

| Economic Indicators    | Mexico     | Indonesia | Nigeria | Turkey |
|------------------------|------------|-----------|---------|--------|
| Inflation Rate (%)     | 3.24       | 2.68      | 12.13   | 12.15  |
| GDP Growth Rate (%)    | 0.01       | 5.02      | 2.55    | 0.9    |
| Per Capita Income (\$) | 10,118     | 4,163     | 2,222   | 8,957  |
| MPR (%)                | 7.25       | 5.04      | 13.5    | 12.0   |
| Exchange Rate (Per \$) | Mex\$18.91 | Rp13,777  | ₦307.00 | ₺6.11  |
| Foreign Reserves (bn)  | \$185.29   | \$129.2   | \$36.22 | \$76.9 |

## NIGERIAN FINANCIAL MARKET UPDATE

### Headlines

- The Nigerian Senate approves the 2016-2018 External Borrowing Plan to the tune of ₦22.7 billion to be spent by the Federal Government of Nigeria (FGN) to execute key infrastructural projects.
- Nigeria receives its first Bitcoin Automated Teller Machine (ATM) in Lagos.
- The House of Representatives probes \$30 billion annual revenue leakages from forex allocations.
- Nationwide implementation of cashless policy to commence on April 1, 2020
- Brent oil and West Texas Intermediate (WTI) drops to \$32.45 and \$29.63.

### Equity Market

| Market Performance |           |           |          |
|--------------------|-----------|-----------|----------|
|                    | 28-Feb-20 | 6-Mar-20  | % Change |
| NSE ASI            | 26,216.46 | 26,279.61 | 0.24     |
| NSE - 30           | 1,148.03  | 1,149.44  | -1.34    |
| NSE ASeM           | 734.99    | 734.99    | 0.00     |
| NSE Consumer Goods | 458.03    | 431.16    | -5.87    |
| NSE Banking        | 315.50    | 327.43    | 3.78     |
| NSE Insurance      | 116.30    | 117.93    | 1.40     |
| NSE Oil and Gas    | 234.01    | 235.88    | 0.80     |
| NSE Pension        | 983.71    | 974.73    | -0.91    |

### Bonds and Treasury Bills

The FGN Bond average yield closed bearish at 10.25% compared to 9.22% that was recorded on the 28<sup>th</sup> of February 2020. The average yield went up by 103bps Week on Week. Most of the expansion was seen in Mar-2025 (324bps), Mar-2024 (267bps) and Apr-2023. Following the Senate's approval of Buhari's \$22.7 billion loan request, we expect to see sell pressure on 2049 FGN Bond as the new loan approval has piqued up concerns from local investors.

In contrast, the T-bills secondary market closed on a bearish note as average yield went down by 1bps to close at 4.00% from 4.01% WoW. This could be as a result of the rush to sell off securities by offshore investors as NTB is switched for OMO bills at more profitable yields.

At the OMO auction held during the week, the apex bank (CBN) sold a total of ₦110.51 billion worth of bills on the 362-DTM tenor. Subscription was weak at 1.12x - the lowest since mid-February. The stop rate dropped from 13% from the last auction on 27th February 2020 to 12.99%. The 82-DTM and 180-DTM had no sales.

### Primary Market Auction Result

#### NTB - 26 FEBRUARY 2020

| Tenor    | Rate (%) | Offer (₦'bn) | Sub (₦'bn) | Sales (₦'bn) |
|----------|----------|--------------|------------|--------------|
| 91-Days  | 3.00     | 20.37        | 41.26      | 20.37        |
| 182-Days | 4.00     | 31.75        | 45.18      | 31.75        |
| 364-Days | 5.70     | 52.00        | 175.0      | 52.00        |

#### FGN BOND - 19 FEBRUARY 2020

| Tenor  | Rate (%) | Offer (₦'bn) | Sub (₦'bn) | Sales (₦'bn) |
|--------|----------|--------------|------------|--------------|
| Apr-23 | 8.75     | 45.00        | 78.43      | 30.00        |
| Apr-29 | 10.70    | 45.00        | 95.70      | 30.00        |
| Apr-49 | 12.15    | 50.00        | 224.07     | 40.00        |

#### OMO RESULT - 5 MARCH 2020

| Tenor    | Rate (%) | Offer (₦'bn) | Sub (₦'bn) | Sales (₦'bn) |
|----------|----------|--------------|------------|--------------|
| 89-Days  | Nil      | 10.00        | Nil        | Nil          |
| 180-Days | Nil      | 10.00        | Nil        | Nil          |
| 362-Days | 12.99    | 80.00        | 112.11     | 110.51       |

### Oil Prices

OPEC met on Thursday and revealed plans to slash its production quota by 1.5 million barrels per day through the second quarter of the year. The proposed cuts will be conditional on Russia's agreement. The cartel is meeting in Vienna in an effort to stabilize prices on the heels of a demand slowdown sparked by the Coronavirus (COVID-19) epidemic.

However, the FGN has announced plans to review the 2020 budget as oil revenue comes under severe pressure following the rampaging impact of the COVID -19 on oil price.

## Top Three Gainers

| Company         | Open | Close | Gain (₦) | % Change |
|-----------------|------|-------|----------|----------|
| UACN Property   | 0.83 | 1.02  | 0.19     | ↑ 22.89  |
| Skyway Aviation | 2.13 | 2.57  | 0.44     | ↑ 20.66  |
| UACN Plc        | 7.40 | 8.80  | 1.40     | ↑ 18.92  |

## Top Three Losers

| Company              | Open  | Close | Gain (₦) | % Change |
|----------------------|-------|-------|----------|----------|
| Unilever Nigeria Plc | 15.00 | 13.00 | -2.00    | ↓ -13.33 |
| Lafarge Africa Plc   | 15.50 | 13.65 | -1.85    | ↓ -11.94 |
| Nestle Nigeria Plc   | 1,130 | 1,017 | -113     | ↓ -10.00 |

## FGN Bonds

|                   | Yield (%)  | Yield (%)  |        |
|-------------------|------------|------------|--------|
| Description       | 28-02-2020 | 06-03-2020 | Change |
| 14.50 15-Jul-2021 | 6.45       | 6.08       | -0.37  |
| 12.75 27-Apr-2023 | 6.95       | 8.73       | +1.78  |
| 12.50 22-Jan-2026 | 8.66       | 10.38      | +1.72  |
| 16.28 17-Mar-2027 | 9.94       | 10.60      | +0.66  |
| 13.98 23-Feb-2028 | 9.95       | 11.25      | +1.30  |
| 15.00 28-Nov-2028 | 9.98       | 10.94      | +0.96  |
| 8.50 20-NOV-2029  | 10.03      | 10.79      | +0.76  |

## Nigerian Treasury Bills

|     |               | Yield (%)  | Yield (%)  |        |
|-----|---------------|------------|------------|--------|
| DTM | Maturity Date | 28-02-2020 | 06-03-2020 | Change |
| 27  | 02-Apr-2020   | 3.98       | 3.97       | -0.01  |
| 41  | 16-Apr-2020   | 3.96       | 3.96       | 0.00   |
| 118 | 2-Jul-2020    | 3.03       | 3.03       | 0.00   |
| 209 | 01-Oct-2020   | 4.10       | 3.93       | -0.17  |
| 223 | 15-Oct-2020   | 4.54       | 3.91       | -0.63  |

## FX Market

|                 | Previous (₦/\$) | Current (₦/\$) |
|-----------------|-----------------|----------------|
| CBN Spot        | 306.95          | 307.00         |
| I&E FX Window   | 365.25          | 366.25         |
| CBN SMIS Window | 358.51          | 358.51         |

## Commodities

| Instrument | 28-02-2020 | 06-03-2020 | Change |
|------------|------------|------------|--------|
| Brent Oil  | \$50.50    | \$45.27    | -5.23  |
| WTI Oil    | \$45.26    | \$41.28    | -3.98  |

## CORPORATE ROUNDUP

- VFD Microfinance bank redefines digital banking, unveils its flagship product called V
- Access Bank Plc releases financial year 2019 result; loans and advances, PBT and PAT grew by 46.4%, 11.8% and 2.7% respectively. The banking group also declared a final dividend of ₦0.40 kobo per share.
- Nestle Nigeria Plc, UBA Plc, GTbank, proposes dividend payment of ₦45, ₦0.80, ₦2.50 per share respectively for 2019 financial year as B.O.C Gases Plc and GlaxoSmithKline Consumer Nigeria Plc announce Board Meetings to hold on 12<sup>th</sup> March 2020 and 13<sup>th</sup> March 2020 respectively.

## GLOBAL ECONOMY UPDATE

- The Coronavirus outbreak has wiped \$9 trillion off stocks already. Global markets are still falling
- OPEC deal collapse sparks price war as experts predict \$20 per barrel for oil in 2020.
- Britain to unveil its first post-Brexit Budget next Wednesday

## OUTLOOK

We expect bearish sentiment in NTB as foreign investors sell off NTB to invest in OMO Bills.

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