

CBL Research

West African Review

14 April 2017 Edition



This Week in West Africa

Market Snapshot

All three indices registered decline during the week. While NSE ALSI and GSE CI declined 0.9% each, BRVM CI lost 1.7% during the week. All the three indices registered an increase in the volume traded.

- **GHANA:** GSE Composite Index decreased by 0.9% in the current week to 1,882.08, compared to previous week's gain of 1.8%. The trading volume increased over the previous week. The index recorded 11.4% gain on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 0.9% during the week compared to previous week's increase of 0.9%. The index's trading volume increased over last week. The index has lost 5.1% on YTD basis compared to YTD loss of 4.2% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index decreased by 1.7% from previous week to 276.49 points, compared to previous week's decrease of 1.6%. The trading volume increased over the previous week. The index's YTD loss was 5.4% 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	1,898.34	1,886.03	-0.65%	11.66%	25,746.52	25,626.37	-0.47%	-4.64%	281.29	280.53	-0.27%	-3.98%
Tuesday	1,886.03	1,882.99	-0.16%	11.48%	25,626.37	25,478.06	-0.58%	-5.20%	280.53	278.28	-0.80%	-4.75%
Wednesday	1,882.99	1,881.92	-0.06%	11.42%	25,478.06	25,496.71	0.07%	-5.13%	278.28	274.84	-1.24%	-5.93%
Thursday	1,881.92	1,882.08	0.01%	11.43%	25,496.71	25,510.01	0.05%	-5.08%	274.84	274.88	0.01%	-5.92%
Friday	Holiday				Holiday				274.88	276.49	0.59%	-5.37%

Ghana

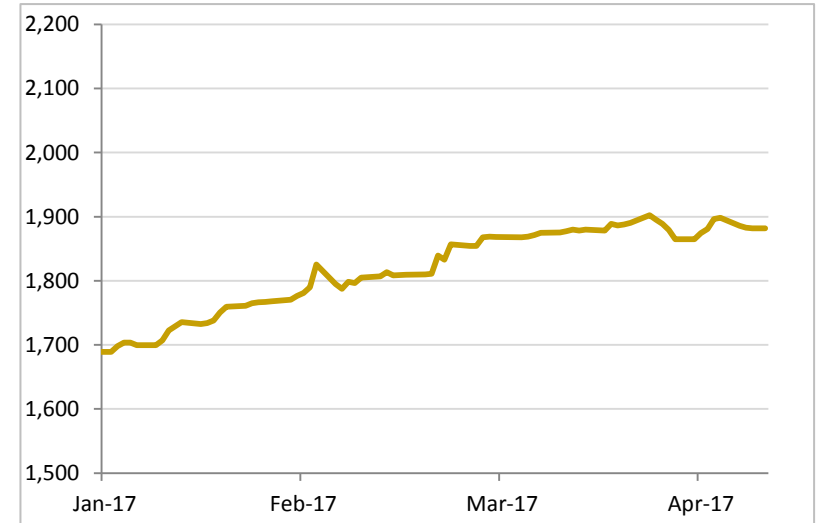
Economic Snapshot

GDP (USD bn)	37.7
GDP growth	3.88%
GDP per Capita (USD)	1,401.7
BoG Policy Rate	23.50%
GHS/USD	4.2103
GHS/GBP	5.2732
GHS/EUR	4.4755
Inflation	12.80%
91-Day T-Bill	16.71%
182-Day T-Bill	16.70%
1-Year T-Bill	21.00%
Total Reserves (USD bn)	6.5
Total Debt (USD bn)	29.2

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

YTD Performance Chart



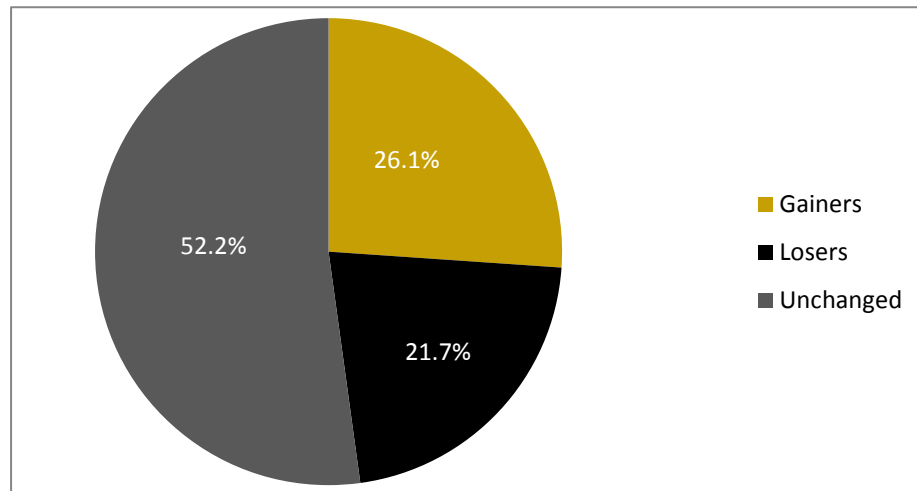
Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,898.34	1,886.03	-0.65%	11.66%	48,980.88	11,685.76
Tuesday	1,886.03	1,882.99	-0.16%	11.48%	48,961.50	11,634.23
Wednesday	1,882.99	1,881.92	-0.06%	11.42%	48,954.71	11,638.70
Thursday	1,881.92	1,882.08	0.01%	11.43%	48,955.73	11,627.61
Friday						

Holiday

Market Wrap

- GSE Composite Index decreased by 0.9% in the current week, to 1,882.1 points from 1,898.3 in the previous week, representing a 11.4% gain on YTD basis.
- The shares of HFC Bank Ltd. decreased 16.7% during the week to 50GHp from 60GHp last Friday.
- The index's market cap decreased by 0.6% to GHS 48,955.7 million (USD 11,627.6 million) from GHS 49,259.7 million in the last week.
- The shares traded during the week increased by 16.7% from previous week to 2.4 million from 2.8 million in the last week.
- The value of transactions in the week decreased by 52.7% to GHS 3.0 million (USD 0.7 million) from the previous week's value of GHS 6.4 million.
- An average of 0.5 million shares per day valued at GHS 0.6 million traded during the week compared to 0.6 million shares valued at GHS 1.3 million that traded during the previous week.
- Tuesday recorded the biggest turnover and the biggest value traded for the week as the deals made up for 67.5% and 55.2% of the total weekly market volume and value traded respectively.
- The market breadth for current week was positive with 26.1% of the total active shares increased and 21.7% decreased during the week. The remaining 52.2% of the total active stocks were unchanged from the previous week.

Market Strength



Event Schedule

Company/Organization	Event	Date
CAL	AGM	26-Apr-2017
HFC	AGM	27-Apr-2017

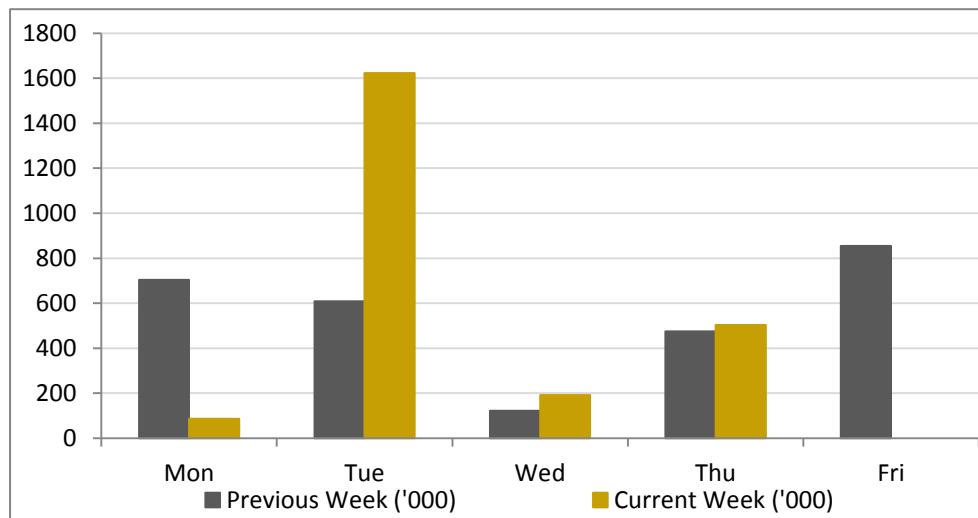
Dividend Announcement

Company	DPS (GHS)	DPS (USD)	Qualifying Date	Payment Date
EGH	0.82	0.19	21-Apr-2017	26-May-2017

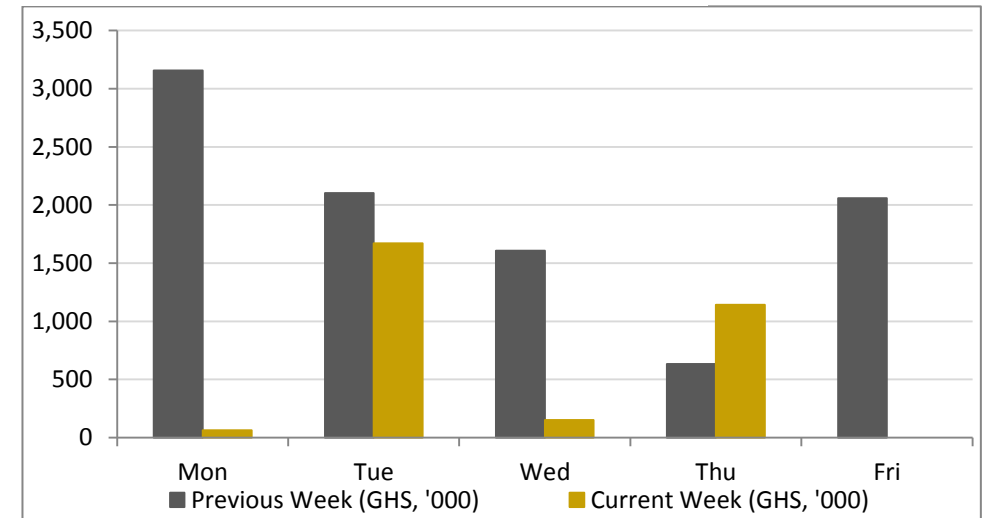
Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	85,830	62,701	14,959	71	17	1	4	12
Tuesday	1,623,084	1,671,032	397,071	101	15	0	2	13
Wednesday	192,231	152,482	36,252	54	12	3	2	7
Thursday	503,641	1,141,968	271,232	87	18	3	2	13
Friday				Holiday				

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Ghana

Ghana inflation reduced to 12.8% in March compared to previous month

Ghana's annual consumer price inflation for the month of March 2017 fell to 12.8% relative to 13.2% during February 2017. This reduction in inflation is the third consecutive time in 2017, the lowest since December 2013, said statistics office. The combined effect of the declining food and non-food components in addition to high exchange rate and price changes helped to reach the low inflation rate in March 2017, said Mr. Baa Wadieh, Government Statistician. Further, as part of initiative to restore macro-economic stability, government of President Nana Akufo-Addo has targeted a reduction of inflation to 11.2% by the end of the year.

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

Fidelity Bank partners FMO, BIO for SME lending

Fidelity Bank Limited has received US\$ 54 million from the Netherlands Development Finance Company (FMO) and Belgian Investment Company for Developing Countries (BIO). The funds will be used by the bank to provide long-term loans to small and medium enterprises (SMEs). The SME sector is the fastest growth sector in Ghana and contributes 85% of the manufacturing employment, creates 1.3 million jobs every year and makes up for 20% of the country's GDP. The Managing Director of Fidelity Bank, Mr. Jim Baiden, said that the SME sector is of high interest to the bank and increase access to funding in the SME sector.

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

NPP led Government releases GHS 465 million for commence works on one-district-one factory project

Keeping up with its election promise, the NPP has begun taking steps to establish a factory in each district. The Director of Policy Planning, Monitoring and Budget at the Ministry of Trade and Industry, Mr. Padi Adjirakor, announced on April 10, 2017, that the government has released GHS 465 million to start the one-district-one-factory project. The project aims to establish medium-to-large-scale factories or industrial enterprises in each district to improve the country's economy and provide employment opportunities. In addition, the government has also released GHS 256 million that will be used to revamp 100 private commercially viable and distressed companies in Ghana. All companies qualifying for either of the projects can present their business plan to the ministry.

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

GOIL commissions 15million dollar marine gas storage facility

The Ghana Oil Company (GOIL) commissioned a US\$ 15 million Marine Gas Storage (MGS) facility on April 5, 2017. The facility is expected to redirect a bulk of business activity in the sector to the Takoradi Port and improve the bunkering industry in Ghana. The facility is the largest in Ghana and has a capacity of 13.5 million litre. The project can store and dispatch marine gas oil to upstream vessels, ships and FPSOs docked at the Takoradi port. The project has motorized valves and automatic control systems for dispatching products to the vessels and three pumps to provide product at a flow rate of 250 cubic metres an hour, with additional extra lines to meet customer needs. The Board Chairman of GOIL, Mr. William Asomaning, said that the commissioning of the storage facility places GOIL as an important player in bunkering business.

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

Nigeria

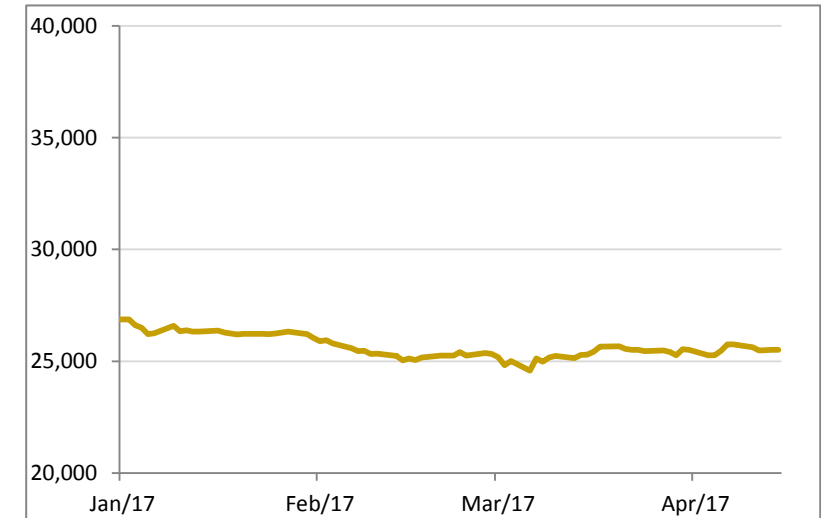
Economic Snapshot

GDP (USD bn)	415.1
GDP growth	-1.75%
GDP per Capita (USD)	2260.3
Policy Rate	14.00%
NGN/USD	305.55
NGN/GBP	382.98
NGN/EUR	324.71
Inflation	17.78%
91-Day T-Bill	14.02%
182-Day T-Bill	18.81%
1-Year T-Bill	22.97%
Total Reserves (USD bn)	30.4
Total Debt (USD bn)	56.0

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 Seventy-Seven (177)
Trading days	Monday – Friday
Trading Hours	08:30hrs GMT – 13:30hrs GMT

YTD Performance Chart



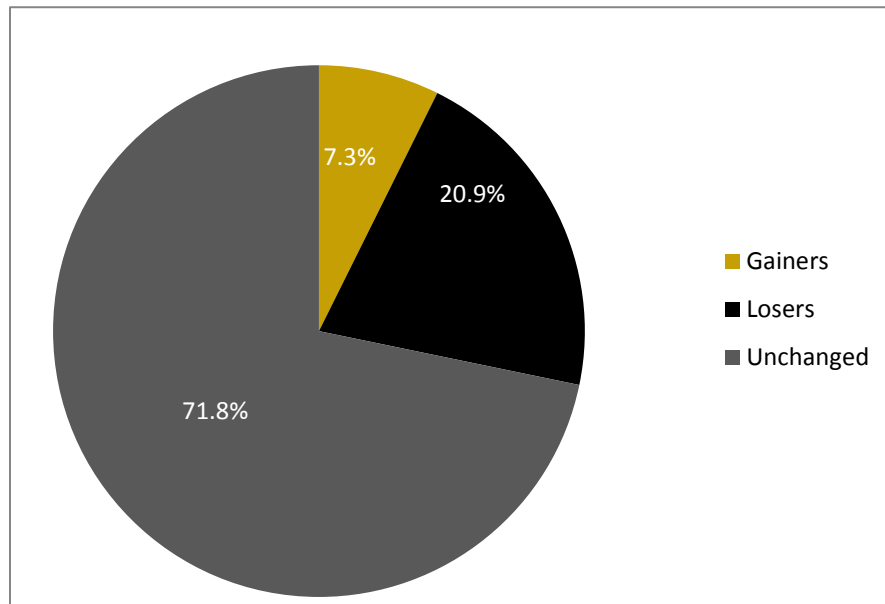
Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
Monday	25,746.52	25,626.37	-0.47%	-4.64%	8,867.03	29.01
Tuesday	25,626.37	25,478.06	-0.58%	-5.20%	8,815.71	28.85
Wednesday	25,478.06	25,496.71	0.07%	-5.13%	8,822.16	28.87
Thursday	25,496.71	25,510.01	0.05%	-5.08%	8,826.77	28.89
Friday						

Holiday

Market Wrap

- NSE All Share Index decreased by 0.9% on weekly basis (compared to 0.9% increase in the last week). The index ended the week at 25,510.01 points, representing year-to-date loss of 5.1%.
- The shares of Dangote Sugar Refinery plc decreased 14.3% during the week followed by FCMB Group plc at 12.2%.
- Market cap decreased during the week to NGN 8,826.8 million (USD 28.9 million) from NGN 8,908.60 million at the end of last week.
- The trading volume increased by 51.6% over previous week to 1,191.5 million from 786.2 million shares that traded in the previous week.
- The value of transactions increased by 3.6% in the current week to NGN 6,036.5 million (USD 19.8 million) compared to NGN 5,827.7 million recorded in the previous week.
- An average of 238.3 million shares valued at NGN 1,207.3 million traded on each session of the week compared to 157.2 million traded shares valued at NGN 1,165.5 million in the previous week.
- Tuesday recorded the biggest turnover and Thursday recorded the biggest value traded for the week as the day's deals made up for 33.8% of the weekly volume and 37.8% of value traded respectively.
- The market breadth was negative during the last week as 7.3% of the total shares increased in value compared with 20.9% of the stock registering losses. In the last week, 71.8% of the shares remained unchanged.

Market Strength



Event Schedule

Company/Organization	Event	Date
Greif Nigeria Plc	AGM	21-Apr-2017

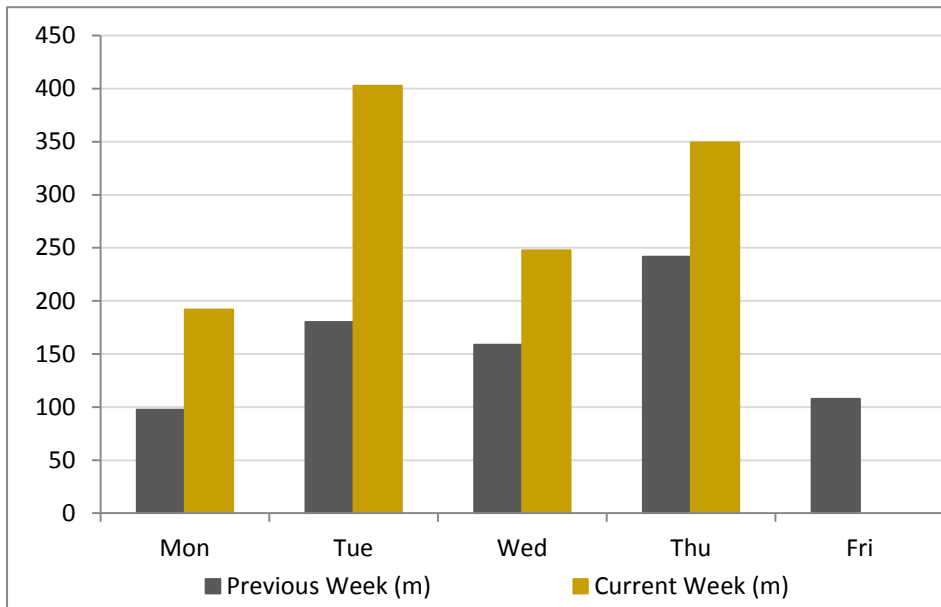
Dividend Announcement

Company	DPS (NGN)	DPS (USD)	Payment Date
Greif Nigeria Plc	0.6	0.002	05-May-2017

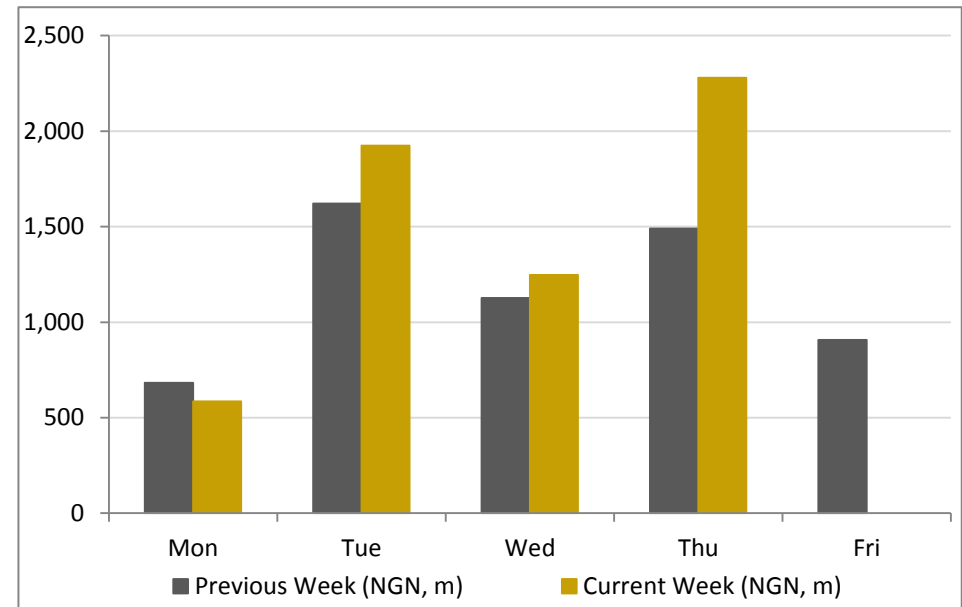
Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	192	585	1.9	2,626	104	8	22	74
Tuesday	403	1,925	6.3	3,459	107	12	26	69
Wednesday	248	1,247	4.1	2,909	104	18	17	69
Thursday	349	2,280	7.5	2,826	88	18	11	59
Friday	Holiday							

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Nigeria

NNPC trade deficit falls by 16% MoM in January 2017

The Nigeria National Petroleum Corporation (NNPC) reduced its trading deficit by 16% MoM in January 2017 on the back of higher revenue of Nigerian Petroleum Development Company (NPDC), improved refineries efficiency and about 32% fall in the upstream costs. We believe this reduction in trade deficit was also supported by crude oil imports by United States. The US EIA stated in its report that crude oil from Nigeria and Iraq were the largest contributors to the total crude imports in 2016. The trade deficit stood at NGN 14.3 billion as of January 2017 end compared to NGN 17.0 billion recorded as of end of December 2016. The total export sales for January 2017 stood at US\$ 202.2 million, US\$ 6.8 million higher than the December 2016 sales. Out of the total exports, Crude oil exports stood at US\$ 94.0 million.

<https://guardian.ng/>

CBN opens special exchange window for SMEs on Monday

The spokesperson for the Central Bank of Nigeria (CBN), Mr. Isaac Okorafor, said that the bank opened a special foreign exchange window on Monday to enable Small and Medium Enterprises (enterprises with asset base in the range of NGN 5 - 500 million (excluding land) and a labour force of 11 - 300) to import eligible finished and semi-finished items. The cost of the item to be imported should not exceed US\$ 20,000 for an enterprise per quarter. To get the same the SME has to complete Form 'M' supported with proforma invoice and importer's Bank Verification Number (BVN), not later than 60 days from the date of transfer. Mr. Okorafor has indicated that the bank may continue special intervention in the market with the sale of more dollars to BDCs and in both the retail and wholesale windows in future.

<http://allafrica.com/>

Nigerian oil production to revive this year

The oil minister of Nigeria, Mr. Emmanuel Kachikwu, assured that Nigeria will see a revival in the oil production this summer with the completion of maintenance and repairs on the Forcados pipeline in June 2017 and Bonga oilfield in July 2017. He also added that he expects fellow Organisation of Petroleum Exporting Countries (OPEC) members to cut their output further in the second half of the year to maintain the crude oil prices at current levels. Nigeria's output slumped to 1.27 million bpd in March. Nigeria has set a target of 2.2 million bpd for itself. Currently, Nigeria has been exempt from output cuts until it fully restores output it's lost due to militant attacks. Nigeria expects to recover its production by October - November 2016.

<http://gulfnews.com/>

Nigeria seeks US\$ 3 billion loan from World Bank and AfDB

Nigeria is seeking to get a US\$ 3 billion loan from the World Bank and African Development Bank. The Minister of State for Budget and National Planning, Mrs. Zainab Ahmed, said that the country is seeking to get US\$ 2 billion from the World Bank and has requested the African Development Bank to release the remaining US\$ 400 million of the US\$ 1 billion loan and is in negotiations with the bank to increase the same to US\$ 1 billion. The Nigerian government has announced an ambitious record budget of NGN 7.3 trillion to bring the economy back to growth. The government has already issued Eurobonds worth US\$ 1 billion in February and a further US\$ 500 million in March to finance projects approved in the 2016 budget. The borrowings for the year will be finalized after lawmakers approve this year's spending plans.

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

French West Africa

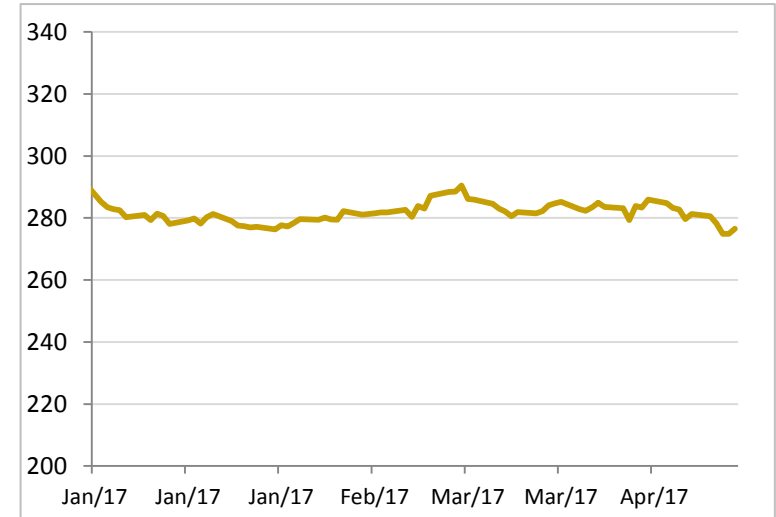
Economic Snapshot

GDP (USD bn)	97.81
GDP growth	8.58%
GDP per Capita (USD)	860.90
XOF/USD	617.08
XOF/GBP	773.87
XOF/EUR	655.96
Inflation	1.10%
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

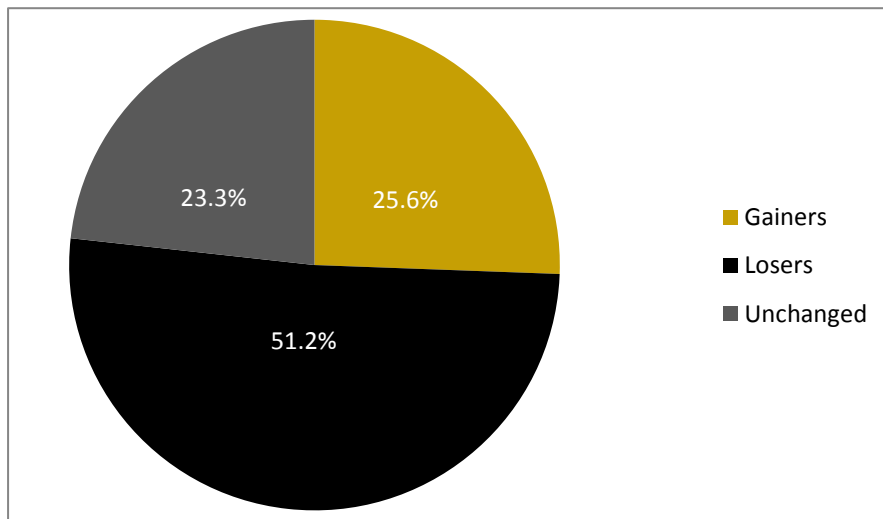


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	281.29	280.53	-0.27%	-3.98%	7,409.69	11.95
Tuesday	280.53	278.28	-0.80%	-4.75%	7,350.19	11.90
Wednesday	278.28	274.84	-1.24%	-5.93%	7,259.45	11.74
Thursday	274.84	274.88	0.01%	-5.92%	7,260.38	11.77
Friday	274.88	276.49	0.59%	-5.37%	7,302.92	11.83

Market Wrap

- For the week under review, BRVM Composite Index decreased by 1.7% over previous week, compared to previous week's decrease of 1.6%, closing the current week at 276.5 points which represents 5.4% loss on YTD basis.
- The shares of Societe Ivoirienne de Coco Rape decreased 16.0% during the week to XOF 5,460 from XOF 6,500 in the previous week.
- Market cap also decreased from previous week to end the current week at XOF 7,302.92 million (USD 11.8 million) from XOF 7,429.90 million in the previous week.
- During the week, shares traded increased by 443.8% on weekly basis to 2.5 million from 0.5 million in the previous week.
- The value of transactions for the week decreased by 49.3% to XOF 3,263.9 million compared to previous week's XOF 6,437.4 million.
- An average of 0.49 million shares valued at XOF 652.8 million traded on each session of the week compared to 0.09 million shares valued at XOF 1,287.5 million that traded in the last week.
- Monday recorded the biggest turnover and Wednesday recorded the biggest value traded for the week as deals made up for 58.5% of the weekly volume and 33.9% of value traded respectively.
- The market breadth was negative during the week with 25.6% of the stocks increasing and 51.2% decreasing. The remaining 23.3% of the stocks registered no change in price.

Market Strength



Event Schedule

Company/Organization	Event	Date
No events		

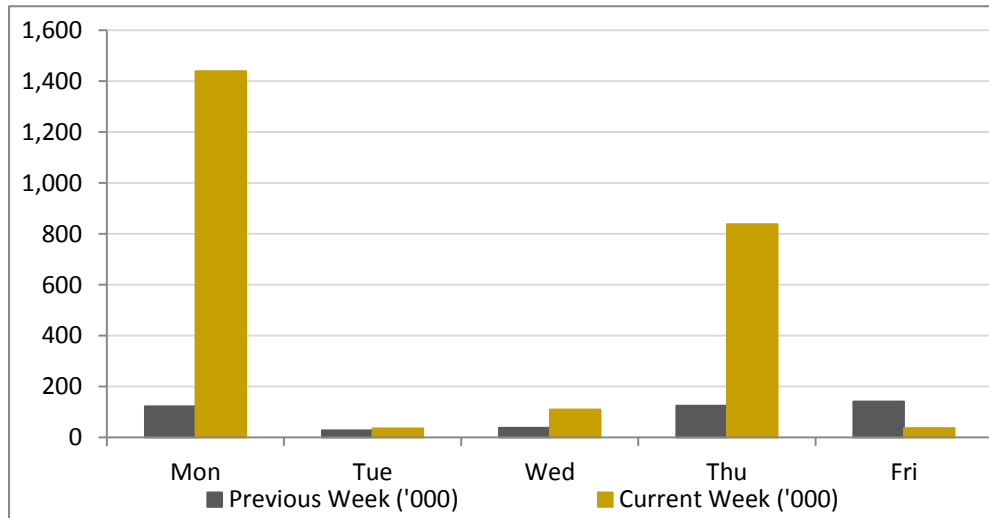
Dividend Announcement

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

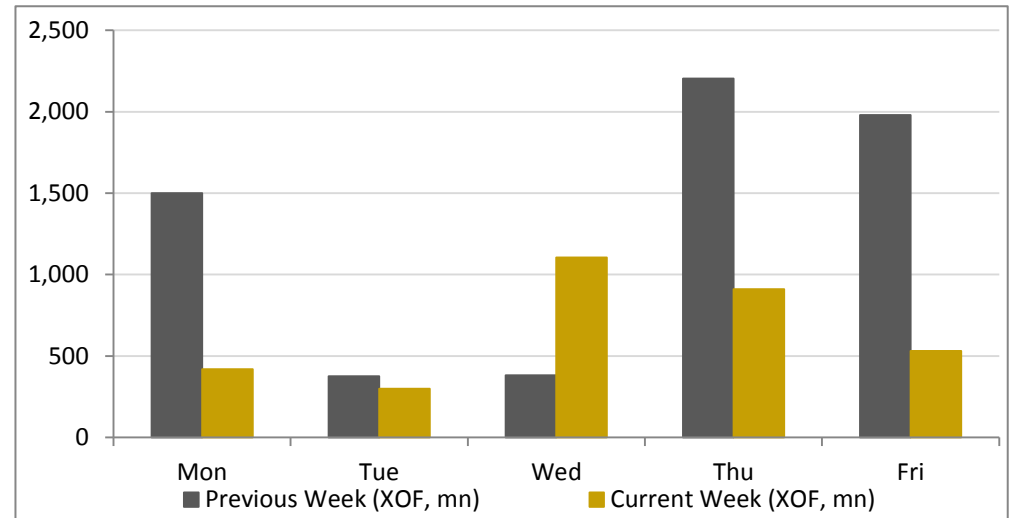
Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	1,439	419	0.7	504	35	7	15	13
Tuesday	36	298	0.5	458	33	10	13	10
Wednesday	109	1,105	1.8	463	36	9	21	6
Thursday	838	910	1.5	572	36	11	12	13
Friday	37	531	0.9	339	29	11	8	10

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in BRVM

Senegal to raise funds through issue of Eurobonds in April

The Finance Minister of Senegal, Mr. Amadou Ba, announced on 14 April, 2017 that the country will issue a Eurobond in April to finance a various infrastructure and power production projects in the country. Currently, there are no details available regarding the size of the issue. Senegal has been rated B1 by Moody's and B+ by Standard & Poor's. Senegal has several projects in the pipeline including, regional train project, motorways, electricity projects, university construction, health and agriculture. Alstom announced in December 2016 that it will be selling 15 new regional trains to Senegal for use between Dakar and a new international airport being constructed about 50 km outside the city.

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

Ivory Coast and Ghana unite to fight cocoa price volatility

The Ghana Cocoa Board (COCOBOD) and Ivory Coast's Coffee and Cocoa Council (CCC) have decided to coordinate their production strategies and put theirs combined efforts in a way that stabilizes cocoa prices. As a part of the coordination, both the countries will hold regular meetings and establish a technical committee to discuss how best to manage production and ensure sustainability. Ghana plans to introduce hand pollination of cocoa seedlings and to begin irrigating farms to boost cocoa production in its country to 1 million tonnes by 2020.

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

Burkina Faso expects 45 tons of gold production in 2017

The Prime Minister of Burkina Faso, Mr. Paul Kaba Thieba, announced on 14 April, 2017, that Burkina Faso's gold production is expected to reach 45 tons in 2017 driven by commencement of production at two new mines. The addition of the two new mines brings the total number of operational mines to 10. Mr. Thieba further added that the zinc production would remain at 130,000 tons. Total revenue from mining operations increased 12.8% YoY to XOF 189.9 billion in 2016.

<http://news.xinhuanet.com/>

Featured Stock – Presco Nigeria Plc

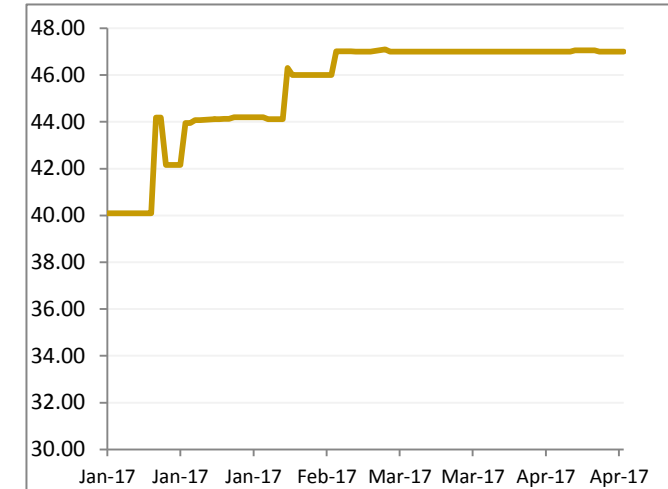
Snapshot – Presco Nigeria Plc

Symbol	PRESCO NL
ISIN	NGPRESCO0005
Current Price (NGN/Sh.)	47
Year High (31-Oct-16)	NGN 48.0/ US\$ 0.16
Year Low (27-Apr-16)	NGN 35.01/ US\$ 0.12
Mkt Cap (NGN, mn)	47,000
Mkt Cap (USD, mn)	154.1
Issued Shares (mn)	1,000
Major Shareholder	SA SIAT NV
Major Shareholding	60.00%
Revenue-FY 2016 (NGN, 'mn)	10,448.4
Net Profit (NGN, 'mn)	2,320.8
Total Assets (NGN, 'mn)	55,478.0
Total Liabilities (NGN, 'mn)	25,082.5
Total Equity (NGN, 'mn)	30,395.5

Key Data

Net Profit Growth	-55.3%
EPS	2.3
Operating Margin	47.1%
RoA	4.4%
Net profit margin	22.2%
RoE	9.1%
P/E	20.3
P/B	1.5

YTD Price Performance



Company Profile

Incorporated on September 24, 1991, Presco Plc is a Nigeria based agro industrial company specializing in the cultivation of oil palms and in the extraction, refining and fractioning of crude palm oil into vegetable oil and palm stearin. The Company's primary operations are development of oil palm plantations, palm oil milling, palm kernel processing and vegetable oil refining. Presco's offerings include refined bleached and deodorized palm oil, palm olein, palm stearin, palm fatty acid distillate, palm kernel oil and cake. Presco holds approximately 16,470 hectares (most of it in Edo state), of which 11,590 hectares are mature. The company also

owns a palm oil mill with a capacity of over 60 tons fresh fruit bunches/hour, a refinery with a capacity of over 100 tons/day, and a palm kernel crushing plant with a capacity of about 60 million tons/day. The company has been listed on Nigerian Stock Exchange since 10 October, 2002, where it trades under the ticker of PRESCO.

The Team

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