

PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 10th MAY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,340.78	2,314.74	26.04
Year-to-date	-9.00	-10.01	-10.09%
Price Movements	GHS	GHS	
GCB	4.50	4.00	12.50%
MTNGH	0.70	0.68	2.94%
SPL	0.03	0.02	50.00%
CAL	0.86	0.88	-2.27%
EGL	2.00	2.14	-6.54%
ETI	0.12	0.13	-7.69%
GOIL	2.35	2.40	-2.08%
SOEGH	0.72	0.75	-4.00%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	31,341,228	2,392,480	1209.99%
Value Traded (GHS)	4,448,330.62	11,609,006.98	-61.68%
Value Traded (\$)	873,729.30	2,280,882.37	-61.69%
Market Capitalization (GHS)	58,185.56	58,122.49	0.11%
Market Capitalization (\$)	11,428.65	11,419.63	0.08%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.2319	14.1499	14.7569	14.6688
182-DAY	14.2354	14.0114	15.3263	15.0669
364-DAY	15.2618	15.2618	18.0105	18.0105

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	10/05/2019	03/05/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.0912	5.0897	-0.0290	4.8200	-5.63
Pound (£)	6.6280	6.6930	0.9710	6.1711	-7.40
Euro (€)	5.7163	5.6991	-0.3020	5.5131	-3.68

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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 26.04 points to close at **2,340.78** bringing the Year-to-date return of GSE Composite Index to **-9.00%**. Market Capitalization increased by **GHC63.07m** to settle at **GHC58,185.56m** representing a 0.11% upward movement from the previous week.

Market Turnover

Total volume of shares traded for the period under review was 31,341,228 valued at **GHC4,448,330.62(US\$873,729.30)**

TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
AYRTN	26,010,500	520,210.00	102,178.27	83.00
MTNGH	4,772,000	3,326,165.00	653,316.51	15.23
TBL	200,000	46,000.00	9,035.20	0.64
GOIL	119,800	280,530.00	55,100.96	0.38
ETI	108,100	13,190.00	2,590.74	0.34

HIGHEST BIDS AND OFFERS OUTSTANDING FOR THE WEEK

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
MTNGH	828,160	MTNGH	653,820
TBL	200,000	EGL	318,700
ALW	186,060	CPC	252,340
SCB-P	84,000	TBL	200,000
ETI	80,800	FML	177,700

Share prices of **ALW, SCB-P, MTNGH, TBL** 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 **CPC, FML** and **EGL** 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 0.0881% to close the review week at **14.7569%**. The 182-Day Treasury bill rate increased by 0.2594% to close the week at **15.3263%**. The 364-Day Treasury bill ended the review week at 18.0105% 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 depreciated against some of the major trading currencies. It lost 0.029% against the US Dollar closing the review week at **GHC5.0912**. It gained 0.971% against the UK Pound closing the review week at **GHC6.6280**. It lost 0.302% against the Euro to close at **GHC5.7163**.

CORPORATE NEWS

SCB- FINAL DIVIDEND, CLOSURE OF REGISTER.

Standard Chartered Bank Ghana Limited announces to the general public that the Company's Directors will be recommending to shareholders at the upcoming Annual General Meeting, the payment of a final dividend of GHC1.04 per share for the 2018 financial year. All shareholders registered in the books of SCB at the close of business day Monday, 3rd June, 2019 will qualify for the final dividend. The register of shareholders will be closed on Tuesday, 4th June, 2019 to Thursday, 6th June, 2019. The ex-dividend date has been set for Thursday, 30th May, 2019 thus an investor purchasing SCB shares before this date will be entitled to the final dividend. The final dividend will be paid on Friday, 28th June, 2019.

Source: GSE

SCB- CHANGES ON THE BOARD

Standard Chartered Bank Ghana Limited announces to the general investing public the appointment of Mr. Ebenezer Twum Asante as an Independent Non-Executive Director. His appointment to this role was effective 2nd May, 2019.

Source: GSE

RBGH-APPOINTMENT OF MANAGING DIRECTOR

The Board of Directors Republic Bank (Ghana) announces the appointment of Mr. Farid Antar as the Managing Director of the bank following receipt of regulatory approval from the bank of Ghana. Mr. Antar succeeds Mr. Anthony Jordan who retired from active service in April, 2019.

Source: GSE

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ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.30%	16.00%
NIGERIA	11.25%	13.50%
KENYA	6.58%	9.00%
MAURITIUS	1.40%	3.50%
S. AFRICA	4.50%	6.75%

Source: Various Central Banks

INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,281.00	1,288.32	0.57
COCOA \$/METRIC TON	2,340.00	2,316.00	-1.03

Source: Bloomberg

BUSINESS TERMS OF THE WEEK

LEVERAGE RATIO

Leverage ratio is a financial measurement that looks at how much capital comes in the form of debt. Essentially, leverage ratio assesses the ability of companies to meet their financial obligation. Leverage ratio is very important as companies rely on a mixture of equity and debt to finance their operations and knowing the amount of debt held by a company is useful in determining whether it can pay its debts off as and when they are due.

Source: Investopedia

SHORT SELLING

Short selling is the sale of a security that is not known by the seller or that the seller has borrowed. Short selling is motivated by the belief that a security's price will decline, enabling it to be bought back at a lower price to make profit. Short selling may be prompted by speculation. For instance, a trader believes stock A will decline in price, so he borrows 100 shares to sell. Owners of the borrowed shares may demand the shares at some point. After a week, stock A posts dismal results and the share price falls. The trader decides to close the short position hence sells the shares at a cheaper price and makes profit.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2018				
GHANA	2,572.22	2,333.36	2,340.78	7.42	-9.00
NIGERIA	31,430.50	29,197.41	28,847.81	-349.60	-8.22
MAURITIUS	2,218.52	2,136.71	2,139.55	2.84	-3.56
KENYA	140.43	157.79	155.38	-2.41	10.65
SOUTH AFRICA	52,736.86	58,712.83	56,780.75	-1932.08	7.67

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