



AXA MANSARD

# Quarterly Market Review

29<sup>th</sup> Dec 2017

Investments Team

Dec 2017 – AXA Mansard

# Global Market Review

# 2

# Investment Report

## Global Macro Review

- Global political developments continue to capture headlines
  - US senate passed the most sweeping overhaul of the US tax code in three decades
  - German Chancellor, Angela Merkel failed to form a coalition government post-elections
  - President Robert Mugabe resigned of Zimbabwe resigned following military intervention
  - Corruption probe in Saudi Arabia led to the arrests of prominent businessmen and royal family members
- Macroeconomic data remained steady regardless
  - Q3 US GDP estimate showed an annualized 3.3% expansion
  - US labour market continue to be resilient- 261k and 228k jobs added in October and November respectively
  - Japan's Q3 GDP reading came in at 1.4% YoY
  - Robust Purchasing Managers' Index data in the eurozone at 60.1
- Global equities continue to record strong performance in Q4
  - Risk sentiments continue to remain generally well supported
  - Global equities added to their gains in 2017 with another strong month
  - +3.3% for emerging market equities, +6.4% for developed market equities

# Investment Report

## Global & NSE Sector Indices

		WTD	MTD	QTD	YTD
<b>GLOBAL</b>	Global (MSCI World)	0.35	1.42	5.32	20.31
<b>BROAD INDICES (MSCI)</b>	Emerging Markets	1.09	2.93	3.34	33.78
	Frontier Markets	0.22	2.98	5.37	27.69
	ASIA EX. Japan	0.88	2.11	7.52	38.17
<b>U.S.A</b>	U.S.A. (S&P500)	0.01	1.36	6.52	19.86
<b>EUROZONE</b>	Eurozone (MSCI)	(0.22)	0.81	0.39	7.36
	France (CAC 40)	(0.87)	(1.02)	(0.22)	9.37
	U.K. (FTSE 100)	1.25	4.93	4.27	7.63
	Germany (DAX)	(1.19)	(0.82)	0.69	12.51
<b>ASIA</b>	Japan (NKY 225)	(0.63)	1.42	8.53	19.69
	China (SHG)	0.31	(0.30)	(1.25)	6.56
<b>AFRICA</b>	Nigeria (NSEASI)	(0.72)	0.79	7.91	41.30
	Kenya (NSE KN)	(5.06)	(5.06)	4.79	34.47
	Egypt (HERMES)	1.69	2.91	12.32	31.94
	South Africa (JALSH)	1.20	(0.45)	7.06	17.47
<b>NSE SECTORS</b>	NSE 30	(0.27)	1.84	7.66	46.14
	Banking 10	0.36	1.00	8.01	73.32
	Oil & Gas 5	4.67	13.73	17.75	5.76
	Food & Bev.	0.85	6.29	5.89	36.97
	Insurance 10	0.33	(0.56)	(0.26)	10.36
	Industrials	(1.28)	(6.95)	(0.43)	23.84

# Domestic & Macro Review



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## Domestic Equity Market Review

- The ASI sustains uptrend in Q4 2017
  - 2017 YTD return lifted to 41.30%; Q4 added 7.91% to gains
  - Foreign participation and speculative activities dominated proceedings
  - Sustained shift in sentiments by internationals to Consumer Goods sub-sector
  - A number of consumer goods names touch new highs
- MSCI carried out a review of the MSCI Frontier Index
  - Four Nigerian Stocks were deleted (GUINNESS, PZ, FO & FBNH)
  - Six were reclassified from the main index to the small capindex
- Capital inflows for Q3 alone Spikes to \$4.1 billion
  - Largest quarterly capital inflow since Q4 2014 and 80% of all inflows in 2016
  - QoQ increase by \$2.0 billion in FPI's was primary driver
- The IMF projected that the Nigerian economy will expand by 1.9% in 2018
  - Growth to remain subdued by population growth
  - Cautions that the forecasted economic growth is still lower than its population growth rate of 2.7%
  - Policy implementation and FX market segmentation concerns remain

Key Movers					
Security	% Chg.	Price (N)	Security	% Chg.	Price
DANGCEM NL	39.36	230.00	FO NL	-58.03	43.48
NESTLE NL	96.98	1555.00	MOBIL NL	-31.75	194.60
GUARANTY NL	87.70	40.75	NB NL	-2.53	134.90
ZENITH NL	100.33	25.64	7UP NL	-2095	101.97
STANBIC NL	170.80	41.50	TOTAL NL	-16.74	229.95

# Investment Report

## Fixed Income Market Review

### Key points

- Bearish sentiments as market participants lighten up their position for the end of the year.
- Market was quiet for the week with mixed trading sentiments at the long end of the curve, with most market players staying risk averse.
- Yields moved up by an average of 6bps across the curve as against the previous week.
- Bond market closed below 14%

