The day in review

- Equities market gains 47bps
- Interbank rates fall
- Flattish session in NT-bills market
- Naira closed flat on the I&E window

Looking forward

Q1 Terms of trade report - NBS

Daily Insight

NPRGS: Serious business or playing to the gallery?

Earlier in the month, the Federal Executive Council (FEC) approved the National Poverty Reduction with Growth Strategy (NPRGS), a program designed by the Presidential Economic Advisory Council (PEAC). The NPRGS is a poverty alleviation program created to achieve the President's ambitious plan of lifting 100m people out of poverty within 10 years. The program, through economic growth and social protection program, would help accelerate the poverty reduction. We recall in 2019, during the President's speech on Democracy day (June 12), he made an ambitious pronouncement, declaring he is working on lifting 100m Nigerians out of poverty as he aims to remove the title of poverty capital of the world from Nigeria.

Evaluating the NPRGS content, the program is built on four core pillars, including Macroeconomic stabilisation, Industrialisation for Economic Growth and Transformation, Structural Policies and Institutional Reforms, and Redistributive Policies and Programs. The document further elaborates on how the various policy pillars will be achieved. For example, the macroeconomic stabilisation pillar will be driven by exchange rate unification, single-digit inflation, gradual phase-out of subsidies, sustainable public debt level etc.

Noteworthy to mention, about 86.9m Nigerians are living below the National Poverty Line, with Nigeria carrying the unenviable title of "poverty capital of the world". Thus, we reckon the Federal Government (FG) can no longer afford to pay lip service to the topic of poverty alleviation in Nigeria, particularly with the unabating social restiveness in different parts of the country. Thus, question marks remain on FG's willingness & capacity to implement this plan effectively and efficiently. That said, we choose to remain pessimistic on the possibility of fulfilling the policy objectives giving the FG's history of ambitious plans and underwhelming implementation, an acute case of consistently playing to the gallery.

Headline	Level	1 day	YTD
NSE ASI	38,437.9	0.5%	-4.6%
Mkt. Cap (₦'bn)	20,034.73	0.5%	
Mkt. Cap ($'mn)	48,669.7	0.5%	
Value (N'mn)	2,119.8	-42.3%	
Value ($'mn)	5.1	-42.3%	
Volume	201.9	-11.7%	
Deals	3,827.0		
Market Breadth	0.7x		

T-Bills Yields	Current	Previous	%Δ
3 months	4.63	4.64	-0.01
6 months	6.14	6.14	0.00
12 months	9.57	9.57	0.00

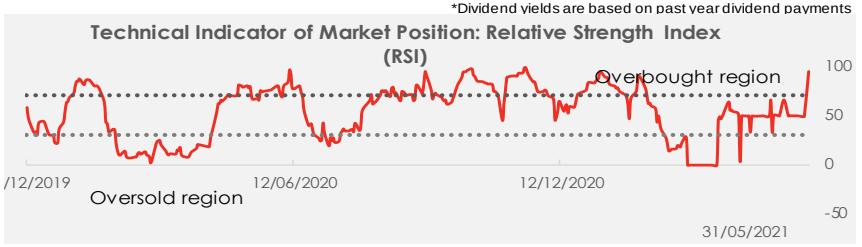
Bonds Yields	Current	Previous	% Δ
3 years	12.04	12.20	-0.16
5 years	12.55	12.62	-0.07
7 years	13.03	13.15	-0.12
10 years	13.21	13.21	0.00

Currencies	Current	Previous	% Δ
Parallel	491.00	490.00	-0.20%
NAFEX	412.00	412.00	0.00%

Other Key indices	Current	Previous	% Δ
OBB	12.5	18.7	-6.17
OVN	13.0	19.2	-6.17
Brent	69.3	69.6	-0.45

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	0.0%	6.5%	0.0	0.0%
Banks	0.3%	0.0%	-9.3%	3.4	9.8%
Consumer	-0.2%	0.0%	-2.0%	118.8	3.6%
Industrial	1.1%	0.0%	-8.4%	17.3	4.9%
Insurance	-0.5%	0.0%	7.9%	4.1	4.8%
Oil & Gas	0.0%	0.0%	36.7%	na	4.4%
Mkt. Avg. P/E	13.0	Mkt. Avg. Div. Yid	5.1%		

*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	156.3	-0.3%	7.5%	10.4	6.0%
Egypt	10,309.1	0.1%	-4.9%	11.0	2.8%
Ghana	2,421.1	0.0%	24.9%	n/a	n/a
Kenya	170.0	-1.6%	11.7%	14.3	2.2%
Mauritius	1,713.0	0.0%	3.9%	n/a	2.0%
Morocco	320.6	-0.5%	5.2%	29.2	3.1%
MSCI FM	551.1	0.0%	10.3%	12.8	2.5%
South Africa	67,964.0	0.6%	14.4%	23.1	2.5%
Tunisia	7,394.6	-0.6%	7.4%	25.6	1.8%
Zimbabwe	113,880.0	-3.8%	145.8%	6.0	1.5%

Macroeconomic Stabilization Policies

- Exchange rate unification
- Single-digit inflation
- Market determined interest rates
- Gradual phase out of subsidies
- Sustainable debt level

Economic Growth, Industrialisation, Diversification & Trade

- Increase productivity and job creation in select sectors
- Expand domestic market and mitigate impediments to trade
- Move up value chain to more complex products.

Reforms to Support Industrial Deepening, Diversification and Trade

- Special Economic Zones
- Industrial incentives
- Innovation & Technology
- Access to Finance
- Standards & technical infrastructure
- Regional & continental integration

Redistributive Policies and Programs

- Social protection programs
- Youth vocational skills and entrepreneurship training
- Access to economic opportunities via MSMEs support
- Institutional & Policy Reforms

Source: NPGRS, United Capital Research

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