United Capital Research | Daily Market Commentary

Wednesday, December 8, 2021



The Intelligent Choice

The day in review

- Equity market climbed 1.0%
- Interbank rates closed flat
- · Bearish activity in Bonds market
- Naira closed flat at the NAFEX window

Looking forward

CPI and Inflation Report Nov 2021- NBS

Daily Insight

Local bourse sustains bullish tilt... NGX-ASI climbs 99bps

Yesterday, the local bourse closed strongly after Tuesday's flattish return halted a six-day losing streak. The rebound was broad based as investors sought to bargain hunt on tickers with depressed prices as the benchmark NGX All Share Index (NGX-ASI) trended towards the oversold region. Consequently, the NGX-ASI climbed 99bps to 42,435.16 points, as YTD gain further strengthened to 5.4%. Similarly, market capitalization grew N416.2bn to hit N22.2tn. Furthermore, at close of the trading session, the total value traded increased by 8.7%, while volume traded increased by 1.6%. In line with the bullish performance, investor's sentiment strengthened to 1.8x as 18 tickers appreciated while 10 tickers depreciated, as assessed by market breadth (gainers to losers' ratio).

On a sectorial performance, activities largely trailed the observed bullish sentiments, as all 5 major sectors we track closed in the green. The Banking sector led the positive performance, gaining 1.8%, as buy interest in UBA (+5.3%) and ACCESS (+3.5%) helped the sector recover from recent losses. Following closely was the Oil and Gas sector, which gained 1.1% as SEPLAT (+2.5%) and OANDO (+0.7%) appreciated. MANSARD (+7.3%), DANGSUGA (+6.7%), HONYFLOU (+6.5%) and VITAFOAM (+1.8%) all had significant appreciation in share prices, thereby boosting the Insurance (+0.6%) and Consumer Goods (+0.6%) sectors. Lastly, the Industrial goods sector gained 0.1% on the back of price appreciation in MEYER (+7.7) and WAPCO (+2.1%).

From our perspective, we believe the rebound in domestic equities is largely a temporary respite. As a result, while we believe there is some room for near-term rebound in subsequent trading sessions, we retain a month-long bearish perspective on the equities market as sell pressures resume later in the month.

Level	1 day	YTD
42,435.2	1.0% 📤	5.4%
22,142.6	1.0%	
53,346.7	1.0%	
7,203.7	8.7%	
17.4	8.7%	
649.8 📥	1.6%	
3,757.0		
1.8x		
	42,435.2 22,142.6 53,346.7 7,203.7 17.4 649.8 3,757.0	42,435.2

Bills Yields	Current	Previous	%∆
months	2.46	2.46 =	0.00
months	3.35	3.35 💳	0.00
2 months	5.64	5.64 —	0.00
2 months	5.64	5.64 —	

Bonds Yields	Current	Previous	% △
3 years	9.32	9.32 -	0.00
5 years	11.29	11.23 📥	0.06
7 years	12.48	12.33 📥	0.15
10 years	12.56	12.45 📤	0.11

Current

NAFEX	415.07	415.07 —	0.0%
Other Key indices	Current	Previous	% △
OBB	15.8	15.8 💳	0.00
OVN	16.3	16.3 -	0.00
Brent	76.2	75.4 📤	1.05

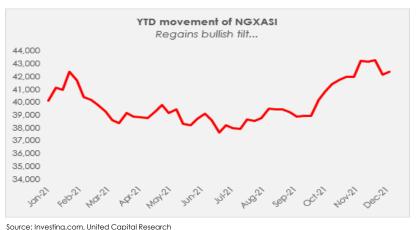
Currencies

		1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	_	0.0% —	0.0% 📥	43.3%	na	na
Banks		1.8% 🔻	-0.8% 🔻	-1.4%	2.8	8.9%
Consumer		0.6% 🔻	-0.4% 🔻	-4.9%	22.3	3.8%
Industrial		0.1% 🔻	-0.2% 📥	6.6%	17.8	3.7%
Insurance		0.6% 📤	0.4% 🔻	-0.5%	2.0	3.1%
Oil & Gas		1.1% 🔻	-5.3% 📤	51.3%	8.2	4.4%
	Mkt.	Avg. P/E	10.0	Mkt.	Avg. Div. Yid	4.8%

*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	196.3 🔻	-0.3% 📤	35.0%	10.2	5.5%
Egypt	11,514.9 📥	1.0% 📤	6.2%	8.7	1.5%
Kenya	159.1 🔻	-0.6% 📤	4.6%	11.7	3.7%
Mauritius	2,024.5	0.7% 📤	22.8%	na	3.0%
Morocco	345.0 🔻	0.0% 📤	13.2%	25.5	3.4%
MSCI FM	656.7 🔻	-0.8% 📤	14.9%	14.8	2.7%
South Africa	70,896.9	0.1% 📤	19.3%	11.8	4.3%
Tunisia	6,980.9 🔻	-0.6% 📤	1.4%	21.8	2.3%
Zimbabwe	289,876.2 📤	3.0% 📤	525.7%	18.5	0.9%



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Contact us

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

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

Asset Management | +234-1-631-7876

assetmanagement@unitedcapitalplcgroup.com

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