

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 14TH FEBRUARY, 2020

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,203.63	2,196.72	6.91
Year-to-date	-2.37	-2.68	-11.57%
Price Movements	GHS	GHS	
SIC	0.09	0.08	12.50%
SCB	19.04	19.00	0.21%
MTNGH	0.67	0.66	1.52%
EGH	7.80	7.89	-1.14%
EGL	1.60	1.64	-2.44%
FML	4.09	4.10	-0.24%
GGBL	1.62	1.69	-4.14%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	4,621,673	2,481,186	86.27%
Value Traded (GHS)	3,130,797.17	2,078,981.64	50.59%
Value Traded (\$)	590,984.06	387,811.83	52.39%
Market Capitalization (GHS)	56,625.40	56,533.66	0.16%
Market Capitalization (\$)	10,688.88	10,545.75	1.36%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.1799	14.1740	14.7010	14.6947
182-DAY	14.1127	14.0784	15.1841	15.1444
364-DAY	15.1173	15.1173	17.8096	17.8096

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2019	chg
	14/02/2020	07/02/2020	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2976	5.3608	1.179	5.5337	4.27
Pound (£)	6.8938	6.9434	0.714	7.3164	5.78
Euro (€)	5.7511	5.8220	2.229	6.2114	7.41

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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 6.91 points to close at 2,203.63 bringing the Year-to-date return of GSE Composite Index to -2.37%. Market Capitalization increased by GH¢91.74m to settle at GH¢56,625.40m representing a 0.16% upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was 4,621,673 valued at GH¢3,130,797.17 (US\$590,984.06)

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	4,076,300	2,736,727.00	516,597.52	88.24
CPC	250,500	5,010.00	945.71	5.42
EGL	159,000	254,872.00	48,110.84	3.44
ETI	66,300	5,967.00	1,126.36	1.44
SOGEGH	42,200	30,384.00	5,735.43	0.91

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
CPC	2,969,300	MTNGH	256,320
ETI	740,680	ACCESS	187,300
SIC	402,320	RBGH	123,880
MTNGH	286,100	FML	105,360
SOGEGH	56,500	EGL	86,540

Share prices of ETI, CPC, MTNGH, SIC and SOGEGH are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of DASPHERMA, ACCESS, EGL and RBGH 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 0.0063% to close the review week at 14.7010%. The 182-Day Treasury bill rate increased by 0.0397% to close the week at 15.1841%. The 364-Day Treasury bill ended the review week at 17.8096% and the Two and Three year note ended the review week at 20.95 and 20.75% respectively.

The Currency Market:

On the Inter Bank market, the Cedi appreciated against all the major trading currencies. It gained 1.179% against the US Dollar closing the review week at GH¢5.2976. It gained 0.714% against the UK Pound closing the review week at GH¢6.8938. It also gained 2.229% against the Euro to close at GH¢5.7511.

CORPORATE NEWS

INFLATION DROPS TO 7.8% IN JANUARY.

Inflation 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 rate as measured by the Consumer Price Index (CPI) was 7.8% in January, 2020, 0.1% lower from 7.9% recorded in December, 2019. The main drivers of the inflation were alcoholic beverages, tobacco, transport and recreation. The food and non-alcoholic beverage group recorded a year-on-year inflation rate of 7.8%. This represented a 0.5% increase from 7.3% recorded in December, 2019. The non-food inflation recorded a year-on-year inflation of 7.8%. This is lower than 8.4% recorded in December, 2019.

Source: GSE

GOIL-UNAUDITED RESULTS FOR FINANCIAL YEAR 2019

Ghana Oil Company Limited has released its unaudited financial results for 2019. The company reported an increase in revenue by 22.62% from GHC5,096.6million in 2018 to GHC6,243.2million in 2019. Operating profit for the period was GHC157.06million (2018: GHC122.34million). Net profit for the period attributable to equity holders of the company increased from GHC81.9million to GHC106.96million. This represents a 30.53% increase in net profit. Earnings per share for the period is GHC0.273.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	7.80%	16.00%
NIGERIA	11.98%	13.50%
KENYA	5.78%	8.25%
MAURITIUS	0.60%	3.35%
S. AFRICA	4.00%	9.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,572.15	1,581.26	0.58
COCOA \$/METRIC TON	2,878.00	2,883.00	0.17

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

OPTION

Options are financial instruments that are derivatives or based on underlying assets or stocks. An options contract offers the buyer the opportunity to buy or sell depending on the type of contract held and the underlying asset. Call options allow the holder to buy the asset at a stated price within a specified timeframe while put options allow the holder to sell the asset at a stated price with a specified timeframe. Each option contract will have an expiration date by which the holder must exercise their option. The stated price on an option is known as the strike price.

Source: Investopedia

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

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2019				
GHANA	2,257.15	2,220.41	2,203.63	-16.78	-2.37
NIGERIA	26,842.07	27,773.20	27,755.87	-17.33	3.40
MAURITIUS	2,177.09	2,223.66	2,243.89	20.23	3.07
KENYA	166.41	167.71	162.37	-5.34	-2.43
SOUTH AFRICA	57,084.10	56,847.74	57,861.76	1,014.02	1.36

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