

WEEKLY REPORT

FRIDAY 10TH JUNE, 2022



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

ECONOMY:

Brent crude futures faltered from values above \$123 to \$121 on Friday, sliding for the second straight session, as investors were monitoring the covid situation in China and remained concerned that surging inflation may derail growth and impact oil demand. Major Chinese cities are still battling rising virus cases with officials warning of a “ferocious” Covid spread in Beijing. Meanwhile, US inflation unexpectedly accelerated to a fresh 40-year high of 8.6% last month, raising the likelihood of more aggressive rate hikes from the Federal Reserve.

Merely a couple of days after OPEC+ sped up the pace of production increases, Saudi Aramco hiked its July formula prices for Asian buyers to higher-than-expected levels, stoking concerns that supply might be lower than expected. The July '22 OSP for Saudi Arabia's largest crude stream Arab Light was hiked by \$2.1 per barrel from June, almost a dollar above the month-on-month changes in the Dubai cash-to-futures spread.

INDICATOR	PRESENT	PREVIOUS	%CHG
INFLATION	16.82	16.82	0.00%
UNEMPLOYMENT	33.30%	33.30%	0.00%
CRUDE BONNY LIGHT (USD)	126.98	124.18	2.25%

SOURCE: NBS, OILPRICE.COM, APT RESEARCH

Domestically, The National Bureau of Statistics (NBS) says Nigeria recorded N1.2 trillion trade surplus in the first three months of 2022. The bureau stated this in its recent report titled: 'Foreign trade in goods statistics (Q1 2022).

Also, The Debt Management Office said on Tuesday that Nigeria's total public debt stock increased to N41.60tn in the first quarter of 2022 from N39.56tn as of December 2021. This shows an increase of N2.04tn within a period of three months.

INTERBANK-(FX Spot& Forwards)			
Tenor	Previous	Current	WoW % CHG
CBN SMIS	430.00	430.00	0.00%
I& E FX	419.50	421.25	-0.42%
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 lower by N1.75kobo. The Naira is hence up by 0.42% in the week at the I&E window to trade at N419.50/\$ from the N421.25/\$ it traded at the end of the previous week.

On the other hand, the Naira maintains it's 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	2.60	3.43	-24.29%	
2 MONTH	3.52	3.14	12.10%	
3 MONTH	3.48	3.83	-9.22%	
6 MONTH	4.57	4.57	-0.07%	
9 MONTH	5.68	5.49	3.54%	
12 MONTH	5.06	6.39	-20.78%	

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 bullish note, halting the previous week bearish outing of 2.18% as the bulls maintained grip over the market breath. This bearish sentiment would continue to be sustained for the second trading session of the week, after which the Nigerian Equities Market would go on to shed weight in the third and fourth consecutive sessions before it marginally added weight in the last trading session of the week.



SOURCE: NGX EXCHANGE, APT RESEARCH

The Nigerian Equities Market ended the first and second trading sessions of the week with a gain of 0.34% and 0.35% respectively in the All-Share Index. This tempo would however fail to be sustained as the NGXASI went on to shed 0.14% and 0.04% in the fourth and last trading session of the week respectively, thus reducing the cumulative previous gains recorded.

The ASI closed this week's trading session in green band, inclining by 0.55%, which may not be unconnected to active sell-down move by investors largely driven by the recent MPR hike by the Nigeria's apex bank. The month-to-date and year-to-date performance of the ASI stood at -0.81% and 24.55% respectively.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	53,201.38	52,908.24	0.55%
MKT.CAP. (N'trn)	28.681	28.523	0.55%
YTD Return	24.55%	23.86%	2.90%

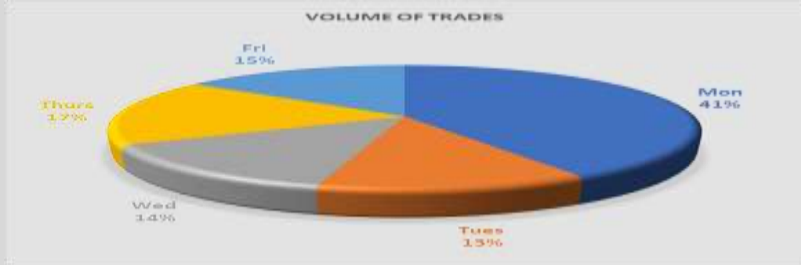
SOURCE: NGX EXCHANGE, APT RESEARCH

The Market capitalization also inched up by 0.55% during the week to close at N28.981tn from N28.523tn level it closed the previous week. We expect the trend to continue on the activities of value investors positioning for fundamentally justifiable stocks.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	53,201.38	52,908.24	0.55%
NGX30	1,938.49	1,922.43	0.84%
NGX CG	1,353.36	1,353.28	0.01%
NGX BNK	415.33	424.34	-2.12%
NGX INS	178.85	181.78	-1.61%
NGXCNSMRGDS	646.90	647.55	-0.10%
NGXOILGAS	552.73	549.01	0.68%
NGXLOTUSISLM	3,307.50	3,254.81	1.62%
NGXINDUSTR	2,199.13	2,193.62	0.25%
NGX GROWTH	1,437.05	1,443.13	-0.42%
NGXASEM	658.99	658.99	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Key sectorial indices closed in mixed directions as bulls and bears almost wrangled over the market breath, with the NGXLOTUSISLM index gaining the most weight, NGXINS losing the most weight, while NGXASEM closed flat.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity declined in the week with a total turnover of 1.831bn shares valued at N19.494bn, traded in 21,723 deals. This is in contrast to the 28.736bn units of shares valued at N209.060bn that were traded in 23,688 deals in the previous week.

MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	1,830,867,857	28,735,592,380	-93.63%
VALUE	19,494,163,150	209,060,102,162	-90.68%
DEALS	21,723	23,688	-8.30%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
GSPECPLC	2.50	2.75	10.00%	IMG	11.00	9.15	-16.82%
CONOIL	29.10	32.00	9.97%	ETI	12.50	11.10	-11.20%
FIDSON	10.95	12.00	9.59%	MRS	16.40	14.80	-9.76%
UPL	2.65	2.90	9.43%	ETRANZACT	3.00	2.71	-9.67%
PHARMDEKO	1.60	1.75	9.37%	TIP	0.44	0.40	-9.09%
TRANSCORP	1.27	1.38	8.66%	CILEASING	3.50	3.20	-8.57%
ELLAHLAKES	3.42	3.69	7.89%	NEM	4.20	3.85	-8.33%
JAIZBANK	0.90	0.97	7.78%	CUTIX	2.90	2.70	-6.90%
FCMB	3.27	3.50	7.03%	TRANSEXPR	0.78	0.73	-6.41%
FTNCOCOA	0.34	0.36	5.88%	ABCTRANS	0.33	0.31	-6.06%

Twenty-nine stocks appreciated at the end of the week in view, lower than Thirty-six stocks that appreciated in the previous week. GSPECPLC gained 10.00% in the week to lead the pack as the best performing stocks.

Thirty-six stocks depreciated in price during the week. This is lower than the Forty-five stocks that depreciated in price in the previous week. IMG shed 16.82% 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 NGXASI, NIKKEI225, and GSE Composite indices that gained 0.55%, 0.23% and 0.03% respectively in the week to register as the best-performing indices.

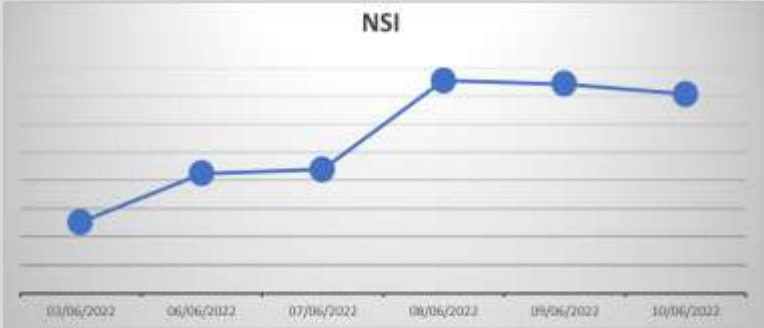
NASD-OTC MARKET:

The NASD-OTC market started the week on a negative note, with the NSI gaining 1.15% in the first session of the week to halt the previous week negative close of 5.31%. This positive tempo would continue to happen in the second and third trading sessions of the week, as the index gains a weight of 3.32% for the trading sessions. This trend however could not sustain as the index ended the fourth and last trading days on a negative note, shedding a weight of 0.31% for the two sessions. Thus, the index gains a cumulative weight of 3.02%wow.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	775.32	752.59	3.02%
MKT. CAPITALIZATION (BN)	1,020.64	990.72	3.02%
VOLUME TRADED	12,317,531	10,254,299	20.12%
VALUE TRADED (N)	272,440,517.80	91,524,738.17	197.67%
DEALS EXECUTED	65	51	27.45%

SOURCE: NASD, APT RESEARCH

Market capitalization followed suit to gain weight to stand at N1020.64bn recording a 3.02% up from N990.72bn it stood at the end of the previous week.



SOURCE: NASD, APT RESEARCH

Market activity as measured by both volume and value of trades gained weight in the week under review as 12.318mn units of shares valued at N272.441mn in 65 deals were traded in the week. This is in contrast to the 10.254mn units of shares traded in 51 deals in the previous week, valued at N91.525mn.

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
SDFCWAMCO	88.40	104.59	18.31%	SDCSCSPLC	16.00	14.95	-6.53%
SDCITITRUST	5.50	5.80	5.43%				
SDVFDGROUP	234.02	244.88	4.64%				
SDNASDPLC	14.00	14.64	4.59%				
SDNDEP	180.00	185.00	2.78%				

There are five gainers in the week as against one loser. SDFCWAMCO gained 18.31% to become the best performing stock in the week, while SDCSCSPLC shed 6.53% in the week.

Disclaimer: This report by APT securities and Funds is for information purposes only. While opinions and estimates therein have been carefully prepared, the company and its employees do not guarantee the complete accuracy of the information contained herewith as information was also gathered from various sources believed to be reliable and accurate at the time of this report. We do not take responsibility therefore, for any loss arising from the use of this information.

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