

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	3.62	1.54	12.56	11.76
GDP Growth Rate (%)	-18.9 {Q2'20}	-5.32{Q2'20}	1.87 {Q1'20}	4.5{Q1'20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	4.50	4.00	12.50	8.25
Exchange Rate (Per \$)	Mex\$22.03	Rp14,917	₦379	₺7.35
Foreign Reserves (bn)	\$188	\$135.07	\$35.62	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 49,068 as the Nigeria Center for Disease Control (NCDC) reported 298 new cases in Nigeria. Global confirmed cases now stand at 21.83 million.
- The National Bureau of Statistics (NBS,) published the Q2 2020 Labour Statistics report, which stated that Nigeria's unemployment rate moved up to 27.1% in Q2 2020 from 23.1% in Q3 2018.
- The Central Bank of Nigeria (CBN) sold 90.72% of the total amount of treasury bills it offered (₦50 billion) across three tenors in the much-anticipated Open Market Operation (OMO) auction after one month of non-issuance; the auction was oversubscribed by 188.88%.
- The Nigerian National Petroleum Corporation (NNPC) in its May 2020 version of the NNPC Monthly Financial and Operations Reports (MFOR) indicated that 37 pipeline points were vandalized representing about 43% decrease from the 65 points recorded in April 2020.
- The House of Representatives rejected the presentation made by the CBN on the \$11 billion withdrawn in the Excess Crude Account (ECA) for the National Integrated Power Project (NIPP) following observed differences in the presentation by the CBN and that of the Accountant-General of the Federation.
- The Securities and Exchange Commission (SEC) is set to hold its First 2020 Capital Market committee (CMC) webinar meeting on the 20th of August 2020.

Equity Market

Market Performance

	07-August-20	14-August-20	% WTD	% YTD
Market Capitalization	13.063T	13.146T	+0.63	-6.12
NSE ASI	25,041.89	25,199.84	+0.63	-6.12
NSE - 30	1,070.58	1,067.29	-0.31	-9.39
NSE ASeM	740.58	740.58	0.00	+0.76
NSE Consumer Goods	405.36	414.47	+2.25	-30.09
NSE Banking	292.37	292.28	-0.03	-18.09
NSE Insurance	122.00	123.37	+1.12	-1.95
NSE Oil and Gas	178.53	189.10	+5.92	-27.97
NSE Pension	956.89	963.71	+0.71	-8.57

Bonds and Treasury Bills

The FGN bonds secondary market ended the week bearish as investors anticipate new supply from this week's PMA. Thus, the average yield expanded by 4bps from 7.81% it traded the previous week to 7.85%. From the August 2020 FGN Bond circular released by the Debt Management Office (DMO), FGN Bond PMA is scheduled to hold this Wednesday, 19th August, 2020. The DMO is offering instruments worth ₦150 billion through re-openings of the 12.50% JAN 2026, 12.50% MAR 2035, 9.80% JUL 2045 and 12.98% MAR 2050 bonds.

The Treasury Bills market closed bullish as the average yield contracted by 14bps from 1.71% to close the week at 1.57%. The CBN at the PMA rolled over ₦56.78 billion worth of instruments with allotments of ₦19.78 billion of the 91-day, ₦10 billion of the 182-day and ₦27 billion of the 364-day- at respective stop rates of 1.20% (previously 1.20%), 1.39% (previously 1.50%), and 3.12% (previously 3.40%).

The Open Market Operations (OMO) segment also closed bullish as average yield contracted by 5bps to close the week at 4.01% from 4.06% it closed at the previous week.

Primary Market Auction Result

NTB – 12 AUGUST 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.20	19.78	30.61	19.78
182-Days	1.39	10.00	31.11	10.00
364-Days	3.20	27.00	56.47	27.00

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 – 13 AUGUST 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
103-Day	4.92	10.00	5.56	5.56
173-Day	7.74	10.00	9.80	9.80
362-Day	8.94	30.00	79.08	30.00

Oil Price

Oil prices retracted on Friday after a brief rally on worries that demand will rise slower than expected from fresh Covid-19 pandemic lockdowns, while rising supply also overshadowed optimism over falling crude and fuel inventories.

Oil prices has also recovered from lows touched in April, when WTI briefly turned negative. Still, a rise in the number of novel coronavirus infections has limited gains.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Cadbury Nigeria Plc	6.60	7.45	0.85	↑12.88
Nigerian Brew. Plc	32.00	36.00	4.00	↑12.50
Unilever Nigeria Plc	11.20	12.50	1.30	↑11.61

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Champion Brew. Plc	0.95	0.71	-0.24	↓-25.26
Ikeja Hotel Plc	1.12	0.84	-0.28	↓-25.00
Cornerstone Insurance Plc	0.55	0.49	-0.06	↓-10.91

FGN Bonds

Description	Yield (%) 07-08-2020	Yield (%) 14-08-2020	Change
14.50 15-Jul-2021	2.81	3.17	-0.36
12.75 27-Apr-2023	3.90	5.59	+1.69
12.50 22-Jan-2026	7.11	6.61	-0.50
16.28 17-Mar-2027	7.91	7.82	-0.09
13.98 23-Feb-2028	7.23	8.00	+0.77
15.00 28-Nov-2028	7.69	8.15	+0.46
8.50 20-Nov-2029	8.46	8.34	-0.12
12.50 27-Mar-2035	10.50	9.33	-1.17

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 07-08-2020	Yield (%) 14-08-2020	Change
13	27-Aug-2020	1.13	1.18	+0.05
48	01-Oct-2020	1.35	1.20	-0.15
62	15-Oct-2020	1.20	1.20	0.00
90	12-Nov-2020	1.20	1.21	+0.01
181	11-Feb-2021	2.00	1.25	-0.75

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	381.00	381.00
I&E FX Window	386.00	386.00
CBN SMIS Window	380.69	380.69
Parallel Market	470.00	475.00

Commodities

Instrument	07-08-2020	14-08-2020	Change
Brent Crude	\$44.40	\$44.80	+0.40
WTI Crude	\$41.22	\$42.01	+0.79
Nigeria Bonny Light	\$44.82	\$44.05	-0.77
Gold	\$2035.99	\$1,945.35	-90.64

CORPORATE ROUNDUP

- Ten Companies released their results last week; as Northern Nigeria Flour Mills Plc emerged as the firm with the highest growth in revenue for last week with a 113.01% growth in revenue from ₦4.15 billion to ₦8.84 billion in its audited results for the period ended March 31, 2020. On the other hand, Tripple Gee and Company Plc recorded the least growth with a 64.23% decline in revenue from ₦347.35 million to ₦124.24 million in its Q1 Unaudited result for the period ended 30th June, 2020.
- Prestige Assurance Plc announced its proposed rights issue of Thirteen Billion, Six Hundred and Thirty-Five Million, Seven Hundred and Ninety-Six Thousand, and Six (13,635,796,006) ordinary shares of 50K each at 50K per share on the basis of thirty-eight (38) new ordinary shares for fifteen (15) ordinary shares held as at 31 January 2020. The acceptance list for the rights issue opened on Monday, 10 August 2020 and will close on Thursday, 17 September 2020.

GLOBAL ECONOMY UPDATE

Global equities were broadly positive on improving economic data, rising hopes over a COVID-19 vaccine and general optimism about a global economic recovery. Consequently, US (DJIA: +1.7%; S&P: +0.7%) stocks were set to close the week higher.

OUTLOOK

In the FGN Bond segment, we expect investors' focus to shift to the PMA this Wednesday, as the DMO is set to offer instruments worth ₦150.00 billion to interested investors.

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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