



PRUDENTIAL STOCKBROKERS LTD

WEEKLY MARKET REVIEW

WEEK-ENDING 24TH MAY, 2018

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	3,295.62	3,384.02	-88.40
Year-to-date	27.75	31.18	-11.00%
Price Movements	GHS	GHS	
BOPP	7.24	7.23	0.10%
PBC	0.05	0.04	25.00%
RBGH	1.30	1.28	1.56%
UNIL	17.62	17.51	0.60%
CAL	1.54	1.70	-9.40%
EGL	3.50	3.90	-10.30%
ETI	0.23	0.24	-4.20%
GCB	6.40	6.50	-1.54%
SCB	30.00	32.45	-7.60%
SOGEH	2.05	2.22	-7.66%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	1,713,399	2,198,101	-22.05%
Value Traded (GHS)	1,618,953.82	8,311,770.71	-80.52%
Value Traded (\$)	366,519.62	1,882,620.77	-80.53%
Market Capitalization (GHS)	65,091.97	65,863.06	-1.17%
Market Capitalization (\$)	14,736.36	14,918.02	-1.22%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	12.9185	12.9453	13.3497	13.3783
182-DAY	12.9325	12.9608	13.8265	13.8589
1-YEAR NOTE			15.0000	15.0000

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2017	chg
	24/05/2018	18/05/2018	Review wk (%)	GHS	YTD (%)
USD(\$)	4.4171	4.4150	-0.048	4.4157	-0.03
Pound (£)	5.9145	5.9493	0.58	5.9669	0.88
Euro (€)	5.1866	5.1970	0.20	5.2964	2.07

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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 **88.40 points** to close at **3,295.62** bringing the Year-to-date return of GSE Composite Index to **27.75%**. Market Capitalization also decreased by **GHC771.09** to settle at **GHC65,091.97m** representing a **1.17%** downward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was **1,713,399** valued at **GHC1,618,953.82 (US\$366,519.62)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
ETI	861,200	202,966.00	45,950.06	50.37
CAL	653,600	1,007,321.00	228,050.30	38.23
SOEGGH	77,600	162,542.00	36,798.35	4.54
PBC	40,100	2,005.00	453.92	2.35
RBGH	26,700	34,712.00	7,858.55	1.56

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
SPL	3,200,000	SPL	2,120,800
ETI	623,700	ETI	309,300
PBC	171,100	SIC	145,600
CMLT	70,000	AADS	129,300
RBGH	48,100	EGH	91,600

Share prices of **SPL, ETI, PBC, CMLT and RBGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **SIC, AADS 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 0.0286% to close the review week at **13.3497%**. The 182-Day Treasury bill rate however also decreased by 0.0324% to close the week at **13.8265%**. The One year note remained unchanged at **15.0000%** and the Two and Three year note ended the review week at **16.2500%**.

The Currency Market:

On the Inter Bank market, the Cedi appreciated against some of the major trading currencies. It lost 0.048% against the US Dollar closing the review week at **GHC4.4171**. It gained 0.58% against the UK Pound closing the review week at **GHC5.9145**. It also gained 0.20% against the Euro to close at **GHC5.1866**.

CORPORATE NEWS

CAL BANK ANNOUNCES DETAILS OF BONUS ISSUE

Cal Bank has announced the details of it yet to be executed bonus issue. The bonus issue involves issuing a 1 new share for every 7 existing CAL shares held. The qualifying date for the bonus issue is 6th June, 2018 and the closure of register has been set for 7th and 8th June, 2018. The ex-bonus date is 4th June, 2018 meaning any investor who buys CAL shares on or after the said date will not be entitled to the bonus shares. Shareholders registered on the Central Securities Account will have their accounts credited on 13th June, 2018 and allotment letters sent to shareholders without CSD accounts on 22nd June, 2018.

Source: GSE

BANK OF GHANA REDUCES POLICY RATE TO 17%

The Central Bank has reduced the Monetary Policy Rate (MPC) by 100bps to 17 % from an initial rate of 18%. The MPR is the rate at which the Central Bank lends to commercial Banks for onward lending to customers. The reduction of the MPR according to the Governor is aimed at achieving lower inflation target. The next Monetary Policy meeting is scheduled to take place from 18th to 20th July, 2018. The meeting will be concluded and subsequently announcement made on Monday, 23rd July, 2018.

Source: BoG

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.60%	17.00%
NIGERIA	12.48%	14.00%
KENYA	3.73%	9.50%
MAURITIUS	5.00%	3.50%
S. AFRICA	3.80%	6.50%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,292.60	1,304.65	0.93
COCOA \$/METRIC TON	2,615.00	2,608.00	-0.27

Source: Bloomberg

STOCK MARKET PERFORMANCE

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD
	2017				Return (%)
GHANA	2,579.72	3,326.16	3,295.62	-30.54	27.75
NIGERIA	38,243.19	40,425.07	39,723.85	-701.22	3.87
MAURITIUS	2,202.14	2,275.45	2,267.13	-8.32	2.95
KENYA	171.20	177.72	176.56	-1.16	3.13
SOUTH AFRICA	59,504.67	57,821.20	56,699.20	-1122	-4.71

BUSINESS TERMS OF THE WEEK

NET PRESENT VALUE

Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. In capital budgeting, NPV is used to determine the profitability of a projected investment or project. A positive NPV indicates that the projected earnings generated by a project or investment exceed the anticipated costs. An investment with a negative NPV will result in a net loss.

Source: Investopedia

PRICE-EARNINGS RATIO

The price-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. In certain circles, it's known as the price multiple or the earnings multiple. Essentially, price-earnings ratio indicates the cedi amount an investor can expect to invest in a company in order to receive one cedi of that company's earnings.

Source: Investopedia

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