

CBL Research

# West African Review

28 October 2016 Edition



- BRVM
- GSE
- NSE

# This Week in West Africa

## Market Snapshot

**While GSE CI and NSE CI decreased during the week, by 2.6% and 1.1% respectively, BRVM CI increased 0.6%. All the three indices registered increase in volume traded**

- **GHANA:** GSE Composite Index decreased by 2.6% in the current week to 1,710.67, compared to previous week's loss of 0.8%. The trading volume increased over the previous week. The index recorded 14.2% loss on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 1.1% during the week compared to previous week's decrease of 0.9%. The index's trading volume increased over last week. The index has lost 4.7% on YTD basis compared to YTD loss of 3.65% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index increased by 0.6% from previous week to 272.40 points, compared to previous week's decrease of 1.3%. The trading volume increased over the previous week. The index's YTD loss was 10.4% 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	1,755.61	1,752.54	-0.17%	-12.15%	27,596.82	27,574.95	-0.08%	-3.73%	270.84	271.00	0.06%	-10.83%
Tuesday	1,752.54	1,748.65	-0.22%	-12.34%	27,574.95	27,098.52	-1.73%	-5.39%	271.00	271.24	0.09%	-10.76%
Wednesday	1,748.65	1,741.91	-0.39%	-12.68%	27,098.52	27,120.39	0.08%	-5.31%	268.15	268.40	-0.85%	-11.69%
Thursday	1,741.91	1,738.49	-0.20%	-12.85%	27,120.39	27,236.78	0.43%	-4.91%	268.94	270.33	0.52%	-11.06%
Friday	1,738.49	1,710.67	-1.60%	-14.25%	27,236.78	27,294.21	0.21%	-4.71%	270.33	272.40	0.77%	-10.37%

# Ghana

## Economic Snapshot

GDP (USD bn)	36.8
GDP growth	3.90%
GDP per Capita (USD)	1,359.0
BoG Policy Rate	26.00%
GHS/USD	3.9643
GHS/GBP	4.8184
GHS/EUR	4.3334
Inflation	17.20%
91-Day T-Bill	22.54%
182-Day T-Bill	23.61%
1-Year T-Bill	23.50%
Total Reserves (USD bn)	5.9
Total Debt (USD bn)	15.2

## 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

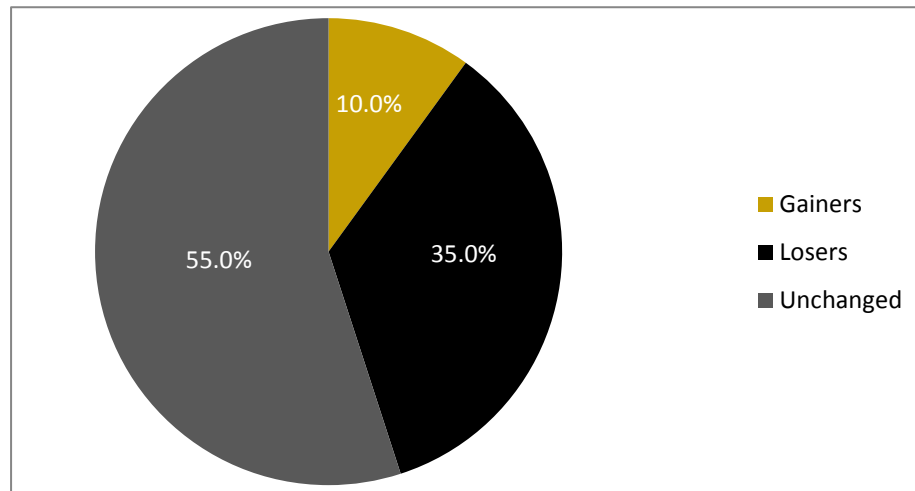


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,755.61	1,752.54	-0.17%	-12.15%	52,523.13	13,249.36
Tuesday	1,752.54	1,748.65	-0.22%	-12.34%	52,500.97	13,243.11
Wednesday	1,748.65	1,741.91	-0.39%	-12.68%	52,262.24	13,182.56
Thursday	1,741.91	1,738.49	-0.20%	-12.85%	52,242.80	13,175.66
Friday	1,738.49	1,710.67	-1.60%	-14.25%	51,884.08	13,087.83

## Market Wrap

- GSE Composite Index decreased by 2.6% in the current week, to 1,710.7 points from 1,755.6 in the previous week, representing a 14.3% loss on YTD basis.
- The shares of UTB Ltd. decreased 25.0% during the week to 3GHp from 4GHp last Friday.
- The index's market cap decreased by 1.2% to GHS 51,884.1 million (USD 13,087.8 million) from GHS 52,540.6 million in the last week.
- The shares traded during the week increased by 47.4% from previous week to 2.1 million from 1.4 million in the last week.
- The value of transactions in the week decreased by 36.7% to GHS 0.2 million (USD 0.1 million) from the previous week's value of GHS 0.4 million.
- An average of 0.4 million shares per day valued at GHS 0.0 million traded during the week compared to 0.3 million shares valued at GHS 0.1 million that traded during the previous week.
- Monday recorded the biggest turnover and Tuesday recorded the biggest value traded for the week as the deals made up for 47.6% and 28.7% of the total weekly market volume and value traded respectively.
- The market breadth for current week was negative with 10.0% of the total active shares increased and 45.0% decreased during the week. The remaining 45.0% of the total active stocks were unchanged from the previous week.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No Events		

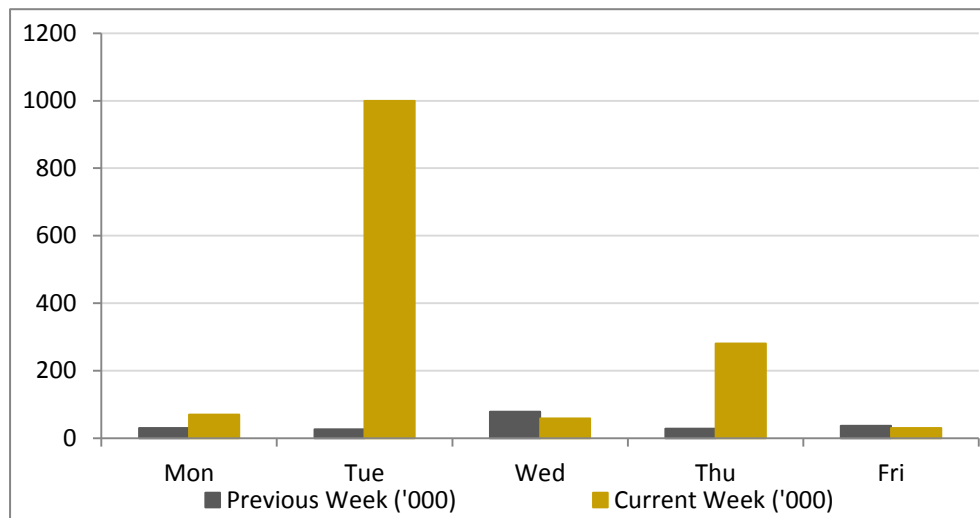
## Dividend Announcement

Company	DPS (GHS)	DPS (USD)	Qualifying Date	Payment Date
SCB	0.0714	0.02	24-Feb-2017	30-Mar-2017

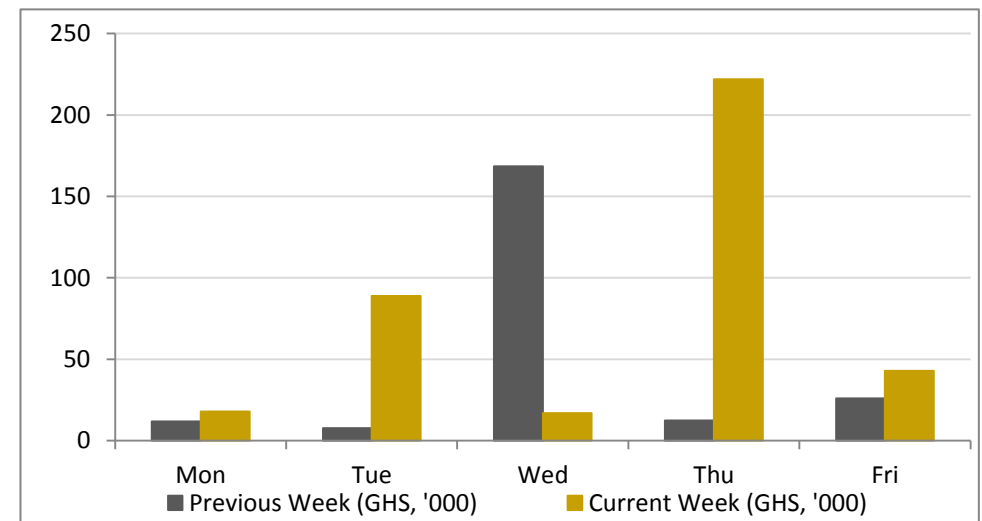
## Market Volume (Week-on-week)

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	1,009,409	38,680	9,757	51	10	0	3	7
Tuesday	542,331	70,645	17,820	63	11	0	2	9
Wednesday	190,255	44,106	11,125	81	14	1	2	11
Thursday	135,168	29,488	7,437	110	16	0	3	13
Friday	243,244	63,040	15,902	68	14	1	5	8

### Trading Statistics



### Market Value (Week-on-week)



## This week in Ghana

### Ghana to mortgage gas to China

Seth Terkper, Minister of Finance, stated that Ghana will be mortgaging gas produced from one of its three plant to China Development Bank (CDB) for the coming 19 years starting 2018. The gas produced from Atuabo plant will be mortgaged for the purpose. This agreement with CDB is in line with US\$ 3.0 billion deal where Ghana was to provide 13,000 barrels per day of crude oil up to 2027 to service the CDB facility. However, the slump in oil prices made this facility inadequate and CDB discontinued its facility after disbursing US\$ 1.0 billion. The new facility proposes to export gas produced at Ghana's gas processing plant at Atuabo, with an estimated value of US\$1.5 billion and reactivate the CDB's loan facility.

<http://citifmonline.com/>

### GE to build world's largest LPG fired power plant in Ghana

General Electric Company has received approval for the construction of the world's largest liquefied petroleum gas fired power plant in Ghana. The consortium will develop 400 MW plant in two stages or ventures. The first one will be of 144 MW for the Electricity Corporation of Ghana. The plant is to be constructed in the port of Tema. The plant would be capable of being fueled by diesel as well as the natural gas. Ghana is planning to double its installed capacity to 2800 MW in next five years and believes electricity generation is important for sound economic growth.

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

### GDP forecast revised down to 7.0-7.4%

Ghana's finance minister, Set Terkper in an announcement revised the country's 2017 GDP growth forecast to 7.0-7.4% from the earlier estimated 8.0% following the lower than expected economic recovery. The government spending remained within targets set by IMF under a three-year program to stabilize the economy.

### Ghana PPI contracted to 9.7% driven by lower gold prices

Ghana's statistics office reported on Wednesday that the country's producer price inflation (PPI) declined 1.4pps to 9.7% in September from 11.1% in August on the back of lower gold prices. Year-on-year producer inflation for utilities segment increased to 38.2% from 36.0% in August. The inflation for mining and quarrying sector declined to 22.2% from 28.4% in the previous month. The inflation for manufacturing sector stood at 1.3%. Ghana revised its 2017 GDP forecast on Monday revised to 7.0% - 7.4% from the previous projection of above 8%.

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

### Crude exports earnings declined in 3Q

Ghana's earnings from crude exports reduced significantly in the third quarter to US\$19.5 million. The decline is considerable compared to US\$ 64.3 million and US\$ 24.0 million in Q1 and Q2, respectively. Earnings declined primarily due to decrease in Ghana's export to 983k barrels in Q3 from 1.8 million barrels and 995k barrels in Q1 and Q2, respectively. Government cut expected earnings from crude exports to GHS 1.4 billion, below 2016 budget of GHS 2.0 billion. The deficit of GHS 600.0 million cut will adversely affect disbursement to other critical sectors under the Petroleum Revenue Management Act. The total collection of GHS 1.4 billion will be distributed, with Ghana National Oil company receiving GHS 524.0 million, Ghana Petroleum Fund receiving GHS 263.0 million and remaining GHS 613.0 million to be utilized for specific programs and policies indicated in the budget.

<http://www.myjoyonline.com>

# Nigeria

## Economic Snapshot

GDP (USD bn)	286.5
GDP growth	2.60%
GDP per Capita (USD)	1692.3
Policy Rate	14.00%
NGN/USD	305.00
NGN/GBP	373.66
NGN/EUR	333.21
Inflation	17.85%
91-Day T-Bill	14.51%
182-Day T-Bill	18.68%
1-Year T-Bill	22.39%
Total Reserves (USD bn)	30.0
Total Debt (USD bn)	23.3

## Market Snapshot

<b>Market Name</b>	<b>Nigeria Stock Exchange (NSE)</b>
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

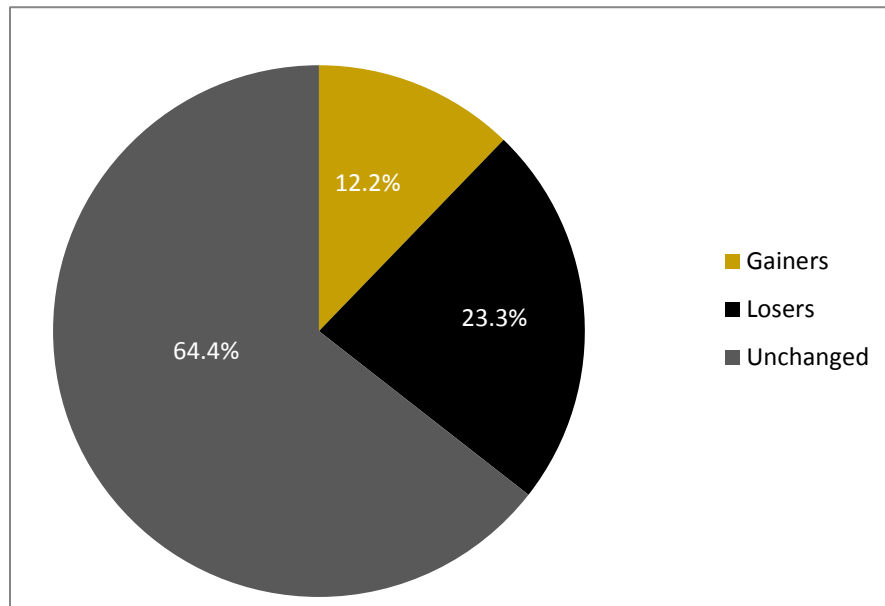


Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	27,596.82	27,574.95	-0.08%	-3.73%	9,471.45	31.05
Tuesday	27,574.95	27,098.52	-1.73%	-5.39%	9,307.81	30.52
Wednesday	27,098.52	27,120.39	0.08%	-5.31%	9,315.32	30.54
Thursday	27,120.39	27,236.78	0.43%	-4.91%	9,355.30	30.67
Friday	27,236.78	27,294.21	0.21%	-4.71%	9,375.02	30.74

## Market Wrap

- NSE All Share Index decreased by -1.1% on weekly basis (compared to -0.9% decrease in the last week). The index ended the week at 27,294.21 points, representing year-to-date loss of 4.7%.
- The shares of Fidons Healthcare Plc decreased 16.45% during the week followed by Ashaka Cement plc at 9.65%.
- Market cap decreased during the week to NGN 9,375.0 million (USD 30.7 million) from NGN 9,478.97 million at the end of last week.
- The trading volume increased by 0.6% over previous week to 678.7 million from 674.7 million shares that traded in the previous week.
- The value of transactions decreased by 10.2% in the current week to NGN 6,874.7 million (USD 22.5 million) compared to NGN 7,656.6 million recorded in the previous week.
- An average of 135.7 million shares valued at NGN 1,374.9 million traded on each session of the week compared to 134.9 million traded shares valued at NGN 1,531.3 million in the previous week.
- Wednesday recorded the biggest turnover and Thursday recorded the biggest value traded for the week as the day's deals made up for 23.6% of the weekly volume and 25.6% of value traded respectively.
- The market breadth was negative during the last week as 12.2% of the total shares increased in value compared with 23.3% of the stock registering losses. In the last week, 64.4% of the shares remained unchanged.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No Events		

## Dividend Announcement

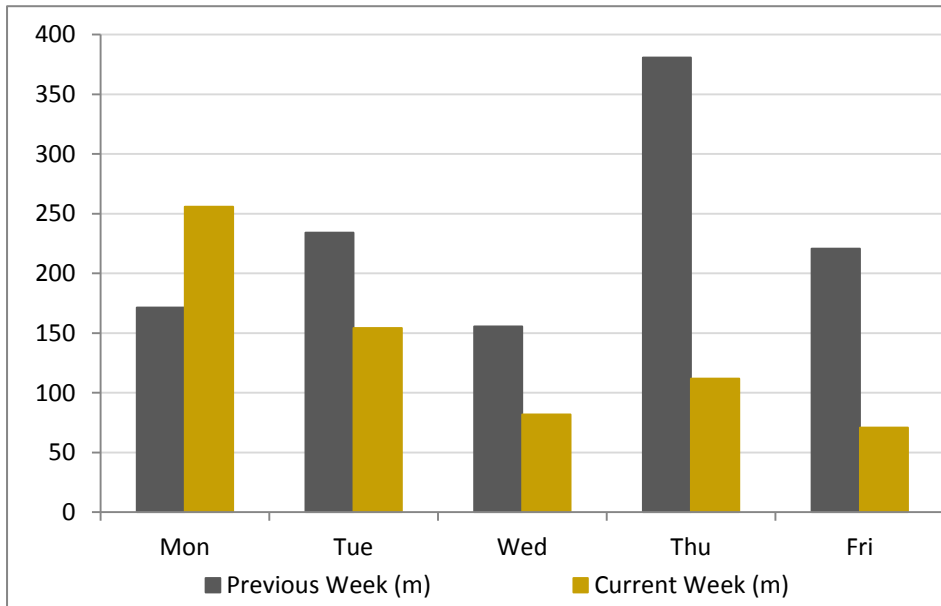
Company	DPS (NGN)	DPS (USD)	Payment Date
No Announcements			



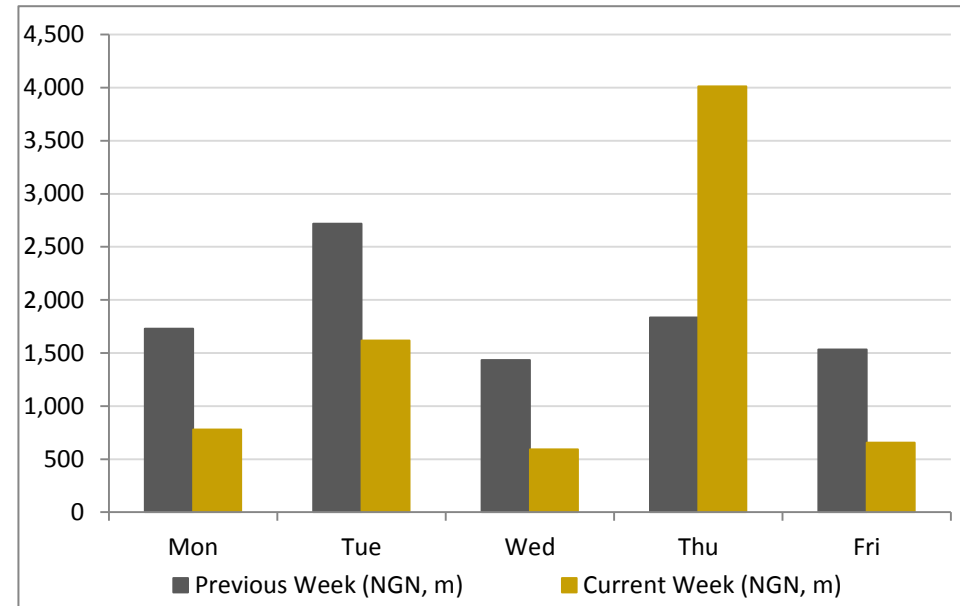
## Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	101	1,061	3	2,256	81	11	19	51
Tuesday	113	1,234	4	2,435	100	11	27	62
Wednesday	160	1,741	6	2,396	86	17	17	52
Thursday	156	1,759	6	2,648	90	15	18	57
Friday	148	1,080	4	2,073	81	24	11	46

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in Nigeria

### **Nigeria to spend US\$10.0 billion to end conflict in Niger Delta**

Nigeria's oil production has increased to 1.9 million/bpd, significantly higher than 1.3 million bps in early 2016. The production is still below the previous 2.2 million/bpd output level before the militant attacks on oil infrastructure in Niger Delta. The government has begun the talks with Niger Delta leaders to end militancy and increase oil production. Nigeria's government made plans to invest US\$ 10.0 billion for the development purposes in the region. The funding would be funded by federal government as wells as oil companies.

<http://www.bbc.com>

### **Oil reserve found off the coast of Nigeria**

The US oil producing company, ExxonMobil discovered oil off the coast of Nigeria with an estimated worth of US\$ 500 million to US\$ 1.0 billion. The oil find is located at the Owowo offshore field in the southern Bayelsa State of Nigeria. The well was dug for total 10,410 feet (3,173 m) and in water for 1,890 feet (576 m). Stephen Greenlee, president of ExxonMobile Exploration Company said they are encouraged by the result and are working with their partners and government on future development plants of the oil well.

<http://www.africanews.com>

### **China to finalize Oil deal with Nigeria**

Nigeria and China started finishing the deal which will see China investing in Nigeria's energy sector. The major points to highlight include China North Industries Corp providing oil-backed debt of US\$ 5.5 billion for development of upstream oil production in Nigeria, funding new petroleum pipeline project of US\$ 4.3-5.4 billion. These funding were to be sovereign guaranteed primarily due to militant insurgencies breakouts in the Nigeria.

<http://allafrica.com>

### **Nigeria receive funding to fight polio outbreak**

The World Bank has provided Nigeria access to a cumulative loan of US\$ 575.0 million for the purpose of reconstruction of the North East and also to combat outbreak of polio in the region damaged by the Boko Haram insurgency. Out of the total, US\$ 125.0 million is to utilized for the polio emergency, while the remaining US\$ 450.0 million to be utilized for reconstruction and rehabilitation of the north east. Recent outbreak was a major setback for Nigeria as it was expected to receive certification of polio eradication in June 2017.

<http://www.premiumtimesng.com>

# French West Africa

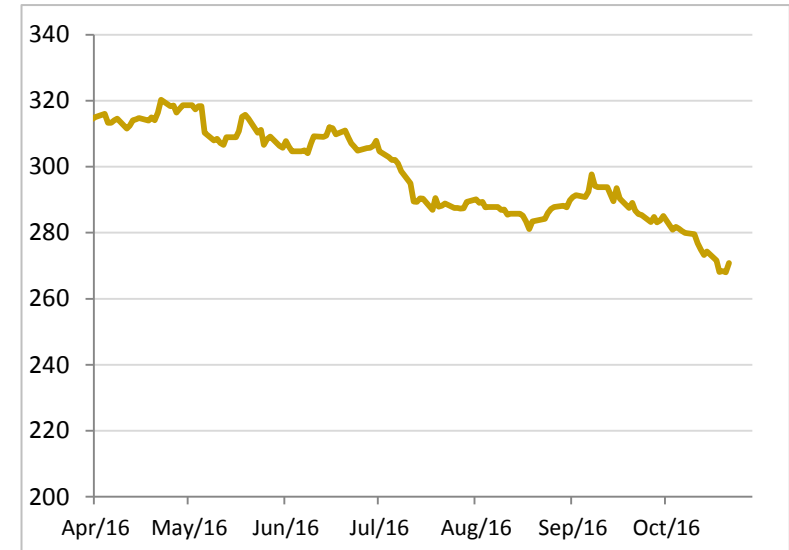
## Economic Snapshot

GDP (USD bn)	92.40
GDP growth	11.40%
GDP per Capita (USD)	868.80
XOF/USD	609.58
XOF/GBP	729.61
XOF/EUR	655.96
Inflation	1.00%
91-Day T-Bill	3.92%
182-Day T-Bill	4.41%
1-Year T-Bill	4.86%
Total Debt (USD billion)	31.20

## 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

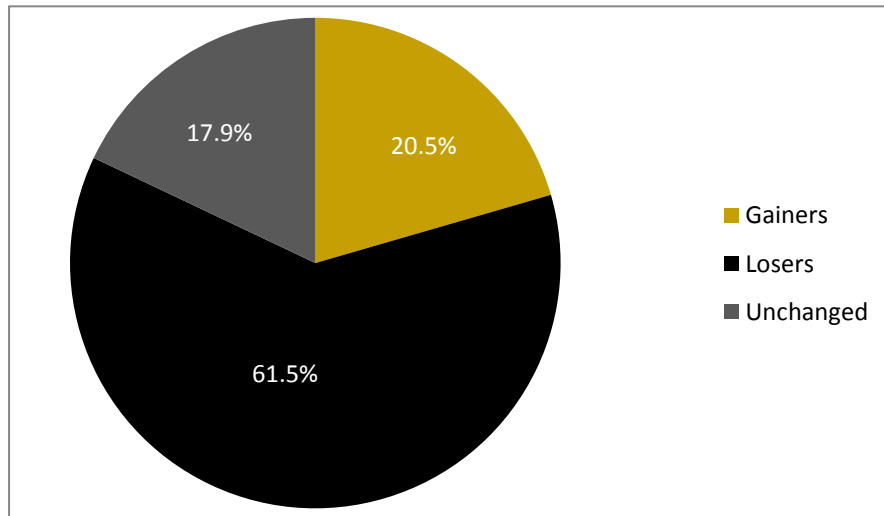


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	270.84	271.00	0.06%	-10.83%	6,763.48	11.23
Tuesday	271.00	271.24	0.09%	-10.76%	6,769.52	11.22
Wednesday	271.24	268.94	-0.85%	-11.51%	6,711.96	11.18
Thursday	268.94	270.33	0.52%	-11.06%	6,887.47	11.47
Friday	270.33	272.40	0.77%	-10.37%	6,940.14	11.56

## Market Wrap

- For the week under review, BRVM Composite Index increased by 0.6% over previous week, compared to previous week’s decrease of 1.3%, closing the current week at 272.4 points which represents 10.4% loss on YTD basis.
- The shares of Societe Ivoirienne DE Cable gained 8.5% during the week to XOF 15,055 from XOF 13,875 in the previous week.
- Market cap also increased from previous week to end the current week at XOF 6,940.14 million (USD 11.6 million) from XOF 6,759.37 million in the previous week.
- During the week, shares traded increased by 50.1% on weekly basis to 0.6 million from 0.4 million in the previous week.
- The value of transactions for the week increased by 378.2% to XOF 7,403.7 million compared to previous week’s XOF 1,548.3 million.
- An average of 0.12 million shares valued at XOF 1,480.7 million traded on each session of the week compared to 0.08 million shares valued at XOF 309.7 million that traded in the last week.
- Wednesday recorded the biggest turnover and the biggest value traded for the week as deals made up for 38.1% of the weekly volume and 46.8% of value traded respectively.
- The market breadth was negative during the week with 20.5% of the stocks increasing and 61.5% decreasing. The remaining 17.9% of the stocks registered no change in price.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No Announcement		

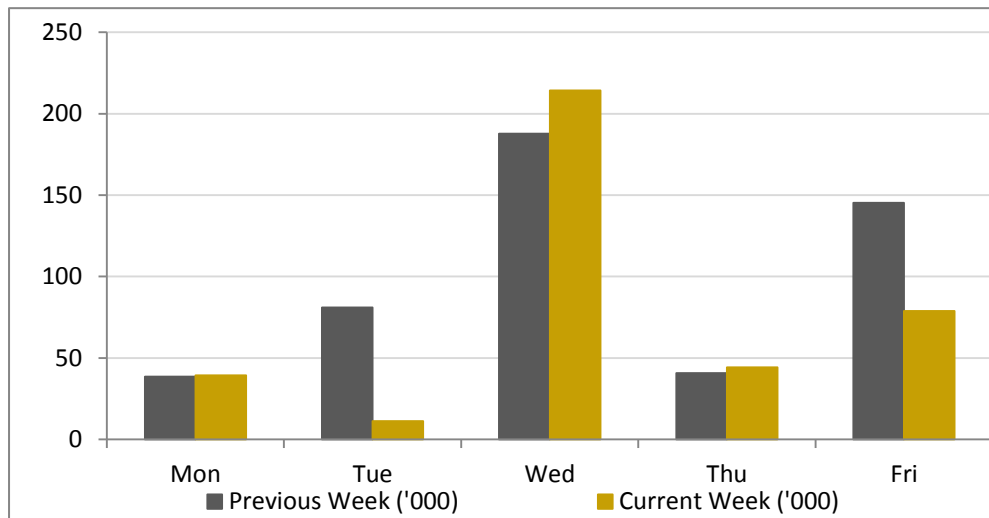
## Dividend Announcement

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

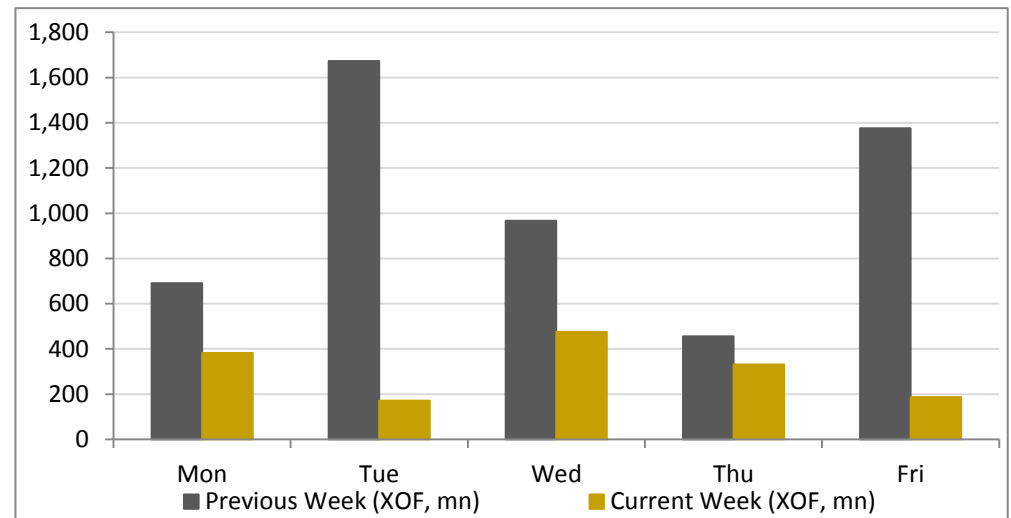
## Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	39	343	0.6	251	31	6	10	15
Tuesday	129	2,645	4.4	282	33	8	12	13
Wednesday	222	3,467	5.8	271	28	7	12	9
Thursday	32	210	0.4	194	27	9	8	10
Friday	160	738	1.2	326	30	11	10	9

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in BRVM

### Benin to issue new bonds

Benin will issue a XOF 25 billion (US\$ 42.0 million) bond on 6 November. The bond is a five-year bond with expected maturity in 2021. The five-year bond will bear a 6% coupon rate. The bond will be sold in the units of XOF 10,000. The auction will be conducted across the shared currency zone. The West African Regional Central Bank will be conducting the required auction of the bonds.

<http://af.reuters.com>

### Ivory Coast to raise US\$ 592.0 million for Oil refineries

Ibrahima Diaby, managing director of state-owned oil company Petroci, said that the government is seeking to raise debt of US\$ 592.0 million to clear debt owned by its oil refinery Societe Ivoirienne de Raffinage. Ivory Coast will raise debt before end of 2016 to repay the refinery's debt which impacted various other development projects. The government is considering options to raise debt locally or in the international market.

<http://www.bloomberg.com>

### Burkina Faso to issue new Bonds

The state of Burkina Faso will issue a XOF 35 billion (US\$ 59.0 million) bond on 27 October. The bond is two-year bond with expected expiry in 2018. The bond has a multiple interest rates structure and will be sold in units of XOF 1 million to investors across the Francophone West Africa's common currency zone. The auction will take place via an auction organized by the regional bank BCEAO.

<http://af.reuters.com>

# Featured Stock – Transnational Corporation of Nigeria PLC

## Snapshot– Transnational Corporation of Nig. PLC

Symbol	TRANSCOR NL
ISIN	NGTRANSCORP7
Current Price (NGN/Sh.)	1
Year High (24-Jun-16)	NGN 2.13/ US\$ 0.007
Year Low (18-Jan-16)	NGN 0.88/ US\$ 0.003
Mkt Cap (NGN, mn)	40,657
Mkt Cap (USD, mn)	206.91
Issued Shares (mn)	40,657
Major Shareholder	ELUMELU TONY O
Major Shareholding	44.06%
Revenue-FY 2015 (NGN, 'mn)	40,753.5
Net Profit (NGN, 'mn)	391.4
Total Assets (NGN, 'mn)	202,883.9
Total Liabilities (NGN, 'mn)	115,378.7
Total Equity (NGN, 'mn)	87,505.2

## Key Data

Operating margin	36.9%
Operating Profit Growth	428.7%
Net profit margin	1.0%
EPS	0.010
ROA	0.2%
ROC	1.3%
P/B	0.5x
P/E	103.9x

## 6M Price Performance



## Company Profile

Transnational Corporation of Nigeria Plc (Transcorp) is engaged in the investment in and operation of portfolio companies in the hospitality, power, agro-allied, and oil and gas sectors. Its segments include Hospitality, which includes its direct subsidiary, Transcorp Hotels Plc (THP), and indirect subsidiaries, such as Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited, which render hospitality services to customers; Agro-allied, which relates to a subsidiary, Teragro Commodities Limited, that is engaged in the manufacturing/processing of fruit concentrate; Power, which relates to a subsidiary, Transcorp Power Limited

(TPL), that is engaged in generation of electric power; Oil & Gas, which includes two subsidiaries, such as Transcorp Energy Limited and Transcorp OPL 281 Limited, that are engaged in the exploration, refining and marketing of petroleum products, and Corporate Centre.

## The Team

David Ganesha Tetteh, CEO [david@calbrokersghana.com](mailto:david@calbrokersghana.com)

Nana Agyei Opoku-Agyemang, Analyst [nana.agyei@calbrokersghana.com](mailto:nana.agyei@calbrokersghana.com)

Geoffrey Fathers Maison, Analyst [geoffrey@calbrokersghana.com](mailto:geoffrey@calbrokersghana.com)

Adelaide Opoku Addo, Analyst [adelaide@calbrokersghana.com](mailto:adelaide@calbrokersghana.com)

## Contact

### Accra Office

6<sup>th</sup> Floor, World Trade Centre, Ridge Accra

+233 302 680 051

+233 289 553 171

### New York Office

19 West 44th Street, Suite 1700 New York, NY 10036

+1 646 454 8688