CORDROS CAPITAL

Daily Market Update.

July 9, 2018

Equities Market.

Commentary

- The equities market started the week positive, with the ASI inching up marginally by 0.06% to 37,647.93 points, as investors engaged in bargain hunting.
- As a result, the Month-to-Date and Year-to-Date losses moderated to -1.65% and -1.56%, respectively.
- Among the major sector indices, the Banking (+0.07%) and Oil & Gas (+0.02%) indices posted positive returns, following interests in ETI (+2.00%) and FO (+3.04%) stocks respectively. On the flip side, the Industrial Goods (-0.46%), Consumer Goods (-0.18%), and Insurance (-0.17%) indices closed negative, amidst sell pressures in the shares of WAPCO (-2.56%), DANGSUGAR (-3.78%), and REGALINS (-4.17%), respectively.
- Market breadth remained negative, with 25 losers and 19 gainers, led by UNITYBNK (-9.01%) and CAVERTON (+9.95%). Total volume and value of trades dropped by 51.45% and 35.19%, to 155.17 million units and NGN 1.99 billion, respectively, exchanged in 3,422 deals.
- In our view, the market holds potential for gains in the long term, supported by positive macroeconomic outlook. However, in the absence of a positive one-off trigger in the near term, we think the market will remain volatile in the short-to-medium term.

Key Market Statistics

Metrics	Outcome
All-Share Index	37,647.93
Today's return	0.06%
WtD	0.06%
MtD	-1.65%
YtD	-1.56%
52-week High	45,092.83
52-week Low	32,614.60
Market Capitalisation (N'bn)	13,637.98

Top 5 Trades by Value

Ticker	Value NGN'000	Market Value
ZENITHBANK	341,224.55	17.14%
GUARANTY	237,473.29	11.93%
ACCESS	225,600.00	11.33%
DANGCEM	183,797.88	9.23%
FBNH	133,059.09	6.68%

Top 5 Gainers

Ticker	Pclose (NGN)	Close (NGN)	Change
CAVERTON	2.01	2.21	9.95%
CILEASING	2.25	2.47	9.78%
FIRSTALUM	0.38	0.41	7.89%
CHAMPION	1.99	2.14	7.54%
NAHCO	3.76	4.00	6.38%

Top 5 Trades by Volume

Ticker	Volume Units '000	Market Volume
ACCESS	21,665.37	13.96%
ZENITHBANK	13,923.99	8.97%
FBNH	12,709.37	8.19%
TRANSCORP	11,568.78	7.46%
UBA	11,098.78	7.15%

Top 5 Losers

Ticker	Pclose (NGN)	Close (NGN)	Change
UNITYBNK	1.11	1.01	-9.01%
MULTIVERSE	0.24	0.22	-8.33%
DUNLOP	0.29	0.27	-6.90%
NASCON	21.80	20.65	-5.28%
JAIZBANK	0.66	0.63	-4.55%

Current Market Information

Date	Days	NSE ASI	% Change	Volume	% Change	Value (NGN)	% Change	Gainers	Losers
09-Jul-18	Monday	37,647.93	0.06%	155,172,476	-51.45%	1,991,204,813	-35.19%	19	25
06-Jul-18	Friday	37,625.59	-0.31%	319,626,468	-36.47%	3,072,185,674	-47.82%	21	24
05-Jul-18	Thursday	37,743.22	0.65%	503,107,192	-0.52%	5,887,474,542	88.31%	23	19
04-Jul-18	Wednesday	37,499.07	-0.28%	505,737,558	96.49%	3,126,422,519	18.08%	21	22
03-Jul-18	Tuesday	37,605.12	-0.90%	257,389,294	0.45%	2,647,761,087	42.38%	19	33

FX, Money Market, Fixed Income.

Commentary

- The naira traded flat against the dollar at NGN362 in the parallel market, while it appreciated by 0.16% to NGN362 in the I&E FX window. Total turnover in the IEW was lower by 21.63%, at USD179.06 million, traded within the NGN345-NGN363/USD band.
- The overnight lending rate surged 1,087 bps to 23.79%, from 12.92% in the previous session, on the back of a squeeze in liquidity due to outflows for FX sales.
- Activities in the treasury bills market were bullish, amidst still relatively healthy liquidity, as average yield fell by 18 bps to close at 12.20%. Yields moderated at the short (-28 bps), mid (-18 bps), and long (-3 bps) ends of the curve, on the back of demand for the 66DTM (-98 bps), 136DTM (-63 bps), and 248DTM (-16 bps) bills respectively.
- Bullish sentiments prevailed in the bond market, with average yield trending southwards by 9 bps to 13.82%. Buy sentiment was spread across all ends (short: -16 bps; mid: -4 bps; long: -6 bps) of the curve, with the FEB-2020 (-35bps), FEB-2028 (-16 bps), and MAR-2036 (-21 bps) bonds recording significant contractions, respectively.

Treasury Bills—Secondary Market

Maturity	DTM	09-Jul	Change	06-Jul
19-Jul-18	10	11.79%	-0.27%	12.06%
26-Jul-18	17	11.31%	-0.11%	11.42%
02-Aug-18	24	11.63%	-0.35%	11.98%
09-Aug-18	31	11.46%	-0.35%	11.81%
16-Aug-18	38	11.87%	0.15%	11.72%
23-Aug-18	45	11.43%	-0.51%	11.94%
30-Aug-18	52	11.36%	-0.62%	11.98%
06-Sep-18	59	11.81%	-0.36%	12.17%
13-Sep-18	66	11.69%	-0.98%	12.67%
20-Sep-18	73	11.80%	-0.28%	12.07%
27-Sep-18	80	11.81%	-0.12%	11.93%
04-Oct-18	87	11.83%	0.48%	11.36%
11-Oct-18	94	11.74%	-0.19%	11.93%
18-Oct-18	101	11.70%	-0.03%	11.73%
25-Oct-18	108	12.01%	-0.11%	12.13%
01-Nov-18	115	12.20%	-0.03%	12.23%
08-Nov-18	122	12.09%	-0.52%	12.62%
15-Nov-18	129	12.30%	0.09%	12.21%
22-Nov-18	136	11.95%	-0.63%	12.58%
29-Nov-18	143	11.98%	-0.36%	12.34%
06-Dec-18	150	12.43%	-0.48%	12.91%
13-Dec-18	157	12.65%	-0.02%	12.67%
20-Dec-18	164	12.75%	0.07%	12.67%
27-Dec-18	171	12.83%	0.01%	12.82%
03-Jan-19	178	12.88%	-0.09%	12.97%
10-Jan-19	185	12.66%	-0.13%	12.80%
17-Jan-19	192	12.65%	-0.07%	12.72%
31-Jan-19	206	12.77%	0.00%	12.77%
14-Feb-19	220	13.20%	0.36%	12.85%
14-Mar-19	248	13.29%	-0.16%	13.45%
21-Mar-19	255	13.31%	-0.12%	13.43%
04-Apr-19	269	13.34%	-0.06%	13.40%
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-	-	-	-	-
-	-	-	-	-

Economic Indicators

	Current	Year Start
MPR	14.00%	14.00%
Inflation	11.61%	15.90%
Gross External Reserves	$47.80bn *	$38.77bn

* As at 5th Jul 2018

Interbank Offered Rate

Tenor	06-Jul	09-Jul	Change
O/N	12.92%	23.79%	10.87%

Benchmark Bonds—Secondary Market

New Nomenclature	Issue	TTM	9-Jul	Change	6-Jul
^16.00 29-JUN-2019	29-Jun-12	0.97	13.11%	-0.14%	13.25%
^15.54 13-FEB-2020	13-Feb-15	1.60	13.08%	-0.35%	13.43%
^14.50 15-JUL-2021	15-Jul-16	3.02	13.32%	-0.14%	13.46%
^16.39 27-JAN-2022	27-Jan-12	3.55	13.80%	0.00%	13.80%
^14.20 14-MAR-2024	14-Mar-14	5.68	13.91%	0.08%	13.83%
^12.50 22-JAN-2026	22-Jan-16	7.54	13.96%	0.00%	13.96%
^16.2884 17-MAR-2027	17-Mar-17	8.69	14.02%	-0.09%	14.12%
^13.98 23-FEB-2028	23-Feb-18	9.63	14.04%	-0.16%	14.21%
^10.00 23-JUL-2030	23-Jul-10	12.04	14.09%	0.00%	14.09%
^12.1493 18-JUL-2034	18-Jul-14	16.03	14.19%	-0.01%	14.20%
^12.40 18-MAR-2036	18-Mar-16	17.69	14.13%	-0.21%	14.34%

Auctions

	Tenor	04-Jul	20-Jun
Tbills	91 days	10.00%	10.00%
	182 days	10.50%	10.30%
	364 days	11.51%	11.50%
	VOLUME (N'bn)	102.31	40.01

Currency

Currency	Current Value	1-Day Change	YTD Change
NGN/USD	305.75	-0.02%	0.08%
NGN/GBP	479.97	-0.47%	1.43%
NGN/EUR	425.20	-0.68%	1.54%