



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING JULY 28, 2017

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,257.45	2,217.79	39.66 pts
Year-to-date	33.65%	31.30%	7.51%
Price Movements	GHS	GHS	
BOPP	5.03	5.01	0.4%
EGL	2.46	2.43	1.2%
FML	16.07	14.70	9.32%
GGBL	1.45	1.43	1.4%
GOIL	2.29	2.18	5.0%
SCB	26.22	25.63	2.3%
GCB	5.15	5.20	-1.00%
SOGEGH	0.75	0.76	-1.32%
TLW	17.80	20.94	-15.00%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,638,418	1,738,933.00	52%
Value Traded (GHS)	11,208,936.81	3,894,749.08	188%
Value Traded (\$)	2,563,683.46	1,864,718.22	37%
Market Capitalization (GHS)	57,214.07	61,264.33	-6.611%
Market Capitalization (\$)	13,085.88	14,012.24	-6.611%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.1906	12.1653	12.5738	12.5469
182-DAY	12.1222	12.2374	12.9044	13.0350
1 YEAR NOTE			0.0000	15.0000
2-YEAR FIXED RATE			0.0000	17.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2016	chg
	28/07/2017	21/07/2017	Review wk (%)	GHS	YTD (%)
USD(\$)	4.3722	4.3722	0.000	4.2002	-4.09
Pound (£)	5.7370	5.6703	-1.18	5.1965	-10.40
Euro (€)	5.1392	5.0946	-0.88	4.4367	-15.83

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Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by **39.66** points to close at **2,257.45** bringing the Year-to-date return of GSE Composite Index to **33.65**. Market Capitalization decreased by **GH¢4,050.26m** to settle at **GH¢57,214.07** representing a **-6.611%** downward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **2,638,418** valued at **GH¢11,208,936.81 (US\$2,563,683.46)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
GCB	790,800	4,103,191	938,472.85	30.01
SOEGH	721,800	541,408	123,829.65	27.39
TOTAL	234,000	519,480	118,814	8.88
FML	255,400	3,957,126	905,065.18	9.69
EGH	165,700	1,159,687	265,241.07	6.29

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 0.0269 to close the review week at **12.5738%**. The 182-Day Treasury bill rate decreased by 0.1306% to close the week at **12.9044%**. The 1-year and 2-year Notes however remained unchanged closing the review week at 15.0000% and 17.0000% respectively.

The Currency Market:

On the Inter Bank market, the Cedi recorded no change against the USD but depreciated against the Pound sterling and Euro. It lost 1.18% against the Pound closing the review week at **GH¢5.7370**. It lost 0.88% against the Euro closing the review at **GH¢5.1392**.

CORPORATE NEWS

ADB RELEASES HALF YEAR RESULTS - JUNE 2017

Agricultural Development Bank has released their half year results showing significant increase in net profit. Net earnings increased by 705% from GHS6.19m in half year 2016 to GHS49.87m, half year 2017.

Revenue also grew significantly by 51.6% y/y from 208.92m to 316.71m and outperformed growth of expenses which increased by 14.4% y/y.

ADB's performance can be attributed to a general improvement in economic activities which has created opportunities in the banking sector.

Source: Doobia

MONETARY POLICY RATE DROPS

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) reduced the policy rate by 150bps to 21.0% on the back of slowdown in the rate of inflation and improvement in macroeconomic environment. Consumer inflation has been on a downward trend since the last MPC meeting in May 2017, declining for 2 consecutive months from 13.0% in April to 12.1% in June. In addition, there are signals that economic activity is improving in Ghana as GDP grew by 6.6% in Q1 2017 compared to 4.4% in Q1 2016.

Source: Doobia

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AFRICAN MARKETS IN FOCUS

ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	12.10%	21.00%
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	1,255.30	1,260.15	0.39
COCOA \$/METRIC TON	1,968	2,036.00	3.45

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

Revolving Credit

Revolving credit is a line of credit where the customer pays a commitment fee and is then allowed to use the funds when they are needed. It is usually used for operating purposes and can fluctuate each month depending on the customer's current cash flow needs. Revolving lines of credit can be taken out by corporations or individuals.

Marginal Utility

Marginal utility is the additional satisfaction a consumer gains from consuming one more unit of a good or service. Marginal utility is an important economic concept because economists use it to determine how much of an item a consumer will buy. Positive marginal utility is when the consumption of an additional item increases the total utility. Negative marginal utility is when the consumption of an additional item decreases the total utility.

Source: Investopedia

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2016				
GHANA	1,689.09	2,229.38	2,257.45	1.26	33.65
NIGERIA	26,874.62	34,652.52	36,864.71	6.38	37.17
MAURITIUS	1,808.36	2,172.28	2,210.76	1.77	22.25
KENYA	133.24	156.11	161.18	3.25	20.96
SOUTH AFRICA	50,653.54	54,368.62	54,780.09	0.76	8.15

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