



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING FEBRUARY 09, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,248.57	3,147.19	101.38
Year-to-date	25.93	22.00	17.86%
Price Movements	GHS	GHS	
ACCESS	3.85	3.50	10.00%
BOPP	6.75	6.65	1.50%
CAL	1.20	1.12	7.14%
EGH	11.90	11.76	1.20%
EGL	4.50	4.48	0.40%
ETI	0.23	0.19	21.10%
GGBL	2.30	2.29	0.40%
GOIL	3.85	3.69	4.34%
MLC	0.07	0.05	40.00%
SCB	33.50	31.62	5.95%
SIC	0.40	0.23	73.91%
SOEGH	1.40	1.34	4.48%
UNIL	16.00	14.33	11.65%
ALW	0.15	0.16	-6.30%
GCB	7.10	7.40	-4.05%
HFC	1.34	1.35	-0.70%
TOTAL	5.09	5.14	-1.00%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,864,703	1,415,252	31.76%
Value Traded (GHS)	6,247,953.35	4,090,104.83	52.76%
Value Traded (\$)	1,414,011.98	924,610.01	52.93%
Market Capitalization (GHS)	64,617.77	63,166.71	2.38%
Market Capitalization (\$)	14,624.04	14,268.18	2.49%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.8912	12.9201	13.3205	13.3513
182-DAY	12.9900	13.0067	13.8924	13.9114
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	09/02/2018	02/02/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4186	4.4236	0.112	4.4157	-0.07
Pound (£)	6.1034	6.2527	2.39	5.9669	-2.29
Euro (€)	5.4154	5.4971	1.49	5.2964	-2.25

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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 **101.38** points to close at **3,248.57** bringing the Year-to-date return of GSE Composite Index to **25.93%**. Market Capitalization also increased by **GHC1,501.06m** to settle at **GHC64,617.77m** representing a **2.38%** upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **1,864,703** valued at **GHC6,247,953.35 (US\$1,414,011.98)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
CAL	670,700	804,448.00	182,059.48	36.06
GOIL	371,200	1,422,059.00	321,834.74	19.96
SIC	202,000	79,805.00	18,061.15	10.86
EGL	135,000	607,502.00	137,487.44	7.26
ETI	84,000	18,044.00	4,083.65	4.52

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SIC	601,500	SPL	520,000
CAL	522,020	HFC	303,180
ETI	205,380	IIL	196,440
SOEGGH	155,520	ALW	169,200
MLC	94,000	CLYD	148,000

Share prices of **SIC, ETI, CAL, MLC and SOEGGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **SPL, HFC, IIL, CLYD and ALW** 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 decreased by 0.0308% to close the review week at **13.3205%**. The 182-Day Treasury bill rate also decreased by 0.0190% to close the week at **13.8924%**. The One year note remained unchanged at **15.0000%** and the Two year note ended the review week at **17.1800%**.

The Currency Market:

On the Inter Bank market, the Cedi appreciated against all the major trading currencies. It gained 0.112% against the US Dollar closing the review week at **GHC4.4186**. It gained 2.39% against the pound closing the review week at **GHC6.1034** and also gained 1.49% against the Euro to close at **GHC5.4154**.

CORPORATE NEWS

GOVERNMENT RAISES GHC1.99BN BOND AT 16.5%.

The government of Ghana has raised bond valued at GHC1.99bn at a yield of 16.5%. The bond is one that has a 5year maturity period thus it will settle in 2023. The book opened on Thursday 8th February, 2018 at 9am and closed around 2pm on the same day. The book runners are Barclays, Databank, Fidelity IC Securities and Stanbic. Total bids for the bond amounted to GHC2.01billion but only GHC1.99billion was accepted.

Source: CitiBusiness

ENTERPRISE GROUP LIMITED (EGL) RIGHTS ISSUE.

In a press release by Enterprise Group Limited (EGL), the company wishes to undertake a renounceable rights issue. The company gained approval to undertake the rights issue at an Annual General Meeting held on 8th August, 2017. The rights issue is aimed at raising an amount of GHC219, 720,000 and the share price is to be offered at GHC6.00. This implies that ordinary shares totaling 36,620,000 will be issued to existing shareholders. Timetable for the rights issue will be announce after approval is obtained from the Securities and Exchange Commission.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	11.80%	20.00%
NIGERIA	15.37%	14.00%
KENYA	4.80%	10.00%
MAURITIUS	3.70%	3.50%
S. AFRICA	4.70%	6.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t	1,339.67	1,313.12	-1.98
OUNCE COCOA \$/METRIC TON	2,074.00	2,047.00	-1.30

Source: Bloomberg

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.72	3,177.67	3,248.57	70.9	25.93
NIGERIA	38,243.19	44,261.72	43,127.92	-1133.8	12.77
MAURITIUS	2,202.14	2,259.99	2,255.80	-4.19	2.44
KENYA	171.20	181.91	179.96	-1.95	5.12
SOUTH AFRICA	59,504.67	57,113.74	55902.62	-1211.12	-6.05

BUSINESS TERMS OF THE WEEK

MARKET CAPITALISATION

It is commonly referred to as 'market cap'. This refers to the total cedi market value of a company's outstanding shares. This is calculated by multiplying a company's shares outstanding to by the current market price of one share. The investment community uses this figure to determine a company's size. For instance, a company with 20 million shares selling at GHC100 per share would have a market capitalization of GHC2billion.

Source: Investopedia

SHORT SELLING

This is the sale of a security that is not owned by the seller or the seller has borrowed. Short selling is motivated by the belief that a security's price will decline, enabling it to be bought back at a lower price to make profit. Short selling may be prompted by speculation. For instance, a trader believes that stock A which is trading at GHC5 will decline in price. She therefore borrows 100shares and sells them. A week later, A posts dismal financial results for the quarter and the stock falls to GHC3. The trader decides to close the short position on the open market to replace the borrowed shares so A is bought. The trader's profit on the short sale is GHC200.

Source: Investopedia

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