

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 (%)	5.20	4.00	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.20	Rp14,653	₦381	₺6.95
Foreign Reserves (bn)	\$188	\$131.72	\$35.90	\$85.83

**Headlines**

- The number of confirmed Covid-19 cases rose to 43,841 as the Nigeria Center for Disease Control (NCDC) reported 304 new cases in Nigeria. Global confirmed cases now stand at 18.24 million.
- The National Bureau of Statistics (NBS) released the report on the Sectorial Distribution of Value Added Tax (VAT); VAT data reflects that the sum of ₦651.77 billion was generated for Half Year (H1) 2020 as against ₦600.98 billion generated in H1 2019 representing a 8.45% growth Year-on-Year (YoY).
- The Central Bank of Nigeria (CBN) reports a 0.83% decline in the external reserves to \$35.90 billion as at 28<sup>th</sup> July 2020 compared to \$36.20 billion reported a month earlier.
- The Budget Office of the Federation (BOF) released the 2021-2023 Medium Term Expenditure Framework (MTEF); the Nigerian economy is forecasted to contract by 4.2% YoY in 2020 and gradually recover with GDP expected to grow by 3.0% YoY 4.7% YoY, and 3.9% YoY, in 2021, 2022, and 2023, respectively.
- The World Bank has approved \$500 million credit from the International Development Association (IDA) for the Adolescent Girls Initiative for Learning and Empowerment (AGILE). The goal of this project is to improve secondary education opportunities among girls in seven states in Nigeria.

**Equity Market**
**Market Performance**

	24-July-20	29-July-20	% WTD	% YTD
Market Capitalization	12.743T	12.882T	+1.09	-8.00
NSE ASI	24,427.73	24,693.73	+1.09	-8.00
NSE – 30	1,040.14	1,053.21	+1.26	-10.58
NSE ASeM	741.05	740.58	-0.06	+0.76
NSE Consumer Goods	404.25	402.48	-0.44	-32.11
NSE Banking	270.41	278.60	+3.03	-21.93
NSE Insurance	122.34	122.34	0.00	-2.77
NSE Oil and Gas	182.20	170.34	-6.51	-35.12
NSE Pension	920.06	930.13	+1.09	-11.76

**Bonds and Treasury Bills**

Trading in the FGN bonds secondary market was bullish, as investors re-invested maturities and coupon payments, and looked to cover lost bids at the PMA. Thus, the average yield contracted by 20bps from 7.29% it traded the previous week to 7.09%.

The Treasury bills market closed bullish as the average yield remained unchanged at 1.75% it closed the previous week as market participants shifted focus to the NTB-PMA that took place on the 29<sup>th</sup> July 2020. The CBN offered ₦265.95 billion worth of maturing bills by rolling over ₦49.84 billion for 91-day (Bid-to-offer: 1.89x, Stop rate: 1.20%), ₦54.59 billion for 182-day (Bid-to-offer: 2.91x, Stop Rate: 1.50%) and ₦161.52 billion for 364-day (Bid-to-offer: 1.33x, Stop Rate: 3.40%).

The Open Market Operations (OMO) segment also closed bullish as average yield contracted by 41bps to close the week at 4.23% from 4.64% it closed at the previous week.

**Primary Market Auction Result**
**NTB – 29 JULY 2020**

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.20	49.84	94.39	49.84
182-Days	1.50	54.59	158.79	54.59
364-Days	3.40	161.52	215.09	161.52

**FGN BOND – 22 JULY 2020**

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	6.00	25.00	71.97	25.00
Mar-35	9.50	35.00	60.32	42.00
Jul-45	9.80	35.00	130.27	75.00
Mar-50	9.95	35.00	207.57	36.52

**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 the Petroleum Exporting Countries (OPEC) and its allies have agreed to increase crude oil supply starting from August on the back of increasing global oil demands. OPEC+ agreed to scale back the daily production cut from 9.6 million barrels a day to 7.7 million barrels a day. However, extended production cuts continue for countries like Nigeria, Iraq, and others for not meeting their production cut quotas in previous months.

OPEC pumped an average of 23.32 million bpd for the month of July, which is over 900,000 more than the month of June when OPEC production hit its lowest level in 20 years.

### Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Unity Bank Plc	0.52	0.61	0.09	↑17.31
Mutual Benefits Assurance Plc	0.20	0.23	0.03	↑15.00
Cornerstone Insurance Plc	0.50	0.55	0.05	↑10.00

### Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Smart Products Nigeria Plc	0.29	0.20	-0.09	↓-31.03
NPF Microfinance Bank Plc.	1.42	1.18	-0.24	↓-16.90
Julius Berger Nigeria Plc	17.05	15.00	-2.05	↓-12.02

### FGN Bonds

Description	Yield (%) 24-07-2020	Yield (%) 29-07-2020	Change
14.50 15-Jul-2021	3.06	3.03	-0.06
12.75 27-Apr-2023	4.36	3.92	-0.44
12.50 22-Jan-2026	5.90	5.35	-0.55
16.28 17-Mar-2027	8.00	6.75	-1.25
13.98 23-Feb-2028	7.92	7.24	-0.68
15.00 28-Nov-2028	7.72	7.35	-0.37
8.50 20-Nov-2029	7.72	7.69	-0.03
12.50 27-Mar-2035	8.76	8.87	+0.11

### Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 24-07-2020	Yield (%) 29-07-2020	Change
29	27-Aug-2020	1.40	1.40	0.00
69	01-Oct-2020	1.28	1.31	+0.03
78	15-Oct-2020	1.15	1.26	+0.11
106	12-Nov-2020	1.28	1.28	0.00
197	11-Feb-2021	2.02	2.02	0.00

### FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	381.00	381.00
I&E FX Window	389.50	389.25
CBN SMIS Window	380.69	380.69
Parallel Market	465.00	468.00

### Commodities

Instrument	17-07-2020	24-07-2020	Change
Brent Crude	\$43.34	\$43.52	+0.18
WTI Crude	\$41.29	\$40.27	-1.02
Nigeria Bonny Light	\$44.12	\$43.23	-0.89
Gold	\$1,901.65	\$1,975.90	+74.25

### CORPORATE ROUNDUP

Thirty-Two Companies released their results last week; as Okomu Oil Palm Company Plc emerged as the firm with the highest growth in revenue for the week with a 57.92% growth in revenue from ₦4.82 billion to ₦13.53 billion in its Half Year Unaudited results for the period ended June 30, 2020. On the other hand, Unilever Nigeria Plc recorded the least growth with a 64.32% decline in revenue from ₦347.35 million to ₦124.24 million in its Half Year Unaudited result for the period ended 30 June 2020.

### GLOBAL ECONOMY UPDATE

Global markets were broadly flat to moderately positive, as investors were skeptical while holding out for more U.S. stimulus to limit the economic damage of COVID-19. US (DJIA: -0.3%; S&P: +0.1%) and European (STOXX Europe: +0.1%; FTSE 100: +0.1%) stocks were down WTD.

### OUTLOOK

We expect investors' focus to shift to the secondary market, as investors continue to cherry-pick attractive yields, notwithstanding the expected strain in system liquidity.

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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