



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING JULY 21, 2017

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,217.79	2,086.38	131.41 pts
Year-to-date	31.80%	23.52%	33.08%
Price Movements	GHS	GHS	
ACCESS	4.00	3.98	0.50%
BOPP	5.01	4.52	10.80%
EGL	2.43	2.41	0.83%
FML	14.70	12.28	19.70%
GOIL	2.18	2.04	6.90%
HFC	0.73	0.68	7.40%
SCB	25.63	21.95	16.80%
SPL	0.04	0.03	33.33%
UNIL	9.01	9.00	0.10%
CAL	0.90	0.85	5.88%
SCB PREF	1.04	0.85	22.35%
IIL	0.09	0.08	12.50%
EGH	7.00	7.00	0.72%
GGBL	1.43	1.45	-1.40%
GSR	1.90	1.95	-2.56%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,738,933.00	2,205,415.00	-21%
Value Traded (GHS)	3,894,749.08	8,152,920.99	-52%
Value Traded (\$)	890,798.47	1,869,850.23	-52%
Market Capitalization (GHS)	61,264.33	60,434.48	1.37%
Market Capitalization (\$)	14,012.24	13,860.48	1.37%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.1653	11.3394	12.5469	11.6702
182-DAY	12.2374	12.2751	13.0350	13.0778
1 YEAR NOTE			15.0000	15.0000
2-YEAR FIXED RATE			17.0000	17.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2016	chg
	21/07/2017	14/07/2017	Review wk (%)	GHS	YTD (%)
USD(\$)	4.3722	4.3602	-0.2750	4.2002	-4.10
Pound (£)	5.6703	5.6999	-0.0296	5.1965	-9.12
Euro (€)	5.0946	4.9876	-2.1500	4.4367	-14.83

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## WEEKLY MARKET REVIEW

### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by **131.41** points to close at **2,217.79** bringing the Year-to-date return of GSE Composite Index to **31.30**. Market Capitalization also increased by **GH¢829.85m** to settle at **GH¢61,264.33** representing a **1.37%** upward movement from the previous week.

### Market Turnover

Total volume of shares traded for the period under review was **1,738,933** valued at **GH¢3,894,749.08 (US\$890,798.47)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
ETI	448,700	64,842	14,830.52	25.87
GOIL	216,000	465,657	106,504.05	12.45
CAL	202,900	182,440	41,727.28	11.70
TOTAL	175,500	389,575	89,102.74	10.12
HFC	162,200	115,194	26,346.92	9.35

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	487,260	ETI	223,800
TBL	196,300	GGBL	67,520
ACI	138,700	SCP-P	62,900
ALW	138,480	EGH	55,380
PBC	102,020	CMLT	45,120

Share prices of **ETI, TBL, ACI, ALW** and **PBC** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **ETI, GGBL, SCB-P, EGH,** and **CMLT** 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 0.8767 to close the review week at **12.5469%**. The 182-Day Treasury bill rate decreased by 0.0428% to close the week at **13.0350%**. The 1-year and 2-year Notes however remained unchanged closing the review at 15.0000% and 17.0000% respectively.

### The Currency Market:

On the Inter Bank market, the Cedi lost against all the major trading currencies. It lost 0.275% against the USD closing the review week at **GH¢4.3722**. It lost 2.15% against the Euro closing the review at **GH¢5.0946**. It also lost 0.0296% against the pound sterling closing the review week at **GH¢5.6703**.

### CORPORATE NEWS

#### **CAL BANK RELEASES HALF YEAR RESULTS JUNE 2017**

CAL Bank has released its half year results with profit after tax of GHS 73.48 million representing a 10.9% increase over 2016 half year results. The bank also recorded an improvement in operating income by 13% y/y. This performance shows a positive move from 2016 full year results, however not likely to impact positively on its stock price due to concerns of asset quality.

CAL is expected to benefit from the GHS10.0bn energy bond to be issued by government to improve the bank's asset quality.

Source: Doobia

#### **TRUST BANK GAMBIA RELEASES HALF YEAR RESULTS**

Half year results for the bank showed an increase of 14% y/y in operating income from D237.8m to D270.17m, profit also increased by 34% y/y from D39.7m to D53.4m. Operating expenses increased marginally by 8% from D180.3m to D193.9m. Total assets also improved by 10% from D5.0bn to D5.5bn. Shareholders equity also recorded a 15% increase from D662m to D763m

1USD = Dalasi 46.95

Source: Annual reports Ghana

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### AFRICAN MARKETS IN FOCUS

#### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	12.10%	22.50%
NIGERIA	16.10%	14.00%
KENYA	9.20%	7.99%
MAURITIUS	2.40%	4.00%
S. AFRICA	5.10%	6.75%

Source: Various Central Banks

#### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,234.11	1,249.33	1.23
COCOA \$/METRIC TON	1,910.00	1,954.00	2.30

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### Acid-Test Ratio

The acid test ratio is a strong indicator of whether a firm has sufficient short-term assets to cover its immediate liabilities. Commonly known as quick ratio and sometimes as the working capital ratio since it ignores illiquid assets such as inventory. It is more robust than the current ratio. Companies with acid test ratio of less than 1 do not have liquid assets to pay their current liabilities and should be treated with caution.

#### Stop-Loss Order

An order placed with a broker to sell a security when it reaches a certain price. A stop-loss order is designed to limit an investor's loss on a position in a security.

Source: Investopedia

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2016				
GHANA	1,689.09	2,125.50	2,217.79	92.29	31.30
NIGERIA	26,874.62	33,301.43	34,202.37	900.94	27.27
MAURITIUS	1,808.36	2,163.38	2,168.12	4.74	19.89
KENYA	133.24	153.63	155.30	1.67	16.56
SOUTH AFRICA	50,653.54	53,827.41	54,433.42	606.01	7.46

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