

**The day in review**

- Equities market extended losses
- Financial system liquidity remained tight
- Bullish activity in FI market
- Naira depreciated at the NAFEX window

**Looking forward**

FY-20 Earnings Publications - NSE

**Daily Insight**

**Local bourse extends losses into 3rd day...Cause for panic?**

Today, the local bourse closed on a bearish note as the benchmark All Share Index (ASI) shed 0.1%, extending losses into the 3rd consecutive day. As a result, nervousness is beginning to trickle into the investment community and investors are beginning to question the sustainability of the 10-month long bullish run. Truly, the warning signs of a possible end to the bullish run have continued to develop as yields in the Fixed income market (which has been the primary driver of the current rally) have continued to reverse higher. In addition, while the Monetary Policy Committee of the CBN maintained status quo on its policy instruments in its last meeting, the CBN has signaled a possible move towards tightening via aggressive OMO mop ups and upward revision of rates at primary auctions.

Nevertheless, we maintain an optimistic view for the equities market in Q1 2021. We think the recent declines in the equities market is a necessary breather, needed to propel the market higher ahead of the earnings season. More importantly, we examined the market technically to provide guidance on short term trends. First, the NSEASI held the very important psychological support of 42,000 points after breaching it earlier in the trading session, reflecting willingness of investors to buy the dip. In addition, average value traded in the past three sessions printed at N5.4bn, higher than 6-month average value traded (N4.6bn). This signifies that investors continue to retain interest in the market.

That said, we remain firmly behind our top buy recommendations and suggest investors take advantage of the recent dips to pick up stocks with a bias on high dividend and value stocks. We retain particular interest in Consumer goods and Banking stocks considering the presence of high dividend yield stocks and also the fact that they remain undervalued relative to the broad market.

Headline	Level	1 day	YTD
NSE ASI	42,000.0	▼ -0.1%	▲ 4.3%
Mkt. Cap (₦bn)	21,970.7	▲ 0.8%	▲ 4.3%
Mkt. Cap (\$'mn)	57,970.1	▲ 0.8%	▲ 4.3%
Value (N'mn)	5,310.2	▲ 11.0%	
Value (\$'mn)	14.0	▲ 11.0%	
Volume	504.8	▼ -9.2%	
Deals	5,887.0	▼ -17.2%	
Market Breadth	0.7x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.43	0.43	0.00
6 months	1.00	1.00	0.00
12 months	2.36	2.93	-0.57

Bonds Yields	Current	Previous	% Δ
3 years	5.93	5.93	0.00
5 years	7.50	7.50	0.00
7 years	8.42	8.44	-0.02
10 years	8.88	9.00	-0.12

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	477.00	477.00	0.00%
NAFEX	395.50	395.00	-0.13%

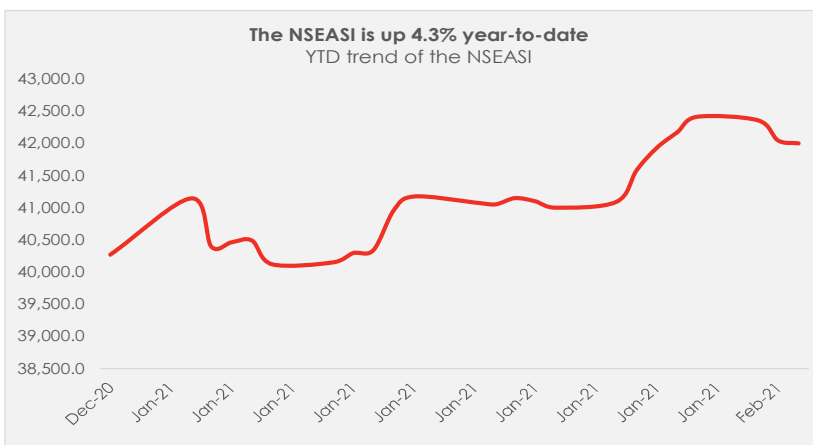
Other Key indices	Current	Previous	% Δ
OBB	11.3	9.5	▲ 1.75
OVN	11.5	9.7	▲ 1.83
Brent	58.4	57.5	▲ 1.62

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	3.5%	3.5%	0.0	0.0%
Banks	0.3%	5.1%	5.1%	4.3	8.3%
Consumer	0.2%	5.7%	5.7%	228.2	3.7%
Industrial	0.5%	1.3%	1.3%	23.1	4.5%
Insurance	1.5%	29.3%	29.3%	6.8	2.2%
Oil & Gas	-0.1%	13.7%	13.7%	97.7	5.6%
<b>Mkt. Avg. P/E</b>		<b>16.1</b>		<b>Mkt. Avg. Div. Yid</b>	<b>4.4%</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	133.8	▼ -0.3%	▼ -7.9%	8.4	7.0%
Egypt	11,546.2	▼ -0.3%	▲ 6.5%	12.3	2.8%
Ghana	2,027.1	0.0%	▲ 4.5%	n/a	4550.0%
Kenya	155.6	▼ -0.6%	▲ 2.3%	11.3	4.3%
Mauritius	1,638.0	▼ -0.2%	▼ -0.6%	n/a	1.2%
Morocco	312.5	▼ -0.5%	▲ 2.5%	31.4	3.4%
MSCI FM	551.1	▲ 1.1%	▲ 0.3%	12.8	3.3%
South Africa	62,472.1	▼ -1.2%	▲ 5.2%	28.5	2.5%
Tunisia	6,657.8	▲ 0.1%	▼ -3.3%	20.1	0.6%
Zimbabwe	62,595.2	▲ 4.6%	▲ 35.1%	1.2	1.8%



Sources: NSE

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