

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 01<sup>ST</sup> MARCH, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,482.10	2,493.23	-11.13
Year-to-date	-3.50	-3.07	14.01%
Price Movements	GHS	GHS	
CAL	1.03	0.93	10.75%
EGL	2.18	2.17	0.46%
ETI	0.16	0.15	6.67%
MTNGH	0.74	0.73	1.37%
TOTAL	4.59	4.40	4.32%
EGH	7.03	7.47	-5.89%
GCB	3.51	4.10	-14.39%
GOIL	2.90	2.93	-1.02%
RBGH	0.55	0.60	-8.33%
SIC	0.18	0.19	-5.26%
TBL	0.23	0.26	-11.54%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,963,159	1,586,664	23.73%
Value Traded (GHS)	12,076,817.73	3,209,985.75	276.23%
Value Traded (\$)	2,322,375.63	639,095.66	263.38%
Market Capitalization (GHS)	60,227.38	60,138.77	0.15%
Market Capitalization (\$)	11,581.74	11,973.39	-3.27%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1863	14.1888	14.7079	14.7106
182-DAY	14.0680	14.0623	15.1324	15.1258
364-DAY		15.3661		18.1559

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	01/03/2019	22/02/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2002	5.0227	-3.534	4.8200	-7.89
Pound (£)	6.9033	6.5416	-5.530	6.1711	-11.86
Euro (€)	5.9261	5.6926	-4.102	5.5131	-7.49

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## WEEKLY MARKET REVIEW

### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by 11.13 points to close at **2,482.10** bringing the Year-to-date return of GSE Composite Index to **-3.50%**. Market Capitalization increased by **GHC88.6m** to settle at **GHC60,227.38m** representing a **0.15%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **1,963,159** valued at **GHC12,076,817.73(US\$2,322,375.63)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
FML	1,389,900	11,119,200.00	2,138,225.45	70.86
ETI	125,100	18,855.00	3,625.82	6.38
GCB	107,100	376,373.00	72,376.64	5.46
MTNGH	103,800	75,794.00	14,575.21	5.29
CAL	69,100	67,972.00	13,071.04	3.52

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	238,120	CPC	490,820
TBL	70,000	MTNGH	403,980
CMLT	56,000	TBL	170,000
ETI	43,880	CMLT	101,000
EGH	40,200	GOIL	78,420

Share prices of **ALW, ETI, and EGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **CPC, TBL, CMLT, GOIL 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 decreased by 0.0027% to close the review week at **14.7079%**. The 182-Day Treasury bill rate increased by 0.0066% to close the week at **15.1324%**. 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 3.534% against the US Dollar closing the review week at **GHC5.2002**. It lost 5.530% against the UK Pound closing the review week at **GHC6.9033**. It lost 4.102% against the Euro to close at **GHC5.9261**.

#### CORPORATE NEWS

##### ECOBANK GHANA LTD RELEASES AUDITED RESULTS

Ecobank Ghana Limited has released its audited financial statement for the financial year ended 31<sup>st</sup> December, 2018. Ecobank group made total revenue of GHC1.307bn representing a 17.07% from GHC1.116bn. The company recorded a profit before income tax of GHC506.25million an increase by 41.26% from GHC358.38 in 2017. The company's earnings per share as well increased from GHC0.87 to GHC1.10.

Source: GSE

##### SUMMARY OF FINANCIAL STATEMENT FOR THE YEAR ENDED 2018.-MTNGH

The telecommunication giant has released its annual report and consolidated financial statement for the financial year 2018. MTN Ghana reported a strong performance for the year. Strong growth in digital, voice and data revenue resulted in an increase in service revenue by 23%. Reported earnings before interest, tax, depreciation and amortization (EBITDA) margin declined to 37.6% following the introduction of the management fee agreement effective 1<sup>st</sup> May, 2018. The company's directors will be recommending to shareholders at an upcoming general meeting for the approval of dividend payment of GHC0.03 per share. All shareholders registered in the books of MTN Ghana Limited at the close of business on Tuesday, 30<sup>th</sup> April, 2019 will qualify for the final dividend.

Source: GSE

##### ADB-RENOUNCEABLE RIGHTS ISSUE

Agricultural Development Bank Limited is pleased to announce a renounceable rights offer of 48,949,580 ordinary shares of no par value of GHC4.76 per share to qualifying shareholders. The offer will be made in the ratio of 1 new share for every 4.7176 existing shares held by a qualifying shareholder. The register of members of ADB will be closed to the general public on 13<sup>th</sup> March, 2019. Ex-rights date has been set for 8<sup>th</sup> March, 2019. Shareholders on the register of members at the close of business day 12<sup>th</sup> March, 2019 will be entitled to exercise their rights under the offer.

Source: GSE

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## WEEKLY MARKET REVIEW

### 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	1,331.19	1,303.90	-2.05
COCOA \$/METRIC TON	2,256.00	2,224.00	-1.42

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### MARGIN OF SAFETY

Margin of Safety is a principle of investing in which an investor only purchases securities when the market price is below its intrinsic value. In other words, margin of safety is the difference when the market price of the security is significantly below the intrinsic value. Margin of safety provides cushion against errors in calculation thus it does not guarantee a successful investment.

Source: Investopedia

#### LIQUIDITY RATIO

Liquidity ratio measures a company's ability to pay debt obligations and its margin of safety through the calculation of metrics including the current ratio, quick ratio and operating cash flow ratio. Current liabilities are analyzed in relation to liquid assets to evaluate the coverage of short term debts in emergency. Liquidity ratios are most useful when they are used in comparative form.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2018				
GHANA	2,572.22	2,143.93	2,482.10	338.17	-3.50
NIGERIA	31,430.50	32,700.12	31,827.24	-872.88	1.26
MAURITIUS	2,218.52	2,203.97	2,207.04	3.07	-0.52
KENYA	140.43	155.03	152.91	-2.12	8.89
SOUTH AFRICA	52,736.86	55,878.20	56,203.11	324.91	6.57

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