



# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING JULY 14, 2017

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,086.38	1991.00	95.38 pts
Year-to-date	23.52%	17.87%	31.62%
Price Movements	GHS	GHS	
ACCESS	3.98	3.80	4.7%
BOPP	4.52	4.41	2.5%
EGL	2.41	2.40	0.42%
FML	12.28	11.86	3.5%
GOIL	2.04	1.97	3.6%
HFC	0.68	0.56	21.4%
SCB	21.95	17.82	23.2%
SPL	0.03	0.02	50.0%
SOGEGH	0.76	0.75	1.3%
EGH	6.95	7.0	-0.71%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,205,415.00	1,179,546.00	87%
Value Traded (GHS)	8,152,920.99	674,455.58	1,109%
Value Traded (\$)	1,869,850.23	154,532.15	77%
Market Capitalization (GHS)	60,434.48	59,826.87	1.642%
Market Capitalization (\$)	13,860.48	13,707.61	2.007%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	11.3394	11.9497	11.6702	12.3176
182-DAY	12.2751	12.2979	13.0778	13.1036
1 YEAR NOTE			15.0000	15.0000
2-YEAR FIXED RATE			17.0000	17.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2016	chg
	14/07/2017	07/07/2017	Review wk (%)	GHS	YTD (%)
USD(\$)	4.3602	4.3645	0.099	4.2002	-3.81
Pound (	5.6999	5.6202	-1.42	5.1965	-9.69
Euro	4.9876	4.97055	-0.34	4.4367	-12.42

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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 **95.38** points to close at **2,086.38** bringing the Year-to-date return of GSE Composite Index to **23.52**. Market Capitalization also increased by **GH¢976.53m** to settle at **GH¢60,434.48** representing a **1.642%** upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **2,205,415** valued at **GH¢8,152,920.99 (US\$1,869,850.23)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
UTB	437,000	29,613	6,791.66	19.83
CAL	433,900	369,234	84,682.81	19.69
GCB	269,000	1,398,800	320,810.97	12.21
SCB	244,270	4,465,958.80	1,024,255.49	11.09
ETI	243,600	33,886	7,771.66	11.06

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	1,226,500	GWEB	257,700
TBL	273,000	UTB	216,200
ACI	180,100	EGH	87,120
SPL	169,200		
ALW	175,200		

Share prices of **ETI, TBL, ACI, SPL** and **ALW** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **GWEB, UTB,** and **EGH** 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 0.6474 to close the review week at **11.6702%**. The 182-Day Treasury bill rate also decreased by 0.0258% to close the week at **13.0778%**. The 1-year and 2-year Notes however remained unchanged closing the review at 15.0000% and 17.0000% respectively.

#### The Currency Market:

On the Inter Bank market, the Cedi gained against the USD but lost against the Pound sterling and Euro. It gained 0.099% against the USD to close the review week at **GH¢4.3602**. It lost 1.42% against the pound sterling closing the review week at **GH¢5.6999**. It also lost 0.34% against the Euro closing the review week at **GH¢4.9876**.

#### CORPORATE NEWS

##### INFLATION FOR JUNE RECORDS A DROP

The inflation rate for June 2017 is **12.1%** as announced by the government statistician. The drop in the rate from 12.6% in May is as a result of a decline in food and non food inflation rate.

The year on year food inflation rate was 6.2% mainly driven by fish and meat products while year on year non food inflation rate was 15.1%, the main price drivers being transport, recreation, clothing and footwear and household equipment among others.

Source: Daily Graphic July 13, 2017

##### GCB SET TO ABSORB NIB

Ongoing discussions between GCB and NIB are set to bring forth a takeover of NIB by GCB. This deal will lead to an enlarged GCB in terms of asset size worth GHS10bn or more. This will put the bank in a position to finance big ticket transactions.

This discussion is currently at the board level of both banks, preparing the grounds for the deal to take place later in the year.

The deal will lead to GCB taking over NIB, with NIB becoming a department solely responsible for project financing.

Source: Graphic Online

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### AFRICAN MARKETS IN FOCUS

#### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	12.10%	22.50%
NIGERIA	16.25%	14.00%
KENYA	9.20%	7.99%
MAURITIUS	2.40%	4.00%
S. AFRICA	5.40%	7.00%

Source: Various Central Banks

#### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t	1,214.36	1,228.16	1.14
OUNCE			
COCOA \$/METRIC TON	1,838.00	1,910.00	3.92

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### Hurdle Rate

A hurdle rate is the minimum rate of return on a project or investment required by a manager or investor. The hurdle rate denotes appropriate compensation for the level of risk present; riskier projects generally have higher hurdle rates than those that are deemed to be less risky. In hedge funds, the hurdle rate refers to the rate of return that the fund manager must beat before collecting incentive fees.

#### Interest

Interest is the charge for the privilege of borrowing money, typically expressed as annual percentage rate. Interest can also refer to the amount of ownership a stockholder has in a company, usually expressed as a percentage.

Source: Investopedia

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2016				Return (%)
GHANA	1,689.09	1,990.35	2,086.38	96.03	23.52
NIGERIA	26,874.62	32,620.84	33,242.61	621.77	23.70
MAURITIUS	1,808.36	2,132.91	2,158.06	25.15	19.34
KENYA	133.24	152.12	153.13	1.01	14.93
SOUTH AFRICA	50,653.54	52,187.92	53,597.96	1,410.04	5.82

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