



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING 26<sup>TH</sup> OCTOBER, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,928.07	2,974.02	-45.95
Year-to-date	13.50	15.28	-11.65
Price Movements	GHS	GHS	
GOIL	3.30	3.20	3.10%
MTNGH	0.91	0.90	0.01%
TOTAL	4.26	4.10	3.90%
ACCESS	3.00	3.10	-3.20%
CAL	1.04	1.11	-6.30%
EGH	6.90	7.95	-13.20%
EGL	2.98	3.02	-1.32%
ETI	0.19	0.20	-5.00%
FML	12.00	12.30	-2.44%
GCB	5.30	5.35	-0.93%
GGBL	2.36	2.37	-0.42%
SCB	25.00	26.00	-3.85%
SOGEGH	0.99	1.00	-1.00%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	921,256	840,145.00	9.65%
Value Traded (GHS)	4,110,270.91	2,882,638.81	42.59%
Value Traded (\$)	858,183.72	601,552.34	42.66%
Market Capitalization (GHS)	65,143.33	65,801.69	-1.00%
Market Capitalization (\$)	13,601.28	13,731.57	-0.95%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	13.2946	13.0345	13.7516	13.4735
182-DAY	13.4330	13.3610	14.4002	14.3175
1-YEAR NOTE				14.5000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	26/10/2018	19/10/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.7895	4.7920	0.052	4.4157	-8.47
Pound (£)	6.13585	6.2493	1.81	5.9669	-2.83
Euro (€)	5.44875	5.5028	0.98	5.2964	-2.88

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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 **45.95points** to close at **2,928.07** bringing the Year-to-date return of GSE Composite Index to **13.50%**. Market Capitalization decreased by **GHC658.36m** to settle at **GHC65,143.33m** representing a 1% downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **921,256** valued at **GHC4,110,270.91(US\$858,183.72)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
FML	461,300	5,587,660.00	1,166,647.88	38.85
CAL	300,200	312,402.00	65,226.43	25.28
ETI	114,200	21,759.00	4,543.06	9.62
MTNGH	76,500	68,919.00	14,389.60	6.44
CMLT	43,100	4,310.00	899.89	3.63

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	278,700	ETI	1,365,200
TBL	210,000	SPL	558,800
SPL	184,000	GCB	358,400
CMLT	114,000	CAL	265,080
MLC	52,000	CMLT	239,500

Share prices of **ALW, TBL and MLC** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **CAL, GCB, ETI, SPL 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 0.2781% to close the review week at **13.7516%**. The 182-Day Treasury bill rate also increased by 0.0827% to close the week at **14.4002%**. The One year note ended the review week at **14.5000%** and the Two and Three year note ended the review week at **19.5000%**.

#### The Currency Market:

On the Inter Bank market, the Cedi appreciated against all the major trading currencies. It gained 0.052% against the US Dollar closing the review week at **GHC4.7895**. It gained 1.81% against the UK Pound closing the review week at **GHC6.1359**. It also gained 0.98% against the Euro to close at **GHC5.4488**.

### CORPORATE NEWS

#### **GCB BANK LIMITED RELEASES THIRD QUARTER RESULTS**

GCB Bank Limited has released its third quarter results for the period ending September 30, 2018. The bank recorded revenue of **GHC900.08m** representing an increase of 16.24% from **GHC774.32m** recorded in the same period 2017. This significant increase resulted in an increase in profit after tax despite increases in expenses. Profit after tax was **GHC157.20m** compared to **GHC133.65m** recorded in 2017. GCB Bank Limited for the period ending September, 2018 saw a significant improvement in asset quality. This was achieved with the bank's NPL ratio dropping from 13% in 2017 to 5.00% in 2018.

Source: GSE

#### **SOGEGH RELEASES THIRD QUARTER RESULTS.**

Societe Generale Ghana Limited has released its financial statement for the third quarter ending 30<sup>th</sup> September, 2018. The bank recorded a net interest income of **GHC196.78m**, a 5.8% increase from **GHC185.95** recorded in the same period, 2017. An increase in the bank's expenses resulted in a 25% decrease in the bank's profit after tax. Profit after tax for the period was **GHC51.56m** from **GHC69.40m** recorded in 2017. For the period ending September 30, 2018 the bank's non-performing loan ratio dropped from 16% to 14%. Earnings per share for the period also dropped from **GHC0.14** to **GHC0.22**.

Source: GSE

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.80%	17.00%
NIGERIA	11.28%	14.00%
KENYA	5.70%	9.00%
MAURITIUS	3.50%	3.50%
S. AFRICA	4.90%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,222.10	1239.03	-1.39
COCOA \$/METRIC TON	2,220.00	2255.00	-1.58

Source: Bloomberg

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.72	2,952.18	2,928.07	13.50	13.50
NIGERIA	38,243.19	32,962.82	32,907.33	-13.95	-13.95
MAURITIUS	2,202.14	2,230.21	2,240.01	1.72	1.72
KENYA	171.20	146.21	145.89	-14.78	-14.78
SOUTH AFRICA	59,504.67	52,204.16	50,837.57	1,366.59	-14.57

### BUSINESS TERMS OF THE WEEK

#### SHARE TURNOVER RATIO

A high level of share turnover also indicates that investors will have an easier time buying and selling their shares. Share turnover ratio indicates how easy, or difficult, it is to sell shares of a particular stock on the market. It compares the number of shares the change hands during a particular period with the total number of shares that could have been traded during the same period. There are two components needed in computing a company's share turnover. These are the trading volume and the total number of outstanding shares.

Source: Investopedia

#### FIXED ASSET TURNOVER RATIO

A fixed asset turnover ratio is a measure of the operational performance of a company. It is a ratio of the net sales to fixed assets. It also measures the company's ability to generate net sales from fixed asset investments such as land and building, plant and equipment etc. The ratio, calculated annually, is constructed in a way that is purposeful in reflecting how efficiently a company has used these substantial assets to generate revenue for the firm.

Source: Investopedia

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