United Capital Research | Daily Market Commentary

Wednesday, January 19, 2022



The Intelligent Choice

The day in review

- Equity market soared higher by 1.7%
- Interbank rates ticked upwards
- Bullish activity in Bonds market
- Naira depreciated at the NAFEX window

Looking forward

Jan Bond Auction - DMO

Daily Insight

Nigerian bourse continues bullish run...ASI up 1.7%

The local bourse continued its bullish run at yesterday's trading session, sustaining momentum on the back of buy-pressures in SEPLAT (+4.4%) and AIRTELAFRI (+10.0%) amid strong investor appetite. As a result, the NGX AII-Share Index (NGX-ASI) climbed 1.7%, to close the day at 45.430.1points, with market capitalisation climbing N774.3bn to close at N24.5tn. Thus, the market's YTD return strengthened to 6.4%, from 4.5% previously. Similarly, activities in the equity market witnessed an all-around decent improvement as the average volume and value of shares traded saw a significant increase of 8.0% and 365.0%, to settle at 252.9m shares and N8.9bn respectively.

The bourse's bullish performance was fairly mirrored by the performance of the sectors in yesterday's session, as three (3) sectors out of the five (5) we cover closed in the green, with one (1) sector out of the remaining two closing in the red zone and the other flat. The Oil and Gas (+2.2%) sector championed the bull momentum on the back of massive buy-pressure in SEPLAT (+4.4%). Trailing behind were the Insurance (+0.6%) and Banking (+0.5%) sectors, owing to share appreciation in CORNERST (+6.0%), LINKASSU (+3.9%), MANSARD (+1.7%) and ACCESS (+0.5%). On the other hand, the Consumer Goods (-0.02%) sector closed in the red, owing to sell-pressure in CHAMPION (-1.2%) and HONYFLOU (-0.6%), with the Industrial sector closing on a still note with no changes recorded.

Investor sentiment weakened to 1.0x as 15 tickers showed advancement while 15 tickers declined, as assessed by the market breadth (gainers to losers' ratio). Looking ahead to the rest of the week, we expect continued bargain hunting, driving the market further northward as investors position for earrings season.

| Headline | Level | 1 day | YTD |
|------------------|----------|--------|------|
| NGX ASI | 45,430.1 | 1.7% 📤 | 6.4% |
| Mkt. Cap (₦'bn) | 24,476.9 | 1.7% | |
| Mkt. Cap (\$'mn) | 58,768.1 | 1.7% | |
| Value (N'mn) | 8,925.1 | 365.3% | |
| Value (\$'mn) | 21.4 | 365.1% | |
| Volume | 252.9 📤 | 7.5% | |
| Deals | 4,218.0 | | |
| Market Breadth | 1.0x | | |

| T-Bills Yields | Current | Previous | %∆ |
|----------------|---------|----------|------|
| 3 months | 3.42 | 3.42 - | 0.00 |
| 6 months | 4.39 | 4.39 💳 | 0.00 |
| 12 months | 5.22 | 5.22 💳 | 0.00 |

| Bonds Yields | s Yields Current Previous | | % △ |
|--------------|---------------------------|---------|-------|
| 3 years | 9.04 | 9.05 🔻 | -0.01 |
| 5 years | 11.47 | 11.49 🔻 | -0.02 |
| 7 years | 12.06 | 12.34 🔻 | -0.28 |
| 10 years | 12.62 | 12.62 - | 0.00 |
| | | | |

Current

| NAFEX | 416.50 | 416.33 🔻 | 0.0% |
|-------------------|---------|----------|------|
| | | | |
| Other Key indices | Current | Previous | % △ |
| ОВВ | 13.3 | 12.5 📤 | 0.75 |
| OVN | 13.5 | 13.0 📤 | 0.50 |
| Brent | 88.8 | 87.5 📤 | 1.43 |

| | | 1 day | MTD | YTD | P/E (x) | Div. Yid. |
|-------------|------|----------|---------|-------|---------------|-----------|
| Agriculture | | 0.0% — | 0.0% — | 0.0% | na | na |
| Banks | | 0.5% 📤 | 3.0% 📤 | 3.0% | 2.5 | 8.2% |
| Consumer | • | 0.0% 🔻 | -4.4% 🔻 | -4.4% | 26.2 | 3.7% |
| Industrial | | 0.0% 📥 | 5.6% 📤 | 5.6% | 17.8 | 3.5% |
| Insurance | | 0.6% 🔻 | -3.6% 🔻 | -3.6% | 2.0 | 3.0% |
| Oil & Gas | | 2.2% 📥 | 7.3% 📤 | 7.3% | 10.0 | 4.3% |
| I | Mkt. | Avg. P/E | 9.8 | Mkt. | Avg. Div. Yid | 4.4% |

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

| | lechnical indicator of Market Po | osition: Kelative Strength Index (KSI) | |
|---------|----------------------------------|----------------------------------------|-----|
| | my Chy A | Overbought region | 100 |
| لمبر | ₩ ₩ Υ | Overbought region | 50 |
| | | - | _ o |
| 29/2020 | Oversold region 1/29/2021 | 7/29/2021 | |

1/19/2022
Pan African Market Monitor as at today

| Tall Allical Market Molliol as al loady | | | | | | |
|-----------------------------------------|-------------|---------|-------|---------|-----------|--|
| Equities | Level | 1 day | YTD | P/E (x) | Div. Yid. | |
| BRVM | 204.1 🔻 | -0.1% 📤 | 0.9% | 9.3 | 5.2% | |
| Egypt | 11,830.9 🔻 | -1.5% 🔻 | -0.3% | 9.0 | 2110.7% | |
| Kenya | 165.1 📥 | 0.1% 🔻 | -0.8% | 11.6 | 3.5% | |
| Mauritius | 2,131.3 | 0.0% 📤 | 1.6% | na | 3.0% | |
| Morocco | 357.3 🔺 | 1.5% 📤 | 2.7% | 23.8 | 2.7% | |
| MSCI FM | 661.5 | 0.1% 🔻 | -0.6% | 14.5 | 2.7% | |
| South Africa | 75,160.2 | -1.0% 📤 | 2.0% | 12.6 | 4.1% | |
| Tunisia | 7,099.7 🔺 | 0.3% 📤 | 0.8% | 23.4 | 2.3% | |
| Zimbabwe | 341,842.1 🔺 | 0.3% 📤 | 15.8% | 21.8 | 1.0% | |
| | | | | | | |



Previous

% Δ

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

Source: NGX, United Capital Research

Currencies

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 relicance 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.*