

# Weekly Investment Recap

Friday, December 24, 2021  
Domestic Macros

## Equity Market Commentary

Following the rally witnessed in the previous week, the NGX-ASI retreated at the close of this week, driven by selling pressures on big cap stocks like MTNN (-2.30%), FBNH (-4.56%), and ACCESS (-2.21%). As a result, the broad index fell by 0.21% WoW to settle at 42,262.85pts, bringing the year-to-date return to +4.95%.

MBENEFIT led the gainers' chart for the week with a return of 23.08%, placing its share price at NGN0.32. Trailing the counter were CHIPLC (+20.69%), UBN (+20.65%), ROYALEX (+11.59%), and MAYBAKER (+10.00%). On the other hand, JBERGER emerged the worst performing stock, given a price drop of 9.88% to NGN22.35. CORNEST, LASACO, LEARNAFRICA, and FTNCOCOA declined by 9.80%, 7.14%, 6.06%, and 4.76% respectively.

On the sectoral front, four (4) of the five (5) indices recorded positive returns; the Insurance (+1.85%), Consumer Goods (+0.78%), Industrial Goods (+0.43%), and Banking (+0.10%) sectors. Meanwhile, the Oil & Gas sector (-0.52%) emerged the sole loser.

*While we observed trickles of gains at the start and close of the trading week, it was not strong enough to offset the market's underlying sentiment, thereby resulting in a negative return. In the coming week, we expect investors will continue cherry-picking on fundamentally sound stocks, even as the year closes out and portfolio managers' rebalance their positions for the coming year.*

## Fixed Income Commentary

The average money market rate rose to 12.25% from 11.50% in the previous week, with the the Open repo rate (OPR) and Overnight rate both settling at 12.00% and 12.50%, respectively from 11.25% and 11.75% the previous week. We expect funding rates to remain largely unchanged in the coming week, barring any significant outflows.

Positive sentiment dominated the T-bills space, as the average T-bill yield dropped marginally by 4bps to close at 4.44%, owing largely to buying interests on the mid and long ends of the curve. Similarly, the OMO market was swayed by buying interests, with the average yield settling lower at 5.41%, down from 5.44% the week before.

The Central Bank of Nigeria (CBN) is slated to hold a T-bills Primary Market Auction (PMA) on the 29th of December 2021. T-bills worth NGN52.76bn will mature, and an equal amount will be issued in the 91-day, 182-day, and 364-day instruments. The CBN is set to auction NGN4.61bn, NGN3.31bn, and NGN44.83bn in the 91-day, 182-day, and 364-day instruments. Given the recent appetite for T-bills, we envisage participation should remain robust, with a stronger demand for the 364-day instrument.

The secondary market for bonds exhibited positive sentiment, particularly on the short and long ends of the curve, driving the average bond yield down 1 basis point to settle at 11.98%. The yield increase on two (2) instruments and the flattish close on eight (8) instruments outweighed the yield drops on eight (8) instruments. Notably, the MAR-2050 bond was the most sold, having advanced by 0.13%. As the year draws to a close, we expect trading activities should be mixed as portfolio rebalancing takes place.

Total FX turnover stood at NGN1.17bn, down 3.31% from the previous week, as inflows and outflows from local and international sources remained the key drivers of liquidity at the I&E window. As a result, the I&E FX rate settled at NGN415.10/USD, a slight drop of 0.01% from last week's NGN415.07/USD. The foreign reserves extended its downward trend, as it lost USD81mn to close at USD40.59bn, from USD40.67bn in the previous week.

GDP, USD billion	\$432.29bn
Real GDP growth, %	4.03%
Brent Crude, \$	\$73.79
Inflation y-y%	15.40%
MPR %	11.50%
External Reserves, USD billion	\$40.59bn
Debt to GDP, %	24.95%
Exchange Rate, (₦/\$)	415.10
Unemployment Rate, %	33.30%
NGX YTD Return, %	4.95%
Average T-bill Yield, %	4.44%
Average Bond Yield, %	11.98%

## Anchoria Asset Management Performance

	WtD	MtD
Money Market	19.8%	12.2%
Equity Market	0.7%	-0.3%
Fixed Income		
Fund	-0.9%	-0.1%

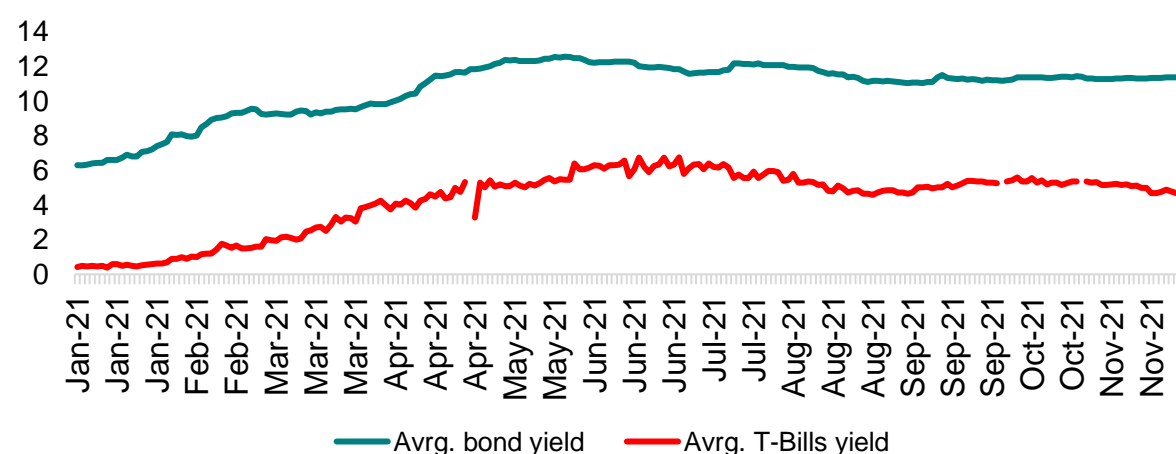
NGX- Sector Returns	WtD	MtD	QtD	YtD
All-Share-Index	-0.2%	-2.3%	5.1%	4.9%
Banking	0.1%	1.3%	6.7%	0.7%
Consumer Goods	0.8%	1.4%	-2.2%	-3.3%
Industrial Goods	0.4%	-4.7%	0.0%	1.8%
Insurance	1.8%	3.6%	12.4%	2.6%
Oil & Gas	-0.5%	-3.5%	-5.0%	54.2%

Key Rates	Yield	MtD	QtD	YtD
1-yr FGN Bonds	5.7%	6.0%	7.4%	2.0%
3-yr FGN Bonds	10.5%	9.5%	9.2%	4.1%
5-yr FGN Bonds	12.7%	11.8%	10.7%	6.3%
10-yr FGN Bonds	13.3%	12.3%	12.0%	7.4%
30-yr FGN Bonds	10.8%	13.2%	13.9%	6.4%

## Anchoria Asset Management Funds Performance

	WtD	MtD	QtD	YTD
Money Market	19.8%	12.2%	9.5%	5.1%
Equity Market	0.7%	-0.3%	0.7%	3.2%
Fixed Income	-0.9%	-0.1%	-0.2%	-14.3%

## Average Fixed Income Yields



## NGX Top Weekly Gainers

MBENEFIT	23.08%
CHIPLC	20.69%
UBN	20.65%
ROYALEX	11.59%
MAYBAKER	10.00%

## NGX Top Weekly Losers

JBERGER	-9.88%
CORNEST	-9.80%
LEARNAFRCA	-7.14%
JAIZBANK	-6.06%
FTNCOCOA	-4.76%

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