

# FINANCIAL MARKET WEEKLY REPORT

2<sup>ND</sup> SEPTEMBER, 2019



## FX Market

- The Naira strengthened against the Greenback at the I & E FX window but weakened at the official window.
- In the outgoing week, CBN injected a total of \$210.00 million into the foreign exchange market; of which \$100.00 million was allocated to Wholesale (SMIS), \$55.00 million was allocated to Small and Medium Scale Enterprises and \$55.00 million was sold for invisibles
- We expect a relatively stable exchange rate at most market segments as CBN continues its intervention coupled with increased dollar liquidity at the BDC segment

## Money Market

- Rates in the money market remained relatively stable as system liquidity was sustained in positive territory at c. ₦185.00 billion. The OBB and overnight rates consequently ended the session at 9.29% and 10.50% respectively.
- The total outflows which amounted to ₦478.77 billion partly offset the total inflows worth ₦601.90 billion in matured T-bills.
- We expect rates to trend slightly higher opening the new week, as banks fund for another round of FX interventions (wholesale) by the CBN.

## Fixed Income Market

- The FGN Bond market traded on slightly bearish note with yields trending higher by c.11bps, as market players reacted to a renewed OMO floatation by the CBN.
- We expect yields to remain pressured going into the new week, due to the higher OMO clearing rates by the CBN at the auction, and the elevated maturity profile (c. ₦1.33 trillion) expected to be rolled over by the CBN in the new month.

## Equity Market

- Just after the long-awaited inauguration of the Federal Ministers, local stocks reversed last week's gains as the initial euphoria over the formation of the Federal Cabinet waned. Consequently, NSE All-Share Index and Market Capitalization both depreciated by 0.99% to close the week at 27,525.81 and ₦13.391 trillion respectively. Year-on-year, the market returned negative 12.42%.
- Also, three of the five sector gauges closed in the red: NSE Banking Index, NSE Consumer Goods Index and NSE Oil/Gas Index declined by 3.46%, 0.63%, and 10.76% to 331.18 points, 526.11 points and 198.41 points respectively. However, NSE Insurance Index and NSE Industrial Index increased by 1.15% and 0.34% to 106.85 points and 1,091.19 points respectively.
- This week, We are of the opinion that investors and fund managers will continue to take advantage of cheaper valuation of stocks that are underpriced as they rebalance their portfolios.

## Other Statistics

- Inflation rate – 11.08%; Monetary Policy Rate – 13.50%, GDP Growth – 2.01%, Unemployment rate – 23.10%, Brent Crude - \$60.30/bbl

FX MARKET			
	23-Aug	30-Aug	Direction
CBN (₦)	306.95	307.00	↓
I & E FX (₦)	363.14	362.93	↑
Parallel (₦)	360.00	360.00	↔

MONEY MARKET			
	OBB	O/N	Call
23-Aug	17.71	18.79	15.50
30-Aug	9.29	10.50	9.00
Direction	↓	↓	↓

T-BILL MARKET				
	60D	91D	182D	364D
23-Aug	15.16	13.27	15.50	14.26
30-Aug	13.41	12.68	13.72	14.22
Direction	↓	↓	↓	↓

BOND MARKET				
Bond ID	Tenor	Price	Yield (%)	Direction
15.54 13-Feb-2020	2Y	100.80	13.57	↓
16.39 27-Jan-2022	3Y	104.53	14.09	↓
14.20 14-Mar-2024	5Y	99.73	14.28	↓
12.50 22-Jan-2026	7Y	93.25	14.13	↑
13.98 22-Feb-2028	10Y	99.26	14.13	↓
16.25 18-Apr-2037	20Y	112.39	14.30	↓

EQUITY MARKET					
Market Indicators		Value	Trend		
Market Capitalisation (₦tr)		13.391	↓		
NSE – All Share Index (Points)		27,525.81	↓		
NSE – Pension Index (Points)		925.65	↓		
Top Gainers	Closing Price (₦)	Chg (%)	Top Losers	Closing Price (₦)	Chg (%)
JOHNHOLT	0.55	19.57	SEPLAT	397.7	18.84
CONTINSURE	1.45	11.54	UAC-PROP	0.88	17.76
UNITYBNK	0.7	11.11	INTBREW	9.75	15.22
MBENEFIT	0.22	10.00	GLAXOSMITH	7.20	13.25
STANBIC	38.00	8.57	UPL	1.37	11.61

COLLECTIVE INVESTMENT TRUST SCHEMES		
Fund	Unit Price (₦)	Trend
Coral Growth	2,970.56	↑
ARM Discovery	317.14	↓
IBTC Nigeria Equity	7,422.38	↓
IBTC Aggressive Fund	1,732.60	↓
Nigeria International Growth	2,1123	↓
UPDC Real Estate Investment Trust	5.40	↔
Meristem Equity	9.2942	↓

Source: CBN, FMDQ, NBS, NSE, SEC

Note: All rates/prices are bid rates/prices; Nigeria International Growth fund as at 24<sup>th</sup> Aug

## OAK PENSIONS Limited

266, Murtala Muhammed Way, Yaba, Lagos, Nigeria

t: +234-1-2959890 e: info@oakpensions.com w: www.oakpensions.com

For enquiries and market data, please contact walea@oakpensions.com

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