

The day in review

- NSE-ASI closed negative
- Interbank rates fell to single-digits
- Bearish performance in fixed income market
- Naira appreciated at the NAFEX window

Looking forward

NSE Earnings releases

Daily Insight

PMI in Q1-2021: A hint at recovery?

Recently, the CBN in its Monetary Policy Committee (MPC) meeting communique, revealed Nigeria's Purchasing Managers Index (PMI) for the months of January and February 2021. According to the numbers, economic activities remained below the expansion threshold of 50pts during the survey period. This was true for the Manufacturing and Non-manufacturing, indices. However, a month-on-month analysis indicated that both manufacturing and non-manufacturing economic activities improved significantly, from 44.9pts and 43.3pts in Jan-2021 to 48.7pts apiece in Feb-2021.

The MPC communique also revealed that the Employment level component of the Manufacturing and Non-manufacturing PMIs increased to 45.6 and 48.0 index points, respectively, from 44.2 and 45.0 index points in the prior month. Clearly, the weakness across the purchasing manager's indices indicates that economic activities within the country are yet to recover to their pre-COVID-19 levels.

Certainly, economic recovery is underway, considering the rebound in economic activities observed in Q4-2020 and the scale of reopening of the economy since the great lockdown of 2020. However, the sub-50pts PMI reading between Jan-2021 and Feb-2021, foreshadows a muted growth outlook for Q1-2021, if history is anything to go by. For context, the manufacturing sector is heavily reliant on FX availability (but the FX market remain largely illiquid) and increased consumer welfare, which appear to still be in a puddle. Overall, our forecast for GDP growth in Q1-2021 is a mild y/y expansion at best, as seen in Q4-2020, considering the base-effect of Q1-2020 (+1.9% y/y), given that Covid-19 pandemic had not surfaced as at then.

Headline	Level	1 day	YTD
NSE ASI	39,267.1	▼ -0.6%	▼ -2.5%
Mkt. Cap (₦bn)	20,544.8	▼ -0.6%	▼ -2.4%
Mkt. Cap (\$'mn)	54,207.8	▼ -0.6%	▼ -2.4%
Value (N'mn)	3,268.8	▼ -69.3%	
Value (\$'mn)	8.6	▼ -69.3%	
Volume	336.1	▼ -35.6%	
Deals	4,394.0		
Market Breadth	1.7x		

T-Bills Yields	Current	Previous	%Δ
3 months	2.31	2.31	0.00
6 months	4.62	4.62	0.00
12 months	6.64	6.13	0.51

Bonds Yields	Current	Previous	% Δ
3 years	7.54	7.50	0.04
5 years	10.05	9.85	0.20
7 years	10.49	10.50	-0.01
10 years	10.72	10.72	0.00

Currencies	Current	Previous	% Δ
Official	379.00	379.00	0.00%
Parallel	483.50	482.50	-0.21%
NAFEX	409.00	409.13	0.03%

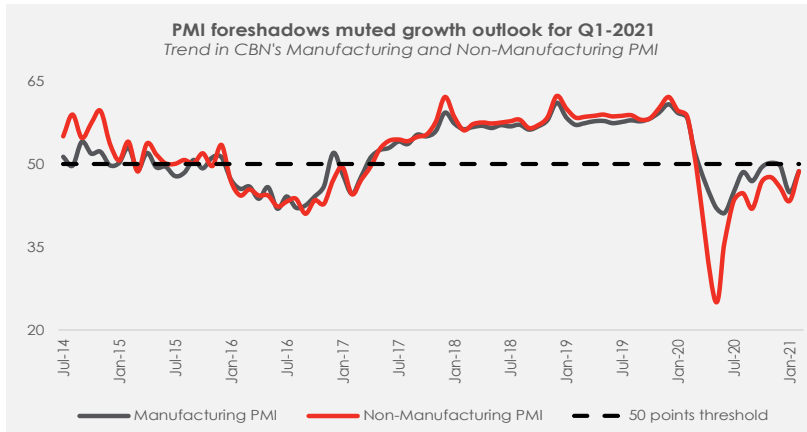
Other Key indices	Current	Previous	% Δ
OBB	6.3	12.0	-5.67
OVN	7.2	13.0	-5.83
Brent	64.4	65.0	-0.97

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0%	▼ -5.5%	▼ -3.8%	0.0	0.0%
Banks	0.5%	▼ -5.5%	▼ -7.9%	3.4	9.2%
Consumer	0.5%	▼ -4.3%	▼ -5.9%	57.2	4.1%
Industrial	0.1%	▼ -1.6%	▼ -6.0%	19.4	4.8%
Insurance	-0.4%	▲ -1.4%	▲ 5.2%	4.3	2.7%
Oil & Gas	-0.1%	▲ 0.7%	▲ 18.2%	na	5.4%
Mkt. Avg. P/E		13.9		Mkt. Avg. Div. Yid	4.6%

*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	139.6	▼ 0.0%	▼ -4.0%	8.8	6.8%
Egypt	10,782.9	▼ -0.8%	▼ -0.6%	12.8	2.7%
Ghana	2,214.3	▲ 0.0%	▲ 14.2%	n/a	n/a
Kenya	166.5	▼ -1.4%	▲ 9.4%	12.5	2.3%
Mauritius	1,605.3	▼ -0.1%	▼ -2.6%	n/a	1.0%
Morocco	306.8	▼ -0.1%	▲ 0.6%	24.4	3.4%
MSCI FM	551.1	▲ 0.0%	0.0%	12.8	3.1%
South Africa	67,102.2	▲ 0.4%	▲ 12.5%	26.5	2.7%
Tunisia	7,101.8	▲ 0.3%	▲ 3.1%	19.6	0.6%
Zimbabwe	96,623.2	▲ 9.8%	▲ 108.6%	5.2	1.2%



Sources: CBN, United Capital Research

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