

# Market/Economic Insight

## The Weekly Brief

Monday, 16 July - Friday, 20 July 2018

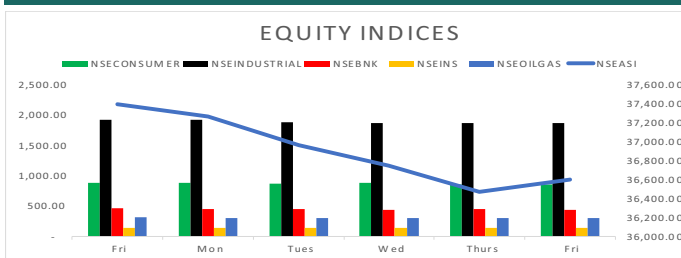
The performance of the Nigerian Equity Market remained bearish last week with the index (NSE ASI) down by **2.11%** WTD to close at an index level of 36,603.44 and market capitalization of N13.26 trillion.

The sectoral performance was negative as bearish sentiments were witnessed in all sectors with the exception of Insurance index that rose by **0.08%**. The Consumer Goods sector recorded the highest decline amongst NSE indices with the NSE Consumer Goods Index down by **3.72%** WTD, owing to significant price depreciation in **PZ** (-11.58%) and **NESTLE** (-6.35%).

The market activities were characterised by profit taking on 4 out of 5 trading sessions last week. Despite the release of impressive unaudited financial reports for H1 2018 by some companies, selloffs were witnessed in most stocks. Although, a slight gain was recorded by some companies that released their financials.

In the global space, equities market witnessed a mixed sentiment last week as investors continued to ignore the trade war between US and China and focused more on positive earnings reports released by some companies. The US Dow Jones was up by 0.51% to close at 25,058.12.

### Equity Indices For The Week Ended 20/07/2018



EQUITY INDICES	MON	TUES	WED	THUR	FRI
	16/07/2018	17/07/2018	18/07/2017	19/07/2018	20/07/2018
<b>NSEASI</b>	-0.34%	-0.81%	-0.58%	-0.76%	+0.37%
<b>NSE CONSUMER</b>	-0.14%	-1.18%	+1.06%	-2.50%	-0.97%
<b>NSE INDUSTRIAL</b>	-0.20%	-2.36%	-0.52%	+0.00%	-0.21%
<b>NSEBANK</b>	-0.67%	-0.93%	-2.00%	+0.15%	-0.18%
<b>NSEINS</b>	-0.84%	+0.15%	+1.32%	+0.23%	-0.76%
<b>NSEOILGAS</b>	-1.85%	-1.31%	-1.20%	+1.19%	+0.96%

Source: NSE, Anchororia AM Research

### Market Statistics For The Week Ended 20/07/2018

#### Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
LINKASSURE	0.79	+9.72	-1.25	+19.70
SOVRENINS	0.25	+8.70	-16.67	-50.00
CCNN	24.90	+8.26	+3.75	+162.11
NAHCO	4.00	+7.82	+0.00	+0.50
LAWUNION	1.00	+6.38	+6.38	+29.87
NPFMCRFBK	1.80	+5.88	+0.00	+44.00

#### Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
UNIONDAC	0.35	-34.29	-39.47	-54.00
CAPOIL	0.30	-23.22	-30.30	-54.00
TANTALIZERS	0.27	-22.22	-41.67	-58.00
NEIMETH	0.52	-17.31	-24.56	-42.67
EQUITYASUR	0.24	-16.67	-4.76	-60.00
WAPCO	37.50	-13.33	-20.63	-27.60

Source: NSE, Anchororia AM Research

### Stock Watch

Over the last five trading sessions:

**ZENITHBNK** (Zenith Bank) fell by 4.17% to close at N23.00. Recommendation: We maintain a buy rating on this stock.

**UBA** (United Bank of Africa) fell by 4.50% to close at N9.55. Recommendation: We maintain a buy rating on this stock.

**ACCESS** (Access Bank) fell by 0.98% to close at N10.10. 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>	11.61%	11.23%
<b>Food Inflation</b>	13.45%	12.98%
<b>MPR</b>	14.00%	14.00%
<b>Crude Oil Price (Brent Oil)</b>	\$75.33	\$73.07

Source: CBN, NBS

### Money Market Rate Weekly Closing Rate

The money market rate increased last week as the Overnight rate (OVN) and Open Buy Back (OBB) fell to 15.67% and 15.00% respectively. Consequently, the average money market rate increased by 6.17% to settle at 15.34% as system liquidity reduced due to fortnightly Retail FX Auction and the first Yuan retail auction conducted by the CBN on Friday despite an inflow from T-bills maturities (N595.1bn), Bond Coupon Payment (N34.71bn) and Primary Market Repayment (N71.36bn) during the week.

Instruments	13/07/2018	20/07/2018	Difference
<b>Open Buy Back (OBB)</b>	8.92%	15.00%	+6.08%
<b>Overnight Rate</b>	9.42%	15.67%	+6.25%

Source: FMDQ OTC

### Currency Movement During The Week

Buy Rates	13/07/2018	20/07/2018	Change
<b>USD</b>	358.00	357.00	-0.28%
<b>GBP</b>	475.00	475.00	+0.00%
<b>EURO</b>	412.00	412.00	+0.00%

Sell Rates	06/07/2018	13/07/2018	Change
<b>USD</b>	361.00	361.00	+0.00%
<b>GBP</b>	483.00	483.00	+0.00%
<b>EURO</b>	420.00	420.00	+0.00%

Source: Everdon BDC, Anchoria AM Research

### Week Ahead

The National Bureau of Statistics (NBS) is set to release the CPI and Inflation report for June 2018 on Monday, 23 July, 2018.

The Monetary Policy Committee of the Central Bank of Nigeria is set to hold its bi-monthly meeting between Monday, 23 July and Tuesday, 24 July, 2018.

The Federal Government of Nigeria (FGN) through the Debt Management Office (DMO) is set to hold Bonds Auction (PMA) on Wednesday, 25 July, 2018. The DMO is expected to reopen the April 2023, March 2025 and Feb 2028 Bonds.

Omoluabi Mortgage Bank, Studio Press, Capital Oil, CCNN and Champion Breweries Plc are set to hold their Annual General Meetings on Thursday, 26 July, 2018.

Oando and The Initiates Plc are set to hold their Annual General Meetings on Friday, 27 July, 2018.

### African Indices For The Week Ended 20/07/2018

Country	Index Level	Index Change	Change
<b>NGSE ASI</b> <i>Nigeria</i>	36,603.44	-789.33	-2.11% ↓
<b>JSE ASI</b> <i>South Africa</i>	56,990.20	+626.06	+1.11% ↑
<b>NSE ASI</b> <i>Kenya</i>	172.37	+1.10	+0.64% ↑
<b>GSE CI</b> <i>Ghana</i>	2,940.77	-5.48	-0.19% ↓
<b>EGX 30</b> <i>Egypt</i>	15,416.31	-463.50	-2.92% ↓

Source: African Market, Anchoria AM Research

### Global Indices For The Week Ended 20/07/2018

Country	Index Level	Index Change	Change
<b>S&amp;P 500</b> <i>United States</i>	2,801.83	+0.52	+0.02% ↑
<b>NASDAQ</b> <i>United States</i>	7,820.20	-5.78	-0.07% ↓
<b>FTSE 100</b> <i>United Kingdom</i>	7,678.79	+16.92	+0.22% ↑
<b>CAC 40</b> <i>France</i>	5,398.32	-30.88	-0.57% ↓
<b>Eurostoxx 50</b> <i>Eurozone</i>	3,469.03	+5.49	+0.16% ↑
<b>CSI 300</b> <i>China</i>	3,492.89	+0.20	+0.01% ↑

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

### Corporate Disclosure

Royal Exchange Plc, one of the 8 companies recently suspended by the Nigerian Stock Exchange (NSE) due to non-submission of its audited financial statement for the year ended 31 December, 2017, has submitted its audited financial statements.

Ecobank Transnational Incorporated Plc recently released its H1 Financial Statement showing 0.58% Year-on-Year decline in Gross Earning while Profit for the period grew by 36.61%.

Dangote Cement Plc recently released its H1 Financial Statement showing 16.91% Year-on-Year growth in Revenue while Profit After Tax (PAT) grew by 3.15%.

Unilever Plc recently released its H1 Financial Statement showing 12.89% Year-on-Year decline in Revenue while Profit for the period grew by 55.54%.

Transnational Corporation of Nigeria Plc recently released its H1 Financial Statement showing 58.30% Year-on-Year growth in Revenue while Profit After Tax (PAT) grew by 161.30%.