

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 23<sup>RD</sup> AUGUST, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,269.79	2,311.48	-41.69
Year-to-date	-11.76	-10.14	15.98%
Price Movements	GHS	GHS	
ALW	0.10	0.09	11.11%
TBL	0.36	0.22	63.64%
ACCESS	2.90	3.00	-3.33%
BOPP	3.00	3.05	-1.64%
CAL	0.99	1.00	-1.00%
EGH	8.34	8.45	-1.30%
FML	5.50	5.55	-0.90%
GCB	4.52	4.95	-8.69%
GGBL	1.80	1.88	-4.26%
MTNGH	0.70	0.71	-1.41%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,853,946	34,921,583	-94.69%
Value Traded (GHS)	2,888,145.50	25,947,521.81	-88.87%
Value Traded (\$)	547,266.74	4,923,628.43	-88.88%
Market Capitalization (GHS)	57,058.29	57,408.05	-0.61%
Market Capitalization (\$)	10,811.82	10,893.37	-0.75%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1947	14.2092	14.7170	14.7325
182-DAY	14.0786	14.0986	15.1447	15.1678
364-DAY	15.1070	15.1074	17.0000	17.9066

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	23/08/2019	16/08/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2774	5.2700	-0.140	4.8200	-9.49
Pound (£)	6.4638	6.3986	-1.019	6.1711	-4.74
Euro (€)	5.8759	5.8534	-0.385	5.5131	-6.58

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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 41.69 points to close at **2,269.79** bringing the Year-to-date return of GSE Composite Index to **-11.76%**. Market Capitalization decreased by **GHC349.76m** to settle at **GHC57,058.29m** representing a 0.61% downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was 1,853,946 valued at **GHC2,888,145.50(US\$547,266.74)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
ALW	1,000,000	100,000.00	18,948.72	54.13
MTNGH	275,500	193,251.00	36,618.60	14.91
ETI	218,800	21,880.00	4,145.98	11.84
EGH	157,400	1,312,752.00	248,749.76	8.52
SCB	44,270	837,064.80	158,613.10	2.40

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	245,300	SPL	445,500
MTNGH	235,140	ETI	134,000
ALW	150,780	CAL	52,900
GCB	100,900	CLYD	46,800
SCB-P	84,000	ACCESS	34,820

Share prices of **ALW, ETI, GCB, MTNGH 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 **CLYD, SPL, ACCESS 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 rate decreased by 0.0155% to close the review week at **14.7170%**. The 182-Day Treasury bill rate decreased by 0.0231% to close the week at **15.1447%**. The 364-Day Treasury bill ended the review week at 17.9203% 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 0.140% against the US Dollar closing the review week at **GHC5.2774**. It lost 1.019% against the UK Pound closing the review week at **GHC6.4638**. It also lost 0.385% against the Euro to close at **GHC5.8759**.

#### CORPORATE NEWS

##### PRODUCER PRICE INFLATION FOR JULY IS 8.8%

The Producer Price Inflation (PPI) measures the average change over time in the prices received by domestic producers for the production of their goods and services. The PPI rate for July, 2019 was 8.8%. This rate represents a 1.7% in producer inflation relative to the rate recorded in June 2019 (7.1%). The increase in Producer Price Inflation was largely driven by the mining and quarrying sub-sector. The mining and quarrying sub-sector, manufacturing and utilities sector recorded PPI rate of 27.6%, 5.4% and 6.9% respectively. The next release date for the Producer Price Index Bulletin is 18<sup>th</sup> September, 2019.

Source: GSS

##### 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 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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## WEEKLY MARKET REVIEW

### 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	1,495.92	1,523.34	1.83
COCOA \$/METRIC TON	2,191.00	2,233.00	1.92

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### DILUTION

This is a reduction in the ownership percentage of a share or stock caused by the issuance of new shares. Dilution could also occur when holders of stock options such as company employees exercise their options. When the number of outstanding shares increases, each existing shareholder owns a smaller or diluted percentage of the company making it less valuable. Dilution also affects earnings per share. It is for this reason that companies calculate earnings per share as well as diluted earnings per share.

Source: Investopedia

#### FOREIGN DIRECT INVESTMENT

Foreign Direct Investment (FDI) refers to investment made by a company or individual in a one country in business interests in another country. It may be in the form of establishing business operations or acquiring business assets in the other country such as ownership or controlling interests in foreign company. FDI's are commonly in open economies and frequently involve more than just capital investment. It may include provision of capital and technology as well

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2018				Return (%)
GHANA	2,572.22	2,013.13	2,269.79	256.66	-11.76
NIGERIA	31,430.50	27,117.22	27,800.17	682.95	-11.55
MAURITIUS	2,218.52	2,169.10	2,167.19	-1.91	-2.31
KENYA	140.43	151.92	149.87	-2.05	6.72
SOUTH AFRICA	52,736.86	54,386.31	53,995.82	-390.49	2.39

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