

Market/Economic Insight

The Weekly Brief

Monday, 04 June - Friday, 08 June 2018

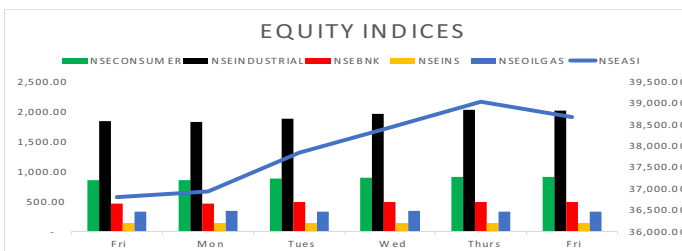
The performance of the Nigerian Equity Market was largely bullish last week with the index (NSE ASI) up by **5.03%** WTD to close at an index level of 38,669.23 and market capitalization of N14.01 trillion.

The sectoral performance was positive as bullish sentiments were witnessed in all sector with the exception of Insurance and Oil & Gas index that slipped by 0.61% and 1.34% respectively. The Industrial sector recorded the highest gain amongst NSE indices with the NSE Industrial Goods index up by 9.36% WTD, owing to significant price appreciation in **WAPCO** (+17.06%), and **DANGCEM** (+5.74%).

The market activities were characterised by bargain hunting on 4 out of the 5 trading sessions last week. This is due to increased investors' interest to take advantage of the low and attractive prices of some stocks.

In the global space, there were mixed reactions in the stock markets during the week. The bullish sentiment continued in the US market as investors ignored trade tension as leaders of the group of seven industrialised (G-7) nations met at Canada during the week. However, UK and some European bourses fell as tension increased ahead of the G-7 meeting.

Equity Indices For The Week Ended 08/06/2018



| EQUITY INDICES | MON | TUES | WED | THUR | FRI |
|----------------|------------|------------|------------|------------|------------|
| | 04/06/2018 | 05/06/2018 | 06/06/2017 | 07/05/2018 | 08/06/2018 |
| NSEASI | +0.36% | +2.46% | +1.53% | +1.58% | -0.96% |
| NSE CONSUMER | -0.09% | +2.70% | +2.51% | +1.03% | +0.20% |
| NSE INDUSTRIAL | -1.12% | +3.21% | +4.16% | +3.72% | -0.81% |
| NSEBANK | +1.60% | +3.19% | +1.15% | +0.14% | -1.61% |
| NSEINSGOODS | -0.89% | +0.24% | +0.99% | -0.73% | -0.21% |
| NSEOILGAS | +0.33% | -0.56% | +0.63% | -0.46% | -1.27% |

Source: NSE, Anchororia AM Research

Market Statistics For The Week Ended 08/06/2018

Top performing stocks for the week

| | Closing Price (₦) | WTD% | MTD% | YTD% |
|-----------|-------------------|--------|--------|--------|
| JAPAUOIL | 0.31 | +40.91 | +47.62 | -38.00 |
| PRESTIGE | 0.67 | +39.58 | -99.11 | +34.00 |
| NASCON | 22.40 | +17.89 | +17.89 | +21.08 |
| CILEASING | 1.61 | +17.52 | +21.05 | +24.81 |
| DANGFLOUR | 10.60 | +17.13 | +14.59 | -12.76 |
| WAPCO | 39.80 | +17.06 | +14.37 | -11.34 |

Top underperforming stocks for the week

| | Closing Price (₦) | WTD% | MTD% | YTD% |
|------------|-------------------|--------|--------|--------|
| NPFMCRFBNK | 1.65 | -14.51 | -14.51 | +32.00 |
| HMARKINS | 0.27 | -12.90 | -18.18 | -46.00 |
| FIRSTALUM | 0.40 | -9.09 | -4.76 | -20.00 |
| LASACO | 0.35 | -7.89 | -10.26 | -30.00 |
| PRESCO | 70.35 | -6.20 | -6.20 | +2.70 |
| MAYBAKER | 2.50 | -5.66 | -5.66 | -3.85 |

Source: NSE, Anchororia AM Research

Stock Watch

Over the last five trading sessions:

FBNH (FBN Holdings) rose by 3.94% to close at N10.55. We maintain a hold rating on this stock.

GUARANTY (Guaranty Trust Bank) rose by 6.46% to close at N41.15. We maintain a sell rating on this stock.

ZENITHBANK (Zenith Bank) rose by 6.08% to close at N27.05. We maintain a sell rating on this stock.

Macroeconomics

| Indicator | Previous Rate | Current Rate |
|---------------------------|---------------|--------------|
| GDP Growth | 1.40% | 1.92% |
| Inflation Rate (Headline) | 13.34% | 12.48% |
| Food Inflation | 16.08% | 14.80% |
| MPR | 14.00% | 14.00% |
| Crude Oil Price | \$77.89 | \$74.31 |

Source: CBN, NBS

Money Market Rate Weekly Closing Rate

The money market rate increased marginally last week as the Overnight rate and Open Buy Back rate rose to 5.33% and 4.83% respectively. Consequently, the average money market rate increased by 1.21% to settle at 5.08% as system liquidity remained significantly liquid despite an OMO auction conducted by the CBN during the week.

| Instruments | 01/05/2018 | 08/06/2018 | Difference |
|----------------------------|------------|------------|------------|
| Open Buy Back (OBB) | 3.33% | 4.83% | +1.50% |
| Overnight Rate | 4.42% | 5.33% | +0.91% |

Source: FMDQ OTC

Currency Movement During The Week

| Buy Rates | 01/06/2018 | 08/06/2018 | Change |
|-------------|------------|------------|--------|
| USD | 361.00 | 360.00 | -0.28% |
| GBP | 483.00 | 480.00 | -0.62% |
| EURO | 416.00 | 416.50 | -0.12% |

| Sell Rates | 01/06/2018 | 08/06/2018 | Change |
|-------------|------------|------------|--------|
| USD | 364.00 | 363.00 | -0.27% |
| GBP | 493.00 | 490.00 | -0.61% |
| EURO | 426.00 | 426.50 | -0.12% |

Source: Everdon, Anchoria AM Research

Week Ahead

The National Bureau of Statistics (NBS) is set to release Sectoral Distribution of Value Added Tax Report for Q1, 2018 on Monday, 11 June, 2018.

The National Bureau of Statistics (NBS) is set to release Crime Statistics: Reported Offences by Type and State (2017) Report on Tuesday, 12 June, 2018.

The Executive Management of Rand Merchant Bank Nigeria is to visit the Exchange to discuss capital market partnership and transactions to be executed through NSE on Wednesday, 13 June, 2018.

The National Bureau of Statistics (NBS) is set to release the Diesel, Cooking Gas, Petrol and Transport Fare Price Watch as well as the CPI and Inflation Report for May 2018 on Wednesday, 13 June, 2018..

The National Bureau of Statistics (NBS) is set to release Selected Food Prices May 2018 Report on Friday, 15 June, 2018.

African Indices For The Week Ended 08/06/2018

| Country | Index Level | Index Change | Change |
|---------------------------------------|-------------|--------------|----------|
| NGSE ASI <i>Nigeria</i> | 38,669.23 | +1,852.94 | +5.03% ↑ |
| JSE ASI <i>South Africa</i> | 58,223.72 | +941.58 | +1.64% ↑ |
| NSE ASI <i>Kenya</i> | 176.67 | +4.14 | +2.40% ↑ |
| GSE CI <i>Ghana</i> | 3,038.41 | -153.89 | -4.82% ↓ |
| EGX 30 <i>Egypt</i> | 15,923.66 | -490.87 | -2.99% ↓ |

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 08/06/2018

| Country | Index Level | Index Change | Change |
|--|-------------|--------------|----------|
| S&P 500 <i>United States</i> | 2,779.03 | +44.41 | +1.62% ↑ |
| NASDAQ <i>United States</i> | 7,645.51 | +91.18 | +1.21% ↑ |
| FTSE 100 <i>United Kingdom</i> | 7,681.07 | -20.70 | -0.27% ↓ |
| CAC 40 <i>France</i> | 5,450.22 | -15.31 | -0.28% ↓ |
| Eurostoxx 50 <i>Eurozone</i> | 3,447.30 | -6.24 | -0.18% ↓ |
| CSI 300 <i>China</i> | 3,785.20 | +14.92 | +0.40% ↑ |

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

The full suspension placed on the shares of Prestige Assurance Plc was lifted on Thursday, 7 June 2018. Sequel to the share capital reconstruction exercise embarked upon during the suspension period, the share price was subsequently adjusted to 0.67 kobo.

Transnational Corporation of Nigeria Plc's Board of Directors approved the appointment of Mr. Christopher Ezeafulukwe as an Executive Director of the company with effect from 1st July, 2018.

Guaranty Trust Bank Plc notified the public that the news regarding a directive by the supreme court of Nigeria to make payments to one of its debtor customers is a mischievous and malicious statement.

Great Nigeria Insurance Plc released its Q1 2018 financial statement showing 29.42% year-on-year (YOY) decline in Underwriting profit while the Profit After Tax (PAT) fell by 70.44% YOY.

Seplat Plc announces that contrary to recent press speculation regarding the Assa North/Ohaji South ("ANOHS") project, Seplat has not violated local content policy.