

CBL Research

West African Review

03 March 2017 Edition



This Week in West Africa

Market Snapshot

While, GSE CI rose 0.6% during the week, BRVM CI and NSE ALSI declined 0.4% and NSE ALSI at 0.9% during the week. While GSE CI and NSE ALSI registered an increase in volume traded, BRVM CI registered a decline in the same

- **GHANA:** GSE Composite Index increased by 0.6% in the current week to 1,868.19, compared to previous week's gain of 2.6%. The trading volume increased over the previous week. The index recorded 10.6% gain on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 0.9% during the week compared to previous week's increase of 0.3%. The index's trading volume increased over last week. The index has lost 6.9% on YTD basis compared to YTD loss of 6.0% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index decreased by 0.4% from previous week to 285.91 points, compared to previous week's increase of 1.9%. The trading volume decreased over the previous week. The index's YTD loss was 2.1% 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	1,857.10	1,854.49	-0.14%	9.79%	25,250.37	25,373.42	0.49%	-5.59%	287.13	288.36	0.43%	-1.30%
Tuesday	1,854.49	1,854.53	0.00%	9.79%	25,373.42	25,329.08	-0.17%	-5.75%	288.36	288.54	0.06%	-1.24%
Wednesday	1,854.53	1,867.74	0.71%	10.58%	25,329.08	25,183.10	-0.58%	-6.29%	288.54	290.44	0.66%	-0.59%
Thursday	1,867.74	1,868.74	0.05%	10.64%	25,183.10	24,829.59	-1.40%	-7.61%	290.44	286.08	-1.50%	-2.08%
Friday	1,868.74	1,868.19	-0.03%	10.60%	24,829.59	25,012.08	0.73%	-6.93%	286.08	285.91	-0.06%	-2.14%

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	4.5092
GHS/GBP	5.5204
GHS/EUR	4.761
Inflation	13.30%
91-Day T-Bill	15.94%
182-Day T-Bill	16.99%
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	Forty-Four (44)
Trading days	Monday – Friday
Trading Hours	10.00hrs GMT – 15.00hrs GMT

6M Performance Chart

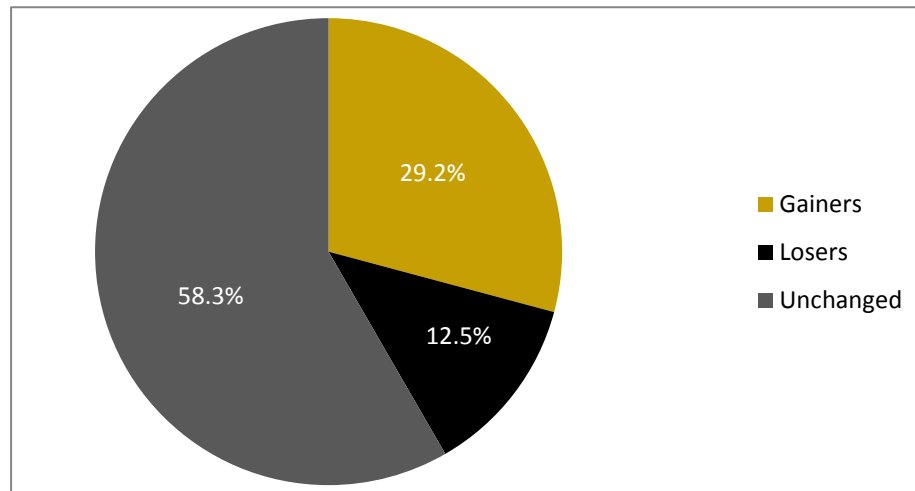


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,857.10	1,854.49	-0.14%	9.79%	52,294.31	11,726.76
Tuesday	1,854.49	1,854.53	0.00%	9.79%	49,060.25	10,954.37
Wednesday	1,854.53	1,867.74	0.71%	10.58%	49,144.44	10,928.27
Thursday	1,867.74	1,868.74	0.05%	10.64%	49,150.79	10,913.18
Friday	1,868.74	1,868.19	-0.03%	10.60%	49,147.28	10,899.33

Market Wrap

- GSE Composite Index increased by 0.6% in the current week, to 1,868.2 points from 1,857.1 in the previous week, representing a 10.6% gain on YTD basis.
- The shares of Benso Oil and Palm Plantation Ltd. increased 12.8% during the week to GHS 2.82 from GHS 2.50 last Friday.
- The index's market cap decreased by 6.0% to GHS 49,147.3 million (USD 10,899.3 million) from GHS 52,310.9 million in the last week.
- The shares traded during the week increased by 287.2% from previous week to 3.6 million from 0.9 million in the last week.
- The value of transactions in the week increased by 1.1% to GHS 4.6 million (USD 1.0 million) from the previous week's value of GHS 4.6 million.
- An average of 0.7 million shares per day valued at GHS 0.9 million traded during the week compared to 0.2 million shares valued at GHS 0.9 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 57.9% and 68.8% of the total weekly market volume and value traded respectively.
- The market breadth for current week was positive with 29.2% of the total active shares increased and 12.5% decreased during the week. The remaining 58.3% of the total active stocks were unchanged from the previous week.

Market Strength



Event Schedule

Company/Organization	Event	Date
No event		

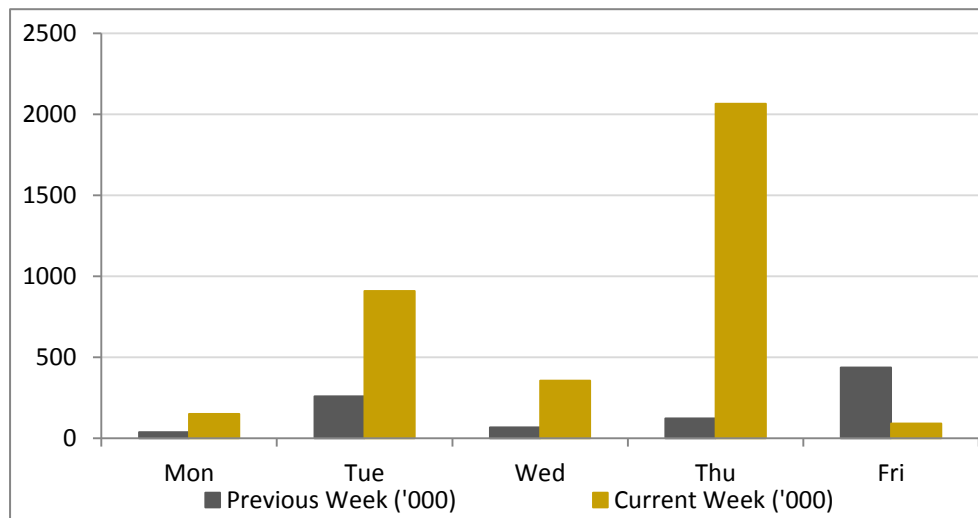
Dividend Announcement

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

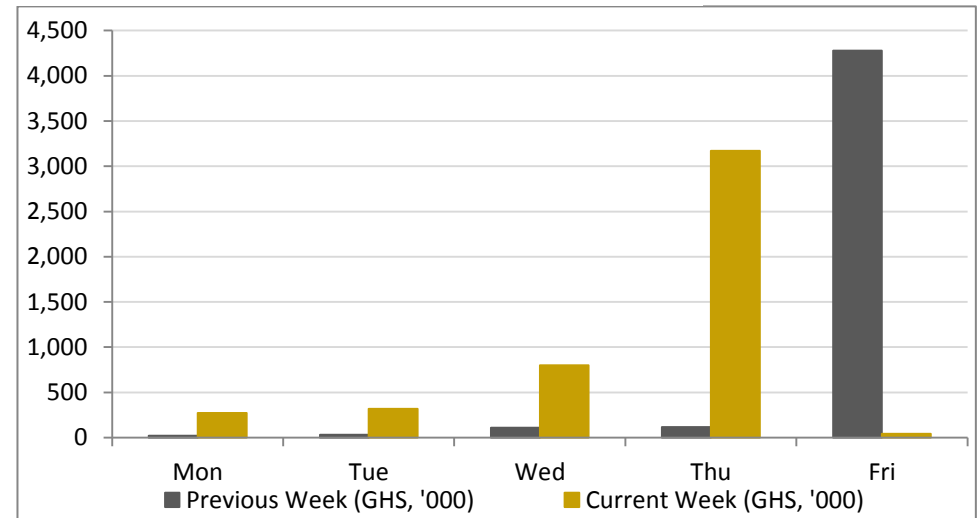
Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	150,047	273,675	61,370	129	15	1	1	13
Tuesday	909,056	318,121	71,031	106	17	3	2	12
Wednesday	354,273	800,097	177,918	165	15	5	1	9
Thursday	2,064,820	3,169,147	703,661	91	12	2	1	9
Friday	89,682	42,327	9,387	118	9	1	2	6

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Ghana

BoG expects Ghanaian cedi to appreciate against US dollar by the end of March

The Bank of Ghana (BoG) has expressed that it expects the cedi to stabilize against major international currencies by the end of the first quarter of the year. The Ghanaian cedi has depreciated over 5% on the back of speculation in the market and demand surge to finance imports. The currency is currently trading around GHS 4.50 per dollar. The head of Treasury at the BoG, Evelyn Kwatia, indicated that the bank is introducing some additional measures towards this end, including falling on short-term facilities with other international banks and bilateral dollar support. These measures are expected to drive appreciation of the local currency against the dollar by the end of the first quarter of 2017.

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

People fear return of Dumsor as intermittent power cuts persist despite assurance from government

Persistent power cuts in the last three weeks in Accra, Tema and other parts of Ghana has cause doubts among consumers as to whether Ghana is again facing Dumsor. In response to the mass panic, the Ministry of Energy has assured that the power supply will return to normal following the completion of maintenance works on GNGC plants. Despite the assurance, the electricity outages persist in Ghana. Power supply has been cut to some parts in Greater Accra. The Energy minister said that the power cuts were due to decision of GRIDCo to spread the power shortage caused by the maintenance work over a more areas instead of burdening one single area. He further added that the government is taking all steps necessary to prevent the return of Dumsor.

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

Quantum Power to commence construction of LNG terminal in Tema

Pan African energy infrastructure investment platform, Quantum Power, has commenced the construction of a LNG terminal in Tema. Upon completion, the terminal will have the capacity to import, store and regasify liquefied natural gas. The facility will contain a dedicated floating storage and regasification unit (FSRU) with the capacity to regasify and deliver up to 3.4 million tons of LNG per year. The construction of the terminal is financed by Quantum Power Ghana Gas under a 20 year facilities Use Agreement with GNPC, an Engineering, Procurement and Construction EPC contract with Micoperi S.P.A and a long term Time Charter Party Agreement for the FSRU.

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

Finance Ministry forecasts Ghana to grow 6.3% in 2017

The Finance Minister of Ghana, Mr. Ken Ofori-Atta, has said that the government aims to reduce Ghana's budget deficit to 6.5% of GDP by 2017 end from the current 8.7%. He also added that the government has set an inflation target of 11.2% for the 2017-year end and forecasted GDP growth of 6.3% in 2017. The government indicated in the budget presentation that it would review the terms of the IMF programme. The NPP government, which took power in January, promised to stabilize Ghana's economy, reduce taxes, create jobs and restore Ghana to its earlier growth trajectory.

<http://www.nasdaq.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	304.75
NGN/GBP	374.17
NGN/EUR	320.63
Inflation	18.72%
91-Day T-Bill	13.69%
182-Day T-Bill	17.15%
1-Year T-Bill	18.45%
Total Reserves (USD bn)	29.6
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

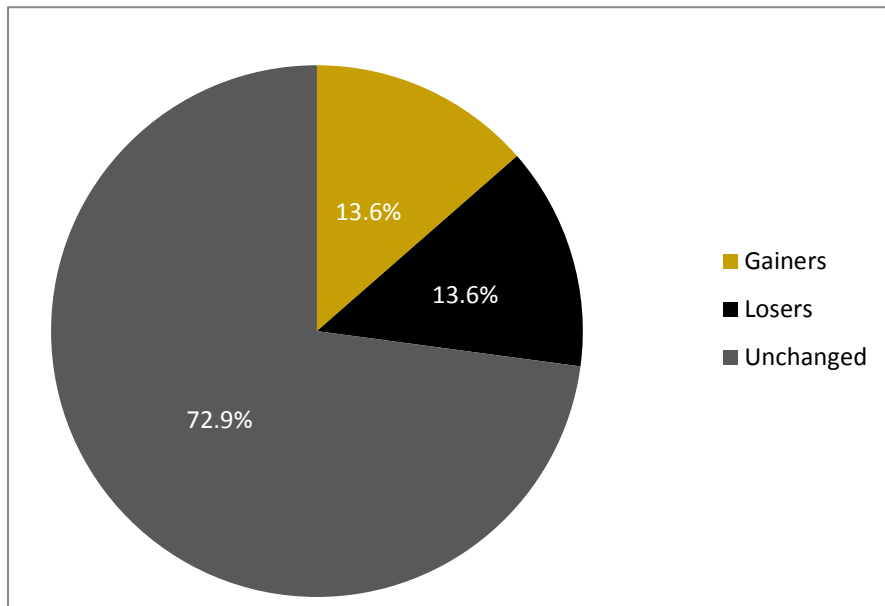


Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	25,250.37	25,373.42	0.49%	-5.59%	8,781.26	28.79
Tuesday	25,373.42	25,329.08	-0.17%	-5.75%	8,765.92	28.74
Wednesday	25,329.08	25,183.10	-0.58%	-6.29%	8,715.40	28.60
Thursday	25,183.10	24,829.59	-1.40%	-7.61%	8,593.05	28.20
Friday	24,829.59	25,012.08	0.73%	-6.93%	8,656.21	28.40

Market Wrap

- NSE All Share Index decreased by 0.9% on weekly basis (compared to 0.3% increase in the last week). The index ended the week at 25,012.08 points, representing year-to-date loss of 6.9%.
- The shares of United Capital plc decreased 22.34% during the week followed by Cadbury Nigeria plc at 13.33%.
- Market cap decreased during the week to NGN 8,656.2 million (USD 28.4 million) from NGN 8,738.68 million at the end of last week.
- The trading volume increased by 81.2% over previous week to 1,387.5 million from 765.7 million shares that traded in the previous week.
- The value of transactions increased by 41.3% in the current week to NGN 13,725.8 million (USD 45.0 million) compared to NGN 9,716.5 million recorded in the previous week.
- An average of 277.5 million shares valued at NGN 2,745.2 million traded on each session of the week compared to 153.1 million traded shares valued at NGN 1,943.3 million in the previous week.
- Tuesday recorded the biggest turnover and the biggest value traded for the week as the day's deals made up for 32.0% of the weekly volume and 26.6% of value traded respectively.
- The market breadth was neutral during the last week as 13.6% of the total shares increased in value compared with 13.6% of the stock registering losses. In the last week, 72.9% of the shares remained unchanged.

Market Strength



Event Schedule

Company/Organization	Event	Date
United Capital Plc	AGM	17-Mar-2017

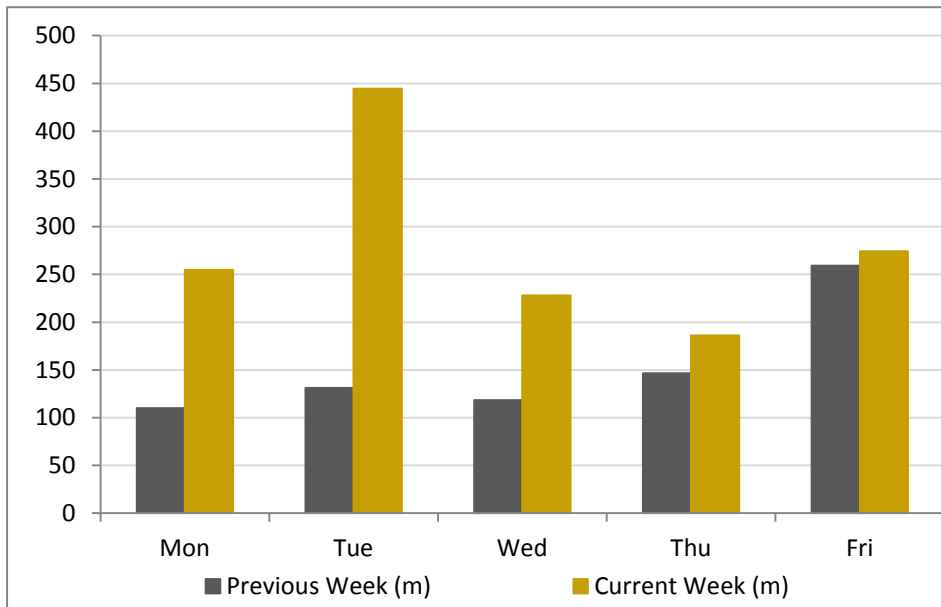
Dividend Announcement

Company	DPS (NGN)	DPS (USD)	Payment Date
United Capital Plc	0.50	0.002	22-Mar-2017

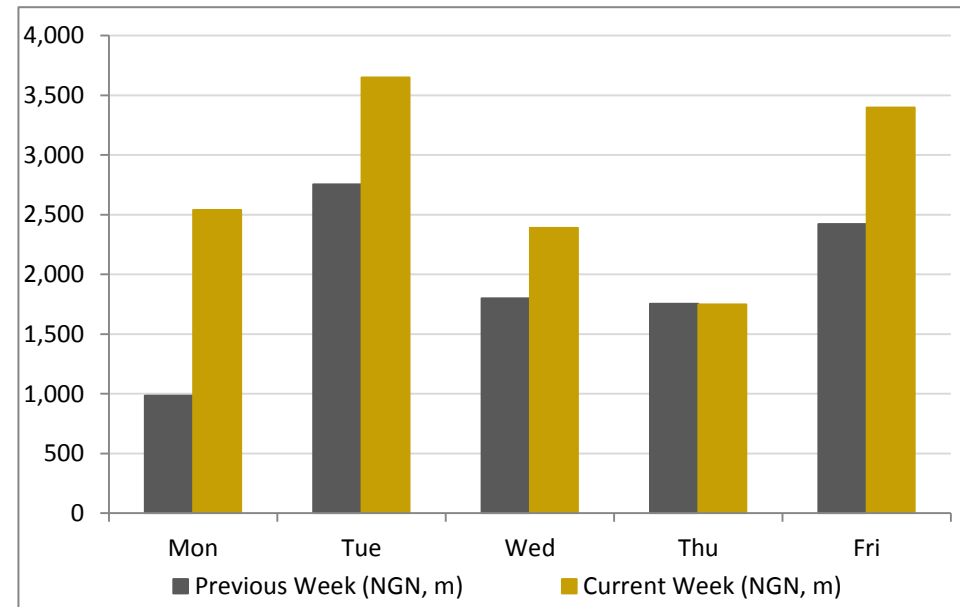
Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	255	2,539	8.3	3,373	81	17	17	47
Tuesday	445	3,649	12.0	3,336	98	15	12	71
Wednesday	228	2,391	7.8	2,958	83	8	19	56
Thursday	186	1,749	5.7	2,899	86	9	13	64
Friday	274	3,398	11.1	2,856	78	16	8	54

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Nigeria

Central Bank of Nigeria infuses another US\$ 180 million into the forex market

The Central Bank of Nigeria (CBN) released additional US\$ 180 million into the forex market on Monday to increase liquidity in the forex market of Nigeria. Out of the US\$ 180 million infused, US\$ 80 million was in the form of Personal Travel Allowance (PTA), school fees and medicals at the inter-bank market and US\$ 100 million in the form of Wholesale Forwards Market sell. In the last week itself, CBN infused US\$ 500 million into the market leading to appreciation in Naira from NGN 520 to NGN 466 to US\$ 1. The CBN maintains that it will do all in its power to support the forex needs of legitimate businesses.

<https://guardian.ng/>

Oil production in Nigeria increased to 2.1mbpd

The general managing director of the Nigerian National Petroleum Corporation (NNPC), Makainti Baru, has revealed that the oil production of Nigeria currently stands at 2.1mbpd. He said that this surge was made possible by the ongoing negotiations between the federal government and various stakeholders in the Niger Delta is responsible for the surge. Two weeks ago, Nigeria's oil production stood at 2mbpd, just 0.2mbpd short of the 2.2mbpd target for 2017. At this pace Nigeria will attain the target production in a matter of weeks. Improvement in oil production will directly result in higher revenue, decreasing inflation and improvement in employment situation.

<https://www.thecable.ng/>

Nigeria Economy shrinks for the first time since 1991

Nigeria's economy contracted in 2016 for the first time since 1991. The National Bureau of Statistics said that Nigeria's GDP decreased 1.3% YoY in the fourth quarter from the year after contracting 2.2% in 3Q 2016. This decline was led mainly by lower global crude prices and fall in oil production due to pipeline vandalism in Niger Delta. In addition, the weakening of naira contributed to the inflationary pressure. However, the situation is now improving as the government is negotiating with stakeholders in Niger Delta region. Moreover, the global crude oil prices have also increased compared to last year. This is expected to help the economy rebound in 2017.

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

DMO indicates plans to issue new savings bond to retail investors

The Debt Management Office (DMO) of Nigeria has indicated that the country plans to sell a new savings bond this month to retail investors. The bond will be sold with maturities of two and three years, with quarterly interest. The interest rate on the bond is yet to be announced. The bond is expected to attract people savings towards retirement, marriage, school fees and house projects. The bond offer will last from March 13 to March 18. The bond carries a minimum subscription of NGN 5,000 and a maximum of NGN 50 million.

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

French West Africa

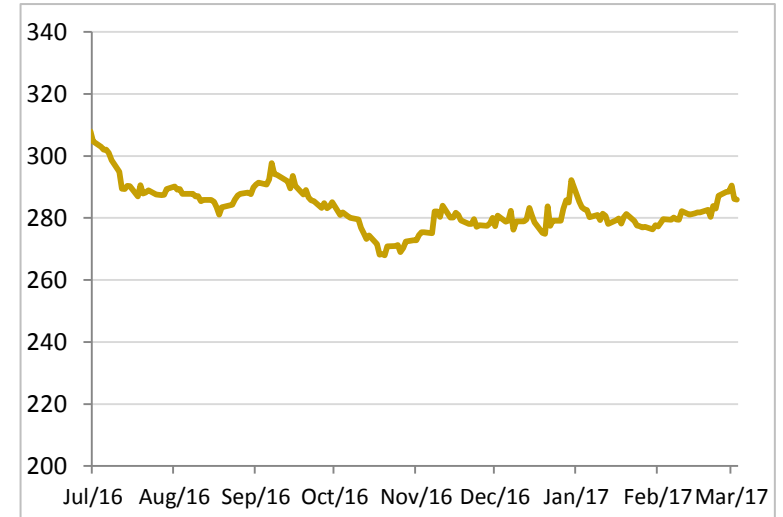
Economic Snapshot

GDP (USD bn)	92.40
GDP growth	11.40%
GDP per Capita (USD)	868.80
XOF/USD	618.30
XOF/GBP	766.66
XOF/EUR	655.96
Inflation	-0.20%
Interest rate	4.5%

Market Snapshot

Market Name	Bourse Régionale des Valeurs Mobilières
Major Indices	BRVM Composite Index
Other Index	BRVM 10
Listed Stocks	Forty-One (41)
Trading days	Monday – Friday
Trading Hours	09:45hrs GMT – 15:00hrs GMT

6M Performance Chart

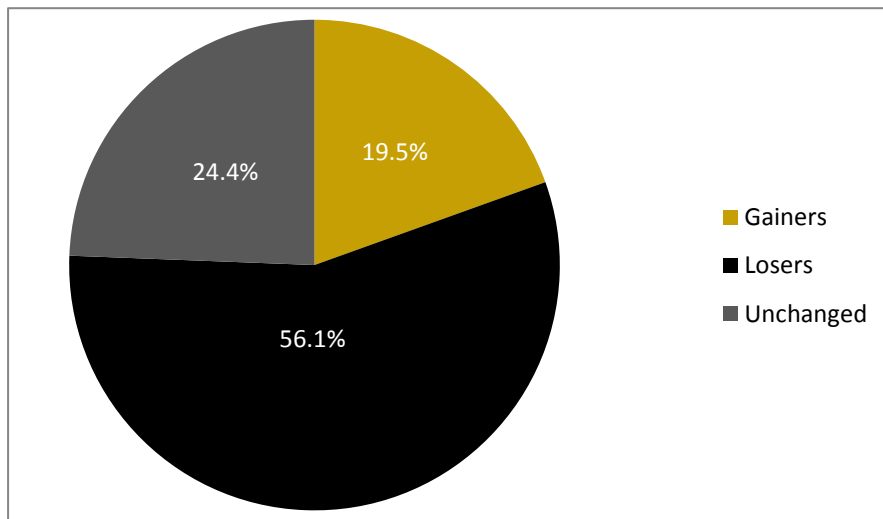


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	287.13	288.36	0.43%	-1.30%	7,616.53	12.29
Tuesday	288.36	288.54	0.06%	-1.24%	7,621.38	12.31
Wednesday	288.54	290.44	0.66%	-0.59%	7,671.34	12.32
Thursday	290.44	286.08	-1.50%	-2.08%	7,556.28	12.11
Friday	286.08	285.91	-0.06%	-2.14%	7,551.91	12.10

Market Wrap

- For the week under review, BRVM Composite Index decreased by 0.4% over previous week, compared to previous week’s increase of 1.9%, closing the current week at 285.9 points which represents 2.1% loss on YTD basis.
- The shares of Vivo Energy Cote D Ivoire decreased 20.6% during the week to XOF 1,985 from XOF 2,500 in the previous week.
- Market cap also decreased from previous week to end the current week at XOF 7,551.91 million (USD 12.1 million) from XOF 7,583.94 million in the previous week.
- During the week, shares traded decreased by 52.2% on weekly basis to 0.5 million from 1.1 million in the previous week.
- The value of transactions for the week increased by 15.0% to XOF 6,401.0 million compared to previous week’s XOF 5,567.4 million.
- An average of 0.10 million shares valued at XOF 1,280.2 million traded on each session of the week compared to 0.22 million shares valued at XOF 1,113.5 million that traded in the last week.
- Tuesday recorded the biggest turnover and the biggest value traded for the week as deals made up for 29.4% of the weekly volume and 42.2% of value traded respectively.
- The market breadth was negative during the week with 19.5% of the stocks increasing and 56.1% decreasing. The remaining 24.4% of the stocks registered no change in price.

Market Strength



Event Schedule

Company/Organization	Event	Date
No events		

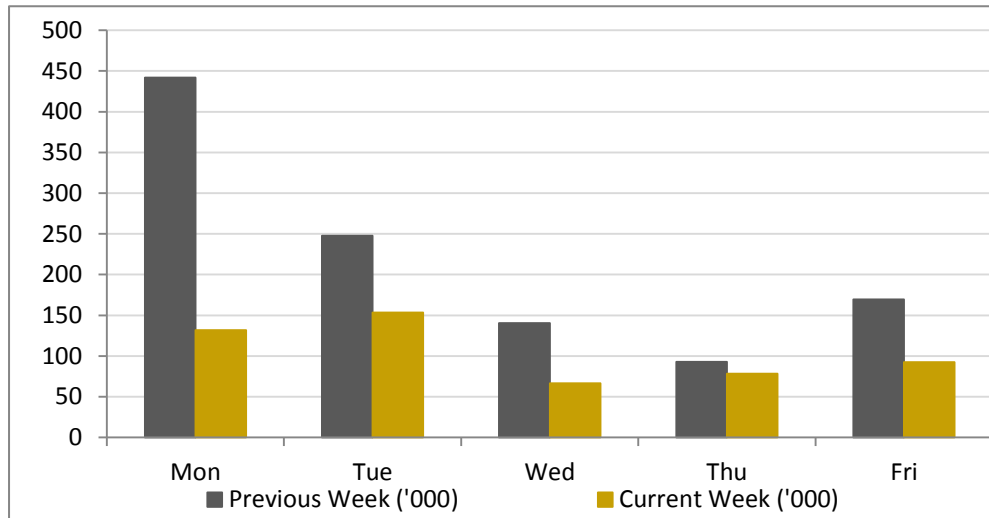
Dividend Announcement

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

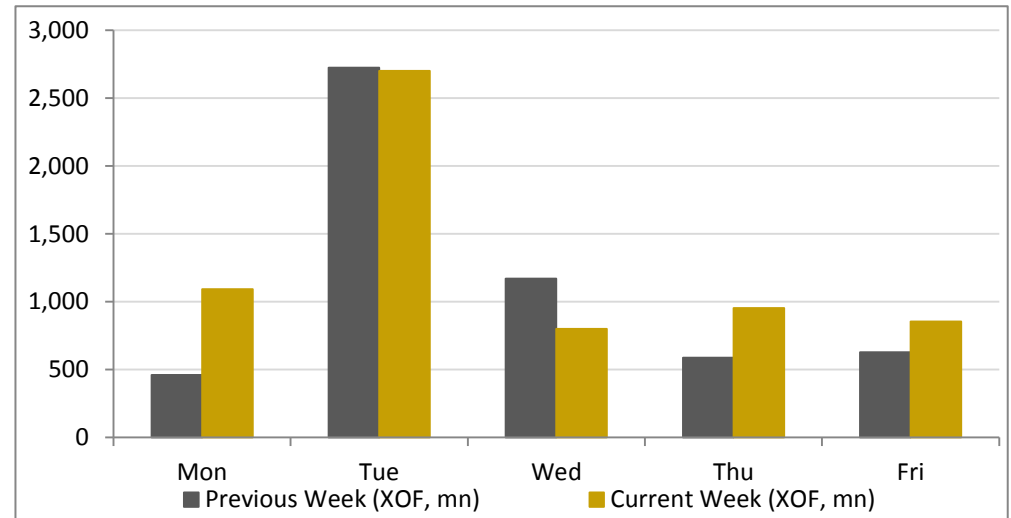
Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	132	1,092	1.8	550	35	12	11	12
Tuesday	153	2,702	4.4	637	35	9	13	13
Wednesday	67	800	1.3	509	40	14	13	13
Thursday	78	954	1.5	387	33	4	23	6
Friday	92	854	1.4	395	37	11	18	8

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in BRVM

EU signs EUR 117 million financing agreement with Burkina Faso to support the country's food and nutrition security

The European Union (EU) has signed a EUR 117 million worth financing agreement with Burkina Faso to support the programme for food and nutrition security, sustainable agriculture and resiliency (PASANAD). The EU would provide EUR 100 million financing over the 2017-2021 period in the form of sectorial budget aid. Following this stage, the EU would also be financing various projects to improve feeding practices in poor households through the strategic plan for infant and young child feeding (ANJE). The funds target to improve the irrigated agriculture, small-scale breeding, and nutritional education and provide nutritional local complements to vulnerable households.

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

World Bank offers US\$ 50 million to Benin to boost the country's tourism

World Bank has granted US\$ 50 million to the Republic of Benin to boost its tourism industry. The grant would support Benin's competitiveness and trans border tourism programme led by the country's National Agency for Tourism Development and heritage promotion (ANPT). The funds have been granted under a 5-year programme focusing on making Ouidah, a town located in the Southern part of the country, a tourism hub in the country. Benin's authorities have assured that they will focus on improving road and hotel infrastructures and focus on developing local craftsmanship offer for tourists.

<http://www.ecofinagency.com>

Featured Stock – United Capital Plc

Snapshot – United Capital Plc

Symbol	UCAP NL
ISIN	NGUCAP000004
Current Price (NGN/Sh.)	2.85
Year High (17-Feb-17)	NGN 4.06/ US\$ 0.013
Year Low (01-Apr-16)	NGN 1.30/ US\$ 0.004
Mkt Cap (NGN, mn)	17,100
Mkt Cap (USD, mn)	1.35
Issued Shares (mn)	6,000
Major Shareholder	WEST COAST EQUITY LT
Major Shareholding	21.76%
Revenue-FY 2015 (NGN, 'mn)	17,235.6
Net Profit (NGN, 'mn)	6,913.2
Total Assets (NGN, 'mn)	160,693.0
Total Liabilities (NGN, 'mn)	146,455.0
Total Equity (NGN, 'mn)	14,237.9

Key Data

Net Profit Growth	168.9%
EPS	1.2
Operating Margin	37.1%
RoA	4.5%
Net profit margin	40.1%
RoE	9.3%
P/E	2.5
P/B	1.2

6M Price Performance



Company Profile

Incorporated in November 2002, United Capital Plc, formerly known as UBA Capital Plc, is a Nigeria based investment services company. The company is primarily engaged in providing investment banking services, portfolio management services, securities trading and trusteeship services along with providing the services as an issuing house. The company also offers corporate investment advisory services, project finance, debt restructuring, mergers and acquisitions, and capital markets activities. Through its years of experience, the company has established itself as the leading project finance advisory team in oil & gas in Nigeria. The company has helped Nigerian oil & gas sector raise over US\$ 6 billion for various projects. The company has been listed on Nigerian Stock

Exchange since November 2013 where it trades under the ticker of UCAP.

The Team

David Ganesha Tetteh, CEO david@calbrokersghana.com

Nana Agyei Opoku-Agyemang, Analyst nana.agyei@calbrokersghana.com

Adelaide Opoku Addo, Analyst adelaide@calbrokersghana.com

Contact

Accra Office

6th 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