

Market/Economic Insight

The Weekly Brief

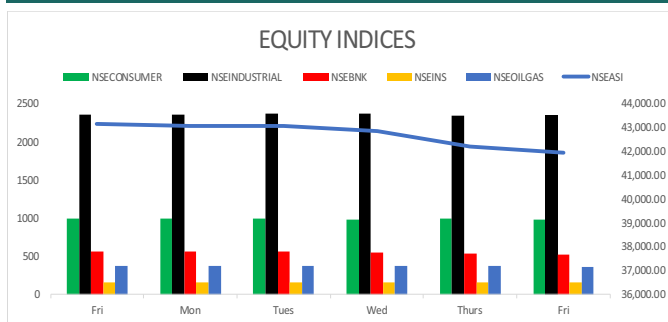
Monday, 12 March - Friday, 16 March 2018

The performance of the Nigerian Equity Market was largely bearish last week with the index (NSE ASI) down by **2.85%** WTD to close at an index level of 41,935.93 and market capitalization of N15.00 trillion.

The sectoral performance was negative as bearish sentiments were witnessed across sectors except for the Insurance index which grew by **0.25%** WTD. However, the Banking sector recorded the highest decline amongst NSE indices with the NSE Banking index down by **8.35%** WTD, owing to significant price depreciation in **FIDELITYBNK** (-22.48%) and **WEMABANK** (-18.00%). The market activities were characterised by profit taking during 4 out of 5 trading sessions last week.

In the global space, most stock market especially the US stock market slumped due to worries over the potential for global trade tensions and turmoil, particularly between the U.S. and China, as the Trump administration's pushes for protective levies.

Equity Indices For The Week Ended 16/03/2018



| EQUITY INDICES | MON 12/03/2018 | TUES 13/03/2018 | WED 14/03/2017 | THUR 15/03/2018 | FRI 16/03/2018 |
|----------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| NSEASI | -0.26% | 0.04% | -0.54% | -1.53% | -0.59% |
| NSE CONSUMER | -0.03% | -0.37% | -0.72% | 0.20% | -0.68% |
| NSE INDUSTRIAL | 0.00% | 0.68% | 0.09% | -1.26% | 0.26% |
| NSEBNK | -0.90% | -0.82% | -1.45% | -3.12% | -2.33% |
| NSEINS | 0.80% | 1.34% | 0.06% | -0.79% | -1.14% |
| NSEOILGAS | 0.28% | 0.86% | -0.27% | -1.91% | -0.58% |

Source: NSE, Anchoria AM Research

Market Statistics For The Week Ended 16/03/2018

Top performing stocks for the week

| | Closing Price | WTD% | MTD% | YTD% |
|----------|---------------|--------|--------|--------|
| ABCTRANS | 0.48 | +14.29 | +33.33 | -4.00 |
| JOHNHOLT | 0.54 | +12.50 | +8.00 | +8.00 |
| NEM | 2.70 | +11.57 | +28.57 | +62.65 |
| CUTIX | 2.69 | +9.80 | +14.47 | +33.83 |
| NPFMCFBK | 2.02 | +9.19 | +8.60 | +61.60 |
| FIDSON | 5.25 | +7.14 | +9.60 | +41.89 |

Top underperforming stocks for the week

| | Closing Price | WTD% | MTD% | YTD% |
|------------|---------------|--------|--------|---------|
| JAPAUOIL | 0.67 | -30.93 | -24.07 | +34.00 |
| FIDELITYBK | 2.31 | -22.48 | -22.74 | -6.10 |
| UNITYBNK | 1.35 | -21.51 | -24.16 | +154.72 |
| AFRIPRUD | 3.99 | -20.20 | -15.82 | -5.45 |
| REGALINS | 0.28 | -20.00 | -41.67 | -44.00 |
| LASACO | 0.36 | -18.18 | +9.09 | -28.00 |

Source: NSE, Anchoria AM Research

Stock Watch

Over the last five trading sessions:

GUARANTY (Guaranty Trust Bank) shed by 5.87% to close at N44.90. We maintain our hold rating on this stock.

ZENITHBNK (Zenith Bank) shed by 10.68% to close at N27.60. We place a buy rating on this stock.

OANDO (Oando) remained unchanged to close N5.99.

Macroeconomics

| Indicator | Previous Rate | Current Rate |
|---------------------------|---------------|--------------|
| GDP Growth | 1.40% | 1.92% |
| Inflation rate (Headline) | 15.13% | 14.33% |
| Food Inflation | 19.42% | 17.59% |
| MPR | 14.00% | 14.00% |
| Crude Oil price | \$65.71 | \$65.79 |

Source: CBN, NBS

Money Market Rate Weekly Closing Rate

The money market rate rose marginally last week as the Open Buy Back and Overnight rate rose by 3.33% and 3.75% to close at 11.83% and 12.92% respectively. Consequently, the average money market rate rose by 3.54%, to settle at 12.38%.

| Instruments | 09/03/2018 | 16/03/2018 | Difference |
|----------------------------|------------|------------|------------|
| Open Buy Back (OBB) | 8.50% | 11.83% | +3.33% |
| Overnight Rate | 9.17% | 12.92% | +3.75% |

Source: FMDQ OTC

Currency Movement During The Week

| Buy Rates | 09/03/2018 | 16/03/2018 | Change |
|-------------|------------|------------|--------|
| USD | 360.00 | 360.00 | +0.00% |
| GBP | 493.00 | 495.00 | +0.41% |
| EURO | 436.00 | 438.00 | +0.46% |

| Sell Rates | 09/03/2018 | 16/03/2018 | Change |
|-------------|------------|------------|--------|
| USD | 362.50 | 363.00 | +0.14% |
| GBP | 502.00 | 504.00 | +0.40% |
| EURO | 446.00 | 448.00 | +0.45% |

Source: Everdon, Anchoria AM Research

Week Ahead

African Development Bank (AfDB)/African Financial Markets Integration program (AFMI) will hold an engagement forum with the Nigerian Capital Market buy-side community on Monday, 19 March, 2018.

The Federal Government of Nigeria (FGN), through the Debt Management Office (DMO), is to conduct a bond auction on Wednesday, 21 March, 2018.

The National Bureau of Statistics is to release the 2017 Report on Road Transport on Wednesday, 21 March, 2018.

The Institute of Chartered Accountants of Nigeria (ICAN) Board of Taxation and Fiscal Policy Management Faculty is to hold a One Day Seminar today themed "Tax Planning and Compliance in the Era of Transparency and Global Cooperation" on Thursday, 22 March, 2018.

African Indices For The Week Ended 16/03/2018

| Country | Index Level | Index Change | Change |
|---------------------------------------|-------------|--------------|----------|
| NGSE ASI <i>Nigeria</i> | 41,935.93 | -1,231.93 | -2.85% ↓ |
| JSE ASI <i>South Africa</i> | 58,101.02 | -1,068.21 | -1.81% ↓ |
| NSE ASI <i>Kenya</i> | 184.09 | +3.49 | +1.93% ↑ |
| GSE CI <i>Ghana</i> | 3,239.62 | -6.99 | -0.22% ↓ |
| EGX 30 <i>Egypt</i> | 16,991.10 | +518.82 | +3.15% ↑ |

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 16/03/2018

| Country | Index Level | Index Change | Change |
|--|-------------|--------------|----------|
| S&P 500 <i>United States</i> | 2,752.01 | -34.56 | -1.24% ↓ |
| NASDAQ <i>United States</i> | 7,481.99 | -78.82 | -1.04% ↓ |
| FTSE 100 <i>United Kingdom</i> | 7,214.76 | -9.75 | -0.13% ↓ |
| CAC 40 <i>France</i> | 5,282.75 | +8.35 | +0.16% ↑ |
| Eurostoxx 50 <i>Eurozone</i> | 3,437.40 | +16.86 | +0.49% ↑ |
| CSI 300 <i>China</i> | 4,056.42 | -52.44 | -1.28% ↓ |

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

Guaranty Trust Bank Plc released its FY 2017 financial statement showing marginally growth of 1.11% year-on-year (YOY) in gross earnings while the Profit After Tax (PAT) grew by 28.87% YOY. Also, the management of Guaranty Trust Bank Plc has proposed a final dividend of 2.40 per share.

Zenith Bank Plc released its FY 2017 financial statement showing 46.69% year-on-year (YOY) growth in gross earnings to 745.2 billion while the Profit After Tax (PAT) grew by 37.24% YOY to 177.9 billion. Also, the management of Zenith Bank Plc has proposed a final dividend of 2.45 per share.

The entire share capital of Seven-Up Bottling Company Plc ("SBC") were delisted from The Daily Official List of The Nigerian Stock Exchange on Monday, 12th of March 2018 following its shareholders' approval of a Scheme of Arrangement to restructure and delist from The Exchange.