

Wednesday, 2 June 2021

### The day in review

- Equity market gains 18bps
- Interbank rates jump on tighter liquidity
- Bullish session in bonds market
- Naira appreciates on I&E window

### Looking forward

Q1 Terms of trade report - NBS

### Daily Insight

#### DANGCEM pulls market higher...ASI up 18bps

Yesterday, the domestic equities market rebounded albeit driven by a large-cap counter amidst weak broad market sentiments. Overall, the All Share Index (ASI) gained 18bps to close at 38,482.52 points. The gain in yesterday's session was driven by price uptick in DANGCEM (+1.4%). Its noteworthy to mention that excluding gains on DANGCEM, the local bourse will have closed lower by 7bps. Nevertheless, YTD loss reduced to -4.4% while investors' wealth improved by N35.5bn to print at N20.1tn. Activity level weakened as volume and value traded fell by 42.9% and 49.5% to 156.9m units and N1.3bn, respectively.

Across sectors, performance was mainly bullish as three of the five sectors under our coverage closed northwards. The Insurance index led the bulls in yesterday's session following buying interest in NEM (+2.4%) and REGALINS (+8.2%). Furthermore, the Industrial Goods and Banking indices gained, up 0.5% and 2bps respectively following price upticks in DANGCEM (+1.4%), ZENITH (+0.4%) and UBA (+0.7%). On the other hand, the Consumer Goods and Oil & Gas indices lost, closing lower by 0.2% and 0.1% respectively, due to selloffs in NASCON (-8.8%), DANGSUGAR (-0.3%) and OANDO (-0.7%).

Despite the bullish bias of the local bourse, investor sentiment weakened to 0.8x in yesterday's session, from 1.1x in the previous session. This further buttresses the fragile nature of the positive close, given that it was driven by a single stock. Looking ahead, expect Nigerian equities to close sideways, however, we highlight opportunity for a sustained short term rebound during the rest of the week.

Headline	Level	1 day	YTD
NSE ASI	38,482.5	▲ 0.2%	▼ -4.4%
Mkt. Cap (N'bn)	20,058.0	▲ 0.2%	
Mkt. Cap (\$'mn)	48,709.4	▲ 0.2%	
Value (N'mn)	1,329.0	▼ -49.5%	
Value (\$'mn)	3.2	▼ -49.4%	
Volume	156.9	▼ -42.9%	
Deals	3,273.0		
Market Breadth	0.8x		

T-Bills Yields	Current	Previous	%Δ
3 months	4.63	4.63	0.00
6 months	6.13	6.13	0.00
12 months	9.56	9.56	0.00

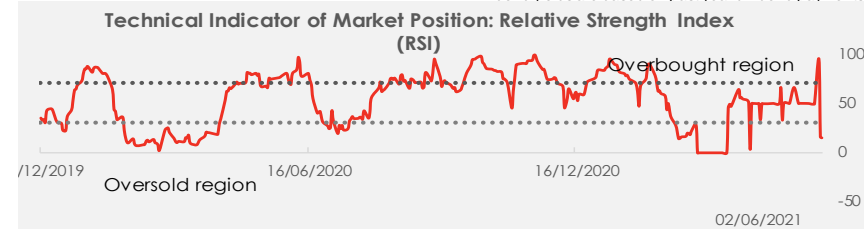
Bonds Yields	Current	Previous	% Δ
3 years	12.04	12.04	0.00
5 years	12.55	12.55	0.00
7 years	12.87	12.98	-0.11
10 years	12.94	13.21	-0.27

Currencies	Current	Previous	% Δ
Parallel	493.00	493.00	0.00%
NAFEX	411.06	412.00	0.23%

Other Key indices	Current	Previous	% Δ
OBV	14.3	12.0	2.33
OVN	14.8	12.7	2.16
Brent	71.1	70.3	1.27

	1 day	MTD	YTD	P/E (x)	Div. Yld.
Agriculture	0.0%	0.0%	6.5%	0.0	0.0%
Banks	0.0%	-0.1%	-9.4%	3.4	9.8%
Consumer	-0.2%	-0.3%	-2.3%	118.3	3.6%
Industrial	0.5%	-0.1%	-8.4%	17.4	4.9%
Insurance	0.8%	1.0%	8.9%	4.2	4.7%
Oil & Gas	0.0%	-0.9%	35.5%	na	4.4%
<b>Mkt. Avg. P/E</b>		<b>13.0</b>	<b>Mkt. Avg. Div. Yld</b>	<b>5.1%</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. Yld.
BRVM	154.9	▼ -0.6%	▲ 6.6%	10.3	6.0%
Egypt	10,121.0	▼ -1.2%	▼ -6.7%	10.4	2.9%
Ghana	2,538.4	▲ 4.8%	▲ 30.9%	n/a	n/a
Kenya	171.2	▲ 0.7%	▲ 12.5%	14.4	2.2%
Mauritius	1,723.4	▲ 0.3%	▲ 4.5%	n/a	2.0%
Morocco	321.9	▲ 0.4%	▲ 5.6%	29.3	3.1%
MSCI FM	551.1	▲ 0.6%	▲ 11.0%	12.8	2.5%
South Africa	69,049.0	▲ 0.2%	▲ 16.2%	23.4	2.4%
Tunisia	7,373.3	▼ -0.4%	▲ 7.1%	25.6	1.8%
Zimbabwe	113,996.0	▲ 0.1%	▲ 146.1%	6.0	1.5%

### Contact us

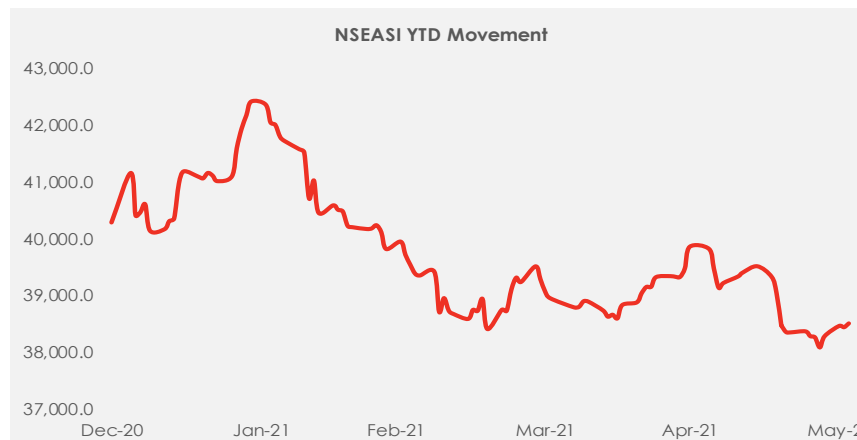
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Source: NGX, United Capital Research