

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	4.01	1.42	13.71	11.75
GDP Growth Rate (%)	-17.1 {Q2 20}	-5.32 {Q2 20}	-6.10 {Q2 20}	-9.91 {Q2 20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	4.24	4.00	11.50	10.25
Exchange Rate (Per \$)	Mex\$21.18	Rp14,766	₦379	₺7.93
Foreign Reserves (bn)	\$194	\$135.153	\$35.67	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 61,440 as the Nigeria Center for Disease Control (NCDC) reported 133 new cases in Nigeria. Global confirmed cases now stand at 40.28 million.
- According to the latest report from the Nigerian Bureau of Statistics (NBS), the Consumer Price Index (CPI) which measures inflation, increased by 13.71% (year-on-year) in September 2020; 0.49% higher than the rate recorded in August 2020 (13.22%). Bauchi state recorded the highest YoY all items inflation rate of 17.85% while Kwara witnessed the lowest rise in inflation (10.53%).
- The International Monetary and Financial Committee (IMFC) of the International Monetary Fund (IMF) has expressed its support for a debt service relief for another 6 months under the Catastrophe Containment and Relief Trust (CCRT) to curtail the effect of the COVID-19 pandemic on the less developed economies.
- The Federal Ministry of Youth and Sports launched the ₦75 billion Nigeria Youth Investment Fund (NYIF) at 5% interest rate funded by the Central Bank of Nigeria (CBN); the loan has a tenor of 5 years with moratorium of up to 12 months.
- The CBN is set to sanction exporters who ship out goods without the Nigerian Export Proceed (NXP) numbers. The Form NXP is a mandatory document to be completed by all exporters through authorized dealer banks for shipment of goods outside Nigeria. The CBN also invests ₦120 billion to revive the textile sector.
- Nigerian foreign reserves shed \$76.13 million in 13 days from \$35.75 billion on October 2, 2020 to \$35.67 billion on October 15, 2020.
- The Debt Management Office (DMO) released the October 2020 bond offer circular. is set to offer ₦30 billion across only two re-openings; 12.50% FGN MAR 2035 (15-Yr Re-opening) and 9.80% FGN JUL 2045 (25-Yr Re-opening).

Equity Market

Market Performance

	09-Oct-20	16-Oct-20	% WTD	% YTD
Market Capitalization	14.852T	14.980T	+0.86	+6.77
NSE ASI	28,415.31	28,659.45	+0.86	+6.77
NSE - 30	1,215.54	1,228.52	+1.07	+4.30
NSE ASeM	728.51	728.51	0.00	-0.88
NSE Consumer Goods	464.46	473.13	+1.87	-20.19
NSE Banking	340.01	349.83	+2.89	-1.96
NSE Insurance	139.12	138.17	-0.68	+9.82
NSE Oil and Gas	199.36	204.14	+2.40	-22.24
NSE Pension	1,130.73	1,155.12	+2.16	+9.59

Bonds and Treasury Bills Market Roundup

FGN Bonds Secondary Market: The week remained bullish as average yield contracted by 125bps from 6.25% it traded the previous week to 5.00%. The July 2034 bond witnessed the highest yield decrease of 220bps to close at 5.90% from 8.10% it closed previously.

Treasury Bills Market: The week closed bullish as the average yield contracted by 32bps from 1.44% to close the week at 1.12%. At the NTB PMA, the CBN rolled over ₦124.88 billion worth of instruments, with allotments of ₦12.76 billion of the 91-day, ₦4.50 billion of the 182-day and ₦107.62 billion of the 364-day - at respective stop rates of 1.08% (previously 1.08%), 1.00% (previously 1.49%), and 2.00% (previously 2.80%).

Open Market Operations: The week closed bullish as average yield contracted by 17bps to close the week at 1.22% from 1.39%.

Primary Market Auction Result

NTB - 14 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.00	8.85	33.04	12.76
182-Days	1.00	3.50	44.73	4.50
364-Days	2.00	112.54	540.23	107.62

FGN BOND - 23 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	6.00	25.00	83.83	66.97
Mar-35	8.52	40.00	71.40	25.43
Jul-45	8.90	40.00	41.06	6.81
Mar-50	8.94	40.00	163.93	4.60

OMO RESULT - 10 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
75-Day	4.86	10.00	12.00	10.00
180-Day	7.68	10.00	35.30	10.00
355-Day	8.94	50.00	216.75	50.00

Oil Price

Oil prices edged lower on Friday, dragged down by concerns that a spike in COVID-19 cases in the United States and Europe will continue to drag on demand in two of the world's biggest fuel-consuming regions.

Brent crude futures fell 23 cents to settle at \$42.93 a barrel from \$43.16 it closed on Thursday, 12th October, 2020. The U.S. West Texas Intermediate crude futures dropped 8 cents to settle at \$40.88 a barrel from \$40.56 it closed at on Thursday.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Eterna Plc	3.63	4.90	1.27	↑34.99
International Breweries Plc	4.72	5.33	0.61	↑12.92
Cadbury Nigeria Plc	7.15	8.05	0.90	↑12.59

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
E-Tranzact International Plc	2.35	1.73	-0.62	↓-26.38
Portland Paints and Products Nigeria Plc	2.23	2.00	-0.23	↓-10.31
Consolidated Hallmark Insurance Plc	0.37	0.34	-0.03	↓--8.11

FGN Bond

Description	Yield (%) 09-10-2020	Yield (%) 16-10-2020	Change
14.50 15-Jul-2021	1.82	1.55	-0.27
12.75 27-Apr-2023	3.10	2.98	-0.12
12.50 22-Jan-2026	4.65	4.17	-0.48
16.28 17-Mar-2027	5.64	4.76	-0.88
13.98 23-Feb-2028	5.76	5.02	-0.74
15.00 28-Nov-2028	6.54	5.03	-1.51
8.50 20-Nov-2029	7.08	5.13	-1.95
12.50 27-Mar-2035	8.12	6.08	-2.04

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 09-10-2020	Yield (%) 16-10-2020	Change
27	12-Nov-2020	1.03	0.70	-0.33
118	11-Feb-2021	1.16	0.64	-0.52
237	10-Jun-2021	1.52	1.36	-0.16
272	15-Jul-2021	1.74	1.58	-0.16
335	16-Sep-2021	2.14	1.99	-0.15

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	385.83	385.83
CBN SMIS Window	380.69	380.69
Parallel Market	465.00	462.00

Commodities

Instrument	09-10-2020	16-10-2020	Change
Brent Crude	\$42.85	\$42.93	+0.08
WTI Crude	\$40.60	\$40.88	+0.28
Nigeria Bonny Light	\$41.88	\$41.96	+0.08
Gold	\$1,930.43	\$1,899.40	-31.03

CORPORATE ROUNDUP

- Sunu Assurance Nigeria Plc proposes a share capital reconstruction. The share capital reconstruction will result in the cancellation of four (4) existing ordinary shares out of every five (5) ordinary shares of Sunu Assurances Nigeria Plc held by its existing shareholders. The total number of issued ordinary shares post the capital reconstruction exercise will be Two Billion, Eight Hundred Million (2,800,000,000) ordinary shares of ₦0.50 each while a total of Eleven Billion, Two Hundred Million (11,200,000,000) ordinary shares of ₦0.50 each will become cancelled and unissued.
- Anino International Plc was delisted from the Daily Official List of the Nigerian Stock Exchange on 12th October, 2020. The delisting was approved by the National Council of the Exchange owing to persistent non-compliance with the Exchange's post listing rules by the Company.
- Stripe, a global fintech giant, acquired Paystack a Nigerian Fintech Start-up, for \$200 million; the biggest fintech acquisition in Nigeria's history.

GLOBAL ECONOMY UPDATE

Global equities posted a mixed performance this week as investors remained wary of the rising number of infections particularly in the U.S and the U.K while keeping an eye on stimulus packages rolled out by fiscal authorities in reviving their economies. In the US, the DJIA (-0.3%) and S&P (+0.2%) were on track to end the week flat.

OUTLOOK

Next week, we expect investors' focus to shift to Wednesday's PMA, as the DMO is set to offer instruments worth ₦30.00 billion (70.0% lower than the previous auction) through re-openings of the 12.50% MAR 2035 and 9.80% JUL 2045 bond.

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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