

WEEKLY REPORT

24TH SEPTEMBER, 2021



APT SECURITIES AND FUNDS LIMITED
(Member of The Nigerian Stock Exchange)

GLOBAL ECONOMY:

The United Nation General Assembly kicked-off its 76th session, with Abdulla Shahid of Maldives being sworn in as the General Assembly president.

High-level General Debate kicked-off on Tuesday the 21st, with the theme for the 76th session being, 'Building Resilience through hope – to recover from COVID-19, rebuild sustainably, respond to the needs of the planet, respect the rights of people, and revitalize the United Nations.'

The UN secretary General in his opening remarks stressed on 'Global Governance'.

All eyes this year were on the United States of America, as President Joe Biden attended his first UN General Assembly meeting.

Biden in his speech urged for unity and corporation among members states, as his presidency is failing to provide the much needed stability in US policy for the international community and most importantly for US allies, following four chaotic years of Trump presidency.

President Biden also called for increased effort in the fight against climate change, announcing the decision of the US to double its climate finance pledge by 2024, increasing funding to developing countries to \$11.4bn.

The Nigerian Naira weakened further on the official window, down by 0.49% at the I&E window as it trades at N414.90/\$.

This is augmented by water-slide move by the Naira on the official Naira forward market, with the one-year forward rate down by as much as 1.16% to peg the one-year Naira forward rate at N450.61/\$.

This extended freefall is coming even after Abokifx (the website accused by the CBN as the lead architect of the decline in the value of Naira) decided to suspend posting its daily Naira parallel market rates.

INTERBANK- (FX Spot& Forwards)			
Tenor	Previous	Current	WoW %CHG
CBN SMIS	380.69	380.69	0.00%
I&E FX	412.88	414.90	-0.49%
1 M	416.25	416.07	0.04%
3 M	420.90	422.22	-0.31%
6 M	429.67	431.47	-0.42%
1Y	445.40	450.61	-1.16%

SOURCE: FMDQ, APT RESEARCH



SOURCE: FMDQ, APT RESEARCH

NIGERIAN ECONOMY:

On Tuesday, the Federal Government raised \$4bn from the Eurobond market, \$1bn above the \$3bn it planned to raise as the issue was oversubscribed by over three-fold with demand peaking at \$12.2bn.

The Federal Government plans to use the proceeds of the Eurobond to finance part of the N5.6tn deficit of the 2021 budget.

Overnight lending rates marginally declined in an indication of slight improvement in the liquidity of banking institutions.

INDICATOR	PRESENT	PREVIOUS	%CHG
INFLATION	17.01	17.38	-2.13%
UNEMPLOYMENT	33.30%	27.10%	22.88%
CRUDE BONNY LIGHT (USD)	76.38	73.50	3.92%

SOURCE: FMDQ, APT RESEARCH

This is the first Eurobond issuance by the government in three years and one of the largest financial trades out of Africa in 2021.

Yield for the bond ranged from 6.125% for the 7-year bond to 8.25% for the 30-year bond.

The size of the order book and the quality of the participating investors portrayed the confidence of the investing public in the ability of the nation to repay such debt, Nigeria having never defaulted on a Eurobond in the past. With the success recorded in this auction making the federal government to begin weighing issuing another Eurobond with the Minister of Finance previously declaring the nations' intention to raise up to \$6.1bn from the bond market in 2021.

This Eurobond issuance is touted to create the much needed dollar supply to the CBN.

NIGERIAN T-BILLS RATES			
MATURITY	RATE	PREV	WoW %CHG
1 MONTH	3.90	3.78	3.17%
2 MONTH	4.15	4.02	3.23%
3 MONTH	4.59	4.15	10.60%
6 MONTH	5.20	5.21	-0.19%
9 MONTH	6.53	6.26	4.31%
12 MONTH	8.30	8.31	-0.12%

SOURCE: FMDQ, APT RESEARCH

Rising yield across the Nigerian Treasury Bills market begin to lose steam. This is following the successful Eurobond auction by the federal government of Nigeria that was oversubscribed at the international market.

LOCAL EQUITIES MARKET:

The local equities market started the week on a bearish note with three consecutive down sessions as sell-off in banking stocks knocked Custom Street lower. However, the market reversed its fortune in the last two sessions to close the week marginally higher.



SOURCE: NGX EXCHANGE, APT RESEARCH

The Nigerian Equities Market cumulatively lost 0.23% in the first three consecutive sessions. This early week tempo would however fail to be sustained as the market would go on to gain 0.28% in the last two sessions of the week, hence closing the week in the green.

NGXASI was up 0.05% at the end of the week to stand at 38,962.28bps. This outing brought the year-to-date performance of the ASI to stand at -3.25%, up by 1.22% week-on-week.

We advise investors to trade cautiously in the week starting 20th September as NTBills yields continue to rise.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	38,962.28	38,943.87	0.05%
MKT.CAP. (N'trn)	20.300	20.290	0.05%
YTD Return	-3.25%	-3.29%	1.22%

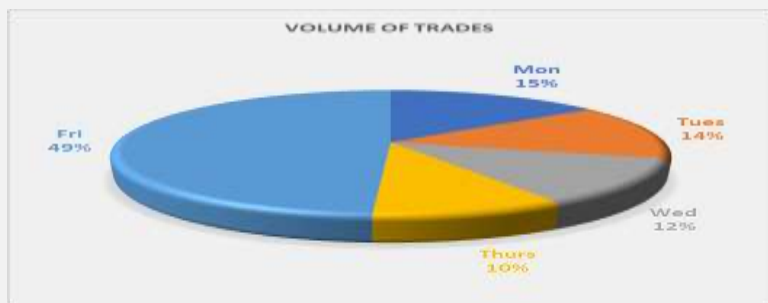
SOURCE: NGX EXCHANGE, APT RESEARCH

Market Capitalization is pegged at the end of the week at N20.300tn, as investors earned N10bn in the week, a 0.05% increase from where the market capitalization stood at the end of the previous week.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	38,962.28	38,943.87	0.05%
NGX30	1,616.80	1,617.37	-0.04%
NGX CG	1,203.29	1,207.68	-0.36%
NGX BNK	368.63	370.21	-0.43%
NGX INS	187.24	184.02	1.75%
NGXCNSMRGDS	548.77	548.99	-0.04%
NGXOILGAS	363.93	358.99	1.38%
NGXLOTUSISLM	2,784.37	2,782.12	0.08%
NGXINDUSTR	1,959.04	1,954.46	0.23%
NGX GROWTH	1,026.97	1,026.97	0.00%
NGXASEM	670.65	670.65	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Key sectorial indices were split between the bulls and the bears, with the Insurance Index up by 1.75% to become the best performing index, while the Banking Index closes 0.43% lower to shed the most weight.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity spiked in the week with a total turnover of 1.290bn shares worth N13.921bn in 16,745 deals. This is in contrast to the 856.289mn units of shares valued at N10.751bn that were traded in 19,315 deals in the previous week.

MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	1,290,492,803	856,288,980	50.71%
VALUE	13,921,369,459	10,751,721,384	29.48%
DEALS	16,745	15,663	6.91%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
PHARMDEKO	1.62	2.14	32.10%	SCOA	1.06	0.87	-17.92%
NAHCO	3.04	3.50	15.13%	PRESCO	79.50	73.00	-8.18%
CONOIL	22.35	25.50	14.09%	NEIMETH	1.90	1.75	-7.89%
CORNERST	0.52	0.58	11.54%	HONYFLOUR	4.00	3.80	-5.00%
COURTVILLE	0.29	0.32	10.34%	CUTIX	4.85	4.65	-4.12%
TRANSCOHOT	4.50	4.95	10.00%	JAPAUFGOLD	0.50	0.48	-4.00%
MRS	13.85	15.20	9.75%	SOVRENINS	0.26	0.25	-3.85%
CHIPLC	0.52	0.57	9.62%	TOTAL	199.20	192.00	-3.61%
CHAMS	0.21	0.23	9.52%	UCAP	8.90	8.60	-3.37%
ETERNA	6.52	7.00	7.36%	REDSTAREX	3.10	3.00	-3.23%

Twenty-eight stocks appreciated at the end of the week in view with PHARMDEKO gaining 32.10% to lead the pack as the best performing stock. This is higher than the twenty-one stocks that appreciated in the previous week.

SCOA shed 17.92% to become the worst performing stock as twenty-three stocks depreciated in price during the week. This is lower than the thirty-eight stocks that depreciated in price in the previous week.



SOURCE: APT RESEARCH

Across the APT Major Global Indices tracking board, the Johannesburg Stock Exchange All Share Index (JALSH) gained 1.89% to become the best performing index.

Conversely, the Ghana Stock Exchange Composite Index (GSE-CI) lost 3.86% in the week to become the worst performing index.

NASD-OTC MARKET:

Trading activity on the NASD-OTC market recorded mixed sentiment over the course of the week with three bullish sessions pitted against two bearish sessions. The NASD Security Index closed the week on a bullish note, up by 0.95% in the week to stand at 742.70bps as opposed to the 735.72bps it closed the previous week.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	742.70	735.72	0.95%
MKT. CAPITALIZATION (BN)	645.54	639.47	0.95%
VOLUME TRADED	14,126,364	20,997,661	-32.72%
VALUE TRADED	617,144,681.30	237,006,827.26	160.39%
DEALS EXECUTED	186	165	12.73%

SOURCE: NASD, APT RESEARCH



SOURCE: NASD, APT RESEARCH

Consequently, investors earned N6.07bn in the week to peg the market capitalization at N645.54bn as against the N639.47bn it stood at the end of the previous week.

Market turnover as measured by volume of trades significantly declined in the week under review, as 14.126mn units of shares were traded. This is in contrast to the 20.998mn units of shares traded in the previous week.

Conversely, both the value of traded shares and the number of executed deals inflated in the week, as the traded shares this week were valued at N617.145mn as against a value of N237.007mn recorded in the previous week. While 186 deals were executed in the current week, in contrast to the 165 deals executed in the previous week.

This represents a 32.72% decline in volume of trades, as both value of traded stocks and deals executed surged by 160.39% and 12.73% respectively.

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