

STOCK MARKET UPDATE



Date Issued | 14th April, 2020

Market Update

- The Ghana Stock Exchange Composite Index (GSE-CI) dipped to close the week with 7.85 points below the previous week from 2,143.09 points to 2,135.24 points, resulting in a 0.37% weekly decline. This led to a week on week drop of 0.35% in the year-to-date performance causing a fall from -5.05% in the earlier week to -5.4%. Market capitalization also declined further by 0.44% to end the week at GHS55.567 billion.

- The Financial Stock Index similarly dipped by 14.49 points to 1,880.01 points from 1,894.50 points recorded in the prior week. This reflected a week-on-week decline of 0.71% in the year-to-date performance.

- A total of 0.319 million shares exchanged hands last week, 43.44% lesser than 0.565 million shares traded in the previous week. Shares traded on the market were valued at GHS148.803K compared to GHS 1.511million in the previous week.

- The share price of GCB remained stable compared to the previous week's price of GHS4.5. A total of 600 of GCB shares exchanged hands representing 0.19% of total market volume. GCB's shares were also valued at GHS 2.700k.

- At the close of the week, shares of 11 companies compared to 12 companies in the past week exchanged hands. This resulted in no gainers and 2 laggards. The laggards were: ETI and CAL. ETI lost 12.50% at GHS0.07 and CAL lost 1.20% at GHS0.82.

- ETI emerged the most liquid stock for the week as it traded 38% of total market volume. This was followed by MTNGH and CAL with shares accounting for about 33% and 14% of volumes traded respectively.

- In other news, Ecobank Transnational Incorporated (ETI), the Lomé-based parent company of the Ecobank Group, announced two new appointments and changes on its Board of Directors. Dr. Georges Agyekum Nana Donkor has been appointed as a Non-Executive Director to replace Mr. Bashir Mamman Ifo as the representative of Ecowas Bank for Investment & Development (EBID) on the Board of ETI. The Board also announced the appointment of Mrs. Zanele Monnakgotla as a Non-Executive Director and a nominee of the Public Investment Corporation (PIC) of South Africa on the Board.

Outlook

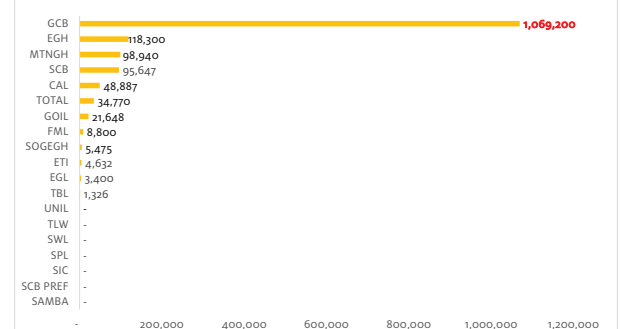
In the week ahead, based on the bid and offer dynamics on the Ghana Stock Exchange, we forecast the GSE-CI and GSE-FSI to end the week lower. We anticipate market activities will remain pressured due to the lockdown.

GSE MARKET SUMMARY

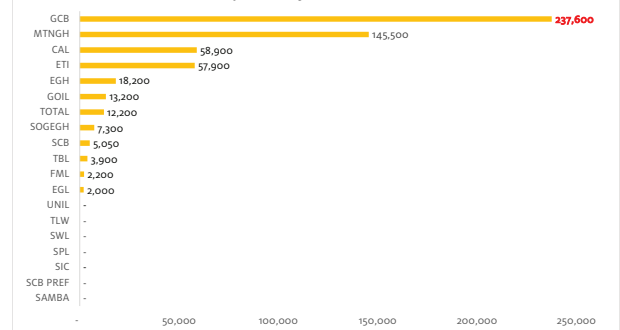
Ticker	Previous Week Close	Current Week Close	Weekly % Change
GCB STOCK	4.50	4.50	0.00%
GSE-CI	2,143.09	2,135.24	-0.37%
GSE-FSI	1,894.50	1,880.01	-0.76%
MARKET CAPITALISATION (GHC'M)	55,814.24	55,567.30	-0.44%
YTD RETURN GSE-CI	-5.05%	-5.40%	-0.35%
YTD RETURN-FSI	-6.20%	-6.91%	-0.71%
WEEKLY VOLUME TRADED (SHARE)	564,659.00	319,371.00	-43.44%

Source: Ghana Stock Exchange, GCB Research

Top Traders by Value (GHS)



Top Traders by Volume of Shares



GAINERS AND LAGGARDS

TOP 5 GAINERS

Equity	Previous Week Price	Current Week Price	Gains In Price	Weekly % Change
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

TOP 5 LAGGARDS

Equity	Previous Week Price	Current Week Price	Loss In Price	Weekly % Change
ETI	0.08	0.07	-0.01	-12.50%
CAL	0.83	0.82	-0.01	-1.20%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Source: Ghana Stock Exchange, GCB Research

GCB Indicative Exchange Rate

Currency	Week Close 09/04/20		Week Open 14/04/20	
	Buying	Selling	Buying	Selling
USD	5.6500	5.8800	5.6500	5.8800
POUND STERLING	6.7500	7.2700	6.7500	7.2700
EURO	6.0100	6.4600	6.0100	6.4600

Economic Indicators

Indicator	Current	Previous
Inflation Rate	7.80%	7.80%
GDP (Q2-19)	5.70%	6.70%
Monetary Policy	14.50%	16.00%
Reference Rate	15.12%	16.32%
91 -Day	14.44%	14.44%
182-Day	14.95%	14.95%
1 Year Note	17.65%	17.65%

WEEKLY FIXED INCOME REPORT



Date Issued | 13th April, 2020

Primary Debt Market

- In last week's GoG's treasury auction, a total of GHS 1,635.10 million was raised in 91 day, 182 day and 364 day bills. This came in after all bids tendered were accepted, exceeding the targeted amount of GHS 1,099 million. Accounting for about 65% of the amount raised was the 91-day bill, from which a total of GHS 1,023.75 million was raised. Following suit was the 364-day bill, which amounted to GHS 474.94 million, representing about 30% of trades. Lastly, the 182-day bill accounted for approximately 8% of value raised with GHS 136.41 million. In this week's auction, the GoG aims to raise GHS 677 million in 91 day and 182 day bills only.

- As expected and has been the trend over the past weeks, yields continue to drop on the primary market. The 91-day bill saw yields drop by 56 bps to close the auction at 13.88% from 14.44% the previous week. The 182-day bill was also seen at 14.12% from 14.95% the week before, reflecting an 83 bps decline in yield. The bi-weekly issued 364-day bill also closed the session 87 bps lower at 16.78% from 17.65% a fortnight ago when it was last traded.

- In the news, the Initial Pricing Guidance (IPG) for the GoG 3 year GHS denominated bond is expected to be released Tuesday 14th April, 2020. Book build is also scheduled for 15th -16th April, 2020. Per the Q2 issuance calendar, the target for this action is GHS 800 million. This should boost primary market volumes for the upcoming week.

Secondary Debt Market

- Last week, the secondary market experienced a slight drop in trades. Total market turnover dipped by GHS 122.69 million from GHS 1,620.88 million to GHS 1,498.19 million. Value traded for 2 year notes dropped by GHS 642.05 million, whilst that of 6 year bonds dipped by GHS 118.38 million. At the longer end of the curve, the turnover for 10 year and 15 year bonds were seen GHS 3.22 million and GHS 14.87 million lower respectively.

- For benchmark securities, the January 2023 maturity saw the most trade volumes, trading at an average of 20.79%, as the market anticipated the issuance of a new 3 year bond later this week. On the whole, the market was somewhat balanced with yields posting some mixed results. The mid-tenored, January 2023, March 2025 and January 2025 maturities saw yields drop by 3bps, 141 bps and 46 bps respectively. Yields on the longer term April 2025 and July 2034 however inched up by 77 bps and 2bps respectively. The June 2029 however was illiquid during the week under review. Local players continue to dominate the market and drive its direction, as they remain more net bid. Thin supply is however observed through the local inter bank and some offshore investors.

- We foresee this trend persisting in the near term, as fears surrounding COVID-19 eases and GHS liquidity improves. Also, in the news, ESLA PLC announced to bondholders of the 2024, 2027 and 2029 ESLA bonds the transfer of a total of GHS581.32 million from the Debt Service Reserve (DSR) Bank to the Paying Bank - available to pay upcoming bondholder coupons.

REVIEW: Other Treasury Markets

Nigeria: There was a slowdown in the Nigerian Treasury Bills ("NT-Bills") secondary market activities in the 4 trading sessions last week, with local investors more on the sidelines but mostly taking interest in long-term instruments and higher yielding corporate offers. Thus, average yield across all tenors closed flat with a slightly bearish bias up 9bps week-on week due to sell-offs by some investors taking advantage of the relatively better offers.

Read more: <https://bit.ly/3b9RgAH>

Egypt: Egypt is among the major emerging and frontier market economies witnessing key vulnerabilities and a number of shocks, including growth challenges and oil price declines, the International Monetary Fund (IMF) said in a report Tuesday 14th April, 2020. In its Global Financial Stability Report, released on Tuesday ahead of the World Bank and IMF spring meetings, the IMF said that Egypt faces blows of external financing vulnerabilities and fiscal sector issues. It shows that the sharp decline in economic output and sudden increase in borrowing costs could hurt economies with limited fiscal space, high financing needs, or external financing vulnerabilities, which include Brazil, Colombia, Egypt, Hungary, India, South Africa, and Turkey.

Read more: <https://bit.ly/2RCmvNb>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	09/04/2020	1023.75	1023.75	14.44	13.88	(0.56)
182 day	09/04/2020	136.41	136.41	14.95	14.12	(0.83)
364 day	09/04/2020	474.94	474.94	17.65	16.78	(0.87)

Source: Bank of Ghana

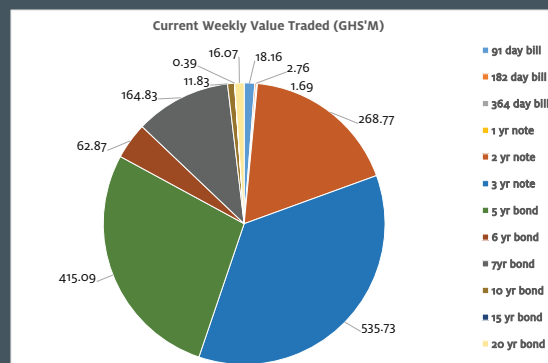
Secondary Market

Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	96.55	13.62
182 day bill	93.12	14.09
364 day bill	85.18	17.17
2 year note*	98.91	20.87
3 year note*	99.83	20.79
5 year bond*	100.81	21.41
6 year bond*	98.98	21.31
7 year bond*	84.10	21.61
10 year bond *	99.89	19.80
15 year bond*	98.27	20.35
20 year bond *	98.38	20.31

*Benchmark security.

91 day - June '20
 182 day - September '20
 364 day - March '21
 2yr - February '22
 3yr - January '23
 5yr - July '24
 6yr - January '25
 7yr - April '25
 10yr - June '29
 15yr - July '34.
 20 yr - August '39

Secondary Market Trade



Treasury Bill & Bond Yield Curve

