

Market/Economic Insight

The Weekly Brief

Monday, 25 June - Friday, 29 June 2018

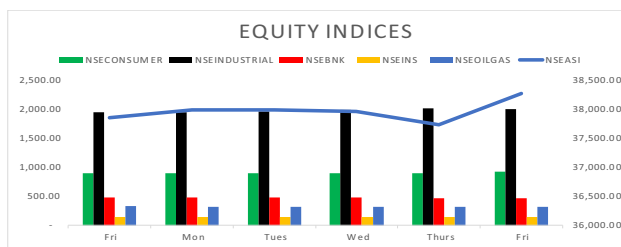
The performance of the Nigerian Equity Market returned bullish last week with the index (NSE ASI) up by **1.10%** WTD to close at an index level of 38,278.55 and market capitalization of N13.87 trillion.

The sectoral performance was positive as bullish sentiments were witnessed in all sectors with the exception of Banking and Oil&Gas index that fell by **1.09%** and **1.73%** respectively. The Consumer Goods sector recorded the highest gain amongst NSE indices with the NSE Consumer Goods index up by **2.69%** WTD, owing to significant price appreciation in **HONYFLOUR** (+9.57%) and **NESTLE** (+5.35%).

The market activities were characterised by bargain hunting on 2 out of 5 trading sessions last week as investors took advantage of attractive prices of some stocks and in anticipation for interim dividend payment for H1 2018. Consequently the NSE ASI ended H1 2018 in the green zone with a YTD of **+0.09%**.

In the global space, bearish sentiments were witnessed in all selected markets last week as investors remained fixated on trade war between the United States, China and European Union. Other factors considered by investors include potential decrease in economic growth and employment alongside increasing inflation.

Equity Indices For The Week Ended 29/06/2018



EQUITY INDICES	MON 25/06/2018	TUES 26/06/2018	WED 27/06/2018	THUR 28/06/2018	FRI 29/06/2018
NSEASI	+0.34%	-0.01%	-0.06%	-0.61%	+1.44%
NSE CONSUMER	-0.21%	-0.29%	-0.16%	+0.53%	+2.83%
NSE INDUSTRIAL	-0.15%	+0.89%	+0.90%	+1.45%	-0.43%
NSEBANK	-0.05%	-0.29%	-0.58%	-0.72%	+0.54%
NSEINS	+0.00%	+1.61%	-0.83%	+0.19%	-0.30%
NSEOILGAS	-2.58%	-0.07%	+0.30%	+0.00%	+0.65%

Source: NSE, Anchoria AM Research

Market Statistics For The Week Ended 29/06/2018

Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
UNITYBNK	0.97	+10.23	+11.49	+83.02
HONYFLOUR	2.29	+9.57	-0.43	+9.05
LAWUNION	0.94	+9.30	+0.00	+22.08
TOTAL	210.00	+8.64	-0.94	-8.68
STANBIC	52.00	+6.67	+12.80	+25.30
VITAFOAM	3.24	+5.88	-1.82	+8.00

Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
JAPAUOIL	0.36	-23.40	+71.53	-28.00
PRESTIGE	0.55	-16.67	+14.58	+10.00
EQUITYASUR	0.21	-8.70	+5.00	-58.00
LINKASSURE	0.80	-8.05	-3.61	+21.21
DIAMONDBNK	1.43	-6.54	+7.52	-4.67
VERITASKAP	0.29	-6.45	-9.38	-42.00

Source: NSE, Anchoria AM Research

Stock Watch

Over the last five trading sessions:

FBNH (FBN Holdings) fell by 0.47% to close at N10.60. Recommendation: We maintain a hold rating on this stock.

UBA (United Bank of Africa) fell by 0.94% to close at N10.50. Recommendation: We maintain a buy rating on this stock.

ACCESS (Access Bank) fell by 0.48% to close at N10.35. Recommendation: We place a buy rating on this stock.

Macroeconomics

Indicator	Previous Rate	Current Rate
GDP Growth	2.11%	1.95%
Inflation Rate (Headline)	12.48%	11.61%
Food Inflation	14.80%	13.45%
MPR	14.00%	14.00%
Crude Oil Price	\$75.82	\$76.72

Source: CBN, NBS

Money Market Rate Weekly Closing Rate

The money market rate increased significantly last week as the Overnight rate and Open Buy Back rate rose to 13.17% and 14.08% respectively. Consequently, the average money market rate increased by 10.42% to settle at 13.63% as system liquidity is estimated to have reduced significantly to c.N110bn, following the Wholesale FX sales (\$210m), Bond sale debit of N31.2bn and OMO T-bill sales (N207bn) by the CBN during the week. We expect rates to inch up slightly next week barring inflow from FAAC.

Instruments	22/05/2018	29/06/2018	Difference
Open Buy Back (OBB)	2.83%	13.17%	+10.34%
Overnight Rate	3.58%	14.08%	+10.34%

Source: FMDQ OTC

Currency Movement During The Week

Buy Rates	22/06/2018	29/06/2018	Change
USD	359.00	359.00	+0.00%
GBP	474.00	477.00	+0.63%
EURO	414.00	413.00	-0.24%

Sell Rates	22/06/2018	29/06/2018	Change
USD	362.00	361.00	-0.28%
GBP	482.00	485.00	+0.62%
EURO	422.00	421.00	-0.24%

Source: Everdon BDC, Anchoria AM Research

Week Ahead

The National Bureau of Statistics (NBS) is set to release the Social Statistics Report for 2017 on Sunday, 01 July, 2018.

The Central Bank of Nigeria (CBN) is set to hold a sensitization session on bilateral currency swap agreement between China and Nigeria in Aba and Lagos on Monday, 02 July and Wednesday, 04 July, 2018 in Aba and Lagos respectively.

President Emmanuel Macron of France is set to meet Buhari, Visit Fela's Afrika Shrine and Open Alliance Francais Centre in Lagos on Tuesday, 03 July, 2018.

The Central Bank of Nigeria (CBN) is set to hold its Treasury Bills Primary Market Auction on Wednesday, 04 July, 2018. The CBN is expected to roll over the same amount of bills maturing.

The Nigerian-British Chamber of Commerce (NBCC) is set to hold its Annual General Meeting (AGM) on Thursday, 05, July, 2018.

African Indices For The Week Ended 29/06/2018

Country	Index Level	Index Change	Change
NGSE ASI <i>Nigeria</i>	38,278.55	+416.02	+1.10% ↑
JSE ASI <i>South Africa</i>	57,610.98	+754.32	+1.33% ↑
NSE ASI <i>Kenya</i>	175.50	+2.76	+1.60% ↑
GSE CI <i>Ghana</i>	2,879.43	-38.84	-1.33% ↓
EGX 30 <i>Egypt</i>	16,348.55	+2.78	+0.02% ↑

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 29/06/2018

Country	Index Level	Index Change	Change
S&P 500 <i>United States</i>	2,718.37	-36.51	-1.33% ↓
NASDAQ <i>United States</i>	7,510.30	-182.52	-2.37% ↓
FTSE 100 <i>United Kingdom</i>	7,636.93	-45.34	-0.59% ↓
CAC 40 <i>France</i>	5,323.53	-63.85	-1.19% ↓
Eurostoxx 50 <i>Eurozone</i>	3,395.60	-46.00	-1.34% ↓
CSI 300 <i>China</i>	3,510.99	-97.91	-2.71% ↓

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

Cement Company of Northern Nigeria Plc and Kalambaina Cement Company Ltd agreed to merge their business. Upon regulatory approval, each shareholder in Kalambaina Cement will be entitled to 19,811,372 new ordinary shares of CCNN for every 100,000 Kalambaina Cement shares.

Africa Prudential Plc announced the appointment of Obong Idiong as the new Managing Director/CEO following the retirement of Peter Ashade.

Wema Bank Plc announced the retirement of Segun Oloketuyi as the Managing Director/CEO while Ademola Adebise, the current Deputy Managing Director assumed the CEO/Managing Director role in acting capacity.

Learn Africa Plc declared a final dividend of N0.14 per share. This represents a dividend yield of 8.86% based on the last traded price.

Linkage Assurance Plc appointed Daniel Braie as the acting Managing Director/CEO following the retirement of Dr. Pius Apere as the company's Managing Director/CEO.