



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING 11TH JANUARY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,573.42	2,581.85	-8.43
Year-to-date	0.05	0.37	-86.49%
Price Movements	GHS	GHS	
CAL	1.00	0.99	1.01%
SIC	0.20	0.19	5.26%
TBL	0.26	0.23	13.04%
EGL	2.20	2.24	-1.79%
ETI	0.16	0.18	-11.11%
GCB	4.59	4.60	-0.22%
GOIL	3.10	3.12	-0.64%
AADS	0.40	0.41	-2.44%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	560,987	1,160,667	-51.67%
Value Traded (GHS)	547,533.64	1,827,972.06	-70.05%
Value Traded (\$)	112,545.46	378,195.90	-70.24%
Market Capitalization (GHS)	61,148.57	61,633.95	-0.79%
Market Capitalization (\$)	12,569.08	12,751.68	-1.43%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.0824	14.0806	14.5963	14.5944
182-DAY	13.9921	13.9769	15.0446	15.0271
1-YEAR NOTE			15.5000	14.5000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	11/01/2019	04/01/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	4.8650	4.8334	-0.654	4.8200	-0.93
Pound (£)	6.2265	5.4438	-2.410	6.1711	-0.90
Euro (€)	5.5813	5.7754	-2.094	5.5131	-1.24

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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 **8.43points** to close at **2,573.42** bringing the Year-to-date return of GSE Composite Index to **0.05%**. Market Capitalization decreased by **GHC485.38m** to settle at **GHC61,148.57m** representing a **0.79%** downward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **560,987** valued at **GHC547,533.64(US\$112,545.46)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
ETI	154,400	27,790.00	5,712.23	27.63
CAL	152,600	151,241.00	31,087.56	27.31
TBL	119,200	30,986.00	6,369.17	21.33
SPL	50,400	1,008.00	207.19	9.02
FML	27,900	223,310.00	45,901.34	4.99

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	176,900	ETI	248,200
CAL	115,700	CMLT	200,000
ETI	99,880	EGL	162,900
TBL	96,000	MTNGH	122,760
EGH	32,640	TBL	64,900

Share prices of **ALW, CAL, TBL and EGH** is expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **ETI, CMLT, EGL 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 0.0019% to close the review week at **14.5963%**. The 182-Day Treasury bill rate increased by 0.0175% to close the week at **15.0446%**. The One year note ended the review week at **15.0000%** 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 0.6540% against the US Dollar closing the review week at **GHC4.8650**. It lost 2.4100% against the UK Pound closing the review week at **GHC6.2265**. It also lost 2.094% against the Euro to close at **GHC5.5813**.

CORPORATE NEWS

CPC- SATISFYING LISTING OBLIGATIONS

Management of Cocoa Processing Company in a letter dated 29th August, 2017 was notified by the Ghana Stock Exchange of the suspension of trading in the company's shares. The reasons for this action were the inability of the company to organize an Annual General Meeting since 2015 and the non-submission of audited financial statements for the financial years ended 2015, 2016 and the third quarter of 2017. The suspension was extended to 31st December, 2018 with a notice that the company will be delisted if it failed to discharge the above obligations. The Ghana Stock Exchange is pleased to announce that CPC submitted its financials for 2015, 2016 and 2017 and also held its AGM on 27th December, 2018.

Source: GSE

INFLATION RISES TO 9.40%

The Consumer Price Index (CPI) measures the change over time in the general price level of goods and services that households acquire for the purpose of consumption. The year-on-year inflation rate as measured by the consumer price index was 9.40% in December, 2018. This represents a 0.1% upward movement from 9.30% recorded in November, 2018. The food and non-alcoholic beverages group recorded an inflation rate of 8.70% while the non-food group recorded a year-on-year inflation rate of 9.80%. Both groups were up by 0.1% from 8.70% and 9.70% respectively from November, 2018.

Source: GSS

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.40%	17.00%
NIGERIA	11.28%	14.00%
KENYA	5.71%	9.00%
MAURITIUS	3.40%	3.50%
S. AFRICA	5.20%	6.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,289.21	1,293.34	0.32
COCOA \$/METRIC TON	2,410.00	2,369.00	-1.70

Source: Bloomberg

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2018				
GHANA	2,572.22	2,581.46	2,573.42	-8.04	0.05
NIGERIA	31,430.50	30,400.28	29,517.73	-882.55	-6.09
MAURITIUS	2,218.52	2,214.40	2,205.19	-8.81	-0.60
KENYA	140.43	137.35	141.41	4.06	0.70
SOUTH AFRICA	52,736.86	51,959.30	53,271.02	1,311.72	1.01

BUSINESS TERMS OF THE WEEK

DIVIDEND

A dividend is a distribution of a portion of a company's earnings decided by a board of directors, paid to a class of its shareholders. Dividends can be issued as cash payments, as share of stock or other property. The board of directors can choose to issue dividends over various time frames and payout rates. The dividend rate can be quoted in terms of the cedi amount each share receives (dividend per share). A company's net profits are an important factor in determining a dividend. It could be allocated to shareholders or kept within the company as retained earnings.

Source: Investopedia

RETAINED EARNINGS

This refers to the percentage of net earnings not paid out as dividends but retained by the company to be reinvested in its core business or to pay a debt. It is recorded under shareholder's equity on the balance sheet. Retained earnings is calculated by adding net income to or subtracting net losses from beginning retained earnings and subtracting any dividend paid to shareholders.

Source: Investopedia

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