CORDROS CAPITAL

DAILY MARKET UPDATE

March 8, 2017

Contact: research@cordros.com

Equity Market

COMMENTARY

- The Nigerian equities market closed lower, driven by selloffs in major industrial goods stocks. The All Share Index shed 0.57% to close at 24,986.02 points.
- Today's bearish proceedings increased the Month-to-Date and Year-to-Date losses to 1.35% and 7.03% respectively.
- Ironically, following yesterday's stellar gain, the Industrial Goods (-3.47%) index suffered the biggest loss, driven by selloffs in ASHAKACEM (-7.91%) and DANGCEM (-2.85%). The Banking (-0.12%) and Oil & Gas (-2.52%) indices also declined, as investors liquidated their holdings in ZENITHBANK (-0.68%), GUARANTY (-0.31%), SEPLAT (-5.00%) and FO (-4.99%) respectively. On the other hand, gains in UNILEVER (+5.00%) and NB (+4.99%) bolstered the Consumer Goods (+3.01%) index, while the Insurance Index closed flat.
- Market breadth remained negative, with 10 gainers versus 16 losers. Total volume traded increased marginally by 1.56% to 218.72 million shares, valued at N3.90 billion, and exchanged in 3,191 deals.
- Corporate Release: 2016FY earnings; GUARANTY (PAT: +33.03 y/y; Proposed final dividend: N1.75).
- We expect selloffs to persist in tomorrow's session.

KEY MARKET STATISTICS

METRICS	OUTCOME
ASI	24,986.02
Today's return	-0.54%
WtD	-0.10%
MtD	-1.35%
YtD	-7.03%
52-week High	31,071.25
52-week Low	22,456.32
Market Capitalisation (N'b)	8,650.23

TOP 5 TRADES BY VALUE

Ticker	Value N'000	Market Value
GUINNESS	657,510.87	16.88%
NB	540,791.55	13.88%
STANBIC	515,110.87	13.22%
SEPLAT	513,038.00	13.17%
ZENITHBANK	350,969.10	9.01%

TOP 5 GAINERS

Ticker	Pclose	Close	Change
UNILEVER	28.00	29.40	5.00%
NB	133.15	139.80	4.99%
DANGSUGAR	5.73	6.00	4.71%
CHAMPION	2.35	2.45	4.26%
GUINNESS	64.40	66.94	3.94%

TOP 5 TRADES BY VOLUME

Ticker	Volume Units '000	Market Volume
STANBIC	29,013.36	13.27%
ACCESS	28,900.69	13.21%
ZENITHBANK	24,033.79	10.99%
FIDELITYBK	18,696.61	8.55%
FBNH	13,188.34	6.03%

TOP 5 LOSERS

Ticker	Pclose	Close	Change
ETERNA	3.28	2.97	-9.45%
ASHAKACEM	11.25	10.36	-7.91%
UCAP	2.66	2.45	-7.89%
WAPCO	39.00	37.05	-5.00%
SEPLAT	400.00	380.00	-5.00%

CURRENT MARKET INFORMATION

Date	Days	NSE ASI	% Change	Volume	% Change	Value	% Change	Gainers	Losers
8-Mar-17	Wednesday	24,994.81	-0.54%	218,720,476	1.56%	3,895,922,495	50.07%	16	10
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

FX, Money Market, Fixed Income

COMMENTARY

- Yesterday, the central bank injected USD100 million into the inter-bank foreign exchange market. Today, the apex bank said it will sell USD100 million in currency forwards (which will be settled within 60 days) on the interbank market – in its continued bid to clear a backlog of dollar demand from businesses and individuals. That said, at the time of writing, the naira -- in the interbank segment of the market -- had appreciated against the three currencies we track. The NGN/USD (+0.02%), NGN/GBP (+0.12%) and NGN/EUR (+0.02%) strengthened marginally to N305.70, N385.97 and N332.99 respectively. In the parallel market, the NGN/USD (-1.09%) and NGN/GBP (-0.90%) weakened to N465.00 and N560.00, while the NGN/EUR traded flat.
- The money market overnight rate surged 283bps to 18.58%, from yesterday's close of 15.75%, on continued pressure on system liquidity accompanying the forex sales mentioned above.
- Proceedings in the T-bills market ended on a bullish note, with average yield contracting by 144bps to 16.67%. Demand occurred at all ends of the curve. Specifically, yield contractions at the short (-42bps to 12.87%), mid (-43bps to 17.14%) and long (-6bps to 18.46%) ends, were driven by demand for the 20-APR-17 (-135bps to 13.25%), 15-JUN-17 (-93bps to15.60%) and 11-JAN-18 (-67bps to 18.32%) bills respectively.
- Likewise, investors were upbeat in the bond market, with average yield contracting by 7bps to 16.52%. The short (-21 bps to 18.22%), mid (-2bps to 15.98%) and long (-5bps to 16.01%) ends of the curve contracted, following demand for the APR 2017 (-59bps to 14.66%), JAN 2026 (-8bps to 16.16%) and MAR 2036 (-12bps to 16.31%) bonds respectively.

TREASURY BILLS—SECONDARY MARKET

Maturity	DTM	8-Mar	Change	7-Mar
16-Mar-17	8	12.52%	0.26%	12.26%
23-Mar-17	15	13.72%	0.89%	12.83%
30-Mar-17	22	4.13%	0.00%	4.13%
6-Apr-17	29	13.07%	-0.46%	13.53%
13-Apr-17	36	14.54%	0.00%	14.54%
20-Apr-17	43	13.25%	-1.35%	14.60%
27-Apr-17	50	13.18%	0.00%	13.18%
4-May-17	57	13.32%	0.03%	13.29%
11-May-17	64	15.07%	-0.08%	15.15%
18-May-17	71	12.25%	12.25%	0.00%
25-May-17	78	15.47%	-0.18%	15.65%
1-Jun-17	85	13.93%	0.00%	13.93%
8-Jun-17	92	15.78%	-0.68%	16.46%
15-Jun-17	99	15.60%	-0.93%	16.53%
22-Jun-17	106	15.59%	-0.65%	16.24%
29-Jun-17	113	17.50%	0.37%	17.13%
6-Jul-17	120	16.96%	-0.84%	17.80%
13-Jul-17	127	17.24%	-0.56%	17.80%
20-Jul-17	134	17.18%	-0.47%	17.65%
27-Jul-17	141	17.63%	-0.35%	17.98%
3-Aug-17	148	17.40%	-0.44%	17.84%
10-Aug-17	155	17.86%	0.00%	17.86%
17-Aug-17	162	17.97%	0.00%	17.97%

ECONOMIC INDICATORS

	Current	Year Start
MPR	14.00%	14.00%
Inflation	18.72%	18.72%
Gross External Reserves	$29.97bn*	$26.09bn

* As at 7th Mar 2017

BONDS—SECONDARY MARKET

New Nomenclature	Issue	TTM	8-Mar	Change	7-Mar
10.70 30-MAY-2018	30-MAY-2018	1.23	20.36%	0.51%	19.86%
^16.00 29-JUN-2019	29-JUN-2019	2.31	15.73%	0.00%	15.73%
7.00 23-OCT-2019	23-OCT-2019	2.63	15.86%	0.00%	15.86%
^15.54 13-FEB-2020	13-FEB-2020	2.93	16.01%	0.00%	16.01%

INTERBANK OFFERED RATE

Tenor	7-Mar	8-Mar	Change
O/N	15.75%	18.58%	2.83%
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	305.70	0.02%	-66.64%
NGN/GBP	385.97	0.12%	-35.79%
NGN/EUR	332.99	0.02%	-50.50%