



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING JANUARY 26, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,036.41	2,870.81	165.60
Year-to-date	17.73	11.28	57.18%
Price Movements	GHS	GHS	
ACCESS	3.81	3.80	0.30%
BOPP	6.55	6.44	1.70%
EGH	10.01	9.01	11.10%
EGL	4.50	4.21	6.90%
GCB	7.50	7.10	5.60%
GOIL	3.53	3.23	9.30%
SCB	30.00	26.60	12.80%
SIC	0.13	0.10	30.00%
SPL	0.03	0.02	50.00%
SOGEH	1.28	1.11	15.32%
TBL	0.40	0.35	14.29%
TOTAL	5.15	5.05	1.98%
UNIL	13.56	13.13	3.27%
CAL	1.17	1.20	-2.50%
FML	17.69	17.70	-0.06%
HFC	1.29	1.30	-0.8%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,281,475	1,742,847	30.91%
Value Traded (GHS)	16,556,666.55	8,397,015.20	97.17%
Value Traded (\$)	3,742,380.72	1,898,917.96	97.08%
Market Capitalization (GHS)	62,256.68	61,195.58	1.73%
Market Capitalization (\$)	14,072.17	13,838.89	1.69%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.8916	12.9343	13.3209	13.3666
182-DAY	12.9256	12.9906	13.8186	13.8930
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	26/01/2018	19/01/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4241	4.4220	-0.047	4.4157	-0.19
Pound (£)	6.2637	6.1362	-2.08	5.9669	-4.97
Euro (€)	5.4933	5.4168	-1.41	5.2964	-3.72

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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 **165.60** points to close at **3,036.41** bringing the Year-to-date return of GSE Composite Index to **17.73%**. Market Capitalization also increased by **GHC1,061.10m** to settle at **GHC62,256.68m** representing a **1.73%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **2,281,475** valued at **GHC16,556,666.65** (US\$3,742,380.72)

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GHC)	Trade Value (US\$)	Volume (%)
GCB	580,500	4,304,546.00	972,976.65	25.50
FML	392,500	6,947,203.00	1,570,308.76	17.24
EGL	368,800	1,606,092.00	363,032.48	16.20
GOIL	268,000	916,456.00	207,150.83	11.77
SOGEGH	230,400	291,385.00	65,863.11	10.12

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
TBL	380,940	SPL	1,558,300
ETI	360,360	CLYD	155,400
GGBL	303,640	IIL	131,440
SIC	156,680	TOTAL	96,240
EGL	72,540	ALW	87,320

Share prices of **ETI, TBL, GGBL, EGL and SIC** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **SPL, TOTAL, IIL, CLYD and ALW** 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 0.0457% to close the review week at **13.3209%**. The 182-Day Treasury bill rate also decreased by 0.0744% to close the week at **13.8186%**. The One year note remained unchanged at **15.0000%** and the Two year note ended the review week at **17.1800%**.

#### The Currency Market:

On the Inter Bank market, the Cedi depreciated against all the major trading currencies. It lost 0.047% against the US Dollar closing the review week at **GHC4.4241**. It lost 2.08% against the pound closing the review week at **GHC6.2637**. It also lost 1.41% against the Euro to close at **GHC5.4933**.

#### CORPORATE NEWS

##### BANK OF GHANA MAINTAINS POLICY RATE AT 20%.

The Central Bank has maintained the policy rate at 20% amid growing concerns that inflation could drift further from the 8±2 medium-term target. Speaking at the conference, Dr. Ernest Addison said although inflation expectation appears to be well anchored, the MPC observed some emerging pressures in underlying inflation over the last two months of 2017. Maintaining the policy rate at 20% is expected to hold inflation in check and prevent it from moving further from the 9.8% for 2018.

Source: B&FT

##### GGBL RELEASES UNAUDITED FINANCIAL STATEMENT FOR THE SIX MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2017.

Guinness Ghana Breweries Ltd. has released its unaudited half year results for the year ended Dec. 2017. The company recorded an increase in net sales to the tune of 9% as compared to year 2016. The increase was as a result of revision in prices of the Beer and Ready to drink portfolio, growth in the Malta Guinness brand as well as Guinness Foreign Extra Special Brand. Gross profit grew marginally by 2% above last year figures as a result of 11% increase in cost of goods sold. This increase was due to inflationary pressures. GGBL also recorded 16% upward movement in selling, general and administrative expenses. This was as a result of brand investment such as launch of "dehye3" beer. Finance charges however dipped by 117% from 18.24m to 8.4m as compared to year 2016.

Source: GSE

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	11.80%	20.00%
NIGERIA	15.37%	14.00%
KENYA	4.50%	7.00%
MAURITIUS	3.70%	3.50%
S. AFRICA	4.70%	6.75%

Source: **Various Central Banks**

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t	1,333.92	1,352.09	1.36
OUNCE			
COCOA	1,938.00	1,990.00	2.68
\$/METRIC			
TON			

Source: **Bloomberg**

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.12	2,886.65	3,036.41	149.76	17.73
NIGERIA	38,243.19	44,912.53	43,773.76	-1138.77	14.46
MAURITIUS	2,202.14	2,261.43	2,253.28	-8.15	2.32
KENYA	171.20	179.81	181.69	1.88	6.13
SOUTH AFRICA	59,504.67	61,060.28	61,595.86	535.58	3.51

### BUSINESS TERMS OF THE WEEK

#### ODD LOT

An odd lot is an order amount for a security that is less than the normal unit of trading for that particular asset. Odd lots are considered to be anything less than the standard 100 shares for stocks. Odd lots may arise inadvertently in an investor's portfolio through reverse splits or dividend reinvestment plans. For instance, a one-for-eight reverse split of a security, of which the investor holds 200 shares will result in a post-split amount of 25 shares.

Source: **Investopedia**

#### DEBT/EQUITY RATIO

It's used to measure a company's financial leverage. Debt to equity ratio indicates how much debt a company is using to finance its assets relative to the value of shareholders equity. Debt to Equity ratio is calculated by dividing a company's total liabilities by its stockholders equity. A high ratio or percentage figure means that a company is being aggressive with using debt to finance its activities.

Source: **Investopedia**

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