United Capital Research | Daily Market Commentary

Wednesday, September 29, 2021



The Intelligent Choice

The day in review

- Equity market gained 1.9%
- Interbank rates closed lower
- · Bullish activity in T-bills market
- Naira appreciated further at NAFEX window

Looking forward

Sep-2021 Inflation Report - NBS

Daily Insight

Local bourse reverses bearish run...ASI rises 1.9%

The domestic stock market reversed its bearish run vesterday, after two consecutive days in the red. The All-Share Index (ASI) climbed by 1.9% to close at 39.592.29 points as sentiment noticeably improved and investors took positions in attractively valued tickers. The bourse's market capitalization rose by N382.1bn to hit N20.6tn, as the YTD loss moderated to 1.7%. In terms of activity levels, the total volume traded weakened by 9.9%, from 526.3m to 474.4m, while the total value traded rose 31.6% from N3.0bn to N4.0bn.

Across sectors, the performance tilted bullish, with three of the five sectors we cover closing in the green. The Industrial sector led the pack as it agined 3.6% due to buving interest in DANGCEM (+6.5%). Similarly, the Consumer goods and Banking sectors closed higher by 3.1% and 0.8% respectively, as bargain hunting in NNFM (+6.9%), NESTLE (+6.4%), FBNH (+6.6%) and JAIZBANK (+5.1%) propelled the sectors higher. On the other hand, the Oil and Gas sector declined by 0.2% as profit-taking activities in OANDO (-1.0%) weighed on the index. The Insurance sector was the biggest loser, shedding 2.0%, on account of selloffs in MANSARD (-10.0%) and SOVRENIN (-8.3%).

Investor sentiment as measured by market breadth improved to 1.6x as 23 stocks advanced, and 14 stocks declined. Looking ahead to the last trading day of the holiday-shortened week, we expect a positive turn out due to the observed improvement in investor sentiment.

| Headline | Level | 1 day | YTD |
|------------------|----------|--------|-------|
| NGX ASI | 39,592.3 | 1.9% 🔻 | -1.7% |
| Mkt. Cap (₦'bn) | 20,627.9 | 1.9% | |
| Mkt. Cap (\$'mn) | 49,738.0 | 1.9% | |
| Value (N'mn) | 4,005.6 | 31.6% | |
| Value (\$'mn) | 9.7 | 31.5% | |
| Volume | 474.4 🔻 | -9.9% | |
| Deals | 3,547.0 | | |
| Market Breadth | 1.6x | | |

| T-Bills Yields 3 months | Current 4.14 | Previous 4.14 == | %∆ 0.00 |
|-------------------------|-----------------|------------------|-------------------|
| 6 months | 4.11 | 5.20 🔻 | -1.09 |
| 12 months | 7.49 | 7.50 🔻 | -0.01 |
| Bonds Yields | Current | Previous | % ∧ |

| Currencies | Current | Previous | % Δ | |
|-------------------|---------|----------|-------|--|
| NAFEX | 414.73 | 414.50 🔻 | -0.1% | |
| Other Key indices | Current | Previous | % ∆ | |
| OBB | 9.5 | 13.0 🔻 | -3.50 | |
| OVN | 10.8 | 13.8 🔻 | -3.00 | |

| Dollas Helas | Content | 11641003 | /0 🚨 |
|-------------------|---------|----------|-------|
| 3 years | 8.83 | 8.84 🔻 | -0.01 |
| 5 years | 10.25 | 10.25 💳 | 0.00 |
| 7 years | 11.55 | 11.55 💳 | 0.00 |
| 10 years | 12.02 | 12.02 💳 | 0.00 |
| | | | |
| Currencies | Current | Previous | % △ |
| | | | |
| NAFEX | 414.73 | 414.50 🔻 | -0.1% |
| | | | |
| Other Key indices | Current | Previous | % △ |
| OBB | 9.5 | 13.0 🔻 | -3.50 |

| Brent | | 79.3 | 78.7 📤 | 0.76 | Zimbabwe | |
|----------|------------|-----------------|--|------------|------------------|--|
| | The NGX ha | s trended sidew | rays amid a de XASI 1Y Trend | arth of po | ositive triggers | |
| 45,000.0 | | | | | | |
| 40,000.0 | | ~~~ | m | ~~~ | ~~~~ | |
| 35,000.0 | 100 | \sim | | | _ | |



Source: Bloomberg, United Capital Research



*P/Es are based on the last twelve months trailing earnings *Dividend vields are based on past year dividend payments

-50

1.3%

9/29/2021

11.3

| rechnical indicator of market Position; kelative Strength index (KSI) | |
|---|-----|
| Overbour Three region | 100 |
| Overboulgh region | 50 |
| | |

4/17/2021

Pan African Market Monitor as at today **Equities** Level 1 day YTD P/E(x)Div. Yid. 5.9% BRVM 183.2 0.3% 9.5 26.0% Egypt 10,446.8 9.1 1.6% -0.5% 🔻 -3.7% 177.2 13.2 3.4% Kenya -0.5% 16.5% 1,979.1 2.0% Mauritius 0.0% na 20.1% 27.3 3.3% Morocco 345.2 0.0% 13.2% 2.6% MSCI FM 658.8 -0.6% 15.3% 15.2 South Africa 63,784.4 11.8 4.4% -0.6% 7.4% 7,246.6 22.4 2.2% Tunisia -0.5% 5.3%

Contact us

198,359.1

Oversold region

Research | +234-1-631-7898 research@unitedcapitalplcgroup.com

-3.4%

Trustees | +234-1-631-7877

trustees@unitedcapitalplcgroup.com

Securities Trading | +234-1-631-7891 securities@unitedcapitalplcgroup.com

Investment Banking | +234-1-631-7883

investmentbanking@unitedcapitalplcgroup.com

328.2%

Asset Management | +234-1-631-7876

assetmanagement@unitedcapitalplcgroup.com

United Capital Plc Research (UCR) notes are prepared with due care and diligence based on publicly available information as well as analysts' knowledge and opinion on the markets and companies covered; albeit UCR neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, neither United Capital (UCAP) nor any of its associates or subsidiary companies and employees thereof can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities herein discussed. Please note this report is a proprietary work of UCR and should not be reproduced (in any form) without the prior written consent of Management. UCAP is registered with the Securities and Exchange Commission and its subsidiary, UBA Securities Limited is a dealing member of the Nigerian Stock Exchange. For enquiries, contact United Capital Plc, 3rd and 4th Floor, Afriland Towers, 97/105 Broad Street, Lagos. © United Capital Plc 2020.*