



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING 13TH APRIL, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,429.62	3,392.94	36.68
Year-to-date	32.95	31.52	4.54%
Price Movements	GHS	GHS	
BOPP	7.18	7.17	0.10%
CAL	1.85	1.64	12.80%
EGH	11.25	11.20	0.45%
ETI	0.20	0.19	5.30%
GCB	6.49	6.10	6.40%
GOIL	5.00	4.99	0.20%
MLC	0.11	0.10	10.00%
PZC	0.38	0.37	2.70%
SOEGH	2.38	2.36	0.80%
UNIL	16.86	16.83	0.18%
EGL	4.79	4.81	-0.42%
FML	17.24	17.46	-1.26%
GGBL	2.55	2.56	-0.39%
HFC	1.28	1.29	-0.80%
PBC	0.04	0.05	-20.00%
SCB	35.09	35.20	-0.30%
SPL	0.02	0.03	-33.33%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	5,194,848	1,579,076	228.98%
Value Traded (GHS)	16,501,342.18	2,813,440.21	486.52%
Value Traded (\$)	3,746,728.62	638,576.47	486.73%
Market Capitalization (GHS)	65,189.11	64,742.97	0.69%
Market Capitalization (\$)	14,801.58	14,694.94	0.73%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.9042	12.8859	13.3343	13.3148
182-DAY	12.9890	12.9833	13.8912	13.8847
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	13/04/2018	06/04/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4042	4.4058	0.036	4.4157	0.26
Pound (£)	6.2727	6.2060	-1.07	5.9669	-5.12
Euro (€)	5.4291	5.4024	-0.49	5.2964	-2.51

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ISSUES:

Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by **36.68 points** to close at **3,429.62** bringing the Year-to-date return of GSE Composite Index to **32.95%**. Market Capitalization also increased by **GHC446.14m** to settle at **GHC65,189.11m** representing a **0.69%** upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **5,194,848** valued at **GHC16,501,342.18 (US\$3,746,728.62)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GHC)	Trade Value (US\$)	Volume (%)
CAL	1,523,500	2,705,799.00	614,367.88	29.35
GOIL	1,212,000	6,259,831.00	1,421,332.14	23.35
SOGEGH	573,500	1,361,335.00	309,099.27	11.05
SIC	524,400	204,516.00	46,436.58	10.10
GCB	298,600	1,923,068.00	436,644.11	5.75

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SPL	160,000	SPL	2,613,020
PBC	142,980	GOIL	504,660
ETI	131,300	PBC	201,100
ALW	75,200	SIC	129,800
SIC	58,100	GCB	99,060

Share prices of **ETI and ALW** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **SPL, GOIL, PBC, SIC and GCB** 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 0.0195% to close the review week at **13.3343%**. The 182-Day Treasury bill rate also increased by 0.0065% to close the week at **13.8912%**. The One year note remained unchanged at **15.0000%** and the Two and Three year note ended the review week at **16.5000%**.

The Currency Market:

On the Inter Bank market, the Cedi depreciated against some of the major trading currencies. It gained 0.036% against the US Dollar closing the review week at **GHC4.4042**. It lost 1.07% against the pound closing the review week at **GHC6.2727**. It also lost 0.49% against the Euro to close at **GHC5.4291**.

CORPORATE NEWS

DIGICUT GETS LISTED ON GAX

Digicut Production and Advertising Limited has announced for the information of the general investing public about its listing on the Ghana Alternative Market. This was after a short ceremony held at the Ghana Stock Exchange on Wednesday 11th April, 2018. A total of 118,890,621 will be listed on the market. The composition as follows:
Offer for Subscription – 35,672,632
By introduction – 83,217,989

Source: GSE

INFLATION DROPS TO 10.4%

Ghana Statistical Service has released the inflation figure for March, 2018. Inflation dropped by 20bps to 10.4% from 10.6% recorded in February this year. This rate is the percentage change in the consumer price index over the twelve-month period from March 2017 to March, 2018. The drop in inflation was mainly driven by a drop in non-food inflation from 12.2% recorded last month to 11.8% recorded in March.

Source: GSS

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	10.40%	18.00%
NIGERIA	14.34%	14.00%
KENYA	4.18%	9.50%
MAURITIUS	5.00%	3.50%
S. AFRICA	4.00%	6.50%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,336.35	1,345.64	0.70
COCOA \$/METRIC TON	2,553.00	2,571.00	0.71

Source: Bloomberg

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2017				
GHANA	2,579.72	3,395.78	3,429.62	33.84	32.95
NIGERIA	38,243.19	40,429.18	40,928.70	499.52	7.02
MAURITIUS	2,202.14	2,285.98	2,292.70	6.72	4.11
KENYA	171.20	193.06	191.35	-1.71	11.77
SOUTH AFRICA	59,504.67	56,091.56	56,563.17	471.61	-4.94

BUSINESS TERMS OF THE WEEK

COST OF CAPITAL

Cost of capital is the required return necessary to make a capital budgeting project such as building a new factory. In essence, cost of capital is the cost of funds used for financing a business. Cost of capital is made up of cost of equity and cost of debt. Cost of capital depends on the mode of financing used. It refers to cost of equity if it is financed solely through equity and cost of debt if it is financed solely through debt.

Source: Investopedia

DISCOUNTED CASH FLOW

Discounted Cash Flow usually known as DCF is a valuation method used to estimate the attractiveness of an investment opportunity. The DCF analysis uses future free cash flow projections and discounts them using a required annual rate to arrive at present value estimates. The present value estimate is then used to evaluate a potential for investment. If the value arrived at through DCF analysis is higher than the current cost of investment, the opportunity may be a good one.

Source: Investopedia

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