

The day in review

- Equities slumped 1.3%
- Financial system liquidity remained tight
- Flatfish session in the NTB market
- Naira gained 10bps at the I&E window

Looking forward

Q1-2021 Corporate Earnings - NSE

Daily Insight

What is driving the proliferation of cryptocurrencies in Nigeria?

Nigeria continues to rank among the leading cryptocurrency (crypto) hotspots in the world. According to a Statista survey, 31.9% of Nigerians surveyed in 2020 used cryptocurrencies, the largest proportion of any nation in the world. Furthermore, Statista also reported that Nigeria ranked third, in terms of Bitcoin (the most popular crypto) trade volumes, just behind the United States and Russia in 2020.

Recently, the Central Bank prohibited Deposit Money Banks and other financial institutions from crypto-related transactions and ordered banks to shut down accounts associated with cryptocurrencies. The above regardless, the fast-rising number of crypto transactions in Nigeria has persisted. Expectedly, Nigerians continued to transact in cryptocurrencies despite the Apex bank pronouncement, doubling down on peer-to-peer transactions, where users simply bypass financial intermediaries and connect directly to each other, usually through an exchange platform. For instance, Paxful, a leading peer-to-peer exchange platform, recently announced that Nigeria is now its largest market with a total traded volume of \$1.5bn to date.

In our view, economic realities in Nigeria set the stage for a myriad of use cases for crypto. Over the last 5 years, the country has been hit by two recessions, a string of currency devaluations and severe dollar shortages which continues to hurt trade, pressure general price level and weaken per capita income, rendering cryptocurrencies, high-risk digital assets with huge upside potential, appealing. Notable use cases observed amongst Nigerians range between speculative trading, currency hedge/value preservation, making domestic and cross-border payments and even facilitating social movements (recall the EndSARS protest). Thus, if the digital revolution, which is fast-spreading across different facets of the global economy (FinTech, BigTech, AI, E-commerce, AI, Big-Data etc.) is anything to go by, it is clear that cryptocurrency adoption, and speculation alike, will continue wax stronger in Nigeria and the rest of the continent. However, regulatory scrutiny and interest will also persist as governments continue seek ways to maintain its role of enforcing law and order as well as protecting public interest.

Headline	Level	1 day	YTD
NSE ASI	38,781.5	▼ -1.3%	▼ -3.7%
Mkt. Cap (₦bn)	20,296.2	▼ -1.3%	
Mkt. Cap (\$'mn)	53,551.8	▼ -1.3%	
Value (N'mn)	1,910.4	▲ 7.7%	
Value (\$'mn)	5.0	▲ 7.7%	
Volume	259.5	▲ 2.7%	
Deals	3,547.0		
Market Breadth	0.9x		

T-Bills Yields	Current	Previous	%Δ
3 months	2.99	2.94 ▲	0.05
6 months	4.21	4.21 ▬	0.00
12 months	8.05	8.05 ▬	0.00

Bonds Yields	Current	Previous	% Δ
3 years	10.97	10.96 ▲	0.01
5 years	11.89	11.89 ▬	0.00
7 years	12.43	12.41 ▲	0.02
10 years	12.64	12.64 ▬	0.00

Currencies	Current	Previous	% Δ
Official	379.00	379.00 ▬	0.00%
Parallel	485.00	485.00 ▬	0.00%
NAFEX	411.25	411.67 ▲	0.10%

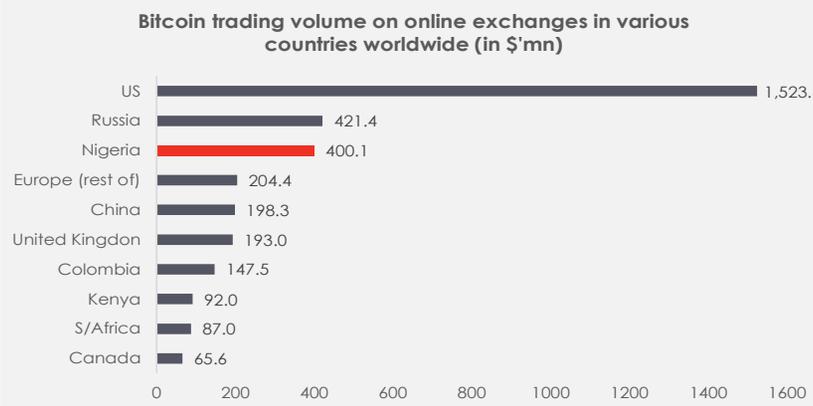
Other Key indices	Current	Previous	% Δ
OBB	15.0	14.3 ▲	0.75
OVN	15.3	14.8 ▲	0.50
Brent	67.3	66.4 ▲	1.28

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0% ▲	3.1% ▲	3.1%	0.0	0.0%
Banks	-0.6% ▼	-3.4% ▼	-9.1%	3.4	9.8%
Consumer	0.0% ▲	2.9% ▼	-2.6%	105.0	3.9%
Industrial	0.0% ▲	0.8% ▼	-7.2%	19.2	4.9%
Insurance	1.0% ▼	-2.1% ▲	5.7%	3.8	4.5%
Oil & Gas	0.2% ▼	-0.2% ▲	17.3%	na	5.4%
Mkt. Avg. P/E		14.3		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	148.4	▲ 0.3%	2.0%	9.2	6.4%
Egypt	10,591.4	▲ 0.6%	-2.3%	11.6	3.1%
Ghana	2,342.1	▬ 0.0%	20.8%	n/a	n/a
Kenya	166.4	▲ 0.2%	9.4%	12.6	2.2%
Mauritius	1,641.7	▼ 0.0%	-0.4%	n/a	0.9%
Morocco	312.3	▲ 0.1%	2.5%	30.2	3.4%
MSCI FM	551.1	▲ 0.5%	6.1%	12.8	2.7%
South Africa	67,614.9	▲ 0.1%	13.8%	26.5	2.5%
Tunisia	7,071.6	▲ 0.0%	2.7%	20.4	0.6%
Zimbabwe	94,859.9	▲ 6.2%	104.8%	5.0	1.7%



Source: Statista

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