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| --- | --- | --- | --- | --- |
| **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 | N306.95 | ₺6.11 |
| **Foreign Reserves (bn)** | $185.29 | $129.2 | $36.17 | $76.9 |

**WEEKLY ECONOMIC UPDATE**  **March 16, 2020**

**Headlines**

* President Buhari sets up committee to assess Coronavirus impact on 2020 national budget
* The Central Bank of Nigeria (CBN) announces that the naira has not been devalued, vows to sanction authorized dealers involved in currency speculation.
* Nigeria’s earnings from solid minerals increases by 31.67% from N52.76billion in 2017 to N69.47billion in 2018 Nigeria Extractive Industries Transparency Initiative (NEITI) 2018 Audit report for solid minerals sectors reveals
* Lagos State Government set to review money lending operations in the state

**NIGERIAN FINANCIAL MARKET UPDATE**

**Primary Market Auction Result**

**NTB - 11 march 2020**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Tenor** | **Rate****(%)** | **Offer****(₦'bn)** | **Sub****(₦'bn)** | **Sales****(₦'bn)** |
| 91-Days | 2.49 | 1.80 | 23.77 | 1.80 |
| 182-Days | 3.78 | 14.00 | 29.46 | 14.00 |
| 364-Days | 5.30 | 70.50 | 190.23 | 70.50 |

**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 |

**Equity Market**

|  |
| --- |
| **Market Performance** |
|  | **6-Mar-20** | **13-Mar-20** | **% Change** |
| NSE ASI | 26,279.61 | 22,733.35 | -13.49 |
| NSE - 30 | 1,149.44 | 975.65 | -15.12 |
| NSE ASeM | 734.99 | 734.99 | 0.00 |
| NSE Consumer Goods | 431.16 | 367.40 | -14.79 |
| NSE Banking | 327.43 | 241.80 | -26.15 |
| NSE Insurance | 117.93 | 111.25 | -5.66 |
| NSE Oil and Gas | 235.88 | 215.81 | -8.51 |
| NSE Pension | 974.73 | 852.80 | -12.54 |

**Bonds and Treasury Bills**

The secondary FGN (Federal Government of Nigeria) Bond market closed bearish as average yield rose by 140bps WoW to close at 11.65% from 10.25 the previous week. The most bearish sentiments were seen in the March-2027 (+345bps), Jan-2026 (+242bps) and Jan-2022 (+238bps)

The DMO (Debt Management Office) on behalf of the FGN sold just the N86.3 billion it offered across the three maturities at the Nigerian Treasury Bills (NTB) auction last week. This offer was the lowest since January and the stop rates were also significantly lower across all tenors. The stop rates for the 91, 182 and 364-Day cleared at 2.49% (-51bps), 3.78% (-22bps) and 5.30% (40bps). In the secondary market, the average yield declined by 13bps to close the week at 3.87% after the yield remained unchanged at 4.00% throughout the week.

Conversely, OMO (Open Market Operation) bills closed on a bearish note as average yield went up by 370bps to close at 16.75% compared to 13.05% it closed at the previous week.

**Oil Prices**

Oil continues to be hit on both the demand and supply side. The Coronavirus outbreak has led to softer demand for crude while a breakdown in Organization of Petroleum Exporting Countries (OPEC) talks means there could soon be a supply glut as Saudi Arabia gets set to ramp up production to a record 13 million barrels per day.

However, global oil prices rose by over 5% for some hours on Friday, 13 March 2020, after President Donald Trump announced that the US Department of Energy would purchase crude for the nation’s Strategic Petroleum Reserve (SPR).

 **Top Three Losers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Open** | **Close** | **Gain****(N)** | **%****Change** |
| Cadbury Nigeria Plc | 8.10 | 4.95 | -3.15 | **↓** -38.89 |
| Zenith Bank Plc | 18.80 | 11.90 | -6.90 | **↓** -36.70 |
| Access Bank Plc | 8.50 | 5.40 | -3.10 | **↓** -36.47 |

 **Top Gainers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Open** | **Close** | **Gain (₦)** | **% Change** |
| Consolidated Hallmark Insurance Plc | 0.28 | 0.30 | 0.02 | **↑ 7.14** |
| Cornerstone Insurance Plc | 0.50 | 0.53 | 0.03 | **↑ 6.00** |

**FGN Bonds** **Nigerian** **Treasury Bills**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Yield (%)** | **Yield (%)** |  |
| **Description** | **06-03-2020** | **13-03-2020** | **Change** |
| 14.50 15-Jul-2021 | 6.08 | 7.35 | +1.27 |
| 12.75 27-Apr-2023 | 8.73 | 9.42 | +0.69 |
| 12.50 22-Jan-2026 | 10.38 | 12.80 | +2.42 |
| 16.28 17-Mar-2027 | 10.60 | 14.05 | +3.45 |
| 13.98 23-Feb-2028 | 11.25 | 12.75 | +1.50 |
| 15.00 28-Nov-2028 | 10.94 | 12.94 | +2.00 |
| 8.50 20-Nov-2029 | 10.79 | 12.02 | +1.23 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Yield (%)** | **Yield (%)** |  |
| **DTM** | **Maturity Date** | **06-03-2020** | **13-03-2020** | **Change** |
| 20 | 02-Apr-2020 | 3.97 | 3.97 | 0.00 |
| 34 | 16-Apr-2020 | 3.96 | 3.95 | -0.01 |
| 111 | 2-Jul-2020 | 3.03 | 4.20 | +1.17 |
| 202 | 01-Oct-2020 | 3.93 | 3.61 | -0.32 |
| 216 | 15-Oct-2020 | 3.91 | 3.46 | -0.45 |

**Commodities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Instrument** | **06-03-2020** | **13-03-2020** | **Change** |
| Brent Oil | $45.27 | $34.97 | -10.30 |
| WTI Oil | $41.28 | $32.93 | -8.35 |

**FX Market**

|  |  |  |
| --- | --- | --- |
|  | **Previous (N/$)** | **Current (N/$)** |
| CBN Spot | 307.00 | 306.95 |
| I&E FX Window | 366.25 | 368.47 |
| CBN SMIS Window | 358.51 | 358.51 |

**CORPORATE ROUNDUP**

* Mutual Benefits Assurance Plc, Beta Glass Plc, BUA Cement Plc, E Tranzact and Courteville Business Solutions Plc to hold Board Meeting on 20th March 2020, 24th March 2020, 25th March 2020, 26th March 2020 and 31st March 2020 respectively.
* PZ Cussons Nigeria Plc is set to appoint Mr. Panagiotis Katsis as the new Chief Executive Officer (CEO) after the retirement of Mr. Christos Giannopoulous effective on 30th June 2020.

**GLOBAL ECONOMY UPDATE**

* The US Stock market crashes with the Dow Jones closing at 21,200.62 after dropping almost 2,353 points while Standard and Poor’s 500-stock index fell by 20%.

**OUTLOOK**

We expect speculations as market players look forward to inflation report of February scheduled to come out this week

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