

CBL Research

# West African Review

17 February 2017 Edition



# This Week in West Africa

## Market Snapshot

**NSE ALSI and BRVM CI decreased 0.7% and 0.1%, respectively during the week. At the same time, GSE CI increased 0.2% during the week. While GSE CI and BRVM CI registered a decrease in volume traded, NSE ALSI registered an increase in the same**

- **GHANA:** GSE Composite Index increased by 0.2% in the current week to 1,809.47, compared to previous week's loss of 1.1%. The trading volume decreased over the previous week. The index recorded 7.1% gain on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 0.7% during the week compared to previous week's decrease of 1.8%. The index's trading volume increased over last week. The index has lost 6.4% on YTD basis compared to YTD loss of 5.7% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index decreased by 0.1% from previous week to 281.76 points, compared to previous week's increase of 0.9%. The trading volume decreased over the previous week. The index's YTD loss was 3.6% 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	1,805.09	1,806.96	0.10%	6.98%	25,340.02	25,244.29	-0.38%	-6.07%	282.16	281.06	-0.39%	-3.80%
Tuesday	1,806.96	1,813.47	0.36%	7.36%	25,244.29	25,032.17	-0.84%	-6.86%	281.06	281.30	0.09%	-3.72%
Wednesday	1,813.47	1,808.50	-0.27%	7.07%	25,032.17	25,130.26	0.39%	-6.49%	281.30	281.43	0.05%	-3.68%
Thursday	1,808.50	1,809.10	0.03%	7.11%	25,130.26	25,055.29	-0.30%	-6.77%	281.43	281.84	0.15%	-3.54%
Friday	1,809.10	1,809.47	0.02%	7.13%	25,055.29	25,164.91	0.44%	-6.36%	281.84	281.76	-0.03%	-3.56%

# 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	4.3750
GHS/GBP	5.4357
GHS/EUR	4.6533
Inflation	13.30%
91-Day T-Bill	15.69%
182-Day T-Bill	17.00%
1-Year T-Bill	19.00%
Total Reserves (USD bn)	5.9
Total Debt (USD bn)	28.3

## Market Snapshot

<b>Market Name</b>	<b>Ghana Stock Exchange (GSE)</b>
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

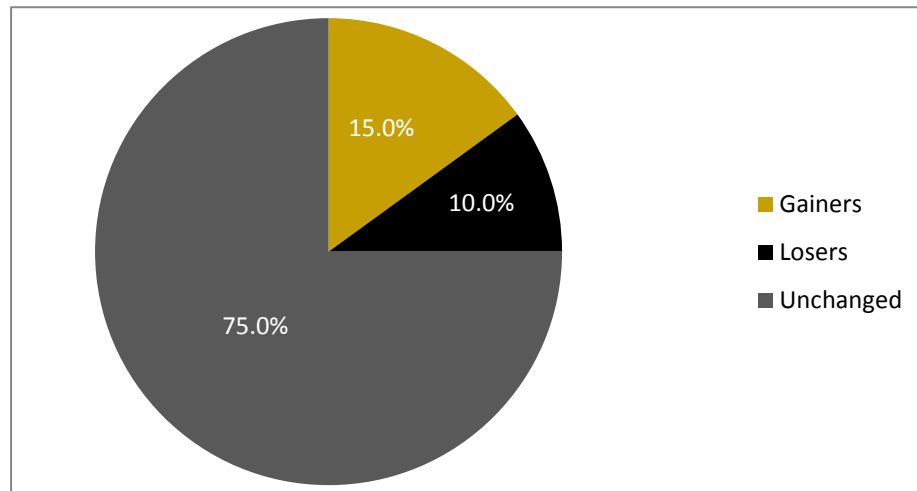


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,805.09	1,806.96	0.10%	6.98%	52,191.84	11,935.02
Tuesday	1,806.96	1,813.47	0.36%	7.36%	52,433.68	11,989.22
Wednesday	1,813.47	1,808.50	-0.27%	7.07%	52,201.71	11,935.37
Thursday	1,808.50	1,809.10	0.03%	7.11%	52,205.51	11,934.33
Friday	1,809.10	1,809.47	0.02%	7.13%	52,207.86	11,933.23

## Market Wrap

- GSE Composite Index increased by 0.2% in the current week, to 1,809.5 points from 1,805.1 in the previous week, representing a 7.1% gain on YTD basis.
- The shares of Ghana Commercial Bank Ltd. increased 1.6% during the week to GHS 4.33 from GHS 4.40 last Friday.
- The index's market cap increased by 0.1% to GHS 52,207.9 million (USD 11,933.2 million) from GHS 52,179.0 million in the last week.
- The shares traded during the week decreased by 98.8% from previous week to 1.8 million from 156.7 million in the last week.
- The value of transactions in the week decreased by 96.9% to GHS 7.1 million (USD 1.6 million) from the previous week's value of GHS 228.4 million.
- An average of 0.4 million shares per day valued at GHS 1.4 million traded during the week compared to 31.3 million shares valued at GHS 45.7 million that traded during the previous week.
- Monday recorded the biggest turnover and the biggest value traded for the week as the deals made up for 61.0% and 53.2% of the total weekly market volume and value traded respectively.
- The market breadth for current week was positive with 15.0% of the total active shares increased and 10.0% decreased during the week. The remaining 75.0% of the total active stocks were unchanged from the previous week.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No event		

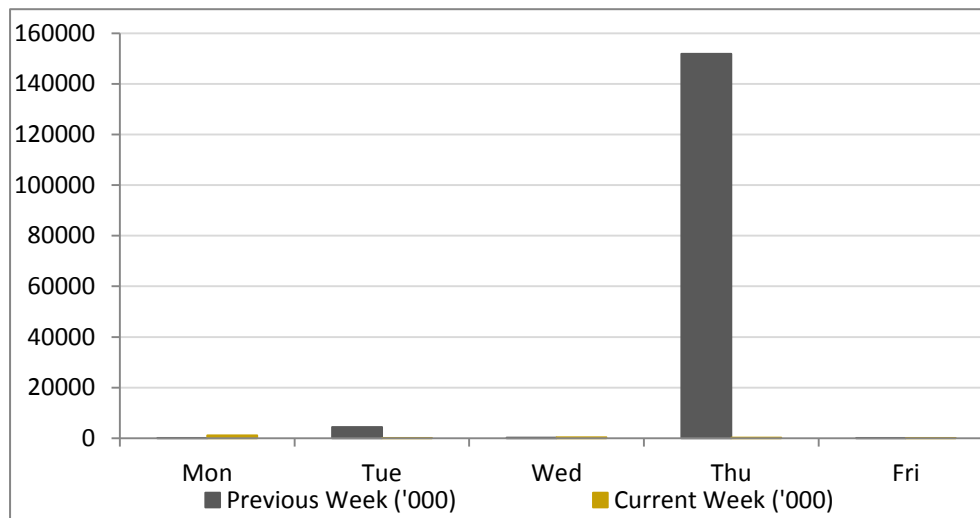
## Dividend Announcement

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

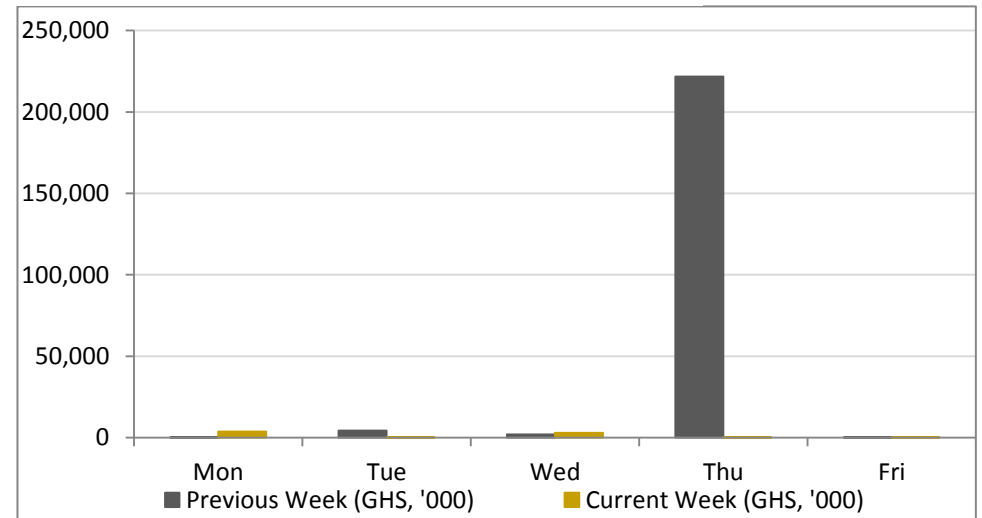
## Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	1,125,376	3,780,861	864,592	47	12	2	1	9
Tuesday	81,694	56,717	12,969	38	11	2	0	9
Wednesday	338,855	3,031,136	693,037	66	15	3	1	11
Thursday	265,002	195,960	44,797	31	13	2	0	11
Friday	33,668	39,935	9,128	61	10	1	1	8

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in Ghana

### Ghana's cash deficit hits 9.0% of GDP

The IMF team led by, Mr. Joel Toujas Bernate, has indicated that Ghana is still facing challenges. A team from the IMF visited Accra from February 6 to February 10, 2017, to review the 2016 economic performance and the gauge the outlook for 2017. The team pointed out that the country's overall fiscal deficit position (on a cash basis) worsened to about 9% of GDP, instead of declining to 5.25% of GDP as set under the IMF programme. The team stated that this deterioration was caused by poor oil and non-oil revenue performance and expenditure overruns. This also added to the government's debt, taking the debt-to-GDP ratio to about 74% of GDP at end-2016. Despite the fiscal deficit deterioration, IMF is expected to approve the next tranche of support to Ghana.

<http://peacefmonline.com/>

### Ghana's cocoa production revised to 800,000 tonnes

The new head of Ghana COCOBOD, Joseph Boahen Aidoo, has revised the cocoa production in Ghana to 800,000 tonnes of cocoa for 2016/17 season from earlier estimate of 850,000-900,000 tonnes. Mr. Aidoo replaced Mr. Stephen Opuni as the new head of COCOBOD from January 7. Mr. Opuni was widely criticized by both farmers and traders alike for the lack of transparency in his management of the industry. He said that the cocoa production currently stands at around 600,000 tonnes and expects to add around 200,000 tonnes more during the season. Mr. Aidoo assured that he is making efforts to improve farming practices and support growers and buyers to increase the country's cocoa production to above 1 million tonnes annually.

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

### Government to negotiate ECF program with the IMF

The Minister of Monitoring and Evaluation, Dr. Anthony Akoto Osei, has indicated that the government of Ghana is negotiating with the International Monetary Fund (IMF) to extend the Extended Credit Facility (ECF) program to December 2018 from the original target of April 2018. During its visit, the IMF team appreciated NPP's plans to cut down or eliminate some taxes, restore fiscal discipline, promote debt sustainability and support private sector development. Successful implementation can help reduce fiscal slippages in Ghana. The fund also welcomed the new government's intention to conduct a full audit of outstanding obligations.

<https://citifmonline.com/>

### Implementation of Deposit Protection Act to commence in the second quarter of the year

The Chief Manager of Banking Supervision Department of BoG, Mr. Ismail Adam, has served a notice that the bank will begin the implementation of the Ghana Depository Protection Act, 2016 (Act 931) in 2Q 2017. The act was passed by parliament in 2016 to protect depositors from loss of funds. The law, which was formed in the wake of DKM Microfinance debacle, offers GHS 6,250 in compensation to depositors whose funds get locked up in financial institutions during crisis. This will be paid by the Deposit Protection Fund Corporation.

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

# Nigeria

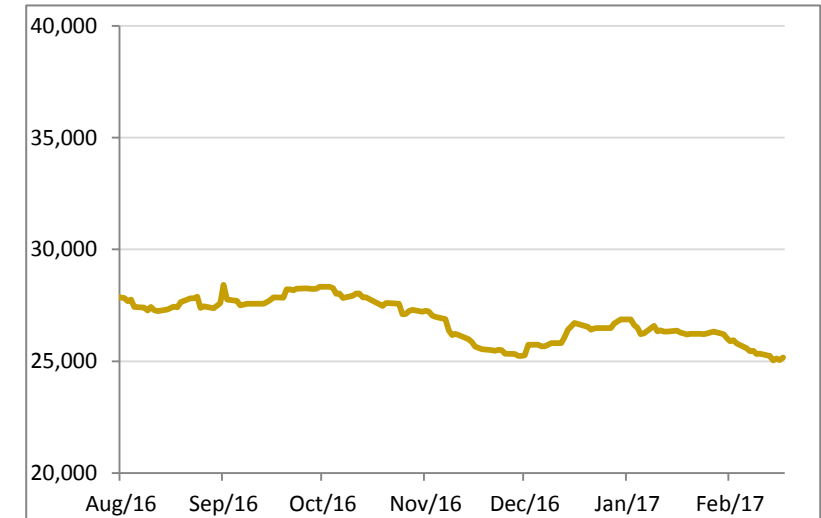
## Economic Snapshot

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	378.66
NGN/EUR	324.76
Inflation	18.72%
91-Day T-Bill	14.29%
182-Day T-Bill	19.76%
1-Year T-Bill	22.53%
Total Reserves (USD bn)	29.1
Total Debt (USD bn)	57.4

## 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

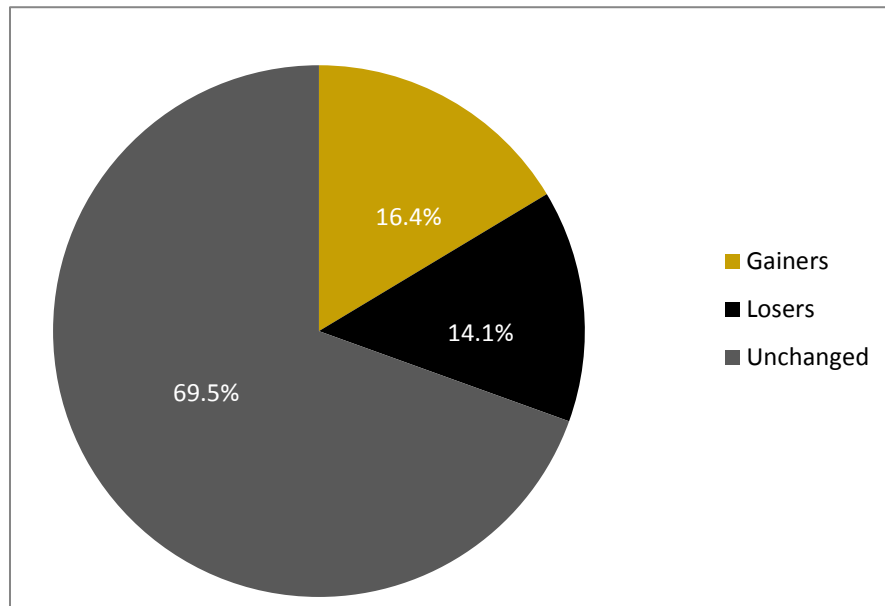


Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	25,340.02	25,244.29	-0.38%	-6.07%	8,736.57	28.69
Tuesday	25,244.29	25,032.17	-0.84%	-6.86%	8,663.16	28.40
Wednesday	25,032.17	25,130.26	0.39%	-6.49%	8,697.11	28.52
Thursday	25,130.26	25,055.29	-0.30%	-6.77%	8,671.16	28.43
Friday	25,055.29	25,164.91	0.44%	-6.36%	8,709.10	28.55

## Market Wrap

- NSE All Share Index decreased by 0.7% on weekly basis (compared to 1.8% decrease in the last week). The index ended the week at 25,164.91 points, representing year-to-date loss of 6.4%.
- The shares of Vitafoam Nigeria plc decreased 13.04% during the week followed by Fidson Healthcare plc at 11.40%.
- Market cap decreased during the week to NGN 8,709.1 million (USD 28.6 million) from NGN 8,769.70 million at the end of last week.
- The trading volume increased by 2.0% over previous week to 1,073.1 million from 1,052.4 million shares that traded in the previous week.
- The value of transactions increased by 7.2% in the current week to NGN 8,607.7 million (USD 28.2 million) compared to NGN 8,030.6 million recorded in the previous week.
- An average of 214.6 million shares valued at NGN 1,721.5 million traded on each session of the week compared to 210.5 million traded shares valued at NGN 1,606.1 million in the previous week.
- Friday recorded the biggest turnover and the biggest value traded for the week as the day's deals made up for 44.7% of the weekly volume and 23.0% of value traded respectively.
- The market breadth was positive during the last week as 16.4% of the total shares increased in value compared with 14.1% of the stock registering losses. In the last week, 69.5% of the shares remained unchanged.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No event		

## Dividend Announcement

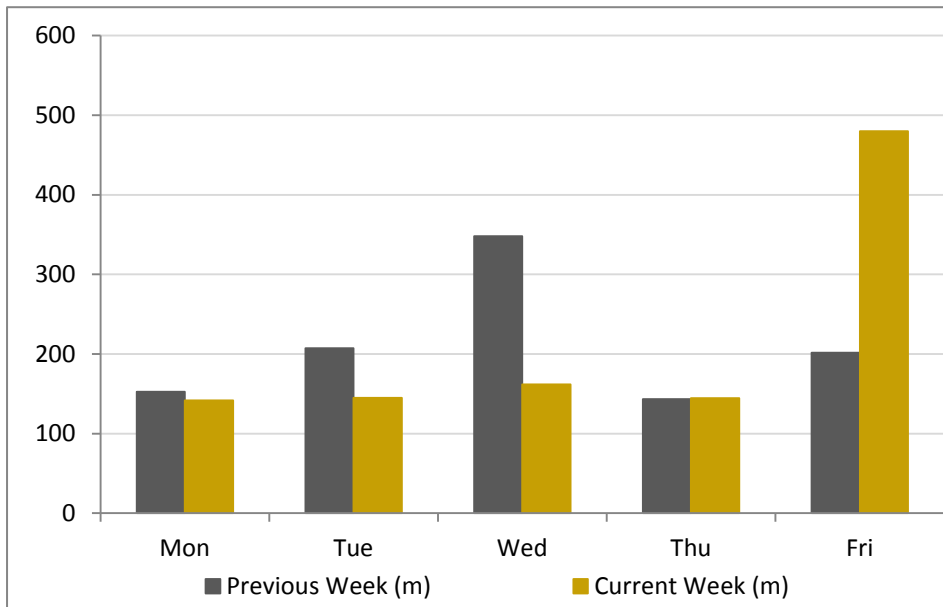
Company	DPS (NGN)	DPS (USD)	Payment Date
No dividend			



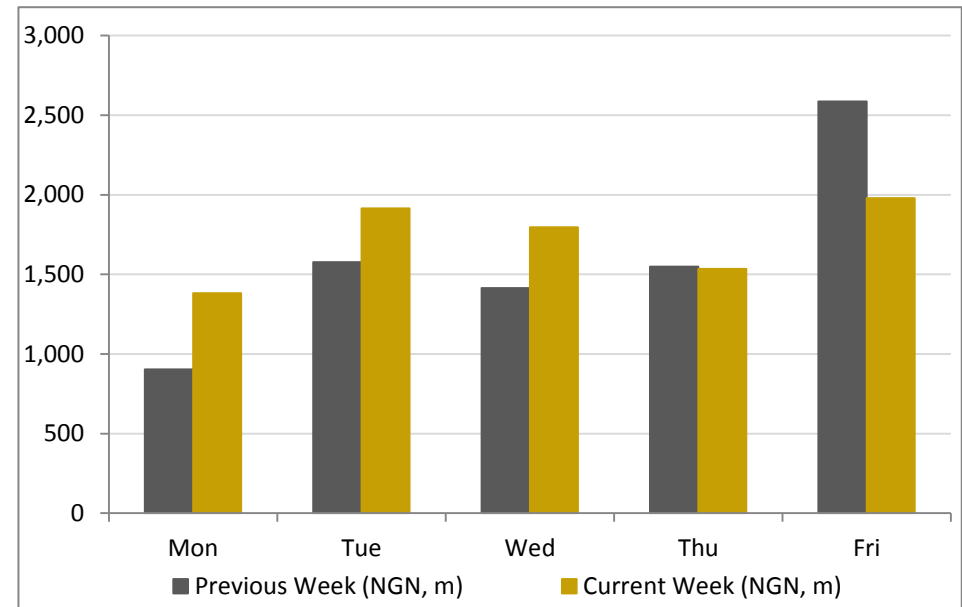
## Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	142	1,382	4.5	2,386	113	15	17	81
Tuesday	145	1,914	6.3	2,868	84	15	14	55
Wednesday	162	1,797	5.9	4,216	100	10	14	76
Thursday	144	1,535	5.0	2,303	104	17	17	70
Friday	480	1,979	6.5	2,713	99	21	10	68

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in Nigeria

### **Incidences of pipeline vandalism in Niger Delta decreased 58% MoM in November 2016**

The Nigerian National Petroleum Corporation (NNPC) stated in its monthly Financial and Operations Report for December 2016, issued on February 16, 2017, Thursday that the incidences of pipeline vandalism reduced 58% MoM in November 2016. The report disclosed that only 18 cases of vandalized points on downstream pipelines were recorded in November 2016 compared to 43 cases in October 2016. This reduction comes in the wake of efforts by the federal government, which has been continuously engaging with the leaders and stakeholders in the Niger Delta to ensure that oil and gas facilities are secure. The corporation also reported a 13.4% MoM increase in oil and gas sales in December 2016. The total export sale stood at US\$ 195.4 million for December 2016, compared to US\$ 166.2 million recorded in November 2016.

<http://allafrica.com/>

### **USAID plans to infuse US\$ 1 billion in Nigeria's power sector**

United States Agency for International Development, USAID, funded energy initiative, Power Africa, has announced plans to infuse about US\$ 1 billion in the Nigerian power sector. The program coordinator for the USAID, Mr. Andrew Herscowitz, said that the initiative is committed to strengthening Nigeria's energy supply situation. He added that, since the inception of Power Africa, the agency has committed about US\$ 6.5 million funding for 10 activities in Nigeria's power sector, which could leverage up to investment of US\$ 2.7 billion in the sector.

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

### **CBN disbursed US\$ 2.83 billion in December and January to support the economy**

The Central Bank of Nigeria issued a statement on Thursday stating that it has disbursed US\$ 2.83 billion in December and January to support critical sectors of the economy which were hit by scarcity of foreign currency. The bank believes the infusion of funds will kick start the economy and lessen the scarcity of foreign currency. Nigeria's economy is enduring its first recession in 25 years due to low exports of the crude oil. This has also negatively impacted the exchange rate of Naira. In addition, the lack of dollars due to government restrictions has left businesses struggling to import overseas products they need. The apex institution assured that it will continue working towards easing the foreign exchange pressure on critical sectors to boost economic activity and employment in the country.

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

### **NNPC registers NGN 197 billion loss in 2016**

The Nigerian National Petroleum Corporation (NNPC) stated in its monthly operations and financial report for the month of December 2016 that the corporation registered a trading loss of NGN 197 billion in 2016 fiscal year. The report added that NNPC registered deficit in all months except May, when it posted a profit of NGN 273.7 million. The company cited repeated pipeline breaks and vandalism of oil assets as the reason for most of its losses.

<http://allafrica.com/>

# French West Africa

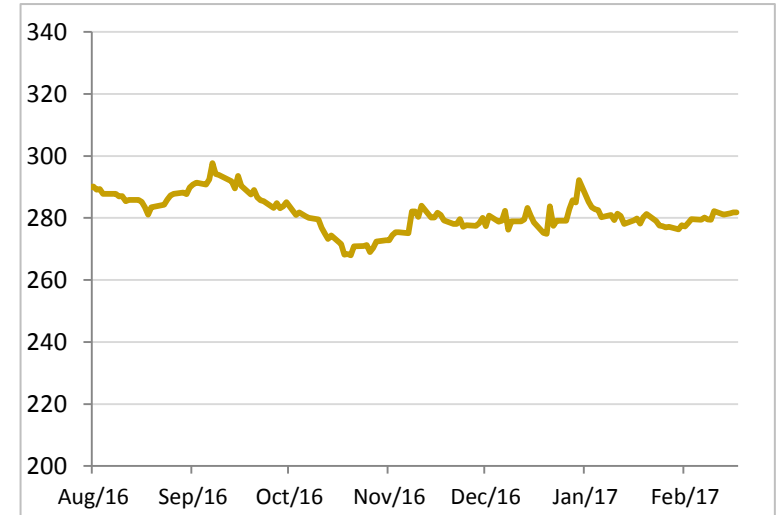
## Economic Snapshot

GDP (USD bn)	92.40
GDP growth	11.40%
GDP per Capita (USD)	868.80
XOF/USD	615.92
XOF/GBP	765.23
XOF/EUR	655.96
Inflation	-0.20%
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

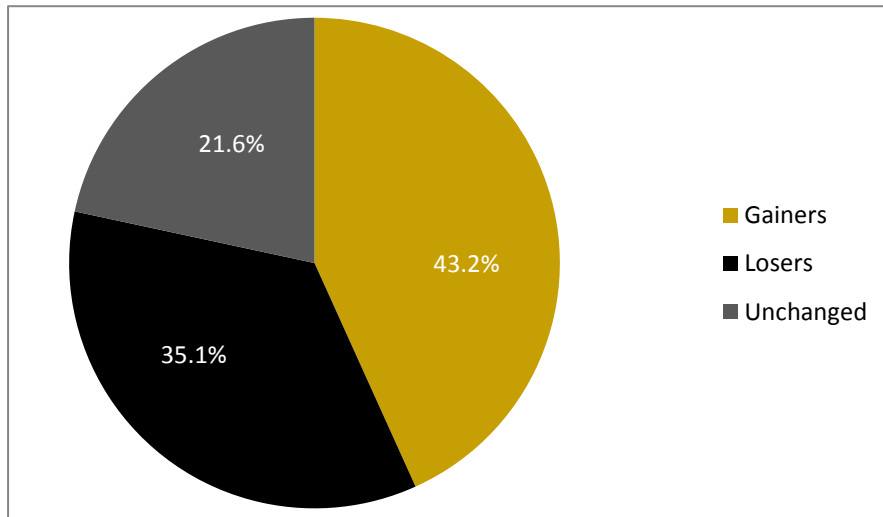


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	282.16	281.06	-0.39%	-3.80%	7,423.70	12.03
Tuesday	281.06	281.30	0.09%	-3.72%	7,430.13	12.03
Wednesday	281.30	281.43	0.05%	-3.68%	7,433.39	11.96
Thursday	281.43	281.84	0.15%	-3.54%	7,444.26	12.09
Friday	281.84	281.76	-0.03%	-3.56%	7,442.25	12.08

## Market Wrap

- For the week under review, BRVM Composite Index decreased by 0.1% over previous week, compared to previous week’s increase of 0.9%, closing the current week at 281.8 points which represents 3.6% loss on YTD basis.
- The shares of Societe d'Etudes et de Travaux pour l'Afrique de l'Ouest decreased 14.4% during the week to XOF 28,240 from XOF 33,000 in the previous week.
- Market cap also decreased from previous week to end the current week at XOF 7,442.25 million (USD 12.1 million) from XOF 7,452.73 million in the previous week.
- During the week, shares traded decreased by 83.6% on weekly basis to 0.6 million from 3.6 million in the previous week.
- The value of transactions for the week decreased by 31.6% to XOF 3,174.9 million compared to previous week’s XOF 4,639.6 million.
- An average of 0.12 million shares valued at XOF 635.0 million traded on each session of the week compared to 0.72 million shares valued at XOF 927.9 million that traded in the last week.
- Tuesday recorded the biggest turnover and Thursday recorded the biggest value traded for the week as deals made up for 39.4% of the weekly volume and 26.6% of value traded respectively.
- The market breadth was positive during the week with 43.2% of the stocks increasing and 35.1% decreasing. The remaining 21.6% of the stocks registered no change in price.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No events		

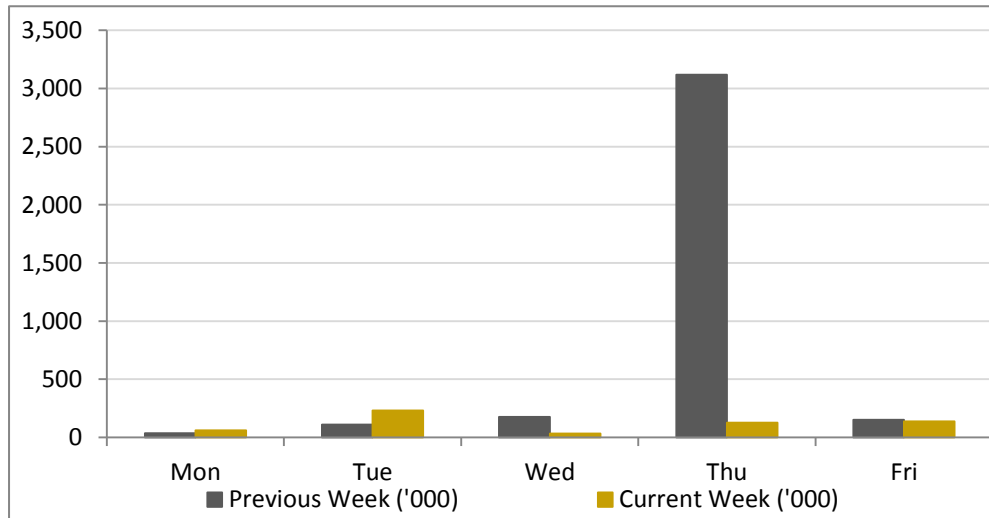
## Dividend Announcement

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

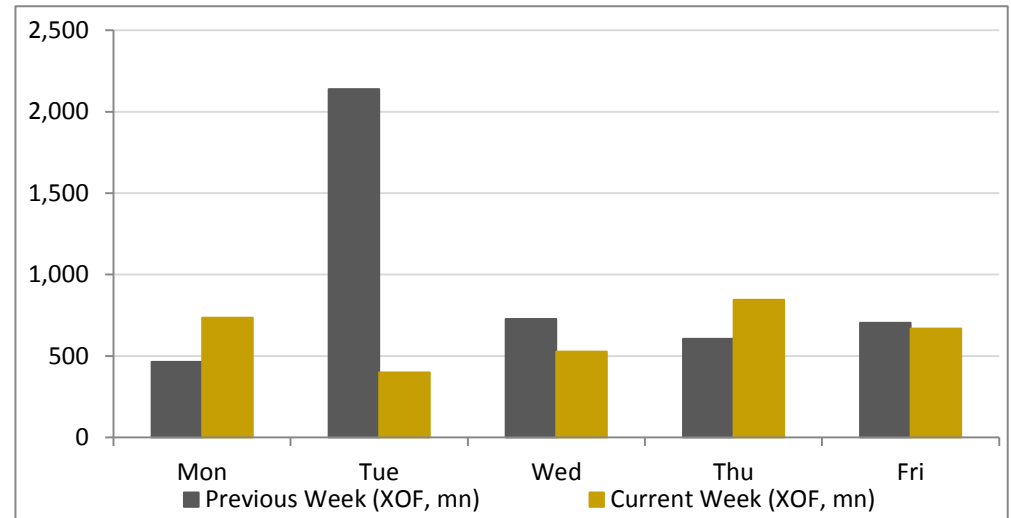
## Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	60	734	1.2	569	37	9	18	10
Tuesday	233	400	0.6	544	36	13	9	14
Wednesday	32	526	0.8	416	34	10	12	12
Thursday	127	846	1.4	422	32	9	15	8
Friday	139	669	1.1	422	33	16	9	8

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in BRVM

### **Ivorian cocoa producers demonstrate downturn in sales in Abidjan and San Pedro**

Ivory Coast saw dozens of people demonstrating in Abidjan and San Pedro against a slowdown in exports and a decrease in buying price. Meanwhile, several tons of cocoa have piled up in warehouses. The Coffee-Cocoa Council cited excess production in Ivory Coast and worldwide price reduction as the reason for the slowdown of sales. Cocoa producers in the country are requesting the government to activate an emergency fund on cocoa as decline in cocoa prices has made it difficult for producers to sell the produce at a respectable price.

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

### **Production to be halted for 18 months in the Kalana mine in Mali**

Canadian Avneel Gold has announced that it will suspend production at its Kalana underground mine in Mali for 18 months from June 2017 to expand its operations and build a new processing plant. The company will start construction of a new factory in July. The new mine will have a lifespan of 18 years and will produce 148,000 ounces of gold a year in the initial five years. The construction is expected to cost about US\$ 117 million. The production will commence again in January 2019 at a larger, open-pit mine with estimated gold reserves of 1.96 million ounces.

<http://finance.yahoo.com/>

### **Guinea-Bissau to raise XOF 13 billion through issue of one-year bond on February 22**

West Africa's debt planning agency AUT announced on February 14, 2017, that Guinea Bissau will issue a one-year bond to raise XOF 13 billion (US\$ 20.9 million). The bond will be issued with multiple interest rates on February 22, 2017. The bond will be sold in units of XOF 1 million to investors across the francophone West African common currency zone.

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

# Featured Stock – Greif Nigeria Plc

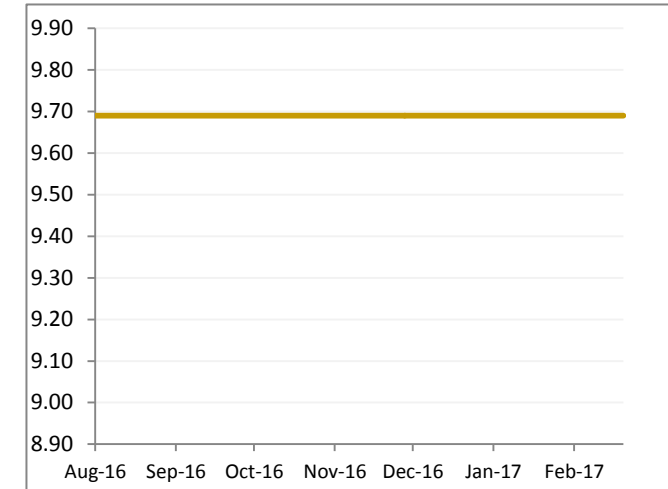
## Snapshot – Greif Nigeria Plc

Symbol	VANLEER NL
ISIN	NGVANLEER005
Current Price (NGN/Sh.)	9.69
Year High (22-Feb-16)	NGN 9.83/ US\$ 0.03
Year Low (22-Mar-16)	NGN 9.23/ US\$ 0.03
Mkt Cap (NGN, mn)	413
Mkt Cap (USD, mn)	1.35
Issued Shares (mn)	43
Major Shareholder	GREIF INTE HOLDING B
Major Shareholding	51.03%
Revenue-FY 2016 (NGN, 'mn)	999.2
Net Profit (NGN, 'mn)	27.1
Total Assets (NGN, 'mn)	722.5
Total Liabilities (NGN, 'mn)	384.9
Total Equity (NGN, 'mn)	337.6

## Key Data

Net Profit Growth	10.1%
EPS	0.6
Operating Margin	3.1%
RoA	3.8%
Net profit margin	2.7%
RoE	7.6%
P/E	15.2
P/B	1.2

## 6M Price Performance



## Company Profile

Greif Nigeria Plc, formerly known as Van Leer Containers (Nigeria) Plc till May 2004, is one of the major companies operating in Industrial goods segment in Nigeria.

The company is involved in manufacturing and marketing of metal drums and plastic containers. The company is also engaged in production of sheet metal product and stainless steel shape. In addition to the product offerings, the Company also provides services such as punching and aluminum welding.

Greif Nigeria Plc is a subsidiary of Greif International Holding B.V. The company was incorporated in 1940 and has been

listed on Nigerian Stock Exchange since 1979 where it trades under the ticker of Vanleer.

## The Team

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