CORDROS CAPITAL

DAILY MARKET UPDATE

August 16, 2017

Contact: research@cordros.com

Equity Market

COMMENTARY

- The equities market recorded loss for the third consecutive session as investors took profit, causing the ASI to drop 2.68% – the largest loss recorded in the month - to 36,102.38 points.
- Today's performance increased the Week-to-Date loss to 5.49% and dropped the Month-to-Date and Year-to-Date returns to 0.72% and 34.34%, respectively.
- The market recorded losses across board with the Industrial Goods (-3.11%) index recording the largest loss, followed by the Banking (-2.84%), Oil & Gas (-0.97%), Consumer Goods (-0.96%) and Insurance (-0.08%) indices. The sector-wide losses were attributable to investors' profit taking in the shares of DANGCEM (-4.89%), WAPCO (-1.68%), GUARANTY (-4.68%), ZENITHBANK (-3.27%), TOTAL (-4.04%), FO (-2.91%), NB (-2.63%) and GUINNESS (-2.15%) shares, respectively.
- Market breadth remained negative with 10 losers and 31 gainers. The total volume of shares traded reduced by 42.60% to 224 million shares, valued at N5.09 billion, and exchanged in 4,822 deals.
- We expect the market to close lower as investors continue to take profit on previous gains.

KEY MARKET STATISTICS

METRICS	OUTCOME
ASI	36,102.38
Today's return	-2.68%
WtD	-5.49%
MtD	0.72%
YtD	34.34%
52-week High	38,198.60
52-week Low	24,581.99
Market Capitalisation (N'b)	12,443.51

TOP 5 TRADES BY VALUE

Ticker	Value N'000	Market Value
NB	1,578,076.03	31.00%
GUARANTY	970,777.85	19.07%
NESTLE	917,083.20	18.02%
ZENITHBANK	284,670.25	5.59%
ACCESS	276,911.56	5.44%

TOP 5 GAINERS

Ticker	Pclose	Close	Change
CILEASING	0.97	1.02	5.15%
VITAFOAM	2.71	2.83	4.43%
UPL	2.68	2.78	3.73%
UBN	5.79	6.00	3.63%
NASCON	11.69	12.00	2.65%

TOP 5 TRADES BY VOLUME

Ticker	Volume Units '000	Market Volume
FBNH	34,466.86	15.33%
ACCESS	27,425.06	12.20%
GUARANTY	25,150.54	11.19%
JAIZBANK	15,082.41	6.71%
ZENITHBANK	12,655.75	5.63%

TOP 5 LOSERS

Ticker	Pclose	Close	Change
JAIZBANK	0.80	0.76	-5.00%
ACCESS	10.45	9.93	-4.98%
FCMB	1.21	1.15	-4.96%
STANBIC	38.95	37.03	-4.93%
DANGCEM	225.00	214.00	-4.89%

CURRENT MARKET INFORMATION

Date	Days	NSE ASI	% Change	Volume	% Change	Value	% Change	Gainers	Losers
16-Aug-17	Wednesday	36,102.38	-2.68%	224,773,695	-42.60%	5,090,194,040	-6.37%	10	31
15-Aug-17	Tuesday	37,096.60	-2.25%	391,625,421	23.88%	5,436,356,890	28.69%	11	35
14-Aug-17	Monday	37,950.96	-0.65%	316,122,239	-10.61%	4,224,452,806	-32.96%	18	27
11-Aug-17	Friday	38,198.60	0.25%	353,645,485	-2.49%	6,301,038,739	12.58%	19	29
10-Aug-17	Thursday	38,102.85	-0.11%	362,670,571	10.35%	5,596,722,236	-8.28%	20	27

COMMENTARY

- Yesterday, the apex bank injected USD364 million into the FX market - comprising USD264 million to the Retail Secondary Market Intervention Sales (SMIS) and USD100 million in the wholesale window. At the time of writing, the CBN's referenced USD/NGN closed flat at N305.65. Meanwhile, the Bloomberg's referenced USD/NGN (+1.13%) and EUR/NGN (+0.28%) strengthened to N361.91 and N425.43, respectively, while the GBP/NGN (-0.03%) weakened to N467.78. In the parallel market, the LCY closed flat against all the currencies we track, - USD, GBP, and EUR – respectively closing at N370, N477 and N432. In the I&E FX window, the FMDQ's referenced USD/NGN (+0.74%) appreciated to N359.69.
- The overnight market rate contracted by 683 bps to 22.42% following the anticipation of OMO bills maturing tomorrow, valued at N168.04 billion.
- The bulls resurfaced in the treasury bills market, with average yield contracting by 13 bps to 18.62%. Yields at the short (-36 bps) and mid (-16 bps) ends of the curve contracted to 18.34% and 18.98%as investors demanded for the 24-AUG-2017 (-107 bps) and 16-NOV-2017 (-108 bps) bills respectively. Conversely, snippets of sell offs ensued at the long (+2 bps) end of the curve driven by sale of the 15-Mar-2018(+ 34 bps) bill. The result of today's NTB auction was unavailable at the time of writing.
- Similarly, investors were broadly bullish in the bonds market, with average yield contracting by 9 bps to 16.48%. Yields at the short (-20 bps), mid (-13 bps) and long (-6 bps) ends of the curve contracted, following investors' interests in the 29-JUNE-2019(-20 bps), 15-JULY-2021(-16 bps) and 22-JAN-2026(-10 bps) bonds respectively.

TREASURY BILLS—SECONDARY MARKET

Maturity	DTM	16-Aug	Change	13-Aug
24-Aug-17	9	15.97%	-1.07%	17.04%
31-Aug-17	16	16.83%	-0.80%	17.63%
7-Sep-17	23	17.68%	-0.54%	18.22%
14-Sep-17	30	18.54%	-0.27%	18.80%
21-Sep-17	37	19.39%	0.00%	19.39%
28-Sep-17	44	19.39%	0.00%	19.39%
5-Oct-17	51	19.38%	-0.23%	19.62%
12-Oct-17	58	19.24%	0.00%	19.24%
19-Oct-17	65	15.25%	0.00%	15.25%
26-Oct-17	72	19.29%	-0.35%	19.64%
2-Nov-17	79	19.99%	-0.43%	20.43%
9-Nov-17	86	19.16%	-0.61%	19.77%
16-Nov-17	93	18.50%	-1.08%	19.58%
23-Nov-17	100	19.40%	0.02%	19.38%
30-Nov-17	107	19.04%	-0.45%	19.49%
7-Dec-17	114	19.24%	0.14%	19.10%
14-Dec-17	121	18.70%	0.00%	18.70%
21-Dec-17	128	18.89%	-0.08%	18.97%
28-Dec-17	135	19.15%	-0.08%	19.23%
4-Jan-18	142	19.26%	0.09%	19.16%
11-Jan-18	149	19.37%	-0.33%	19.70%
18-Jan-18	156	19.28%	-0.15%	19.42%
25-Jan-18	163	19.02%	0.33%	18.69%

ECONOMIC INDICATORS

	Current	Year Start
MPR	14.00%	14.00%
Inflation	16.25%	18.72%
Gross External Reserves	$31.36bn *	$26.09bn

* As at 11th Aug 2017

BONDS—SECONDARY MARKET

New Nomenclature	Issue	TTM	16-Aug	Change	13-Aug
^16.39 27-JAN-2022	27-Jan-12	4.51	16.36%	0.00%	16.36%
^14.20 14-MAR-2024	14-Mar-14	6.63	16.32%	-0.05%	16.37%
^12.50 22-JAN-2026	22-Jan-16	8.49	16.42%	-0.10%	16.53%
^16.2884 17-MAR-2027	17-Mar-17	9.64	16.46%	-0.07%	16.53%

INTERBANK OFFERED RATE

Tenor	13-Aug	16-Aug	Change
O/N	29.25%	22.42%	-6.83%
1M	N/A	N/A	N/A
3M	N/A	N/A	N/A
6M	N/A	N/A	N/A

AUCTIONS

	Tenor	2-Aug	19-Jul
Tbills	91 days	13.42%	13.43%
	182 days	17.40%	17.40%
	364 days	18.53%	18.55%
	VOLUME (N'bn)	229.14	204.96

CURRENCY

Currency	Current Value	1-Day Change	YTD Change
NGN/USD	305.65	0.00%	-0.21%
NGN/GBP	467.78	-0.03%	-24.68%
NGN/EUR	425.43	0.28%	-32.08%