CORDROS CAPITAL

DAILY MARKET UPDATE

June 5, 2017

Contact: research@cordros.com

Equity Market

COMMENTARY

- The bulls continue to dominate the domestic bourse, with the All Share Index adding 3.85% to record a new 52-week high, closing at 32, 578.38 points.
- Today's strong performance pushed the Month-to-Date and Year-to-Date gains to 10.44% and 21.22% respectively.
- The Industrial Goods (+6.49%) index recorded the largest gain, following demand for DANGCEM (+8.85%), WAPCO (+4.29%), and BETAGLAS (+5.00%). Likewise, the Banking (+1.75%) and Insurance (+1.14%) indices closed higher, owing to demand for ZENITHBANK (+0.95%), GUARANTY (+0.32%). CUSTODYINS (+9.72%), and MANSARD (+4.64%), respectively. The Consumer Goods (+0.22%) and Oil & Gas (+3.28%) indices also advanced, as investors bought the shares of NESTLE (+3.94%), CADBURY (+4.96%), MOBIL (+10.25%), and TOTAL (+1.89%), respectively.
- Market breadth remains positive, with 44 gainers and 13 losers. Total volume traded declined by 9.59% to 640. 44 million shares, valued at N7.66 billion, and exchanged in 7,024 deals.
- We expect gains to extend into tomorrow's session.

KEY MARKET STATISTICS

METRICS	OUTCOME
ASI	32,578.38
Today's return	3.85%
WtD	3.85%
MtD	10.44%
YtD	21.22%
52-week High	32,578.38
52-week Low	24,581.99
Market Capitalisation (N'b)	11,262.53

TOP 5 TRADES BY VALUE

Ticker	Value N'000	Market Value
DANGCEM	1,734,148.62	22.59%
ZENITHBANK	1,115,558.35	14.53%
NESTLE	804,335.91	10.48%
FBNH	639,156.97	8.33%
GUARANTY	601,457.36	7.84%

TOP 5 GAINERS

Ticker	Pclose	Close	Change
MOBIL	290.00	319.72	10.25%
CONOIL	37.35	41.17	10.23%
FLOURMILL	23.15	25.51	10.19%
FBNH	6.42	7.07	10.12%
CUSTODYINS	3.60	3.95	9.72%

TOP 5 TRADES BY VOLUME

Ticker	Volume Units '000	Market Volume
FBNH	90,559.56	14.14%
FCMB	84,589.34	13.21%
FIDELITYBK	69,546.44	10.86%
ZENITHBANK	54,883.74	8.57%
SKYEBANK	49,087.96	7.66%

TOP 5 LOSERS

Ticker	Pclose	Close	Change
UNIONDICON	14.15	13.45	-4.95%
CILEASING	0.66	0.63	-4.55%
JAIZBANK	0.91	0.87	-4.40%
CUTIX	2.11	2.02	-4.27%
THOMASWY	0.54	0.52	-3.70%

CURRENT MARKET INFORMATION

Date	Days	NSE ASI	% Change	Volume	% Change	Value	% Change	Gainers	Losers
5-Jun-17	Monday	32,578.38	3.85%	640,439,207	-9.59%	7,675,245,295	-7.03%	44	13
2-Jun-17	Friday	31,371.63	3.49%	708,411,054	63.07%	8,255,569,101	78.42%	51	8
1-Jun-17	Thursday	30,314.14	2.77%	434,433,487	26.59%	4,627,068,440	38.59%	39	11
31-May-17	Wednesday	29,498.31	0.76%	343,192,321	-58.78%	3,338,701,460	-56.02%	31	19
30-May-17	Tuesday	29,276.59	0.73%	832,517,967	14.74%	7,591,474,768	32.83%	29	17

FX, Money Market, Fixed Income

COMMENTARY

- In its avowed determination to hasten rate convergence, the apex bank has promised to sustain its dollar injection in the market this week. That said, the naira -- in the interbank market -- weakened against two of the currencies we track. The GBP/NGN (+0.64%) and EUR/NGN (+1.20%) strengthened to N415.04 and N361.28, respectively, while, the USD/NGN (-0.02%) weakened to N305.55. In the parallel market, the USD/NGN (+0.80%), GBP/NGN (+1.03%), and EUR/NGN (+2.64%) strengthened to N372, N480, and N410, respectively. Meanwhile the USD/NGN (+0.17%) strengthened to N377.91 in the IEFX market.
- The overnight rate expanded by 59 bps to 9.67% as the apex bank mopped up N10.29 billion from the system, through OMO bill (N0.30 billion of the 192-DTM bill and N9.99 billion of the 346-DTM bill) sales to investors.
- Proceedings in the secondary market were mixed, albeit a modest bullish bias. Average yield contracted by 1 bp to 18.47%, following demand at the short (-8 bps) and mid (-2 bps) ends of the curve, in particular the 6-JUL-17 (-86 bps) and 12-OCT-17 (-42 bps) bills, respectively. Meanwhile, yield at the long (+4 bps) end of the curve were pressured, as investors sold-off the 10-MAY-18 (+41 bps) maturity.
- The bond market closed on a bearish note, with yields on 86% of traded bills coming under pressure. Yields expanded across all (short:+30 bps, mid: +6 bps, and long: +1 bp)) segments of the curve, with the JUL 2017 (+121 bps), JUL 2021 (+1 bp), and MAR 2024 (+4 bps) maturities experiencing notable yield expansion respectively. Overall, average yield expanded by 11 bps to 16.77%.

TREASURY BILLS—SECONDARY MARKET

Maturity	DTM	5-Jun	Change	2-Jun
15-Jun-17	10	16.29%	0.00%	16.29%
22-Jun-17	17	17.28%	0.00%	17.28%
29-Jun-17	24	17.04%	0.00%	17.04%
6-Jul-17	31	18.52%	-0.86%	19.37%
13-Jul-17	38	18.49%	-0.43%	18.92%
20-Jul-17	45	18.46%	0.00%	18.46%
27-Jul-17	52	17.32%	0.13%	17.20%
3-Aug-17	59	19.38%	0.00%	19.38%
10-Aug-17	66	17.66%	0.00%	17.66%
17-Aug-17	73	18.05%	0.00%	18.05%
24-Aug-17	80	17.55%	-0.05%	17.61%
31-Aug-17	87	16.96%	0.26%	16.71%
7-Sep-17	94	18.56%	0.00%	18.56%
14-Sep-17	101	19.32%	0.00%	19.32%
21-Sep-17	108	18.76%	0.00%	18.76%
28-Sep-17	115	18.93%	0.00%	18.93%
5-Oct-17	122	19.07%	0.00%	19.07%
12-Oct-17	129	18.95%	-0.42%	19.37%
19-Oct-17	136	18.83%	-0.01%	18.85%
26-Oct-17	143	19.56%	0.00%	19.56%
2-Nov-17	150	18.69%	-0.13%	18.82%
9-Nov-17	157	18.98%	0.05%	18.93%
16-Nov-17	164	18.45%	0.06%	18.38%

ECONOMIC INDICATORS

	Current	Year Start
MPR	14.00%	14.00%
Inflation	17.24%	18.72%
Gross External Reserves	$30.28bn *	$26.09bn

* As at 5th June 2017

BONDS—SECONDARY MARKET

New Nomenclature	Issue	TTM	5-Jun	Change	2-Jun
13.01 FGNSB 22-MAI	22-Mar-17	1.79	17.57%	0.13%	17.44%
12.794 FGNSB 12-API	12-Apr-17	1.85	17.34%	0.10%	17.23%
13.189 FGNSB 17-MA	17-May-17	1.95	16.92%	0.06%	16.87%
^16.00 29-JUN-2019	29-Jun-12	2.07	16.43%	0.00%	16.43%

INTERBANK OFFERED RATE

Tenor	2-Jun	5-Jun	Change
O/N	9.08%	9.67%	0.59%
1M	N/A	N/A	N/A
3M	N/A	N/A	N/A
6M	N/A	N/A	N/A

AUCTIONS

Tbills

Tenor	31-May	17-May
91 days	13.40%	13.50%
182 days	17.14%	17.15%
364 days	18.65%	18.70%
VOLUME (N'bn)	117.15	110.94

CURRENCY

Currency	Current Value	1-Day Change	YTD Change
NGN/USD	305.55	-0.02%	0.15%
NGN/GBP	415.04	0.64%	-46.02%
NGN/EUR	361.28	1.20%	-63.28%