

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	2.84	1.96	12.40	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 (%)	5.25	4.25	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.41	Rp14,566	₦360	₺6.85
Foreign Reserves (bn)	\$188	\$130.54	\$36.16	\$85.83

Headlines

- number of confirmed Covid-19 cases in Nigeria rose to 28,711 as the Nigeria Center for Disease Control (NCDC) reports 544 new cases in Nigeria. Global confirmed cases now stand at 11.5 million.
- To promote the spread and balance of regional banks across the country, the CBN requires regional banks to operate from three geographical zones contrary to the earlier minimum of two. The compliance timeframe for this would be six months from the issuance of the regulatory advice to regional banks in question.
- The CBN has adjusted the naira from ₦360/\$1 to ₦380/\$1 at the Secondary Market Intervention Sales (SMIS).
- The Federal Inland Revenue Service (FIRS) introduced stamp duty on house rent and Certificate of Occupancy (C of O) transactions.
- The Debt Management Office (DMO) announced that Nigeria's total public debt now stands at \$79.3 billion (₦28.63 trillion) for the end of 1st quarter 2020 in comparison to \$81.3 billion (₦24.94 trillion) recorded in the previous year representing a decline of 2.42%
- Nigeria's foreign reserves fell \$373.23 million from \$36.57 billion as at June 1 2020 to \$36.2 billion as at June 29.
- The CBN again debits 14 Nigerian banks ₦118 billion for failing to meet the 27.5% Cash Requirement Ratio (CRR)
- The Nigerian Customs Service announced that the revenue generated by the Apapa Command rose by 10.59% having generated ₦227.3 billion in the first half of 2020 in comparison to ₦203.2 billion recorded in the same period of 2019

Equity Market

Market Performance

	26-June-20	03-July-20	% WTD	% YTD
NSE ASI	24,829.02	24,336.12	-1.99	-9.34
NSE - 30	1,067.98	1,044.50	-2.20	-11.32
NSE ASeM	762.45	742.08	-2.67	+0.96
NSE Consumer Goods	432.87	430.83	-0.47	-27.33
NSE Banking	289.31	267.55	-7.52	-25.02
NSE Insurance	129.47	126.61	-2.21	+0.63
NSE Oil and Gas	198.55	196.21	-1.18	-25.26
NSE Pension	982.36	927.31	-5.60	-12.02

Bonds and Treasury Bills

Trading in the FGN bond secondary market was bullish as the average yield across instruments contracted by 69bps to close at 8.11% from 8.80% it closed at previously as investors

Trading in the Treasury Bills secondary market was sluggish sustaining the bullish run the week before as unattractive yield in this space hampered the demand for instruments. The average yield across all instruments contracted by 2bps to close the week at 4.20% relative to 4.22% it closed the previous week.

In the Open Market Operations (OMO) segment, average yield expanded by 14bps to close the week at 5.16% from 5.02% it closed the previous week.

In the Nigerian Treasury Bills (NTB) segment, average yield contracted by 15bps to close the week at 2.09% from 2.24% it closed at the previous week. In the recent NTB-PMA that held on the 1st of July 2020, the DMO rolled over ₦88.86 billion, dropping average spot rate by an average of 17bps from an average of 2.53% to 2.36% across the three tenors offered.

Primary Market Auction Result

NTB – 01 JULY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.79	10.00	24.98	10.00
182-Days	1.91	20.00	58.82	20.00
364-Days	3.39	58.86	246.88	58.86

FGN BOND – 17 JUNE 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Apr-23	8.00	40.00	137.65	32.99
Mar-35	11.00	50.00	123.56	16.22
Mar-50	12.15	60.00	283.95	50.79

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

Crude oil prices held above \$40 a barrel in early trade in New York last Friday as the market shrugged off report saying that Saudi Arabia had threatened its OPEC partners with another price war if they do not comply with the most recent agreement on output restraint.

In response to the threat by Saudi Arabia, Nigeria, Iraq, and Kuwait kept to their promise of adhering to production cut as they lowered their crude oil supply to the international market since May 2020. With Nigeria to cut supply by up 10 million barrels per day between May and June 2020, 8 million barrels per day between July and December 2020, and 6 million barrels per day from January 2021 to April 2022, respectively.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Okomu Oil Palm Plc	64.00	77.40	13.40	↑20.94
Royal Exchange Plc	0.23	0.26	0.03	↑13.04
Prestige Assurance Plc.	0.47	0.52	0.05	↑10.64

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Nigerian Aviation Handling Company Plc	2.64	2.00	-0.64	↓24.24
Learn Africa Plc	1.35	1.06	-0.29	↓21.48
Unilever Nigeria Plc	17.00	13.80	-3.20	↓18.82

FGN Bonds

Description	Yield (%)	Yield (%)	Change
	26-06-2020	03-07-2020	
14.50 15-Jul-2021	4.16	4.48	+0.32
12.75 27-Apr-2023	6.01	5.46	-0.55
12.50 22-Jan-2026	8.40	7.07	-1.33
16.28 17-Mar-2027	8.76	8.12	-0.64
13.98 23-Feb-2028	9.41	8.17	-1.24
15.00 28-Nov-2028	9.27	8.50	-0.77
8.50 20-Nov-2029	10.01	8.80	-1.21
12.50 27-Mar-2035	10.23	9.92	-0.31
12.98 27-Mar-2050	11.36	10.86	-0.50

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%)	Yield (%)	Change
		26-06-2020	03-07-2020	
13	16-Jul-2020	2.13	2.16	+0.03
90	01-Oct-2020	2.01	1.66	-0.35
104	15-Oct-2020	2.01	1.57	-0.44
132	12-Nov-2020	2.02	1.75	-0.27
223	11-Feb-2021	3.06	2.42	-0.64

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	361.00
I&E FX Window	386.33	386.00
CBN SMIS Window	380.69	380.69

Commodities

Instrument	26-06-2020	03-07-2020	Change
Brent Crude	\$41.02	\$42.80	+1.78
WTI Crude	\$38.49	\$40.32	+1.83
Nigeria Bonny Light	\$40.37	\$43.33	+2.96
Gold	\$1,771.05	\$1,744.91	-26.14

CORPORATE ROUNDUP

- Eight out of the fifteen firms that declared their results last week declared growth in revenue. SCOA Nigeria Plc recorded 64.58% growth in revenue from ₦2.45 billion to ₦4.03 billion in its Consolidated Financial Statement for the year ended 31st December 2019 to emerge as the firm with the highest growth in revenue for the week while CHAMS Plc recorded 58.24% loss in revenue from ₦1.26 billion to ₦0.53 billion in its Q1'2020 Financial Statements to emerge as the firm with the lowest revenue growth rate amongst the fifteen companies.
- The Securities and Exchange Commission (SEC) published exposure drafts of proposed new rules on Collective Investment Scheme (CIS) and sundry amendments.
- Opay to pause ORide, OCar and OExpress business units due to harsh business conditions in Nigeria.

GLOBAL ECONOMY UPDATE

Stocks moved higher on the final trading day of the holiday-shortened week, the Nasdaq Composite gained 4.62% this week, for its best week since May 8. The S&P gained 4.02% for the week in its best weekly performance since June 5. The Dow gained 3.25% this week in its best weekly performance since June 5.

OUTLOOK

We expect the Treasury bills secondary market to remain bullish due to the relatively attractive yields in the space.

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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