

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	4.05	1.32	12.82	11.77
GDP Growth Rate (%)	-18.9 {Q2 20}	-5.32 {Q2 20}	-6.10 {Q2 20}	-9.91 {Q2 20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	4.53	4.00	12.50	8.25
Exchange Rate (Per \$)	Mex\$21.32	Rp14,979	₦379	₺7.45
Foreign Reserves (bn)	\$193	\$137.04	\$35.77	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 56,256 as the Nigeria Center for Disease Control (NCDC) reported 79 new cases in Nigeria. Global confirmed cases now stand at 29.18 million.
- The Debt Management Office (DMO) released information on the Public Debt Stock as at June 30, 2020. Total Public Debt Stock of Nigeria stood at ₦31.009 trillion (\$85.897 billion), an increase of 8.32% from ₦28.628 trillion \$79.303 billion in March 31, 2020.
- The Central Bank of Nigeria's (CBN) Open Market Operations (OMO) auction rates remain unchanged despite heavy demand. As CBN offered bills worth ₦70 billion at respective stop rates of 4.86%, 7.68%, and 8.94% for the 75-day, 180-day and 355-day respectively.
- President Muhammadu Buhari directed the CBN to halt issuance of forex for food and fertilizer imports as the foreign exchange reserves hit \$35.77 billion, a 16.74% decline from \$42.96 billion recorded on 10th September 2019. However, four (4) companies have been granted emergency approval to import 262,000 tons of maize into Nigeria.
- According to the data obtained from the Nigeria Bureau of Statistics (NBS); Non-performing loans in Nigerian banks rose to ₦1.21 trillion in Half Year (HY) 2020 increasing by 14.38% from ₦1.06 trillion recorded in December 2019.

Equity Market

Market Performance

	04-Sept-20	11-Sept-20	% WTD	% YTD
Market Capitalization	13.358T	13.351	-0.05	-4.66
NSE ASI	25,605.64	25,591.95	-0.05	-4.66
NSE - 30	1,088.70	1,086.63	-0.19	-7.74
NSE ASeM	728.51	728.51	0.00	-0.88
NSE Consumer Goods	433.37	432.21	-0.27	-27.10
NSE Banking	302.09	293.97	-2.69	-17.62
NSE Insurance	135.00	134.11	-0.66	+6.59
NSE Oil and Gas	194.20	191.77	-1.25	-26.96
NSE Pension	995.27	988.88	-0.64	-6.18

Bonds and Treasury Bills Market Roundup

FGN Bonds Secondary Market: The week ended bullish as investors recovered from sell-off from last week, thus the average yield contracted by 39bps from 8.06% it traded the previous week to 7.67%. The highest yield decrease was witnessed in the March-2024 bond which declined by 185bps to close at 4.02% compared to 5.87% the previous week while the only yield increase was seen in the July-2030 bond which increased by 10bps to close at 9.00% compared to 8.90% the previous week.

Treasury Bills Market: The week closed bullish as the average yield contracted by 20bps from 1.92% to close the week at 1.72%. At the PMA, demand continued to outweigh supply, as there was an oversubscription of 2.0x on ₦128.06 billion worth of bills on offer.

Open Market Operations: At the OMO auction, the CBN offered bills worth ₦70 billion, with allotments of ₦10 billion of the 75-day, ₦10 billion of the 180-day and ₦50 billion of the 355-day - at respective stop rates of 4.86% (previously 4.86%), 7.68% (previously 7.68%), and 8.94% (previously 8.94%). The week closed bullish as average yield contracted by 40bps to close the week at 2.41% from 2.81%.

Primary Market Auction Result

NTB - 10 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.10	4.41	8.62	4.41
182-Days	1.55	14.00	22.92	14.00
364-Days	3.05	109.65	230.86	109.65

FGN BOND - 19 AUGUST 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	6.70	25.00	32.68	25.42
Mar-35	9.35	40.00	48.82	21.45
Jul-45	9.75	45.00	46.44	16.09
Mar-50	9.90	40.00	114.29	53.69

OMO RESULT - 10 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
75-Day	4.86	10.00	12.00	10.00
180-Day	7.68	10.00	35.30	10.00
355-Day	8.94	50.00	216.75	50.00

Oil Price

Oil prices eased last week after U.S. data showed a surprise build-up in crude stockpiles, as confirmed by the U.S. Energy Information Administration (EIA).

Brent crude, the international benchmark fell 25 cents, or 0.6%, to \$40.54 a barrel.

West Texas Intermediate crude fell 75 cents, or 2%, to settle at \$37.30 per barrel.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Eterna Plc	2.08	2.68	0.60	↑28.85
C & I Leasing Plc	3.60	4.00	0.40	↑11.11
NEM Insurance Plc	2.07	2.25	0.18	↑8.70

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Royal Exchange Plc	0.33	0.28	-0.05	↓-15.15
CHI Plc	0.34	0.29	-0.05	↓-14.71
Livestock Feeds Plc	0.66	0.59	-0.07	↓-10.61

FGN Bonds

Description	Yield (%) 04-09-2020	Yield (%) 11-09-2020	Change
14.50 15-Jul-2021	2.81	2.34	-0.47
12.75 27-Apr-2023	5.49	3.86	-1.63
12.50 22-Jan-2026	6.67	6.62	-0.05
16.28 17-Mar-2027	8.09	7.72	-0.37
13.98 23-Feb-2028	8.15	7.86	-0.29
15.00 28-Nov-2028	8.39	8.29	-0.10
8.50 20-Nov-2029	8.70	8.74	+0.04
12.50 27-Mar-2035	10.00	9.64	-0.36

Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 04-09-2020	Yield (%) 11-09-2020	Change
20	01-Oct-2020	1.30	1.30	0.00
34	15-Oct-2020	1.35	1.35	0.00
62	12-Nov-2020	1.25	1.38	+0.13
153	11-Feb-2021	1.70	1.44	-0.26
272	10-Jun-2021	2.55	2.11	-0.44

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	386.13	386.00
CBN SMIS Window	380.69	380.69
Parallel Market	440.00	455.00

Commodities

Instrument	04-09-2020	11-09-2020	Change
Brent Crude	\$42.66	\$39.83	-2.83
WTI Crude	\$39.77	\$37.33	-2.44
Nigeria Bonny Light	\$41.10	\$38.98	-2.12
Gold	\$1,933.83	\$1,940.40	+6.67

CORPORATE ROUNDUP

- AM&P Advisory Services which has indirect relationship with the Group Managing Director of UAC of Nigeria Plc (UACN) has bought 55.1million units of the Company's shares., acquires 1.91% equity stake.
- ValuAlliance Asset Management Limited and Leadway Capital and Trusts Limited have considered a restructuring of the ValuAlliance Value Fund from a listed closed-end fund to an unlisted closed-end fund.
- Africa Prudential Plc announced the appointment of Mrs. Fumbi Chima as an Independent Non-Executive Director to its Board of Directors.
- Continental Reinsurance Plc acquired 100% ownership of its Botswana subsidiary, known as Continental Reinsurance Ltd (Botswana), through its holding company – CRe African Investments Limited (“CRAFIL”).

GLOBAL ECONOMY UPDATE

Global equities were mixed during the week as US tech selloffs continued, Consequently, US (DJIA: -2.1%; S&P: -2.6%) shares were on track to end the week lower while European (STOXX Europe: +1.7%; FTSE 100: +3.7%) stocks were up WTD

OUTLOOK

In the coming week, we expect demand in the FGN Bond secondary market to remain elevated as investors seek to re-invest the excess liquidity from FGN bond coupon payments expected next week.

We at Kairos Capital cannot overemphasize the benefits of observing laid down safety precautions this period. Don't forget to #WashYourHands #WearYourMask #MaintainSocialDistancing #ObeyTheGuidelines #StayHome #StaySafe

For enquiries, please contact us at:

Kairos Capital Limited
12th Floor, Elephant House
214, Broad street, Marina,
Lagos Island,
Nigeria.

Email: info@kairoscapitalng.com

Tel: +234(0) 908 748 2175

Follow us on:    

Disclaimer- The information contained herein is provided for informational purposes only, without any express or implied warranty of any kind, including warranties of accuracy, completeness, or fitness for any particular purpose. The information contained herein is not intended to be and does not constitute financial, investment or any other form of advice. No one should make any financial or investment decision without undertaking a thorough and independent due diligence and consultation with a professional and competent financial advisor