

Market/Economic Insight

The Weekly Brief

Monday, 23 July - Friday, 27 July 2018

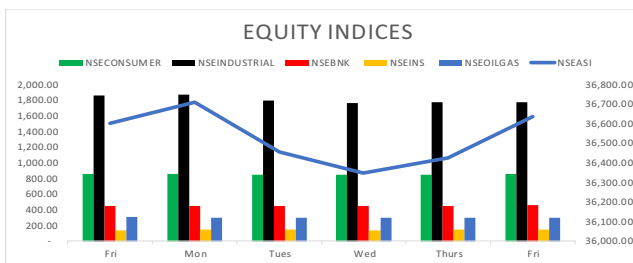
The performance of the Nigerian Equity Market returned bullish last week with the index (NSE ASI) up marginally by 0.09% WTD to close at an index level of 36,636.97 and market capitalization of N13.27 trillion.

However, the sectoral performance was negative as bearish sentiments were witnessed in all sectors with the exception of Insurance and banking index that rose by 2.16% and 1.97% respectively. The Oil & Gas sector recorded the highest decline amongst NSE indices with the NSE Oil & Gas Index down by 3.74% WTD, owing to significant price depreciation in **FO** (-13.98%) and **ETERNA** (-9.23%).

The market activities were characterised by profit taking on 3 out of 5 trading sessions last week. The gain witnessed last week was due to investors' reaction to the Half Year Financial Reports released by some companies during the week.

In the global space, equities market witnessed a mixed sentiment last week as investors reacted to Companies' Half Year Report and Economic report released during the week. The US Nasdaq slumped by 1.06% due to disappointing results from Twitter and Facebook while Dow Jones and S&P 500 posted their fourth consecutive week on week gain.

Equity Indices For The Week Ended 27/07/2018



EQUITY INDICES	MON 23/07/2018	TUES 24/07/2018	WED 25/07/2018	THUR 26/07/2018	FRI 27/07/2018
NSEASI	+0.30%	-0.70%	-0.30%	+0.22%	+0.58%
NSE CONSUMER	+0.10%	-0.69%	-0.83%	+0.19%	+1.05%
NSE INDUSTRIAL	+0.37%	-3.88%	-1.50%	+0.17%	+0.43%
NSEBANK	+0.63%	-0.32%	+0.10%	+0.77%	+0.78%
NSEINS	+0.33%	+0.18%	-0.51%	+0.77%	+1.37%
NSEOILGAS	-1.66%	-0.45%	-1.04%	+0.12%	-0.76%

Source: NSE, Anchororia AM Research

Market Statistics For The Week Ended 27/07/2018

Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
CUTIX	4.38	+46.00	+46.00	+117.91
CCNN	31.35	+25.90	+30.63	+230.00
CONTINSURE	1.69	+12.67	+16.55	+20.71
FBNH	10.00	+10.50	-5.66	+13.64
CAVERTON	2.09	+10.00	-4.13	+62.02
VITAFOAM	3.57	+9.85	+10.19	+19.00

Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
RAKUNITY	0.40	-20.00	-20.00	-20.00
UACN	1.55	-18.85	-88.93	-90.83
NSLTECH	0.40	-16.67	-16.67	-20.00
ROYALEX	0.30	-16.67	-9.09	-40.00
WAPCO	27.50	-15.38	-32.84	-38.74
FO	24.00	-13.98	-26.94	-44.80

Source: NSE, Anchororia AM Research

Stock Watch

Over the last five trading sessions:

WAPCO (Lafarge Africa) fell by 15.38% to close at N27.50. Recommendation: We place a sell rating on this stock.

FBNH (First Bank of Nigeria Holdings) fell by 10.50% to close at N10.00. Recommendation: We maintain a hold rating on this stock.

ACCESS (Access Bank) fell by 0.50% to close at N10.05. Recommendation: We maintain a buy rating on this stock.

Macroeconomics

Indicator	Previous Rate	Current Rate
GDP Growth	2.11%	1.95%
Inflation Rate (Headline)	11.61%	11.23%
Food Inflation	13.45%	12.98%
MPR	14.00%	14.00%
Crude Oil Price (Brent Oil)	\$73.07	\$74.31

Source: CBN, NBS

Money Market Rate Weekly Closing Rate

The money market rate decreased last week as the Overnight rate (OVN) and Open Buy Back (OBB) fell to 7.25% and 6.83% respectively. Consequently, the average money market rate decreased by 8.30% to settle at 7.04% as system liquidity increased to cN265.8 bn due to inflow from FAAC payment of N321 bn, OMO maturity of N404 bn and Coupon Payment of N116 bn despite an outflow as a result of OMO Sales of N584 bn, Bond Sales of N66.9 bn and FX Wholesale, Invisibles and SME of N90 bn during the week.

Instruments	20/07/2018	27/07/2018	Difference
Open Buy Back (OBB)	15.00%	6.83%	-8.17%
Overnight Rate	15.67%	7.25%	-8.42%

Source: FMDQ OTC

Currency Movement During The Week

Buy Rates	20/07/2018	27/07/2018	Change
USD	357.00	357.00	+0.00%
GBP	475.00	472.00	-0.63%
EURO	412.00	408.00	-0.97%

Sell Rates	20/07/2018	27/07/2018	Change
USD	360.00	360.00	+0.00%
GBP	483.00	480.00	-0.62%
EURO	420.00	418.00	-0.48%

Source: Everdon BDC, Anchoria AM Research

Week Ahead

Transnational Corporation of Nigeria Plc is set to hold its Analyst Parley on Tuesday, 31 July, 2018 at Ikoyi, Lagos.

The Nigeria Mortgage Refinance Company (NMRC) is set to hold its Annual General Meeting on Tuesday, 31 July, 2018.

The Central Bank of Nigeria (CBN) is set to hold its Treasury Bills Primary Market Auction (PMA) on Wednesday, 01 August, 2018. The CBN is expected to roll over the same amount of T-Bills maturing.

The Nigerian American Chamber of Commerce (NACC) is set to hold its August Breakfast Meeting on Wednesday, 01 August, 2018.

John Holt and Ikeja Hotel Plc are set to hold their Annual General Meeting in Enugu and Lagos respectively on Thursday, 2 August, 2018.

African Indices For The Week Ended 27/07/2018

Country	Index Level	Index Change	Change
NGSE ASI <i>Nigeria</i>	36,636.97	+33.53	+0.09% ↑
JSE ASI <i>South Africa</i>	57,162.38	+172.18	+0.30% ↑
NSE ASI <i>Kenya</i>	172.47	+0.10	+0.06% ↑
GSE CI <i>Ghana</i>	2,932.77	-8.00	-0.27% ↓
EGX 30 <i>Egypt</i>	15,199.29	-217.02	-1.41% ↓

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 27/07/2018

Country	Index Level	Index Change	Change
S&P 500 <i>United States</i>	2,818.82	+16.99	+0.61% ↑
NASDAQ <i>United States</i>	7,737.42	-82.78	-1.06% ↓
FTSE 100 <i>United Kingdom</i>	7,701.31	+22.52	+0.29% ↑
CAC 40 <i>France</i>	5,511.76	+113.44	+2.10% ↑
Eurostoxx 50 <i>Eurozone</i>	3,527.18	+58.15	+1.68% ↑
CSI 300 <i>China</i>	3,521.23	+28.34	+0.81% ↑

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

Nem Insurance released its Half Year (H1) 2018 Financial Statements showing 12.79% year-on-year (YoY) growth in the Gross Premium Written while the Profit After Tax (PAT) grew by 20.79%.

Lafarge Africa released its Half Year (H1) 2018 Financial Statements showing a decrease of 12.35% year-on-year in Gross Profit which was dragged by an increase in the cost of sales of 11.72% despite an increase in Revenue by 4.81%.

First Bank Of Nigeria Holdings Plc released its Half Year (H1) 2018 Financial Statements showing a marginal increase of 1.55% year-on-year in Gross Profit while the Profit After Tax (PAT) grew by 13.56%.

Oando Plc recently released its H1 Financial Statement showing 11.35% Year-on-Year decline in Revenue while Profit for the period grew by 84.78%.

Axa Mansard Plc recently released its H1 Financial Statement showing 31.19% Year-on-Year growth in Revenue while Profit After Tax (PAT) fell by 27.24%.