

Market/Economic Insight

The Weekly Brief

Monday, 08 October - Friday, 12 October 2018

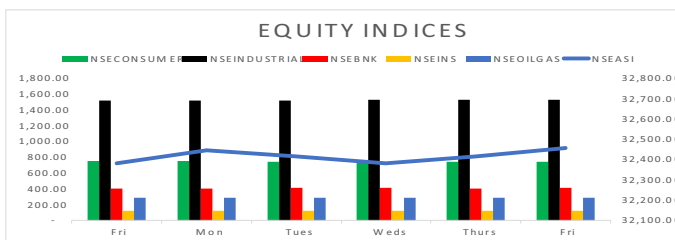
The performance of the Nigerian Equity Market returned bullish last week with the index (NSE ASI) up by **0.23%** WTD to close at an index level of 32,456.98 and Market capitalization of N11.85 trillion.

The sectoral performance was negative as bearish sentiments were witnessed in all sectors with the exception of the Banking and Industrial Goods Sector index up by **0.82%** and **0.33%** WTD respectively. However, the Insurance sector recorded the highest decrease amongst NSE indices with the NSE Insurance Index down by **1.71%** WTD, owing to significant price depreciation in **LAWUNION** (-8.57%) and **REGALINS** (-8.33%).

The market activities were characterised by bargain hunting on 3 out of 5 trading sessions last week bringing the WTD to close in the green as banking stocks witnessed increased buying sentiments.

In the global space, selected equities markets traded on a bearish note as investors continued to monitor rising bond yields due to rising interest rates and Federal Reserve aggressive plan to increase rates in the future. We expect Q3 Earnings to shape market activities in the coming weeks.

Equity Indices For The Week Ended 12/10/2018



EQUITY INDICES	MON 08/10/2018	TUES 09/10/2018	WED 10/10/2018	THUR 11/10/2018	FRI 12/10/2018
NSEASI	+0.19%	-0.08%	-0.11%	+0.11%	+0.12%
NSE CONSUMER	+0.09%	-1.44%	-0.09%	+0.39%	+0.34%
NSE INDUSTRIAL	+0.00%	+0.12%	+0.29%	-0.03%	-0.06%
NSEBANK	+0.42%	+0.64%	+0.03%	-0.59%	+0.32%
NSEINS	+0.77%	-0.54%	+0.80%	-0.88%	-1.84%
NSEOILGAS	+0.21%	+0.36%	+0.00%	+0.47%	+0.30%

Source: NSE, Anchoria AM Research

Market Statistics For The Week Ended 12/10/2018

Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
WEMABANK	0.66	+17.86	+15.79	+26.92
CAP	33.00	+15.99	+15.99	-2.94
MBENEFIT	0.29	+11.54	+3.57	-42.00
NIGERINS	0.33	+10.00	-10.81	-34.00
CORNEST	0.22	+10.00	+10.00	-56.00
WAPIC	0.44	+10.00	+15.79	-12.00

Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
FIRSTALUM	0.33	-21.43	-19.51	-34.00
CUTIX	3.90	-17.55	-4.88	+94.03
JOHNHOLT	0.44	-16.98	-16.98	-12.00
CHAMPION	1.62	-10.00	-4.71	-22.12
HONYFLOUR	1.27	-9.93	-12.41	-39.52
LINKASSURE	0.64	-8.57	-8.57	-3.03

Source: NSE, Anchoria AM Research

Stock Watch

Over the last five trading sessions:

SEPLAT (Seplat Petroleum Dev. Company) remained unchanged to close at N630.00. Recommendation: We place a hold rating on this stock.

FBNH (First Bank of Nigeria Holdings) rose by 2.25% to close at N9.10. Recommendation: We place a buy rating on this stock.

GUARANTY (Guaranty Trust Bank) rose by 0.27% to close at N36.50. Recommendation: We maintain a buy rating on this stock.

ZENITHBNK (Zenith Bank) fell by 3.01% to close at N22.20. Recommendation: We maintain a buy rating on this stock.

Macroeconomics

Indicator	Previous Rate	Current Rate
GDP Growth	1.95%	1.50%
Inflation Rate (Headline)	11.14%	11.23%
Food Inflation	12.85%	13.16%
MPR	14.00%	14.00%
Crude Oil Price (Brent Oil)	\$84.16	\$80.43
Crude Oil Price (WTI)	\$74.34	\$71.34

Source: Bloomberg, NBS

Money Market Rate Weekly Closing Rate

The Money Market rate decreased marginally last week as the Overnight rate (OVN) and Open Buy Back (OBB) fell to 19.75% and 19.17% respectively. Consequently, the average Money Market Rate fell by 2.22% to settle at 19.46% due to relatively buoyant system liquidity until Thursday and Friday mop up to close at cN50bn. Inflow for the week included: Reversal of Paris Club Fund to the States and OMO Maturities of cN277bn while Outflow included: OMO Sales of cN249bn, Wholesale, Invisible and SME FX auction of \$210mn and retail FX funding of cN350bn.

Instruments	05/10/2018	12/10/2018	Difference
Open Buy Back (OBB)	20.86%	19.17%	-1.69%
Overnight Rate	22.50%	19.75%	-2.75%

Source: FMDQ OTC

Currency Movement During The Week

Buy Rates	05/10/2018	12/10/2018	Change
USD	358.00	359.00	+0.28%
GBP	470.00	469.00	-0.21%
EURO	407.00	407.00	+0.00%

Sell Rates	05/10/2018	12/10/2018	Change
USD	361.00	362.00	+0.28%
GBP	478.00	477.00	-0.21%
EURO	415.50	417.00	+0.36%

Source: Everdon BDC, Anchoria AM Research

Week Ahead

The National Bureau of Statistics is set to release the September 2018 Price Watch for Diesel, Cooking Gas, Kerosene and Petrol on Monday, 15 October, 2018.

The National Bureau of Statistics is set to release the September Consumer Price Index (CPI) and Inflation Report on Tuesday, 16 October, 2018.

The National Bureau of Statistics is set to release the September 2018 Selected Food Prices on Wednesday, 17 October, 2018.

PZ Cusson and Royal Exchange Plc is set to hold their Annual General Meetings on Thursday, 18 October, 2018.

The Nigerian Stock Exchange is set to hold its Market Data Day 2018 with the theme "Digitalization, Disruption and Financial Inclusion" on Friday, 19 October, 2018.

African Indices For The Week Ended 12/10/2018

Country	Index Level	Index Change	Change
NGSE ASI <i>Nigeria</i>	32,456.98	+73.83	+0.23% ↑
JSE ASI <i>South Africa</i>	53,473.11	-936.36	-1.72% ↓
NSE ASI <i>Kenya</i>	144.26	-6.62	-4.39% ↓
GSE CI <i>Ghana</i>	3,006.86	-45.45	-1.49% ↓
EGX 30 <i>Egypt</i>	13,283.31	-821.59	-5.82% ↓

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 12/10/2018

Country	Index Level	Index Change	Change
S&P 500 <i>United States</i>	2,767.13	-118.44	-4.10% ↓
NASDAQ <i>United States</i>	7,496.89	-291.56	-3.74% ↓
FTSE 100 <i>United Kingdom</i>	6,995.91	-322.63	-4.41% ↓
CAC 40 <i>France</i>	5,095.98	-263.38	-4.91% ↓
Eurostoxx 50 <i>Eurozone</i>	3,194.41	-151.10	-4.52% ↓
CSI 300 <i>China</i>	3170.73	-268.13	-7.80% ↓

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

The Nigerian Stock Exchange suspended six (6) listed companies from trading on the Exchange due to lateness in submission of Audited accounts. These companies include: DN Tyre & Rubber, FTN Cocoa Processors, International Energy Insurance, Thomas Wyatt Nigeria, Union Dicon Salt and Unic Diversified Holdings Plc.

Conoil Plc appointed Mr. Hardeep Kheterpal as the Acting Managing Director and a member of the Board of Directors of the Company.

Cement Company of Northern Nigeria Plc has received the requisite regulatory and shareholder approvals from the Securities and Exchange Commission (SEC) and The Nigerian Stock Exchange (NSE) regarding its proposed merger with Kalambaina Cement Company Limited.

Flour Mills of Nigeria Plc announced plans to proceed with the application for an Electric Generation License.

Eterna Plc proposed the issuance of N10 billion 270 day commercial paper.