

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 22<sup>ND</sup> FEBRUARY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,493.23	2,492.92	0.31
Year-to-date	-3.07	-3.08	-0.32%
Price Movements	GHS	GHS	
ACCESS	3.80	3.40	11.76%
CAL	0.93	0.91	2.20%
EGL	2.17	2.15	0.93%
TOTAL	4.40	3.75	17.33%
EGH	7.47	7.49	-0.27%
GCB	4.10	4.18	-1.91%
GOIL	2.93	2.94	-0.34%
MTNGH	0.73	0.74	-1.35%
UNIL	17.69	17.70	-0.06%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,586,664	849,043	86.88%
Value Traded (GHS)	3,209,985.75	1,770,815.28	81.27%
Value Traded (\$)	639,095.66	354,297.69	80.38%
Market Capitalization (GHS)	60,138.77	60,135.65	0.01%
Market Capitalization (\$)	11,973.39	12,031.70	-0.48%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1888	14.1875	14.7106	14.7092
182-DAY	14.0623	14.0864	15.1258	15.1537
364-DAY		15.3661		18.1559

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	22/02/2019	15/02/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.0227	4.9981	-0.4920	4.8200	-4.21
Pound (£)	6.5416	6.4127	-2.0090	6.1711	-6.00
Euro (€)	5.6926	5.6351	-1.0200	5.5131	-3.25

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# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by **0.31points** to close at **2,493.23** bringing the Year-to-date return of GSE Composite Index to **-3.07%**. Market Capitalization increased by **GHC3.12m** to settle at **GHC60,138.77m** representing a **0.01%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **1,586,664** valued at **GHC3,209,985.75(US\$639,095.66)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
SOGEH	540,700	529,886.00	105,498.24	34.15
MTNGH	453,900	332,502.00	66,199.85	28.67
ETI	222,800	33,425.00	6,654.79	14.07
CAL	130,700	113,343.00	22,566.15	8.25
UNIL	88,800	1,570,872.00	312,754.49	5.61

#### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	242,760	MTNGH	290,700
ETI	171,660	CPC	229,520
TBL	147,000	TBL	140,000
SCB-P	70,560	CLYD	135,500
CMLT	56,000	SIC	82,360

Share prices of **ALW, ETI, TBL, CMLT** and **SCB-P** are expected to increase in the coming week as they recorded the highest outstanding bids for the week under review. The prices of **CLYD, CPC, SIC** and **MTNGH** 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 0.0014% to close the review week at **14.7106%**. The 182-Day Treasury bill rate decreased by 0.0279% to close the week at **15.1258%**. The 364-Day Treasury bill ended the review week at 18.1559% 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 0.492% against the US Dollar closing the review week at **GHC5.0227**. It lost 2.009% against the UK Pound closing the review week at **GHC6.5416**. It lost 1.020% against the Euro to close at **GHC5.6926**.

#### CORPORATE NEWS

##### UNILEVER GHANA LTD RELEASES UNAUDITED RESULTS

Unilever Ghana Limited has released its unaudited results for the financial year ended 2018. The company's revenue increased from GHC575.77million in 2017 to GHC632.64million in 2018. This represents a 9.8% increment which is line with the company's forecast for the financial year. Extraordinary item thus profit from the spreads business was included in the operating profit for the period. This inclusion saw the company's operating profit rise by 112.46% from GHC67.20million recorded in 2017 to GHC142.77million in 2018. Earnings per share increased from GHC0.7704 to GHC1.9371 in 2018.

Source: GSE

##### PRODUCER PRICE INFLATION RATE IS 3.40%

The Producer Price Index measures the average change over time in the prices received by the domestic producers for the production of their goods and services. The PPI for January, 2019 was 3.40%. This rate represents a 1% decrease relative to the rate recorded in December, 2018 (4.40%). During the month of January, 2019, 5 out of 16 major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 3.0%. Manufacture of basic metals recorded the highest inflation rate of 16.8%

Source: B&FT

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.40%	16.00%
NIGERIA	11.44%	14.00%
KENYA	4.70%	9.00%
MAURITIUS	2.80%	3.50%
S. AFRICA	4.50%	6.75%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,326.00	1,330.39	0.33
COCOA \$/METRIC TON	2,339.00	2,282.00	-2.44

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### STOP ORDER

This is an order to buy or sell a security when its price moves pass a particular point. This ensures a higher probability of achieving a predetermined entry or exit price. A stop order is placed when an investor or trader wants an order to be executed after a security reaches a specified price. Investors will usually put in a stop order to limit their losses or lock in their profits. Once the security price crosses the predetermined entry or exit price, the stop order becomes a market order.

Source: Investopedia

#### SYSTEMATIC RISK

Systematic risk also known as undiversifiable risk or market risk is the risk inherent to the entire market or market segment. Systematic risk is both unpredictable and impossible to completely avoid. This kind of risk cannot be mitigated through diversification, only through hedging or by using the correct asset allocation strategy. To help manage systematic risk, investors must ensure that their portfolios include a variety of asset classes such as fixed income, cash and real estate each of which will react differently in the event of any systemic change.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2018				Return (%)
GHANA	2,572.22	2,497.93	2,493.23	-4.70	-3.07
NIGERIA	31,430.50	32,190.07	32,515.52	325.45	3.45
MAURITIUS	2,218.52	2,202.52	2,207.24	4.72	-0.51
KENYA	140.43	156.63	154.36	-2.27	9.92
SOUTH AFRICA	52,736.86	55,259.98	55,992.97	732.99	6.17

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