

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	3.33	1.96	12.56	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 (%)	5.22	4	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.49	Rp14,780	₦381	₺6.85
Foreign Reserves (bn)	\$188	\$131.78	\$36.10	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 36,663 as the Nigeria Center for Disease Control (NCDC) reported 556 new cases in Nigeria. Global confirmed cases now stand at 14.62 million.
- Nigeria's inflation rate accelerated, for the 10<sup>th</sup> straight month, with the highest-level increase seen in over two years as headline inflation for June 2020 rose to 12.56% from 12.40% in May, food inflation rose to 15.18% Year on Year (YoY) and core inflation increased to 10.13% YoY.
- The 274<sup>th</sup> Meeting of the Monetary Policy Committee (MPC) is scheduled to hold today, July 20, 2020 at the MPC Meeting Room, CBN Corporate Headquarters, Abuja.
- The Debt Management Office (DMO) released the 3<sup>rd</sup> Quarter 2020 FGN Bond Issuance calendar. For July 2020 auction, N150.00 billion will be offered across four tenors, re-openings of the 12.50% JAN-2026, 12.50% MAR-2035, and 12.98% MAR-2050, and a new issuance of JUL-2045. The auction holds on Wednesday, 22 July, 2020.
- The Central Bank of Nigeria (CBN) has earmarked 60% of the N220 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) for women entrepreneurs. Additionally, 2% of the fund will be assessed by economically active persons living with disabilities, while 10% go to start-up businesses

### Equity Market

#### Market Performance

	10-July-20	17-July-20	% WTD	% YTD
NSE ASI	24,306.36	24,287.66	-0.08	-9.52
Market Capitalization	12.680T	12.670T	-0.08	-9.52
NSE - 30	1,042.02	1,032.74	-0.89	-12.32
NSE ASeM	741.05	741.05	0.00	+0.82
NSE Consumer Goods	413.75	405.78	-1.93	-31.55
NSE Banking	283.19	272.10	-3.92	-23.75
NSE Insurance	125.69	123.33	-1.88	-1.98
NSE Oil and Gas	194.89	191.12	-1.93	-27.20
NSE Pension	937.78	915.73	-2.35	-13.12

### 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 7.79% from 7.95% which it previously closed at as investors focused more on the buy side. Most bullish sentiments were seen in March-24 (-53bps), July-34 (-40bps) and March-50 (-37bps). The highest yield increase was seen in the Jan-22 bond which closed at 4.08% from 3.33%.

The Treasury bills market closed bullish the previous week as market participants looked into investing lost bids from the NTB-PMA. The average yield declined by 19bps to close at 1.92% compared to 2.11% the previous week. The CBN rolled over ₦107.05 billion and allotted ₦107.05 billion worth of bills across ₦8.85 billion for 91-day, ₦26.60 billion for 182-day and ₦71.60 billion for 364-day – at respective stop rates of 1.30% (previously 1.80%), 1.80% (previously 1.91%) and 3.35% (previously 3.39%). There was an oversubscription of 176.69%.

In the Open Market Operations (OMO) segment, it closed bullish as average yield contracted by 7bps to close the week at 5.60% from 5.67% it closed the previous week.

### Primary Market Auction Result

#### NTB – 15 JULY 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.30	5.85	27.69	8.85
182-Days	1.80	26.60	63.06	26.60
364-Days	3.35	74.60	98.40	71.60

#### 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) OPEC+ agreed last Wednesday to scale back oil production cuts from August 2020, reducing cuts by 2 million barrels per day to 7.7million bpd through December 2020.

Cuts are expected to taper further to 5.8million bpd between January 2021 and April 2022. Tapering will be implemented slowly as countries that produced more than their commitments in the previous period; Nigeria and Iraq, have agreed to produce less oil in August and December to compensate for their non-compliance.

### Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Cutix Plc	1.65	1.82	0.17	↑10.30
NPF Microfinance Bank Plc	1.20	1.32	0.12	↑10.00
Sunu Assurances Nigeria Plc	0.20	0.22	0.02	↑10.00

### Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Linkage Assurance	0.47	0.40	-0.07	↓-14.89
Nigerian Brew. Plc.	34.05	30.00	-4.05	↓-11.89
Wapic Insurance Plc	0.35	0.31	-0.04	↓-11.43

### FGN Bonds

Description	Yield (%) 10-07-2020	Yield (%) 17-07-2020	Change
14.50 15-Jul-2021	3.37	3.11	-0.26
12.75 27-Apr-2023	4.11	4.03	-0.08
12.50 22-Jan-2026	7.05	7.02	-0.03
16.28 17-Mar-2027	8.12	8.18	+0.06
13.98 23-Feb-2028	8.37	8.35	-0.02
15.00 28-Nov-2028	8.59	8.48	-0.11
8.50 20-Nov-2029	8.86	8.68	-0.18
12.50 27-Mar-2035	10.11	9.80	-0.31

### Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 10-07-2020	Yield (%) 17-07-2020	Change
41	27-Aug-2020	1.89	1.89	0.00
76	01-Oct-2020	1.71	1.50	-0.21
90	15-Oct-2020	1.46	1.71	+0.26
118	12-Nov-2020	1.35	1.65	+0.30
209	11-Feb-2021	3.05	2.02	-1.03

### FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	381.00	381.00
I&E FX Window	387.00	388.50
CBN SMIS Window	380.69	380.69
Parallel Market	470.00	462.00

### Commodities

Instrument	10-07-2020	17-07-2020	Change
Brent Crude	\$40.55	\$43.14	+2.59
WTI Crude	\$43.24	\$40.59	-2.65
Nigeria Bonny Light	\$43.28	\$43.17	-0.11
Gold	\$1,799.30	\$1,809.90	+10.60

### CORPORATE ROUNDUP

- Three Companies released their results last week; United Capital Plc emerged as the firm with the highest growth in revenue for the week with a 37.28% growth in revenue from ₦3.24 billion to ₦4.05 billion in its Half Year Unaudited results for the period ended June 30, 2020. On the other hand, Secure Electronic Technology Plc recorded the least growth with a 7.84% growth in revenue from ₦88.89 million to ₦95.86 million in its Q2'2020 Financial Statements.
- MTN Nigeria Plc announced the trial of e-SIM services on their network based on approvals received from the Nigerian Communications Commission (NCC). Unlike the physical SIMs, e-SIMs are built into smartphones, devices and wearables.
- Axxela Funding 1 Plc's N11,500,000,000 Series 1; 14.30% Fixed Rate Bonds due 2027, under the N50,000,000,000 Bond Issuance Program were listed on The Nigerian Stock Exchange within the week.

### GLOBAL ECONOMY UPDATE

It was a bullish week for the European majors in the week ending 17th July as the DAX30 rose by 2.26% to lead the way, with the CAC40 and EuroStoxx600 gaining 1.99% and 1.60% respectively.

### OUTLOOK

We expect investors' focus to shift to the primary market, as investors anticipate supply from new week's PMA. At the auction, the DMO will offer ₦150billion across four tenors to investors; re-openings of the 12.50% JAN-2026, 12.50% MAR-2035, and 12.98% MAR-2050 bonds, and a new issuance of JUL-2045 bond.

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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