

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 15TH FEBRUARY, 2019

| THE MARKET AT A GLANCE | | | |
|------------------------|-----------|-------------|-------------------|
| | Review Wk | Previous Wk | Increase/Decrease |
| GSE All-Share Index | 2,492.92 | 2,485.56 | 7.36 |
| Year-to-date | -3.08 | -3.37 | -8.61% |
| Price Movements | GHS | GHS | |
| CAL | 0.91 | 0.89 | 2.25% |
| EGL | 2.15 | 2.00 | 7.50% |
| GOIL | 2.94 | 2.93 | 0.34% |
| SOGEGH | 0.98 | 0.96 | 2.08% |
| TOTAL | 3.75 | 3.21 | 16.82% |
| RBGH | 0.60 | 0.65 | -7.69% |

| SHARES TRADING ACTIVITY | Review Week | Previous Week | Increase/Decrease |
|-----------------------------|--------------|---------------|-------------------|
| Volume Traded | 849,043 | 2,316,869 | -63.35% |
| Value Traded (GHS) | 1,770,815.28 | 5,726,945.75 | -69.08% |
| Value Traded (\$) | 354,297.69 | 1,144,931.18 | -69.06% |
| Market Capitalization (GHS) | 60,135.65 | 60,061.74 | 0.12% |
| Market Capitalization (\$) | 12,031.70 | 12,007.54 | 0.20% |

| MONEY MARKET RATES | | | | |
|--------------------|-------------------|---------------|-------------------------|---------------|
| Maturity | Discount Rate (%) | | Interest Equivalent (%) | |
| | Review week | Previous week | Review week | Previous week |
| 91-DAY | 14.1875 | 14.1752 | 14.7092 | 14.6960 |
| 182-DAY | 14.0864 | 14.0785 | 15.1537 | 15.1446 |
| 364-DAY | 15.3661 | 15.4516 | 18.1559 | 18.2755 |

| Currency Rates | | | | | |
|----------------|------------|-------------|---------------|---------------|---------|
| Currency | Review wk | Previous wk | Chg | Year-end 2018 | chg |
| | 15/02/2019 | 08/02/2019 | Review wk (%) | GHS | YTD (%) |
| USD(\$) | 4.9981 | 5.0020 | 0.0420 | 4.8200 | -3.70 |
| Pound (£) | 6.4127 | 6.4738 | 0.9430 | 6.1711 | -3.92 |
| Euro (€) | 5.6351 | 5.6708 | 0.6300 | 5.5131 | -2.21 |

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WEEKLY MARKET REVIEW

ISSUES:

Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by **7.36points** to close at **2,492.92** bringing the Year-to-date return of GSE Composite Index to **-3.08%**. Market Capitalization increased by **GHC73.91m** to settle at **GHC60,135.65m** representing a **0.12%** upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **849,043.00** valued at **GHC1,770,815.28(US\$354,297.69)**

TOP FIVE (5) TRADED EQUITIES

| Equity | Trade Volume | Trade Value (GH¢) | Trade Value (US\$) | Volume (%) |
|--------|--------------|-------------------|--------------------|------------|
| CAL | 205,800 | 183,174.00 | 36,648.73 | 24.30 |
| ETI | 190,000 | 28,870.00 | 5,776.19 | 22.44 |
| EGL | 118,200 | 248,920.00 | 49,802.93 | 13.96 |
| MTNGH | 96,000 | 71,040.00 | 14,213.40 | 11.34 |
| RBGH | 72,600 | 44,562.00 | 8,915.79 | 8.57 |

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

| Equity | Bids Outstanding (Average) | Equity | Offers Outstanding (Average) |
|--------|----------------------------|--------|------------------------------|
| ALW | 242,760 | CPC | 231,500 |
| TBL | 147,000 | CLYD | 205,040 |
| ETI | 123,460 | MTNGH | 139,540 |
| SCB-P | 50,400 | TBL | 112,000 |
| MTNGH | 29,640 | EGL | 101,000 |

Share prices of **ALW, ETI, TBL 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, CPC, EGL and MTNGH** 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 0.0132% to close the review week at **14.7092%**. The 182-Day Treasury bill rate increased by 0.0091% to close the week at **15.1537%**. The 364-Day Treasury bill ended the review week at 18.1559% 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 appreciated against all the major trading currencies. It gained 0.042% against the US Dollar closing the review week at **GHC4.9981**. It gained 0.9430% against the UK Pound closing the review week at **GHC6.4127**. It gained 0.6300% against the Euro to close at **GHC5.6351**.

CORPORATE NEWS

CONSUMER INFLATION DROPS TO 9.00%

The Consumer Price Index 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 CPI was 9% in January. This figure represents a 40bps decline from the 9.4% recorded in December, 2018. Food and non-alcoholic beverages group recorded a year-on-year inflation rate of 8% which is 0.7% lower than the rate recorded in December, 2018. The non-food group inflation rate dropped from 9.8% recorded in December, 2018 to 9.5% recorded in January, 2019.

Source: GSS

PRESIDENT INAUGURATES FISCAL ADVISORY COUNCIL.

The president of the Republic of Ghana has inaugurated a seven member council to monitor the performance of government's budgets to ensure that it complies with fiscal rules and targets. The council chaired by the former governor of the Central Bank, Dr. Paul Acquah includes Prof. Eugena Amporful, Mr. Abdallah Ali-Nakyea, Dr. Nii Noi Ashong, Prof. Augustine Fosu, Dr. Nii Kwaku Sowa and Dr. Robert Osei. The Council, per its terms of reference, will develop and recommend policies for the maintenance of prudent and sustainable levels of public debt, and ensure that fiscal balance is maintained at a sustainable level to achieve efficiency, effectiveness and value for money in public expenses. The president advised the committee to among other things assist and advise the president in formulating and implementing a national fiscal responsibility policy.

Source: B&FT

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WEEKLY MARKET REVIEW

ECONOMIC RATES

| COUNTRY | INFLATION (%) | POLICY RATE (%) |
|-----------|---------------|-----------------|
| GHANA | 9.40% | 16.00% |
| NIGERIA | 11.44% | 14.00% |
| KENYA | 4.70% | 9.00% |
| MAURITIUS | 2.80% | 3.50% |
| S. AFRICA | 4.50% | 6.75% |

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

| COMMODITIES | WK OPEN | WK CLOSE | % CHANGE |
|---------------------|----------|----------|----------|
| GOLD \$/t OUNCE | 1,308.12 | 1,315.45 | 0.56 |
| COCOA \$/METRIC TON | 2,265.00 | 2,340.00 | 3.31 |

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

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

MARGIN TRADING

This refers to the practice of using borrowed funds from a broker to trade a financial asset which forms the collateral for the loan from the broker. Because of the heightened risk of margin trading, it can only be conducted in a type of account known as margin account which differs from the regular account used by investors. A margin account is an account from which the broker lends the customer cash to purchase securities.

Source: Investopedia

| STOCK MARKET PERFORMANCE | | | | | |
|--------------------------|-----------|-----------|-----------|--------|----------------|
| COUNTRY | Year End | Wk Open | Wk Close | Wk Chg | YTD Return (%) |
| | 2018 | | | | |
| GHANA | 2,572.22 | 2,491.26 | 2,492.92 | 1.66 | -3.08 |
| NIGERIA | 31,430.50 | 31,781.87 | 32,715.20 | 933.33 | 4.09 |
| MAURITIUS | 2,218.52 | 2,205.82 | 2,198.31 | -7.51 | -0.91 |
| KENYA | 140.43 | 160.53 | 157.29 | -3.24 | 12.00 |
| SOUTH AFRICA | 52,736.86 | 54,527.11 | 54,628.41 | 101.3 | 3.58 |

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