

# PRUDENTIAL STOCKBROKERS LTD WEEKLY MARKET REVIEW

WEEK-ENDING 17<sup>th</sup> MAY, 2019

THE MARKET AT A GLANCE			
	Review Wk	Previous Wk	Increase/Decrease
GSE All-Share Index	2,415.22	2,340.78	74.44
Year-to-date	-6.10	-9.00	-32.22%
Price Movements	GHS	GHS	
EGH	6.80	6.72	1.19%
GCB	5.01	4.50	11.33%
MTNGH	0.72	0.70	2.86%
SCB	21.80	19.00	14.74%
CAL	0.82	0.86	-4.65%
TBL	0.20	0.23	-13.04%

SHARES TRADING ACTIVITY	Review Week	Previous Week	Increase/Decrease
Volume Traded	2,752,901	31,341,228	-91.22%
Value Traded (GHS)	2,813,283.29	4,448,330.62	-36.76%
Value Traded (\$)	551,894.71	873,729.30	-36.83%
Market Capitalization (GHS)	58,938.58	58,185.56	1.29%
Market Capitalization (\$)	11,562.25	11,428.65	1.17%

MONEY MARKET RATES				
Maturity	Discount Rate (%)		Interest Equivalent (%)	
	Review week	Previous week	Review week	Previous week
91-DAY	14.3376	14.2319	14.8706	14.7569
182-DAY	14.2589	14.2354	15.3536	15.3263
364-DAY	15.2726	15.2618	18.0255	18.0105

Currency Rates					
Currency	Review wk	Previous wk	Chg	Year-end 2018	chg
	17/05/2019	10/05/2019	Review wk (%)	GHS	YTD (%)
USD(\$)	5.0975	5.0912	-0.124	4.8200	-5.76
Pound (£)	6.5213	6.6280	1.611	6.1711	-5.67
Euro (€)	5.6989	5.7163	0.304	5.5131	-3.37

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# PRUDENTIAL STOCKBROKERS LTD

## WEEKLY MARKET REVIEW

### ISSUES:

#### Equity Market:

The benchmark indicator of the Ghana Stock Exchange, the GSE Composite Index during the review week increased by 74.44 points to close at **2,415.22** bringing the Year-to-date return of GSE Composite Index to **-6.10%**. Market Capitalization increased by **GHC753.02m** to settle at **GHC58,938.58m** representing a 1.29% upward movement from the previous week.

#### Market Turnover

Total volume of shares traded for the period under review was 2,752,901 valued at **GHC2,813,283.29(US\$551,894.71)**

#### TOP FIVE (5) TRADED EQUITIES

Equity	Trade Volume	Trade Value (GH¢)	Trade Value (US\$)	Volume (%)
MTNGH	1,585,400	1,101,258.00	216,038.84	57.63
ETI	328,100	39,372.00	7,723.79	11.93
TBL	239,200	47,840.00	9,384.99	8.69
GCB	181,800	910,739.00	178,663.85	6.61
CAL	126,800	105,047.00	20,607.55	4.61

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

Equity	Bids Outstanding (Average)	Equity	Offers Outstanding (Average)
ALW	188,460	TBL	2,196,040
ETI	154,300	MTNGH	1,052,280
GCB	123,920	CPC	481,320
EGH	103,660	ETI	265,040
MTNGH	93,640	SPL	116,700

Share prices of **ALW, GCB and EGH** are expected to increase in the coming week as they recorded the highest outstanding bids during the week under review. The prices of **CPC, TBL, MTNGH, ETI and SPL** 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 0.1137% to close the review week at **14.8706%**. The 182-Day Treasury bill rate increased by 0.0273% to close the week at **15.3536%**. The 364-Day Treasury bill ended the review week at 18.0255% 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 some of the major trading currencies. It lost 0.124% against the US Dollar closing the review week at **GHC5.0975**. It gained 1.611% against the UK Pound closing the review week at **GHC6.5213**. It gained 0.304% against the Euro to close at **GHC5.6989**.

#### CORPORATE NEWS

##### INFLATION FOR APRIL INCHES UP TO 9.50%

The Consumer Price Index (CPI) measures the change over time in the general price level of goods and services that households acquire for the purpose of consumption. The year-on-year inflation rate as measured by the CPI was 9.50% in April, 2019. This represented an upward movement by 20bps from 9.3%. The food and non-alcoholic beverages group recorded a year-on-year inflation rate of 7.3%. The non-food group recorded a year-on-year inflation rate of 10.40% for the month of April as compared to 9.7 recorded in March, 2019. This increase the rate of non-food group was on the back of higher inflation in subcategories such as clothing and footwear, recreation and culture, transport and household equipment. The upwards trends in inflation is most likely to influence treasury yields results as well as the Bank of Ghana's MPC meeting.

Source: GSE

##### NOTICE OF MPC MEETING

The Monetary Policy Committee (MPC) of the Bank of Ghana will hold its 88<sup>th</sup> Regular Meeting from Wednesday, 22<sup>nd</sup> May, 2019 to Friday, 24<sup>th</sup> May, 2019. The meeting will be held at 9:00am in the MPC conference room to review developments in the economy. The MPC will conclude its meeting with a press conference on Monday, 27<sup>th</sup> May, 2019 to announce the decision of the committee.

Source: GSE

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## WEEKLY MARKET REVIEW

### ECONOMIC RATES

COUNTRY	INFLATION (%)	POLICY RATE (%)
GHANA	9.50%	16.00%
NIGERIA	11.37%	13.50%
KENYA	6.58%	9.00%
MAURITIUS	1.20%	3.50%
S. AFRICA	4.50%	6.75%

Source: Various Central Banks

### INTERNATIONAL COMMODITY MARKET

COMMODITIES	WK OPEN	WK CLOSE	% CHANGE
GOLD \$/t OUNCE	1,299.10	1,276.79	-1.72
COCOA \$/METRIC TON	2,287.00	2,351.00	2.80

Source: Bloomberg

### BUSINESS TERMS OF THE WEEK

#### MARKET INDEX

A market index is a weighted average of several stocks or other investment vehicles from a stock market, and it is calculated from the price of selected stocks. A market index is intended to represent an entire stock market and track the market changes over time. Investors usually track changes in the index's value over time and use it as a benchmark for their own portfolio returns.

Source: Investopedia

#### COVERAGE RATIO

A coverage ratio is a measure of a company's ability to service its debt and meet its financial obligations. The higher the coverage ratio of a company, the easier it should be to make interest payments on its debt or pay dividends. Coverage ratios can be used to help identify companies in a potentially troubled financial situation- though low ratios are not necessarily an indication that a company is in financial difficulty.

Source: Investopedia

STOCK MARKET PERFORMANCE					
COUNTRY	Year End	Wk Open	Wk Close	Wk Chg	YTD Return (%)
	2018				
GHANA	2,572.22	2,328.95	2,415.22	86.27	-6.10
NIGERIA	31,430.50	28,565.67	28,871.93	306.26	-8.14
MAURITIUS	2,218.52	2,140.45	2,154.21	13.76	-2.90
KENYA	140.43	150.27	145.33	-4.94	3.50
SOUTH AFRICA	52,736.86	56,373.68	56,183.21	-190.47	6.53

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