

GLOBAL EQUITIES MARKET

Bullish Sentiment in Global Equities

Performance in the global equities market in the just concluded week was significantly bullish as 6 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 2.59% and the S&P 500 increased by 3.26% W-o-W respectively. NASDAQ composite index closed the week 3.39% higher W-o-W.

In addition, there was a positive sentiment in Europe as France CAC 40 index increased by 2.18% and the German XETRA DAX index improved by 2.10% 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 0.16% W-o-W while Hong Kong's Hang Seng increased by 1.23% W-o-W.

AFRICAN EQUITIES MARKET

Bullish Performance in the African Equities Market

The African equities market performance was significantly bullish last week as 5 of the 6 markets under our coverage closed northwards W-o-W. The Kenya's NSE was the biggest gainer, improved by 4.08% W-o-W. Mauritius SEMDEX, Egypt's EGX 30, Nigeria's NSE and Ghana's GSE also followed suit, improved by 1.67%, 0.38%, 0.35% and 0.21% W-o-W respectively.

On the flip side, Morocco's Casablanca MASI was the only loser under coverage, weakened by 1.87% W-o-W.

NIGERIAN EQUITIES MARKET

Positive Sentiment persists in Local Bourse, ASI Up 35bps W-o-W

The domestic equities market improved by 0.35% W-o-W to close at 25,309.37 as it closed in bullish forms in 4 of the 5 trading sessions during the week. The YTD return improved to -5.71%. Consequently, investors gained N46bn W-o-W as market capitalisation closed at N13.20tn from N13.16tn.

Activity level in the market was mixed as the average volume traded improved by 11.58% to close at 214.32m units while the average value traded declined by 27.06% to close at N1.48bn W-o-W respectively. The best performing stocks for the week were **UPL** (+31.45%), **FTNCOCOA** (+20.00%) and **CHAMPION** (+19.23%) while **BETAGLAS** (-9.99%), **ARBICO** (-9.52%) and **CILEASING** (-9.09%) were the top losers for the week.

Bullish Sectoral Performance

Sectoral Performance was bullish as 3 of the 5 sector indices under our coverage closed northwards W-o-W, 1 southward and 1 constant (Oil & Gas index at 187.36). The Insurance index was the biggest gainer, improved by 2.80% W-o-W as a result of positive sentiment in **NEM** (+14.97%). The Consumer goods and Industrial goods indices followed suit, strengthened by 1.12% (**CHAMPION** +19.23%) and 0.64% (**CAP** +3.41%) W-o-W respectively.

On the flip side, the Banking index was the only loser under coverage, weakened by 0.23% as a result of negative sentiment in **JAIZBANK** (-7.94%) 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 28-08-2020

SECTOR	21-08-2020	28-08-2020	WtD (%)	MtD (%)	QtD (%)	YtD (%)
NSE BANKING	294.64	293.97	-0.23	5.52	4.26	-17.62
NSE INSURANCE	128.80	132.41	2.80	8.23	2.07	5.24
NSE CONSUMER GOODS	422.28	426.99	1.12	6.09	-3.33	-27.98
NSE OIL & GAS	187.36	187.36	0.00	9.99	-4.64	-28.64
NSE INDUSTRIAL GOODS	1,112.21	1,119.31	0.64	-2.39	1.40	4.06

TOP GAINERS FOR THE WEEK

	21-08-2020	28-08-2020	Change (%)
UPL	1.24	1.63	31.45
FTNCOCOA	0.20	0.24	20.00
CHAMPION	0.78	0.93	19.23
NEM	1.87	2.15	14.97
PZ	3.85	4.20	9.09

TOP LOSERS FOR THE WEEK

	21-08-2020	28-08-2020	Change (%)
BETAGLAS	61.55	55.40	-9.99
ARBICO	1.26	1.14	-9.52
CILEASING	4.40	4.00	-9.09
CHIPLC	0.37	0.34	-8.11
CUTIX	1.90	1.75	-7.89

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, 6M and 1Y closed higher by 83.21% and 35.89% W-o-W while 3M closed lower by 37.89%. For long tenor instruments, the yields closed higher for 2 of the 4 tenor instruments of 7Y and 10Y by 2.74% and 4.11% W-o-W respectively indicating bearish sentiment in the market while 3Y and 5Y decreased by 5.22% and 1.89% W-o-W .
- The average yield across all tenors increased by 4.34% W-o-W to close at 5.05% from 4.84% 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) increased to 13.90% from 2.00% recorded in previous week, indicating an improvement of 595.00% W-o-W and Overnight(OVN) rates also improved to 14.90% from 2.63% recorded in the prior week indicating an increase of 466.54% W-o-W due to weakening effects in system liquidity.
- Next week, we expect money market rates to slightly decrease in addition to CBN commencement of OMO purchase to provide illiquidity for maturing instruments in the coming week.

FOREIGN EXCHANGE MARKET

- At the interbank market (CBN Official window), the local unit closed higher (appreciated) W-o-W against USD Dollar at N379.00
- Likewise, at the I & E FX window, the local unit closed higher (appreciated) against USD Dollar to close at N385.67
- On the other hand, the parallel market, the local unit closed flat against USD Dollar to close at N474.50
- 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

- Infinity Trust Mortgage Bank Plc gets N2.7 billion facility from the Development Bank of Nigeria.
- Notore Chemical Industries Plc wishes to notify the NSE and the general public of the resolution passed at her 6th AGM held by Proxy on Monday 17th August 2020 which include among others the approval of the Audited Financials of the Company and the Group for the year ended 30th September 2019.

MACROECONOMIC INDICATORS

INDICATORS	21-08-2020	28-08-2020	CHANGE
Inflation (%)	12.82	12.82	0.00%
GDP Growth (%)	1.87	-6.10	-426.20%
MPR (%)	12.50	12.50	0.00%
Oil Price (US\$)	44.35	45.81	3.29%
Reserves (US\$'Bn)	35.60	35.66	0.17%
NSE ASI	25,221.87	25,309.37	0.35%

Fixed Income Rates (Treasury Bills & FGN Bond Yields)

INSTRUMENTS	21-08-2020	28-08-2020	CHANGE (%)
3M	1.61%	1.00%	-37.89
6M	1.31%	2.40%	83.21
1Y	2.34%	3.18%	35.89
3Y	5.75%	5.45%	-5.22
5Y	6.35%	6.23%	-1.89
7Y	7.79%	8.11%	4.11
10Y	8.76%	9.00%	2.74

INSTRUMENTS	21-08-2020	28-08-2020	CHANGE (%)
OBB	2.00%	13.90%	595.00
O/N	2.63%	14.90%	466.54

Exchange Rates (NGN/USD)

INSTRUMENTS	21-08-2020	28-08-2020	CHANGE (%)
Official	381.00	379.00	-0.52
I & E	386.00	385.67	-0.09
Parallel	474.50	474.50	0.00

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