

Daily Market Update.

September 17, 2018

Equities Market.

Commentary

- The local bourse succumbed to a 0.39% loss in the opening session of the trading-week and closed at 32,201.98 points, partially offsetting Friday's gains, as investors sold off on banking and consumer goods large-cap counters.
- Accordingly, the Month-to-Date and Year-to-Date losses increased to 7.59% and 15.80%, respectively.
- The Consumer Goods (-0.81%) index recorded the largest decline, owing to a selloff of NESTLE (-1.46%) shares. The Insurance (-0.61%) and Banking (-0.55%) indices followed suit, on the back of losses in the shares of ROYALEX (-8.70%) and GUARANTY (-2.30%), respectively. On the flip side, the Oil & Gas (+0.33%) index posted a positive return, following a price appreciation in FO (+8.57%). The Industrial Goods index closed flat.
- Market breadth was negative with 23 losers and 18 gainers, led by CHAMPION (-10.00%) and CILEASING (-8.62%) respectively. Total volume and value of trades dropped by 36.29% and 54.53% to 160.67 million units and NGN2.15 billion, respectively, exchanged in 2,935 deals.
- Our outlook for equities in the near to medium term remains conservative, in the absence of a near term one-off positive catalyst; and more so, amidst political uncertainty ahead of the upcoming general elections. However, stable macroeconomic fundamentals remain supportive of recovery in the long term.

Key Market Statistics

| Metrics | Outcome |
|------------------------------|-----------|
| All-Share Index | 32,201.98 |
| Today's return | ▼ -0.39% |
| WtD | ▼ -0.39% |
| MtD | ▼ -7.59% |
| YtD | ▼ -15.80% |
| 52-week High | 45,092.83 |
| 52-week Low | 32,022.23 |
| Market Capitalisation (N'bn) | 11,756.21 |

Top 5 Trades by Value

| Ticker | Value NGN'000 | Market Value |
|------------|---------------|--------------|
| ZENITHBANK | 341,224.55 | 15.86% |
| GUARANTY | 237,473.29 | 11.03% |
| ACCESS | 225,600.00 | 10.48% |
| DANGCEM | 183,797.88 | 8.54% |
| FBNH | 133,059.09 | 6.18% |

Top 5 Gainers

| Ticker | Pclose (NGN) | Close (NGN) | Change |
|-----------|--------------|-------------|--------|
| CILEASING | 2.90 | 3.15 | 8.62% |
| FO | 17.50 | 19.00 | 8.57% |
| PRESTIGE | 0.48 | 0.52 | 8.33% |
| UNIONDAC | 0.30 | 0.32 | 6.67% |
| HONYFLOUR | 1.39 | 1.48 | 6.47% |

Top 5 Trades by Volume

| Ticker | Volume Units '000 | Market Volume |
|------------|-------------------|---------------|
| ACCESS | 21,665.37 | 13.48% |
| ZENITHBANK | 13,923.99 | 8.67% |
| FBNH | 12,709.37 | 7.91% |
| TRANSCORP | 11,568.78 | 7.20% |
| UBA | 11,098.78 | 6.91% |

Top 5 Losers

| Ticker | Pclose (NGN) | Close (NGN) | Change |
|-----------|--------------|-------------|---------|
| CHAMPION | 1.80 | 1.62 | -10.00% |
| REDSTAREX | 5.45 | 4.95 | -9.17% |
| ROYALEX | 0.23 | 0.21 | -8.70% |
| JOHNHOLT | 0.58 | 0.53 | -8.62% |
| UNITYBNK | 0.93 | 0.85 | -8.60% |

Current Market Information

| Date | Days | NSE ASI | % Change | Volume | % Change | Value (NGN) | % Change | Gainers | Losers |
|-----------|-----------|-----------|----------|-------------|-----------|---------------|-----------|---------|--------|
| 17-Sep-18 | Monday | 32,201.98 | ▼ -0.39% | 160,665,203 | ▼ -36.29% | 2,152,111,913 | ▼ -54.53% | 23 | 18 |
| 14-Sep-18 | Friday | 32,327.59 | ▲ 0.95% | 252,189,106 | ▲ 45.31% | 4,732,819,087 | ▲ 27.50% | 21 | 16 |
| 13-Sep-18 | Thursday | 32,022.23 | ▼ -0.84% | 173,547,892 | ▼ -29.71% | 3,712,084,207 | ▼ -46.44% | 9 | 26 |
| 12-Sep-18 | Wednesday | 32,292.79 | ▼ -3.46% | 246,906,477 | ▲ 63.87% | 6,930,771,216 | ▲ 334.03% | 10 | 37 |
| 11-Sep-18 | Tuesday | 33,449.17 | ▼ -0.48% | 150,671,120 | ▲ 9.48% | 1,596,859,111 | ▲ 17.74% | 14 | 29 |

FX, Money Market, Fixed Income.

Commentary

- The USD/NGN remained flat at NGN361 in the parallel market, while it strengthened by 0.07% to NGN362.93 in the I&E FX window. Total value of trades fell by 73.7% to USD223.45 million, with trades consummated within the NGN358.00-NGN364.50/USD band.
- The overnight lending rate rose 67 bps to 12.67%, from 12.00% in the previous session, in the absence of any significant inflows to boost liquidity.
- Activities in the treasury bills market were bullish, amidst still healthy liquidity and the absence of any OMO auction, as average yield moderated by 67 bps to close at 13.77%. Yields contracted at the short (-120 bps) and mid (-40 bps) ends of the curve, owing to demand for the 10DTM (-208 bps) and 108DTM (-96 bps) bills, respectively. Conversely, yields expanded at the long (+6 bps) segment, following a selloff of the 318DTM (+11 bps) bill.
- Trading in the bond market was bullish, as average yield moderated by 10 bps to 15.17%. There was demand across the short (-14bps), mid (-4 bps), and long (-12 bp) ends of the curve, with respective yields on the FEB-2020 (-41 bps), JUL-2030 (-13 bps) and MAR-2036 (-15 bps) bonds recording significant contractions.

Economic Indicators

| | Current | Year Start |
|-------------------------|-------------|------------|
| MPR | 14.00% | 14.00% |
| Inflation | 11.14% | 15.90% |
| Gross External Reserves | \$45.23bn * | \$38.77bn |

* As at 13th Sep 2018

Currency

| Currency | Current Value | 1-Day Change | YTD Change |
|----------|---------------|--------------|------------|
| NGN/USD | 306.30 | ▼ -0.02% | ▼ -0.10% |
| NGN/GBP | 476.20 | ▼ -0.04% | ▲ 2.20% |
| NGN/EUR | 423.24 | ▼ -0.03% | ▲ 2.00% |

Interbank Offered Rate

| Tenor | 14-Sep | 17-Sep | Change |
|-------|--------|--------|--------|
| O/N | 12.00% | 12.67% | 0.67% |

Benchmark Bonds—Secondary Market

| New Nomenclature | Issue | TTM | 17-Sep | Change | 14-Sep |
|----------------------|-----------|-------|--------|----------|--------|
| ^16.00 29-JUN-2019 | 29-Jun-12 | 0.79 | 14.82% | ▲ 0.20% | 14.63% |
| ^15.54 13-FEB-2020 | 13-Feb-15 | 1.42 | 14.81% | ▼ -0.41% | 15.21% |
| ^14.50 15-JUL-2021 | 15-Jul-16 | 2.84 | 15.16% | ▼ -0.18% | 15.33% |
| ^16.39 27-JAN-2022 | 27-Jan-12 | 3.38 | 15.12% | ▼ -0.18% | 15.30% |
| ^14.20 14-MAR-2024 | 14-Mar-14 | 5.50 | 15.05% | ▼ -0.06% | 15.11% |
| ^12.50 22-JAN-2026 | 22-Jan-16 | 7.36 | 15.22% | ▼ -0.11% | 15.33% |
| ^16.2884 17-MAR-2027 | 17-Mar-17 | 8.51 | 15.22% | ▲ 0.01% | 15.21% |
| ^13.98 23-FEB-2028 | 23-Feb-18 | 9.45 | 15.24% | ▲ 0.06% | 15.17% |
| ^10.00 23-JUL-2030 | 23-Jul-10 | 11.86 | 15.30% | ▼ -0.13% | 15.43% |
| ^12.1493 18-JUL-2034 | 18-Jul-14 | 15.85 | 15.37% | ▼ -0.14% | 15.52% |
| ^12.40 18-MAR-2036 | 18-Mar-16 | 17.51 | 15.33% | ▼ -0.15% | 15.48% |
| ^16.2499 18-APR-2037 | 18-Apr-17 | 18.60 | 15.42% | ▼ -0.07% | 15.49% |

Treasury Bills—Secondary Market

| Maturity | DTM | 17-Sep | Change | 14-Sep |
|-----------|-----|--------|--------|--------|
| 27-Sep-18 | 10 | 12.02% | -2.08% | 14.11% |
| 04-Oct-18 | 17 | 13.89% | -0.25% | 14.14% |
| 11-Oct-18 | 24 | 12.08% | -2.11% | 14.18% |
| 18-Oct-18 | 31 | 12.21% | -2.14% | 14.34% |
| 25-Oct-18 | 38 | 12.19% | -1.98% | 14.17% |
| 01-Nov-18 | 45 | 14.14% | -0.11% | 14.25% |
| 08-Nov-18 | 52 | 13.13% | -1.20% | 14.33% |
| 15-Nov-18 | 59 | 13.34% | -1.10% | 14.44% |
| 22-Nov-18 | 66 | 13.39% | -1.04% | 14.42% |
| 29-Nov-18 | 73 | 13.38% | -0.76% | 14.15% |
| 06-Dec-18 | 80 | 13.90% | -1.00% | 14.91% |
| 13-Dec-18 | 87 | 13.50% | -0.59% | 14.09% |
| 20-Dec-18 | 94 | 13.75% | -0.28% | 14.03% |
| 27-Dec-18 | 101 | 13.71% | -0.62% | 14.33% |
| 03-Jan-19 | 108 | 13.89% | -0.96% | 14.84% |
| 10-Jan-19 | 115 | 13.71% | -0.65% | 14.37% |
| 17-Jan-19 | 122 | 13.90% | -0.49% | 14.39% |
| 24-Jan-19 | 129 | 13.88% | -0.52% | 14.40% |
| 31-Jan-19 | 136 | 13.86% | -0.48% | 14.34% |
| 07-Feb-19 | 143 | 14.15% | -0.24% | 14.39% |
| 14-Feb-19 | 150 | 14.32% | -0.44% | 14.76% |
| 21-Feb-19 | 157 | 14.25% | -0.54% | 14.80% |
| 28-Feb-19 | 164 | 14.04% | -0.39% | 14.43% |
| 07-Mar-19 | 171 | 13.99% | -0.02% | 14.01% |
| 14-Mar-19 | 178 | 14.66% | 0.48% | 14.18% |
| 21-Mar-19 | 185 | 13.99% | 0.08% | 13.92% |
| 04-Apr-19 | 199 | 14.79% | -0.04% | 14.84% |
| 18-Jul-19 | 304 | 15.78% | 0.09% | 15.69% |
| 01-Aug-19 | 318 | 15.39% | 0.11% | 15.28% |

Auctions

| | Tenor | 12-Sep | 29-Aug |
|--------|----------------------|---------------|---------------|
| Tbills | 91 days | 11.00% | 11.00% |
| | 182 days | 12.30% | 12.30% |
| | 364 days | 13.50% | 13.05% |
| | VOLUME (N'bn) | 136.30 | 206.95 |

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