

CBL Research

West African Review

24 March 2017 Edition



This Week in West Africa

Market Snapshot

GSE CI increased 0.6% during the week whereas NSE ALSI and BRVM CI declined 0.8% and 0.6% respectively during the week. While BRVM CI and NSE ALSI registered an increase in volume traded, GSE CI registered a decline in the same

- **GHANA:** GSE Composite Index increased by 0.6% in the current week to 1,890.51, compared to previous week's gain of 0.3%. The trading volume decreased over the previous week. The index recorded 11.9% gain on YTD basis.
- **NIGERIA:** NSE ALSI decreased by 0.8% during the week compared to previous week's increase of 1.6%. The index's trading volume increased over last week. The index has lost 5.3% on YTD basis compared to YTD loss of 4.6% at the end of previous week.
- **FRENCH WEST AFRICA:** BRVM Composite Index decreased by 0.6% from previous week to 283.58 points, compared to previous week's increase of 1.2%. The trading volume increased over the previous week. The index's YTD loss was 2.9% 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	1,879.60	1,878.58	-0.05%	11.22%	25,653.16	25,671.55	0.07%	-4.48%	285.18	282.81	-0.83%	-3.20%
Tuesday	1,878.58	1,889.00	0.55%	11.84%	25,671.55	25,558.57	-0.44%	-4.90%	282.81	282.26	-0.19%	-3.39%
Wednesday	1,889.00	1,886.53	-0.13%	11.69%	25,558.57	25,514.09	-0.17%	-5.06%	282.26	283.47	0.43%	-2.98%
Thursday	1,886.53	1,887.90	0.07%	11.77%	25,514.09	25,514.03	0.00%	-5.06%	283.47	284.84	0.48%	-2.51%
Friday	1,887.90	1,890.51	0.14%	11.92%	25,514.03	25,454.93	-0.23%	-5.28%	284.84	283.58	-0.44%	-2.94%

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	4.3506
GHS/GBP	5.4274
GHS/EUR	4.6982
Inflation	13.20%
91-Day T-Bill	17.21%
182-Day T-Bill	17.09%
1-Year T-Bill	19.00%
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

6M Performance Chart

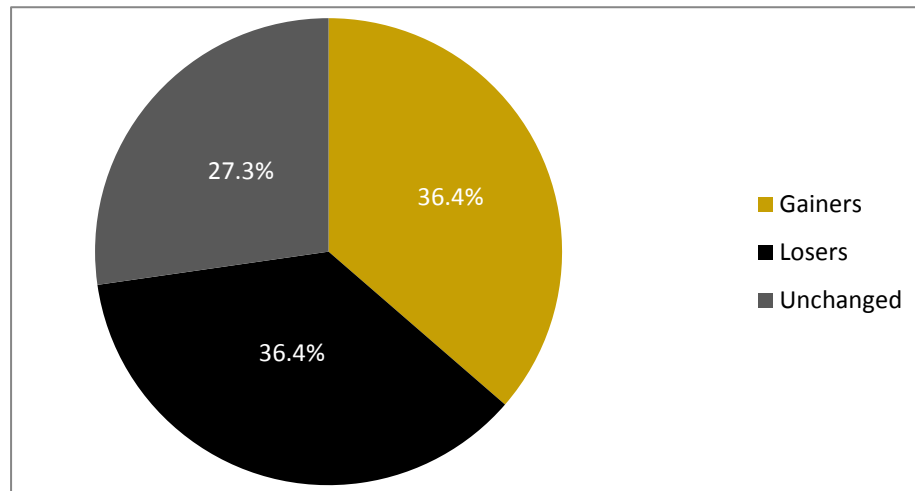


Trading Day	Market Index (GSE CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	GHS m	USD m
Monday	1,879.60	1,878.58	-0.05%	11.22%	49,254.38	10,958.81
Tuesday	1,878.58	1,889.00	0.55%	11.84%	49,254.38	10,958.81
Wednesday	1,889.00	1,886.53	-0.13%	11.69%	49,238.61	10,993.22
Thursday	1,886.53	1,887.90	0.07%	11.77%	49,247.38	11,137.91
Friday	1,887.90	1,890.51	0.14%	11.92%	49,209.80	11,311.04

Market Wrap

- GSE Composite Index increased by 0.6% in the current week, to 1,890.5 points from 1,879.6 in the previous week, representing a 11.9% gain on YTD basis.
- The shares of Ecobank Transnational Ltd. increased 8.3% during the week to 13GHp from 12GHp last Friday.
- The index's market cap increased by 0.4% to GHS 49,209.8 million (USD 11,311.0 million) from GHS 48,994.1 million in the last week.
- The shares traded during the week decreased by 91.2% from previous week to 0.9 million from 14.3 million in the last week.
- The value of transactions in the week decreased by 58.5% to GHS 2.8 million (USD 0.6 million) from the previous week's value of GHS 6.8 million.
- An average of 0.2 million shares per day valued at GHS 0.6 million traded during the week compared to 2.9 million shares valued at GHS 1.4 million that traded during the previous week.
- Wednesday recorded the biggest turnover and Friday recorded the biggest value traded for the week as the deals made up for 36.8% and 44.5% of the total weekly market volume and value traded respectively.
- The market breadth for current week was neutral with 36.4% of the total active shares increased and 36.4% decreased during the week. The remaining 27.3% of the total active stocks were unchanged from the previous week.

Market Strength



Event Schedule

Company/Organization	Event	Date
No event		

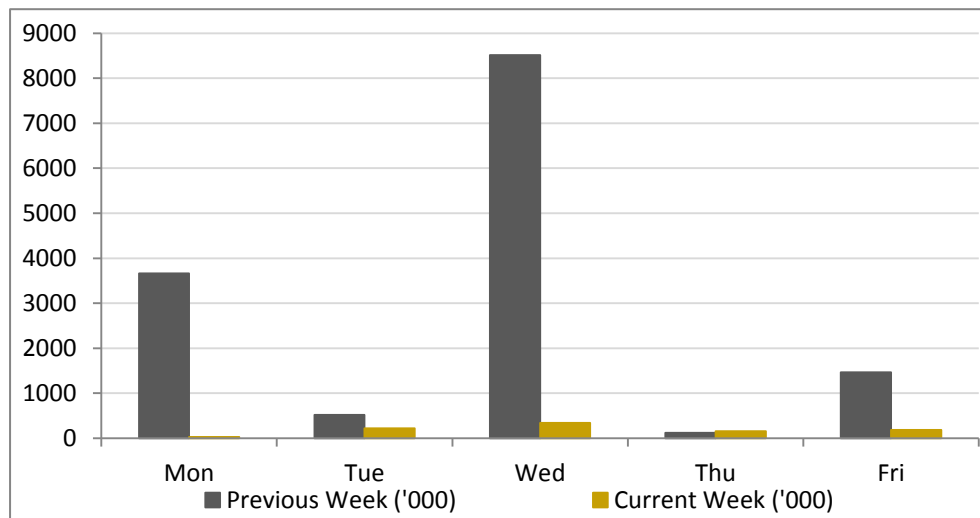
Dividend Announcement

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

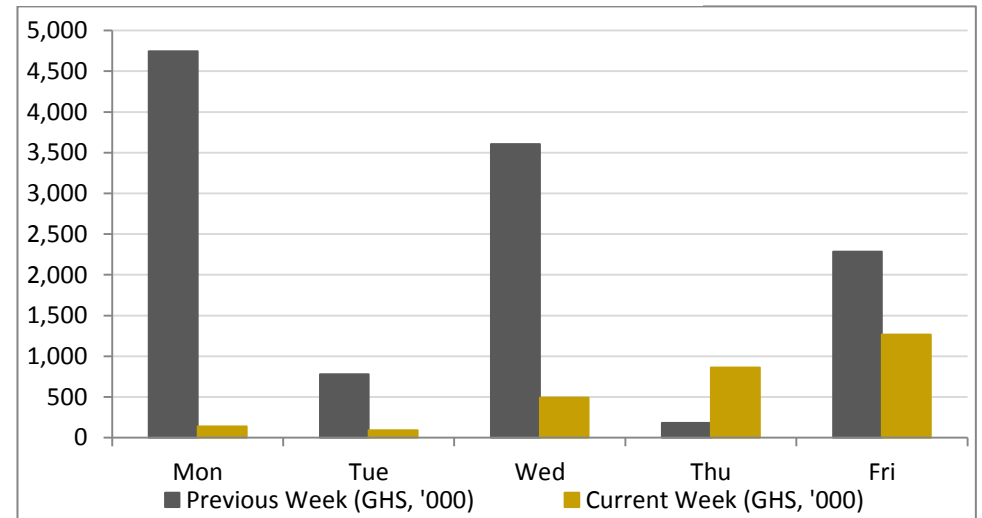
Trading Statistics

Trading Day	Volume	Value (GHS)	Value (USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	27,799	136,895	30,286	32	9	1	2	6
Tuesday	217,942	88,897	19,779	87	11	5	2	4
Wednesday	341,524	490,883	109,597	75	11	3	3	5
Thursday	156,920	861,814	194,910	100	16	4	3	9
Friday	184,918	1,265,837	290,957	84	15	3	2	10

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Ghana

GE Oil & Gas sets up oil and gas engineering service center at Takoradi Port

GE Oil and Gas has set up a new oil and gas engineering service center at the Takoradi Port in Ghana. The facility would act as the primary service center for deep-water offshore upstream operation in the area. The project has a simultaneous testing capacity of three subsea trees and a storage capacity of 4,000 sq. meter. The facility will also provide training to develop Ghanaian expertise in the oil and gas industry. The Director of the Takoradi Port, Captain Eben Afedzi, expressed that the inauguration of the center is a step towards making Ghana an oil and gas hub in West Africa.

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

VRA to pay GHS 160 million by the end of March 2017

The President of Ghana Association of Bankers, Mr. Alhassan Andani, said that VRA would be repaying about GHS 160 million to the banks that it owes. Under the restructured facility, GHS 160 million will at the end of March. Mr. Andani added that the Government is on schedule with regards to payment. The VRA has already paid GHS 250 million. The Volta River Authority (VRA) owes a total of GHS 4.4 billion to the banking sector. This debt made it difficult for the commercial banks to lend to businesses. The settling of the debts is expected to help banks in bolstering their loan book.

<https://citifmonline.com/>

Ghana PPI stands at 5.4% for February

The Ghana Statistical Service announced on Monday that Ghana's PPI stood at 5.4% for February 2017 compared to 3.1% a month ago. This increase could be partly attributed to the increase in petroleum prices in the country. However, this is better than the PPI recorded in 2014 and 2015. The mining and quarrying sub sector recorded the highest YoY inflation of 19.7% during the month followed by manufacturing at 3.5% and utilities at 1.3%. Though economists are optimistic that the current rise will not jeopardize the government's full-year inflation target, many analysts are skeptical about the attainment of government's target for revenue collection and deficit reduction.

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

GIPC aims US\$ 5 billion in FDIs to Ghana in 2017

The Ghana Investment Promotion Centre (GIPC) targets US\$ 5 billion in foreign direct investments (FDI) to Ghana for 2017. The target is more than twice the total FDIs recorded in 2016. The GIPC is looking forward to double the inward investments which will result into multiples of tax revenue and jobs. The CEO of the GIPC, Reginald Yofi Grant stated that he is highly optimistic of the targets considering the numerous investment decisions embarked on by the NPP administration. He further added that we should observe how much more value, technology and social impact that these investments will bring to the country.

<https://citifmonline.com/>

Nigeria

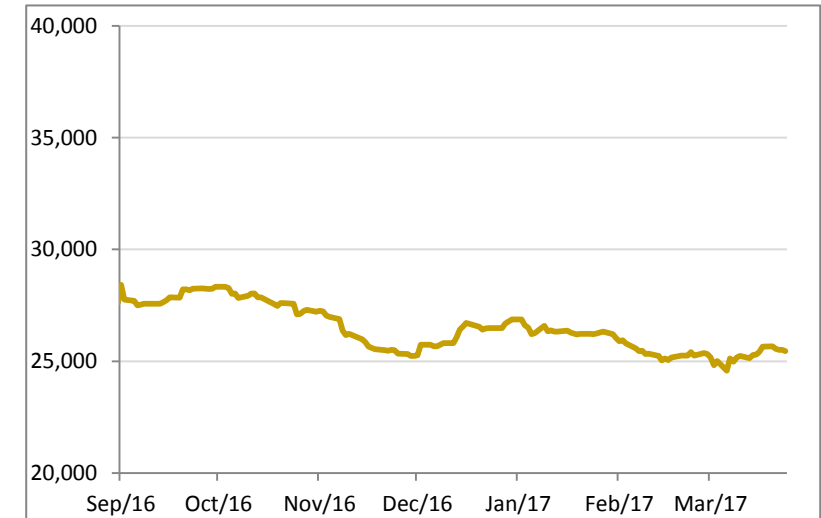
Economic Snapshot

GDP (USD bn)	415.1
GDP growth	-1.75%
GDP per Capita (USD)	2260.3
Policy Rate	14.00%
NGN/USD	306.50
NGN/GBP	382.67
NGN/EUR	331.11
Inflation	17.78%
91-Day T-Bill	14.08%
182-Day T-Bill	18.81%
1-Year T-Bill	22.78%
Total Reserves (USD bn)	30.3
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

6M Performance Chart

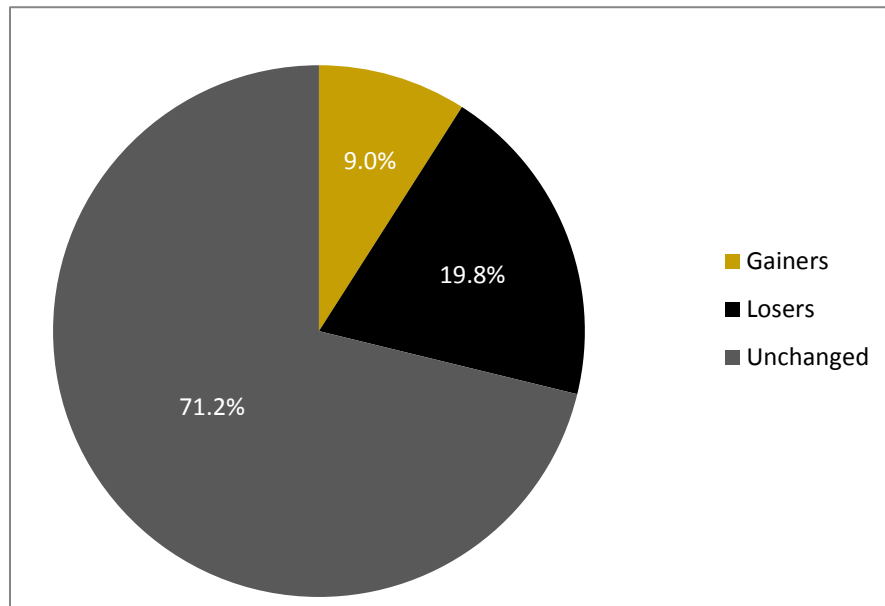


	Trading Day	Market Index (NSE AS)		Change (%)		Market Cap	
		Previous	Current	Daily	Year-to-Date	NGN bn	USD bn
	Monday	25,653.16	25,671.55	0.07%	-4.48%	8,881.97	28.93
	Tuesday	25,671.55	25,558.57	-0.44%	-4.90%	8,842.88	28.80
	Wednesday	25,558.57	25,514.09	-0.17%	-5.06%	8,827.49	28.73
	Thursday	25,514.09	25,514.03	-0.0002%	-5.06%	8,827.47	28.71
	Friday	25,514.03	25,454.93	-0.23%	-5.28%	8,807.02	28.73

Market Wrap

- NSE All Share Index decreased by -0.8% on weekly basis (compared to 1.6% increase in the last week). The index ended the week at 25,454.93 points, representing year-to-date loss of 5.3%.
- The shares of Guinness Nigeria plc decreased 9.77% during the week followed by Seplat Petroleum Development Company Ltd. at 9.73%.
- Market cap decreased during the week to NGN 8,807.0 million (USD 28.7 million) from NGN 8,878.07 million at the end of last week.
- The trading volume increased by 27.2% over previous week to 1,308.9 million from 1,029.3 million shares that traded in the previous week.
- The value of transactions increased by 29.4% in the current week to NGN 10,323.2 million (USD 33.6 million) compared to NGN 7,980.1 million recorded in the previous week.
- An average of 261.8 million shares valued at NGN 2,064.6 million traded on each session of the week compared to 205.9 million traded shares valued at NGN 1,596.0 million in the previous week.
- Monday recorded the biggest turnover and the biggest value traded for the week as the day's deals made up for 37.8% of the weekly volume and 24.7% of value traded respectively.
- The market breadth was negative during the last week as 9.0% of the total shares increased in value compared with 19.8% of the stock registering losses. In the last week, 71.2% of the shares remained unchanged.

Market Strength



Event Schedule

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

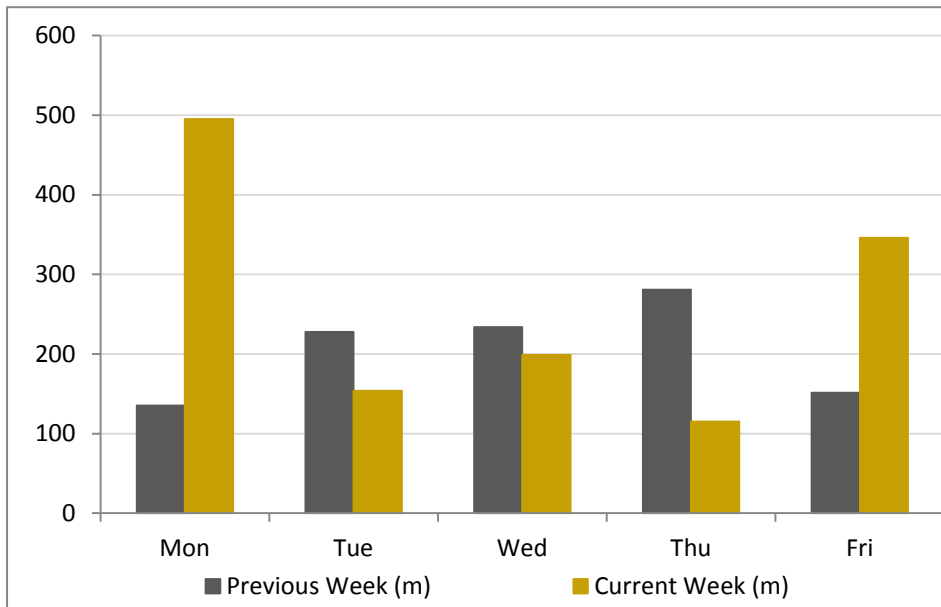
Dividend Announcement

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

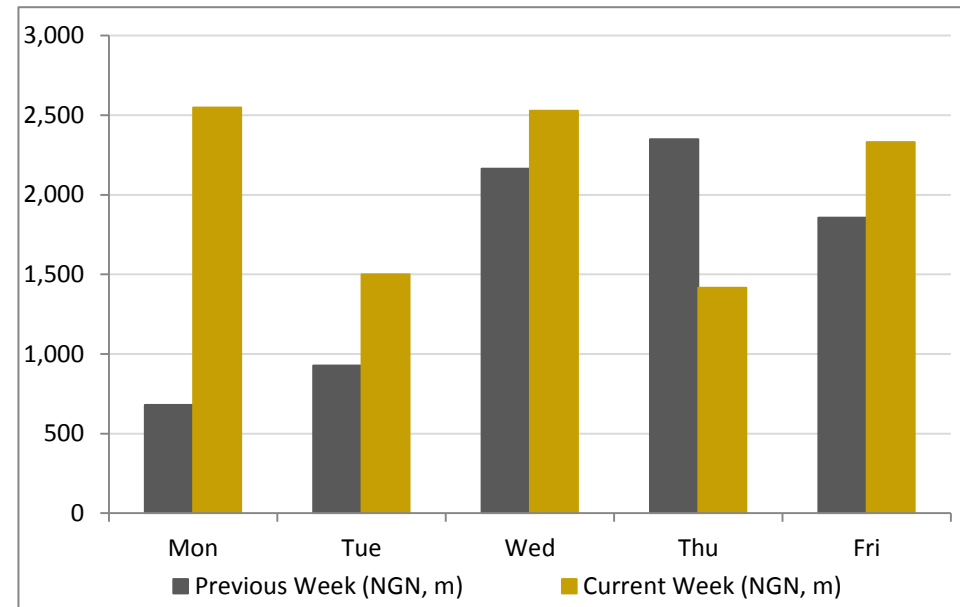
Trading Statistics

Trading Day	Volume (m)	Value (m NGN)	Value (m USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	495	2,549	8.3	2,587	92	13	22	57
Tuesday	154	1,501	4.9	2,675	91	13	24	54
Wednesday	199	2,528	8.2	2,306	88	15	22	51
Thursday	115	1,416	4.6	2,861	90	20	14	56
Friday	346	2,330	7.6	2,613	92	7	21	64

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in Nigeria

Federal Government of Nigeria amends US\$ 406.8 million lawsuits against Shell

The Federal Government of Nigeria has amended the alleged crude oil theft suit it filed against Shell Petroleum Development Company of Nigeria and its subsidiary, Shell Western Supply & Trading Limited. Although the High Court of Lagos granted the application for amendment, it also noted that there has been no significant progress in the suit since it was filed. The Federal Government of Nigeria has filed a suit claiming US\$ 406.8 million from Shell for understating crude oil shipments during 2013 and 2014.

<https://naija247news.com/>

Nigerian Senate approves US\$ 500 million Eurobond

The Nigerian senate approved the US\$ 500 million Eurobond on 22 March 2017. The approval enables the government to source the amount from capital market. The proceeds of the Eurobond would be used to finance the NGN 4.0 trillion budget deficit in 2016 and 2017. However, the House of Representatives has urged the government to halt the issuance of bond fearing that the new investment policy rolled out by the President of the United States, Donald Trump, makes the bond unattractive.

<http://dailypost.ng/>

International Development Association approves US\$ 200 million loan to support agriculture in Nigeria

The International Development Association of World Bank has approved a US\$ 200 million loan on 24 March 2017 to boost Agriculture in Nigeria. The loan will address concerns such as lack of seed capital to set up agro-factories, low technology adoption and limited access to markets. The loan matures in 25 years with a grace period of five more years. The loan will benefit about 60,000 individuals and about 300,000 farming households will benefit from the loan.

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

Nigeria raises NGN 2.07 billion through issue of new retail savings bond

Nigeria's Debt Management Office (DMO) announced on 23 March 2017 that it raised NGN 2.07 billion through a new two-year savings bond targeting retail investors. The budget deficit of 2017 is expected to hit NGN 2.4 trillion. Half of the deficit will be funded through domestic borrowings. The bond will be available on monthly basis and have a maximum subscription of NGN 50 million. The March auction got 2,500 applications and was issued at a coupon of 13.01%.

<http://www.sabc.co.za/>

French West Africa

Economic Snapshot

GDP (USD bn)	97.81
GDP growth	8.58%
GDP per Capita (USD)	860.90
XOF/USD	608.16
XOF/GBP	760.33
XOF/EUR	655.96
Inflation	0.10%
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-One (41)
Trading days	Monday – Friday
Trading Hours	09:45hrs GMT – 15:00hrs GMT

6M Performance Chart

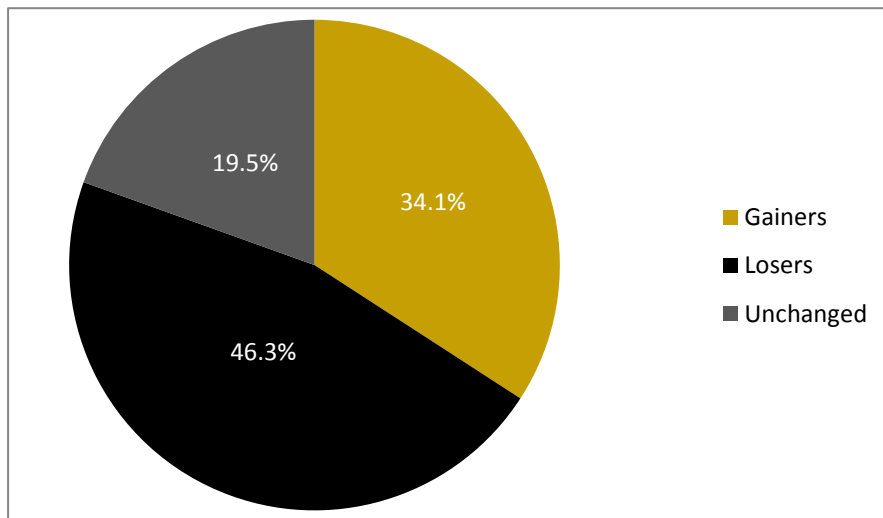


Trading Day	Market Index (BRVM CI)		Change (%)		Market Cap	
	Previous	Current	Daily	Year-to-Date	XOF bn	USD bn
Monday	285.18	282.81	-0.83%	-3.20%	7,469.81	12.24
Tuesday	282.81	282.26	-0.19%	-3.39%	7,455.30	12.28
Wednesday	282.26	283.47	0.43%	-2.98%	7,487.35	12.34
Thursday	283.47	284.84	0.48%	-2.51%	7,523.42	12.37
Friday	284.84	283.58	-0.44%	-2.94%	7,490.34	12.32

Market Wrap

- For the week under review, BRVM Composite Index decreased by -0.56% over previous week, compared to previous week's increase of 1.2%, closing the current week at 283.6 points which represents 2.9% loss on YTD basis.
- The shares of Nouvelles Editions Ivoiriennes decreased 20.5% during the week to XOF 2,775 from XOF 2,205 in the previous week.
- Market cap also decreased from previous week to end the current week at XOF 7,490.34 million (USD 12.3 million) from XOF 7,532.42 million in the previous week.
- During the week, shares traded increased by 128.6% on weekly basis to 1.8 million from 0.8 million in the previous week.
- The value of transactions for the week increased by 74.5% to XOF 8,377.2 million compared to previous week's XOF 4,800.2 million.
- An average of 0.36 million shares valued at XOF 1,675.4 million traded on each session of the week compared to 0.16 million shares valued at XOF 960.0 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 39.8% of the weekly volume and 50.6% of value traded respectively.
- The market breadth was negative during the week with 34.1% of the stocks increasing and 46.3% decreasing. The remaining 19.5% of the stocks registered no change in price.

Market Strength



Event Schedule

Company/Organization	Event	Date
No events		

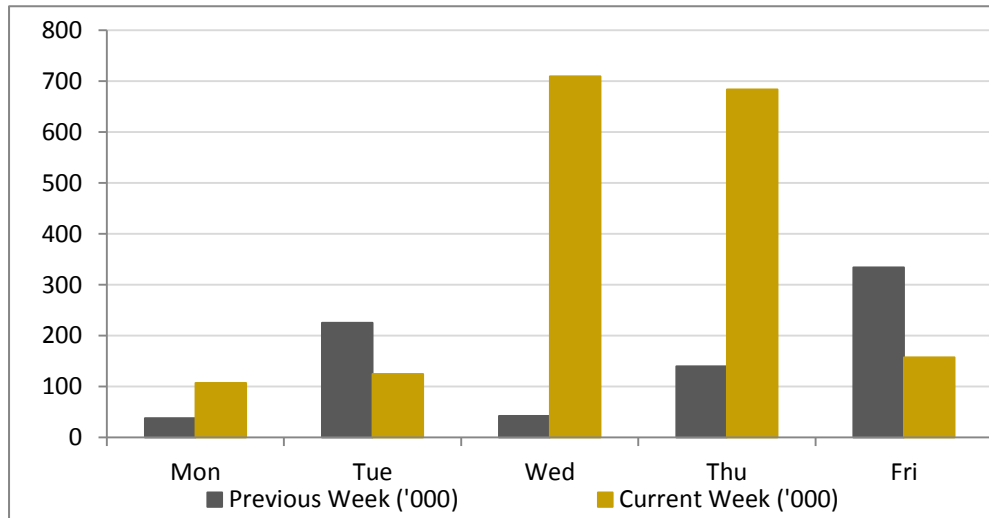
Dividend Announcement

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

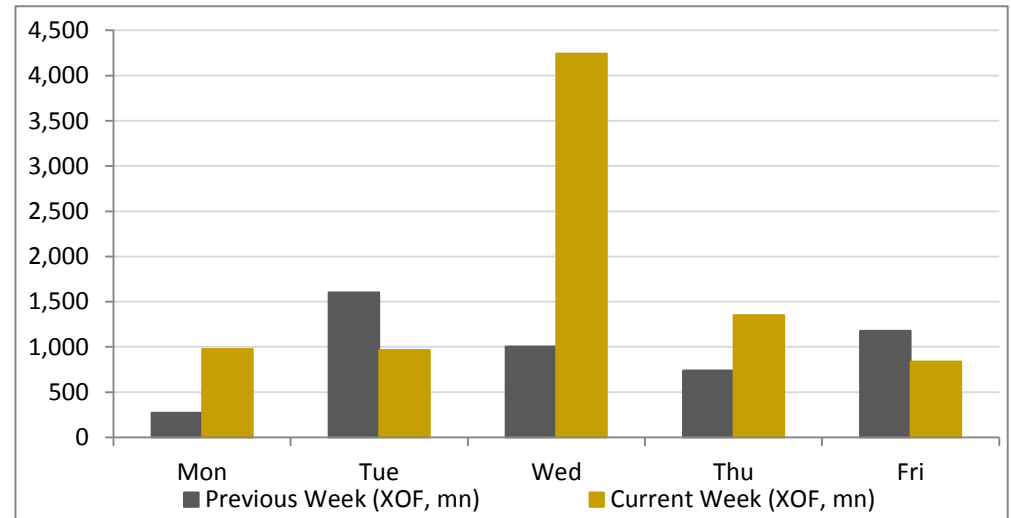
Trading Statistics

Trading Day	Volume ('000)	Value (m, XOF)	Value (m, USD)	Transactions	Active Equities	Gainers	Losers	Unchanged
Monday	107	979	1.6	606	34	4	17	13
Tuesday	125	965	1.6	540	35	10	11	14
Wednesday	709	4,243	7.0	879	35	14	9	12
Thursday	684	1,352	2.2	760	34	11	12	11
Friday	157	839	1.4	654	33	10	12	11

Market Volume (Week-on-week)



Market Value (Week-on-week)



This week in BRVM

Ivory Coast cocoa regulator faces US\$ 327 million losses due to default on cocoa contracts

Ivory Coast's cocoa industry regulator, Le Conseil du Cafe-Cacao (CCC), could lose over XOF 200 billion (US\$ 327 million) on account of defaults by local exporters. Shippers wrongly speculated that the cocoa prices would rise and bought cocoa contracts. But the bigger than expected cocoa crop led to a decline in price leading to defaults. The CCC has asked exporters to compensate for the unfulfilled commercial agreements. The companies and cooperatives that are in default have been barred from taking part in auctions for the season that will start in October unless they make payment arrangements.

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

Wartsila Corporation secures EPC contract for a 15MW solar power plant in Burkina Faso

Finnish Wartsila Corporation has won the engineering, procurement and construction (EPC) deal to build the 15MW solar photovoltaic (PV) power plant in Burkina Faso next to a 55MW Wartsila power plant running on heavy fuel oil. The plant is owned by EREN Renewable Energy (EREN) and African Energy Management Platform (AEMP) in the ratio of 90:10. The solar plant will sell its output to IAMGOLD's Essakane mine and help the mine to reduce its fuel consumption by about 6 million litres per year and its annual carbon dioxide (CO₂) emissions by 18,500 tonnes.

<https://renewablesnow.com/>

World Bank approves US\$ 29 million grant to Togo to support National Grassroots Development Policy in Togo

The World Bank approved a US\$ 29 million grant on 21 March 2017, Tuesday, to support the implementation of its National Grassroots Development Policy in Togo. The policy was adopted in 2012 to provide minimum of socio-economic basic services, such as primary education, health care, water and sanitation, electricity, social protection, and income generating activities. Currently, less than five in ten households in rural areas have access to drinking water and a severe scarcity of health infrastructure, at about 6,500 inhabitants per health care center and 1,500 inhabitants per hospital bed, as of 2013.

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

Featured Stock – UAC of Nigeria Plc

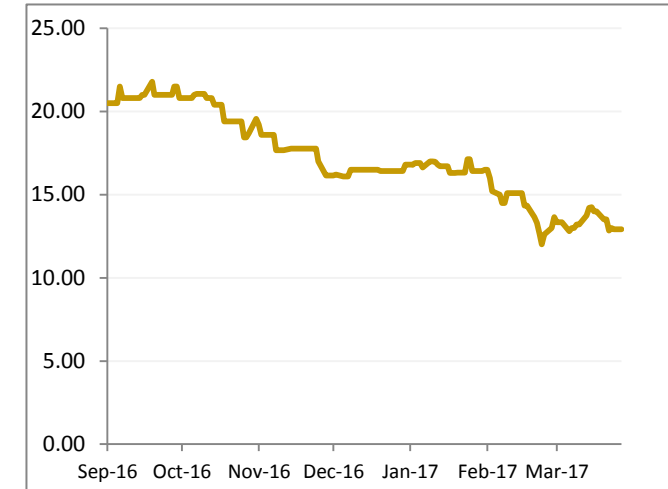
Snapshot – UAC of Nigeria Plc

Symbol	UACN NL
ISIN	NGUACN000006
Current Price (NGN/Sh.)	12.91
Year High (17-Feb-17)	NGN 22.00/ US\$ 0.07
Year Low (01-Apr-16)	NGN 12.02/ US\$ 0.039
Mkt Cap (NGN, mn)	24,798
Mkt Cap (USD, mn)	80.9
Issued Shares (mn)	1,921
Major Shareholder	FRANKLIN RESOURCES
Major Shareholding	2.52%
Revenue-FY 2015 (NGN, 'mn)	73,146.0
Net Profit (NGN, 'mn)	2,996.8
Total Assets (NGN, 'mn)	128,655.3
Total Liabilities (NGN, 'mn)	54,513.3
Total Equity (NGN, 'mn)	74,142.0

Key Data

Net Profit Growth	-54.2%
EPS	1.6
Operating Margin	10.2%
RoA	2.3%
Net profit margin	4.1%
RoE	4.6%
P/E	8.3
P/B	0.3

6M Price Performance



Company Profile

UAC of Nigeria Plc is Nigerian conglomerate operating in foods and beverage, real estate, paints and logistics sectors. The main focus of the company is in food and beverages segment which is engaged in the manufacturing and selling of food items, livestock feeds, bottled water, fruit juices, ice-cream and quick service restaurants. The paints business involves manufacturing and selling of paints products and other decoratives. The logistics division is engaged in providing logistics and supply chain services and the real estate division is engaged in developing and managing real estate. The food segment has four units namely, UAC Franchising,

UAC Restaurants, UAC Dairies and UAC Foods. UAC is listed on the Nigerian Stock Exchange where it trades under the ticker UACN.

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