

WEEKLY REPORT

FRIDAY 27TH MAY, 2022



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

ECONOMY:

The world's most actively traded commodity, WTI crude futures rose to as much as \$115 per barrel on Friday, approaching a 14-year high of almost \$126 hit in March and closing the week over 4% higher amid persistent concerns of tighter global supplies and rise in demand. The latest EIA data showed a larger-than-expected drawdown in US crude inventories last week due to soaring exports, highlighting a tight global market. Meanwhile, the EU continued to haggle with Hungary over banning oil imports from Russia with European Council Charles Michel saying he is confident that an agreement can be reached before the council's next meeting on May 30th, 2022.

Elsewhere, OPEC+ is widely expected to stick to last year's oil production deal at its June 2nd meeting and raise July output targets by 432,000 barrels per day, according to Reuters.

INDICATOR	PRESENT	PREVIOUS	%CHG
INFLATION	16.82	15.92	5.65%
UNEMPLOYMENT	33.30%	33.30%	0.00%
CRUDE BONNY LIGHT (USD)	121.39	116.70	4.02%

SOURCE: NBS, OILPRICE.COM, APT RESEARCH

Domestically, the Central Bank of Nigeria unexpectedly raised its monetary policy rate by 150 bps to 13% at its May 2022 meeting, against market expectations of 11.5%, bringing borrowing costs to the highest since April of 2020. It was the biggest rate hike since July of 2016, amid concerns that persistent inflationary pressures could weigh on the country's fragile recovery. Inflation quickened to an eight-month high of 16.82% in April, well above the central bank's target range of 6%-9%, driven by high costs and supply-side constraints.

Meanwhile, latest data from the Economist Intelligence Unit (EIU) showed Nigeria's economic growth slowed for the third straight quarter to 3.11% in Q1, hampered by lower oil production, even as Governor Godwin Emefiele said the economy was seen expanding by 3.25% this year, lower than the government's projection of 4.2% growth.

INTERBANK-(FX Spot& Forwards)			
Tenor	Previous	Current	WoW % CHG
CBN SMIS	430.00	430.00	0.00%
I& E FX	416.67	419.50	-0.67%
1 M	427.24	427.24	0.00%
3 M	430.63	430.63	0.00%
6 M	435.71	435.71	0.00%
1Y	445.88	445.88	0.00%

SOURCE: FMDQ, APT RESEARCH

The Nigerian Naira further weakened on the official exchange window as the CBN adjusts the Dollar to Naira rate on the I&E window higher by N2.83kobo. The Naira is hence down by 67bps in the week at the I&E window to trade at N419.50/\$ from the N416.67/\$ it traded at the end of the previous week.

On the other hand, the Naira maintains its previous stand on the official Naira forward market, with the one-year forward rate closing flat to peg the one-year Naira forward rate at N445.88/\$.



SOURCE: FMDQ, APT RESEARCH

Following a liquidity crunch experienced in the financial sector in the previous week, there was a liquidity decrease in the banking sector in the week in view as measured by the increase in the overnight lending rate.

NIGERIAN T-BILLS RATES			
MATURITY	RATE	PREV	WoW %CHG
1 MONTH	3.28	2.93	11.92%
2 MONTH	3.14	3.29	-4.52%
3 MONTH	3.73	3.79	-1.40%
6 MONTH	4.24	3.79	11.89%
9 MONTH	5.18	4.47	15.73%
12 MONTH	6.09	5.04	20.82%

SOURCE: FMDQ, APT RESEARCH

The NTB secondary market sustained its bearish stance to close the week, with improved offers seen on the long dated maturities at 4.00% to 4.02% levels as players sought to create liquidity amid funding needs. Going forward, we expect yields to decline as risk-averse investors push the price of NT-bills lower.

LOCAL EQUITIES MARKET:

The local equities market started the week on a bearish note, extending the previous week bearish outing as the bears maintained grip over the market breath. This bearish sentiment would however fail to be sustained after the second trading session of the week as the Nigerian Equities Market would go on to gain weight in the remaining three consecutive sessions in the week.



SOURCE: NGX EXCHANGE, APT RESEARCH

The Nigerian Equities Market ended first two trading sessions of the week with a 1.95% loss in the All-Share Index. This tempo would however fail to be sustained as the NGXASI went on to cumulatively gain 4.06% in the remaining three sessions of the week, hence inching the NGXASI 2.09% higher at the end of the week.

This outing made the NGXASI to cross above the 54,000bps mark, pegging it at 54,085.30bps at the end of the week, the highest value recorded by the ASI in 13 years period. The month-to-date and year-to-date performance of the ASI stood at 8.96% and 26.61% respectively.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	54,085.30	52,979.96	2.09%
MKT.CAP. (N'trn)	29,158	28,562	2.09%
YTD Return	26.61%	24.04%	10.71%

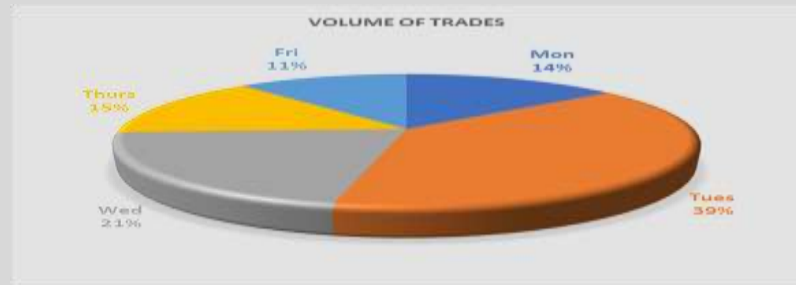
SOURCE: NGX EXCHANGE, APT RESEARCH

Market Capitalization is pegged at the end of the week at N29,158tn, as investors earned N596bn in the week, a 2.09% increase 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 in view of the recent interest hike by the apex bank.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	54,085.30	52,979.96	2.09%
NGX30	1,984.00	2,030.37	-2.28%
NGX CG	1,392.36	1,434.21	-2.92%
NGX BNK	427.47	430.73	-0.76%
NGX INS	180.28	192.34	-6.27%
NGXCNSMRGDS	664.23	691.49	-3.94%
NGXOILGAS	551.49	556.29	-0.86%
NGXLOTUSISLM	3,366.24	3,443.09	-2.23%
NGXINDUSTR	2,278.71	2,294.18	-0.67%
NGX GROWTH	1,432.57	1,440.90	-0.58%
NGXASEM	658.99	658.99	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Key sectorial indices closed on a negative note to in contrast to the bullish outing of the ASI. Insurance Index was down by 6.26% to become the worst performing index in the week. It was flanked by the Consumer Goods and Corporate Governance Indices that shed 3.94% and 2.92% respectively.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity declined in the week with a total turnover of 1.840bn shares valued at N27.286bn, traded in 27,273 deals. This is in contrast to the 3.021bn units of shares valued at N31.784bn that were traded in 29,151 deals in the previous week.

MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	1,840,256,799	3,021,012,311	-39.08%
VALUE	27,286,212,677	31,783,905,521	-14.15%
DEALS	27,273	29,151	-6.44%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
IMG	9.10	11.00	20.88%	UACN	14.40	10.50	-27.08%
MRS	13.60	16.40	20.59%	GSPECPLC	3.41	2.77	-18.77%
AIRTELAFRI	1470.00	1767.00	20.20%	ROYALEX	1.14	0.98	-14.04%
CONOIL	31.15	34.25	9.95%	RTBRISCOE	0.65	0.56	-13.85%
FTNCOCOA	0.32	0.35	9.37%	JAIZBANK	0.90	0.78	-13.33%
ABBEYBDS	1.65	1.80	9.09%	NEM	4.39	3.82	-12.98%
CHIPLC	0.60	0.65	8.33%	PZ	13.00	11.45	-11.92%
ACADEMY	1.23	1.32	7.32%	GUINNESS	98.00	87.10	-11.12%
JAPAUFGOLD	0.30	0.32	6.67%	SOVRENINS	0.28	0.25	-10.71%
CAPHOTEL	3.19	3.40	6.58%	AIICO	0.78	0.70	-10.26%

Twenty-three stocks appreciated at the end of the week in view, lower than thirty-seven stocks that appreciated in the previous week. IMG gained 20.88% in the week to lead the pack as the best performing stocks.

Fifty-four stocks depreciated in price during the week. This is higher than the forty-two stocks that depreciated in price in the previous week. UACN shed 27.08% to become the worst performing stock.



SOURCE: APT RESEARCH

Across the APT Major Global Indices tracking board, all of the indices recorded negative outing for the week save, for Ftse 100 and GSE Composite indices that gained 1.07% and 3.90% respectively in the week to register as the best-performing indices.

NASD-OTC MARKET:

The NASD-OTC market started the week on a negative note, with the NSI losing 0.39% to extend the previous week close of 793.05bps in the first session of the week. This negative tempo ceased to continue in the second and third trading sessions of the week, as the index gained 0.24% and 0.41% respectively. This positive trend was however halted in the fourth trading session, marginally shedding 0.03%. The last trading session of the week however closed flat to end the week at 794.83bps.

Consequently, the NASD Security Index closed the week on a positive note, gaining 0.22% from 793.05bps it closed the previous week.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	794.83	793.05	0.22%
MKT. CAPITALIZATION (BN)	1,046.33	1,038.50	0.75%
VOLUME TRADED	8,018,365	29,989,044	-73.26%
VALUE TRADED (N)	98,835,399.00	79,754,591.00	23.92%
DEALS EXECUTED	43	58	-25.86%

SOURCE: NASD, APT RESEARCH

Market capitalization followed suit to gain weight to stand at N1,046.33bn recording a 0.75% up from N1,038.50bn it stood at the end of the previous week. This variation between the NSI and Market Cap. is as a result of the admission of **1,000,000,000** units of 50kobo shares of **CITITRUST Holdings Plc** to the NASD Securities Exchange at N5.5, with the ticker code **SDCITITRUST**.

Market activity as measured by volume of trades waned in the week under review, as 8.018mn units of shares valued at N98.835mn in 43 deals were traded in the week. This is in contrast to the 29.989mn units of shares traded in 58 deals in the previous week, valued at N79.755mn.

There are only four gainers in the week, with the SDNASDPLC gaining 2.06% to become the best performing stock in the week.



SOURCE: NASD, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
SDNASDPLC	13.72	14.00	2.06%				
SDFCWAMCO	109.00	110.00	0.92%				
SDCSCSPLC	16.95	17.00	0.29%				
SDFOODCPT	0.93	0.93	0.13%				

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