

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

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

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,149.70	2,155.46	-5.76
Year-to-date	-16.43	-16.20	1.42%
Price Movements	GHS	GHS	
CAL	0.80	0.70	14.29%
EGL	1.65	1.63	1.23%
SOGEGH	0.60	0.57	5.26%
EGH	7.90	7.92	-0.25%
GCB	4.86	4.88	-0.41%
SCB	15.00	16.00	-6.25%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	8,832,093	8,570,197	3.06%
Value Traded (GHS)	7,154,736.40	7,557,285.10	-5.33%
Value Traded (\$)	1,340,541.18	1,417,292.13	-5.42%
Market Capitalization (GHS)	55,519.07	55,578.25	-0.11%
Market Capitalization (\$)	10,402.28	10,423.14	-0.20%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1650	14.1703	14.6850	14.6907
182-DAY	14.0744	14.0560	15.1398	15.1185
364-DAY	15.1852	15.1852	17.9040	17.9040

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	01/11/2019	25/10/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.3372	5.3322	-0.094	4.8200	-10.73
Pound (£)	6.9138	6.8434	-1.029	6.1711	-12.04
Euro (€)	5.9618	5.9132	-0.821	5.5131	-8.14

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# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by 5.76 **points** to close at **2,149.70** bringing the Year-to-date return of GSE Composite Index to **-16.43%**. Market Capitalization decreased by **GHC59.18m** to settle at **GHC55,519.07m** representing a 0.11% downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was 8,832,093 valued at **GHC7,154,736.40(US\$1,340,541.18)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
CAL	6,666,500	4,299,500.00	805,572.21	75.51
MTNGH	859,300	601,530.00	112,705.16	9.73
GOIL	717,900	1,220,412.00	228,661.47	8.13
ETI	267,800	21,424.00	4,014.09	3.03
EGL	181,600	301,212.00	56,436.33	2.06

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	368,900	SPL	533,420
CAL	100,920	EGL	169,000
MTNGH	18,500	GOIL	166,240
TOTAL	12,080	FML	160,000
SOGEGH	11,720	SIC	151,480

Share prices of **SOGEGH, CAL, ETI, TOTAL** and **MTNGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **EGL, SPL, GOIL, FML** and **SIC** 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 0.0057% to close the review week at **14.6850%**. The 182-Day Treasury bill rate increased by 0.0213% to close the week at **15.1398%**. The 364-Day Treasury bill ended the review week at 17.9040% 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 0.094% against the US Dollar closing the review week at **GHC5.3372**. It lost 1.029% against the UK Pound closing the review week at **GHC6.9138**. It lost 0.821% against the Euro to close at **GHC5.9618**.

#### CORPORATE NEWS

##### EGH RELEASES THIRD QUARTER RESULTS.

Ecobank Ghana Limited has released its financials for the third quarter of the financial year ending 30<sup>th</sup> September, 2019. The group company recorded a net interest income of GHC736.77million, a 23.67% increase from GHC595.72million recorded in the same period last year. This increment is mainly as a result of a 19.06% increase in interest income as against a 1.53% in interest expense over the period. The company reported an operating profit before income tax of GHC479.7million and profit after tax of GHC336.3million compared to GHC366.07million and GHC257.6million in the same period in 2018. This represents an increase of 31.04% and 23.40% respectively. The company's earnings per share for the period is GHC1.39.

Source: GSE

##### MTNGH RELEASES THIRD QUARTER RESULTS.

Scancom Plc (MTN Ghana Ltd) has released its third quarter results for the financial year 2019. The company reported a profit before tax and after tax profit of GHC989million and GHC688.5million respectively. The company recorded an increase in service revenue by 22.7% year on year to GHC3, 273million. This increment comes as a result of a strong growth in voice, data and mobile financial services. Growth in the telecommunication company's subscribers by 1.1% resulted in an increase in voice revenue by 19.0% and data revenue by 32.6%. Innovations in service delivery and deepening of the ecosystem saw mobile financial services also grow by 45%.

Source: GSE

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## WEEKLY MARKET REVIEW

### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	7.60%	16.00%
NIGERIA	11.24%	13.50%
KENYA	4.95%	9.00%
MAURITIUS	0.90%	3.35%
S. AFRICA	4.10%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,492.51	1,510.84	1.23
COCOA \$/METRIC TON	2,504.00	2,491.00	-0.52

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### PORTFOLIO

A portfolio is a grouping of financial assets such as stocks, bonds, commodities, currencies and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals and money managers. Investors must conduct an investment portfolio in accordance with their risk tolerance and their investment objectives. Investors can choose to have multiple portfolios for various purposes.

Source: Investopedia

#### QUICK RATIO

Quick ratio is an indicator of a company's short term liquidity and measures a company's ability to meet its short term obligations with its most liquid assets. Essentially, quick ratio is a liquidity ratio that measures a company's ability, using its quick assets to pay off its current debt as they come due. For instance a company with quick ratio of 1.8 means it has GHC1.8 liquid assets to cover each GHC1 of liabilities. Quick assets are assets that can be converted to cash in the short term. Examples of quick assets are cash and marketable securities.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2018				Return (%)
GHANA	2,572.22	2,153.16	2,149.70	-3.46	-16.43
NIGERIA	31,430.50	26,384.45	26,293.30	-91.15	-16.34
MAURITIUS	2,218.52	2,124.97	2,118.84	-6.13	-4.49
KENYA	140.43	151.43	164.35	12.92	17.03
SOUTH AFRICA	52,736.86	55,761.98	56,650.01	888.03	7.42

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