

March 22, 2017

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Equity Market

COMMENTARY

- The domestic bourse closed in the red, with the All Share Index declining by 0.17% to 25,514.09 points.
- Today's negative performance trimmed the Month-to-Date gain to 0.73%, while it increased the Year-to-Date loss to 5.06%.
- The Banking (-0.20%) and Insurance (-0.16%) indices shed weight, following selloffs in GUARANTY (-1.08%) and ALLICO (-3.51%) respectively. Likewise, the Consumer Goods (-0.61%) and Oil & Gas (-0.29%) indices declined, on the back of investors liquidating their holdings in NESTLE (-1.33%), UNILEVER (-5.00%), MOBIL (-0.33%), and FO (-0.26%) respectively. The Industrial Goods (+1.96%) index bucked the trend, following a rally in WAPCO (+5.00%), despite posting a pre-tax loss of N22.82 billion in 2016FY. We suspect that today's gain in WAPCO might have been on the back of the tax credit-driven PAT (N16.9 billion vs. -N37.4 billion in 9M-16) the company reported and the consequent declaration of a final dividend of 105kobo/share.
- Market breadth remained negative, with 15 gainers versus 22 losers. Total volume traded fell by 29.35% to 198.84 million shares, valued at N2.53 billion, and exchanged in 2,306 deals.
- Corporate Release: 2016FY earnings: WAPCO (PAT: -37.79% y/y, proposed final dividend: 105 kobo per share).
- We expect losses to reverse in tomorrow's session.

KEY MARKET STATISTICS

METRICS	OUTCOME
ASI	25,514.09
Today's return	-0.17%
WtD	-0.54%
MtD	0.73%
YtD	-5.06%
52-week High	31,071.25
52-week Low	22,456.32
Market Capitalisation (N'b)	8,827.49

TOP 5 TRADES BY VALUE

Ticker	Value N'000	Market Value
GUARANTY	783,691.91	31.01%
NESTLE	576,535.97	22.81%
UBA	343,482.20	13.59%
SEPLAT	190,268.34	7.53%
ACCESS	151,491.67	5.99%

TOP 5 TRADES BY VOLUME

Ticker	Volume Units '000	Market Volume
UBA	64,512.54	32.44%
GUARANTY	29,443.57	14.81%
ACCESS	24,454.65	12.30%
DIAMONDBNK	15,499.92	7.80%
FCMB	11,502.39	5.78%

TOP 5 GAINERS

Ticker	Pclose	Close	Change
WAPCO	36.00	37.80	5.00%
JBERGER	40.00	41.95	4.88%
AFRIPRUD	2.28	2.39	4.82%
CUSTODYINS	3.16	3.31	4.75%
NAHCO	2.00	2.09	4.50%

TOP 5 LOSERS

Ticker	Pclose	Close	Change
UNILEVER	34.00	32.30	-5.00%
ETERNA	3.20	3.04	-5.00%
UACN	13.51	12.84	-4.96%
INTBREW	15.70	15.00	-4.46%
LEARNAFRCA	0.68	0.65	-4.41%

CURRENT MARKET INFORMATION

Date	Days	NSE ASI	% Change	Volume	% Change	Value	% Change	Gainers	Losers
20-Mar-17	Wednesday	25,514.09	↓ -0.17%	198,838,062	↑ 29.35%	2,527,501,297	↑ 68.40%	15	22
19-Mar-17	Tuesday	25,558.57	↓ -0.44%	153,720,519	↓ -68.96%	1,500,877,048	↓ -41.11%	13	24
18-Mar-17	Monday	25,671.55	↑ 0.07%	495,238,034	↑ 227.14%	2,548,738,994	↑ 37.23%	13	22
17-Mar-17	Friday	25,653.16	↑ 0.92%	151,384,092	↓ -46.12%	1,857,230,771	↓ -20.95%	17	14
16-Mar-17	Thursday	25,418.08	↑ 0.46%	280,945,416	↑ 20.18%	2,349,419,384	↑ 8.58%	18	14

FX, Money Market, Fixed Income

COMMENTARY

- At the time of writing, the naira -- in the interbank window -- had depreciated against two of the currencies we track. The NGN/USD (-0.08%) and NGN/GBP (-0.43%) weakened to N307.75 and N396.43 respectively, while the NGN/EUR (+0.58%) strengthened to N338.21. In the parallel market, the LCY continued to strengthen, on the back of improved FX liquidity. The NGN/USD soared by 4.65% to a 6-month high of N410.00, while the NGN/GBP (+3.77%) and NGN/EUR (+3.33%) strengthened to N510.00 and N435.00 respectively.
- The money market overnight rate eased 56 percentage points to 44.42%, from yesterday's close of 100.08%, despite a further decline of 5.19% in system liquidity to a deficit balance of N220.36 billion.
- Investors were downbeat in the treasury bills space with average yield moving northward by 15bps to 17.08%. Yields at the short (+44bps), mid (+5bps), and long (+6bps) ends came under pressure, driven by the 20-APR-17 (+268bps), 22-JUN-17 (+67bps), and 28-SEP-17 (+47bps) bills, which recorded the largest contraction at the respective segments of the curve. The result of today's NTB auction was not available at the time of writing.
- Likewise, the bonds market closed on a bearish note, with 67% of traded bills coming under pressure. Average yield expanded by 25bps to 16.52%. Yields at the short (+83bps), mid (+5%), and long (+11%) ends of the curve expanded. The yield uptick at the respective ends was driven by selloffs in the APR 17 (+266bps), JUL 21 (+12bps), and MAR 36 (+16bps) bonds.

TREASURY BILLS—SECONDARY MARKET

Maturity	DTM	22-Mar	Change	21-Mar
30-Mar-17	8	11.42%	0.00%	11.42%
6-Apr-17	15	11.53%	0.00%	11.53%
13-Apr-17	22	12.78%	0.00%	12.78%
20-Apr-17	29	15.22%	2.68%	12.54%
27-Apr-17	36	12.80%	0.97%	11.83%
4-May-17	43	12.17%	0.00%	12.17%
11-May-17	50	13.55%	0.00%	13.55%
18-May-17	57	14.53%	1.09%	13.44%
25-May-17	64	15.98%	-0.15%	16.13%
1-Jun-17	71	14.05%	0.00%	14.05%
8-Jun-17	78	16.64%	0.00%	16.64%
15-Jun-17	85	17.10%	0.69%	16.41%
22-Jun-17	92	17.17%	0.67%	16.50%
29-Jun-17	99	17.95%	-0.26%	18.21%
6-Jul-17	106	17.04%	0.09%	16.94%
13-Jul-17	113	17.29%	0.00%	17.29%
20-Jul-17	120	18.28%	0.13%	18.14%
27-Jul-17	127	18.17%	0.00%	18.17%
3-Aug-17	134	18.05%	0.00%	18.05%
10-Aug-17	141	17.93%	0.00%	17.93%
17-Aug-17	148	18.03%	0.00%	18.03%
24-Aug-17	155	18.34%	-0.03%	18.37%
31-Aug-17	162	18.25%	0.00%	18.25%

ECONOMIC INDICATORS

	Current	Year Start
MPR	14.00%	14.00%
Inflation	17.78%	18.72%
Gross External Reserves	\$30.35bn *	\$26.09bn

* As at 20th Mar 2017

BONDS—SECONDARY MARKET

New Nomenclature	Issue	TTM	22-Mar	Change	21-Mar
10.70 30-MAY-2018	30-May-18	1.19	20.05%	↓ -0.01%	20.06%
16.00 29-JUN-2019	29-Jun-19	2.27	15.74%	↓ 0.00%	15.74%
7.00 23-OCT-2019	23-Oct-19	2.59	15.83%	↓ 0.00%	15.83%
15.54 13-FEB-2020	13-Feb-20	2.90	15.93%	↓ 0.00%	15.93%

INTERBANK OFFERED RATE

Tenor	21-Mar	22-Mar	Change
O/N	100.08%	44.42%	-55.66%
1M	N/A	N/A	N/A
3M	N/A	N/A	N/A
6M	N/A	N/A	N/A

AUCTIONS

	Tenor	15-Mar	1-Mar
Tbills	91 days	13.60%	13.65%
	182 days	17.20%	17.20%
	364 days	18.56%	18.50%
	VOLUME (N'bn)	253.76	310.23

CURRENCY

Currency	Current Value	1-Day Change	YTD Change
NGN/USD	307.75	↓ -0.08%	↓ -67.76%
NGN/GBP	396.43	↓ -0.43%	↓ -39.47%
NGN/EUR	338.21	↑ 0.58%	↓ -52.86%

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