

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	2.84	2.19	12.40	11.39
GDP Growth Rate (%)	-1.2 {Q1 20}	2.97 {Q1 20}	1.87 {Q1 20}	4.5 {Q1 20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	5.65	4.25	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.63	Rp14,242	₦360	₺6.85
Foreign Reserves (bn)	\$184.17	\$130.54	\$36.17	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 24,567 as the Nigeria Center for Disease Control (NCDC) reports 490 new cases in Nigeria. Global confirmed cases also surged to 10.25 million.
- In a bid to promote innovation in the Financial Technology (FinTech) space, the Central Bank of Nigeria (CBN) has created the Regulatory Sandbox; which would provide a safe space for banks and startups to test novel concepts and products, promoting the country's ambitions to become a FinTech hub and easing the licensing and application process for nascent enterprises. All applications are to be submitted on or before July 15, 2020.
- The CBN Governor, Godwin Emefiele, confirmed the exchange rate unification plans around the Investors' and Exporters' window rate.
- The CBN revealed that 17 Nigerian Banks have sought permission to restructure 32,000 loans for individuals and businesses unable to meet their repayment plans as a consequence of the COVID-19 pandemic while the banks. Total credits extended to the Nigerian economy increased by 19.46% from ₦15.57 trillion at the end of May 2019 to ₦18.61 trillion at the end of April 2020.
- President Muhammadu Buhari flags off the construction of the \$2.8 billion 614km Ajaokuta-Kaduna-Kano (AKK) natural gas pipeline, the biggest gas pipeline project in Nigeria's history.

Equity Market

Market Performance

	19-June-20	26-June-20	% WTD	% YTD
NSE ASI	24,826.75	24,829.02	+0.01	-7.50
NSE - 30	1,078.56	1,067.98	-0.98	-9.33
NSE ASeM	762.45	762.45	0.00	+3.74
NSE Consumer Goods	432.89	432.87	0.00	-26.98
NSE Banking	290.81	289.31	-0.52	-18.92
NSE Insurance	131.54	129.47	-1.57	+2.90
NSE Oil and Gas	208.65	198.55	-4.84	-24.37
NSE Pension	1,005.79	982.36	-2.33	-6.80

Bonds and Treasury Bills

Trading in the FGN bond secondary market was bullish as the average yield across instruments contracted by 56bps to close at 8.80% from 9.36% it closed at previously. Most bullish sentiments were seen across the April-23 (-12bps), March-24 (-151bps) and March-27 (-119bps).

Trading in the Treasury bills secondary market was sluggish compared to the bullish run the week before as unattractive yield in this space hampered the demand for instruments. The average yield across all instruments expanded by 17bps to close the week at 4.22% relative to 4.05% it closed the previous week.

In the Open Market Operations (OMO) segment, average yield expanded by 17bps to close the week at 5.02% from 4.85% it closed the previous week.

In the Nigerian Treasury Bills (NTB) segment, average yield also widened by 7bps to close the week at 2.24% from 2.17% it closed at the previous week. In the next NTB-PMA to hold on the 1st of July 2020, the Debt Management Office (DMO) will offer a total of ₦265.95 million worth of instruments; 91-days (₦49.84 million), 182-days (₦54.59 million) and 364-days (₦161.52 million).

Primary Market Auction Result

NTB – 17 JUNE 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.80	2.00	13.59	2.00
182-Days	2.04	2.00	15.23	2.00
364-Days	3.75	10.61	60.18	10.61

FGN BOND – 17 JUNE 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Apr-23	8.00	40.00	137.65	32.99
Mar-35	11.00	50.00	123.56	16.22
Mar-50	12.15	60.00	283.95	50.79

OMO RESULT – 18 JUNE 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
82-Day	4.95	10.00	20.04	10.00
159-Day	7.79	10.00	24.00	10.00
341-Day	8.99	60.00	123.54	60.00

Oil Price

Oil prices have fallen below \$40 as the U.S sees a record spike in Covid-19 cases and fears of demand weakness increase.

The two-month oil rally has stalled, with West Texas Intermediate (WTI) falling back to \$38 per barrel. The resurgence of Covid-19 across the U.S. has halted the market's positive momentum.

The largest oil company in the United States, Exxon Mobil is preparing to let go between 5% and 10% of its US-based employees subject to performance review. In Q1, Exxon swung to a \$640 million loss—its first loss in a decade after a \$2.9 billion market-related charge. It also cut 2020 capex by a staggering \$10 billion—a 30% cut.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Airtel Africa Plc	298.90	328.70	29.80	↑9.97
Associated Bus Company Plc	0.51	0.56	0.05	↑9.80
Nestle Nigeria Plc.	1,094.50	1,200.00	105.50	↑9.64

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
PZ Cussons Nigeria Plc	4.90	3.85	-1.05	↓21.43
Glaxo Smithkline Consumer Nig. Plc	7.10	5.85	-1.25	↓17.61
Prestige Assurance Plc	0.57	0.47	-0.10	↓17.54

FGN Bonds

Description	Yield (%) 19-06-2020	Yield (%) 26-06-2020	Change
14.50 15-Jul-2021	4.80	4.16	-0.64
12.75 27-Apr-2023	7.28	6.01	-1.27
12.50 22-Jan-2026	8.49	8.40	-0.09
16.28 17-Mar-2027	9.95	8.76	-1.19
13.98 23-Feb-2028	9.41	9.41	0.00
15.00 28-Nov-2028	9.54	9.27	-0.27
8.50 20-Nov-2029	10.24	10.01	-0.23
12.50 27-Mar-2035	10.79	10.23	-0.56
12.98 27-Mar-2050	12.08	11.36	-0.72

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 19-06-2020	Yield (%) 26-06-2020	Change
20	16-Jul-2020	2.14	2.13	-0.01
97	01-Oct-2020	2.01	2.01	0.00
111	15-Oct-2020	2.01	2.01	0.00
139	12-Nov-2020	2.02	2.02	0.00
230	11-Feb-2021	3.06	3.06	0.00

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	361.00
I&E FX Window	386.50	386.33
CBN SMIS Window	380.69	380.69

Commodities

Instrument	19-06-2020	26-06-2020	Change
Brent Crude	\$42.19	\$41.02	-1.17
WTI Crude	\$39.75	\$38.49	-1.26
Nigeria Bonny Light	\$41.80	\$40.37	-1.43
Gold	\$1743.95	\$1,771.05	+27.10

CORPORATE ROUNDUP

- Five out of the ten firms that declared their results last week declared growth in revenue. Arbrico Plc recorded 70.34% growth in earnings from ₦1.29 billion to ₦2.20 billion in its Q1'2020 Unaudited accounts to emerge as the firm with the highest growth in revenue for the week while Multiverse Mining and Exploration Plc recorded 48.33% loss in revenue from ₦1.61 million to ₦0.83 million in its Q1'2020 Financial Statements to emerge as the firm with the lowest growth rate amongst the five companies.
- AIICO Insurance Plc (AIICO) notified the Nigerian Stock Exchange (NSE) of the proposed acquisition of its subsidiary by FCMB Pensions Limited. The proposed sale is AIICO's stake of 70% and other shareholders stakes of 26% bringing the cumulative sale of 96% stake to be purchased by FCMB Pensions Limited.

GLOBAL ECONOMY UPDATE

European markets closed lower amid fears of a fresh spike in Covid-19 cases; Wirecard down 63%. The pan-European Stoxx 600 closed 0.4% lower, with most sectors and major bourses in negative territory after advancing as much as 1.1% earlier in the session.

OUTLOOK

We expect investors to focus on the NTB-PMA to hold this week.

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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