

The day in review

- Equity market declined by 10bps
- Interbank rates closed higher
- Bullish activity in NT Bills market
- Naira remained flat at the NAFEX window

Looking forward

FY-2021 Earnings Season-NGX

Daily Insight

CBN's E-valuation and E-invoicing: Policy Overview

Earlier this month, the Central Bank of Nigeria (CBN) announced in its effort to achieve accurate value from import and export to and from the country introduced the E-Valuator and E-invoice. This new scheme replaces the hard copy final invoices as part of the documentation required for all import and export transactions effective Feb-2022.

Under the new scheme, all imports and exports operations will require the submission of an electronic invoice(E-invoice) authenticated by the authorised dealers' bank on the Nigerian Single Window portal- Trade Monitoring System (TRMS). Furthermore, the system would operate on a Global Price Verification Mechanism guided by a benchmark price. The benchmark price is the actual spot market obtainable at the consummation of invoicing value of the good. Also, if the imported goods are more than 2.5% of the vertical global price checkmate price, the goods would be queried and not allowed to complete M and XPR forms. Regarding exemptions, securities agents, foreign government, and individual invoices less than \$10,000.00 amongst others

Since the CBN policy became effective, it has spurred reactions in the country as workers at the port authorities have threatened to embark on an indefinite strike, leading to trade disruption. The Nigerian House of Representatives recently issued a directive to the CBN to halt the implementation of the policy. From our perspective, the increased digitalisation enables the CBN to have a cleaner database of trade requests and consequently improves trade forecast, planning, and management of foreign reserve positions. On the downside however, the policy seems a tad rigid, allowing only a 2.5% spread from the spot price. However, we sympathise with the CBN's as there have been reports of inconsistent valuation of Import and export proceeds by international businesses that have led to the diversion of foreign exchange from the country through over-invoicing, transfer pricing, double handling charges, and avoidable costs. All of which is ultimately passed to the average Nigerian consumer

Headline	Level	1 day	YTD
NGX ASI	47,207.3	-0.1% ▲	10.5%
Mkt. Cap (N'bn)	25,442.2	-0.1%	
Mkt. Cap (\$'mn)	61,210.3	-0.1%	
Value (N'mn)	3,493.2	-32.2%	
Value (\$'mn)	8.4	-32.2%	
Volume	230.6	-45.3%	
Deals	4,377.0	-27.0%	
Market Breadth	1.6x		

T-Bills Yields	Current	Previous	%Δ
3 months	3.21	3.15 ▲	0.06
6 months	3.56	4.64 ▼	-1.08
12 months	4.44	5.20 ▼	-0.76

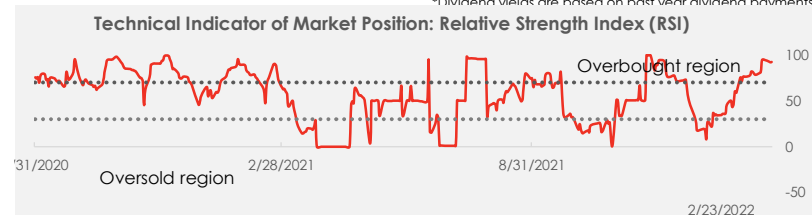
Bonds Yields	Current	Previous	% Δ
3 years	8.22	8.22	0.00
5 years	10.06	10.10 ▼	-0.04
7 years	10.83	10.68 ▲	0.15
10 years	12.25	11.16 ▲	1.09

Currencies	Current	Previous	% Δ
NAFEX	416.00	416.00	0.0%

Other Key indices	Current	Previous	% Δ
OBB	9.0	6.0 ▲	3.00
OVN	9.5	6.3 ▲	3.17
Brent	95.1	96.8 ▼	-1.84

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	0.0% ▼	-1.8% ▲	3.1%	na	na
Banks	-0.3% ▲	2.2% ▲	11.1%	2.6	7.6%
Consumer	-0.6% ▲	2.5% ▼	0.0%	23.9	3.6%
Industrial	0.0% ▲	2.7% ▲	6.1%	17.6	3.5%
Insurance	0.9% ▲	1.3% ▼	-4.7%	2.3	3.1%
Oil & Gas	0.0% ▲	4.0% ▲	18.7%	11.0	3.9%
Mkt. Avg. P/E		10.3		Mkt. Avg. Div. Yid	4.2%

*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	211.7	0.1% ▲	4.7%	9.1	5.0%
Egypt	11,301.1	0.0% ▼	-5.4%	8.5	1.5%
Kenya	166.6	-0.2% ▲	0.1%	11.1	3.5%
Mauritius	2,189.1	0.0% ▲	4.3%	na	2.9%
Morocco	346.1	-0.8% ▼	-0.5%	23.4	2.8%
MSCI FM	639.1	-0.6% ▼	-4.0%	13.5	2.8%
South Africa	75,083.6	-0.8% ▲	1.9%	12.1	3.1%
Tunisia	7,107.8	-0.3% ▲	0.9%	23.2	2.3%
Zimbabwe	449,953.2	0.2% ▲	52.5%	28.7	0.7%

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