

CBL Research

West African Review

10 February 2017 Edition



This Week in West Africa

Market Snapshot

GSE CI and NSE ALSI decreased 1.1% and 1.8%, respectively during the week. At the same time, BRVM CI increased 0.9% during the week. While GSE ALSI and BRVM CI registered an increase in volume traded, NSE CI registered a decline in the same

- **GHANA:** GSE Composite Index decreased by 1.1% in the current week to 1,805.09, compared to previous week's gain of 3.3%. The trading volume increased over the previous week. The index recorded 6.9% gain on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 1.8% during the week compared to previous week's decrease of 2.0%. The index's trading volume decreased over last week. The index has lost 5.7% on YTD basis compared to YTD loss of 4.0% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index increased by 0.9% from previous week to 282.16 points, compared to previous week's increase of 0.9%. The trading volume increased over the previous week. The index's YTD loss was 3.4% at the end of current week.

Trading Day	GSE CI				NSE All Share				BRVM CI			
	Opening	Closing	Return (%)	YTD (%)	Opening	Closing	Return (%)	YTD (%)	Opening	Closing	Return (%)	YTD (%)
Monday	1,825.59	1,794.74	-1.69%	6.26%	25,802.54	25,587.09	-0.83%	-4.79%	279.63	279.40	-0.08%	-4.37%
Tuesday	1,794.74	1,787.54	-0.40%	5.83%	25,587.09	25,446.66	-0.55%	-5.31%	279.40	280.19	0.28%	-4.10%
Wednesday	1,787.54	1,798.54	0.62%	6.48%	25,446.66	25,460.45	0.05%	-5.26%	280.19	279.47	-0.26%	-4.35%
Thursday	1,798.54	1,796.31	-0.12%	6.35%	25,460.45	25,322.30	-0.54%	-5.78%	279.47	279.38	-0.03%	-4.38%
Friday	1,796.31	1,805.09	0.49%	6.87%	25,322.30	25,340.02	0.07%	-5.71%	279.38	282.16	1.00%	-3.43%

Ghana

Economic Snapshot

GDP (USD bn)	37.7
GDP growth	3.88%
GDP per Capita (USD)	1,401.7
BoG Policy Rate	25.50%
GHS/USD	4.3724
GHS/GBP	5.4500
GHS/EUR	4.6492
Inflation	15.40%
91-Day T-Bill	15.95%
182-Day T-Bill	16.97%
1-Year T-Bill	19.00%
Total Reserves (USD bn)	5.9
Total Debt (USD bn)	28.3

Market Snapshot

Market Name	Ghana Stock Exchange (GSE)
Major Indices	GSE Composite Index
Other Index	GSE Financial Stocks Index (GSE FSI)
Listed Stocks	Thirty Five (35)
Trading days	Monday – Friday
Trading Hours	10.00hrs GMT – 15.00hrs GMT

6M Performance Chart

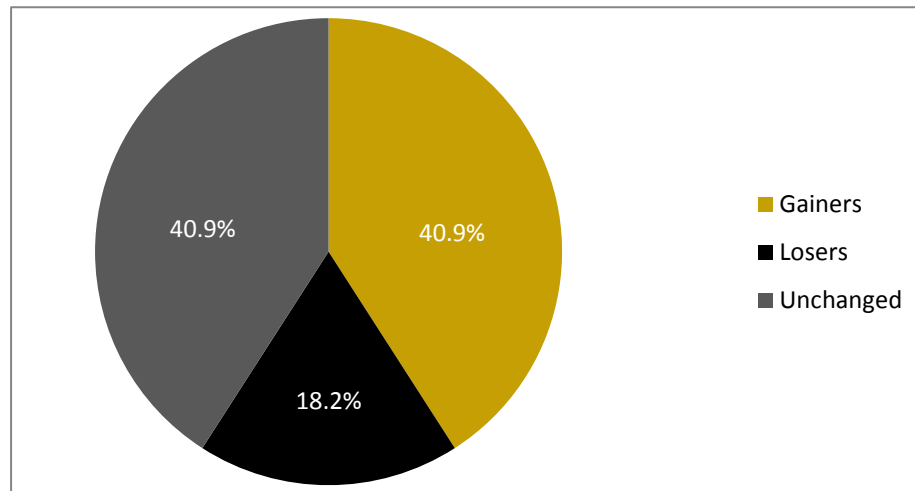


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,825.59	1,794.74	-1.69%	6.26%	52,313.50	12,153.78
Tuesday	1,794.74	1,787.54	-0.40%	5.83%	52,267.61	12,115.25
Wednesday	1,787.54	1,798.54	0.62%	6.48%	52,337.71	11,994.43
Thursday	1,798.54	1,796.31	-0.12%	6.35%	52,123.10	11,924.21
Friday	1,796.31	1,805.09	0.49%	6.87%	52,179.03	11,933.73

Market Wrap

- GSE Composite Index decreased by 1.1% in the current week, to 1,805.1 points from 1,825.6 in the previous week, representing a 6.9% gain on YTD basis.
- The shares of Standard Chartered Bank Ltd. decreased 11.2% during the week to GHS 13.32 from GHS 15.00 last Friday.
- The index's market cap decreased by 0.6% to GHS 52,179.0 million (USD 11,933.7 million) from GHS 52,510.0 million in the last week.
- The shares traded during the week increased by 99.9x from previous week to 156.7 million from 1.6 million in the last week.
- The value of transactions in the week increased by 12.9x to GHS 228.4 million (USD 52.3 million) from the previous week's value of GHS 1.8 million.
- An average of 31.3 million shares per day valued at GHS 45.7 million traded during the week compared to 0.3 million shares valued at GHS 0.4 million that traded during the previous week.
- Thursday recorded the biggest turnover and the biggest value traded for the week as the deals made up for 96.9% and 97.1% of the total weekly market volume and value traded respectively.
- The market breadth for current week was positive with 40.9% of the total active shares increased and 18.2% decreased during the week. The remaining 40.9% of the total active stocks were unchanged from the previous week.

Market Strength



Event Schedule

Company/Organization	Event	Date
No event		

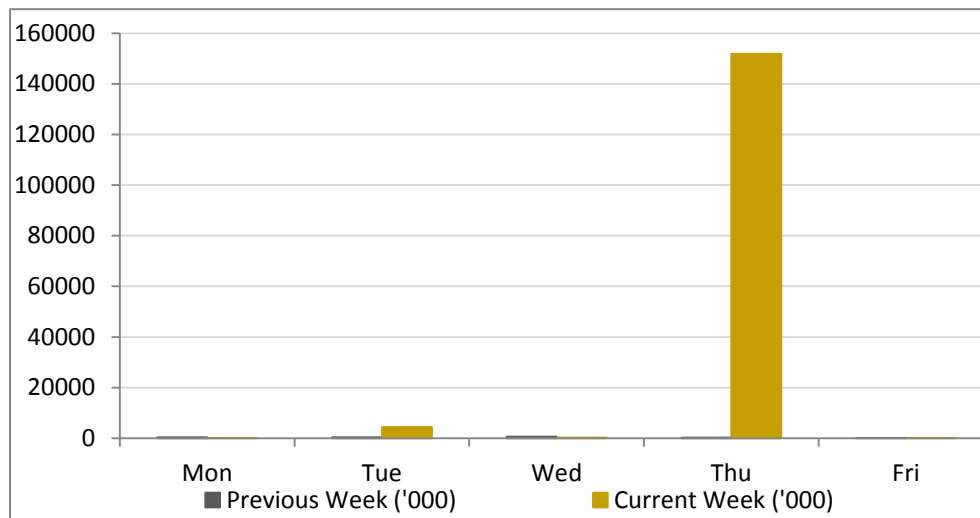
Dividend Announcement

Company	DPS (GHS)	DPS (USD)	Qualifying Date	Payment Date
SCB Preference	0.0714		24-Feb-2017	30-Mar-2017
SPL	0.001		31-Jan-2017	28-Feb-2017

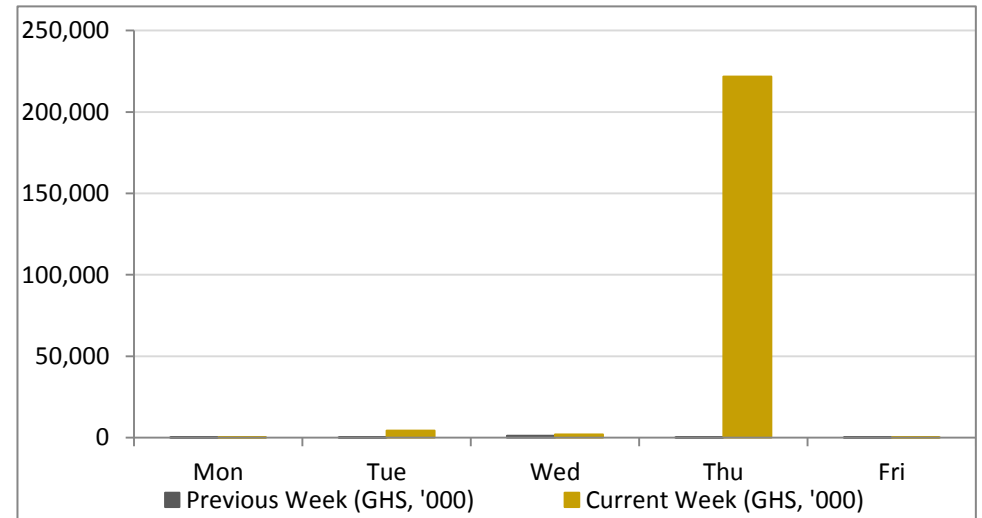
Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	147,275	144,745	33,628	127	20	5	2	13
Tuesday	4,349,374	4,429,308	1,026,681	150	16	6	1	9
Wednesday	201,417	1,882,932	431,519	42	8	4	2	2
Thursday	151,880,520	221,784,251	50,737,612	112	12	6	1	5
Friday	126,310	152,769	34,939	103	19	7	1	11

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Ghana

FPSO Kwame Nkrumah to be shut down for 12 weeks in the second half of 2017

Tullow Oil Plc has announced that the second phase of remediation works on FPSO Kwame Nkrumah will commence in the second half of 2017. This would halt the operations at the facility for 12 weeks leading to a decrease in average production to 68,500 bpd this year from 73,700 bpd in 2016. The phase involves modification of the turret systems to convert the FPSO into a permanently spread-moored operation. Tullow identified a problem with the turret bearing of the FPSO in February 2016 after which the off-take procedures were changed. The company stated that the preferred long term solution to the problem would be to convert the FPSO into a permanently spread-moored vessel with off-take through deep-water offloading buoy. The first phase is expected to be completed in February 2017.

Source: <http://www.peacefonline.com/>

Ghana received US\$ 120.8 million from oil exports in 2H 2016

The Bank of Ghana said in a statement that Ghana earned about US\$ 120.8 million from oil exports in second half of 2016, representing a decrease of 11.2% YoY. However, this is better than the 53.9% decline registered in the first half of the year. This consists of revenue from the two oil liftings in August and October 2016. The August lifting was sold for US\$ 46.5 million and the October lifting fetched US\$ 46.9 million bringing the total to US\$ 93.4 million. Other proceeds are US\$ 27.3 million through Corporate Tax, US\$ 29.9 million through Surface Rental and US\$ 36.8 million through Interest Payment of Petroleum Holding Funds. Out of the export receipts, US\$ 22.8 million was allotted to the Ghana Stabilization Fund and the Heritage Funds.

Source: <https://www.newsghana.com.gh/>

Yield on 182-day treasury bill increases as Ghana misses the deficit target

The yield on treasury bills increased as Ghana government missed the deficit target in spite of revising the deficit target to 5.3% in July 2016. The yield on the 182-day bill increased 14bps. However, the yield on the 1 year fixed note declined 50bps. The government planned to raise GHS 1.16 billion from the Friday auction. A total of GHS 1.18 billion worth bids were tendered for the bills, out of which the government accepted GHS 1.14 billion worth of bids. The government plans to raise GHS 1.01 billion through the 91-day bill and GHS 420.1 million through five-year treasury bonds at the next auction.

Source: <http://www.graphic.com.gh/>

Ghana to develop better relationship with China

The Minister of Finance has indicated of the new government's commitment, to build stronger ties with the Chinese economy, which is aimed at developing a robust economy. In this respect, Government of Ghana is expected to meet the Chinese official for the second time to discuss issues of mutual interest and \$ 3 billion loan from the China Development Bank. Out of the \$ 3 billion loan, close to \$ 1 billion has been disbursed till date. The budget deficit and government debt are much higher than had been expected, adding pressure to public finances, said Ofori Atta, Minister of Finance. Therefore, it important for the new government to seek for cheaper sources of funding which will not add to the public debt especially in a form of interest payments on loans.

Source: <http://www.ghanaweb.com>

Nigeria

Economic Snapshot

GDP (USD bn)	493.8
GDP growth	2.65%
GDP per Capita (USD)	2763.1
Policy Rate	14.00%
NGN/USD	304.50
NGN/GBP	379.44
NGN/EUR	323.77
Inflation	18.55%
91-Day T-Bill	14.29%
182-Day T-Bill	19.76%
1-Year T-Bill	22.53%
Total Reserves (USD bn)	28.3
Total Debt (USD bn)	61.4

Market Snapshot

Market Name	Nigeria Stock Exchange (NSE)
Major Indices	NSE All Share Index
Other Index	NSE 30 Index (NSE 30)
Listed Stocks	One Hundred Ninety-Three (193)
Trading days	Monday – Friday
Trading Hours	08:30hrs GMT – 13:30hrs GMT

6M Performance Chart

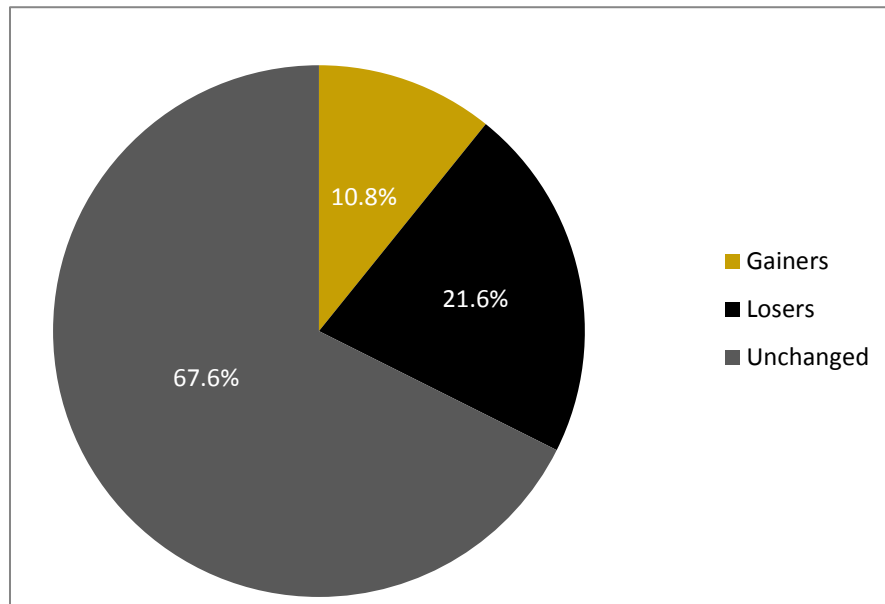


Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	25,802.54	25,587.09	-0.83%	-4.79%	8,818.19	28.94
Tuesday	25,587.09	25,446.66	-0.55%	-5.31%	8,769.80	28.78
Wednesday	25,446.66	25,460.45	0.05%	-5.26%	8,774.55	28.79
Thursday	25,460.45	25,322.30	-0.54%	-5.78%	8,763.57	28.78
Friday	25,322.30	25,340.02	0.07%	-5.71%	8,769.70	28.80

Market Wrap

- NSE All Share Index decreased by 1.8% on weekly basis (compared to 2.0% decrease in the last week). The index ended the week at 25,340.02 points, representing year-to-date loss of 5.7%.
- The shares of UACN Property Development Co. plc decreased 23.79% during the week followed by PZ Cussons Nigeria plc at 18.46%.
- Market cap decreased during the week to NGN 8,769.7 million (USD 28.8 million) from NGN 8,892.45 million at the end of last week.
- The trading volume decreased by 8.8% over previous week to 1,052.4 million from 1,153.4 million shares that traded in the previous week.
- The value of transactions decreased by 0.01% in the current week to NGN 8,030.6 million (USD 26.4 million) compared to NGN 8,031.6 million recorded in the previous week.
- An average of 210.5 million shares valued at NGN 1,606.1 million traded on each session of the week compared to 230.7 million traded shares valued at NGN 1,606.3 million in the previous week.
- Wednesday recorded the biggest turnover and Friday recorded the biggest value traded for the week as the day's deals made up for 33.1% of the weekly volume and 32.2% of value traded respectively.
- The market breadth was negative during the last week as 10.8% of the total shares increased in value compared with 21.6% of the stock registering losses. In the last week, 67.6% of the shares remained unchanged.

Market Strength



Event Schedule

Company/Organization	Event	Date
No event		

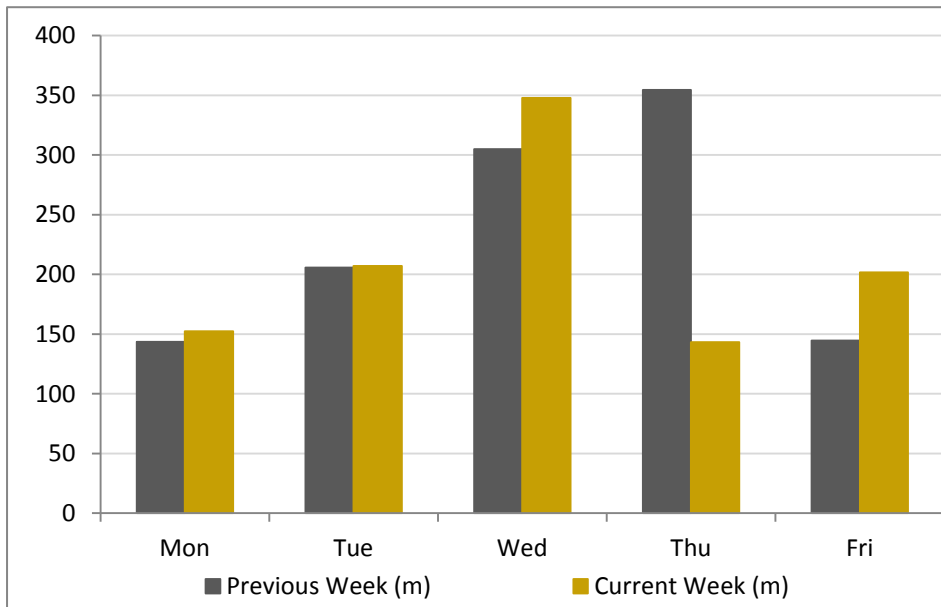
Dividend Announcement

Company	DPS (NGN)	DPS (USD)	Payment Date
No dividend			

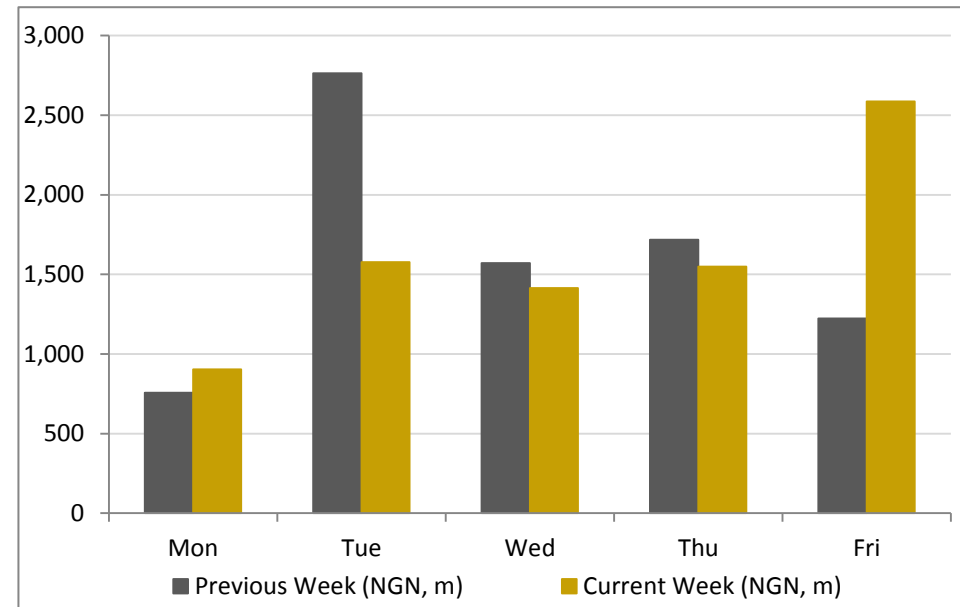
Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	152	904	3	2,706	81	8	25	48
Tuesday	207	1,577	5	2,791	92	14	22	56
Wednesday	348	1,414	5	2,934	131	11	13	107
Thursday	143	1,549	5	2,551	114	9	27	78
Friday	202	2,587	8	2,604	110	20	10	80

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Nigeria

AMCON assumes control of Arik Air

State owned Asset Management Corporation of Nigeria (AMCON), has taken control of Nigeria's largest airline, Arik Air, over debt owed by Arik Air to AMCON. Arik Air owes NGN 135 billion to AMCON and NGN 10 billion to other suppliers. Nigeria's forex shortage also impacted Arik Air's ability to buy fuel and pay insurance premiums, thus impacting the company's operations. As a result, the company was unable to service the debt and pay off wage arrears. With AMCON assuming control of Arik Air, the company can return to regular operations and avoid job losses. This move also protects investors and stakeholder funds apart from ensuring safety and stability in the aviation sector.

<http://www.ch-aviation.com/>

Nigeria's excess crude revenue increased about US\$ 38 million on the back of rising crude prices

Nigeria's daily excess crude revenue over the planned revenue increased by about US\$ 38 million on Monday on the back of US\$ 57.01 price per barrel of crude oil in the international crude market. This translates into an excess revenue of US\$ 19 per barrel over the US\$ 38 per barrel 2016 budget benchmark and average 2 million barrels per day. Currently, OPEC has set Nigeria's quota at 2.2 million barrels per day. The November 2016 report of NNPC, indicated that the daily crude oil production stood at 1.87 million barrels in October. The benchmark for the 2017 budget has been set at US\$ 42.5 per barrel. At the current prices, we expect the country's excess crude revenue to continue increasing in the coming months.

<http://www.premiumtimesng.com/>

Federal Government and World Bank to spend US\$ 508 million on civil works in Gombe

The Federal Government of Nigeria, World Bank and FAO plan to collaborate with the State Government of Gombe and spend about US\$ 509 million on civil Works, Water management and tree planting. The project would begin with five communities critically affected by gully erosion out of 45 communities in the state. This move received a warm welcome from the communities. The heads of Kumo and Tabra appreciated the intervention and promised to provide full support and cooperation to the projects.

<http://allafrica.com/>

Federal Government of Nigeria to create debt service provisioning of US\$ 1.2 billion to service the US\$ 1 billion Eurobond

The Federal Government of Nigeria plans to create a new debt service provisioning of NGN 361 billion (US\$ 1.2 billion) to service the NGN 305.1 billion (US\$ 1 billion) Eurobond. The 15-year Eurobond was issued at a yield of 7.875% and a bullet payment of US\$ 1 billion at the maturity in February 2032. The aggregate cost for the deal will be at least NGN 361 billion at the current official exchange rate translating into a yearly average cost of about NGN 24.1 billion. Thus, creation of the new provision will not only add to Nigeria's debt but also increase the current debt service provision. This will further worsen the debt-to-revenue ratio.

<https://guardian.ng/>

French West Africa

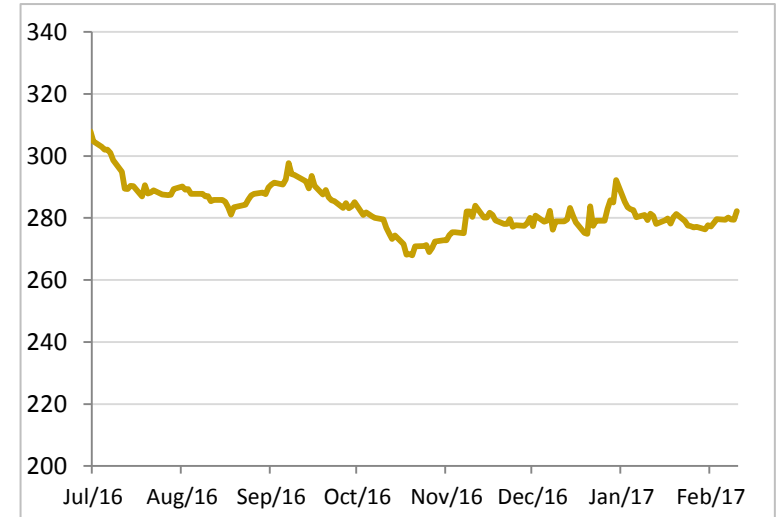
Economic Snapshot

GDP (USD bn)	92.40
GDP growth	11.40%
GDP per Capita (USD)	868.80
XOF/USD	617.14
XOF/GBP	769.09
XOF/EUR	655.96
Inflation	-0.40%
91-Day T-Bill	3.92%
182-Day T-Bill	4.41%
1-Year T-Bill	
Total Debt (USD billion)	

Market Snapshot

Market Name	Bourse Régionale des Valeurs Mobilières
Major Indices	BRVM Composite Index
Other Index	BRVM 10
Listed Stocks	Thirty-Nine (39)
Trading days	Monday – Friday
Trading Hours	09:45hrs GMT – 15:00hrs GMT

6M Performance Chart

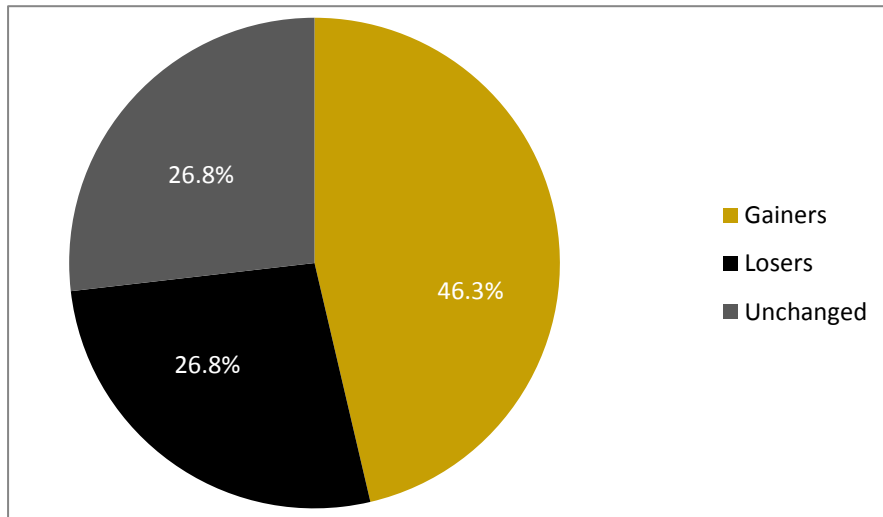


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	279.63	279.40	-0.08%	-4.37%	7,379.90	12.05
Tuesday	279.40	280.19	0.28%	-4.10%	7,400.73	12.04
Wednesday	280.19	279.47	-0.26%	-4.35%	7,381.67	12.00
Thursday	279.47	279.38	-0.03%	-4.38%	7,379.22	12.03
Friday	279.38	282.16	1.00%	-3.43%	7,452.73	12.08

Market Wrap

- For the week under review, BRVM Composite Index increased by 0.9% over previous week, compared to previous week's increase of 0.9%, closing the current week at 282.2 points which represents 3.4% loss on YTD basis.
- The shares of Nestle Cote d'Ivoire SA increased 7.1% during the week to XOF 60,000 from XOF 56,000 in the previous week.
- Market cap also increased from previous week to end the current week at XOF 7,452.73 million (USD 12.1 million) from XOF 7,386.05 million in the previous week.
- During the week, shares traded increased by 6.6x on weekly basis to 3.6 million from 0.5 million in the previous week.
- The value of transactions for the week decreased by 13.0% to XOF 4,639.6 million compared to previous week's XOF 5,330.1 million.
- An average of 0.72 million shares valued at XOF 927.9 million traded on each session of the week compared to 0.10 million shares valued at XOF 1,066.0 million that traded in the last week.
- Thursday recorded the biggest turnover and Tuesday recorded the biggest value traded for the week as deals made up for 86.7% of the weekly volume and 46.1% of value traded respectively.
- The market breadth was positive during the week with 46.3% of the stocks increasing and 26.8% decreasing. The remaining 26.8% of the stocks registered no change in price.

Market Strength



Event Schedule

Company/Organization	Event	Date
No events		

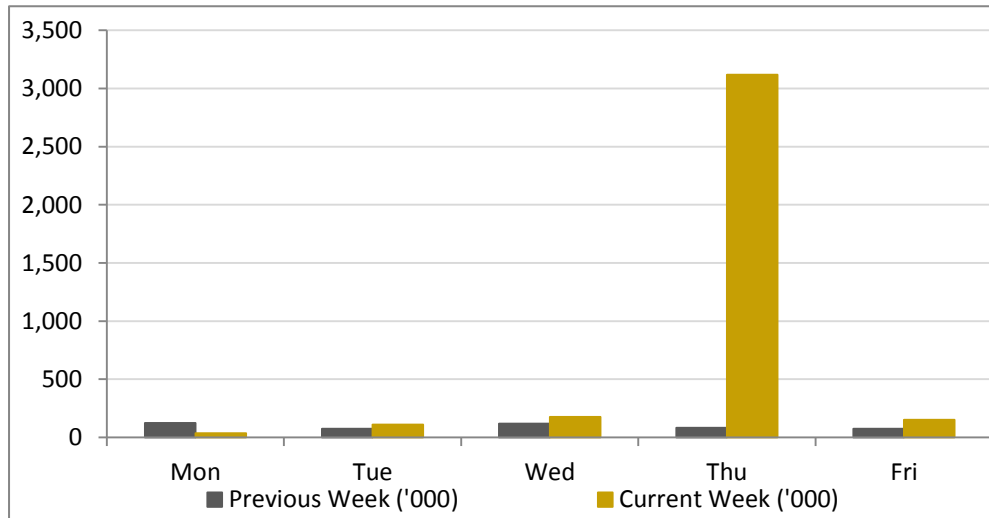
Dividend Announcement

Company	DPS (XOF)	DPS (USD)	Payment Date
No dividends			

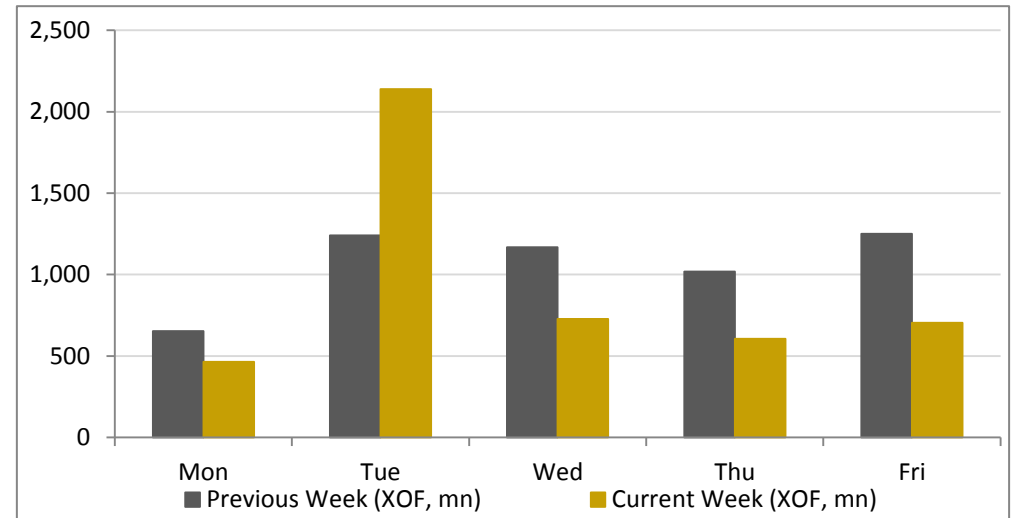
Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	36	464	0.8	535	28	14	5	9
Tuesday	111	2,138	3.5	491	31	10	11	10
Wednesday	177	728	1.2	434	33	13	13	7
Thursday	3,117	605	1.0	475	32	9	10	13
Friday	152	705	1.1	526	34	15	9	10

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in BRVM

Ivory Coast's cocoa regulator CCC commands defaulting cocoa shippers to reimburse the regulator for losses arising out of default

Ivory Coast's cocoa industry regulator, Le Conseil du Cafe-Cacao (CCC), has sent letters to the cocoa shippers in default to reimburse the regulator for any losses caused by default on contracts. The defaulting shippers will lose access to cocoa auctions until they have compensated the regulator. The defaults were caused by shippers backing out of contracts after they wrongly speculated that prices would rise. The default has forced CCC to resell the contracts at lower prices and the regulator may have to fill the gap from the stabilization fund and reserve fund stored with the Central Bank of West African States. Currently, the Reserve Fund has less than XOF 200 billion (US\$ 328 million).

<https://www.bloomberg.com/>

Disgruntled military troops seize control of Adiake demanding XOF 12 million

The Special forces troops seized control of Adiake, in southeast Ivory Coast, on Tuesday as a demonstration of the discontent within the military. This revolt comes in the wake of a series of mutinies across the country. The mutineers are demanding the payment of bonuses. The mutineers are demanding XOF 12 million (US\$ 19,476.7) for 8,400 troops. The commander of the special forces, General Lassina Doumbia, has traveled to Adiake to attempt to convince the soldiers to end the uprising. The government has agreed to pay a group of former rebel fighters who fought against ex-president Laurent Gbagbo.

<http://www.voanews.com/>

World Bank approves US\$ 68 million disbursements in support of West Africa Agricultural Productivity Program

The World Bank approved US\$ 68 million on February 3, 2017, additional credits for the West Africa Agricultural Productivity Program (WAAPP-1C). Out of the US\$ 68 million, US\$ 20 million is to be disbursed to Benin, US\$ 23 million to Guinea, US\$ 15 million to Niger and US\$ 10 million to Togo. The Program has already increased beneficiaries' yields and income by 30% and halved the hunger period and improved nutrition standards. The disbursed funds will be used to transform the National Centers of Specialization into Regional Centers of Excellence, consolidate and expand regional exchange of agricultural technologies and innovations, modernize agricultural extension services and technology transfer systems and strengthen the national seed production and distribution systems and the regional seed market.

<http://reliefweb.int/>

Featured Stock – University Press Plc

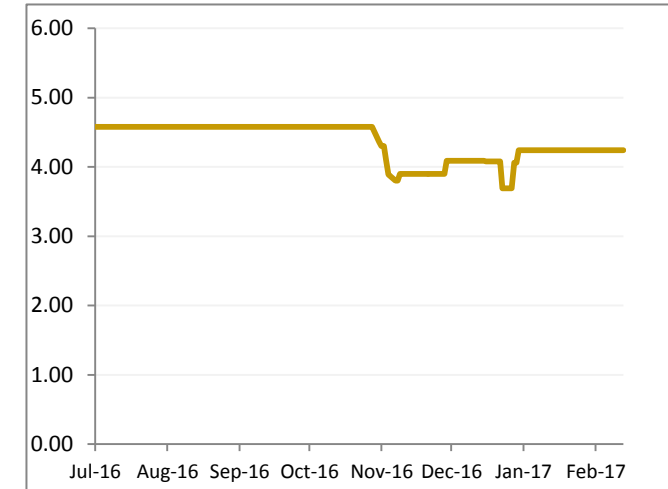
Snapshot – University Press Plc

Symbol	UPL NL
ISIN	NGUPL0000008
Current Price (NGN/Sh.)	4.24
Year High (15-Feb-16)	NGN 5.7/ US\$ 0.019
Year Low (9-Nov-16)	NGN 3.61/ US\$ 0.012
Mkt Cap (NGN, mn)	1,829
Mkt Cap (USD, mn)	6.00
Issued Shares (mn)	431
Major Shareholder	OXFORD UNIVERSITY PR
Major Shareholding	10.61%
Revenue-FY 2016 (NGN, 'mn)	1,471.9
Net Profit (NGN, 'mn)	73.3
Total Assets (NGN, 'mn)	3,139.2
Total Liabilities (NGN, 'mn)	779.4
Total Equity (NGN, 'mn)	2,359.8

Key Data

Net Profit Growth	-46.3%
EPS	0.2
Operating Margin	1.9%
RoA	2.4%
Net profit margin	5.0%
RoE	5.0%
P/E	25.0
P/B	0.8

6M Price Performance



Company Profile

Founded in 1949 under the name Oxford University Press Nigeria, University press Plc, is one of the oldest and most experienced publishers in Nigeria. The company is engaged in the business of printing, publishing and selling of educational and general reading material. The company develops reading titles starting from the pre-primary to tertiary. The company also publishes material for teacher training and general readership categories. The company's product offerings include pre-primary school books coverings English language skills, health and science, and Know Your Aptitude; primary school books catering subjects like basic English, and basic science and technology. The junior secondary books cover civic education, Christian religious studies and home economics. The general reading offerings include biographies,

dictionaries, encyclopedia, language and literature, and literary writings. The company has been listed on NSE since August 1978 where it trades under the ticker of UPL.

The Team

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