

The day in review

- Equity market gained 0.4%
- Interbank rates ficked upwards
- Flattish activity in fixed income market
- Naira depreciated against the Dollar at NAFEX

Looking forward

NT-Bills Primary Market Auction - CBN

Daily Insight

Global macro and market review & outlook

In Q3-2021, global recovery was largely premised on improving vaccinations rates, expansionary fiscal and accommodative monetary policy adopted by major central banks. Also, the gradual reopening of economies has sparked growth sentiments. The IMF stated it anticipates the global economy to grow by 5.9% in 2022.

Unsurprisingly, the rebound in economic sentiments has supported strong demand for risk assets like equities. The MSCI World Index has gained 12.5% YTD (as at 30-SEP). Demand has been broad-based in the US market, as the Dow Jones, S&P 500 and the Nasdaq gained 16.9%, 12.0% and 13.8%, respectively in 2021. Looking ahead, our views for growth remain robust, and tally with the International Monetary Fund (IMF) recent growth projections for 2021. We expect the global economy to continue the path of sustained growth.

Looking ahead into Q4-2021 and beyond, one major downside risk is in regards to the expected grossly uneven growth between wealthier economies and low-income economies. This is because we expect these wealthier economies to have better access and financial viability to finance widespread vaccinations. Lastly, in Q4-2021 and into 2022, we expect record stimulus measures adopted by wealthier economies to slow, given their more robust economic recovery. Also, recent inflation figures for the US economies came in at 5.4%, its highest level since Aug-2008. Rising inflation pressures coupled with the Fed's signal of tapering has led to yields in the US rising last week to 1.67% levels for the 10-year paper, the highest levels in four (4) months. As investors sold-off treasuries demanding higher compensation for risk, this raises the potential of major central banks tightening, which could lead to a stronger greenback, leading to capital outflows from emerging and frontier markets.

Headline	Level	1 day	YTD
NGX ASI	41,051.2	▲ 0.4%	▲ 1.9%
Mkt. Cap (N'bn)	21,391.2	▲ 0.4%	
Mkt. Cap (\$'mn)	51,443.4	▲ 0.4%	
Value (N'bn)	4,466.0	▼ -12.4%	
Value (\$'mn)	10.7	▼ -12.7%	
Volume	446.2	▼ -20.9%	
Deals	4,704.0		
Market Breadth	1.0x		

T-Bills Yields	Current	Previous	%Δ
3 months	3.96	▼ 4.00	-0.04
6 months	4.45	▲ 4.10	0.35
12 months	6.97	▼ 7.00	-0.03

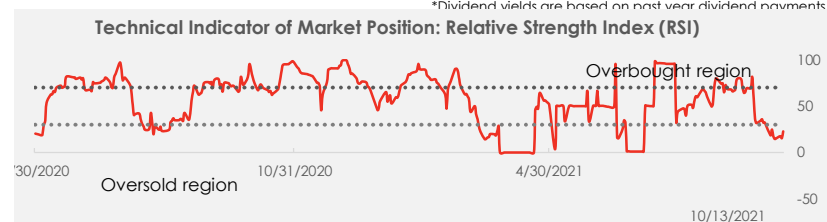
Bonds Yields	Current	Previous	% Δ
3 years	9.19	▼ 9.20	-0.01
5 years	11.65	▼ 11.70	-0.05
7 years	11.87	▲ 11.80	0.07
10 years	11.99	▲ 11.82	0.17

Currencies	Current	Previous	% Δ
NAFEX	415.10	▼ 414.30	-0.2%

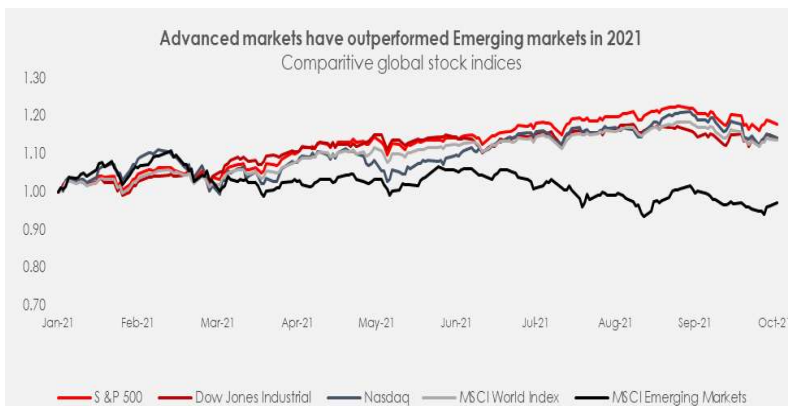
Other Key indices	Current	Previous	% Δ
OBB	7.5	▲ 5.0	2.50
OVN	8.0	▲ 5.5	2.50
Brent	83.4	▼ 83.6	-0.17

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	▲ 8.8%	30.1%	na	na
Banks	▲ 1.4%	▲ 7.9%	1.8%	3.2	8.6%
Consumer	▲ 0.4%	▼ -1.1%	-2.2%	82.3	3.7%
Industrial	▲ 0.1%	▲ 0.2%	2.0%	17.7	4.5%
Insurance	▲ 0.4%	▼ 0.4%	-8.4%	8.8	3.2%
Oil & Gas	▲ 0.5%	▲ 0.0%	62.4%	10.5	4.1%
Mkt. Avg. P/E	11.0	Mkt. Avg. Div. Yid	5.1%		

*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	188.2	▲ 0.3%	29.5%	9.8	5.7%
Egypt	10,881.4	▲ 0.9%	0.3%	9.5	1.5%
Kenya	176.2	▲ 0.0%	15.8%	13.5	3.4%
Mauritius	2,080.7	▲ 0.1%	26.2%	na	1.9%
Morocco	345.4	▲ 0.0%	13.3%	25.6	3.3%
MSCI FM	672.6	▲ 0.5%	17.7%	15.5	2.6%
South Africa	66,012.8	▲ 0.0%	11.1%	11.9	4.4%
Tunisia	7,228.2	▼ -0.2%	5.0%	22.6	2.2%
Zimbabwe	224,261.1	▲ 2.1%	384.1%	2.0	1.2%



Source: Budget Office of the Federation, United Capital Research

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