

**The day in review**

- Equities market closed positive
- Financial system liquidity remained robust
- Muted performance in NTB market
- Naira depreciated at the NAFEX window

**Looking forward**

- 277th MPC Meeting

**Daily Insight**

**Nigerian consumer sector to face renewed pressures in 2021**

The outbreak of the coronavirus pandemic in Nigeria impacted several businesses, leading to widespread layoffs and wage cuts, as businesses struggled to stay afloat. Inflicting further pressure, increase in petrol prices and electricity tariffs weighed on consumer pockets later in the year. Nevertheless, the Food, Beverage and Tobacco industry real GDP outperformed the broader economy, growing by a marginal 1.3% y/y in 9M 2020 compared to the 2.5% y/y decline in aggregate GDP within the same period. We believe the outperformance reflected the positive impact of the border closure on some specific businesses within the sector, particularly food processors who had a bigger supply-demand gap to fill due to absence of smuggled alternatives, netting out the impact of Covid-19 on the sector.

In 2021, there appears to be no respite for consumers just yet as initial indications point to the possibility of a 50.0% rise in electricity tariffs. Furthermore, petrol prices are expected to continue an upward surge in the face of rising crude prices. As a result, we think consumers will continue to tighten spending patterns and focus consumption on necessities.

For the Food, Beverage & Tobacco industry, we think the sector may remain under pressure particularly when we factor that the positive impact of the border closure would taper upon resumption of activities at the border. Weaker consumer spending and re-entrance of smuggled products could weigh on performance of the sector and consequently depress performance of players within the segment.

Headline	Level	1 day	YTD
NSE ASI	41,147.7	▲ 0.2%	▲ 2.2%
Mkt. Cap (₦bn)	21,524.8	▼ -1.8%	▲ 2.2%
Mkt. Cap (\$'mn)	56,793.7	▼ -1.8%	▲ 2.2%
Value (N'mn)	4,611.9	▼ -13.6%	
Value (\$'mn)	12.2	▼ -13.6%	
Volume	649.6	▲ 23.7%	
Deals	6,296.0	▲ 5.5%	
Market Breadth	3.4x		

T-Bills Yields	Current	Previous	%Δ
3 months	0.20	0.24 ▼	-0.04
6 months	0.45	0.50 ▼	-0.05
12 months	1.05	0.50 ▲	0.55

Bonds Yields	Current	Previous	% Δ
3 years	3.51	3.52 ▼	-0.01
5 years	5.34	5.71 ▼	-0.37
7 years	7.74	7.74	0.00
10 years	8.35	8.35	0.00

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	473.00	473.00	0.00%
NAFEX	394.17	393.35 ▼	-0.21%

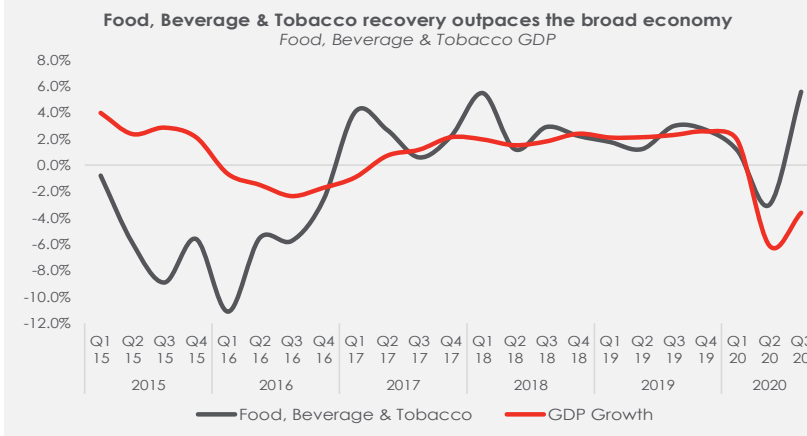
Other Key indices	Current	Previous	% Δ
OBB	0.5	0.4 ▲	0.12
OVN	1.0	0.5 ▲	0.50
Brent	56.1	55.9 ▲	0.30

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0% ▲	3.2% ▲	3.2%	0.0	0.0%
Banks	0.0% ▲	5.8% ▲	5.8%	4.3	8.3%
Consumer	-0.6% ▼	5.1% ▲	5.1%	369.9	3.7%
Industrial	-0.4% ▼	0.0% ▲	0.0%	22.8	4.5%
Insurance	6.0% ▲	36.3% ▲	36.3%	7.2	2.1%
Oil & Gas	0.0% ▲	21.4% ▲	21.4%	104.1	5.2%
<b>Mkt. Avg. P/E</b>		<b>15.7</b>		<b>Mkt. Avg. Div. Yid</b>	<b>4.5%</b>

\*P/E's 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	131.9 ▼	-0.3% ▼	-9.3%	8.3	7.2%
Egypt	11,450.5 ▲	0.0% ▲	5.6%	12.2	2.8%
Ghana	1,967.2 ▼	-0.1% ▲	1.4%	n/a	4688.5%
Kenya	157.6 ▼	-0.4% ▲	3.6%	11.7	4.3%
Mauritius	1,650.9 ▼	-0.1% ▲	0.1%	n/a	1.2%
Morocco	307.4 ▲	0.9% ▲	0.8%	30.9	3.4%
MSCI FM	551.1 ▼	0.0% ▲	3.5%	12.8	3.2%
South Africa	63,713.9 ▲	0.3% ▲	7.2%	29.1	2.4%
Tunisia	6,682.5 ▼	-0.5% ▼	-2.9%	20.2	0.6%
Zimbabwe	46,889.2 ▲	0.1% ▲	1.2%	0.9	2.4%



Sources: NBS

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