

Tuesday, January 12, 2021

**The day in review**

- Equities market sustains gains
- Financial system liquidity remained robust
- Bearish activity in FI market
- Naira depreciated at the NAFEX window

**Looking forward**

- PMA Auction - 14th Jan

**Daily Insight**

**Covid-19 vaccines vs 2nd wave of infections**

2020 showed that full economic recovery would prove to be impossible without a vaccine. At the onset of the coronavirus outbreak, some governments had mulled the idea that herd immunity would be the preferred strategy to avoid a total shutdown of global economies. That strategy proved to be disastrous as the UK, one of the countries that championed this idea, became the epicenter of the pandemic in Western Europe.

In Q4 2020, Pfizer and BioNTech, Moderna and AstraZeneca, in collaboration with Oxford University, announced effective vaccines for Covid-19. According to scientists, about 70% of the population must be vaccinated for a vaccine-induced herd immunity to be effective. As such, the speed of approval by government regulators and the massive deployment of vaccines to ensure that they reach the poorest parts of the world would be critical. This position is extremely important within the context of the 2nd wave of coronavirus infections in many advanced economies, as well as some emerging and frontier markets. For instance, aside from the US and most of Europe, which are already dealing with the 2nd wave of infections, Nigeria, S/Africa, Pakistan, Israel, S/Korea amongst others have confirmed a worrying level of new cases, suggesting a 2nd wave.

As such, we believe that Covid-19 remains a major threat in 2021, albeit with a brighter outlook in light of vaccine developments. Accordingly, we are of the view that global recovery in 2021 hangs on the balance between the severity of the 2nd or 3rd wave of infections and the speed and efficacy of vaccination.

Headline	Level	1 day	YTD
NSE ASI	40,296.0	▲ 0.4%	▲ 0.1%
Mkt. Cap (₦bn)	21,070.0	▼ -1.8%	▲ 0.1%
Mkt. Cap (\$'mn)	55,593.5	▼ -1.8%	▲ 0.1%
Value (N'mn)	7,969.9	▼ -61.9%	
Value (\$'mn)	21.0	▼ -61.9%	
Volume	1,166.4	▲ 247.5%	
Deals	5,591.0	▲ 4.7%	
Market Breadth	1.3x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.26	0.17	▲ 0.09
6 months	0.46	0.39	▲ 0.07
12 months	1.90	0.93	▲ 0.97

Bonds Yields	Current	Previous	% Δ
3 years	3.52	3.45	▲ 0.07
5 years	5.55	5.50	▲ 0.05
7 years	6.52	6.53	▼ -0.01
10 years	7.69	7.58	▲ 0.11

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	472.50	471.50	▼ -0.21%
NAFEX	394.00	393.30	▼ -0.18%

Other Key indices	Current	Previous	% Δ
OBB	3.0	2.5	▲ 0.50
OVN	3.5	3.3	▲ 0.25
Brent	56.6	55.7	▲ 1.65

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	0.0%	0.0%	0.0	0.0%
Banks	3.7%	3.7%	3.7%	4.2	8.5%
Consumer	1.4%	1.4%	1.4%	863.6	3.8%
Industrial	4.7%	4.7%	4.7%	22.3	0.0%
Insurance	4.4%	4.4%	4.4%	3.0	2.3%
Oil & Gas	0.1%	0.1%	0.1%	83.1	6.1%
<b>Mkt. Avg. P/E</b>	<b>15.5</b>			<b>Mkt. Avg. Div. Yid</b>	<b>4.5%</b>

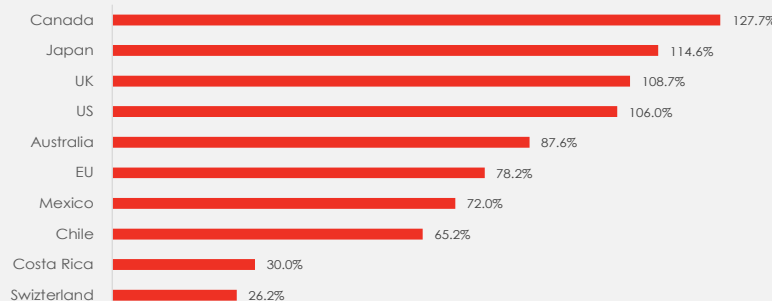
\*P/E's are based on the last twelve months trailing earnings  
\*Dividend yields are based on past year dividend payments



Pan African Market Monitor as at today					
Equities	Level	1 day	YTD	P/E (x)	Div. Yid.
BRVM	141.6	▼ -2.6%	-2.6%	8.7	6.7%
Egypt	10,813.8	▼ -0.3%	-0.3%	11.6	2.9%
Ghana	1,941.6	▲ 0.1%	0.1%	n/a	4750.4%
Kenya	152.0	▼ 0.0%	0.0%	11.3	4.4%
Mauritius	1,644.1	▼ -0.3%	-0.3%	n/a	2.3%
Morocco	304.9	▲ 0.8%	0.0%	30.6	3.1%
MSCI FM	551.1	▲ 0.0%	0.0%	12.8	3.4%
South Africa	60,479.4	▲ 1.8%	1.8%	27.6	2.6%
Tunisia	6,808.1	▼ -1.1%	-1.1%	20.6	0.6%
Zimbabwe	46,327.4	▲ 0.0%	0.0%	0.9	2.4%

**Rate of Vaccine Coverage pre ordered from Pfizer/BioNtech, Moderna and AstraZeneca/Oxford**

Vaccine preorders heavily skewed towards rich countries



Sources: Company website, 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