

GLOBAL EQUITIES MARKET

Negative Sentiment in Global Equities

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

The US equities market experienced a bearish sentiment following decreases in all the 3 major indices. The Dow Jones Industrial average (DJIA) declined by 0.03% and the S&P 500 decreased by 0.64% W-o-W respectively. NASDAQ composite index closed the week 0.56% lower W-o-W.

In addition, there was a negative sentiment in Europe as France CAC 40 index declined by 1.11% and the German XETRA DAX index weakened by 0.66% W-o-W.

The Asia's market also closed in a bearish form last week. The Japan Nikkei 225 index closed lower by 0.30% W-o-W and Hong Kong's Hang Seng decreased by 0.20% W-o-W.

AFRICAN EQUITIES MARKET

Bearish Performance in the African Equities Market

The African equities market performance was bearish last week as 5 of the 6 markets under our coverage closed southwards W-o-W. The Ghana's GSE was the biggest loser, declined by 1.68% W-o-W. Morocco's Casablanca MASI, Kenya's NSE, Mauritius SEMDEX and Nigeria's NSE also followed suit, worsened by 1.45%, 0.45%, 0.15% and 0.08% W-o-W respectively.

On the flip side, Egypt's EGX 30 was the biggest gainer, improved by 1.60% W-o-W.

NIGERIAN EQUITIES MARKET

Bearish Sentiment persists in Local Bourse, ASI Shed 8bps W-o-W

The domestic equities market weakened by 0.08% W-o-W to close at 25,572.57 as it closed in bearish forms in 3 of the 5 trading sessions during the week. The YTD return declined to -4.73%. However, investors gained N13.6bn W-o-W as market capitalisation closed at N13.36tn from N13.35tn.

Activity level in the market was mixed as the average volume traded declined by 7.10% to close at 227.74m units while the average value traded increased by 17.08% to close at N2.54bn W-o-W respectively. The best performing stocks for the week were **WAPIC** (+12.12%), **LEARNAFRCA** (+9.62%) and **UNITYBNK** (+9.62%) while **ABCTRANS** (-16.67%), **NEM** (-9.78%) and **TRIPPLEG** (-9.09%) were the top losers for the week.

Mixed Sectoral Performance

Sectoral Performance was mixed as 3 of the 5 sector indices under our coverage closed northwards W-o-W. The Industrial goods index was the biggest gainer, improved by 0.50% W-o-W as a result of positive sentiment in **CAP** (+8.57%). The Consumer goods and Insurance indices followed suit, improved by 0.13% (**DANGSUGAR** +7.14%) and 0.01% (**WAPIC** +12.12%) W-o-W respectively.

On the flip side, the Oil and Gas and Banking indices were the losers under coverage, declined by 1.03% and 0.67% as a result of negative sentiment in **OANDO** (-5.46%) and **FCMB** (-6.36%).

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

Week Ended 18-09-2020

SECTOR	11-09-2020	18-09-2020	WtD (%)	MtD (%)	QtD (%)	YtD (%)
NSE BANKING	293.97	292.01	-0.67	0.08	3.56	-18.17
NSE INSURANCE	134.11	134.13	0.01	1.92	3.40	6.60
NSE CONSUMER GOODS	432.21	432.78	0.13	1.37	-2.02	-27.00
NSE OIL & GAS	191.77	189.79	-1.03	-0.68	-3.40	-27.71
NSE INDUSTRIAL GOODS	1,128.20	1,133.79	0.50	0.74	2.71	5.41

TOP GAINERS FOR THE WEEK

	11-09-2020	18-09-2020	Change (%)
WAPIC	0.33	0.37	12.12
LEARNAFRCA	1.04	1.14	9.62
UNITYBNK	0.52	0.57	9.62
NEIMETH	1.78	1.95	9.55
IKEJAHOTEL	0.84	0.92	9.52

TOP LOSERS FOR THE WEEK

	11-09-2020	18-09-2020	Change (%)
ABCTRANS	0.36	0.30	-16.67
NEM	2.25	2.03	-9.78
TRIPPLEG	0.44	0.40	-9.09
UPL	1.70	1.57	-7.65
UNIONDAC	0.27	0.25	-7.41

NSE ASI Performance



FIXED INCOME REVIEW

- In the fixed income space, average T-bills yield closed lower for 2 of the 3 tenors W-o-W indicating bullish sentiment in the market, 3M and 6M closed lower by 26.47% and 6.62% W-o-W respectively while 1Y closed higher by 6.25%. For long tenor instruments, the yields closed lower for 2 of the 4 tenor instruments of 5Y and 7Y by 6.78% and 1.30% W-o-W respectively indicating bullish sentiment in the market while 3Y and 10Y increased by 0.77% and 0.89W-o-W.
- The average yield across all tenors decreased by 8.98% W-o-W to close at 4.37% from 4.46% 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 2.00% from 14.50% recorded in previous week, indicating a decrease of 86.21% W-o-W and Overnight(OVN) rates also declined to 3.00% from 16.50% recorded in the prior week indicating a decline of 81.82% 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 flat against USD Dollar to close at N386.00
- On the other hand, the parallel market, the local unit closed lower (depreciated) against USD Dollar to close at N461.00
- **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

- Nigerian Breweries Plc has released her Notification of Shares Dealing by Insiders showing Heineken Brouwerijen B.V as the substantial shareholder (foreign) holding a total volume of 78,362 at an average of N41.70 per unit bought on 14 & 16 September 2020
- Courteville Business Solutions Plc wishes to notify the public of her released Sustainability Report for 2019.

MACROECONOMIC INDICATORS			
INDICATORS	11-09-2020	18-09-2020	CHANGE
Inflation (%)	12.82	13.22	3.12%
GDP Growth (%)	-6.10	-6.10	0.00%
MPR (%)	12.50	12.50	0.00%
Oil Price (US\$)	39.83	43.15	8.34%
Reserves (US\$'Bn)	36.04	35.81	-0.64%
NSE ASI	25,591.95	25,572.57	-0.08%

Fixed Income Rates (Treasury Bills & FGN Bond Yields)

INSTRUMENTS	11-09-2020	18-09-2020	CHANGE (%)
3M	1.36%	1.00%	-26.47
6M	1.51%	1.41%	-6.62
1Y	2.56%	2.72%	6.25
3Y	3.92%	3.95%	0.77
5Y	5.16%	4.81%	-6.78
7Y	7.72%	7.62%	-1.30
10Y	9.00%	9.08%	0.89

INSTRUMENTS	11-09-2020	18-09-2020	CHANGE (%)
OBB	14.50%	2.00%	-86.21
O/N	16.50%	3.00%	-81.82

Exchange Rates (NGN/USD)

INSTRUMENTS	11-09-2020	18-09-2020	CHANGE (%)
Official	379.00	379.00	0.00
I & E	386.00	386.00	0.00
Parallel	447.50	461.00	3.02

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