



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING 07<sup>TH</sup> SEPTEMBER, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,871.06	2,897.53	-26.47
Year-to-date	11.29	12.32	-8.36%
Price Movements	GHS	GHS	
CAL	1.30	1.10	18.20%
SCB	26.03	26.02	0.0004%
TOTAL	4.70	4.63	1.51%
ACCESS	3.80	3.91	-2.80%
BOPP	7.00	7.24	-3.30%
EGH	8.50	8.97	-5.20%
EGL	3.07	3.09	-0.60%
ETI	0.20	0.21	-4.76%
GCB	5.34	5.35	-0.19%
GGBL	2.41	2.48	-2.82%
GOIL	2.92	2.99	-2.34%
PZC	0.49	0.50	-2.00%
SPL	0.01	0.02	-50.00%
SOGEGH	1.06	1.18	-10.20%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	7,095,432	2,270,723	212.47%
Value Traded (GHS)	7,396,011.42	7,396,779.05	-0.01%
Value Traded (\$)	1,556,235.96	1,565,754.12	-0.61%
Market Capitalization (GHS)	64,784.40	55,971.16	15.75%
Market Capitalization (\$)	13,631.65	11,848.00	15.05%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.9308	12.8968	13.3628	13.3264
182-DAY	12.9378	12.9667	13.8326	13.8656
1-YEAR NOTE			14.5000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	07/09/2018	31/08/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.7525	4.7241	-0.6010	4.4157	-7.63
-Pound (£)	6.1464	6.1344	-0.19	5.9669	-3.01
Euro (€)	5.5004	5.4951	-0.10	5.2964	-3.85

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### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by **26.47points** to close at **2,871.06** bringing the Year-to-date return of GSE Composite Index to **11.29%**. Market Capitalization increased by **GHC8,813.24m** to settle at **GHC64,784.40m** representing a **15.75%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **7,095,432** valued at **GHC7,396,011.42 (US\$1,556,235.96)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	5,007,600	3,756,112.00	790,344.45	70.59
CAL	1,220,900	1,459,894.00	307,184.43	17.21
EGL	545,000	1,673,150.00	352,056.81	7.68
ALW	193,600	13,552.00	2,851.55	2.73
GOIL	48,000	140,322.00	29,525.93	0.68

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SPL	920,580	CMLT	1,091,580
ETI	711,120	FML	443,320
ALW	521,480	SPL	332,000
TBL	420,000	ETI	247,800
CMLT	110,000	SIC	165,960

Share prices of **SPL, ETI, ALW and TBL** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **CMLT, 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 increased by 0.0364% to close the review week at **13.3628%**. The 182-Day Treasury bill rate decreased by 0.0330% to close the week at **13.8326%**. The One year note decreased by 0.5000 to close at **14.5000%** and the Two and Three year note ended the review week at **16.2500%**.

#### The Currency Market:

On the Inter Bank market, the Cedi depreciated against all the major trading currencies. It lost 0.601% against the US Dollar closing the review week at **GHC4.7525**. It lost 0.19% against the UK Pound closing the review week at **GHC6.1464**. It also lost 0.10% against the Euro to close at **GHC5.5004**.

### CORPORATE NEWS

#### VALUE OF THE STOCK MARKET REACHES GHC65BN

The value of the Ghana Stock Exchange currently stands at **GHC65bn** from the **GHC55bn** it stood at. This comes as a result of the successful listing of MTN on the bourse on Wednesday, 5<sup>th</sup> September, 2018. The company's listed shares (12,290,274,360 shares) trade with the acronym 'MTNGH'. Though the telecom giant's Initial Public Offering couldn't achieve its estimated target of **GHC3.5bn** the realized amount of **GHC1.146bn** is the largest volume of offer in the history of the Ghana Stock Exchange. The number of listed companies now stands at forty (40).

Source: GSE

#### GCB-APPOINTMENT OF EXTERNAL AUDITORS

GCB has announced the appointment of Messrs. Deloitte & Touché as its external auditors. This decision is in accordance with Section 81 (1) of the Banks and Specialized Deposit-taking Institutions Act 2016 (Act 930).

Source: GSE

#### AGA-INCREASE IN SHARE OFFER

AngloGold Ashanti Limited has announced has increase in its share capital. The company's issue and listing of additional shares on the Johannesburg Securities Exchange increased ordinary shares from 411,471,863 as at May, 2018 to 411,611,313 as at 30<sup>th</sup> June, 2018. By this arrangement, AGA's share capital has increased to 51,013,952,224.08 South African Rand.

Source: GSE

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.60%	17.00%
NIGERIA	11.14%	14.00%
KENYA	4.35%	7.15%
MAURITIUS	4.00%	3.50%
S. AFRICA	5.10%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,201.27	1,196.45	-0.40
COCOA \$/METRIC TON	2,332.00	2,259.00	-3.13

Source: Bloomberg

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2017				
GHANA	2,579.72	2,889.20	2,871.06	-18.14	11.29
NIGERIA	38,243.19	34,837.67	34,037.91	-799.76	-10.99
MAURITIUS	2,202.14	2,218.08	2,210.18	-7.90	0.37
KENYA	171.20	165.92	163.71	-2.21	-4.38
SOUTH AFRICA	59,504.67	58,711.15	57,068.45	-1,642.70	-4.09

### BUSINESS TERMS OF THE WEEK

#### RETURN ON EQUITY

Return on Equity (ROE) is the amount of net income returned as a percentage of shareholder's equity. In other words, return on equity measures a company's profitability by revealing how much profit a company generates with the amount that shareholders have invested. Return on Equity is calculated by dividing net income by the shareholder's equity. Essentially, this ratio is calculated to see how effectively the cash put into the business is yielding greater gains and growth for the company and investors.

Source: Investopedia

#### SYSTEMATIC RISK

Systematic Risk is the risk inherent to the entire market. This kind of risk unpredictable and impossible to completely avoid. It cannot be mitigated through diversification but only through hedging or by using the correct asset allocation strategy. Systematic risk however incorporates changes in interest rate, inflation, recession among other major changes. In managing systematic risk, investors should ensure that their portfolio include a variety of asset classed.

Source: Investopedia

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