

CBL Research

# West African Review

12 May 2017 Edition



# This Week in West Africa

## Market Snapshot

**While NSE ALSI and GSE CI increased 7.5% and 0.8% respectively, BRVM CI lost 1.3% during the week. While GSE CI and BRVM CI registered a decrease in the volume traded, NSE ALSI registered an increase in volume traded**

- **GHANA:** GSE Composite Index increased by 0.8% in the current week to 1,899.68, compared to previous week's loss of 0.6%. The trading volume decreased over the previous week. The index recorded 12.5% gain on YTD basis.
- **NIGERIA:** NSE ALSI increased by 7.5% during the week compared to previous week's increase of 1.9%. The index's trading volume increased over last week. The index has gained 4.9% on YTD basis compared to YTD loss of 2.4% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index decreased by 1.3% from previous week to 270.95 points, compared to previous week's increase of 0.2%. The trading volume decreased over the previous week. The index's YTD loss was 7.3% 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	1,884.87	1,893.45	0.46%	12.10%	26,235.63	26,418.33	0.70%	-1.70%	274.52	271.95	-0.94%	-6.92%
Tuesday	1,893.45	1,904.24	0.57%	12.74%	26,418.33	26,756.21	1.28%	-0.44%	271.95	272.13	0.07%	-6.86%
Wednesday	1,904.24	1,905.47	0.06%	12.81%	26,756.21	27,546.68	2.95%	2.50%	272.13	271.52	-0.22%	-7.07%
Thursday	1,905.47	1,904.75	-0.04%	12.77%	27,546.68	28,423.70	3.18%	5.76%	271.52	266.55	-1.83%	-8.77%
Friday	1,904.75	1,899.68	-0.27%	12.47%	28,423.70	28,192.46	-0.81%	4.90%	266.55	270.95	1.65%	-7.26%

## Ghana

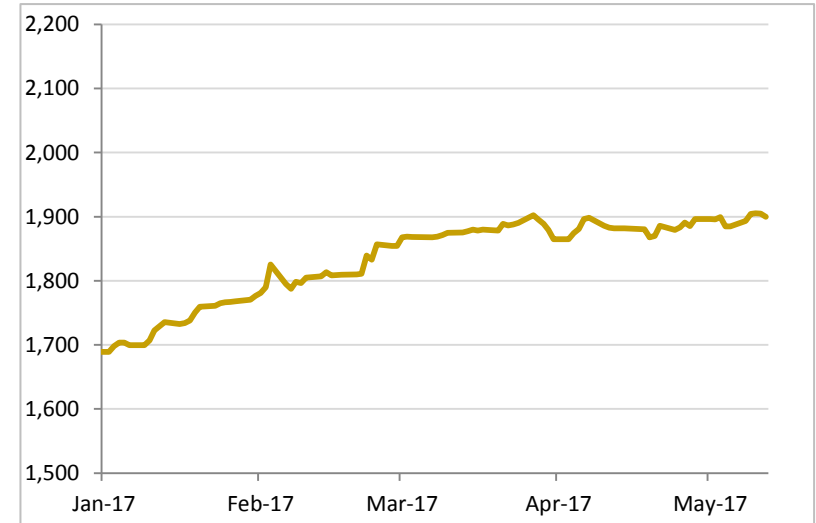
## Economic Snapshot

GDP (USD bn)	42.7
GDP growth	3.47%
GDP per Capita (USD)	1,507.0
BoG Policy Rate	23.50%
GHS/USD	4.2091
GHS/GBP	5.4252
GHS/EUR	4.5980
Inflation	13.00%
91-Day T-Bill	14.21%
182-Day T-Bill	15.92%
1-Year T-Bill	17.50%
Total Reserves (USD bn)	6.5
Total Debt (USD bn)	29.2

## 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	Forty Four (44)
Trading days	Monday – Friday
Trading Hours	10.00hrs GMT – 15.00hrs GMT

## YTD Performance Chart

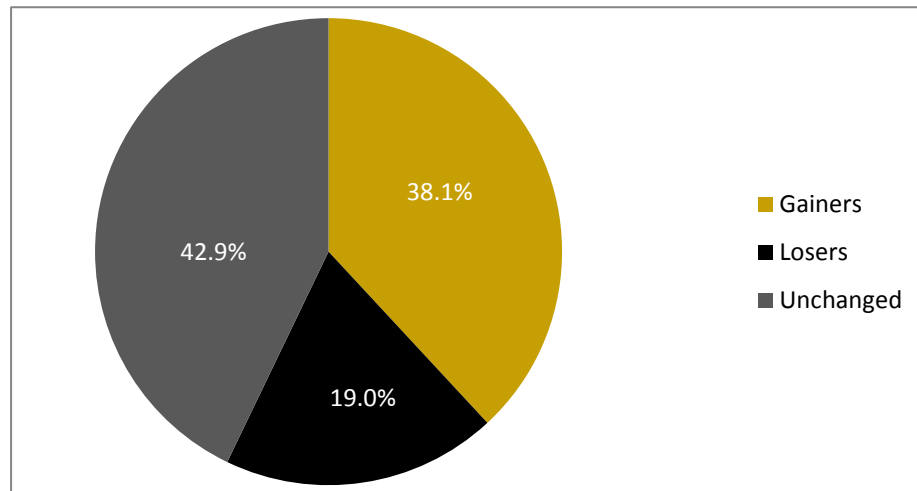


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,884.87	1,893.45	0.46%	12.10%	58,605.20	13,968.58
Tuesday	1,893.45	1,904.24	0.57%	12.74%	58,874.33	14,024.71
Wednesday	1,904.24	1,905.47	0.06%	12.81%	58,882.16	14,025.24
Thursday	1,905.47	1,904.75	-0.04%	12.77%	58,877.57	14,019.47
Friday	1,904.75	1,899.68	-0.27%	12.47%	58,845.24	13,980.48

## Market Wrap

- GSE Composite Index increased by 0.8% in the current week, to 1,899.7 points from 1,884.9 in the previous week, representing a 12.5% gain on YTD basis.
- The shares of SIC Insurance Co. Ltd. increased 10.0% during the week to 11GHp from 10GHp last Friday.
- The index's market cap increased by 0.5% to GHS 58,845.2 million (USD 13,980.5 million) from GHS 58,550.5 million in the last week.
- The shares traded during the week decreased by 60.8% from previous week to 1.6 million from 4.2 million in the last week.
- The value of transactions in the week decreased by 76.2% to GHS 1.8 million (USD 0.4 million) from the previous week's value of GHS 7.4 million.
- An average of 0.3 million shares per day valued at GHS 0.4 million traded during the week compared to 0.8 million shares valued at GHS 1.5 million that traded during the previous week.
- Wednesday recorded the biggest turnover and the biggest value traded for the week as the deals made up for 50.3% and 41.3% of the total weekly market volume and value traded respectively.
- The market breadth for current week was positive with 38.1% of the total active shares increased and 19.0% decreased during the week. The remaining 42.9% of the total active stocks were unchanged from the previous week.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
UNIL	AGM	24-May-2017
TBL	AGM	18-May-2017

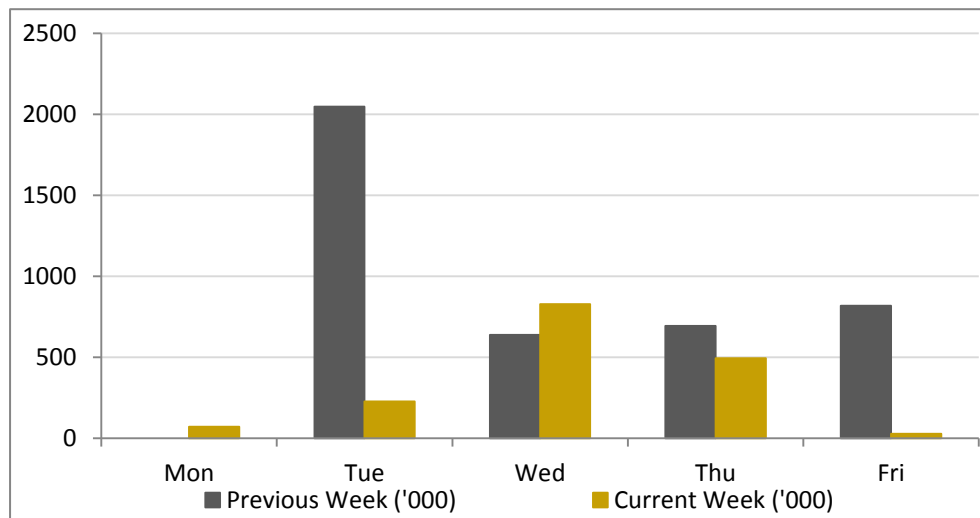
## Dividend Announcement

Company	DPS (GHS)	DPS (USD)	Qualifying Date	Payment Date
GOIL	0.025	0.006	18-May-2017	19-June-2017
SCB	1.12	0.27	2-June-2017	30-June-2017

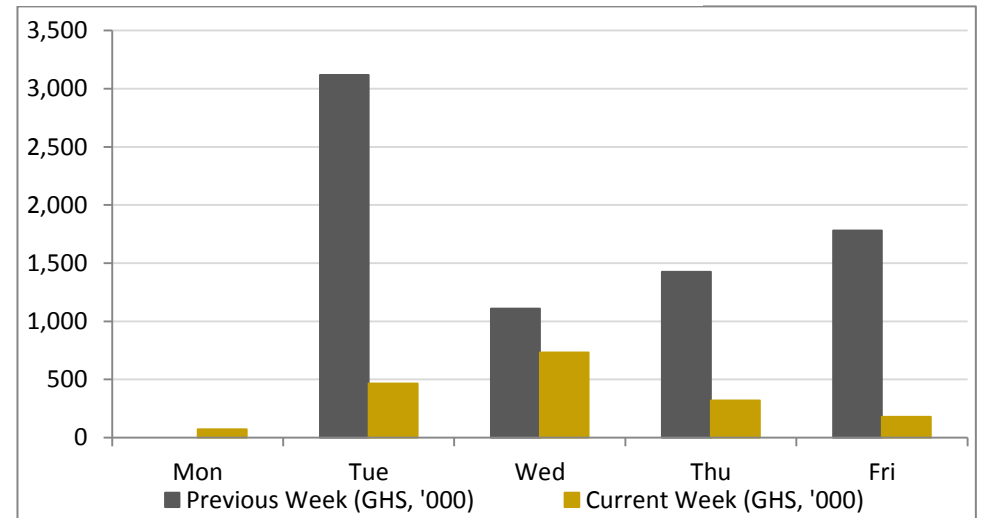
## Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	70,555	71,103	16,947	54	13	3	0	10
Tuesday	226,069	466,585	111,147	61	14	4	2	8
Wednesday	828,163	731,154	174,155	56	14	3	1	10
Thursday	493,948	320,484	76,311	87	15	1	2	12
Friday	26,233	179,096	42,550	28	10	1	1	8

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in Ghana

### Ghana CPI increased 20bps in April 2017 to 13%

Ghana Statistical Services has reported that the year-on-year inflation rate increase 20bps MoM to 13.0% for April 2017, compared to 12.8% recorded in March 2017. This increase was mainly on account of increase in non-food inflation from 15.6% in March 2017 to 16.3% in April 2017. At the same time, the food inflation rate declined to 6.7% in April 2017 compared to 7.3% recorded in March 2017. Under the non-food inflation segment, transport segment recorded an inflation of 24.9% followed by recreation and culture at 22.3%, furnishings, household equipment and routine maintenance at 21.9%, miscellaneous goods and services at 16.8% and clothing and footwear at 16.7%. Under the food inflation, fish and sea food recorded 13.6% inflation followed by meat and products at 10.9% and coffee, tea and cocoa at 7.2%.

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

### Government's 4G spectrum remains unsold as Telecom companies complain about high floor price

The second 4G spectrum could remain unsold as telecom operators in Ghana find the cost of acquiring 4G license very high and detrimental to their interest. The CEO of Vodafone Ghana, Yolanda Cuba, said that Vodafone will be willing to roll out 4G when the license will be offered at a fair price. Currently, only MTN Ghana has a 4G license which it acquired at a floor price of US\$ 67.5 million, a price none other bidders wish to compete at. Touching upon the low data penetration in Ghana, Mrs. Cuba said that majority of the population still uses phones supporting 2G and 3G. Thus further penetration of data would be possible if network capacity is increased in Ghana and people choose to shift to handsets that support 4G.

<http://citifmonline.com/>

### Decision on extension of IMF deal to be taken next month

The Chairman of Parliament's Finance Committee, Dr. Mark Assibey Yeboah, said that the decision on extending the IMF deal up to December 2018 will be concluded next month. The extension of the deal has been on top of the agenda in the discussions between the government and the IMF. Though government is not willing to extend the agreement, IMF officials visiting Ghana in June would hold a discussion on the same. The IMF said that despite the current developments, more is required to bring the debt level down. Though the government is not keen on extending the deal, it has stated that it may consider extension if IMF agrees to provide more funds.

<http://citibusinessnews.com/>

### Construction of 350MW Kpone Independent Power Plant (KIPP) to be completed by 3Q 2017

The CEO of Cenpower, Mr. Theo Sackey, has announced that the construction of the 350MW power plant being built in Tema industrial zone will be complete by the third quarter of the year. The project is to develop a combine-cycle gas turbine plant in the Tema industrial zone at a cost of US\$ 900 million. Upon completion, the project would be Ghana's most fuel efficient thermal power station and the largest independent power producer, accounting for about 10% of total installed capacity and 20% of Ghana's thermal-generation capacity. The company has entered an agreement with Electricity Company of Ghana (ECG) to sell all its output to ECG under a 20-year off-take agreement. The plant can sufficiently satisfy the electricity needs of over eight million people.

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

# Nigeria

## Economic Snapshot

GDP (USD bn)	415.1
GDP growth	-1.75%
GDP per Capita (USD)	2260.3
Policy Rate	14.00%
NGN/USD	305.10
NGN/GBP	393.12
NGN/EUR	332.93
Inflation	17.26%
91-Day T-Bill	14.08%
182-Day T-Bill	18.89%
1-Year T-Bill	23.16%
Total Reserves (USD bn)	30.9
Total Debt (USD bn)	57.4

## 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 Seventy-Three (173)
Trading days	Monday – Friday
Trading Hours	08:30hrs GMT – 13:30hrs GMT

## YTD Performance Chart

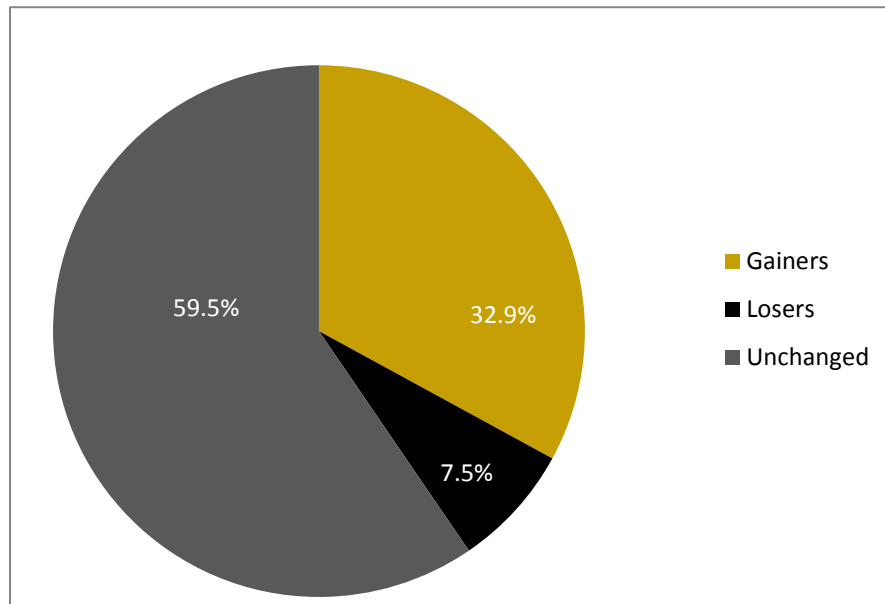


Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	26,235.63	26,418.33	0.70%	-1.70%	9,132.25	29.92
Tuesday	26,418.33	26,756.21	1.28%	-0.44%	9,249.05	30.31
Wednesday	26,756.21	27,546.68	2.95%	2.50%	9,522.29	31.21
Thursday	27,546.68	28,423.70	3.18%	5.76%	9,825.46	32.20
Friday	28,423.70	28,192.46	-0.81%	4.90%	9,745.53	31.94

## Market Wrap

- NSE All Share Index increased by 7.5% on weekly basis (compared to 1.9% increase in the last week). The index ended the week at 28,192.46 points, representing year-to-date gain of 4.9%.
- The shares of May & Baker Nigeria plc. increased 31.96% during the week followed by Ecobank Transnational Incorporated at 22.50%.
- Market cap increased during the week to NGN 9,745.5 million (USD 31.9 million) from NGN 9,069.09 million at the end of last week.
- The trading volume increased by 182.1% over previous week to 3,255.2 million from 1,154.0 million shares that traded in the previous week.
- The value of transactions increased by 175.3% in the current week to NGN 28,737.6 million (USD 94.2 million) compared to NGN 10,439.5 million recorded in the previous week.
- An average of 651.0 million shares valued at NGN 5,747.5 million traded on each session of the week compared to 230.8 million traded shares valued at NGN 2,087.9 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 32.7% of the weekly volume and 32.0% of value traded respectively.
- The market breadth was positive during the last week as 32.9% of the total shares increased in value compared with 7.5% of the stock registering losses. In the last week, 59.5% of the shares remained unchanged.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
AIICO Insurance Plc	AGM	18-May-2017
Infinity Trust Mortgage Bank Plc	AGM	18-May-2017

## Dividend Announcement

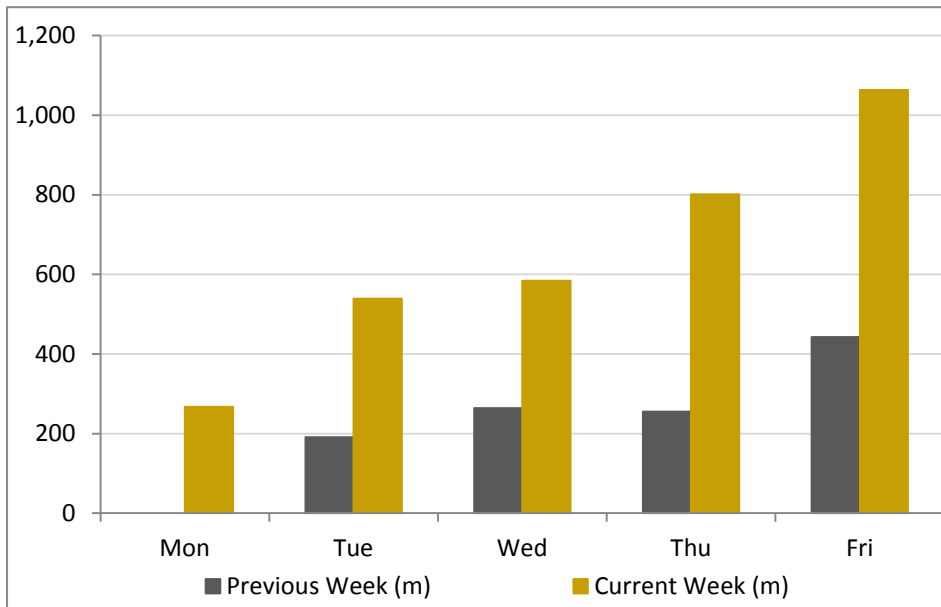
Company	DPS (NGN)	DPS (USD)	Payment Date
FBN Holdings Plc	0.20	0.0008	19-May-2017
Nestle Nigeria Plc	10.0	0.03	24-May-2017



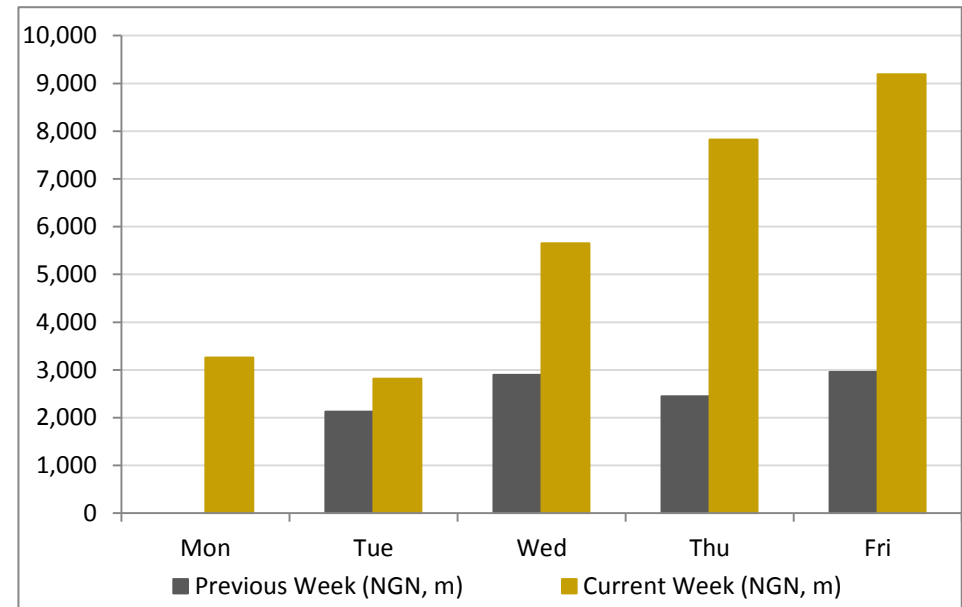
## Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	268	3,257	10.7	3,907	99	26	12	61
Tuesday	539	2,816	9.2	4,519	109	34	8	67
Wednesday	584	5,651	18.5	5,121	100	50	9	41
Thursday	801	7,822	25.6	6,481	102	44	13	45
Friday	1,063	9,191	30.1	5,342	94	16	18	60

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in Nigeria

### **Nigeria Federal government almost triples budget for amnesty program**

As an attempt to solidify peace with Niger delta region, the federal government of Nigeria has increased the budget for its amnesty program for militants from the Niger Delta by almost twice to US\$ 170 million from US\$ 60 million. An amount of US\$ 100 million has been added to the existing US\$ 60 million. Another US\$ 20 million is expected to be added in future to strengthen the package. Every militant who lays down arms and enters the amnesty program, the militant is entitled to a monthly payment of US\$ 206.2 (NGN 65,000). The militants of Niger Delta region claim disproportionate distribution of the country's oil wealth has left the local communities to live in poverty. The subsequent unrest in the area following militant activities cost the country about one third of its crude oil production. The government is making attempts to bring peace to the area and invest billions in a large-scale gas project for the Delta to turn the area into a regional gas hub and create new jobs for the local communities.

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

### **Nigeria's oil production increased 274,000bpd in April 2017 to 1.484mbpd**

The monthly report by the Organisation of Petroleum Exporting Country (OPEC) for April 2017 stated that Nigeria's oil production for the month rose by 274,000bpd MoM to 1.484mbpd in April 2017 from 1.21mbpd in March 2017, making it the country with the biggest increase in oil production in April. The report also indicated that the Stanbic IBTC Bank Nigeria PMI rose in April to its 16 months high at 53.6, up from 53.0 in March driven by increase in new business and output. The survey also demonstrated some easing in input and output price inflation.

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

### **Nigeria is seeking US\$ 5.2 billion from World Bank to expand the country's electricity generation**

Nigeria is attempting to get US\$ 5.2 billion from the World Bank to expand the country's electricity generation capacity and help the economy recover after contracting for the first time in last 25 years. The International Finance Corporation, is to invest US\$ 1.3 billion in power projects and electricity distribution companies. The Multilateral Investment Guarantee Agency (MIGA) is to provide US\$ 1.4 billion for the country's gas and solar power plants. These allotments are in addition to loan of US\$ 2.5 billion Nigeria is seeking from the World Bank to help improve the country's distribution of power, expand transmission-capacity and increase access to electricity in rural areas. The disbursement of funds is expected to start from around June-July 2017.

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

### **Italian Eni to build new oil refinery in Nigeria**

Italy's oil group Eni's Nigerian subsidiary Agip plans to build a 150,000bpd refinery in Nigeria. The junior oil minister, Emmanuel Ibe Kachikwu, said that setting up the refinery would help the country reduce imports. Currently, Nigeria consumes 45 million litres of crude oil per day. The existing four refineries are insufficient in supplying the required crude oil to the country.

<http://allafrica.com/>

# French West Africa

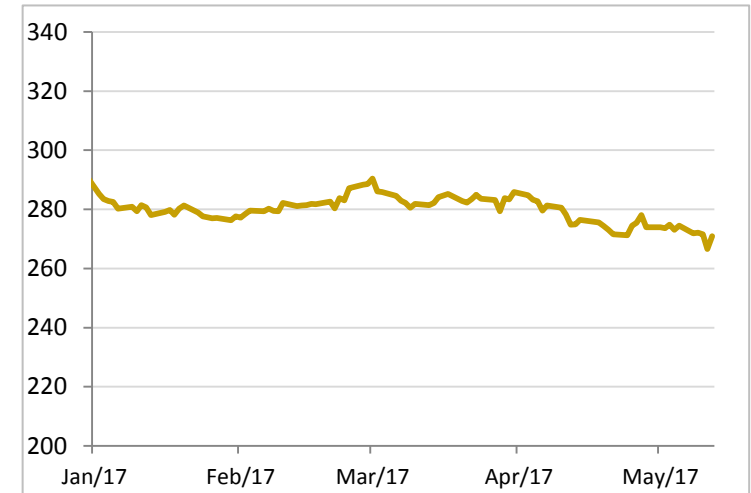
## Economic Snapshot

GDP (USD bn)	97.81
GDP growth	8.58%
GDP per Capita (USD)	860.90
XOF/USD	603.12
XOF/GBP	775.47
XOF/EUR	655.96
Inflation	0.60%
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-Three (43)
Trading days	Monday – Friday
Trading Hours	09:45hrs GMT – 15:00hrs GMT

## YTD Performance Chart

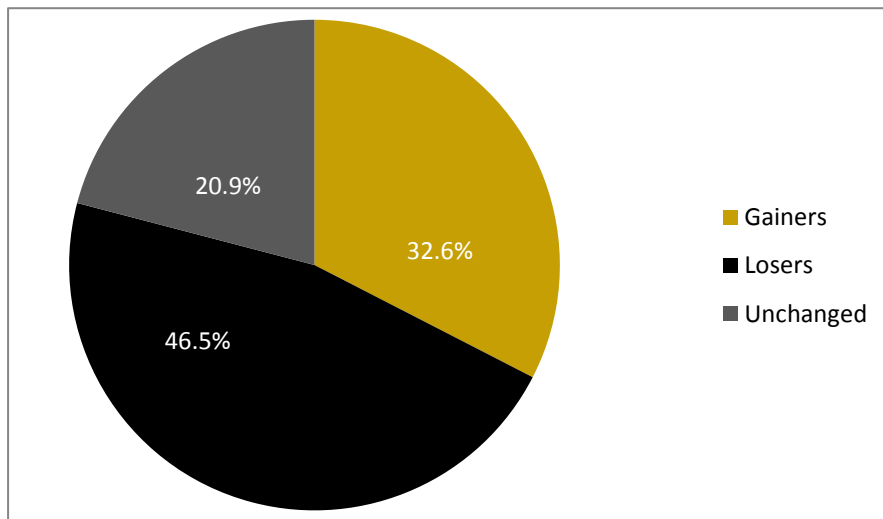


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	274.52	271.95	-0.94%	-6.92%	7,183.12	11.98
Tuesday	271.95	272.13	0.07%	-6.86%	7,187.84	11.93
Wednesday	272.13	271.52	-0.22%	-7.07%	7,171.78	11.90
Thursday	271.52	266.55	-1.83%	-8.77%	7,040.42	11.66
Friday	266.55	270.95	1.65%	-7.26%	7,156.71	11.87

## Market Wrap

- For the week under review, BRVM Composite Index decreased by 1.3% over previous week, compared to previous week's increase of 0.2%, closing the current week at 271.0 points which represents 7.3% loss on YTD basis.
- The shares of Societe Africaine de Plantations d'Heveas SA decreased 10.8% during the week to XOF 16,500 from XOF 18,500 in the previous week.
- Market cap also decreased from previous week to end the current week at XOF 7,156.71 million (USD 11.9 million) from XOF 7,250.98 million in the previous week.
- During the week, shares traded decreased by 87.6% on weekly basis to 2.2 million from 17.7 million in the previous week.
- The value of transactions for the week increased by 137.9% to XOF 6,455.2 million compared to previous week's XOF 2,713.2 million.
- An average of 0.44 million shares valued at XOF 1,291.0 million traded on each session of the week compared to 3.53 million shares valued at XOF 542.6 million that traded in the last week.
- Thursday recorded the biggest turnover and Monday recorded the biggest value traded for the week as deals made up for 45.0% of the weekly volume and 77.3% of value traded respectively.
- The market breadth was negative during the week with 32.6% of the stocks increasing and 46.5% decreasing. The remaining 20.9% of the stocks registered no change in price.

## Market Strength



## Event Schedule

Company/Organization	Event	Date
No events		

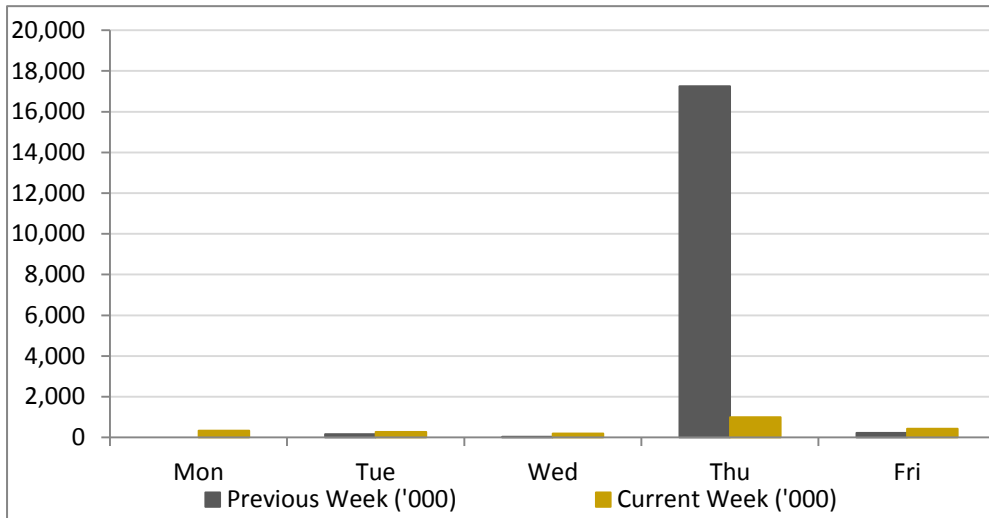
## Dividend Announcement

Company	DPS (XOF)	DPS (USD)	Payment Date
BOA NG	4,910	8.14	19-May-2017

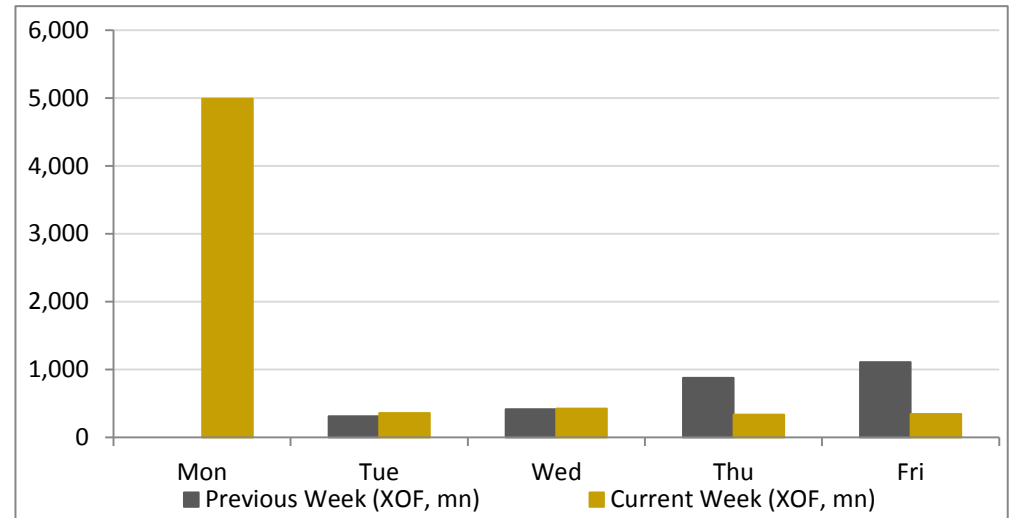
## Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	329	4,993	8.3	594	34	11	17	6
Tuesday	261	359	0.6	503	33	10	8	15
Wednesday	195	426	0.7	508	31	8	12	11
Thursday	988	334	0.6	398	32	12	11	9
Friday	422	344	0.6	424	34	12	11	11

## Market Volume (Week-on-week)



## Market Value (Week-on-week)



## This week in BRVM

### **Ivory Coast Soldiers Mutiny, Blockading a City**

Mutiny in Bouake, that started on Friday, cut off access to the city. The mutineers seized the control of the national military headquarters and the Defence Ministry in Abidjan on Friday demanding payment of bonus. This was the same group that mutinied in January paralyzing Ivory Coast. In Bouake, the mutineers fired on a group of demobilized former rebels, seriously wounding one of them. On Friday, the army's chief of staff, Gen. Sekou Toure, issued a statement threatening the soldiers with severe sanctions if they did not end the revolt.

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

### **Government of Ivory Coast cuts growth forecast for 2017**

The government of Ivory Coast cut its 2017 growth forecast and budget on Wednesday as the economy tries to cope with the fall in the price of cocoa and mounting pressure from the army for payouts. The falling cocoa prices has led to decrease in revenue forecast and forced the government to scale back its spending plans. Total budget spending for the year has been scaled back to XOF 6.448 trillion (US\$ 10.79 billion) compared to XOF 6.501 trillion (US\$ 838.52 billion) proposed late last year. The government has also cut growth forecast for 2017 to 8.5% from 8.9%. Currently, Ivory Coast is under US\$ 659 million program and is expected to seek additional loans from the International Monetary Fund.

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

# Featured Stock – Skye Bank Plc

## Snapshot – Skye Bank Plc

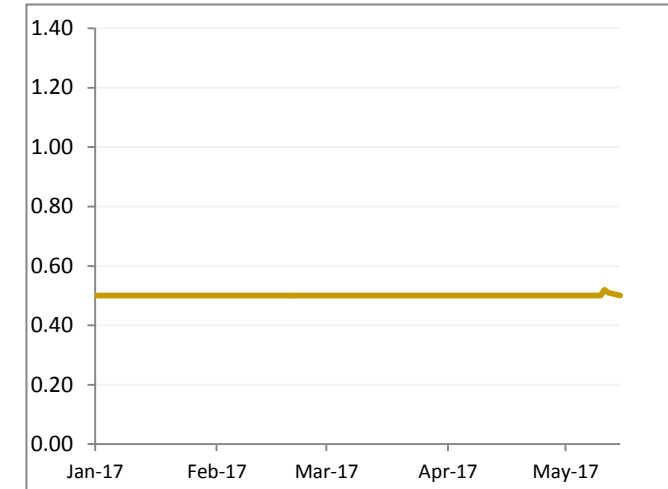
Symbol	SKYEBANK NL
ISIN	NGSKYEBANK07
Current Price (NGN/Sh.)	0.5
Year High (31-Oct-16)	NGN 1.42/ US\$ 0.005
Year Low (27-Apr-16)	NGN 0.5/ US\$ 0.002
Mkt Cap (NGN, mn)	6,940
Mkt Cap (USD, mn)	22.7
Issued Shares (mn)	13,880
Major Shareholder	AYENI OLATUNDE
Major Shareholding	0.73%
Revenue-FY 2016 (NGN, 'mn)	163,955.0
Net Profit (NGN, 'mn)	-40,804.0
Total Assets (NGN, 'mn)	1,199,397.0
Total Liabilities (NGN, 'mn)	1,095,214.0
Total Equity (NGN, 'mn)	104,183.0

## Key Data

Net Profit Growth	-318.6%
EPS	-2.9
Operating Margin	-18.6%
RoA	-3.2%
Net profit margin	-24.9%
RoE	-6.0%
P/E	-0.2
P/B	0.1

Formed by merger of Prudent Bank, EIB International Bank, Bond Bank, Reliance Bank and Cooperative Bank, Skye Bank Plc, is a residential and commercial bank which commence its operations in January 2006. The bank as over 400 branches and cash centers across Nigeria and has subsidiaries in Sierra Leone, the Gambia and Guinea. The bank operates in three segments namely, Retail banking which covers private banking services, private customer current accounts, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages; Commercial banking segment which includes direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency

## YTD Price Performance



## Company Profile

and derivative products; and Treasury, Corporate and Investment banking which incorporates financial instruments trading, structured financing and corporate leasing. Skye bank is one of the top five banks in Nigeria in terms of shareholder's Fund. The bank is listed on NSE where it trades under the symbol **SKYEBANK**.

## 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)

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