

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	2.15	2.67	12.34	10.94
GDP Growth Rate (%)	1.7 {Q4 19}	2.97 {Q1 20}	1.87 {Q1 20}	0.97 {Q4 19}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	5.75	4.50	12.5	8.25
Exchange Rate (Per \$)	Mex\$22.18	Rp14,733	₦360	₺6.82
Foreign Reserves (bn)	\$184.17	\$127.90	\$36.50	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 10,162 as the Nigeria Center for Disease Control (NCDC) reports 307 new cases in Nigeria. Global confirmed cases also surged to 6.3 million.
- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) announced the reduction of the Monetary Policy Rate (MPR) to 12.50% from 13.50%, while retaining the Cash Reserve Ratio, Liquidity Ratio and Asymmetric corridor at 27.5%, 30% and +200 & -500 around the MPR respectively
- Nigeria seeks fresh \$5.513 billion external loan to finance the deficit in the revised 2020 budget and to also support critical projects from the State and Federal Government.
- World Bank approves \$346 million in International Development Association (IDA) grant for Nigeria, Cameroon, Chad and Niger to strengthen livelihoods in the Lake Chad region.
- The CBN in a circular released on 30th May 2020, extends timeframe for the submission of 2019 audited financial statements of Other Financial Institutions (OFIs)
- The Federation Account Allocation Committee (FAAC) disburses ₦581.57Billion to the three tiers of government in March 2020 from the total revenue generated in February. This is less than the ₦647.35 disbursed in February 2020 by 10.18%
- Total internet subscribers in Nigeria rises to 136.2 million in Q1'2020 from 116.3 million recorded in Q1'2019.

Equity Market

Market Performance

	22-May-20	29-May-20	% WTD	% YTD
NSE ASI	25,204.75	25,672.82	+0.25	-5.86
NSE - 30	1,094.07	1,096.28	+0.20	-6.92
NSE ASeM	762.45	762.45	0.00	+3.74
NSE Consumer Goods	415.23	424.96	+2.34	-28.32
NSE Banking	302.77	304.11	+0.44	-14.78
NSE Insurance	127.06	131.81	+3.74	+4.76
NSE Oil and Gas	229.09	228.30	-0.34	-13.04
NSE Pension	989.59	1,020.88	+3.16	-3.15

Bonds and Treasury Bills

Trading in the FGN Secondary bond market remained bullish as average declined by 29bps to 10.11% from 10.40% last week. Most of the bearish sentiments were seen in March-25 (-151bps), April23 (-71bps) and April-29 (-49bps).

The Treasury Bill secondary market closed bullish during the week as the average yield declined by 1bps to close the week at 4.85% from 4.86% it closed previously.

At the Nigerian Treasury Bill Primary Market Auction (NTB-PMA), the Debt Management Office (DMO), the CBN fully allotted ₦59.37 billion worth of bills - ₦20.37 billion of the 91-day, ₦19.16 billion of the 182-day and ₦19.84 billion of the 364-day - at respective stop rates of 2.45% (previously 2.50%), 2.72% (previously 2.85%), and 4.02% (previously 3.84%). Stop rate declined by 1bps from 3.07% to 3.06%.

In the Open Market Operation (OMO) segment, average yield increased by 3bps to 6.05% from 6.02% given that focus was on the OMO auction where the CBN fully allotted ₦114 billion across - ₦50 billion of the 82-day, ₦50 billion of the 189-day and ₦60 billion of the 348-day at respective stop rates of 7%, 8.75% and 9.90% respectively with stop rates dropping by an average of 334bps to single digits.

Primary Market Auction Result

NTB – 27 MAY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	2.45	20.37	37.46	20.37
182-Days	2.72	19.16	55.15	19.16
364-Days	4.02	19.84	37.95	19.84

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 – 28 MAY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
82-Day	7.00	50.00	67.20	4.00
180-Day	8.75	50.00	57.50	50.00
348-Day	9.90	60.00	230.32	60.00

Oil Price

The Organization of Petroleum Exporting Countries' (OPEC's) oil output hit the lowest in two decades in May 2020 as Saudi Arabia and other members started to deliver a record supply cut, a Reuters survey found.

On the average, OPEC pumped 24.77 million bpd in May 2020, down 5.91 million bpd from April's revised figure. So far in May, they delivered 4.48 million bpd of the pledged reduction, equal to 74% compliance, the survey found.

The biggest cut came from Saudi Arabia, who pumped a record of 11.7 million bpd in while Nigeria made 19% of its promised reduction. Saudi supply is expected to drop even further in June

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Neimeth International Pharmaceuticals Plc.	0.86	1.13	0.27	↑31.40
Skyway Aviation Handling Company Plc.	1.45	1.81	0.36	↑24.83
AXA Mansard Insurance Plc.	1.71	2.03	0.32	↑18.71

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Regency Assurance Plc.	0.23	0.20	-0.03	↓13.04
Arдова Plc.	16.00	14.40	-1.60	↓10.00
Learn Africa Plc.	1.25	1.13	-0.12	↓9.60

FGN Bonds

Description	Yield (%) 22-05-2020	Yield (%) 29-05-2020	Change
14.50 15-Jul-2021	5.15	5.01	-0.14
12.75 27-Apr-2023	9.09	8.38	-0.71
12.50 22-Jan-2026	10.28	10.00	-0.28
16.28 17-Mar-2027	10.66	10.30	-0.36
13.98 23-Feb-2028	10.94	10.94	0.00
15.00 28-Nov-2028	11.06	10.74	-0.32
8.50 20-Nov-2029	11.15	10.72	-0.43
12.50 27-Mar-2035	11.47	11.40	-0.07
12.98 27-Mar-2050	12.58	12.41	-0.17

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 22-05-2020	Yield (%) 29-05-2020	Change
34	02-Jul-2020	2.36	2.11	-0.25
125	01-Oct-2020	1.82	1.82	0.00
139	15-Oct-2020	2.02	2.02	0.00
167	12-Nov-2020	2.58	2.19	-0.39
258	11-Feb-2021	3.07	3.06	-0.01

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	361.00
I&E FX Window	385.94	386.33
CBN SMIS Window	380.69	380.69

Commodities

Instrument	22-05-2020	29-05-2020	Change
Brent Crude	\$35.13	\$37.84	+2.71
WTI Crude	\$33.25	\$35.32	+2.07
Nigeria Bonny Light	\$33.01	\$34.61	+1.60
Gold	\$1,736.35	\$1730.35	-6.00

CORPORATE ROUNDUP

- Nine out of the thirteen firms who declared their results last week declared growth in revenue. Sunu Assurance Plc recorded growth in earnings to emerge the firm with the highest growth in revenue while Eterna Plc recorded 70.99% loss in earnings from ₦60,472,739 from ₦17,545,002 in Q1'2020 to emerge as the firm with the lowest growth rate amongst the thirteen companies.
- United Bank for Africa (UBA) Plc makes early call on June 30, 2020 of its 7-year bonds issued in December 2014 and due to mature December 2021 with a coupon rate of 16.45%.

GLOBAL ECONOMY UPDATE

The Nasdaq gained 1.29% on Friday for its fourth positive day in five and its best day since May 20. For the month, the Nasdaq gained 6.75%, its second straight positive month. The S&P 500 moved higher in the final hour of trading.

OUTLOOK

We expect demand to remain strong at the start of the coming week as investors refocus on the primary auction in the upper week on the 17th of June when the expectation of better yields takes precedence.

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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