

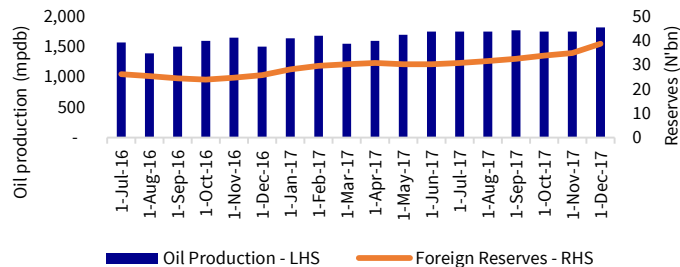


AXA MANSARD

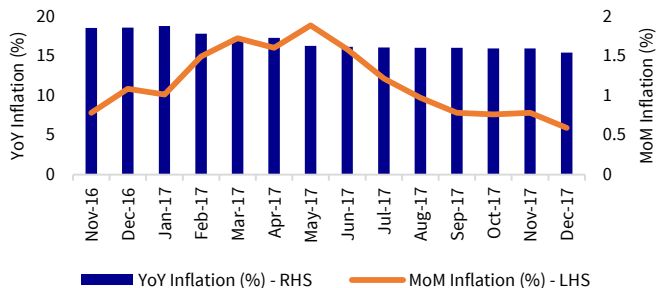
# Weekly Report Market Review

# Macro Review and Outlook

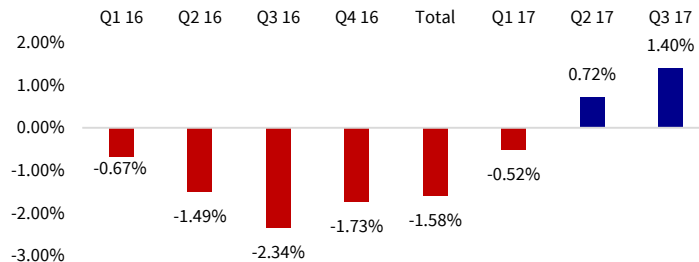
## Rising oil prices drive accretion to reserves



## YoY Vs MoM Inflation



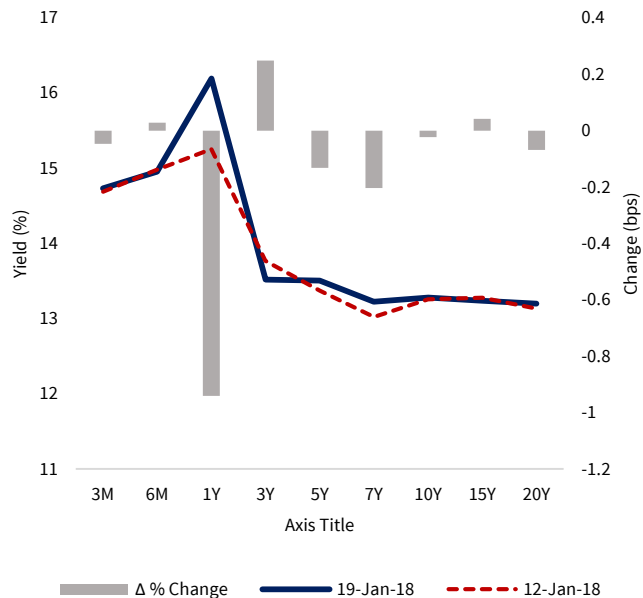
## Quarterly GDP growth/ YoY%



- ➔ In the near term, we expect the direction and magnitude of changes in food prices to drive the headline inflation numbers
- ➔ In addition, we expect food prices to continue to moderate, although the lagged impact of fuel price disruptions may show up in the January reading
- ➔ We also expect oil reserves and production to remain stable and on the back of that the exchange rate to remain stable as well at least in the near term

# Market Review and Outlook

## Yield Curve Evolution '17



- Bond market was mildly volatile during the week as bonds traded between yield of 13.08% and 13.4% driven by
  - Subtle local fund managers demands
  - Profit taking by traders
  - The release of 1Q18 bond calendar after about three weeks delay
  - Absence of 20yr paper in the 1Q18 calendar
- Bond auction will hold on Wednesday as the Debt Management Office reopen 2021 and 2027 bonds
  - N50bn and N60bn of the 5yr and 10yr papers respectively are been offered
  - We expect expect both papers to print between 13.00%-13.40%
  - This will be the last auction on the 2027 as 2028 bond will be introduced as the new 10yr benchmark in February
- Tbill market was largely stable albeit with strong demand for 1yr paper
  - The 91, 182 and 364 days auction printed at the yield of 12.47%, 14.76% and 15.989% respectively.
  - Daily OMO auction continue to sustain high yield
  - Like this week, regular OMO auction is expected to continue next week

# Market Review and Outlook

## Global and Domestic Market Indices

		WTD	MTD	QTD	YTD
GLOBAL	MSCI World	0.52	4.43	4.43	4.43
	Emerging Markets	1.60	5.96	5.96	5.96
MSCI	Frontier Markets	1.83	4.06	4.06	4.06
	ASIA EX. Japan	1.37	5.96	5.96	5.96
NSE SECTORS	NSE 30	4.84	18.09	18.09	18.09
	Banking 10	8.50	30.22	30.22	30.22
	Oil & Gas 5	1.95	10.60	10.60	10.60
	Food & Bev.	(1.31)	5.76	5.76	5.76
	Insurance 10	3.84	15.74	15.74	15.74
	Industrials	1.06	18.17	18.17	18.17

### Key Movers

Security	% Chg.	Price (N)	Security	% Chg.	Price
DANGCEM NL	8.23	273.00	NB NL	-6.87	142.19
GUARANTY NL	10.28	54.71	DANGSUGA NL	-6.98	20.00
FBNH NL	20.56	13.90	WAPCO NL	-4.78	51.99
NESTLE NL	3.42	1500.00	FLOURMIL NL	-9.09	30.00
STANBIC NL	7.48	46.00	UBN NL	-4.26	8.09

→ Nigerian Equities market sustained bullish run albeit down from last week's record performance; WoW: 5.11%, YTD: 17.91%

→ Notwithstanding, the ASI crossed the 45,000 psychological level

→ Mix of sustained offshore interests and strong local demand more than offset profit taking to dictate market

→ Persistent local investor interest for lower tier banking stocks saw most names on full bid for most part of the week

→ Mixed sentiments in Consumer Goods- Nestle pushed higher on strong foreign demand while profit taking weighed on Nigerian Breweries

→ We anticipate varied trading in the coming week barring any fundamental news flow as investors lock in gains and seek bargain names

→ Union Bank lists N50 bn supplementary shares that were issued under its recent rights' issue

# TOP PICKS

## Equity

STOCK /ETF	PE	Current Price(N)	Target Price (N)
Flourmills	8.2	30	37
Vetival NSE 30 ETF	13.94	20.77	NA
Vetival Banking 10 ETF	9.15	6.06	NA

## Fixed Income

TENOR	YIELD
Money Market Fund	15.75%
180-240 Days T-bill	15.2-15.5%
330-360 Days T-bill	15.1-15.4%