



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING 21ST DECEMBER, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,539.06	2,569.95	-30.89
Year-to-date	-1.58	-0.38	315.79%
Price Movements	GHS	GHS	
CAL	0.96	0.94	2.10%
RBGH	0.69	0.68	1.47%
SIC	0.18	0.16	12.50%
EGH	7.47	7.50	-0.40%
EGL	2.24	2.25	-0.40%
ETI	0.16	0.17	-5.90%
FML	8.00	8.72	-8.26%
GCB	4.77	4.78	-0.21%
MTNGH	0.77	0.78	-1.28%
SCB	20.00	20.01	-0.05%
TOTAL	3.40	3.99	-14.79%
TLW	11.94	11.95	-0.08%
AADS	0.41	0.48	-14.60%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,950,248	1,311,705.00	124.92%
Value Traded (GHS)	5,534,011.87	3,075,837.60	79.92%
Value Traded (\$)	1,148,540.33	638,909.39	79.77%
Market Capitalization (GHS)	60,803.61	61,327.86	-0.85%
Market Capitalization (\$)	12,619.31	12,738.95	-0.94%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.0501	14.0180	14.5616	14.5271
182-DAY	13.9587	13.9186	15.0060	14.9597
1-YEAR NOTE			15.5000	14.5000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	21/12/2018	14/12/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.8183	4.8142	-0.09	4.4157	-9.12%
Pound (£)	6.0903	6.0418	-0.80	5.9669	-2.07%
Euro (€)	5.4930	5.4321	-1.12	5.2964	-3.71%

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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 **30.89points** to close at **2,539.06** bringing the Year-to-date return of GSE Composite Index to **-1.58%**. Market Capitalization decreased by **GHC524.25m** to settle at **GHC60,803.61m** representing a **0.85%** downward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **2,950,248** valued at **GHC5,534,011.87(US\$1,148,540.33)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	2,114,800	1,645,383.00	341,486.21	71.77
CAL	273,400	259,749.00	53,908.85	9.28
SCB	126,570	2,471,859.50	513,014.86	4.30
SIC	93,400	15,748.00	3,268.37	3.17
AADS	64,200	26,329.00	5,464.38	2.18

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	173,580	ETI	384,100
ETI	52,840	SPL	300,600
CAL	42,420	CMLT	260,000
TOTAL	20,140	RBGH	93,900
SIC	17,060	AADS	87,000

Share prices of **ALW, CAL, TOTAL** and **SIC** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **AADS, ETI, RBGH, 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 0.0345% to close the review week at **14.5616%**. The 182-Day Treasury bill rate increased by 0.0463% to close the week at **15.0060%**. The One year note ended the review week at **15.0000%** and the Two and Three year note ended the review week at **19.5000%**.

The Currency Market:

On the Inter Bank market, the Cedi depreciated against all the major trading currencies. It lost 0.085% against the US Dollar closing the review week at **GHC4.8183**. It lost 0.80% against the UK Pound closing the review week at **GHC6.0903**. It also lost 1.12% against the Euro to close at **GHC5.4930**.

CORPORATE NEWS

ACCESS BANK PLC SIGNS MEMORANDUM OF AGREEMENT WITH DIAMOND BANK PLC

Access Bank Plc has signed a Memorandum of Understanding with Diamond Bank Plc. regarding potential merger of the two banks that will create Nigeria and Africa's largest retail bank by customers. The proposed merger if successful will Access Bank acquire the entire issued share capital of Diamond Bank in exchange for a combination of cash and shares in Access Bank via a scheme of merger. The completion of this transaction is subject to formal regulatory and shareholder approval.

Source: GSE

CAL-SHAREHOLDERS APPROVE TRANSFER OF FUNDS

Cal Bank limited held an extraordinary general meeting on Monday, 17th December, 2018 to seek the approval of shareholders to transfer funds from income surplus to stated capital. At the end of the meeting, shareholders of the bank approved the transfer of GHS50million from income surplus to stated capital in fulfillment of GHS400million minimum requirement of the Bank of Ghana.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.30%	17.00%
NIGERIA	11.26%	14.00%
KENYA	5.58%	9.00%
MAURITIUS	3.40%	3.50%
S. AFRICA	5.20%	6.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,245.85	1,259.93	1.13
COCOA \$/METRIC TON	2,230.00	2,257.00	1.21

Source: Bloomberg

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2017				
GHANA	2,579.72	2,543.40	2,539.06	-4.34	-1.58
NIGERIA	38,243.19	30,609.06	30,773.64	164.58	-19.50
MAURITIUS	2,202.14	2,224.98	2,211.92	-13.06	0.44
KENYA	171.20	142.26	138.95	-3.31	-18.84
SOUTH AFRICA	59,504.67	51,237.08	51,430.36	193.28	-13.57

BUSINESS TERMS OF THE WEEK

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

RETURN ON CAPITAL EMPLOYED

The return on capital employed is a profitability ratio that measures how efficiently a company can generate profits from its capital employed by comparing net operating profit to capital employed. In other words, return on capital employed shows investors how many Cedis in profits each cedi of capital employed generates. It is a long-term profitability ratio because it shows how effectively assets are performing while taking into consideration long-term financing. Return on capital employed formula is calculated by dividing net operating profit or EBIT by the employed capital.

Source: Investopedia

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