

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	₦381	₺6.85
Foreign Reserves (bn)	\$188	\$130.54	\$36.13	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 32,558 as the Nigeria Center for Disease Control (NCDC) reports 571 new cases in Nigeria. Global confirmed cases now stand at 13.04 million.
- President Muhammadu Buhari signed the 2020 national budget which was revised to ₦10.8trillion after ₦10.5trillion approved by the Federal Executive Council (FEC) in May 2020 with the oil benchmark reduced from \$57 to \$25 and crude production reduced from 2.18 million to 1.94 million barrels per day.
- The Debt Management Office (DMO) disclosed that Nigeria's total public debt rose by 14.7% to ₦28.63 trillion in Q1 2020 from ₦24.95 trillion in Q1 2019; while total debt of states rose by 3.36% to ₦4.1 trillion in Q1 2020 from ₦3.97 trillion in Q1 2019.
- The Minister of Finance, Zainab Ahmed revealed that due to the crash in global oil prices and the Covid-19 pandemic, Nigeria's total earnings from January to May 2020 was ₦1.48 trillion which was 56% of its main target. It was also revealed that Nigeria's Excess Crude Account (ECA) fell to \$72 million; a fall of about 98% within the last 5 years.
- The Central Bank of Nigeria (CBN) revealed that energy firms in the country owe Nigerian banks a total of ₦5.59trillion representing 30% of the ₦18.63 trillion loans advanced to the private sector by the banks as at May 2020.

### Equity Market

#### Market Performance

	03-July-20	10-July-20	% WTD	% YTD
NSE ASI	24,336.12	24,306.36	-0.12	-9.45
NSE - 30	1,044.50	1,042.02	-0.24	-11.53
NSE ASeM	742.08	741.05	-0.14	+0.82
NSE Consumer Goods	430.83	413.75	-3.96	-30.21
NSE Banking	267.55	283.19	+5.85	-20.64
NSE Insurance	126.61	125.69	-0.73	-0.10
NSE Oil and Gas	196.21	194.89	-0.67	-25.77
NSE Pension	927.31	937.78	+1.13	-11.03

### Bonds and Treasury Bills

Trading in the FGN bond secondary market was bullish as the average yield across instruments contracted by 16bps to close at 7.95% from 8.11% it closed at previously as investors focused more on the buy side. Most bullish sentiments were seen in April-23 (-136bps), July-21 (-11bps) and March-24 (-84bps).

Trading in the Treasury Bills secondary market closed bearish after the previous week's bullish run. The average yield across all instruments expanded by 38bps to close the week at 4.58% relative to 4.20% it closed the previous week.

In the Open Market Operations (OMO) segment, it closed bearish as average yield expanded by 65bps to close the week at 5.67% from 5.02% it closed the previous week.

In the Nigerian Treasury Bills (NTB) segment, average yield also expanded by 2bps to close the week at 2.11% from 2.09% it closed at the previous week as market participants steered clear of the low yields in the space.

### 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

The Organization of Petroleum Exporting Countries (OPEC) crude oil production dropped to 13.7 million barrels per day in June, its lowest in nearly 30 years. The over-performance by Saudi Arabia whose production was cut by 1 million barrels per day (more than mandated) had its effect in this reduction of the OPEC's crude oil production

A report from the International Energy Agency (IEA) showed a 108% compliance rate against 89% a month earlier. Crude oil production by OPEC+ members for June 2020 reduced by almost 2 million barrels when compared to the month of May 2020 with 33.4 million barrels per day.

## Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Red Star Express Plc	2.97	3.52	0.55	↑18.52
PZ Cussons Nigeria Plc	3.90	4.50	0.60	↑15.38
Sterling Bank Plc	1.15	1.30	0.15	↑13.04

## Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Custodian Investment Plc	5.50	4.90	-0.60	↓-10.91
Conoil Plc	21.00	18.90	-2.10	↓-10.00
Beta Glass Plc	68.35	61.55	-6.80	↓-9.95

## FGN Bonds

Description	Yield (%) 03-07-2020	Yield (%) 10-07-2020	Change
14.50 15-Jul-2021	4.48	3.37	-1.11
12.75 27-Apr-2023	5.46	4.11	-1.36
12.50 22-Jan-2026	7.07	7.05	-0.02
16.28 17-Mar-2027	8.12	8.12	0.00
13.98 23-Feb-2028	8.17	8.37	+0.20
15.00 28-Nov-2028	8.50	8.59	+0.09
8.50 20-Nov-2029	8.80	8.86	+0.06
12.50 27-Mar-2035	9.92	10.11	+0.19
12.98 27-Mar-2050	10.86	10.96	+0.10

## FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	361.00	381.00
I&E FX Window	386.00	387.00
CBN SMIS Window	380.69	380.69

## Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 03-07-2020	Yield (%) 10-07-2020	Change
48	27-Aug-2020	1.89	1.89	0.00
83	01-Oct-2020	1.66	1.71	+0.05
97	15-Oct-2020	1.57	1.46	-0.11
125	12-Nov-2020	1.75	1.35	-0.40
216	11-Feb-2021	2.42	3.05	+0.63

## Commodities

Instrument	03-07-2020	10-07-2020	Change
Brent Crude	\$42.80	\$40.55	-2.25
WTI Crude	\$40.32	\$43.24	+2.92
Nigeria Bonny Light	\$43.33	\$43.28	-0.05
Gold	\$1,744.91	\$1,799.30	+54.39

## CORPORATE ROUNDUP

- Four Companies released their results to the market last week. Of these, Omatek Ventures Plc emerged as the firm with the highest growth in revenue for the week with a 69.23% growth in revenue from ₦0.26 million to ₦0.44 million in its Q1 2020 Unaudited Consolidated Financial Statement. On the other hand, Livestock Feeds Plc recorded the least growth with a 2.77% growth in revenue from ₦2.40 billion to ₦2.47 billion in its Q1'2020 Financial Statements.
- The Nigerian Stock Exchange (NSE) by a recent circular, notified the market of 13 listed companies that failed to comply with The Exchange's directive to issue a Press Release (required when companies fail to file their financials) as set forth in the Deficiency Filing Notice (DFN) issued to them

## GLOBAL ECONOMY UPDATE

Global equities were mixed as record-breaking new coronavirus cases in several U.S. states, and fresh outbreaks elsewhere in the world stoked concern about economic recovery. US (DJIA: -0.5%; S&P: +0.7%) and European (STOXX Europe: -0.6%; FTSE 100: -2.1%) stocks looked set to record weekly losses.

## OUTLOOK

At the NTB segment, we expect most of the activity at the primary market, as the CBN will roll over instruments worth ₦107.05 via Primary Market Auction (PMA).

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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