

WEEKLY REPORT

10TH DECEMBER, 2021



APT SECURITIES AND FUNDS LIMITED
(Trading License Holder of The Nigerian Exchange Limited)

NIGERIAN ECONOMY:

The National Bureau of Statistics released the Country's Balance of Trade data for the third quarter of the year.

The balance of trade data saw the nation experiencing a widened trade deficit for the nine-month period to September 2021 when compared to a similar period in the previous year.

INDICATOR	PRESENT	PREVIOUS	%CHG
INFLATION	15.99	16.63	-3.85%
UNEMPLOYMENT	33.30%	27.10%	22.88%
CRUDE BONNY LIGHT (USD)	74.38	70.68	5.23%

SOURCE: NBS, OILPRICE.COM, APT RESEARCH

Trade deficit for the nine-month period in 2021 stood at N8.84tn. When compared to a trade deficit of N4.64tn recorded in the first nine months of 2020, that represents a 90% increase in deficit.

This worsening trade deficit is driven by a 60% increase in imports as exports increased at a slower rate of 41%.

Crude Oil continues to drive Nigeria's exports, even gaining further steam as it contributed 90% of the exports recorded in the period, up from the 80.29% it contributed to exports in a similar period in the previous year.

INTERBANK-(FX Spot& Forwards)			
Tenor	Previous	Current	WoW %CHG
CBN SMIS	430.00	430.00	0.00%
I& E FX	414.80	415.10	-0.07%
1 M	416.07	416.08	0.00%
3 M	421.33	421.31	0.00%
6 M	430.47	430.39	0.02%
1Y	448.13	447.92	0.05%

SOURCE: FMDQ, APT RESEARCH

The Nigerian Naira weakened on the official exchange window even as dollar liquidity continues to improve on the back of increased dollar supply. The Naira is down by 0.07% in the week at the I&E window to trade at N415.10/\$ from the N414.80/\$ it traded at the end of the previous week.

The Naira would however stabilize on the official Naira forward market, strengthening in the medium-long-term forward market, with the one-year forward rate up by 0.05% to peg the one-year Naira forward rate at N447.92/\$.



SOURCE: FMDQ, APT RESEARCH

Following an extended period of improvement in liquidity in the banking institutions, a liquidity crunch was experienced in the banking sector in the week in view as measured by a decline in the overnight lending rate.

NIGERIAN T-BILLS RATES			
MATURITY	RATE	PREV	WoW %CHG
1 MONTH	3.71	3.71	0.00%
2 MONTH	4.03	3.87	4.13%
3 MONTH	3.00	2.46	21.95%
6 MONTH	3.74	3.35	11.64%
9 MONTH	5.74	5.86	-2.05%
12 MONTH	5.64	6.56	-14.02%

SOURCE: FMDQ, APT RESEARCH

Yields across the short to medium-term Nigerian Treasury Bills experienced an uptick as investors sell-off to push prices lower. However, longer term Nigerian Treasury Bills experienced a significant decline in yield as risk-averse investors direct funds into the longer-term default-risk-free money market instruments, pushing prices higher and yields lower. This falling yield is set to make the local equities market more attractive, especially considering the negative real-returns offered by the money-market instruments and most other debt instruments.

LOCAL EQUITIES MARKET:

The local equities market recorded a second consecutive bearish week, closing in the red, as it underperforms most of its regional and global peers.



SOURCE: NGX EXCHANGE, APT RESEARCH

The Nigerian Equities Market kicked-off the week on a bearish note, extending the bearish run that started at the beginning of the previous week, as Custom Street takes its bearish run into the sixth straight session. This would set the tempo for the week even as the market gains weight in three out of the five trading sessions in the week.

The NGXASI shed 0.68% in the week to stand at 41,882.97bps. This outing brought the year-to-date performance of the ASI to stand at 4.00%, down from the 4.71% it stood at the end of the previous week.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	41,882.97	42,167.91	-0.68%
MKT.CAP. (N'trm)	21.854	22.003	-0.68%
YTD Return	4.00%	4.71%	-15.02%

SOURCE: NGX EXCHANGE, APT RESEARCH

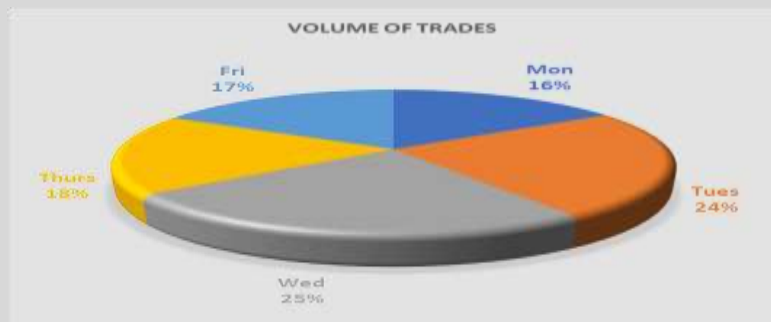
Market Capitalization is pegged at the end of the week at N21.854tn, as investors lost N149bn in the week, a 0.68% decrease from where the market capitalization stood at the end of the previous week.

We maintain a bullish outlook on the market but advise investors to trade cautiously as we approach the end of the year.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	41,882.97	42,167.91	-0.68%
NGX30	1,682.33	1,691.51	-0.54%
NGX CG	1,244.35	1,217.07	2.24%
NGX BNK	402.71	381.55	5.55%
NGX INS	190.86	188.52	1.24%
NGXCNSMRGDS	546.96	546.38	0.11%
NGXOILGAS	352.67	348.24	1.27%
NGXLOTUSISLM	2,856.20	2,894.04	-1.31%
NGXINDUSTR	2,073.32	2,192.12	-5.42%
NGX GROWTH	1,201.61	1,133.56	6.00%
NGXASEM	670.65	670.65	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Most sectorial indices closed on a positive note in contrast to the bearish outing of the ASI, save for the NGX30 and Lotus Indices that lost 0.54% and 1.31% respectively as the Industrial Index lost 5.42% to become the worst performing index in the week. Growth Index however led the gainers as it gained 6.00% in the week.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity surged in the week with a total turnover of 2.630bn shares valued at N26.900bn, traded in 20,848 deals. This is in contrast to the 1.278bn units of shares valued at N17.340bn that were traded in 21,052 deals in the previous week.

Trading activity in FBNH, STERLNBANK, and CILEASING (the top three most traded stocks by volume) accounted for 1.607bn units of the traded shares, representing 61.13% of the total turnover.

MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	2,629,792,655	1,278,489,535	105.70%
VALUE	26,899,800,304	17,339,609,549	55.13%
DEALS	20,848	21,052	-0.97%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
MEYER	0.24	0.33	37.50%	UNITYBNK	0.51	0.43	-15.69%
CHIPLC	0.44	0.55	25.00%	DANGCEM	280.00	252.00	-10.00%
ACADEMY	0.39	0.47	20.51%	LINKASSURE	0.56	0.51	-8.93%
UPDC	0.99	1.18	19.19%	ABCTTRANS	0.34	0.31	-8.82%
ROYALEX	0.53	0.60	13.21%	MAYBAKER	4.49	4.10	-8.69%
ETI	8.00	9.05	13.13%	CUTIX	2.89	2.65	-8.30%
CHAMPION	2.40	2.71	12.92%	AIICO	0.74	0.68	-8.11%
GTCO	24.10	26.50	9.96%	UACN	10.00	9.20	-8.00%
SKYAVN	4.45	4.88	9.66%	CUSTODIAN	7.70	7.10	-7.79%
ABBEYBDS	0.95	1.04	9.47%	NEIMETH	1.75	1.63	-6.86%

Thirty-five stocks appreciated at the end of the week in view, higher than the eighteen stocks that appreciated in the previous week.

MEYER gained 37.50% to lead the pack as the best performing stock.

UNITYBNK on the other hand sheds 15.69% to become the worst performing stock as twenty-seven stocks depreciated in price during the week. This is lower than the forty-nine stocks that depreciated in price in the previous week.

NEM Insurance Plc sent an application for share reconstruction to the NGX Limited. This reconstruction which would result in a 1 for 2 shares consolidation would see the nominal value of the shares increasing from N0.50kobo to N1.00kobo, and the issued shares decreasing from 10.033bn units to 5.016bn units.

BOC Gasses Nigeria Plc notified the Exchange of a change in the company name to Industrial & Medical Gasses Nigeria Plc. The trading symbol of the company would hence change from BOCGAS to IMG.



SOURCE: APT RESEARCH

Positive sentiment returned to the global markets as investors downplay the possible disruptive impact of the new COVID variant (Omicron) with all major indices across the APT Major Global Indices tracking board gaining weight in the week, save for the NGXASI and GSECI that were down 0.68% and 1.13% respectively.

NASD-OTC MARKET:

The NASD-OTC market started the week flat. It would however go on to shed weight in three out of the remaining four sessions of the week, gaining weight in a single session. This bearish sentiment would set the tempo for the week.

Consequently, the NASD Security Index closed the week on a bearish note, shedding 1.78% in the week to stand at 732.15bps as opposed to the 745.44bps it closed the previous week.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	732.15	745.44	-1.78%
MKT. CAPITALIZATION (BN)	604.88	615.86	-1.78%
VOLUME TRADED	6,571,340	22,908,261	-71.31%
VALUE TRADED	155,768,149.95	83,551,034.66	86.43%
DEALS EXECUTED	53	27	96.30%

SOURCE: NASD, APT RESEARCH



SOURCE: NASD, APT RESEARCH

The market capitalization was also down by 1.78%, representing a N10.98bn decline in market capitalization.

This pegged the market capitalization of the NASD-OTC market at N604.88bn from the N615.86bn it stood at the end of the previous week.

Market activity as measured by volume of trades declined in the week under review, as 6.571mn units of shares were traded in the week. This is in contrast to the 22.908mn units of shares traded in the previous week.

Conversely, both the value of traded shares and the number of executed deals surged in the week, as the traded shares were valued at N155.768mn, with 53 deals being executed in the week. This is in contrast to a trade value of N83.551mn and 27 executed deals in the previous week.

This represents a 71.31% decline in turnover as both value of traded stocks and number of executed deals surged by 86.43% and 96.30% respectively.

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