

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 19TH JULY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,353.09	2,318.73	34.36
Year-to-date	-8.52	-9.85	-13.50%
Price Movements	GHS	GHS	
ACCESS	3.34	2.90	15.17%
CAL	0.98	0.95	3.16%
EGH	8.00	7.50	6.67%
EGL	2.10	2.09	0.48%
GGBL	2.16	2.15	0.47%
MTNGH	0.72	0.71	1.41%
SOGEGH	0.72	0.71	1.41%
BOPP	3.20	3.39	-5.60%
FML	4.48	4.51	-0.67%
SCB	19.00	19.25	-1.30%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,859,826	1,521,090	88.01%
Value Traded (GHS)	5,870,595.43	5,423,533.54	8.24%
Value Traded (\$)	1,117,144.71	1,032,169.29	8.23%
Market Capitalization (GHS)	58,304.91	57,957.31	0.60%
Market Capitalization (\$)	11,095.13	11,030.03	0.59%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.2064	14.1980	14.7296	14.7205
182-DAY	14.1025	14.1023	15.1724	15.1721
364-DAY	15.1668	15.1940	17.8784	17.9162

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	19/07/2019	12/07/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2550	5.2545	-0.010	4.8200	-9.02
Pound (£)	6.5706	6.5991	0.431	6.1711	-6.47
Euro (€)	5.8969	5.9121	0.258	5.5131	-6.96

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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 34.36 points to close at **2,353.09** bringing the Year-to-date return of GSE Composite Index to **-8.52%**. Market Capitalization increased by **GHC347.60m** to settle at **GHC58,304.91m** representing a 0.60% upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was 2,859,826 valued at **GHC5,870,595.43(US\$1,117,144.71)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
GGBL	2,426,900	5,242,104.00	997,545.96	84.91
MTNGH	193,200	135,480.00	25,781.16	6.76
ETI	123,100	14,772.00	2,811.04	4.31
CAL	28,000	26,858.00	5,110.94	0.98
EGH	24,000	191,675.00	36,474.49	0.84

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ETI	403,000	SPL	680,500
ALW	171,780	PBC	175,340
SIC	153,800	EGL	138,740
TBL	138,200	MTNGH	78,480
MTNGH	106,080	ETI	57,300

Share prices of **ALW, TBL, MTNGH, SIC and ETI** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **EGL, SPL and PBC** 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 0.0091% to close the review week at **14.7296%**. The 182-Day Treasury bill rate increased by 0.0003% to close the week at **15.1724%**. The 364-Day Treasury bill ended the review week at 17.8784% 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 some of the major trading currencies. It lost 0.010% against the US Dollar closing the review week at **GHC5.2550**. It gained 0.431% against the UK Pound closing the review week at **GHC6.5706**. It gained 0.258% against the Euro to close at **GHC5.8969**.

CORPORATE NEWS

EGH-APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

Ecobank Ghana Limited announces the appointment of Mrs. Patience Akyianu as a non-executive director of the bank effective 1st July, 2019. Mrs. Patience E. Akyianu is currently the Chief Executive Officer of the Hollard Group in Ghana. She serves on the boards of both Hollard Insurance Ghana and Hollard Life Assurance Ghana.

Source: GSE

IPO-AKER ENERGY'S IPO MAY BE IN LATE 2019 OR 2020.

Aker, a Norwegian investment firm could launch its planned Initial Public Offering of Aker Energy in late 2019 or 2020. This is dependent on whether Ghana approves the development plan of its Pecan oilfield, the CEO said. Ghana's authorities are expected to approve Aker Energy's revised \$4.4bn development plan for its offshore Pecan field by late in the third quarter of 2019, although delays could not be ruled out. Chief Executive of Aker, Oeyvind Eriksen says he expects Aker Energy to raise the capital it needs despite volatility in the oil and gas market. The first step towards attracting capital was taken this month when Aker Energy issued subordinated convertible bonds of \$100mn to African Finance Corporation. The coupon rate of the bond is 5.5% and will be converted to equity in the event of an IPO.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.10%	16.00%
NIGERIA	11.40%	13.50%
KENYA	5.70%	9.00%
MAURITIUS	1.00%	3.50%
S. AFRICA	4.50%	6.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,414.13	1,424.82	0.76
COCOA \$/METRIC TON	2,420.00	2,474.00	2.23

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

ANNUITY

An annuity is a financial product that pays out a fixed stream of payments to an individual, primarily used as an income stream for retirees. Annuities are created and sold by financial institutions which accept and invest funds from individuals and upon annuitization issue a stream of payments at a later point in time. The period of time between when annuities are funded and before payouts begin is called the accumulation phase. Annuitization phase begins the moment payments commence.

Source: Investopedia

SWAP

It is a derivative contract through which two parties exchange the cash flows or liabilities from two different financial instruments. Most swaps involve cash flows based on a notional principal amount such as a loan or a bond although the instrument can be almost anything. The most common kind of swap is the interest rate swap. Swaps do not trade on exchanges rather swaps are over-the-counter contracts primarily between businesses or financial institutions that are customized to the needs of both parties.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2018				Return (%)
GHANA	2,572.22	2,304.81	2,353.09	48.28	-8.52
NIGERIA	31,430.50	28,341.03	27,919.50	-421.53	-11.17
MAURITIUS	2,218.52	2,153.86	2,148.68	-5.18	-3.15
KENYA	140.43	148.95	149.82	0.87	6.69
SOUTH AFRICA	52,736.86	57,537.23	58,248.73	711.5	10.45

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