

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	4.01	1.44	13.71	11.89
GDP Growth Rate (%)	-17.1 {Q2 20}	-3.49 {Q3 20}	-6.10 {Q2 20}	-9.91 {Q2 20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	4.26	4.00	11.50	10.25
Exchange Rate (Per \$)	Mex\$20.62	Rp14,321	₦379	₺8.48
Foreign Reserves (bn)	\$194	\$1353.663	\$35.65	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 64,090 as the Nigeria Center for Disease Control (NCDC) reported 300 new cases in Nigeria. Global confirmed cases now stand at 50.74 million.
- The Debt Management Office (DMO) via its circular of Thursday, November 5, 2020 plans to issue FGN bond between ₦160 to ₦200 billion in November and December 2020 via re-opening of the 12.50% FGN MAR 2035 and 9.80% FGN JUL 2045 bonds.
- According to the National Bureau of Statistics (NBS), sectoral distribution of Value Added Tax (VAT) for Q3 2020 reflected that the sum of ₦424.71bn was generated as VAT in Q3 2020 as against ₦327.20bn generated in Q2 2020 and ₦275.12bn generated in Q3 2019 representing 29.80% increase Quarter-on-Quarter and 54.37% increase Year-on-Year.
- The Central Bank of Nigeria (CBN) has disbursed a total of ₦3.5trillion through its intervention funds to cushion the effects of Covid-19 on the economy. While it is also set to contribute over ₦1.8trillion of the total sum of ₦2.8trillion needed for the federal Government's 1year Economic Sustainability Plan. Also, in its recently released 2019 Activity Report, the CBN sold 1.45billion Yuan since the inception of the currency swap deal with China from the end of 2019.
- In the latest Monthly Economic Report for August 2020 released by the CBN, Nigeria recorded \$1.4 billion trade deficit in August 2020 even as the value of external trade increased by 12 per cent to \$5.8 billion from \$5.1 billion in July. The value of non-oil export declined by 11% to \$32 million, owing to the closure of land borders by the government.
- The Chartered Institute of Taxation of Nigeria (CIIN), has charged the federal government to review existing treaties with advanced economies to strengthen synergy and economic diplomacy.

Equity Market

Market Performance

	23-Oct-20	06-Nov-20	% WTD	% YTD
Market Capitalization	15.958T	16.207T	+1.56	+15.55
NSE ASI	30,530.69	31,016.07	+1.59	+15.55
NSE - 30	1,319.45	1,342.41	+1.74	+13.97
NSE ASeM	728.51	728.51	0.00	-0.88
NSE Consumer Goods	546.09	549.19	+0.57	-7.36
NSE Banking	372.61	380.70	+2.17	+6.69
NSE Insurance	145.11	143.20	-1.32	+13.81
NSE Oil and Gas	215.33	213.67	-0.77	-18.61
NSE Pension	1,235.76	1,266.93	+2.52	+20.20

Bonds and Treasury Bills Market Roundup

FGN Bonds Secondary Market: The week remained bullish as average yield contracted by 15bps from 4.08% it traded the previous week to 3.93%. The March 2024 bond witnessed the highest yield decline of 173bps to close the week at 1.10% from 2.83% while the April 2049 bond witnessed the highest yield increase of 36bps to close the week at 7.12% from 6.76%.

Treasury Bills Market: The week closed bullish as the average yield contracted by 4bps from 0.54% to close the week at 0.50%.

Open Market Operations: The week closed bullish as average yield contracted by 28bps to close the week at 0.21% from 0.49% it closed at last week.

Primary Market Auction Result

NTB - 28 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	0.34	49.84	84.89	7.50
182-Days	0.50	10.62	41.64	6.00
364-Days	0.98	93.92	694.96	140.87

FGN BOND - 21 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	-	-	-	-
Mar-35	4.97	15.00	169.20	22.50
Jul-45	6.00	15.00	66.67	27.50
Mar-50	-	-	-	-

OMO RESULT - 22 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
138-Day	3.74	10.00	28.26	10.00
180-Day	6.80	10.00	46.76	10.00
362-Day	8.00	80.00	239.41	80.00

Oil Price

Oil prices dropped on Thursday, weighed down by the steady rise in coronavirus infections and as the outcome of the U.S. presidential election had still not been settled.

Brent Crude fell 38 cents, or 0.9%, to \$40.85 a barrel and U.S. West Texas Intermediate crude settled 36 cents, or 0.9%, lower at \$38.79.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Livestock Feeds Plc	0.81	1.06	0.25	↑30.86
Transnational Corporation of Nigeria Plc	0.71	0.85	0.14	↑19.72
Dangote Sugar Refinery Plc	13.80	16.50	2.70	↑19.57

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
International Breweries Plc	7.37	6.50	-0.87	↓-11.80
AxaMansard Insurance Plc	2.20	2.00	-0.20	↓-9.09
Linkage Assurance Plc	0.45	0.41	-0.04	↓-8.89

FGN Bond

Description	Yield (%)		Change
	30-10-2020	06-11-2020	
14.50 15-Jul-2021	0.89	0.69	-0.20
12.75 27-Apr-2023	2.63	2.68	+0.05
12.50 22-Jan-2026	3.25	3.17	-0.08
16.28 17-Mar-2027	3.68	3.65	-0.03
13.98 23-Feb-2028	3.44	3.69	+0.25
15.00 28-Nov-2028	3.73	3.95	+0.22
8.50 20-Nov-2029	4.02	4.19	+0.17
12.50 27-Mar-2035	6.08	5.11	-0.97

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%)		Change
		30-10-2020	06-11-2020	
69	14-Jan-2021	0.35	0.35	0.00
97	11-Feb-2021	1.00	1.00	0.00
216	10-Jun-2021	0.41	0.41	0.00
251	15-Jul-2021	0.33	0.33	0.00
314	16-Sep-2021	0.71	0.39	-0.32

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	386.00	386.00
CBN SMIS Window	380.69	380.69
Parallel Market	463.00	464.00

Commodities

Instrument	30-10-2020	06-11-2020	Change
Brent Crude	\$37.94	\$39.45	+1.51
WTI Crude	\$35.72	\$37.14	+1.42
Nigeria Bonny Light	\$37.31	\$39.36	+2.05
Gold	\$1,878.95	\$1,951.25	+72.30

CORPORATE ROUNDUP

- Transcorp Consortium notified the Nigerian Stock Exchange (NSE) of the acquisition of the 966MW installed capacity Afam Power Plc and Afam Three Fast Power Limited (jointly referred to as "Afam GenCo"), at an acquisition cost of ₦105.3 billion.
- Guaranty Trust Bank announced the Approval-In-Principle from CBN to commence the formal process of the reorganization as a Financial Holding Company by means of a Scheme of Arrangement between the bank and its shareholders
- The NSE delisted the entire 4,296,330,500 outstanding ordinary shares of Law Union and Rock Insurance Plc from its official daily listing as the Market was notified of the full suspension of the shares of Law Union to prevent trading in the shares of the Company beyond the Effective Date of the Scheme of Arrangement. Kanuri LUR Limited acquired all the entire issued shares of Law Union and Rock Insurance Plc.

GLOBAL ECONOMY UPDATE

In the US, the DJIA (-5.9%) and S&P (-4.5%) were on track for another weekly loss, as earnings-driven rebound on Thursday which waned on Friday failed to wipe off losses accumulated earlier in the week due to coronavirus fears and the uncertainty of the Presidential election.

OUTLOOK

Next week, we expect investors' focus to shift from Treasury bills due to the low yield environment with more attention given to FGN bonds as investors await fresh issuance of bills from the CBN this month.

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

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