

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	2.15	2.67	12.34	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	\$35.77	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 7,839 as the Nigeria Center for Disease Control (NCDC) reports 313 new cases in Nigeria. Global confirmed cases also surged to 5.5 million.
- World Bank to review Nigeria's fresh loan request of \$1.5 billion in late July 2020 as Nigeria's total indebtedness to the World Bank Group according to the Debt Management Office's official figures stood around \$10.102 billion.
- Headline Inflation increased to 12.34% in April 2020 from 12.26% in March 2020, the highest since April 2018; composite food index rose by 15.03% in April 2020 compared to 14.98% in March 2020.
- The Nigerian Naira appreciates to ₦385.94 at the Investors & Exporter (I&E) Window as the Central Bank of Nigeria (CBN) Governor promises more liquidity.
- According to the 2019 Internally Generated Revenue (IGR) Q4 report released by the National Bureau of Statistics (NBS), 36 Nigerian States and the Federal Capital Territory's IGR was ₦1.33 trillion in 2019 compared to ₦1.17 trillion generated in 2018
- After two years of absence, Private Oil Marketing Companies (OMCs) are to resume importation of petrol alongside the Nigerian National Petroleum Corporation (NNPC)
- The Federal Government of Nigeria (FGN) ₦150 Billion 7-year Sukuk opened for subscription on May 21, 2020 with FBNQuest Merchant Bank Limited and Lotus Financial Services Limited as the FGN's Financial Advisers.

### Equity Market

#### Market Performance

	15-May-20	22-May-20	% WTD	% YTD
NSE ASI	23,871.33	25,204.75	+5.59	-6.10
NSE - 30	1,027.78	1,094.07	+6.45	-7.11
NSE ASeM	762.45	762.45	0.00	+3.74
NSE Consumer Goods	411.55	415.23	+0.89	-29.96
NSE Banking	282.33	302.77	+7.24	-15.15
NSE Insurance	124.54	127.06	+2.02	+0.99
NSE Oil and Gas	218.40	229.09	+4.89	-12.74
NSE Pension	906.95	989.59	+9.11	-6.12

### Bonds and Treasury Bills

Trading in the FGN Secondary bond market was bullish as average yield declined by 15bps to close the week at 10.40% from 10.55% it closed the previous week. At the Primary Market Auction (PMA) on the 20<sup>th</sup> of May 2020, The Debt Management Office (DMO) on behalf of the Federal Government (FG) offered instruments worth ₦60 billion and sold a total of ₦390.7 billion through openings – 12.75% FGN Apr 2023 (Bid to offer: 4.09x, Stop Rate: 9.02% previously 9%) 12.50% FGN MAR 2035 (Bid to offer: 7.7x, Stop Rate: 11.7 previously 12%), 12.98% FGN MAR 2050 (Bid to offer: 9.46x, Stop Rate: 12.60% previously 12.50%). Subscriptions received through competitive bid totaled ₦425.18 billion, indicating a subscription level of 708.63%.

Trading in the Treasury Bills market was bullish as average yield declined by 170bps to close the week at 4.9% from 6.6% last week. In the Nigerian Treasury Bill (NTB) segment, average yield declined by 11bps to close the week at 2.12% from 2.28% it previously recorded. In the Open Market Operation (OMO) segment, average yield contracted by 243bps to close the week at 6.02% from 8.45% recorded the previous week.

### 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 – 20 MAY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Apr-23	9.02	20.00	81.89	87.37
Mar-35	11.70	20.00	154.10	143.23
Mar-50	12.60	20.00	189.19	160.10

#### 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

Oil prices are continuously rising despite the uncertainty surrounding Covid-19, with WTI nearing a two-month high on Friday morning.

The collapse in oil prices linked to the coronavirus crisis has seen Nigeria's revenue from crude oil dry up, leaving the economy more threatened than ever by its dependence on black gold. However, the crude oil market may have rebounded in recent days to more than \$30 a barrel, but the future remains bleak for the continent's largest producer, which relies on the commodity for some 90 percent of its foreign exchange earnings.

## Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Unilever Nigeria Plc.	12.70	17.00	4.30	↑33.86
Red Star Express Plc.	3.00	3.80	0.80	↑26.67
BUA Cement Plc.	31.60	39.00	7.40	↑23.42

## Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Arbico Plc.	2.32	2.09	-0.23	↓9.91
Afromedia Plc.	0.31	0.28	-0.03	↓9.68
Royal Exchange Plc.	0.22	0.20	-0.02	↓9.09

## FGN Bonds

Description	Yield (%)		Change
	15-05-2020	22-05-2020	
14.50 15-Jul-2021	5.21	5.15	-0.06
12.75 27-Apr-2023	9.17	9.09	-0.08
12.50 22-Jan-2026	10.55	10.28	-0.27
16.28 17-Mar-2027	10.97	10.66	-0.31
13.98 23-Feb-2028	11.04	10.94	-0.09
15.00 28-Nov-2028	11.11	11.06	-0.05
8.50 20-Nov-2029	11.19	11.15	-0.04
12.50 27-Mar-2035	11.61	11.47	-0.14
12.98 27-Mar-2050	12.62	12.58	-0.04

## Nigerian Treasury Bills

DTM	Maturity Date	Yield (%)		Change
		08-05-2020	15-05-2020	
41	02-Jul-2020	2.34	2.36	+0.02
132	01-Oct-2020	2.04	1.82	-0.22
146	15-Oct-2020	2.08	2.02	-0.06
174	12-Nov-2020	2.16	2.58	+0.42
265	11-Feb-2021	3.07	3.07	0.00

## FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	361.00
I&E FX Window	386.00	385.94
CBN SMIS Window	380.69	380.69

## Commodities

Instrument	15-05-2020	22-05-2020	Change
Brent Crude	\$32.50	\$35.13	+2.63
WTI Crude	\$29.65	\$33.25	+3.60
Nigeria Bonny Light	\$29.84	\$33.01	+3.17
Gold	\$1743.55	\$1,736.79	-6.76

## CORPORATE ROUNDUP

- Eight out of twelve quoted firms on the Nigerian Stock Exchange (NSE) declared growth in revenue; BUA Cement recorded 47.48% growth in earnings from ₦119.01 million to ₦175.52 million in 2019 to emerge as the firm with the highest growth in revenue while DN Meyer recorded 19.30% loss in earnings from ₦327,629 in Q1'19 to ₦264,405 in Q1'20 to emerge as the firm with the lowest growth rate amongst the twelve companies
- FSDH becomes the first merchant bank enlisted in the Lagos State Electronic Banking System of Revenue Collection and Monitoring (EBS-RCM).

## GLOBAL ECONOMY UPDATE

The Dow moved lower last Friday as investors wrapped up a volatile week of trading. Equities were under pressure amid rising tensions between China and the U.S., but the S&P 500 and Nasdaq closed positive as it increased by 0.24% and 0.43% respectively.

## OUTLOOK

We expect investors to be careful when trading as focus will be shifted to the Monetary Policy Committee (MPC) meeting rescheduled to hold on the 28<sup>th</sup> May 2020. In the NTB segment, we expect the focus to be shifted to next week's PMA to hold on 28<sup>th</sup> May 2020.

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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