

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	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.18	Rp14,733	₦360	₺6.82
Foreign Reserves (bn)	\$184.17	\$127.90	\$36.56	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 12,486 as the Nigeria Center for Disease Control (NCDC) reports 260 new cases in Nigeria. Global confirmed cases also surged to 7.1 million.
- Nigeria's foreign reserve rose by 9.4% to hit \$36.56 billion on June 4, 2020 from \$33.42 billion recorded as at April 29, 2020.
- The Central Bank of Nigeria (CBN) debited ₦460 billion from 26 banks for defaults on the 27.5% Cash Reserve Ratio (CRR) sequel to ₦1.4 trillion deducted in April 2020. The CBN also revised the timeline for dispense errors and refund complaints defaults, directing all banks to resolve backlog of all ATM, POS and Web customer refunds within two weeks effective from June 8, 2020.
- The African Development Bank (AfDB) gave approval of \$288.5 million loan for Nigeria's Covid-19 response support programme
- The CBN, as part of its policy measures, introduces the Healthcare Sector Research and Development Intervention Scheme (HSRDIS); Grants Limit for research activities set at ₦50 million and grant limit for Development/Manufacturing set at ₦500 million. The apex bank also plans ₦822 billion treasury bills sale in Q3 2020.
- Senate queries the CBN over unremitted \$3.3 billion from the \$21.3 billion collected by the Federal Inland Revenue Service (FIRS) as foreign tax in 2015.
- Manufacturing Purchasers Managers Index (PMI) for the month of May stands at 42.4 index point compared to 51.1 index point in March 2020.

Equity Market

Market Performance

	29-May-20	05-June-20	% WTD	% YTD
NSE ASI	25,672.82	25,016.30	-1.00	-6.80
NSE - 30	1,096.28	1,086.24	-0.92	-7.78
NSE ASeM	762.45	762.45	0.00	+3.74
NSE Consumer Goods	424.96	426.07	+0.26	-28.13
NSE Banking	304.11	298.62	-1.81	-16.32
NSE Insurance	131.81	130.93	-0.67	+4.06
NSE Oil and Gas	228.30	225.22	-1.35	-14.21
NSE Pension	1,020.88	1,005.15	-1.54	-4.64

Bonds and Treasury Bills

Trading in the FGN Secondary bond market remained bullish as average yields declined by 9bps to 10.02% from 10.11% last week. Most of the bearish sentiments were seen in the February-28 (-61bps), January-26 (-bps) and April-24 (-46bps) bonds.

The Treasury Bill secondary market closed bullish during the week as the average yield declined by 26bps to close the week at 4.59% from 4.85% it closed previously.

In the Nigerian Treasury Bills (NTB) segment, average yield expanded by 127bps to 3.39% from 2.42% it closed at the previous week.

At the Primary Market Auction for Open Market Operations (OMO), the Debt Management Office (DMO) sold a total of ₦70 billion across the three tenors offered, despite healthy demand of ₦298.66 billion. Stop rates were also drastically by an average of 131bps to 7.24% from 8.55% at the last PMA.

In the Open Market Operation (OMO) secondary market segment, average yield declined by 97bps as it closed the week at 5.08% from 6.05% it closed at the previous week.

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 – 04 JUNE 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
82-Day	4.95	20.00	46.00	20.00
173-Day	7.79	20.00	51.70	20.00
341-Day	8.99	30.00	200.96	30.00

Oil Price

The Organization of the Petroleum Exporting Countries (OPEC) and its oil-producing allies agreed to extend the group's historic production cut for an additional month in an ongoing effort to balance the global oil market. The agreement was finalized during the group's video-conference meeting on June 6, 2020.

July's production cut will now be 9.6 million bpd after Mexico, which accounts for 100,000 bpd, said it remained committed to the group's prior agreement.

The cuts will be reviewed on a monthly basis, with the next meeting slated for June 18, 2020.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Neimeth International Pharmaceuticals Plc.	1.13	1.77	0.64	↑56.64
Skyway Aviation Handling Company Plc.	1.81	2.73	0.92	↑50.83
Japaul Oil & Maritime Services Plc	0.20	0.30	0.10	↑50.00

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Afromedia Plc.	0.26	0.20	-0.06	↓23.08
Julius Berger Nigeria Plc.	27.50	21.25	-6.25	↓22.73
UACN Plc.	9.00	7.75	-1.25	↓13.89

FGN Bonds

Description	Yield (%) 29-05-2020	Yield (%) 05-06-2020	Change
14.50 15-Jul-2021	5.01	5.26	+0.25
12.75 27-Apr-2023	8.38	8.47	+0.09
12.50 22-Jan-2026	10.00	9.45	-0.55
16.28 17-Mar-2027	10.30	10.11	-0.19
13.98 23-Feb-2028	10.94	10.34	-0.60
15.00 28-Nov-2028	10.74	10.52	-0.22
8.50 20-Nov-2029	10.72	10.80	+0.08
12.50 27-Mar-2035	11.40	11.30	-0.10
12.98 27-Mar-2050	12.41	12.27	-0.14

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 29-05-2020	Yield (%) 05-06-2020	Change
27	02-Jul-2020	2.11	3.02	+0.91
118	01-Oct-2020	1.82	3.79	+1.97
132	15-Oct-2020	2.02	3.43	+1.41
160	12-Nov-2020	2.19	2.69	+0.50
251	11-Feb-2021	3.06	3.06	0.00

FX Market

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

Commodities

Instrument	29-05-2020	05-06-2020	Change
Brent Crude	\$37.84	\$42.30	+4.46
WTI Crude	\$35.32	\$39.55	+4.23
Nigeria Bonny Light	\$34.61	\$41.17	+6.56
Gold	\$1730.35	\$1,683.65	-4.67

CORPORATE ROUNDUP

- One out of the four firms who declared their results last week declared growth in revenue. Prestige Assurance Plc recorded 7% growth in earnings from ₦1.99 trillion to ₦2.13 trillion in its Q1'2020 Unaudited accounts to emerge the firm with the highest growth in revenue for the week while Japaul Oil and Maritime Services Plc recorded 23% loss in earnings from ₦963 million to ₦725 million in its Full Year 2019 Consolidated Financial Statements to emerge as the firm with the lowest growth rate amongst the four companies.
- Augusto and Co. affirmed Coronation Merchant Bank's rating at A+ for its intending five-year bond with stable outlook as its Core Capital grew by 6.3% to ₦33.7 billion at FYE 2019, more than double the regulatory minimum for merchant banks operating in Nigeria.

GLOBAL ECONOMY UPDATE

The Dow, S&P 500 and Nasdaq Composite are all tracking for a third straight week of gains as a faster-than-expected economic recovery continues to fuel investor optimism.

OUTLOOK

We expect reduced demand for T-bills as system liquidity squeezes. At the NTB segment, we expect muted trading activity hence more sell side in the secondary market as participants seek better rates at next week's PMA scheduled to hold 11th of June 2020.

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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