

## GLOBAL EQUITIES MARKET

### Mixed Sentiment in Global Equities

Performance in the global equities market in the just concluded week was mixed as 4 of 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 0.07% and the S&P 500 increased by 0.19% W-o-W respectively. NASDAQ composite index also closed the week 0.79% higher W-o-W.

However, there was a negative sentiment in Europe as France CAC 40 index worsened by 0.22% and the German XETRA DAX index declined by 1.09% W-o-W.

On the other hand, the Asia's market closed in a mixed form last week. The Japan Nikkei 225 index closed lower by 0.89% W-o-W while Hong Kong's Hang Seng increased by 1.11% 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 Egypt's EGX 30 was the biggest gainer, improved by 4.19% W-o-W. The Morocco's Casablanca MASI and Nigeria's NSE also followed suit, strengthened by 1.16% and 0.86% W-o-W respectively.

On the flip side, the Ghana's GSE was the biggest loser, declined by 0.98%. The Mauritius SEMDEX and Kenya's NSE also followed suit, weakened by 0.55% and 0.30% W-o-W.

## NIGERIAN EQUITIES MARKET

### Positive Sentiment persists in Local Bourse, ASI Up 86bps W-o-W

The domestic equities market strengthened by 0.86% W-o-W to close at 28,659.45 as it closed in bullish forms in 4 of the 5 trading sessions during the week. The YTD return improved to 6.77%. Consequently, investors gained N128bn W-o-W as market capitalisation closed at N14.98tn from N14.85tn.

Activity level in the market declined as the average volume traded declined by 41.91% to close at 390.95m units and the average value traded decreased by 35.04% to close at N4.60bn W-o-W respectively. The best performing stocks for the week were **ETERNA** (+34.99%), **INTBREW** (+12.92%) and **CADBURY** (+12.59%) while **ETRANZACT** (-26.38%), **PORTPAINT** (-10.31%) and **CHIPLC** (-8.11%) were the top losers for the week.

### Bullish Sectoral Performance

Sectoral Performance strengthened as 4 of the 5 sector indices under our coverage closed northwards W-o-W. The Banking index was the biggest gainer, improved by 2.89% W-o-W as a result of positive sentiment in **UBA** (+8.27%). The Oil & Gas, Consumer goods and Industrial goods indices followed suit, improved by 2.40% (**ETERNA** +34.99%), 1.87% (**INTBREW** +12.92%) and 0.24% (**WAPCO** +10.88%) W-o-W respectively.

On the flip side, the Insurance index was the only loser under coverage, weakened by 0.68% as a result of negative sentiment in **CHIPLC** -8.11%.

**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 16-10-2020

SECTOR	09-10-2020	16-10-2020	WtD (%)	MtD (%)	QtD (%)	YtD (%)
NSE BANKING	340.01	349.83	2.89	12.71	12.71	-1.96
NSE INSURANCE	139.12	138.17	-0.68	-0.46	-0.46	9.82
NSE CONSUMER GOODS	464.46	473.13	1.87	4.25	4.25	-20.19
NSE OIL & GAS	199.36	204.14	2.40	4.61	4.61	-22.24
NSE INDUSTRIAL GOODS	1,231.85	1,234.85	0.24	3.44	3.44	14.81

## TOP GAINERS FOR THE WEEK

	09-10-2020	16-10-2020	Change (%)
ETERNA	3.63	4.90	34.99
INTBREW	4.72	5.33	12.92
CADBURY	7.15	8.05	12.59
GUINNESS	15.00	16.85	12.33
LAFARGE	17.00	18.85	10.88

## TOP LOSERS FOR THE WEEK

	09-10-2020	16-10-2020	Change (%)
ETRANZACT	2.35	1.73	-26.38
PORTPAINT	2.23	2.00	-10.31
CHIPLC	0.37	0.34	-8.11
ROYALEX	0.27	0.25	-7.41
CUTIX	1.72	1.62	-5.81

## NSE ASI Performance



### FIXED INCOME REVIEW

- In the fixed income space, average T-bills yield closed lower for all the 3 tenors W-o-W indicating bullish sentiment in the market, 3M, 6M and 1Y closed lower by 50.47%, 30.13% and 7.01% W-o-W respectively. For long tenor instruments, the yields closed lower for 3 of the 4 tenor instruments of 5Y, 7Y and 10Y by 3.30%, 15.60% and 27.52% W-o-W respectively indicating bullish sentiment in the market while 3Y closed higher by 0.64%
- The average yield across all tenors decreased by 16.71% W-o-W to close at 2.94% from 3.53% 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 increased yields in treasury bills.

### MONEY MARKET

- In line with system liquidity, money market rates - Open Buy Back (OBB) decreased to 1.17% from 4.00% recorded in previous week, indicating a decrease of 70.75% W-o-W and Overnight(OVN) rates also declined to 2.00% from 4.88% recorded in the prior week indicating a decline of 59.02% W-o-W 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 flat against USD Dollar to close at N385.83
- On the other hand, the parallel market, the local unit closed lower (depreciated) against USD Dollar to close at N459.50
- **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	09-10-2020	16-10-2020	CHANGE
Inflation (%)	13.22	13.71	3.71%
GDP Growth (%)	-6.10	-6.10	0.00%
MPR (%)	11.50	11.50	0.00%
Oil Price (US\$)	42.85	42.93	0.19%
Reserves (US\$'Bn)	35.73	35.67	-0.17%
NSE ASI	28,415.31	28,659.45	0.86%

### Fixed Income Rates (Treasury Bills & FGN Bond Yields)

INSTRUMENTS	09-10-2020	16-10-2020	CHANGE (%)
<b>3M</b>	1.07%	0.53%	-50.47
<b>6M</b>	1.56%	1.09%	-30.13
<b>1Y</b>	2.14%	1.99%	-7.01
<b>3Y</b>	3.13%	3.15%	0.64
<b>5Y</b>	3.94%	3.81%	-3.30
<b>7Y</b>	5.64%	4.76%	-15.60
<b>10Y</b>	7.23%	5.24%	-27.52

INSTRUMENTS	09-10-2020	16-10-2020	CHANGE (%)
<b>OBB</b>	4.00%	1.17%	-70.75
<b>O/N</b>	4.88%	2.00%	-59.02

### Exchange Rates (NGN/USD)

INSTRUMENTS	09-10-2020	16-10-2020	CHANGE (%)
<b>Official</b>	379.00	379.00	0.00
<b>I &amp; E</b>	385.83	385.83	0.00
<b>Parallel</b>	454.50	459.50	1.10

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