

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	4.05	1.32	13.22	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 (%)	4.25	4.00	11.50	10.25
Exchange Rate (Per \$)	Mex\$22.44	Rp14,951	₦379	₺7.57
Foreign Reserves (bn)	\$193	\$137.04	\$35.76	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 58,324 as the Nigeria Center for Disease Control (NCDC) reported 126 new cases in Nigeria. Global confirmed cases now stand at 33.31 million.
- The Monetary Policy Committee (MPC) reduced the Monetary Policy Rate (MPR) by 100bps to 11.50% from 12.50%, widened the Asymmetric corridor to +100/-700bps (Previously: +200/-500bps), while holding the other parameters constant.
- The Central Bank of Nigeria (CBN) has recovered ₦400 billion out of the ₦600 billion lent to farmers under the Commercial Agriculture Credit Scheme (CACS). Also, the Electricity Distribution Companies in Nigeria are expected to repay in four months ₦9.96 billion of the ₦49.9 billion owed to the CBN under the Nigeria Electricity Market Stabilization Facility.
- The Debt Management Office (DMO) disclosed that Federal Government's bonds for the month of September 2020 worth ₦145 billion were oversubscribed to the tune of ₦215.22 billion.
- The National Pension Commission (PenCom) has imposed penalties and recovered ₦17.51 billion from defaulting employers from failure to remit deducted monthly pensions from their workers' salaries to their Retirement Savings with the respective Pension Fund Administrators.

### Equity Market

#### Market Performance

	18-Sept-20	25-Sept-20	% WTD	% YTD
Market Capitalization	13.365T	13.755T	+2.92	-1.95
NSE ASI	25,572.57	26,319.34	+2.92	-1.95
NSE - 30	1,085.51	1,123.50	+3.50	-4.61
NSE ASeM	728.51	728.51	0.00	-0.88
NSE Consumer Goods	432.78	458.69	+5.99	-22.63
NSE Banking	292.01	302.50	+3.59	-15.23
NSE Insurance	134.13	135.58	+1.08	+7.76
NSE Oil and Gas	189.79	191.99	+1.16	-26.87

### Bonds and Treasury Bills Market Roundup

**FGN Bonds Secondary Market:** The week remained bullish as average yield contracted by 48bps from 7.55% it traded the previous week to 7.07%. At the PMA, the DMO offered instruments worth ₦145.00 billion to investors through re-openings of the 12.50% January 2026 (Bid-to-offer: 3.4x; Stop rate: 6.00%), 12.50% March 2035 (Bid-to-offer: 1.8x; Stop rate: 8.52%), 9.80% July 2045 (Bid-to-offer: 1.0x; Stop rate: 8.90%) and 12.98% March 2050 (Bid-to-offer: 4.1x; Stop rate: 8.94%) bonds. Despite a total subscription of ₦360.22 billion, the DMO eventually allotted instruments worth ₦103.81 billion, resulting in a bid-cover ratio of 3.5x.

**Treasury Bills Market:** The week closed bearish as the average yield expanded by 8bps from 1.57% to close the week at 1.65%.

**Open Market Operations:** The week closed bullish as average yield contracted by 43bps to close the week at 1.85% from 2.28%. At the OMO auction, the CBN fully allotted ₦70 billion worth of bills - ₦10.00 billion of the 131-day, ₦10 billion of the 166-day and ₦50 billion of the 348-day - at respective stop rates of 4.77% (previously 4.86%), 7.60% (previously 7.68%), and 8.70% (previously 8.88%).

### Primary Market Auction Result

#### NTB - 16 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.09	2.00	3.99	2.00
182-Days	1.50	8.39	15.47	8.39
364-Days	3.05	148.36	184.71	148.36

#### FGN BOND - 23 SEPTEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	6.00	25.00	83.83	66.97
Mar-35	8.52	40.00	71.40	25.43
Jul-45	8.90	40.00	41.06	6.81
Mar-50	8.94	40.00	163.93	4.60

#### 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 steadied last week, as the bullish impact of a fall in U.S. inventories was offset by a stronger dollar and a renewed wave of coronavirus cases in Europe that led several countries to reimpose travel restrictions.

U.S. West Texas Intermediate (WTI) crude futures fell 60 cents, or 1.5%, to \$39.33 a barrel on Thursday, while Brent crude futures dropped 47 cents, or 1.1%, to \$41.30 a barrel.

### Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
Nigerian Brew. Plc	42.00	52.55	10.55	↑25.12
Cornerstone Insurance Plc	0.61	0.71	0.10	↑16.39
Lafarge Africa Plc	13.00	15.05	2.05	↑15.77

### Top Three Losers

Company	Open	Close	Loss (₦)	% Change
AIICO Insurance Plc	0.90	0.72	-0.18	↓-20.00
Red Star Express Plc	3.61	3.00	-0.61	↓-16.90
Oando Plc	2.30	2.03	-0.27	↓-11.74

### FGN Bond

Description	Yield (%) 18-09-2020	Yield (%) 25-09-2020	Change
14.50 15-Jul-2021	2.41	2.36	-0.05
12.75 27-Apr-2023	3.93	3.93	0.00
12.50 22-Jan-2026	6.63	6.00	-0.63
16.28 17-Mar-2027	7.62	6.76	-0.86
13.98 23-Feb-2028	7.68	6.90	-0.78
15.00 28-Nov-2028	7.91	7.64	-0.27
8.50 20-Nov-2029	8.52	8.47	-0.05
12.50 27-Mar-2035	9.62	8.50	-1.12

### Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 18-09-2020	Yield (%) 25-09-2020	Change
20	15-Oct-2020	0.82	0.91	+0.09
48	12-Nov-2020	0.94	0.97	+0.03
139	11-Feb-2021	1.35	1.17	-0.18
258	10-Jun-2021	2.15	2.36	+0.21
293	15-Jul-2021	2.41	2.52	+0.11

### FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	386.00	386.00
CBN SMIS Window	380.69	380.69
Parallel Market	465.00	467.00

### Commodities

Instrument	18-09-2020	25-09-2020	Change
Brent Crude	\$43.15	\$41.92	-1.23
WTI Crude	\$41.11	\$40.04	-1.07
Nigeria Bonny Light	\$42.60	\$40.91	-1.69
Gold	\$1,950.39	\$1,861.05	-89.34

### CORPORATE ROUNDUP

- United Capital Plc listed its ₦10 billion 5 Year 12.5% Senior Unsecured Fixed Rate Series I Bonds Due 2025 under the ₦30,000,000,000 Debt Issuance Programme on Tuesday, 22 September 2020 on the Nigerian Stock Exchange (NSE).
- The NSE lifted the suspension placed on trading in the shares of R.T. Briscoe Nigeria Plc after suspending the Company with five other listed Companies on September 1<sup>st</sup>, 2020 for outstanding financial statements with the Exchange.
- The Board of Julius Berger Plc has approved the Company's planned diversification into Agro-Processing at its meeting held on September 22<sup>nd</sup>, 2020 to align with the strategic objective of the Government to stimulate value creation in Nigeria.

### GLOBAL ECONOMY UPDATE

Global equities were set for a dire week, with many major markets headed for their worst weeks since the peak of the coronavirus panic. Consequently, US (DJIA: -3.0%; S&P: -2.2%) and European (STOXX Europe: -3.3%; FTSE 100: -2.7%) shares were on track to end the week lower.

### OUTLOOK

In the coming week, at the NTB segment, we expect the focus to shift to the primary market, where the CBN will be rolling over ₦113.97 billion worth of instruments.

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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