

Market/Economic Insight

The Weekly Brief

Monday, 15 October - Friday, 19 October 2018

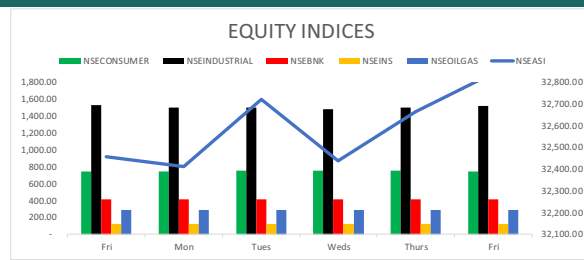
The performance of the Nigerian Equity Market remained bullish last week with the index (NSE ASI) up by **1.19%** WTD to close at an index level of 32,841.98 and Market capitalization of N11.99trillion.

The sectoral performance was negative as bearish sentiments were witnessed in all sectors with the exception of the Banking and Insurance Sector index up by **1.04%** and **1.97%** WTD respectively. However, the Oil & Gas sector recorded the highest decrease amongst NSE indices with the NSE Oil & Gas Index down by **0.87%** WTD, owing to significant price depreciation in **SEPLAT** (-2.38%).

The market activities were characterised by bargain hunting on 3 out of 5 trading sessions as investors sought short term gains while some bullish sentiments persisted on the banking stocks as companies released Q3 financials

In the global space, selected equities markets traded on a mixed note despite some strong corporate earnings released during the week and as yield on 10-year treasury notes rose to 3.196%. Also, weak housing report released during the week shaped some investor sentiments. The US Dow Jones was up by 0.41% while Chinese CSI 300 down by 1.13%

Equity Indices For The Week Ended 19/10/2018



EQUITY INDICES	MON 15/10/2018	TUES 16/10/2018	WED 17/10/2018	THUR 18/10/2018	FRI 19/10/2018
NSEASI	-0.14%	+0.95%	-0.87%	+0.70%	+0.54%
NSE CONSUMER	-0.73%	+1.17%	-0.14%	-0.14%	-0.78%
NSE INDUSTRIAL	-0.93%	+1.17%	-0.93%	+0.68%	-0.03%
NSEBANK	+0.72%	+0.13%	-0.19%	-0.60%	+0.98%
NSEINS	+1.42%	-0.45%	+1.48%	-0.32%	-0.15%
NSEOILGAS	+0.92%	-1.30%	-0.18%	-0.05%	-0.24%

Source: NSE, Anchoria AM Research

Market Statistics For The Week Ended 19/10/2018

Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
PRESTIGE	0.56	+12.00	+3.70	+12.00
MANSARD	1.98	+10.00	+1.54	+2.59
INITSPCL	0.61	+8.93	-25.61	-1.61
CONTINSURE	1.44	+6.67	+2.13	+2.86
AFRIPRUD	4.20	+5.00	+5.26	-0.47
DANGCEM	210.00	+5.00	+2.44	-8.70

Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
CUTIX	2.23	-42.82	-45.61	+10.95
NIGERINS	0.28	-15.15	-24.32	-44.00
UNIVINSURE	0.20	-13.04	-13.04	-60.00
JAPAUOIL	0.21	-12.50	-4.55	-58.00
SOVRENINS	0.21	-12.50	-8.70	-58.00
PHARMADEKO	1.68	-11.58	-11.58	-28.81

Source: NSE, Anchoria AM Research

Stock Watch

Over the last five trading sessions:

SEPLAT (Seplat Petroleum Dev. Company) fell by 2.38% to close at N630.00. Recommendation: We maintain a hold rating on this stock.

FBNH (First Bank of Nigeria Holdings) remained unchanged to close at N9.10. Recommendation: We maintain a buy rating on this stock.

GUARANTY (Guaranty Trust Bank) rose by 0.82% to close at N36.50. Recommendation: We maintain a buy rating on this stock.

ZENITHBANK (Zenith Bank) rose by 3.15% to close at N22.90. Recommendation: We maintain a buy rating on this stock.

Macroeconomics

Indicator	Previous Rate	Current Rate
GDP Growth	1.95%	1.50%
Inflation Rate (Headline)	11.23%	11.28%
Food Inflation	13.16%	13.31%
MPR	14.00%	14.00%
Crude Oil Price (Brent Oil)	\$80.43	\$80.05
Crude Oil Price (WTI)	\$71.34	\$69.34

Source: Bloomberg, 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 13.33% and 12.67% respectively. Consequently, the average Money Market Rate fell by 6.46% to settle at 13.00%, due to increased system liquidity to close at cN109bn. Inflow for the week included: Bond Coupon payment of cN104bn, OMO bills maturity of cN347bn while Outflow included: OMO sales of cN275bn and Wholesale, Invisible and SME FX auctions of \$210mn.

Instruments	12/10/2018	19/10/2018	Difference
Open Buy Back (OBB)	19.17%	12.67%	-6.50%
Overnight Rate	19.75%	13.33%	-6.42%

Source: FMDQ OTC

Currency Movement During The Week

Buy Rates	12/10/2018	19/10/2018	Change
USD	359.00	359.00	+0.00%
GBP	469.00	469.00	+0.00%
EURO	407.00	409.50	+0.61%

Sell Rates	12/10/2018	19/10/2018	Change
USD	362.00	362.00	+0.00%
GBP	477.00	477.00	+0.00%
EURO	417.00	417.50	+0.12%

Source: Everdon BDC, Anchoria AM Research

Week Ahead

The Debt Management Office (DMO) is set to hold its October Bond Auction on Wednesday, 24 October, 2018. The DMO is expected to reopen the 5, 7 and 10 years bonds.

Guinness Nigeria Plc is set to hold its Annual General Meeting on Wednesday, 24 October, 2018.

Nigeria Enamelware Plc is set to hold its Annual General Meeting on Thursday, 25 October, 2018.

Cutix Plc is set to hold its Annual General Meeting on Friday, 26 October, 2018.

Sovereign Trust Insurance Plc is set to hold its Annual General Meeting on Saturday, 27 October, 2018.

The National Bureau of Statistics is set to release the September Disbursement report of the Federation Account Allocation Committee (FAAC) on Saturday, 27 October, 2018.

African Indices For The Week Ended 19/10/2018

Country	Index Level	Index Change	Change
NGSE ASI <i>Nigeria</i>	32,841.69	+384.71	+1.19% ↑
JSE ASI <i>South Africa</i>	52,092.98	-1,380.13	-2.58% ↓
NSE ASI <i>Kenya</i>	146.33	+2.07	+1.43% ↑
GSE CI <i>Ghana</i>	2,974	-32.84	-1.09% ↓
EGX 30 <i>Egypt</i>	13,644.16	+360.85	+2.72% ↑

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 19/10/2018

Country	Index Level	Index Change	Change
S&P 500 <i>United States</i>	2,767.78	+0.65	+0.02% ↑
NASDAQ <i>United States</i>	7,449.03	-47.86	-0.64% ↓
FTSE 100 <i>United Kingdom</i>	7,049.80	+53.89	+0.77% ↑
CAC 40 <i>France</i>	5,084.66	-11.32	-0.22% ↓
Eurostoxx 50 <i>Eurozone</i>	3,210.82	+16.41	+0.55% ↑
CSI 300 <i>China</i>	3,134.95	-35.78	-1.13% ↓

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

Zenith Bank Plc released its 9-month unaudited report showing a 10.66% decline in Gross Earnings while the Profit After Tax (PAT) rose by 11.56% to N144.18 billion.

Guaranty Trust Bank Plc released its 9-month unaudited report showing a 8.61% growth in Gross Earnings while the Profit After Tax (PAT) rose by 13.29% to N142.23 billion.

United Bank of Africa Plc released its 9-month unaudited report showing a 10.51% growth in Gross Earnings while the Profit After Tax (PAT) rose by 1.28% to N61.70 billion.

Wema Bank Plc released its 9-month unaudited report showing a 7.51% growth in Gross Earnings while the Profit After Tax (PAT) rose by 72.88% to N2.64 billion.

Lasaco Assurance Plc passed a resolution to increase its authorized share capital of 10 billion to 20 billion during an extraordinary General Meeting held on 10th October, 2018.

Ecobank Transnational Incorporated announced the co-option of Mrs. Aichatou Agne Pouye to its Board of Directors.