

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	2.15	2.67	12.26	10.94
GDP Growth Rate (%)	1.7	2.97	2.55	0.9
Per Capita Income (\$)	9,998	4,193	2,222	8,957
MPR (%)	5.5	4.50	13.50	9.75
Exchange Rate (Per \$)	Mex\$23.96	Rp15,009	₦360	₺7.10
Foreign Reserves (bn)	\$184.17	\$127.90	\$35.03	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 5,959 as the Nigeria Center for Disease Control (NCDC) reports 338 new cases in Nigeria. Global confirmed cases also surged to 4.3 million.
- The National Bureau of Statistics (NBS) released data for Value Added Tax (VAT) Q1 2020; indicating that Nigeria generated ₦33.8 billion in Q1 2020. NBS is set to release the Internally Generated Revenue (IGR) report for 2019 on Monday 18 May 2020
- The Federal Government of Nigeria (FGN) grants new Micro, Small and Medium Enterprises (MSMEs) 80% discount on the National Agency for Food and Drugs Administration (NAFDAC) registration over the next six months.
- The Naira drops to ₦454 against the dollar at the parallel market as foreign investors, importers struggle for dollars.
- The National Association of Securities Dealers (NASD) OTC market capitalization decreased by 0.92% Week on Week (WoW) to close at ₦509.75 billion.
- The Asset Management Corporation of Nigeria's (AMCON) recoveries from debtors rose by 10% to ₦1.1 trillion in Q1 2020.
- The Securities and Exchange Commission (SEC) re-opened its Abuja head office to the public from 10 a.m. to 1p.m on Mondays, Wednesdays, and Fridays, issued its new operational guideline for protection of staff and stakeholders and advised all capital market operators to adhere to all safety guidelines issued by the NCDC

Equity Market

Market Performance

	08-May-20	15-May-20	% WTD	% YTD
NSE ASI	24,045.40	23,871.33	-0.72	-11.07
NSE - 30	1,035.45	1,027.78	-0.74	-12.74
NSE ASeM	759.72	762.45	+0.36	+3.74
NSE Consumer Goods	402.49	411.55	+2.25	-30.58
NSE Banking	282.41	282.33	-0.03	-20.88
NSE Insurance	125.24	124.54	-0.56	-1.02
NSE Oil and Gas	215.04	218.40	+1.56	-16.81
NSE Pension	900.33	906.95	+0.74	-13.96

Bonds and Treasury Bills

Trading in the FGN Secondary bond market continued to close bearish as average yield declined by 33bps to close at 10.55% from 10.22% it previously closed at. Most bearish sentiments were seen in March-24 (+121bps), April-23 (+88bps) and March-25 (+77bps). The Debt Management Office (DMO) released a Revised 2nd Quarter 2020 FGN Bond Issuance Calendar on the 13th May 2020. The DMO will raise an additional ₦120 billion in line with the revised borrowing plan with the amount offered for this month's auction unchanged at ₦60 billion.

Trading in the secondary Treasury bills recovered from its bearish trend as it closed bullish after average yield expanded by 140bps to close the week at 6.5% from 7.90% it previously recorded.

In the Nigerian Treasury Bill Segment (NTB), average yield declined by 38bps to close the week at 2.28% from 2.66%. At this week's NTB auction, the DMO allotted ₦142.76 billion worth of bills; 91 Day ₦19.78 billion, 182-Day ₦40.09 billion and 364-Day ₦82.89 billion. At respective stop rate of 2.50% (formerly 1.85%), 2.85% (formerly 2.50%) and 3.84% remained unchanged. There was an overall subscription level of 489%.

In the Open Market Operations (OMO) segment, average yield went up by 171bps to close the week at 8.37% from 10.08% previously recorded.

Primary Market Auction Result

NTB - 14 MAY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	2.50	4.38	22.33	19.78
182-Days	2.85	12.92	41.19	40.09
364-Days	3.84	16.54	102.03	82.89

FGN BOND – 22 APRIL 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Apr-23	9.00	20.00	49.70	30.07
Mar-35	12.00	20.00	107.47	72.25
Mar-50	12.50	20.00	118.50	53.74

OMO RESULT – 30 APRIL 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
89-Day	Nil	Nil	Nil	Nil
180-Day	Nil	Nil	Nil	Nil
334-Day	12.64	30.00	198.00	100.00

Oil Price

Crude oil prices have gone up in the last two weeks as most countries began to relax lockdowns and restrictions that were set in place to curb the spread of the coronavirus.

The International Energy Agency (IEA) expects crude stockpiles to reduce by about 5.5 million barrels per day in Q2 2020. According to oil price, Bonny light closed at \$29.84 per barrel, Brent crude closed at \$32.50 while American headline crude, WTI, closed at \$29.65 on Friday.

With production cuts from Organization of Petroleum Exporting Countries (OPEC+) and top producing countries like Canada, the United States amongst others, the market seems to be gaining its balance.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
NPF Microfinance Bank Plc.	1.18	1.78	0.60	↑50.85
Unilever Nigeria Plc.	10.50	12.70	2.20	↑20.95
May & Baker Nigeria Plc.	2.58	3.12	0.54	↑20.93

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
UACN Property Development Company Plc.	0.92	0.80	-0.12	↓13.04
CAP Plc.	22.90	20.65	-2.25	↓9.83
Arbico Plc.	2.57	2.32	-0.25	↓9.73

FGN Bonds

Description	Yield (%) 08-05-2020	Yield (%) 15-05-2020	Change
14.50 15-Jul-2021	4.53	5.21	+0.68
12.75 27-Apr-2023	8.29	9.17	+0.88
12.50 22-Jan-2026	10.18	10.55	+0.37
16.28 17-Mar-2027	11.18	10.97	-0.21
13.98 23-Feb-2028	11.05	11.04	-0.01
15.00 28-Nov-2028	10.91	11.11	+0.20
8.50 20-Nov-2029	10.88	11.19	+0.31
12.50 27-Mar-2035	11.41	11.61	+0.20
12.98 27-Mar-2050	12.71	12.62	-0.09

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 08-05-2020	Yield (%) 15-05-2020	Change
48	02-Jul-2020	2.37	2.34	-0.03
139	01-Oct-2020	2.73	2.04	-0.69
153	15-Oct-2020	2.83	2.08	-0.75
181	12-Nov-2020	2.07	2.16	+0.09
272	11-Feb-2021	3.19	3.07	-0.12

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	361.00
I&E FX Window	387.25	386.00
CBN SMIS Window	380.69	380.69

Commodities

Instrument	08-05-2020	15-05-2020	Change
Brent Crude	\$30.97	\$32.50	+1.53
WTI Crude	\$24.74	\$29.65	+4.91
Nigeria Bonny Light	\$24.93	\$29.84	+4.91
Gold	\$1702.65	\$1743.55	+40.9

CORPORATE ROUNDUP

- Eleven quoted firms declared their financial results; AIICO Insurance declared 23% growth in earnings to emerge as the firm with highest growth in earnings while the Initiates Plc declared ₦550.22 million, a 21% drop from ₦700.80 million it recorded in 2018 to emerge as the firm with the least growth.
- The Nigerian Stock Exchange commemorates FBNQuest Merchant Bank's ₦5Billion 3-year 10.50% Bond listing with digital gong ceremony.

GLOBAL ECONOMY UPDATE

European markets closed slightly higher on Friday, as investors monitored news about efforts to reopen economies and digested harrowing economic data. The pan-European Stoxx 600 pared earlier gains to provisionally close up 0.5%.

OUTLOOK

We expect focus to be shifted to the FGN Bond PMA on the 20th of May 2020 where the DMO will offer ₦20 billion across 12.75% FGN April 2023 (re-opening), ₦20 billion across 12.50% FGN March 2035 (re-opening) and ₦20 billion on 12.98% FGN March 2050 (re-opening).

We at Kairos Capital cannot overemphasize the benefits of observing laid down safety precautions this period. Don't forget to #WashYourHands #WearNoseMasks #MaintainSocialDistancing #ObeyTheGuidelines #StayatHome #StaySafe

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