

**The day in review**

- Equities market closed negative
- Financial system liquidity was fairly robust
- Quiet activity in Fixed Income market
- Naira was stable at the FX market

**Looking forward**

FGN Bond Auction - DMO  
FY-2020 Earnings Publications - NSE

**Daily Insight**

**Agriculture sector in 2021: Still a growth story**

Nigeria's agriculture sector growth remained positive through 2020 but at a considerably slower pace. Despite increased government attention, growth remained at a low-single-digit level. Compared to a 5-year average growth rate of 3.0%, the sector grew by 2.2% in Q1-20. However, the coronavirus pandemic's emergence and the ensuing restrictions dragged growth in Q2-2020 as the crop production sub-sector (over 85.0% of the sector) slowed to 1.4%. In Q3-2020 (+1.4%), sector growth was further tapered as flooding, and low harvest yields impeded output growth.

That said, we still highlight the long-term growth potential of investing in the sector, given Nigeria's, c.60% unutilized arable land, weak mechanization rate and low fertilizer penetration. However, we note that adequate investments must be made across the entire agro-business value chain, with supporting policies for age-long structural challenges, if the sector to be fully realised.

Looking ahead, we expect the Agricultural sector to remain at the forefront of Nigeria's diversification plan. Thus, we expect the Federal government to sustain its fiat-led interventions in the sector to drive growth. We expect an improved FG policy response, particularly on long-standing issues such as land use, farming methods, and farming input quality. As the pandemic abates globally and locally, we expect growth in the Nigerian Agriculture sector to improve. In 2021, we anticipate an annual growth of 2.5%, lower than the 5-year average growth rate of 3.0% due to overall instability in the key food-producing states.

Headline	Level	1 day	YTD
NSE ASI	40,494.4	-0.2%	0.6%
Mkt. Cap (₦bn)	21,184.4	-0.2%	0.6%
Mkt. Cap (\$'mn)	55,895.5	-0.2%	0.6%
Value (N'mn)	5,762.6	166.3%	
Value (\$'mn)	15.2	166.3%	
Volume	356.4	72.8%	
Deals	5,040.0	18.2%	
Market Breadth	1.1x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.76	0.76	0.00
6 months	1.94	1.94	0.00
12 months	2.07	2.02	0.05

Bonds Yields	Current	Previous	% Δ
3 years	7.48	7.49	-0.01
5 years	9.70	8.39	1.31
7 years	9.89	9.89	0.00
10 years	10.37	10.46	-0.09

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	479.00	479.00	0.00%
NAFEX	409.67	409.67	0.00%

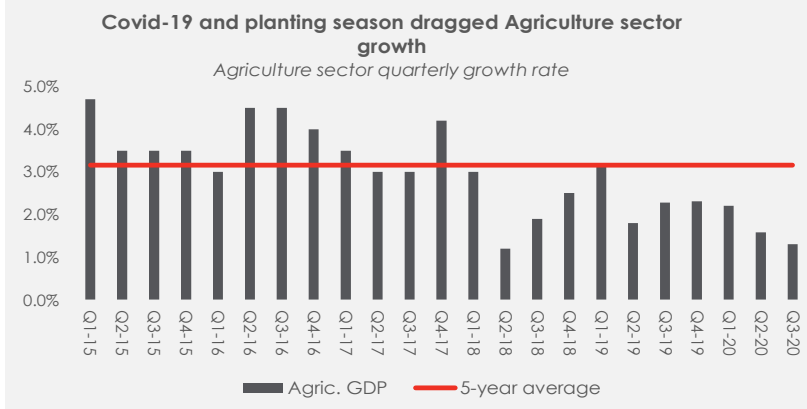
Other Key indices	Current	Previous	% Δ
OBB	2.5	4.0	-1.50
OVN	2.8	4.3	-1.50
Brent	63.1	63.2	-0.19

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	0.3%	3.8%	0.0	0.0%
Banks	1.8%	-9.2%	-2.1%	4.0	9.0%
Consumer	-0.3%	-4.4%	2.3%	216.2	3.8%
Industrial	2.6%	-3.3%	-1.9%	21.1	4.8%
Insurance	-2.9%	-12.1%	14.0%	5.4	2.5%
Oil & Gas	-0.9%	-1.3%	10.9%	112.2	5.4%
<b>Mkt. Avg. P/E</b>		<b>15.7</b>		<b>Mkt. Avg. Div. Yid</b>	<b>4.4%</b>

\*P/E's are based on the last twelve months trailing earnings  
\*Dividend yields are based on past year dividend payments



Pan African Market Monitor as at today					
Equities	Level	1 day	YTD	P/E (x)	Div. Yid.
BRVM	135.8	-0.3%	-6.6%	8.5	6.9%
Egypt	11,523.1	-0.7%	6.2%	12.8	2.5%
Ghana	2,055.0	0.0%	5.8%	n/a	4488.2%
Kenya	157.1	0.0%	4.1%	11.4	4.3%
Mauritius	1,631.5	0.0%	-1.0%	n/a	1.1%
Morocco	314.2	-0.4%	3.1%	31.5	3.4%
MSCI FM	551.1	0.4%	2.5%	12.8	3.3%
South Africa	65,059.2	1.2%	7.9%	29.7	2.4%
Tunisia	6,609.7	-0.2%	-4.0%	20.0	0.6%
Zimbabwe	87,150.0	5.3%	88.1%	1.8	1.2%



Sources: NBS, United Capital Research

**Contact us**

**Research** | +234-1-631-7898  
research@unitedcapitalplcgroup.com  
**Trustees** | +234-1-631-7877  
trustees@unitedcapitalplcgroup.com  
**Securities Trading** | +234-1-631-7891  
securities@unitedcapitalplcgroup.com  
**Investment Banking** | +234-1-631-7883  
investmentbanking@unitedcapitalplcgroup.com  
**Asset Management** | +234-1-631-7876  
assetmanagement@unitedcapitalplcgroup.com