

GLOBAL EQUITIES MARKET

Bullish Sentiment in Global Equities

Performance in the global equities market in the just concluded week was totally bullish as all the 7 market indices under coverage closed northwards W-o-W.

The US equities market experienced a bullish sentiment following increases in all the 3 major indices. The Dow Jones Industrial average (DJIA) improved by 3.27% and the S&P 500 increased by 3.84% W-o-W respectively. NASDAQ composite index also closed the week 4.56% higher W-o-W.

In addition, there was a positive sentiment in Europe as France CAC 40 index improved by 2.53% and the German XETRA DAX index strengthened by 2.85% W-o-W.

The Asia's market also closed in a bullish form last week. The Japan Nikkei 225 index closed higher by 2.56% W-o-W and Hong Kong's Hang Seng increased by 2.81% W-o-W.

AFRICAN EQUITIES MARKET

Mixed Performance in the African Equities Market

The African equities market performance was mixed last week as 3 of the 6 markets under our coverage closed northwards W-o-W. The Nigeria's NSE was the biggest gainer, improved by 5.30% W-o-W. The Morocco's Casablanca MASI and Ghana's GSE also followed suit, strengthened by 1.19% and 1.01% W-o-W respectively.

On the flip side, the Egypt's EGX 30 was the biggest loser, declined by 1.67%. The Mauritius SEMDEX and Kenya's NSE also followed suit, weakened by 0.41% and 0.11% W-o-W.

NIGERIAN EQUITIES MARKET

Bullish Sentiment persists in Local Bourse, ASI Up 530bps W-o-W

The domestic equities market strengthened by 5.30% W-o-W to close at 28,415.31 despite closing in bearish forms in 3 of the 5 trading sessions during the week. The YTD return improved to 5.86%. Consequently, investors gained N747bn W-o-W as market capitalisation closed at N14.85tn from N14.11tn.

Activity level in the market was strengthened as the average volume traded improved by 75.65% to close at 672.96m units and the average value traded increased by 67.43% to close at N7.07bn W-o-W respectively. The best performing stocks for the week were **ETERNA** (+32.48%), **INTBREW** (+21.03%) and **AFRIPRUD** (+20.63%) while **UAC-PROP** (-11.96%), **TRIPPLEG** (-10.00%) and **DEAPCAP** (-10.00%) were the top losers for the week.

Bullish Sectoral Performance

Sectoral Performance strengthened as all the 5 sector indices under our coverage closed northwards W-o-W. The Banking index was the biggest gainer, improved by 7.83% W-o-W as a result of positive sentiment in **FBNH** (+19.23%). The Industrial goods, Consumer goods Oil & Gas and Insurance indices followed suit, improved by 2.72% (**CAP** +9.59%), 2.02% (**INTBREW** +21.03%), 2.01% (**ETERNA** +32.48%) and 1.96% (**LINKAGE** +15.79%) W-o-W respectively.

We believe that bullish momentum would persist in the coming week. As such we expect investors to move to position themselves in stocks with good dividend payment history.

Week Ended 09-10-2020

SECTOR	02-10-2020	09-10-2020	WtD (%)	MtD (%)	QtD (%)	YtD (%)
NSE BANKING	315.33	340.01	7.83	9.54	9.54	-4.72
NSE INSURANCE	136.45	139.12	1.96	0.22	0.22	10.57
NSE CONSUMER GOODS	455.27	464.46	2.02	2.34	2.34	-21.66
NSE OIL & GAS	195.43	199.36	2.01	2.16	2.16	-24.06
NSE INDUSTRIAL GOODS	1,199.19	1,231.85	2.72	3.19	3.19	14.53

TOP GAINERS FOR THE WEEK

	02-10-2020	09-10-2020	Change (%)
ETERNA	2.74	3.63	32.48
INTBREW	3.90	4.72	21.03
AFRIPRUD	4.75	5.73	20.63
TRANSEXP	0.77	0.92	19.48
FBNH	5.20	6.20	19.23

TOP LOSERS FOR THE WEEK

	02-10-2020	09-10-2020	Change (%)
UAC-PROP	0.92	0.81	-11.96
TRIPPLEG	0.40	0.36	-10.00
DEAPCAP	0.30	0.27	-10.00
ACADEMY	0.29	0.27	-6.90
CONOIL	15.25	14.40	-5.57

NSE ASI Performance



FIXED INCOME REVIEW

- In the fixed income space, average T-bills yield closed higher for 2 of the 3 tenors W-o-W indicating bearish sentiment in the market, 3M and 6M closed higher by 12.04% and 28.93% W-o-W respectively while 1Y closed lower by 11.40%. For long tenor instruments, the yields closed lower for all the 4 tenor instruments of 3Y, 5Y, 7Y and 10Y by 14.76%, 0.70%, 0.30% and 12.67% W-o-W respectively indicating bullish sentiment in the market.
- The average yield across all tenors decreased by 5.56% W-o-W to close at 3.91% from 4.14% recorded in previous week.
- In the near term, we expect activities in the bond market to be relatively bearish as they would be influenced by the buoyant level of liquidity available in the system as well as foreign investors participation and we expect decreased yields in treasury bills.

MONEY MARKET

- In line with system liquidity, money market rates - Open Buy Back (OBB) decreased to 1.00% from 10.33% recorded in previous week, indicating a decrease of 90.32% W-o-W and Overnight(OVN) rates also declined to 1.58% from 11.57% recorded in the prior week indicating a decline of 86.34% W-o-W due to due to improvement in system liquidity.
- Next week, we expect money market rates to slightly increase in addition to CBN commencement of OMO auction to provide liquidity for maturing instruments in the coming week.

FOREIGN EXCHANGE MARKET

- At the interbank market (CBN Official window), the local unit closed flat against USD Dollar to close at N379.00
- At the I & E FX window, the local unit closed marginally lower (depreciated) against USD Dollar to close at N385.83
- On the other hand, the parallel market, the local unit closed higher (appreciated) against USD Dollar to close at N454.50
- **Overall, we expect pressure on the foreign reserves to continue in the near term as apex bank continues to intervene in a bid to stabilise the naira.**

CORPORATE DISCLOSURE

- Bua Cement Plc wishes to inform the NSE and its esteemed shareholders that the company has appointed Mr. Jacques Piekarsi as ED Finance/CEO effective from October 1, 2020.
- Guaranty Trust Bank Plc wishes to notify the NSE and the general public that the Board of Directors of the Bank has approved the Group's unaudited Accounts and Financial Statement as at September 30, 2020.

MACROECONOMIC INDICATORS			
INDICATORS	02-10-2020	09-10-2020	CHANGE
Inflation (%)	13.22	13.22	0.00%
GDP Growth (%)	-6.10	-6.10	0.00%
MPR (%)	11.50	11.50	0.00%
Oil Price (US\$)	39.27	42.85	9.12%
Reserves (US\$'Bn)	35.90	35.73	-0.47%
NSE ASI	26,985.77	28,415.31	5.30%

Fixed Income Rates (Treasury Bills & FGN Bond Yields)

INSTRUMENTS	02-10-2020	09-10-2020	CHANGE (%)
3M	1.08%	1.21%	12.04
6M	1.21%	1.56%	28.93
1Y	2.72%	2.40%	-11.40
3Y	3.93%	3.35%	-14.76
5Y	4.26%	4.23%	-0.70
7Y	6.76%	6.74%	-0.30
10Y	9.00%	7.86%	-12.67

INSTRUMENTS	02-10-2020	09-10-2020	CHANGE (%)
OBB	10.33%	1.00%	-90.32
O/N	11.57%	1.58%	-86.34

Exchange Rates (NGN/USD)

INSTRUMENTS	02-10-2020	09-10-2020	CHANGE (%)
Official	379.00	379.00	0.00
I & E	385.80	385.83	0.01
Parallel	462.50	454.50	-1.73

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