United Capital Research | Daily Market Commentary

Tuesday, November 16, 2021



The Intelligent Choice

The day in review

- Equity market rose 0.5%
- Interbank rates ticked upwards
- · Bearish activity in Bonds market
- · Naira remained flat at the NAFEX window

Looking forward

Q3 GDP Report - NBS

Daily Insight

Local bourse reverses bullish run...ASI up by 52bps

The domestic equity market reversed its bearish run yesterday, after opening the week in the red. The All-Share Index (ASI) climbed by 0.5% to close at 43,455.8 points as sentiments noticeably improved and investors took positions in attractive tickers. The bourse's market capitalization grew by N111.6bn to hit N22.7tn, as YTD gain moderated to 7.9%. Activity level as measured by volume and value traded closed positive as value traded climbed by 171.6% to 11.7bn from 4.3bn and volume traded rose by 44.4% to 423m units from 239.4m units.

On a sectoral level, the market performance is titled bullish, with three of the five sectors we cover closed in the green while two closed in the red. The Insurance sector led the pack as it gained 0.4% due to buying interest in CORNERST (+7.7%) and REGALINS (+5.3%). Similarly, the Banking sector closed higher by 0.1% due to gains in WEMABANK (+2.4%) and UBA (+1.8%). The Industrial sectors saw marginal buying-interest as it marginally rose by 1 bps due to bargain hunting in CUTIX (+8.3%) drove the index northwards. On the flip side, the Consumer goods sector declined by 0.4% as profit-taking activities in GUINNESS (-2.7%) and PZ (-0.8%) weighed on the index. The Oil and Gas sector was the biggest loser, shedding 2.5%, on account of profit-taking in TOTAL (-10.0%).

Investor sentiment as measured by market breadth improved to 0.9x as 16 stocks advanced, and 17 stocks declined. In anticipation of the trading session for the rest of the week, we expect a positive turnout due to the observed improvement in investor sentiment.

Headline	Level	1 day	YTD
NGX ASI	43,455.8	0.5% 📤	7.9%
Mkt. Cap (₦'bn)	22,672.0	0.5%	
Mkt. Cap (\$'mn)	54,618.2	0.5%	
Value (N'mn)	11,649.8 📤	171.6%	
Value (\$'mn)	28.1 📤	171.6%	
Volume	423.8 📤	44.4%	
Deals	4,181.0		
Market Breadth	0.9x		

T-Bills Yields	Current	Previous	%∆
3 months	4.04	4.04 💳	0.00
6 months	5.12	5.12 💳	0.00
12 months	6.83	6.83 💳	0.00
Bonds Yields	Current	Previous	% ∆
Bonds Yields 3 years	Current 9.62	Previous 9.63 🔻	% △ -0.01
3 years	9.62	9.63 ▼	-0.01

Currencies	Current	Previous	% ∆
NAFEX	415.10	415.10 —	0.0%
Other Key indices	Current	Previous	% ∆
Officer key findices	Correin	LIGAIOO2	/o <u>\(\(\(\) \)</u>
OBB	14.0	13.8	0.25
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Source: NGX, United Capital Research

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35,000 34,000	Jan-21	Feb-21	Feb-21	Mar-21	Mar-21	Mar-21	Apr-21	Apr-21	May-21	May-21	Jun-21	Jun-21	Jul-21	Jul-21	Aug-21	Aug-21	Aug-21	Sep-21	Sep-21	Oct-21	Oct-21	Nov-21	

		1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture		0.0% 4	3.1%	43.9%	na	na
Banks		0.1%	-3.3%	1.0%	3.1	8.7%
Consumer		-0.4%	-0.4%	-1.1%	41.2	3.6%
Industrial		0.0% 4	0.9%	7.1%	17.9	3.6%
Insurance		0.4%	-0.8%	-5.8%	2.5	3.1%
Oil & Gas		-2.5%	-4.7%	64.7%	9.0	4.0%
	Mkt	Avg. P/E	N/A	Mkt.	Avg. Div. Yid	4.7%

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

11/16/2021

	Technical Indica	or of Market Po	sition: Relative Strength Inde	ex (RSI)
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		W W		50
	40			
2/2020	Oversold region	12/2/2020	6/2/2021	50

Pan African Market Monitor as at today									
Equities	Level	1 day	YTD	P/E (x)	Div. Yid.				
BRVM	191.2 🔻	0.0% 📤	31.5%	9.9	5.6%				
Egypt	11,496.6 🔻	-1.4% 📤	6.0%	9.5	1.4%				
Kenya	170.8 🔻	-0.4% 📤	12.3%	13.3	3.4%				
Mauritius	2,134.8 📥	1.5% 📤	29.5%	na	1.9%				
Morocco	348.1 🔻	-0.4% 📤	14.2%	25.8	3.3%				
MSCI FM	682.7	-0.1% 📤	19.4%	14.6	2.5%				
South Africa	69,993.7	0.1% 📤	17.8%	12.3	4.3%				
Tunisia	7,038.2	-0.1% 📤	2.2%	22.0	2.3%				
Zimbabwe	319,136.9	-1.7% 📤	588.9%	2.6	1.0%				

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