



# Market/Economic Insight

## The Weekly Brief

Monday, 02 July - Friday, 06 July 2018

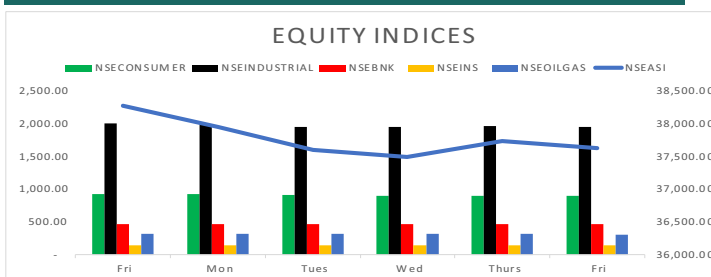
The performance of the Nigerian Equity Market returned bearish last week with the index (NSE ASI) down by **1.71%** WTD to close at an index level of 37,625.59 and market capitalization of N13.63 trillion.

The sectoral performance was negative as bearish sentiments were witnessed in all sectors with the exception of Insurance index that rose by **0.53%**. The Consumer Goods sector recorded the highest decline amongst NSE indices with the NSE Consumer Goods index down by **2.83%** WTD, owing to significant price depreciation in **HONYFLOUR** (-11.79%) and **NESTLE** (-4.76%).

The market activities were characterised by profit taking on 4 out of 5 trading sessions last week despite the implementation of the new equity market structure which allows market participants to enter imbalance orders to address Imbalance for auction sessions (where bids exceed offer and vice versa).

In the global space, mixed sentiments were witnessed in equity markets last week as investors ignored the trade war between the United States and China following the release of strong Job statistics, the US Dow Jones was up by 0.76% last week to close at 24,456.48 while the China CSI 300 slipped by 4.15%. The US strong Job data is an indication that the economy remains on its expansionary path.

### Equity Indices For The Week Ended 06/07/2018



EQUITY INDICES	MON 02/07/2018	TUES 03/07/2018	WED 04/07/2017	THUR 05/07/2018	FRI 06/07/2018
<b>NSEASI</b>	-0.87%	-0.90%	-0.28%	+0.65%	-0.31%
<b>NSE CONSUMER</b>	-0.11%	-1.09%	-1.61%	+0.15%	-0.87%
<b>NSE INDUSTRIAL</b>	-1.04%	-1.51%	-0.52%	+1.25%	-0.97%
<b>NSEBANK</b>	-1.02%	-1.25%	+0.57%	+0.25%	+1.41%
<b>NSEINS</b>	-0.07%	+0.57%	-0.42%	-1.26%	+1.73%
<b>NSEOILGAS</b>	+0.77%	-1.16%	-0.78%	-0.94%	-0.79%

Source: NSE, Anchoria AM Research

### Market Statistics For The Week Ended 06/07/2018

#### Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
MBENEFIT	0.45	+21.62	+21.62	-10.00
MULTIVERSE	0.24	+20.00	+20.00	-52.00
UNITYBNK	1.11	+14.43	+14.43	+109.43
UPL	2.55	+9.44	+9.44	+11.84
ROYALEX	0.36	+9.09	+9.09	-28.00
CILEASING	2.25	+8.70	+8.70	+74.42

#### Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
FO	26.35	-19.79	-19.79	-39.40
OMOMORBANK	0.58	-18.31	-18.31	-22.67
MCNICHOLS	0.81	-17.35	-17.35	-32.50
CORNERST	0.29	-17.14	-17.14	-42.00
MRS	28.55	-16.64	-16.64	+3.97
HONYFLOUR	2.02	-11.79	-11.79	-3.81

Source: NSE, Anchoria AM Research

### Stock Watch

Over the last five trading sessions:

**ZENITHBNK** (Zenith Bank) fell by 2.80% to close at N24.30. Recommendation: We place a buy rating on this stock.

**UBA** (United Bank of Africa) fell by 1.43% to close at N10.35. Recommendation: We maintain a buy rating on this stock.

**ACCESS** (Access Bank) rose by 0.48% to close at N10.40. Recommendation: We maintain a buy rating on this stock.

### Macroeconomics

Indicator	Previous Rate	Current Rate
<b>GDP Growth</b>	2.11%	1.95%
<b>Inflation Rate (Headline)</b>	12.48%	11.61%
<b>Food Inflation</b>	14.80%	13.45%
<b>MPR</b>	14.00%	14.00%
<b>Crude Oil Price</b>	\$76.72	\$76.72

Source: CBN, NBS

### Money Market Rate Weekly Closing Rate

The money market rate decreased slightly last week as the Overnight rate (OVN) and Open Buy Back (OBB) fell to 12.92% and 11.33% respectively. Consequently, the average money market rate decreased marginally by 1.50% to settle at 12.13% as system liquidity is estimated to have increased to c.N200bn, following OMO T-bill maturities and Net PMA repayments (c.N309.85bn) and inflow from refund of last auction (c.N80bn). We expect rates to inch up slightly next week barring inflow from FAAC and FX sales in the Wholesale, Invisibles and SME on Monday.

Instruments	29/06/2018	06/07/2018	Difference
<b>Open Buy Back (OBB)</b>	13.17%	11.33%	-1.84%
<b>Overnight Rate</b>	14.08%	12.92%	-1.16%

Source: FMDQ OTC

### Currency Movement During The Week

Buy Rates	29/06/2018	06/07/2018	Change
<b>USD</b>	359.00	358.00	-0.28%
<b>GBP</b>	477.00	473.00	-0.84%
<b>EURO</b>	413.00	411.00	-0.48%

Sell Rates	29/06/2018	06/07/2018	Change
<b>USD</b>	361.00	361.00	+0.00%
<b>GBP</b>	485.00	481.00	-0.24%
<b>EURO</b>	421.00	419.00	-0.24%

Source: Everdon BDC, Anchoria AM Research

### Week Ahead

The National Bureau of Statistics (NBS) is set to release the Socio-Economic Survey for 2017/2018 on Tuesday, 10 July, 2018.

The NASD OTC Plc is set to hold its Annual General Meeting (AGM) on Wednesday, 11 July, 2018.

The National Bureau of Statistics (NBS) is set to release the June 2018 Price Watch for Diesel, Kerosene, Petrol and Cooking Gas on Thursday, 12 July, 2018.

Trans Nationwide Express Plc and Guinea Insurance Plc is set to hold their Annual General Meeting (AGM) on Thursday, 12 July, 2018.

Business Day is set to hold a Series on the Future of Energy on Thursday, 12 July, 2018 at Radisson Blu, Lagos.

The National Bureau of Statistics (NBS) is set to release the CPI and Inflation report for June 2018 on Friday, 13 July, 2018.

### African Indices For The Week Ended 06/07/2018

Country	Index Level	Index Change	Change
<b>NGSE ASI</b> <i>Nigeria</i>	37,625.59	-652.96	-1.71% ↓
<b>JSE ASI</b> <i>South Africa</i>	57,313.88	-297.10	-0.52% ↓
<b>NSE ASI</b> <i>Kenya</i>	172.95	-1.41	-0.81% ↓
<b>GSE CI</b> <i>Ghana</i>	2,921.69	+42.26	+1.47% ↑
<b>EGX 30</b> <i>Egypt</i>	16,125.34	-223.21	-1.37% ↓

Source: African Market, Anchoria AM Research

### Global Indices For The Week Ended 06/07/2018

Country	Index Level	Index Change	Change
<b>S&amp;P 500</b> <i>United States</i>	2,759.82	+41.45	+1.52% ↑
<b>NASDAQ</b> <i>United States</i>	7,688.39	+178.09	+2.37% ↑
<b>FTSE 100</b> <i>United Kingdom</i>	7,617.70	-19.23	-0.25% ↓
<b>CAC 40</b> <i>France</i>	5,375.77	+52.24	+0.98% ↑
<b>Eurostoxx 50</b> <i>Eurozone</i>	3,448.49	+52.89	+1.56% ↑
<b>CSI 300</b> <i>China</i>	3,365.12	-145.86	-4.15% ↓

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

### Corporate Disclosure

The Nigerian Stock Exchange announced the suspension of trading in the shares of eight listed companies due to failure to submit relevant accounts. These companies include: African Alliance Insurance, Cornerstone Insurance, R.T. Briscoe, Royal Exchange, STACO Insurance, Standard Alliance Insurance, Universal Insurance Company and Veritas Kapital Assurance Plc.

Flour Mills Plc released its FY 2018 financial results showing 3.47% increase in revenue to N542.67 billion while the PAT grew by 54.09% to N13.62 billion. The management of the company proposed a dividend per share of N1.00 which represents a dividend yield of 3.26% based on the last traded price.

Honeywell Flour Mills Plc announced a final dividend of N0.06 per share. This represents a dividend yield of 2.97% based on the last traded price.

University Press Plc announced a final dividend of N0.15 per share. This represents a dividend yield of 5.88% based on the last traded price.