

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 26<sup>TH</sup> JULY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,335.23	2,353.09	-17.86
Year-to-date	-9.21	-8.52	8.10%
Price Movements	GHS	GHS	
EGH	8.50	8.00	6.25%
FML	4.55	4.48	1.56%
SOEGEH	0.73	0.72	1.39%
ACCESS	3.00	3.40	-11.76%
GGBL	2.00	2.16	-7.41%
GOIL	2.05	2.20	-6.82%
MTNGH	0.71	0.72	-1.39%
TOTAL	3.40	4.00	-15.00%
IIL	0.05	0.06	-16.67%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	7,355,386	2,859,826	157.20%
Value Traded (GHS)	6,370,581.22	5,870,595.43	8.52%
Value Traded (\$)	1,212,381.76	1,117,144.71	8.53%
Market Capitalization (GHS)	58,121.65	58,304.91	-0.31%
Market Capitalization (\$)	11,061.10	11,095.13	-0.31%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.2032	14.2064	14.7261	14.7296
182-DAY	14.1042	14.1025	15.1744	15.1724
364-DAY	15.1668	15.1668	17.8784	17.8784

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	26/07/2019	19/07/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.2546	5.2550	0.008	4.8200	-9.02
Pound (£)	6.5102	6.5706	0.919	6.1711	-5.49
Euro (€)	5.8456	5.8969	0.870	5.5131	-6.03

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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 decreased by 17.86 **points** to close at **2,335.23** bringing the Year-to-date return of GSE Composite Index to **-9.21%**. Market Capitalization decreased by **GHC183.26m** to settle at **GHC58,121.65m** representing a 0.31% downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was 7,355,386 valued at **GHC6,370,581.22(US\$1,212,381.76)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	6,739,700	4,850,484.00	923,092.91	91.65
IIL	241,000	12,050.00	2,293.23	3.28
GCB	159,700	790,515.00	150,442.47	2.17
EGL	120,300	251,880.00	47,935.14	1.64
EGH	30,600	259,980.00	49,476.65	0.42

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
TBL	326,360	SPL	535,620
ALW	135,780	ETI	220,600
SIC	76,080	MTNGH	41,100
SCB-P	44,100	CLYD	32,000
ETI	29,000	EGH	30,680

Share prices of **ALW, TBL, SIC 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 **ETI, SPL, MTNGH, CLYD 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 0.0035% to close the review week at **14.7261%**. The 182-Day Treasury bill rate increased by 0.0020% to close the week at **15.1744%**. 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 all the major trading currencies. It gained 0.008% against the US Dollar closing the review week at **GHC5.2546**. It gained 0.919% against the UK Pound closing the review week at **GHC6.5102**. It gained 0.870% against the Euro to close at **GHC5.8456**.

#### CORPORATE NEWS

##### BANK OF GHANA MAINTAINS POLICY RATE AT 16%

The Monetary Policy Committee of the Central Bank has maintained the policy rate at 16% after the committee's meeting despite global growth momentum softening and relatively subdued inflation. The committee however observed the slow pace of fiscal consolidation mainly reflecting gaps in revenue mobilization while the pace of spending has increased. The committee expects corrective measures to be announced during the mid-year budget review. This should help address the financing gap challenges. The next MPC meeting is scheduled for September 17 to 19, 2019. The meeting will conclude on Friday, 20<sup>th</sup> September, 2019 with the announcement of the policy decision.

Source: BoG

##### MD OF GHANA STOCK EXCHANGE RETIRES.

The council of the Ghana stock Exchange announces the retirement of Mr. Kofi S. Yamoah, the Managing Director with effect from the end of October, 2019. Mr. Kofi Yamoah will take his terminal leave from 1<sup>st</sup> August, 2019. Before his appointment as Managing Director in April, 2003, Mr. Yamoah served in various capacities at the Ghana Stock Exchange. Mr. Ekow Afedzie, currently the Deputy Managing Director will act as the Managing Director effective 1<sup>st</sup> August, 2019.

Source: GSE

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.10%	16.00%
NIGERIA	11.22%	13.50%
KENYA	5.70%	9.00%
MAURITIUS	1.00%	3.50%
S. AFRICA	4.50%	6.50%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,424.88	1,418.03	-0.48
COCOA \$/METRIC TON	2,532.00	2,391.00	-5.57

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 Return (%)
	2018				
GHANA	2,572.22	2,340.94	2,335.23	-5.71	-9.21
NIGERIA	31,430.50	27,808.69	27,918.59	109.90	-11.17
MAURITIUS	2,218.52	2,153.94	2,153.06	-0.88	-2.95
KENYA	140.43	149.92	149.00	-0.92	6.10
SOUTH AFRICA	52,736.86	58,015.09	57,570.54	-444.55	9.17

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