

Monday, January 4, 2021

The day in review

- Equities opened the year on a bullish note
- Financial system liquidity remained elevated
- Bearish performance in bond market
- Naira appreciated at the NAFEX window

Looking forward

- Current Account Balance Q3-2020 (CBN)

Daily Insight

Global Economy in 2021: V-shaped or W-shaped recovery?

2020 was an unprecedented year, no thanks to the coronavirus outbreak, as the global economy was suspended in Q2 and most of Q3-2020 to safeguard human health. Oil prices plummeted to levels never seen before, airlines were grounded, hotels shut down, and all forms of congregational economic activity halted. This triggered a global recession across advanced and low-income countries, as GDP growth numbers printed negative amid demand and supply shocks.

In 2021, global growth is projected to rebound by 5.2% by the IMF, buoyed by rebounds in Advanced economies (+3.9%) and Emerging markets (+6.0%). Notably, China (+8.0%), India (+8.2%) and the ASEAN-5 (+6.2%) are projected to report the fastest growth. Clearly, recovery will be boosted by bold economic stimulus and massive accommodative policy stance by central banks. Again, the news of a vaccine would buoy recovery as economies become more confident to completely ease lockdown measures and open all sectors of the economy.

However, with the 2nd wave of Covid-19 ravaging the world, the outlook for growth hangs on a balance between the virus and the vaccine. While economic recovery in 2021 is hugely dependent on the effective distribution of vaccines, a poorly managed 2nd wave may counterbalance any gains accumulated on the back of the vaccine.

Headline	Level	1 day	YTD
NSE ASI	41,147.4	▲ 2.2%	▲ 2.2%
Mkt. Cap (₦bn)	21,515.2	▲ 1.6%	▲ 1.6%
Mkt. Cap (\$'mn)	56,768.2	▲ 1.6%	▲ 1.6%
Value (N'mn)	1,407.7	▼ -86.0%	
Value (\$'mn)	3.7	▼ -86.0%	
Volume	211.9	▼ -70.2%	
Deals	3,438.0	▼ -21.8%	
Market Breadth	18.0x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.35	0.35	0.00
6 months	0.38	0.38	0.00
12 months	0.72	0.72	0.00

Bonds Yields	Current	Previous	% Δ
3 years	3.50	3.54	-0.04
5 years	5.42	5.44	-0.02
7 years	6.42	6.50	-0.08
10 years	7.27	7.26	0.01

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	467.50	467.50	0.00%
NAFEX	394.30	410.25	3.89%

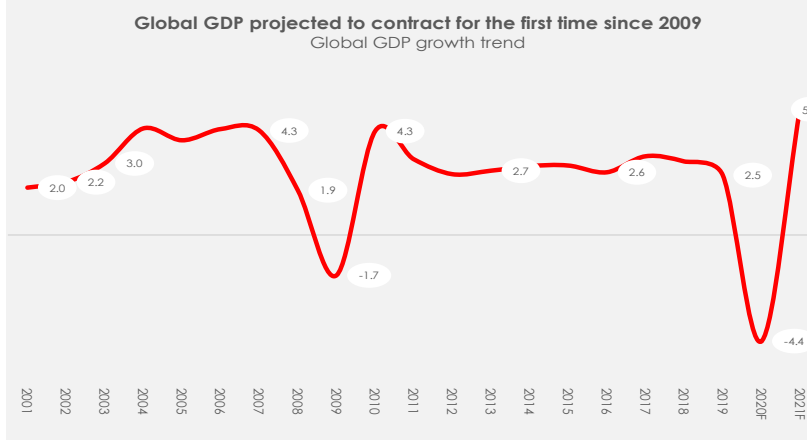
Other Key indices	Current	Previous	% Δ
OBB	1.0	0.5	▲ 0.50
OVN	1.5	0.8	▲ 0.67
Brent	51.1	51.8	▼ -1.37

	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%	na	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%
Mkt. Avg. P/E	15.5			Mkt. Avg. Div. Yid	4.5%

*P/Es 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%



Sources: NSE, United Capital Research

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