

Economic Indicators	Mexico	Indonesia	Nigeria	Turkey
Inflation Rate (%)	3.33	1.59	14.89	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 (%)	4.22	3.75	11.50	15.00
Exchange Rate (Per \$)	Mex\$19.95	Rp14,146	₦379	₺7.70
Foreign Reserves (bn)	\$195	\$133.56	\$34.83	\$85.83

### Headlines

- The number of confirmed Covid-19 cases rose to 78,434 as the Nigeria Center for Disease Control (NCDC) reported 501 new cases in Nigeria. Global confirmed cases now stand at 77.17 million.
- President Muhammadu Buhari ordered the immediate reopening of four of Nigeria's land borders; Seme, Illela, Maigatari and Mfun over a year after they were all shut.
- The Central Bank of Nigeria (CBN) published guidelines for the operation of Non-Interest Financial Institutions (NIFIs) instruments. Deposit Money Banks (DMBs) have been ordered to close all naira accounts of International Money Transfer Operators (IMTOs) in a recent circular released last Friday, 18<sup>th</sup> December 2020.
- According to the National Bureau of Statistics (NBS), the total value of capital importation into Nigeria stood at \$1,461.49 million in Q3 2020, this represents an increase of 12.86% compared to Q2 2020 and a 74.03% decrease compared to Q3 2019 which stood at \$5,626.88.
- The Nigeria Deposit Insurance Corporation (NDIC) announced the revocation of the licenses of 42 Microfinance Banks (MFBs) by CBN. Depositors have been advised to visit the closed MFBs banks' addresses to meet with NDIC officials for the verification of their claims, commencing from Monday, 21st December, 2020 till Thursday, 24th December, 2020.
- The Securities and Exchange Commission (SEC) has commenced a joint-review of Nigeria's 10-year Capital Markets Master Plan.
- The Debt Management Office (DMO) offered a total of ₦60 billion at the FGN Bond Auction of December 2020, which held on December 16, 2020. The offer was oversubscribed, as total bids received were ₦134.06 billion with subscription level of 223.43%.

### Equity Market

#### Market Performance

	11-Dec-20	18-Dec-20	% WTD	% YTD
Market Capitalization	17.901T	19.236T	+7.46	+48.45
NSE ASI	34,250.74	36,804.75	+7.46	+37.12
NSE - 30	1,419.46	1,497.16	+5.47	+27.11
NSE ASeM	729.87	729.87	0.00	-0.70
NSE Consumer Goods	557.45	574.60	+3.08	-3.08
NSE Banking	379.91	399.38	+5.12	+11.92
NSE Insurance	154.95	175.70	+13.39	+39.64
NSE Oil and Gas	219.74	222.68	+1.34	-15.18
NSE Pension	1,289.75	1,354.29	+5.00	+28.48

#### Bonds and Treasury Bills Market Roundup

**FGN Bonds Secondary Market:** The week closed bearish as average yield expanded by 61bps from 4.74% it traded the previous week to 5.35%. The DMO conducted a bond auction offering ₦60 billion worth of bonds but allotted ₦30 billion. Investors' demand was strongest on the 15-year tenor which was oversubscribed by 3 times. The 15-year and 25-year papers were allotted at 6.95% and 7.05% respectively.

**Treasury Bills Market:** The week closed bullish as average yield contracted by 5bps to close the week at 0.40% from 0.45% it closed at the previous week. At the NTB primary market auction held last week, the CBN offered and allotted ₦7 billion across the 91-day, 182-day and 364-day instruments despite a total subscription of ₦121.53 billion. Rates increased by 4bps from 0.01% to 0.05% for the 91-day, dropped by 10bps from 0.60% to 0.50% for the 182-day and rate dropped by 206bps from 3.20% to 1.14% for the 362-day.

**Open Market Operations:** The week closed bearish as average yield expanded by 5bps to close the week at 0.47% from 0.42% it closed at last week.

### Primary Market Auction Result

#### NTB - 16 DECEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
91-Days	0.048	2.00	18.21	1.50
182-Days	0.500	2.00	10.27	1.70
364-Days	1.139	3.00	93.05	3.80

#### FGN BOND - 16 DECEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
Jan-26	-	-	-	-
Mar-35	6.945	30.00	90.89	20.00
Jul-45	7.000	30.00	43.17	10.00
Mar-50	-	-	-	-

#### OMO RESULT - 17 DECEMBER 2020

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sales (₦'bn)
96-Day	1.99	10.00	25.17	10.00
180-Day	4.85	10.00	33.37	10.00
362-Day	6.245	40.00	302.18	40.00

#### Oil Price

Oil prices hit a nine-month high last Friday and was headed for a seventh straight weekly gain as investors focused on the rollout of COVID-19 vaccines and looked past rising coronavirus cases across the world.

Brent crude gained 1.48% to settle at \$52.26 per barrel. U.S. West Texas Intermediate (WTI) crude settled 1.53% higher at \$49.10 per barrel.

### Top Three Gainers

Company	Open	Close	Gain (₦)	% Change
FTN Cocoa Processors Plc	0.44	0.62	0.18	↑40.91
Japaul Gold & Ventures Plc	0.25	0.34	0.09	↑36.00
Airtel Africa Plc	640	774.40	134.40	↑21.00

### Top Three Losers

Company	Open	Close	Loss (₦)	% Change
Axa Mansard Insurance Plc	2.30	0.92	-1.38	↓-60.00
NEM Insurance Plc	2.35	1.24	-1.11	↓-47.23
Omatek Ventures Plc	0.24	0.20	-0.04	↓-16.67

### FGN Bond

Description	Yield (%) 11-12-2020	Yield (%) 18-12-2020	Change
14.50 15-Jul-2021	0.52	0.40	-0.12
12.75 27-Apr-2023	1.94	2.77	+0.83
12.50 22-Jan-2026	4.02	5.21	+1.19
16.28 17-Mar-2027	4.34	4.86	+0.52
13.98 23-Feb-2028	4.59	4.58	-0.01
15.00 28-Nov-2028	5.06	5.54	+0.48
8.50 20-Nov-2029	5.32	6.17	+0.85
12.50 27-Mar-2035	6.15	7.18	+1.03

### Nigerian Treasury Bills

DTM	Maturity Date	Yield (%) 11-12-2020	Yield (%) 18-12-2020	Change
27	14-Jan-2021	0.40	0.40	0.00
55	11-Feb-2021	0.41	0.36	-0.05
174	10-Jun-2021	0.45	0.19	-0.26
209	15-Jul-2021	0.47	0.30	-0.17
272	16-Sep-2021	0.49	0.65	+0.16

### FX Market

	Previous (₦/\$)	Current (₦/\$)
CBN Spot	379.00	379.00
I&E FX Window	394.00	394.00
CBN SMIS Window	380.69	380.69
Parallel Market	475.00	477.00

### Commodities

Instrument	11-12-2020	18-12-2020	Change
Brent Crude	\$49.97	\$52.26	+2.29
WTI Crude	\$46.56	\$49.10	+2.54
Nigeria Bonny Light	\$49.62	\$51.74	+2.12
Gold	\$1,838.53	\$1,882.43	+43.90

### CORPORATE ROUNDUP

VFD Group Plc held its maiden Extra-ordinary General Meeting at the 5<sup>th</sup> Floor, Elephant House, Lagos Island, Lagos State, last Friday, to authorize additional equity capital raise of up to ₦13.5 billion via private placement and rights issues.

Abbey Mortgage Bank Plc held its signing ceremony for the Rights Issue of 3,692,307,692 Ordinary Shares of 50k each at ₦0.82 per share on the basis of 4 new Ordinary Shares for every 7 Ordinary Shares on Monday, 14<sup>th</sup> of December 2020.

### GLOBAL ECONOMY UPDATE

The Dow Jones Industrial Average fell 124.32 points, or 0.4%, to 30,179.05. At its session low, the 30-stock benchmark shed more than 270 points. The S&P 500 dipped 0.4%, or 13.07 points, to 3,709.41, snapping a three-day winning streak. The Nasdaq Composite lost 0.1%, or 9.11 points, to 12,755.64.

### OUTLOOK

This week, we expect participation in the NTB market to remain quiet in the coming week as a result of the depressed and unattractive yields.

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 #StaySafeS

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