

March 7, 2017

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Equity Market

COMMENTARY

- Nigerian equities reversed yesterday's loss, with the All Share Index surging by 2.23% (7-month high) to 25,129.27 points. In line with our outlook, today's gain was driven by bargain hunting across major counters.
- Today's impressive performance significantly pared the Month-to-Date and Year-to-Date losses to 0.79% and 6.49% respectively.
- Interestingly, the Industrial Goods (+2.32%) index recorded the biggest gain, following renewed interest in DANGCEM (+4.92%). The Banking (+1.82%), Consumer Goods (+1.46%) and Oil & Gas (+0.07%) indices similarly closed higher than yesterday's levels, on the back of rallies in GUARANTY (+3.80%), ZENITHBANK (+1.31%), GUINNESS (+4.97%), NB (+2.38%), FO (+0.73%) and TOTAL (+0.35%) respectively. However, the Insurance (-0.11%) index bucked the trend, pressured by a price decline in AIICO (-4.76%).
- Market breadth improved, albeit still negative, with 17 gainers versus 18 losers. Total volume traded jumped by 68.04% to 215.36 million shares valued at 2.60 billion and exchanged in 3,692 deals.
- We expect today's gain to persist in tomorrow's session.

KEY MARKET STATISTICS

METRICS	OUTCOME
ASI	25,129.27
Today's return	2.23%
WtD	0.47%
MtD	-0.79%
YtD	-6.49%
52-week High	31,071.25
52-week Low	22,456.32
Market Capitalisation (N'b)	8,696.76

TOP 5 TRADES BY VALUE

Ticker	Value N'000	Market Value
ZENITHBANK	625,937.69	24.11%
NB	608,568.19	23.44%
GUARANTY	324,524.87	12.50%
GUINNESS	274,111.45	10.56%
ACCESS	272,258.99	10.49%

TOP 5 TRADES BY VOLUME

Ticker	Volume Units '000	Market Volume
ACCESS	43,779.05	20.33%
ZENITHBANK	42,653.30	19.81%
UBA	18,931.19	8.79%
FBNH	18,204.73	8.45%
UCAP	13,401.07	6.22%

TOP 5 GAINERS

Ticker	Pclose	Close	Change
TRANSCORP	0.70	0.75	7.14%
GUINNESS	61.35	64.40	4.97%
DANGCEM	149.26	156.61	4.92%
PAINTCOM	0.62	0.65	4.84%
DANGFLOUR	3.65	3.80	4.11%

TOP 5 LOSERS

Ticker	Pclose	Close	Change
AFRIPRUD	2.40	2.28	-5.00%
AIICO	0.63	0.60	-4.76%
MEYER	0.87	0.83	-4.60%
UNITYBNK	0.70	0.67	-4.29%
CAVERTON	0.97	0.93	-4.12%

CURRENT MARKET INFORMATION

Date	Days	NSE ASI	% Change	Volume	% Change	Value	% Change	Gainers	Losers
7-Mar-17	Tuesday	25,129.27	↑ 2.23%	215,362,024	↑ 68.04%	2,596,081,210	↑ 76.27%	17	18
6-Mar-17	Monday	24,581.99	↓ -1.72%	128,160,621	↓ -53.26%	1,472,821,485	↓ -56.66%	15	21
3-Mar-17	Friday	25,012.08	↑ 0.73%	274,173,305	↑ 47.40%	3,397,947,841	↑ 94.28%	16	8
2-Mar-17	Thursday	24,829.59	↓ -1.40%	186,004,836	↓ -18.43%	1,749,021,508	↓ -26.85%	9	13
1-Mar-17	Wednesday	25,183.10	↓ -0.58%	228,023,780	↓ -48.70%	2,390,880,436	↓ -34.47%	8	19

FX, Money Market, Fixed Income

COMMENTARY

- It was reported that the central bank aims to achieve a market-determined exchange rate regime, according to an official economic plan released today, as pressure mounts to let the naira float freely. The Reuters' report added that according to the Economic Recovery and Growth Plan 2017-2020, released by the Budget Ministry, the government will also review and possibly remove a ban on accessing forex for 41 goods and services. In addition, the apex bank said it carried out another round of retail intervention in the inter-bank foreign exchange market yesterday by providing a total of USD367 (selling USD144 million for 45-day forward contracts and USD223 million for 60-day contracts) to meet the forward requests of customers. Aside these, it was business as usual in the currency space, with the LCY, in the interbank market, depreciating by 0.08% and 0.21% against the USD and EUR to N305.75 and N333.37 respectively. The NGN however appreciated (+0.04% to N386.46) against the GBP. The naira strengthened in the parallel market, firming by 0.89% and 1.04% against the GBP and EUR to N555 and N475 respectively. The NGN/USD was flat at N460.
- The money market overnight rate eased 25bps to 15.75%, from yesterday's close of 16.00%, despite (1) withdrawal of N21.99 billion resulting from today's OMO auction, wherein the CBN offered N30.00 billion of the 359-day bill which was undersubscribed by N8.01 billion; and (2) a reported 130.9% drop in system liquidity to a deficit balance of N31.49 billion, from a surplus balance of N101.75 billion.
- The NTB market closed on a bullish note, with average yield falling by 13bps to 16.82%. Demand occurred at the mid and long ends of the curve, causing yield to contract by 47bps and 4bps respectively at both segments. Conversely, the short (+9bps) end came under pressure.
- Proceedings equally closed positive in the bonds space, with average yield dropping 13bps to 16.59%. Notable demand for short (-59bps) dated bonds subdued sell pressure at the intermediate (+1bp) and long (+3bps) ends of the curve. Notably, the JUL 2017 (-106bps to 18.84%) maturity recorded the largest contraction.

TREASURY BILLS—SECONDARY MARKET

Maturity	DTM	7-Mar	Change	6-Mar
16-Mar-17	9	12.26%	0.28%	11.98%
23-Mar-17	16	12.83%	0.58%	12.25%
30-Mar-17	23	4.13%	0.00%	4.13%
6-Apr-17	30	13.53%	0.11%	13.42%
13-Apr-17	37	14.54%	0.00%	14.54%
20-Apr-17	44	14.60%	0.00%	14.60%
27-Apr-17	51	13.18%	0.00%	13.18%
4-May-17	58	13.29%	-0.40%	13.69%
11-May-17	65	15.15%	0.74%	14.40%
25-May-17	79	15.65%	0.11%	15.54%
1-Jun-17	86	13.93%	-0.41%	14.34%
8-Jun-17	93	16.46%	-1.24%	17.70%
15-Jun-17	100	16.53%	-1.03%	17.56%
22-Jun-17	107	16.24%	-1.69%	17.93%
29-Jun-17	114	17.13%	-0.77%	17.90%
6-Jul-17	121	17.80%	-0.18%	17.97%
13-Jul-17	128	17.80%	0.00%	17.80%
20-Jul-17	135	17.65%	-0.26%	17.91%
27-Jul-17	142	17.98%	0.00%	17.98%
3-Aug-17	149	17.84%	-0.23%	18.08%
10-Aug-17	156	17.86%	0.26%	17.60%
17-Aug-17	163	17.97%	0.00%	17.97%
24-Aug-17	170	17.52%	-0.73%	18.25%

ECONOMIC INDICATORS

	Current	Year Start
MPR	14.00%	14.00%
Inflation	18.72%	18.72%
Gross External Reserves	\$29.92bn*	\$26.09bn

* As at 6th Mar 2017

BONDS—SECONDARY MARKET

New Nomenclature	Issue	TTM	7-Mar	Change	6-Mar
10.70 30-MAY-2018	30-MAY-2018	1.25	19.86%	↓ -0.01%	19.86%
^16.00 29-JUN-2019	29-JUN-2019	2.33	15.73%	↓ 0.00%	15.73%
7.00 23-OCT-2019	23-OCT-2019	2.65	15.86%	↓ 0.00%	15.86%
^15.54 13-FEB-2020	13-FEB-2020	2.96	16.01%	↓ 0.00%	16.01%

INTERBANK OFFERED RATE

Tenor	6-Mar	7-Mar	Change
O/N	16.00%	15.75%	-0.25%
1M	N/A	N/A	N/A
3M	N/A	N/A	N/A
6M	N/A	N/A	N/A

AUCTIONS

	Tenor	1-Mar	15-Feb
Tbills	91 days	13.65%	13.69%
	182 days	17.20%	17.15%
	364 days	18.50%	18.45%
	VOLUME (N'bn)	310.23	202.44

CURRENCY

Currency	Current Value	1-Day Change	YTD Change
NGN/USD	305.75	↓ -0.08%	↓ -66.67%
NGN/GBP	386.46	↑ 0.04%	↓ -35.96%
NGN/EUR	333.37	↓ -0.21%	↓ -50.67%

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