

GLOBAL EQUITIES MARKET

Bearish Sentiment in Global Equities

Performance in the global equities market in the just concluded week was significantly bearish as 6 of the 7 market indices under coverage closed southwards W-o-W.

The US equities market experienced a bearish sentiment following decreases in all 2 of the 3 major indices. The Dow Jones Industrial average (DJIA) declined by 1.75% and the S&P 500 decreased by 0.63% W-o-W respectively. NASDAQ composite index on the other hand, closed the week 1.11% higher W-o-W.

In addition, there was a negative sentiment in Europe as France CAC 40 index declined by 4.99% and the German XETRA DAX index weakened by 4.93% W-o-W.

The Asia's market also closed in a bearish form last week. The Japan Nikkei 225 index closed lower by 0.67% W-o-W and Hong Kong's Hang Seng decreased by 4.99% W-o-W.

AFRICAN EQUITIES MARKET

Bearish Performance in the African Equities Market

The African equities market performance was bearish last week as 4 of the 6 markets under our coverage closed southwards W-o-W. The Egypt's EGX 30 was the biggest loser, declined by 2.99% W-o-W. The Morocco's Casablanca MASI, Mauritius SEMDEX and Ghana's GSE also followed suit, worsened by 1.30%, 0.84% and 0.38% W-o-W respectively.

On the flip side, The Nigeria's NSE and Kenya's NSE were the gainers under coverage, improved by 2.92% and W-o-W.

NIGERIAN EQUITIES MARKET

Bullish Sentiment in Local Bourse, ASI Up 292bps W-o-W

The domestic equities market strengthened by 2.92% W-o-W to close at 26,319.34 as it closed in bullish forms in all the 5 trading sessions during the week. The YTD return improved to -1.95%. Consequently, investors gained N390.32bn W-o-W as market capitalisation closed at N13.75tn from N13.36tn.

Activity level in the market was strengthened as the average volume traded improved by 37.65% to close at 313.48m units and the average value traded increased by 61.99% to close at N4.11bn W-o-W respectively. The best performing stocks for the week were **NB** (+25.12%), **CORNERST** (+16.39%) and **WAPCO** (+15.77%) while **AIICO** (-20.00%), **REDSTAREX** (-16.90%) and **OANDO** (-11.74%) 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 Consumer goods index was the biggest gainer, improved by 5.99% W-o-W as a result of positive sentiment in **NB** (+25.12%). The Banking, Industrial goods, Oil & Gas and Insurance indices followed suit, improved by 3.59% (**GUARANTY** +3.80%), 2.44% (**WAPCO** +15.77%), 1.16% (**SEPLAT** +3.90%) and 1.08% (**CORNERST** +16.39%) W-o-W respectively.

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 25-09-2020

SECTOR	18-09-2020	25-09-2020	WtD (%)	MtD (%)	QtD (%)	YtD (%)
NSE BANKING	292.01	302.50	3.59	3.67	7.28	-15.23
NSE INSURANCE	134.13	135.58	1.08	3.02	4.52	7.76
NSE CONSUMER GOODS	432.78	458.69	5.99	7.44	3.84	-22.63
NSE OIL & GAS	189.79	191.99	1.16	0.48	-2.28	-26.87
NSE INDUSTRIAL GOODS	1,133.79	1,161.46	2.44	3.20	5.22	7.98

TOP GAINERS FOR THE WEEK

	18-09-2020	25-09-2020	Change (%)
NB	42.00	52.55	25.12
CORNERST	0.61	0.71	16.39
WAPCO	13.00	15.05	15.77
CHIPLC	0.31	0.34	9.68
TRANSEXP	0.75	0.82	9.33

TOP LOSERS FOR THE WEEK

	18-09-2020	25-09-2020	Change (%)
AIICO	0.90	0.72	-20.00
REDSTAREX	3.61	3.00	-16.90
OANDO	2.30	2.03	-11.74
NNFM	4.50	4.05	-10.00
CHAMPION	0.90	0.81	-10.00

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 N463.50
- 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

- 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	18-09-2020	25-09-2020	CHANGE
Inflation (%)	13.22	13.22	0.00%
GDP Growth (%)	-6.10	-6.10	0.00%
MPR (%)	12.50	11.50	-8.00%
Oil Price (US\$)	43.15	41.92	-2.85%
Reserves (US\$'Bn)	35.81	35.76	-0.14%
NSE ASI	25,572.57	26,319.34	-2.92%

Fixed Income Rates (Treasury Bills & FGN Bond Yields)

INSTRUMENTS	18-09-2020	25-09-2020	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	18-09-2020	25-09-2020	CHANGE (%)
OBB	14.50%	2.00%	-86.21
O/N	16.50%	3.00%	-81.82

Exchange Rates (NGN/USD)

INSTRUMENTS	18-09-2020	25-09-2020	CHANGE (%)
Official	379.00	379.00	0.00
I & E	386.00	386.00	0.00
Parallel	461.00	463.50	0.54

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Contacts Details: Boston Advisory Research

Afolabi Oriyomi
Research Analyst
Mobile: +234 809 440 2974
afolabi.oriyomi@bostonadvisory.ng

Uchechi Onwumere
Research Analyst
Mobile: +234 818 153 2718
olusola.taiwo@bostonadvisory.ng

Address: 28B Awori Road, Dolphin Estate, Ikoyi, Lagos, Nigeria
Tel.: +234 818 8889375
Email: Info@bostonadvisory.ng
Website: www.bostonadvisory.ng