

FINANCIAL MARKET WEEKLY REPORT

12TH NOVEMBER, 2021



FX Market

- The Naira depreciated at the Official, but strengthened at the Parallel and I&E windows, Fx scarcity lingers
- In the outgoing week, CBN injected a total of \$210.00 million into the foreign exchange market; of which \$100.00 million was allocated to Wholesale (SMIS), \$55.00 million was allocated to Small and Medium Scale Enterprises and \$55.00 million was sold for invisibles
- we expect Naira to remain stable against the \$ as external reserves hit \$41.53 billion amid rising crude oil prices at the international market.

Money Market

- Interbank market liquidity closed the week c. (₦104.44 billion). Consequently, OBB depreciated by to 14.50% from 16.00% and Overnight rates appreciated to 15.25%.
- Last week, CBN sold T-bills worth ₦196.17 billion to mop up matured bills worth ₦150.82 billion. The 364-day bill was issued at lower rate despite the huge amount of bills sold. Hence, stop rate for 364-day bill moderated by 49bps to 6.50% from (6.99%). However, stop rates for 91-Day and 182-Day bills were unchanged at 2.50% and 3.50% respectively
- We expect activity in the money market to be bullish as the market expects liquidity boost from the maturing N72.50 billion worth of OMO bills. Hence, buying interest would further be driven by traders' expectation of cut in bonds rates in the course of the week.

Fixed Income Market

- Activities in the fixed income space was relatively bullish at the shorter end of the curve than at the longer end
- The DMO will auction ₦150.00 billion worth of local bonds; viz: ₦50.00 billion a piece for the 12.50% FGN FEB 2026, 16.25% FGN MAR 2037 and 12.98% FGN MAR 2050 Re-Openings. Hence, we expect the stop rates to moderate – mirroring the drop in the money market rate for 364-day bill to 6.50%.

Equity Market

- Domestic equities market closed in positive territory amid renewed investor's interest in telecoms shares. Specifically, the share prices of AIRTELAFRI and MTNN rose by 12% and 9% respectively to close at ₦871.70 and ₦191.00. Also, buying interests in NEIMETH, REDSTAREX, FTNCOCOA and UNILEVER shares lifted the NSE ASI w-o-w by 2.95% to close at 43,253.01 points.
- However, the sub-sector gauges did not mirror the benchmark index as most of the indices closed in red territory. The NSE Banking, NSE Insurance, NSE Oil/Gas and the NSE Industrial indices decreased by 1.32%, 2.25%, 0.69% and 0.01% to close at 397.96 points, 177.62 points, 381.89 points and 2,196.50 points respectively. However, the NSE Consumer Goods index rose by 0.63% to close at 568.87 points.
- This week, we expect the local bourse index to close northwards as investors take advantage of some fundamentally sound stocks which have shed value. Also, we feel investors will continue to position in those companies that have printed higher profitability and are likely to pay good dividends in FY 2021.

Other Statistics

- Inflation rate – 15.99%; Monetary Policy Rate – 11.50%, GDP Growth – 4.01%, Unemployment rate – 33.30%,

FX MARKET			
	5-Nov	12-Nov	Direction
CBN (₦)	411.29	411.42	↓
I & E FX (₦)	415.10	414.73	↑
Parallel (₦)	570.00	545.00	↑

MONEY MARKET			
	OBB	O/N	Call
5-Nov	16.00	12.38	11.00
12-Nov	14.50	15.25	14.00
Direction	↓	↑	↑

T-BILL MARKET				
	60D	91D	182D	364D
5-Nov	3.77	4.04	5.55	6.75
12-Nov	3.72	4.04	5.13	6.84
Direction	↔	↔	↓	↑

BOND MARKET				
Bond ID	Tenor	Price	Yield (%)	Direction
14.20 14-Mar-2024	2Y	109.67	9.47	↓
16.29 17-MAR-2027	5Y	118.31	11.59	↓
14.55 26-APR-2029	7Y	113.40	11.79	↔
12.15 18-JUL-2034	10Y	97.38	12.56	↓
16.25 18-Apr-2037	20Y	122.29	12.88	↑
12.98 27-MAR-2050	30Y	98.70	13.15	↑

EQUITY MARKET					
Market Indicators		Value	Trend		
Market Capitalisation (₦tr)		22.572	↑		
NSE – All Share Index (Points)		43,253.01	↑		
NSE – Pension Index (Points)		1,652.72	↑		
Top Gainers	Closing Price (₦)	Chg (%)	Top Losers	Closing Price (₦)	Chg (%)
Neimeth	1.98	12.50	Conoil	21.70	14.90
Red Star	3.50	12.18	Pharma	2.11	9.83
Airtel	871.70	11.76	CWG Plc	1.02	9.73
FTNCocoa	0.44	10.00	Berger	8.55	9.52
Veritas	0.23	9.52	Custodian	7.65	9.47

COLLECTIVE INVESTMENT TRUST SCHEMES		
Fund	Unit Price (₦)	Trend
Coral Growth	3,744.32	↔
ARM Discovery	431.69	↔
IBTC Nigeria Equity	10,454.21	↔
IBTC Aggressive Fund	2,713.72	↔
Nigeria International Growth	2,7867	↔
UPDC Real Estate Investment Trust	5.60	↔
Meristem Equity	11.4200	↔

Source: CBN, FMDQ, NBS, NSE, SEC

Note: All rates/prices are bid rates/prices; Nigeria International Growth fund as at 24th Aug
 Legend: ASI: All Share Index; CBN: Central Bank of Nigeria; bbl – barrel; DMO: Debt Management Office of Nigeria;
 GDP: Gross Domestic Product; FMA: Federal Account Allocation; ORR: Open Rev Bank; NBS: National Bureau of

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