



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING MARCH 02, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,343.01	3,336.63	6.38
Year-to-date	29.59	29.34	0.85%
Price Movements	GHS	GHS	
ACCESS	4.00	3.80	5.3%
BOPP	6.97	6.94	0.40%
CAL	1.29	1.27	1.57%
CMLT	0.16	0.15	6.70%
GGBL	2.50	2.40	4.20%
GOIL	4.08	4.05	0.70%
MLC	0.08	0.07	14.30%
PBC	0.05	0.04	25.00%
PZC	0.28	0.25	12.00%
SCB	34.50	34.30	0.58%
SPL	0.03	0.02	50.00%
SOEGEH	1.90	1.70	11.76%
UNIL	16.26	16.25	0.06%
EGH	11.60	11.69	-0.80%
EGL	4.89	4.97	-1.61%
ETI	0.25	0.28	-10.70%
GCB	6.05	6.80	-11.00%
HFC	1.17	1.20	-2.50%
TOTAL	4.97	5.00	-0.60%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,772,474	2,860,347	-3.07%
Value Traded (GHS)	3,963,654,66	7,719,224.11	-48.65%
Value Traded (\$)	897,079.18	1,747,023.68	-48.65%
Market Capitalization (GHS)	65,397.85	66,169.98	-1.17%
Market Capitalization (\$)	14,801.25	14,975.67	-1.16%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.9165	12.9106	13.3476	13.3412
182-DAY	12.9942	12.9909	13.8971	13.8933
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	02/03/2018	23/02/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4184	4.4185	0.003	4.4157	-0.06
Pound (£)	6.0887	6.1760	1.41	5.9669	-2.04
Euro (€)	5.4473	5.4318	-0.28	5.2964	-2.85

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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 6.38 points to close at **3,343.01** bringing the Year-to-date return of GSE Composite Index to **29.59%**. Market Capitalization also decreased by **GHC772.13m** to settle at **GHC65,397.85m** representing a **1.17%** downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **2,772,474** valued at **GHC3,963,654.66 (US\$897,079.18)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GHC)	Trade Value (US\$)	Volume (%)
SPL	1,620,700	32,515.00	7,359.00	58.54
SIC	250,600	94,862.00	21,469.76	9.05
GGBL	249,200	622,951.00	140,990.18	9.00
ACCESS	95,100	361,400.00	81,794.31	3.43
SOEGEH	92,300	165,728.00	37,508.60	3.33

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SIC	206,880	SPL	489,200
PBC	180,900	ALW	117,800
TBL	180,000	TBL	104,640
HFC	100,600	EGL	82,580
PZC	92,200	TOTAL	70,420

Share prices of **SPL, PBC, TBL, HFC and PZC** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **SPL, EGL, ALW and TOTAL** 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 0.0064% to close the review week at **13.3476%**. The 182-Day Treasury bill rate also increased by 0.0038% to close the week at **13.8971%**. The One year note remained unchanged at **15.0000%** and the Two year note ended the review week at **16.5000%**.

#### The Currency Market:

On the Inter Bank market, the Cedi appreciated against some of the major trading currencies. It gained 0.003% against the US Dollar closing the review week at **GHC4.4184**. It gained 1.41% against the pound closing the review week at **GHC6.0887** and lost 0.28% against the Euro to close at **GHC5.4473**.

### CORPORATE NEWS

#### ECOBANK RELEASES FINANCIAL STATEMENT

Ecobank earlier this week released its financial statement for the financial year ended 2017. Ecobank's net earnings for the year dropped owing to increased cost of operations and a drop in revenue. Net earnings dropped to GHC253.6million representing a 22.6% decrease from the GHC327.8million recorded in 2017. Earnings per share of the bank also decreased to GHC0.87 from GHC1.12 paid in the previous financial year.

Source: Doobia

#### STANCHART RELEASES FINANCIAL STATEMENT

Standard Chartered Bank recorded impressive performance for the financial year ended 2017. The bank recorded an increase in revenue of GHC804.9million from GHC721.3million recorded in 2016. This increase could be attributed to an increase in the bank's non-interest revenue by 27.1% to GHC217.84million. The bank's financial statement also showed a strong balance sheet which indicates an increase in the asset and loan base by 9.2% and 9.7% respectively.

Source: B&FT

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### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	10.30%	20.00%
NIGERIA	15.13%	14.00%
KENYA	4.46%	10.00%
MAURITIUS	4.00%	3.50%
S. AFRICA	4.40%	6.75%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t	1,318.36	1,319.99	0.12
OUNCE			
COCOA	2,227.00	2,301.00	3.32
\$/METRIC TON			

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### INTRINSIC VALUE

The intrinsic value is the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value. One model typically used to determine the intrinsic value of a company is the discounted cash flow model (DCF model).

Source: Investopedia

#### SWAP

A swap is a derivative contract in which two parties exchange financial instruments. These financial instruments can be almost anything but mostly, swaps involve cash flows based on the notional principal amount that both parties agree to. Usually, the principal does not change hands. The most common type of swap is the interest rate swap. In this kind of swap, parties exchange cash flows in order to hedge against interest rate risk or to speculate.

Source: Investopedia

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.72	3,335.02	3,343.01	7.99	25.59
NIGERIA	38,243.19	42,299.56	42,876.23	576.67	12.11
MAURITIUS	2,202.14	2,287.98	2,279.36	-8.62	3.51
KENYA	171.20	180.68	181.26	0.58	5.88
SOUTH AFRICA	59,504.67	59,027.22	57,744.70	-1282.52	-2.96

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