

WEEKLY REPORT

FRIDAY 17TH JUNE, 2022



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

ECONOMY:

Brent crude futures slumped 5% to \$114 per barrel on Friday, the lowest in 3 weeks, heading for the first weekly decline since early May, as concerns grew that recent rate hikes around the world may cause a recession and hit oil demand. Most central banks across the world have raised interest rates this week, led by the Federal Reserve's 75 basis point rate hike amid a global fight against surging inflation. Analysts argued that drastic action was needed to get ahead of rising prices, but warned of a higher risk of recession. The International Energy Agency also warned on Wednesday that soaring oil prices and weakening economic forecasts dimmed the future demand outlook. 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	17.71	16.82	5.29%
UNEMPLOYMENT	33.30%	33.30%	0.00%
CRUDE BONNY LIGHT (USD)	119.25	126.98	-6.09%

SOURCE: NBS, OILPRICE.COM, APT RESEARCH

Domestically, Economic data released by the Nigerian Bureau of Statistics indicates that annual inflation rate accelerated for the fourth month to 17.71 percent in May of 2022 from 16.82 percent in the previous month and above market expectations of 17.4 percent. It was the steepest inflation rate since last June, driven by prices of food (19.5 percent vs 18.37 percent in April) and non-food products (14.9 percent vs 14.18 percent).

Similarly, the urban inflation rate increased to 18.24% (year-on-year); this is a 0.27% decline compared to 18.51% recorded in May 2021. On the other hand, the rural inflation rate increased to 17.21% in May 2022 (year-on-year) basis; this is a 0.15% decline compared to 17.36% recorded in the corresponding month of 2021.

Like most African countries, Nigeria is grappling with rising prices of food, as the continent is still largely dependent on agricultural imports, especially grains. Also, soaring diesel prices and the ongoing dollar shortage contributed to the upward trend in inflation.

INTERBANK-(FX Spot & Forwards)			
Tenor	Previous	Current	WoW % CHG
CBN SMIS	430.00	430.00	0.00%
I&E FX	421.25	420.50	0.18%
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 in a dramatic turn of events significantly strengthened in the parallel market against major global currencies towards the end of the week. The Naira traded at N420.50/\$ at the end of the week as against the N421.25/\$ it stood 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

Overnight lending rates were relatively flat in relation to the previous week, in an indication of improved liquidity in the banking institutions.

NIGERIAN T-BILLS RATES			
MATURITY	RATE	PREV	WoW %CHG
1 MONTH	3.01	2.60	15.77%
2 MONTH	3.72	3.52	5.68%
3 MONTH	3.48	3.48	0.00%
6 MONTH	3.96	4.57	-13.35%
9 MONTH	5.68	5.68	0.00%
12 MONTH	6.10	5.06	20.55%

SOURCE: FMDQ, APT RESEARCH

Rising Nigerian Treasury Bills rates moved up in the week in view to close mostly high. This performance is not unconnected with the increase recorded in the inflation rate, as that made the NTBills rates more attractive.

LOCAL EQUITIES MARKET:

On the local equities market, it was a four-day trading week as the Federal Government of Nigeria declares Monday the 13th of June, 2022 a public holiday to mark the democracy day celebrations. The Nigerian Equities Market kicked-off the week on a bearish note, with the NGXASI losing 0.16% in the first trading session of the week. This early performance set the direction the market would close the week as subsequent outings in the remaining three sessions of the week followed suit the direction recorded in the first trading session of the week.



SOURCE: NGX EXCHANGE, APT RESEARCH

NGXASI was down 2.68% at the end of the week to stand at 51,778.08bps. This outing 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 -3.47% and 221.21% respectively.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	51,778.08	53,201.38	-2.68%
MKT.CAP. (N'trn)	27.914	28.681	-2.67%
YTD Return	21.21%	24.55%	-13.60%

SOURCE: NGX EXCHANGE, APT RESEARCH

The Market capitalization fell below the N28tn mark by 2.67% during the week to close at N27.914tn from N28.681tn level it closed the previous week, as investors lost a whopping N767bn in the week.

We continue to maintain a positive outlook on the market as Q2 results are expected to portray increased profitability by companies.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	51,778.08	53,201.38	-2.68%
NGX30	1,880.41	1,938.49	-3.00%
NGX CG	1,302.59	1,353.36	-3.75%
NGX BNK	393.72	415.33	-5.20%
NGX INS	176.68	178.85	-1.21%
NGXCNSMRGDS	639.38	646.90	-1.16%
NGXOILGAS	542.80	552.73	-1.80%
NGXLOTUSISLM	3,220.90	3,307.50	-2.62%
NGXINDUSTR	2,197.38	2,199.13	-0.08%
NGX GROWTH	1,477.15	1,437.05	2.79%
NGXASEM	658.99	658.99	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Key sectorial indices closed in the same direction with the ASI as bears maintained dominance over the market breath, with the exception of NGX GROWTH index that gained weight, while NGXASEM closed flat.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity declined in the week with a total turnover of 940.892bn shares valued at N11.494bn, traded in 20,077 deals. This is in contrast to the 1.831bn units of shares valued at N19.494bn that were traded in 21,723 deals in the previous week.

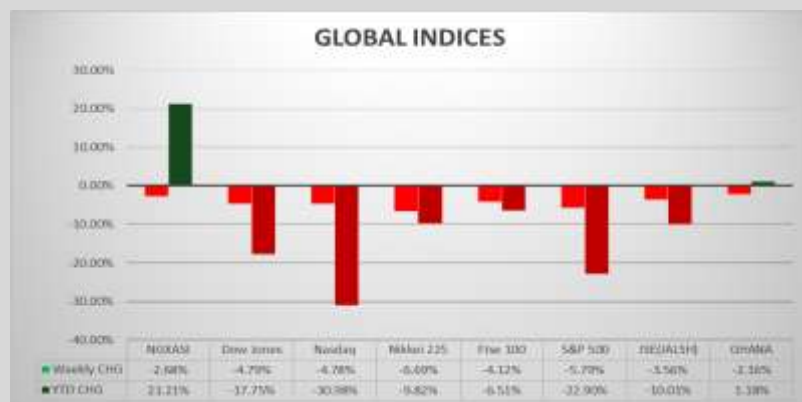
MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	940,892,405	1,830,867,857	-48.61%
VALUE	11,493,613,631	19,494,163,150	-41.04%
DEALS	20,077	21,723	-7.58%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
LEARNAFRCA	2.16	2.50	15.74%	LIVESTOCK	1.60	1.33	-16.88%
SUNUASSUR	0.32	0.35	9.37%	INTBREW	7.35	6.25	-14.97%
TRIPPLEG	0.87	0.95	9.20%	CUTIX	2.70	2.41	-10.74%
ELLAHLAKES	3.69	4.00	8.40%	MEYER	3.10	2.79	-10.00%
LIVINGTRUST	1.14	1.20	5.26%	CONOIL	32.00	28.80	-10.00%
UACN	11.00	11.50	4.55%	ETRANZACT	2.71	2.44	-9.96%
FIDELITYBK	3.28	3.37	2.74%	CAP	20.15	18.15	-9.93%
STERLNBANK	1.52	1.55	1.97%	MCNICHOLS	2.05	1.85	-9.76%
CORNERST	0.61	0.62	1.64%	ARDOVA	14.95	13.50	-9.70%
CWG	1.04	0.94	1.49%	CWG	1.04	0.94	-9.62%

Thirteen stocks appreciated at the end of the week in view, lower than Twenty-nine stocks that appreciated in the previous week. LEARNAFRCA gained 15.74% in the week to lead the pack as the best performing stocks.

Fifty-one stocks depreciated in price during the week. This is higher than the Thirty-six stocks that depreciated in price in the previous week. BETAGLAS shed 18.15% 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, GSE Composite indices that gained weight in the week to register as the best-performing index.

NASD-OTC MARKET:

The OTC market also traded for four days in the week, in observance of the public holiday declared by the federal government to mark the democracy day celebrations.

Trading activity on the NASD-OTC market recorded an almost mixed outings over the course of the week, as the bulls and bears wrangled over the four trading sessions. The OTC market dipped lower as the NSI was down by 1.41% in the week to stand at 764.41bps as opposed to the 775.32bps it opened the week.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	764.41	775.32	-1.41%
MKT. CAPITALIZATION (BN)	1,006.28	1,020.64	-1.41%
VOLUME TRADED	6,064,094	12,317,531	-50.77%
VALUE TRADED (N)	69,634,193.10	272,440,517.80	-74.44%
DEALS EXECUTED	62	65	-4.62%

SOURCE: NASD, APT RESEARCH

Market capitalization followed suit to shed weight to stand at N1006.28bn recording a 1.41% downtick from N1020.64bn it stood at the end of the previous week.



SOURCE: NASD, APT RESEARCH

Market activity as measured by both volume and value of trades shed weight in the week under review as 6.064mn units of shares valued at N69.634mn in 62 deals were traded in the week. This is in contrast to the 12.318mn units of shares traded in 65 deals in the previous week, valued at N272.441mn.

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
SDCITITRUST	5.80	6.25	7.79%	SDCBANCO	3.00	2.83	-5.77%
SDNASDPLC	14.64	15.00	2.44%	SDFCWAMCO	104.59	98.76	-5.57%
				SDCSCSPLC	14.95	14.44	-3.42%
				SDNDEP	185.00	180.00	-2.70%

There are two gainers in the week as against one loser. SDCITITRUST gained 7.79% to become the best performing stock in the week, while SDCBANCO shed 5.77 % 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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