

Monday, January 11, 2021

The day in review

- Equities market gains marginally
- Financial system liquidity remained elevated
- Muted activity in NTB market
- Naira depreciated at the parralel market

Looking forward

- PMA Auction - 14th Jan

Daily Insight

Global trade in 2021: Biden and Sino-US relationship

With the change of guard in the White House in a matter of days, global attention regarding trade policies of the would-be Biden's administration and US/China trade relationship is a key highlight for global outlook in 2021.

The outgoing Trump administration adopted an America-first trade policy that was broadly protectionist and disruptive to global trade. President-elect Biden has disclosed his intension to make China understand the need to play by the rules, toughness on Chinese trade is a bi-partisan issue in a deeply divided America, perhaps one of the most profound issues most Americans on both sides agree on. For example, Joe Biden's "Buy America Plan" is set to see his administration use \$700bn of taxpayers' dollars to buy American goods. There is also a prerequisite for firms looking for government contracts to manufacture their goods in the US. At best, the former VP may call for a more multilateral approach with US' traditional allies forming a coalition against China and its use of thier intellectual property rights.

Give or take, Biden's stance would most likely not be as tough on China as Trump's administration, but consensus view is that a calmer rhetoric towards the East, considering Biden's more diplomatic approach to issues, would ensure market stability. A recent survey of business leaders by the American China Chamber of Commerce in Shanghai showed that most business leaders are optimistic about trade with China.

Headline	Level	1 day	YTD
NSE ASI	40,150.2	▲ 0.1%	▼ -0.3%
Mkt. Cap (N'bn)	20,944.0	▼ -1.8%	▲ 0.3%
Mkt. Cap (\$'mn)	-	▼ -1.8%	▲ 0.3%
Value (N'mn)	20,944.0	▲ 474.1%	
Value (\$'mn)	55.3	▲ 474.1%	
Volume	335.7	▲ 0.7%	
Deals	5,338.0	▲ 17.1%	
Market Breadth	1.2x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.17	0.23	▼ -0.06
6 months	0.39	0.38	▲ 0.01
12 months	0.93	0.68	▲ 0.25

Bonds Yields	Current	Previous	% Δ
3 years	0.00	3.48	▼ -3.48
5 years	0.00	5.46	▼ -5.46
7 years	0.00	6.34	▼ -6.34
10 years	0.00	7.58	▼ -7.58

Currencies	Current	Previous	% Δ
Official	379.00	379.00	▲ 0.00%
Parallel	475.00	469.50	▼ -1.16%
NAFEX	393.30	393.50	▲ 0.05%

Other Key indices	Current	Previous	% Δ
OBB	2.5	8.0	▼ -5.50
OVN	3.3	9.3	▼ -6.08
Brent	55.3	56.0	▼ -1.18

	1 day	MTD	YTD	P/E (x)	Div. Yld.
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. Yld	4.5%		

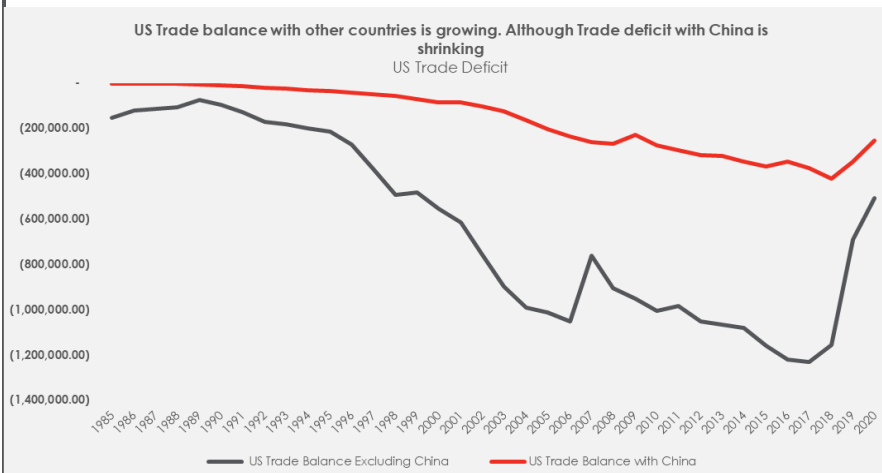
*P/Es are based on the last twelve months trailing earnings

*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. Yld.
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: Bloomberg, United Capital Research

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