

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 16TH AUGUST, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,311.48	2,316.33	-4.85
Year-to-date	-10.14	-9.95	1.91%
Price Movements	GHS	GHS	
CAL	1.00	0.99	1.01%
FML	5.55	4.85	14.43%
MTNGH	0.71	0.70	1.43%
EGH	8.45	8.50	-0.59%
EGL	1.80	2.00	-10.00%
GCB	4.95	5.03	-1.59%
GGBL	1.88	1.95	-3.59%
RBGH	0.55	0.65	-15.38%
TOTAL	3.00	3.40	-11.76%
UNIL	17.00	17.59	-3.35%
SAMBA	0.55	0.65	-15.38%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	34,921,583	210,214	16512.40%
Value Traded (GHS)	25,947,521.81	236,557.06	10868.82%
Value Traded (\$)	4,923,628.43	44,960.00	10851.13%
Market Capitalization (GHS)	57,408.05	57,529.76	-0.21%
Market Capitalization (\$)	10,893.37	10,934.10	-0.37%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.2092	14.2092	14.7325	14.7325
182-DAY	14.0986	14.1003	15.1678	15.1698
364-DAY	15.1974	15.1704	17.9066	17.9054

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	16/08/2019	09/08/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2700	5.2615	-0.162	4.8200	-9.34
Pound (£)	6.3986	6.3538	-0.704	6.1711	-3.69
Euro (€)	5.8534	5.8933	0.677	5.5131	-6.17

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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 4.85 **points** to close at **2,311.48** bringing the Year-to-date return of GSE Composite Index to **-10.14%**. Market Capitalization decreased by **GHC121.71m** to settle at **GHC57,408.05m** representing a 0.21% downward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was 34,921,583 valued at **GHC25,947,521.81(US\$4,923,628.43)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	34,208,700	24,970,594.00	4,738,253.13	97.97
SOGEGH	215,100	154,855.00	29,384.25	0.62
ETI	191,200	19,147.00	3,633.21	0.55
CAL	105,400	105,292.00	19,979.51	0.30
SIC	85,300	8,533.00	1,619.17	0.24

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	253,100	MTNGH	1,020,800
SIC	130,900	SPL	498,300
ALW	107,700	ETI	108,900
SCB-P	40,100	EGL	44,200
GCB	32,700	ADB	33,000

Share prices of **ALW, ETI, GCB, SIC and SCB-P** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **ETI, SPL, ADB, EGL and CAL** 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 remained the same to close the review week at **14.7325%**. The 182-Day Treasury bill rate decreased by 0.0020% to close the week at **15.1678%**. The 364-Day Treasury bill ended the review week at 17.9066% 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 some of the major trading currencies. It lost 0.162% against the US Dollar closing the review week at **GHC5.2700**. It lost 0.704% against the UK Pound closing the review week at **GHC6.3986**. It gained 0.677% against the Euro to close at **GHC5.8534**.

CORPORATE NEWS

PBC-SUSPENSION OF LISTING STATUS

The Ghana Stock Exchange from Thursday, 15th August, 2019 suspended the listing status of PBC Ltd. PBC Ltd failed to publish its financial results since the end of its financial year September, 2018. The failure of the company to publish its financials is in breach of the continuing listing obligation under the GSE listing rules. PBC Ltd also failed to redeem the Tranche P4 of its note program which matured on December 6, 2018. Part VI of the GSE listing rules entreats all listed companies to comply with the continuing listing obligations and disclosure policy. Failure by the company to do so shall result in the imposition of sanctions by the Ghana Stock Exchange.

Source: GSE

INFLATION RISES TO 9.40% FOR JULY 2019.

The Consumer Price Index (CPI) measures the change over time in the general price level of goods and services that households acquire for the purpose of consumption. The year-on-year inflation as measured by the CPI was 9.4% in July, 2019, 10bps from 9.3% recorded in June, 2019. The food and non-alcoholic beverages group recorded a year-on-year inflation rate of 6.6% in June, 2019. This was 0.1% lower than the 6.7% recorded in June, 2019. The non-food group recorded an inflation rate of 10.7% in July compared to 10.3% recorded in June.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.40%	16.00%
NIGERIA	11.22%	13.50%
KENYA	6.27%	9.00%
MAURITIUS	0.90%	3.50%
S. AFRICA	4.50%	6.50%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,511.16	1,511.89	0.05
COCOA \$/METRIC TON	2,245.00	2,189.00	-2.50

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

VOLATILITY

This refers to the amount of uncertainty or risk about the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This essentially means that the price of a security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

Source: Investopedia

RETURN ON RETAINED EARNINGS

Return on retained earnings is a financial ratio that calculates how much a company earns for its shareholders by reinvesting its profits back into the company. The ratio is expressed as a percentage, with a larger number meaning, of course, a higher return. It is an investment tool for investors, as it reveals a lot about the company's efficiency and growth potential. Low return on retained earnings signals to investors that the company should be distributing profits as dividends to shareholders since those Cedis aren't producing much additional growth for the company.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2018				Return (%)
GHANA	2,572.22	2,349.69	2,311.48	-38.21	-10.14
NIGERIA	31,430.50	27,117.11	26,925.29	-191.82	-14.33
MAURITIUS	2,218.52	2,171.71	2,172.98	1.27	-2.05
KENYA	140.43	148.59	151.40	2.81	7.81
SOUTH AFRICA	52,736.86	55,371.53	53,874.52	-1497.01	2.16

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