

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	4.01	1.42	13.71	11.75
GDP Growth Rate (%)	-17.1 {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 (%)	4.29	4.00	11.50	10.25
Exchange Rate (Per \$)	Mex\$20.92	Rp14,738	₦379	₺7.95
Foreign Reserves (bn)	\$194	\$135.153	\$35.67	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 61,992 as the Nigeria Center for Disease Control (NCDC) reported 62 new cases in Nigeria. Global confirmed cases now stand at 43.35 million.
- The Central Bank of Nigeria (CBN) in its report on 'Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal Years 2020/2021' promises to promote opening of new bank accounts with zero balance.
- The Federal Government (FG) creates new ₦25 billion Youth Fund to address the #EndSARS protest and other related youth restiveness in Nigeria.
- Nigerian banks suffered a total of ₦917.5 billion last week in new Cash Reserve Ratio (CRR) debits from the CBN; Zenith Bank tops the list with N285 million.
- The Debt Management Office (DMO) sold a total of ₦50 billion FGN Bond to investors as yields continued to decline; rates declined to 5.49%.
- The CBN releases framework for the National Mass Metering Programme (NMMP); states that the introduction of the Service-Based Tariff (SBT) in the Nigeria Electricity Supply Industry (NESI) effective Sept. 1, has put increased emphasis on the need to close the metering gap in the NESI.

### Equity Market

#### Market Performance

	16-Oct-20	23-Oct-20	% WTD	% YTD
Market Capitalization	14.980T	14.999T	+0.13	+6.91
NSE ASI	28,659.45	28,697.06	+0.13	+6.91
NSE - 30	1,228.52	1,230.28	+0.14	+4.45
NSE ASeM	728.51	728.51	0.00	-0.88
NSE Consumer Goods	473.13	486.68	+2.86	-17.91
NSE Banking	349.83	344.86	-1.42	-3.36
NSE Insurance	138.17	137.36	-0.59	+9.17
NSE Oil and Gas	204.14	202.73	-0.69	-22.78
NSE Pension	1,155.12	1,153.53	-0.14	+9.44

### Bonds and Treasury Bills Market Roundup

**FGN Bonds Secondary Market:** The week remained bullish as average yield contracted by 76bps from 5.00% it traded the previous week to 4.24%. The DMO offered instruments worth ₦30 billion to investors through re-openings of the 12.50% MAR 2035 (Bid-to-offer: 11.3x; Stop rate: 4.97%) and 9.80% JUL 2045 (Bid-to-offer: 4.4x; Stop rate: 6.00%) bonds. Despite a total subscription of ₦235.87 billion, the DMO eventually allotted instruments worth ₦50 billion, resulting in a bid-cover ratio of 4.72x.

**Treasury Bills Market:** The week closed bullish as the average yield contracted by 70bps from 1.12% to close the week at 0.42%.

**Open Market Operations:** The week closed bullish as average yield contracted by 73bps to close the week at 0.49% from 1.22%. At last week's OMO auction, the CBN offered bills worth ₦100 billion with allotments of ₦10 billion of the 138-day, ₦10 billion of the 180-day and ₦80.00 billion of the 362-day bills - at respective stop rates of 3.74% (previously 4.10%), 6.80% (previously 7.10%), and 8.00% (previously 8.45%).

### Primary Market Auction Result

#### NTB - 14 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	1.00	8.85	33.04	12.76
182-Days	1.00	3.50	44.73	4.50
364-Days	2.00	112.54	540.23	107.62

#### FGN BOND - 21 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	-	-	-	-
Mar-35	4.97	15.00	169.20	22.50
Jul-45	6.00	15.00	66.67	27.50
Mar-50	-	-	-	-

#### OMO RESULT - 22 OCTOBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
138-Day	3.74	10.00	28.26	10.00
180-Day	6.80	10.00	46.76	10.00
362-Day	8.00	80.00	239.41	80.00

### Oil Price

Oil fell nearly 2% on Friday and headed for a weekly drop as demand concerns raised by surging coronavirus cases in the United States and Europe overshadowed the prospect of an extension to OPEC-led supply curbs.

Brent Crude lost 69 cents, or 1.63%, to settle at \$41.77 a barrel. West Texas Intermediate shed 79 cents, or 1.94%, to settle at \$39.85 per barrel.

## Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
International Breweries Plc	5.33	6.30	0.97	↑18.20
Cutix Plc	1.62	1.90	0.28	↑17.28
Nascon Allied Industries Plc	13.00	14.30	1.30	↑10.00

## Top Three Losers

Company	Open	Close	Loss (₦)	% Change
N Nig. Flour Mills Plc	4.65	4.19	-0.46	↓-9.89
Linkage Assurance Plc	0.44	0.40	-0.04	↓-9.09
Eterna Plc	4.90	4.46	-0.44	↓-8.98

## FGN Bond

Description	Yield (%) 16-10-2020	Yield (%) 23-10-2020	Change
14.50 15-Jul-2021	1.55	0.80	-0.75
12.75 27-Apr-2023	2.98	3.18	+0.20
12.50 22-Jan-2026	4.17	3.30	-0.87
16.28 17-Mar-2027	4.76	3.34	-1.42
13.98 23-Feb-2028	5.02	4.00	-1.02
15.00 28-Nov-2028	5.03	3.94	-1.09
8.50 20-Nov-2029	5.13	4.03	-1.10
12.50 27-Mar-2035	6.08	5.11	-0.97

## Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 09-10-2020	Yield (%) 16-10-2020	Change
20	12-Nov-2020	0.70	0.40	-0.30
111	11-Feb-2021	0.64	0.33	-0.31
230	10-Jun-2021	1.36	0.34	-1.02
265	15-Jul-2021	1.58	0.46	-1.12
328	16-Sep-2021	1.99	0.77	-1.22

## FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	385.83	386.00
CBN SMIS Window	380.69	380.69
Parallel Market	462.00	463.00

## Commodities

Instrument	16-10-2020	23-10-2020	Change
Brent Crude	\$42.93	\$41.77	-1.16
WTI Crude	\$40.88	\$39.78	-1.10
Nigeria Bonny Light	\$41.96	\$41.54	-0.42
Gold	\$1,899.40	\$1,901.55	+2.15

## CORPORATE ROUNDUP

- Six out of the nine firms that declared their results last week declared growth in revenue. United Capital Plc recorded 32.83% growth in earnings from ₦5.32 billion to ₦7.07 billion in its Unaudited results for the period ended 30<sup>th</sup> September 2020 to emerge as the firm with the highest growth in revenue for the week while Africa Prudential Plc recorded 29.61% loss in revenue from ₦1.22 billion to ₦860.79 million in its Unaudited financial statements for the period ended 30<sup>th</sup> September 2020 to emerge as the firm with the lowest growth rate amongst the fifteen companies.
- Nigerian Breweries Plc in a disclosure released on the Nigerian Stock Exchange (NSE) informs the Exchange and the investing public of the continuation of its Commercial Paper ("CP") programme with the launch of Series 9 and 10 of the programme which opened on 23rd October, 2020. While Series 9 would be for a tenor of 180 days, Series 10 would be for 270 days. The CP Programme aims to raise up to ₦20 billion to support the Company's short-term funding needs.
- Dynasty Real Estate (DRE) opens its ₦2billion 16% Senior Secured Fixed Rate Private Debt Note. The proceeds from the Private Debt Issuance will be used for the development of residential housing units which will be sold to clients of DRE.

## GLOBAL ECONOMY UPDATE

Global equities posted a mixed performance this week as investors remained focused on growing tensions ahead of the U.S. presidential election. In the US, the DJIA (-0.8%) and S&P (-0.9%) shares were on track to end a three-week bullish run as election uncertainties overshadowed positive labour market data.

## OUTLOOK

Next week, we expect investors' focus to shift to Wednesday's PMA, as the DMO is set to offer instruments worth ₦154.37 billion (23.60% higher than the previous auction).

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

For enquiries, please contact us at:

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

Email: [info@kairoscapitalng.com](mailto:info@kairoscapitalng.com)

Tel: +234(0) 908 748 2175

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