

Wednesday, 14 April 2021

The day in review

- NSE-ASI closed higher by 0.1%
- Interbank rates remained in double-digits
- Mixed performance in NTB market
- Naira appreciates at the NAFEX window

Looking forward

March Inflation Data

Daily Insight

Is the CBN's fiat-led intervention working?

At the May Monetary Policy Committee (MPC) meeting, the CBN governor highlighted the status around its several interventions in the real economy. In the manufacturing sector, he disclosed the apex bank has disbursed N803.4bn out of its N1.0tn Manufacturing Intervention Stimulus. In the healthcare sector, the governor claimed the CBN had disbursed N94.3bn out of its N100.0bn healthcare fund. Furthermore, he stated it had disbursed N686.6bn and N601.8bn under the Commercial Agricultural Credit Scheme as well as the Anchors Borrowers Program.

Since 2015, the CBN has continually intervened significantly in sectors classified as priority sectors as it focuses on complementing the efforts of the Federal government in boosting economic growth. However, despite the substantial interventions, economic growth remains weak. Between 2015 and 2020, Nigeria has recorded two recessions while average growth within the period prints at 0.8%, a stark contrast to the prior six-year period where the economy expanded by an average of 6.4%. Thus, the impact of the intervention programs on the real economy remains difficult to place.

Despite its good intentions, the CBN's efforts remained undermined by unresolved structural challenges that have continually hindered the country's growth potential. For example, the Agricultural sector remains undermined by decrepit transportation infrastructure as well as inadequate storage facilities which leads to huge post-harvest losses. Other challenges such as poor port infrastructure, epileptic power supply and persistent FX challenges continue to limit economic productivity. Thus, until these foundational issues are resolved, the Nigerian economy will remain in limbo.

Headline	Level	1 day	YTD
NSE ASI	38,636.2	▲ 0.1%	▼ -4.1%
Mkt. Cap (N'bn)	20,268.0	▲ 0.1%	▼ -3.7%
Mkt. Cap (\$'mn)	53,477.6	▲ 0.1%	▼ -3.7%
Value (N'mn)	2,272.0	▼ -21.9%	
Value (\$'mn)	6.0	▼ -21.9%	
Volume	278.0	▲ 33.2%	
Deals	-		
Market Breadth	0.9x		

T-Bills Yields	Current	Previous	%Δ
3 months	2.42	2.52	▼ -0.10
6 months	3.51	3.57	▼ -0.06
12 months	8.49	7.49	▲ 1.00

Bonds Yields	Current	Previous	% Δ
3 years	9.01	9.02	▼ -0.01
5 years	11.93	10.49	▲ 1.44
7 years	11.37	10.94	▲ 0.43
10 years	11.79	11.72	▲ 0.07

Currencies	Current	Previous	% Δ
Official	379.00	379.00	▲ 0.00%
Parallel	482.00	482.00	▲ 0.00%
NAFEX	410.50	411.00	▲ 0.12%

Other Key indices	Current	Previous	% Δ
OBB	12.0	12.3	▼ -0.25
OVN	12.3	12.8	▼ -0.50
Brent	66.4	63.7	▲ 4.29

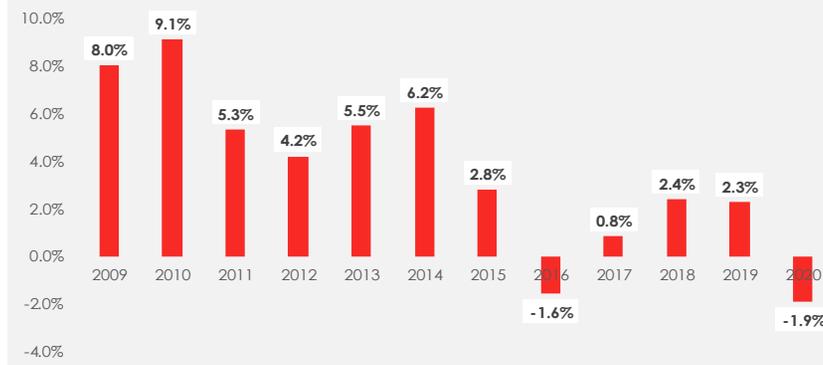
	1 day	MTD	YTD	P/E (x)	Div. Yld.
Agriculture	0.0%	0.0%	0.1%	0.0	0.0%
Banks	▼ -0.2%	▼ -5.8%	▼ -11.4%	3.4	9.8%
Consumer	▲ 0.2%	▼ -1.2%	▼ -4.2%	103.3	4.0%
Industrial	▼ 0.0%	▼ -0.8%	▼ -8.7%	18.9	4.9%
Insurance	▼ -2.2%	▲ -3.7%	▲ 3.9%	3.7	3.1%
Oil & Gas	▼ -0.1%	▲ -0.5%	▲ 17.0%	na	5.5%
Mkt. Avg. P/E		14.1	Mkt. Avg. Div. Yld	4.8%	

*P/E's are based on the last twelve months trailing earnings
*Dividend yields are based on past year dividend payments



Pan African Market Monitor as at today					
Equities	Level	1 day	YTD	P/E (x)	Div. Yld.
BRVM	142.4	▲ 0.8%	▼ -2.0%	8.9	6.6%
Egypt	10,115.5	▼ -1.8%	▼ -6.7%	11.0	2.9%
Ghana	2,301.6	▲ 0.0%	▲ 18.7%	n/a	n/a
Kenya	161.4	▲ 0.8%	▲ 6.1%	12.2	2.4%
Mauritius	1,621.3	▼ 0.0%	▼ -1.7%	n/a	0.9%
Morocco	309.3	▼ -0.2%	▲ 1.4%	26.4	3.4%
MSCI FM	551.1	▲ 0.3%	▲ 4.4%	12.8	2.8%
South Africa	67,812.2	▲ 1.1%	▲ 14.1%	26.7	2.6%
Tunisia	7,104.9	▼ -0.3%	▲ 3.2%	20.4	0.6%
Zimbabwe	78,457.7	▼ -3.7%	▲ 69.4%	4.0	2.2%

Economic Growth has been uninspiring since 2015 compared to the prior years
GDP Growth



Source: United Capital Research, NBS

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