

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	3.33	1.96	12.56	12.62
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 (%)	5.20	4.00	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.38	Rp14,614	₦381	₺6.85
Foreign Reserves (bn)	\$188	\$131.78	\$36.00	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 40,532 as the Nigeria Center for Disease Control (NCDC) reported 555 new cases in Nigeria. Global confirmed cases now stand at 16.42 million.
- The Monetary Policy Committee (MPC) in its 274<sup>th</sup> meeting held on 20<sup>th</sup> July 2020 retained all monetary policy parameters MPR remained at 12.50%- the asymmetric corridor was maintained at +200bps/-500bps; CRR at 27.5% and Liquidity Ratio at 30.0%.
- The Central Bank of Nigeria (CBN) under its Maize Anchor Borrowers' Programme released various planting inputs to 7,060 farmers in Abia State for this year's planting season following its approval of loans to selected maize farmers.
- The Nigerian Senate passed the bill to repeal the Banks and Other Financial Institutions Act (BOFIA) CAP B3 Laws of the Federation of Nigeria 2004 to pave the way for re-enactment of Banks and Other Financial Institutions Act (BOFIA) CAP B3 Laws of the Federation of Nigeria 2004 (Amendment) Bill, 2020.
- The CBN introduces various intervention schemes to cater for Non-Interest Financial Institutions (NIFIs) in a bid to promote financial inclusion and access to finance.

### Equity Market

#### Market Performance

	17-July-20	24-July-20	% WTD	% YTD
Market Capitalization	12.670T	12.743T	+0.58	-8.99
NSE ASI	24,287.66	24,427.73	+0.58	-8.99
NSE - 30	1,032.74	1,040.14	+0.72	--11.69
NSE ASeM	741.05	741.05	0.00	+0.82
NSE Consumer Goods	405.78	404.25	-0.38	-31.81
NSE Banking	272.10	270.41	-0.62	-24.22
NSE Insurance	123.33	122.34	-0.80	-2.77
NSE Oil and Gas	191.12	182.20	-4.67	-30.60
NSE Pension	915.73	920.06	+0.47	-12.71

### Bonds and Treasury Bills

Trading in the FGN bonds secondary market was bullish, as investors re-invested maturities and coupon payments, and looked to cover lost bids at the PMA. Thus, the average yield contracted by 50bps from 7.79% it traded the previous week to 7.30%. At the Primary Market Auction (PMA), the DMO offered instruments worth ₦90 billion to investors through three re-openings – 12.50% Jan-26 (Bid-to-offer: 2.88x; Stop rate: 6%), 12.50% Mar-35 (Bid-to-offer: 1.72x, Stop rate: 9.50%), 12.98% Jul-45 (Bid-to-offer: 5.93x; Stop rate: 9.95%)- and ₦35 billion on a new issue - 9.80% Jul-45 (Bid-to-offer: 3.72x; Stop rate: 9.80%). Despite a total subscription of ₦470.13 billion, the DMO eventually allotted instruments worth ₦177.00 billion, resulting in a bid-cover ratio of 2.7x.

The Treasury bills market closed bullish as the average yield declined by 17bps to close at 1.75% compared to 1.92% the previous week.

The Open Market Operations (OMO) segment also closed bullish as average yield contracted by 96bps to close the week at 4.64% from 5.60% it closed at the previous week.

### Primary Market Auction Result

#### NTB – 15 JULY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.30	5.85	27.69	8.85
182-Days	1.80	26.60	63.06	26.60
364-Days	3.35	74.60	98.40	71.60

#### FGN BOND – 22 JULY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	6.00	25.00	71.97	25.00
Mar-35	9.50	35.00	60.32	42.00
Jul-45	9.80	35.00	130.27	75.00
Mar-50	9.95	35.00	207.57	36.52

#### OMO RESULT – 01 JULY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
89-Day	4.95	10.00	14.12	10.00
194-Day	7.79	10.00	15.29	10.00
341-Day	8.99	80.00	148.03	80.00

### Oil Price

Prices of major oil benchmarks rose to an average of \$42.92 last week from \$42.30 the previous week.

The world's biggest oil hedging program is underway as Mexico, a major oil producer, has requested quotes from leading global investment banks.

Mexico purchases as much as \$1 billion oil derivatives every year, the world's largest oil hedge program, to protect its oil revenues from market volatility.

### Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Fidson HealthCare Plc	2.65	3.13	0.48	↑18.11
Unity Bank Plc	0.45	0.52	0.07	↑15.56
Royal Exchange Plc	0.27	0.31	0.04	↑14.81

### Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Prestige Assurance Plc	0.54	0.46	-0.08	↓-14.81
International Brew. Plc.	3.80	3.40	-0.40	↓-10.53
Seplat Petroleum Development Company Plc	386.00	347.40	-38.60	↓-10.00

### FGN Bonds

Description	Yield (%) 17-07-2020	Yield (%) 24-07-2020	Change
14.50 15-Jul-2021	3.11	3.06	-0.05
12.75 27-Apr-2023	4.03	4.36	+0.33
12.50 22-Jan-2026	7.02	5.90	-1.12
16.28 17-Mar-2027	8.18	8.00	-0.18
13.98 23-Feb-2028	8.35	7.92	-0.43
15.00 28-Nov-2028	8.48	7.72	-0.76
8.50 20-Nov-2029	8.68	7.72	-0.96
12.50 27-Mar-2035	9.80	8.76	-1.04

### Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 17-07-2020	Yield (%) 24-07-2020	Change
34	27-Aug-2020	1.89	1.40	-0.49
69	01-Oct-2020	1.50	1.28	-0.22
83	15-Oct-2020	1.71	1.15	-0.56
111	12-Nov-2020	1.65	1.28	-0.37
202	11-Feb-2021	2.02	2.02	0.00

### FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	381.00	381.00
I&E FX Window	388.50	389.50
CBN SMIS Window	380.69	380.69
Parallel Market	462.00	465.00

### Commodities

Instrument	17-07-2020	24-07-2020	Change
Brent Crude	\$43.14	\$43.34	+0.20
WTI Crude	\$40.59	\$41.29	+0.70
Nigeria Bonny Light	\$43.17	\$44.12	+0.95
Gold	\$1,809.90	\$1,901.65	+91.75

### CORPORATE ROUNDUP

- Fourteen Companies released their results last week; Jaiz Bank Plc emerged as the firm with the highest growth in revenue for the week with a 29.33% growth in revenue from ₦4.82 billion to ₦6.23 billion in its Half Year Unaudited results for the period ended June 30, 2020. On the other hand, Unilever Nigeria Plc recorded the least growth with a 35.91% decline in revenue from ₦23.42 billion to ₦14.01 billion in its Half Year Unaudited result for the period ended 30 June 2020.
- The National Insurance Commission (NAICOM) confirmed receipt of applications for new insurance licenses from four companies willing to be part of Nigeria's Insurance ecosystem. They include Heirs Insurance Limited, Stanbic IBTC Insurance Limited, Heirs Life Assurance Limited and Enterprise Life Assurance Company Nigeria Limited

### GLOBAL ECONOMY UPDATE

Global markets were broadly negative, as investors sentiment weakened on the back of escalating tensions between the U.S. and China, weak economic data from the U.S. and falling Eurozone consumer confidence. US (DJIA: -0.1%; S&P: +0.3%) and European (STOXX Europe: -1.7%; FTSE 100: -2.9%) stocks looked set to record weekly losses.

### OUTLOOK

We expect investors' focus to shift to the primary market, as investors anticipate supply from new week's NTB-PMA where the CBN will be rolling over maturing bills worth ₦265.95 billion.

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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