



# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

WEEK-ENDING MARCH 09, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,246.61	3,343.01	-96.40
Year-to-date	25.85	29.59	-12.64%
Price Movements	GHS	GHS	
BOPP	7.02	6.97	0.70%
GGBL	2.52	2.50	0.80%
GOIL	4.10	4.08	0.49%
HFC	1.20	1.17	2.60%
PZC	0.30	0.28	7.10%
SOGEGH	2.00	1.90	5.30%
UNIL	16.27	16.26	0.10%
EGL	4.80	4.89	-1.84%
ETI	0.22	0.25	-12.00%
GCB	4.75	6.05	-21.49%
SPL	0.02	0.03	-33.33%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,911,918	2,772,474	-31.04
Value Traded (GHS)	4,986,050.00	3,963,654.66	25.79
Value Traded (\$)	1,128,423.03	897,079.18	25.79
Market Capitalization (GHS)	64,391.01	65,397.85	-1.54
Market Capitalization (\$)	14,572.72	14,801.25	-1.54

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.9404	12.9165	13.3730	13.3476
182-DAY	12.9871	12.9942	13.8890	13.8971
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	09/03/2018	02/03/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4186	4.4184	-0.006	4.4157	-0.07
Pound (£)	6.1326	6.0887	0.72	5.9669	-2.78
Euro (€)	5.4451	5.4473	0.04	5.2964	-2.81

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### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week decreased by 96.40 points to close at **3,246.61** bringing the Year-to-date return of GSE Composite Index to **25.85%**. Market Capitalization also decreased by **GHC1,778.97m** to settle at **GHC64,391.01m** representing a **2.69%** downward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was **1,911,918** valued at **GHC4,986,050.00 (US\$1,128,423.03)**

### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GHC)	Trade Value (US\$)	Volume (%)
GOIL	885,500	3,604,733.00	815,808.85	46.37
SPL	482,200	9,644.00	2,182.59	25.25
SOGEGH	141,300	277,966.00	62,908.16	7.40
EGL	90,100	434,812.00	98,404.92	4.72
GGBL	79,200	199,560.00	45,163.63	4.15

### HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
HFC	183,000	TBL	270,720
SPL	150,000	SPL	221,760
PZC	72,140	IIL	183,140
PBC	69,540	ETI	115,600
GOIL	31,520	HFC	104,340

Share prices of **HFC, PZC, PBC and GOIL** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **TBL, SPL, IIL and ETI** 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 0.0254% to close the review week at **13.3730%**. The 182-Day Treasury bill rate however, decreased by 0.0081% to close the week at **13.8890%**. 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 depreciated against some of the major trading currencies. It lost 0.006% against the US Dollar closing the review week at **GHC4.4186**. It lost 0.72% against the pound closing the review week at **GHC6.1326**. It however gained 0.04% against the Euro to close at **GHC5.4451**.

### CORPORATE NEWS

#### ADB DEBUNKS CLAIMS OF TAKEOVER.

On 7<sup>th</sup> March, 2018 the Ghana Stock Exchange suspended the trading of shares of ADB to seek clarity on the purported takeover by UniBank. ADB in a quest to clarify issues wrote to the Ghana Stock Exchange. ADB made it clear it had received letters from Belstar Capital Limited, EDC Limited, and Starmount Investment Limited having pledged their various shares in ADB to UniBank. The bank also made it clear that a pledge of shares does not mean a transfer of ownership. It backed it with the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930).

Source: GSE

#### SIC-FSL DENIES PLEDGING SHARES.

One of the shareholders of ADB, SIC Financial Services Limited has denied pledging its shares to UniBank. SIC-FSL is an arm of the State Insurance Company. A source within the company states that the company could not have been part of the consortium led by Belstar Capital, Starmount Development Company, and EDC Investment Limited to pledge their shares, proceeds, entitlements and voting rights to UniBank. The news came as a shock as earlier reports indicate that SIC-FSL was part of the consortium.

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	1,320.11	1,321.65	0.12
OUNCE			
COCOA \$/METRIC TON	2,446.00	2,532.00	3.52

Source: Bloomberg

### STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.72	3,295.40	3,246.61	-48.79	25.85
NIGERIA	38,243.19	43,513.93	43,167.87	-346.06	18.88
MAURITIUS	2,202.14	2,278.81	2,297.83	19.02	4.35
KENYA	171.20	180.91	180.60	-0.31	5.49
SOUTH AFRICA	59,504.67	57,912.40	59,169.23	1,256.83	-0.56

### BUSINESS TERMS OF THE WEEK

#### ENTERPRISE VALUE

The Enterprise Value (EV) is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. Enterprise value is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and capital equivalents. Enterprise Value can be thought of as the theoretical takeover price if a company were to be bought.

Source: Investopedia

#### RETAINED EARNINGS

This refers to the percentage of net earnings not paid out as dividends, but retained by the company to be reinvested in its core business, or to pay debt. It is recorded under shareholders' equity on the balance sheet. Retained earnings is calculated by adding net income to or subtracting any net losses from, beginning retained earnings, and subtracting any dividends paid to shareholders.

Source: Investopedia

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