



Market/Economic Insight

The Weekly Brief

Monday, 17 December - Friday, 21 December 2018

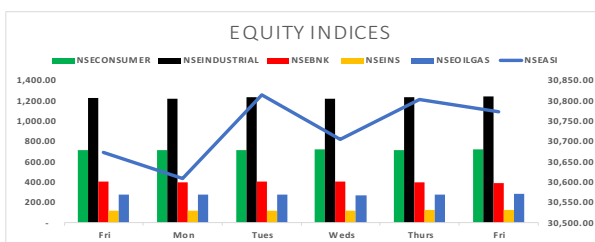
The performance of the Nigerian Equity Market returned bullish last week with the index (NSE ASI) up by **0.33%** WTD to close at an index level of 30,773.64 and Market capitalization of N11.24 trillion.

The Market sentiment was positive as bargain hunting was witnessed in all sectors with the exception of the Banking Sector. The NSE Banking down by 2.20% owing to significant price depreciation in **UBN** (-8.20%), **ACCESS** (-5.37%) and **GUARANTY** (-3.43%).

Following the announcement of the merger between Diamond Bank and Access Bank earlier in the week, the received consideration of over 250% premium was added to the market value of Diamond Bank. The stock price increased by 57.89% over the past five trading days to lead the top gainer chart for the week. and closed at N1.50.

In the global space, most selected equities markets finished in the red zone following the hike in Fed rate to 2.25% during the week. Other factors include: uncertainty about the prospect of a global economic slowdown; an impending US government shutdown and the resignation of US Defense Secretary, James Mattis; Political uncertainty regarding Brexit.

Equity Indices For The Week Ended 21/12/2018



EQUITY INDICES	MON 17/12/2018	TUES 18/12/2018	WED 19/12/2018	THUR 20/12/2018	FRI 21/12/2018
NSEASI	-0.21%	+0.67%	-0.35%	+0.32%	-0.09%
NSE CONSUMER	+0.02%	-0.91%	+1.18%	-0.25%	+0.90%
NSE INDUSTRIAL	-0.76%	+1.63%	-1.14%	+1.14%	+0.30%
NSEBANK	-0.32%	+0.48%	-0.21%	-1.61%	-0.54%
NSEINS	-1.17%	-0.07%	+0.23%	+2.63%	+1.86%
NSEOILGAS	-1.19%	+0.10%	-0.24%	-4.15%	+4.85%

Source: NSE, Anchoria AM Research

Market Statistics For The Week Ended 21/12/2018

Top performing stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
DIAMONDBNK	1.50	+57.89	+130.77	+0.00
UNITYBNK	0.96	+39.13	+39.13	+81.13
NEIMETH	0.79	+31.67	+38.60	+5.33
NEM	2.78	+20.87	+18.30	+67.47
FO	28.45	+18.05	+58.06	-34.57
MOBIL	184.80	+18.01	+5.60	-5.04

Top underperforming stocks for the week

	Closing Price (₦)	WTD%	MTD%	YTD%
UPDCREIT	6.60	-18.52	-18.52	-18.52
IKEJAHOTEL	1.69	-9.63	+0.60	-5.06
JAPAUOIL	0.20	-9.09	+0.00	-60.00
UBN	5.60	-8.20	+8.74	-28.21
VERITASKAP	0.23	-8.00	+4.55	-54.00
ABBEYBDS	0.98	-7.55	-7.55	-24.62

Source: NSE, Anchoria AM Research

Stock Watch

Over the last five trading sessions:

DANGSUGAR (Dangote Sugar Refinery) rose by 5.26% to close at N14.00. Recommendation: We maintain a buy rating on this stock.

UBA (United Bank of Africa) rose by 3.97% to close at N7.85. Recommendation: We maintain a buy rating on this stock.

GUARANTY (Guaranty Trust Bank) fell by 3.43% to close at N33.80. Recommendation: We maintain a buy rating on this stock.

ZENITHBNK (Zenith Bank) fell by 1.20% to close at N22.70. Recommendation: We maintain a buy rating on this stock.

Macroeconomics

Indicator	Previous Rate	Current Rate
GDP Growth	1.50%	1.81%
Inflation Rate (Headline)	11.26%	11.28%
Food Inflation	13.28%	13.30%
MPR	14.00%	14.00%
Crude Oil Price (Brent Oil)	\$60.28	\$53.82
Crude Oil Price (WTI)	\$51.20	\$45.59

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 25.08% and 21.67% respectively. Consequently, the average money market rate fell by 2.52% to settle at 23.38% despite the CBN aggressive liquidity mop up on all trading days except Friday. The System liquidity is estimated to have increased to N200bn from N16bn in the previous week. Major inflow for the week included: OMO maturity and Treasury Bills Maturity of cN492bn. Major outflow for the week included: OMO sales of cN20.49bn on Monday, cN24.60bn on Tuesday, cN40.13bn on Wednesday, cN471.24bn on Thursday (Inclusive of N195.50 bn Special OMO); and weekly Wholesale, Invisible and SME FX auction of 210mn.

Instruments	14/12/2018	21/12/2018	Difference
Open Buy Back (OBB)	24.57%	21.67%	-2.90%
Overnight Rate	27.21%	25.08%	-2.13%

Source: FMDQ OTC

Currency Movement During The Week

Buy Rates	14/12/2018	21/12/2018	Change
USD	362.00	362.00	+0.00%
GBP	461.00	457.00	-0.87%
EURO	406.00	408.00	+0.49%

Sell Rates	14/12/2018	21/12/2018	Change
USD	365.00	365.00	+0.00%
GBP	469.00	465.00	-0.85%
EURO	414.00	416.00	+0.48%

Source: Everdon BDC, Anchoria AM Research

Week Ahead

The National Bureau of Statistics is set to release Selected Food Prices and Transport Fare Watch for November 2018 on Tuesday, 25 December 2018.

The National Bureau of Statistics is set to release FAAC Statistics for the November 2018 on Thursday, 27 December, 2018.

The National Bureau of Statistics is set to release Sectoral Distribution of Value Added Tax Statistics for the Q3 2018 on Friday, 28 December, 2018.

The National Bureau of Statistics is set to release Road Transport Data for the Q3 2018 on Friday, 28 December, 2018.

African Indices For The Week Ended 21/12/2018

Country	Index Level	Index Change	Change
NGSE ASI <i>Nigeria</i>	30,773.64	+100.85	+0.33% ↑
JSE ASI <i>South Africa</i>	51,430.36	-130.11	-0.25% ↓
NSE ASI <i>Kenya</i>	138.95	-3.58	-2.51% ↓
GSE CI <i>Ghana</i>	2,539.06	-30.89	-1.20% ↓
EGX 30 <i>Egypt</i>	13,137.58	+140.69	+1.08% ↑

Source: African Market, Anchoria AM Research

Global Indices For The Week Ended 21/12/2018

Country	Index Level	Index Change	Change
S&P 500 <i>United States</i>	2,416.62	-183.33	-7.05% ↓
NASDAQ <i>United States</i>	6,333.00	-577.66	-8.36% ↓
FTSE 100 <i>United Kingdom</i>	6,721.17	-124.00	-1.81% ↓
CAC 40 <i>France</i>	4,694.38	-159.32	-3.28% ↓
Eurostoxx 50 <i>Eurozone</i>	3,000.61	-91.99	-2.97% ↓
CSI 300 <i>China</i>	3,025.58	-140.33	-4.43% ↓

Source: Bloomberg, Yahoo Finance, Anchoria AM Research

Corporate Disclosure

Access Bank Plc signed Memorandum of Agreement with Diamond Bank Plc regarding a potential merger of the two banks to create Nigeria and Africa's largest retail bank by customers. (Visit our website to read the full report on the possible merger).

Lafarge Africa Plc is expected to raise N89.2 billion by way of a Rights Issue of 7,434,367,256 shares at N12.00 per share, by issuing 6 new shares for every 7 shares held by shareholders as at 04 December, 2018. The offer opened on Monday, 17 December 2018 and closes on Wednesday, 23 January 2019.

Access Bank Plc is set to hold an Extraordinary General Meeting on Friday, 01 February, 2019 at Federal Palace, Lagos.

Nigerian Aviation Handling Company Plc (NAHCO) appointed Mrs. Olatokunbo Adenike Fagbemi as Acting Group Managing Director of the Company with effect from 20th December, 2018.

Frigoglass announced its intention to investment between 25 and 30 million Euro to expand its Furnace capacity at the Beta Glass Guinea Plant, located in Agbara, Ogun State.