

Wednesday, May 5, 2021

**The day in review**

- Equities dipped 0.9%
- Financial system liquidity remained tight
- Flattish session in the NTB market
- Naira gained 12bps at the I&E window

**Looking forward**

Q1-2021 Terms of Trade Data - NBS

**Daily Insight**

**Domestic investors sustain dominance of local bourse**

Recently, the Nigerian Exchange Group (NGX) released the monthly Foreign Portfolio Investment Report for Mar-2021. According to the data, total transactions for Mar-2021 grew 6.0% m/m to N228.5bn from N215.6bn in Feb-2021. Across investor categories, transactions for foreign investors declined 34.5% m/m to N40.6bn while domestic investors' transactions grew 22.4% m/m to N187.9bn. The growth in total transactions reflects increased buying enthusiasm as investors sought to take advantage of market dips to gain exposure to high dividend yield stocks.

Interestingly, domestic investors continued to dominate activities on the local bourse as total share of transactions printed at 82.2% in Mar-2021 (compared to 71.2% in Feb-2021) while foreign investors accounted for 17.8% of total transactions (compared to 28.8% in Feb-2021). We note that foreign investors retain a high level of apathy towards Nigerian stocks largely because of FX illiquidity while sustained macroeconomic fragilities exacerbated by the pandemic remains a critical concern. However, domestic investors, bolstered by liquidity from CBN's accommodative monetary policy stance in Q4-2020, continue to dominate activity levels in the equity market, reflecting in their growing share of transactions.

We have observed a general decline in aggregate transaction levels as the equities market gradually slips into a bearish trend. From the foregoing, we expect transaction levels to soften as we see bearish sentiments dominating the market in the mid-term. That said, we think domestic investors will remain dominant players in the equities market until the FX situation is remedied.

Headline	Level	1 day	YTD
NSE ASI	39,433.8	▼ -0.9%	▼ -2.1%
Mkt. Cap (N'bn)	20,637.5	▼ -0.9%	
Mkt. Cap (\$'mn)	54,452.4	▼ -0.9%	
Value (N'mn)	3,501.1	▼ -24.8%	
Value (\$'mn)	9.2	▼ -24.8%	
Volume	349.6	▼ -18.0%	
Deals	4,554.0		
Market Breadth	1.4x		

T-Bills Yields	Current	Previous	%Δ
3 months	3.05	3.05	0.00
6 months	4.20	4.20	0.00
12 months	8.04	8.04	0.00

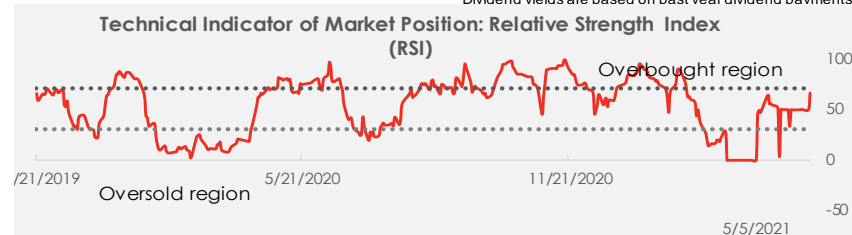
Bonds Yields	Current	Previous	% Δ
3 years	10.95	10.95	0.00
5 years	12.36	12.36	0.00
7 years	12.64	12.43	0.21
10 years	13.14	12.66	0.48

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	485.00	485.00	0.00%
NAFEX	410.50	411.00	0.12%

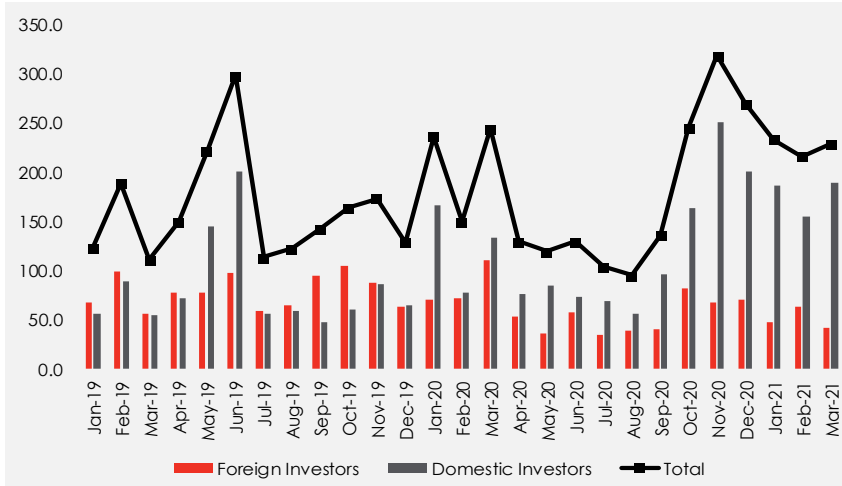
Other Key indices	Current	Previous	% Δ
OBB	15.0	14.5	0.50
OVN	15.5	15.5	0.00
Brent	68.7	68.9	-0.33

	1 day	MTD	YTD	P/E (x)	Div. Yid.
<b>Agriculture</b>	0.0%	0.0%	6.3%	0.0	0.0%
<b>Banks</b>	-0.3%	-0.3%	-10.7%	3.3	10.0%
<b>Consumer</b>	0.8%	0.8%	-1.9%	118.9	3.9%
<b>Industrial</b>	-0.6%	-0.6%	-5.6%	17.9	4.8%
<b>Insurance</b>	-1.3%	-1.3%	5.0%	4.0	4.7%
<b>Oil &amp; Gas</b>	-0.7%	-0.7%	18.8%	na	5.5%
<b>Mkt. Avg. P/E</b>		<b>13.7</b>	<b>Mkt. Avg. Div. Yid</b>		<b>4.7%</b>

\*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	150.8	0.0%	3.7%	9.3	6.3%
Egypt	10,452.6	-0.2%	-3.6%	11.4	2.9%
Ghana	2,561.3	0.0%	32.1%	n/a	n/a
Kenya	169.6	0.3%	11.5%	12.8	2.3%
Mauritius	1,666.9	0.0%	1.1%	n/a	0.9%
Morocco	314.5	0.3%	3.2%	30.4	3.5%
MSCI FM	551.1	0.4%	7.0%	12.8	2.7%
South Africa	66,917.0	0.5%	12.1%	26.1	2.5%
Tunisia	7,229.6	0.3%	5.0%	21.2	1.3%
Zimbabwe	96,491.3	0.5%	108.3%	4.9	1.8%



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