
364-DAY	15.1318	15.1889	17.8298	17.9091

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	05/12/2019	29/11/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.5369	5.5254	-0.208	4.8200	-14.87
Pound (£)	7.2628	7.1322	-1.830	6.1711	-17.69
Euro (€)	6.1435	6.0785	-1.069	5.5131	-11.43

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ISSUES:

Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by 24.14 **points** to close at **2,162.05** bringing the Year-to-date return of GSE Composite Index to **-15.95%**. Market Capitalization increased by **GHC248.09m** to settle at **GHC55,811.46m** representing a 0.45% upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was 753,875 valued at **GHC762,659.73(US\$137,741.29)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	487,200	340,743.00	61,540.39	64.66
EGL	148,000	251,600.00	45,440.59	19.64
SOEGGH	48,400	34,848.00	6,293.77	6.42
SIC	26,100	2,349.00	424.24	3.46
ETI	21,500	1,935.00	349.47	2.85

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
MTNGH	72,700	ETI	2,096,000
ETI	34,700	EGL	524,200
SIC	33,300	SPL	218,000
SOEGGH	17,400	ACCESS	140,100
EGL	13,800	RBGH	111,400

Share prices of **SIC, SOEGGH and MTNGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **ETI, SPL, EGL, RBGH and ACCESS** 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 0.0148% to close the review week at **14.6836%**. The 182-Day Treasury bill rate increased by 0.0049% to close the week at **15.1425%**. The 364-Day Treasury bill ended the review week at 17.8298% and the Two and Three year note ended the review week at **19.7500 and 20.00%** respectively.

The Currency Market:

On the Inter Bank market, the Cedi depreciated against all the major trading currencies. It lost 0.208% against the US Dollar closing the review week at **GHC5.5369**. It lost 1.830% against the UK Pound closing the review week at **GHC7.2628**. It also lost 1.069% against the Euro to close at **GHC6.1435**.

CORPORATE NEWS

GSE- APPOINTMENT OF A CHIEF EXECUTIVE OFFICER.

Ghana Oil Company had announced the appointment of its group Chief Executive Officer and Managing Director. This decision was taken at the company's 466th emergency board meeting which was held on Friday, 29th November, 2019. Members of the board unanimously passed a resolution to appoint Mr. Kwame Osei Prempeh, the current acting Group Chief Executive Officer and Managing Director as the substantive Group Chief Executive Officer and Managing Director.

Source: GSE

UNIL-RESIGNATION OF DIRECTORS

Unilever Ghana Limited announces to the general public the resignation of some directors. The Managing Director, Mrs. Gladys Amoah and Non-Executive Director, Mr. Yaw Nsarkoh resigned from the company effective 30th November, 2019.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	7.80%	16.00%
NIGERIA	11.61%	13.50%
KENYA	5.56%	8.50%
MAURITIUS	0.70%	3.35%
S. AFRICA	3.70%	6.50%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,462.44	1,479.22	1.15
COCOA \$/METRIC TON	2,544.00	2,579.00	1.38

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

RETURN ON RETAINED EARNINGS

Return on retained earnings is a financial ratio that calculates how much a company earns for its shareholders by reinvesting its profits back into the company. The ratio is expressed as a percentage, with a larger number meaning, of course, a higher return. It is an investment tool for investors, as it reveals a lot about the company's efficiency and growth potential. Low return on retained earnings signals to investors that the company should be distributing profits as dividends to shareholders since those Cedis aren't producing much additional growth for the company.

Source: Investopedia

EQUITY MULTIPLIER

The equity multiplier is a financial leverage ratio that measures the amount of a firm's assets that are financed by its shareholders by comparing total assets with total shareholder's equity. In other words, equity multiplier shows the percentage of assets that are financed or owed by the shareholders. Conversely, this ratio also shows the level of debt financing used to acquire assets and maintain operation. The equity multiplier can be calculated by dividing the total assets by total stockholder's equity.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2018				
GHANA	2,572.22	2,139.20	2,162.05	22.85	-15.95
NIGERIA	31,430.50	26,990.59	26,913.70	-76.89	-14.37
MAURITIUS	2,218.52	2,129.18	2,128.10	-1.08	-4.08
KENYA	140.43	158.46	158.91	0.45	13.16
SOUTH AFRICA	52,736.86	54,814.07	54,779.76	-34.31	3.87

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