

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	3.33	1.59	14.23	14.03
GDP Growth Rate (%)	-8.60 {Q3 20}	-3.49 {Q3 20}	-3.62 {Q3 20}	6.70 {Q3 20}
Per Capita Income (\$)	10,118	4,193	2,222	8,957
MPR (%)	4.20	3.75	11.50	15.00
Exchange Rate (Per \$)	Mex\$20.11	Rp14,102	₦379	₺7.95
Foreign Reserves (bn)	\$194	\$133.56	\$34.97	\$85.83

Headlines

- The number of confirmed Covid-19 cases rose to 73,175 as the Nigeria Center for Disease Control (NCDC) reported 418 new cases in Nigeria. Global confirmed cases now stand at 72.70 million.
- Nigeria's trade deficit rose by +32.45% from ₦1.8 trillion as of the end of the second quarter to ₦2.38 trillion in the third quarter as total export settled at ₦2.99 trillion and total imports settled at ₦5.38 trillion. The value of Nigeria's merchandise trade stood at ₦8.37 trillion in Q3 2020.
- Following last week's introduction of 90-day special bills by the Central Bank of Nigeria (CBN), the apex bank sold ₦4.1 trillion worth of the instrument in the money market. Also, the CBN announced new capital requirement and license categorization for Payment Service Providers (PSP).
- The World Bank is set to review \$1.5 billion borrowing plan by Nigerian States this week as disclosed by Shubham Chaudhuri, the World Bank's Country Director for Nigeria.
- The Debt Management Office (DMO) in a circular released on 9th December, 2020, plans to issue ₦60 billion on Wednesday, 16th December 2020 across two openings; ₦30 billion in the FGN March 2035 (15 -Yr Re-opening) and ₦30 billion in the FGN July 2045 (25-Yr Re-opening).
- According to Nigerian Bureau of Statistics (NBS), data on Electronic Payment Channels in the Nigeria Banking Sector revealed a total volume of 2,781,526,188 transactions valued at ₦319.99 trillion was recorded in Q3 2020.
- The CBN increased the 1-year rate by 305bps at the Primary Market Auction (PMA) where it rolled over ₦50.93 billion worth of instruments across three tenors with the bid-to-cover ratio of 1.18x.

Equity Market
Market Performance

	04-Dec-20	11-Dec-20	% WTD	% YTD
Market Capitalization	18.365T	17.901T	-2.53	+27.60
NSE ASI	35,137.99	34,250.74	-2.53	+27.60
NSE - 30	1,463.33	1,419.46	-3.00	+20.51
NSE ASeM	729.87	729.87	0.00	-0.70
NSE Consumer Goods	566.23	557.45	-1.55	-5.97
NSE Banking	391.38	379.91	-2.93	+6.47
NSE Insurance	157.83	154.95	-1.82	+23.15
NSE Oil and Gas	220.30	219.74	-0.25	-16.30
NSE Pension	1,329.81	1,289.75	-3.01	+22.36

Bonds and Treasury Bills Market Roundup

FGN Bonds Secondary Market: The week closed bearish as average yield expanded by 65bps from 4.09% it traded the previous week to 4.74%. The highest yield increase was seen in the March-2036 which expanded by 234bps to close at 7.28% from 4.94% the previous week while the highest yield decrease was witnessed in the April-2037 bond which decreased by 98bps to close at 5.34% compared to 6.31% the previous week.

Treasury Bills Market: The week closed bearish as average yield expanded by 32bps to close the week at 0.45% from 0.13% it closed at the previous week. At the NTB primary market auction held on Wednesday, the CBN offered and allotted ₦50.93 billion across the 91-day, 182-day and 364-day instruments despite a total subscription of ₦102.97 billion. Rates also increased by 121bps to 1.30% from 0.09% the last auction

Open Market Operations: The week closed bearish as average yield expanded by 24bps to close the week at 0.42% from 0.18% it closed at last week.

Primary Market Auction Result
NTB - 09 DECEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	0.01	4.41	48.13	4.41
182-Days	0.60	7.82	12.13	7.82
364-Days	3.20	38.70	42.71	38.70

FGN BOND - 18 NOVEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	-	-	-	-
Mar-35	5.00	40.00	87.70	40.00
Jul-45	5.79	40.00	97.04	40.00
Mar-50	-	-	-	-

OMO RESULT - 12 DECEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
124-Day	1.99	10.00	17.04	4.00
194-Day	4.85	10.00	31.26	6.00
362-Day	6.245	50.00	321.12	50.00

Oil Price

Oil prices turned lower last Friday, as demand worsens due to new coronavirus-related restrictions on businesses in New York not withstanding progress being made towards vaccination programs.

Brent futures fell 28 cents, or 0.56%, to settle at \$49.97 a barrel, after rising above \$51 a barrel on Thursday to an early-March high.

U.S. West Texas Intermediate fell 21 cents, or 0.4%, to settle at \$46.57, having risen almost 3% in the previous session.

Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
FTN Cocoa Processors Plc	0.29	0.44	0.15	↑51.72
Union Diagnostic & Clinical Services Plc	0.25	0.29	0.04	↑16.00
Okomu Oil Palm Plc	FGN Bond	3.00	8.00	↑10.00

Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Regency Assurance Plc	0.24	0.20	-0.04	↓-16.67
University Press Plc	1.47	1.26	-0.21	↓-14.29
NEIMETH International Pharmaceuticals Plc	2.51	2.20	-0.31	↓-12.35

Nigerian Treasury Bills

Description	Yield (%)		Change
	04-12-2020	11-12-2020	
14.50 15-Jul-2021	0.15	0.52	+0.37
12.75 27-Apr-2023	1.82	1.94	+0.12
12.50 22-Jan-2026	4.04	4.02	-0.02
16.28 17-Mar-2027	3.90	4.34	+0.44
13.98 23-Feb-2028	3.93	4.59	+0.66
15.00 28-Nov-2028	4.57	5.06	+0.49
8.50 20-Nov-2029	4.93	5.32	+0.39
12.50 27-Mar-2035	5.00	6.15	+1.15

DTM	Maturity Date	Yield (%)		Change
		04-12-2020	11-12-2020	
34	14-Jan-2021	0.06	0.40	+0.34
62	11-Feb-2021	0.07	0.41	+0.34
181	10-Jun-2021	0.11	0.45	+0.34
216	15-Jul-2021	0.13	0.47	+0.34
279	16-Sep-2021	0.15	0.49	+0.34

FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	395.00	394.00
CBN SMIS Window	380.69	380.69
Parallel Market	475.00	475.00

Commodities

Instrument	04-12-2020	11-12-2020	Change
Brent Crude	\$49.25	\$49.97	+0.72
WTI Crude	\$46.26	\$46.56	+0.30
Nigeria Bonny Light	\$48.94	\$49.62	+0.68
Gold	\$1,839.54	\$1,838.53	-1.01

CORPORATE ROUNDUP

- The Nigerian Stock Exchange (NSE) has lifted the suspension placed on trading in the shares of Niger Insurance Plc after suspending the Company alongside five other listed companies for non-compliance with Rule 3.1; Rules for filing of accounts and treatment of default filing, rulebook of the Exchange. The companies were initially suspended on September 1, 2020.
- United Capital Plc deepened the alternative finance space with its maiden ₦1billion open ended Sukuk Fund. FCMB Group Plc notifies the NSE that one of its subsidiaries, First City Monument Bank Limited is seeking to raise ₦30billion to finance short term funding needs under its ₦100 Billion Commercial Paper Issuance Programme.

GLOBAL ECONOMY UPDATE

Stocks closed mixed as traders watched Washington lawmakers hold at an impasse over advancing another round of virus-relief measures. S&P 500 closed at 3,663.46 down 4.64 points or 0.13% while Dow and Nasdaq went up by 0.16% and 0.23% respectively on Friday.

OUTLOOK

This week, we expect investors' focus to shift to FGN's Primary Market Auction where the DMO will issue ₦60 billion worth of bills to participating investors for the last auction on Wednesday in the fourth quarter of 2020.

We at Kairos Capital cannot overemphasize the benefits of observing laid down safety precautions this period. Don't forget to #WashYourHand #WearNoseMasks #MaintainSocialDistancing #ObeyTheGuidelines #StayatHome #StaySafeS

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