

The Nigerian Equities Market Review- January 2018

Equities markets globally got off to a good start in 2018 as gains recorded by key indices suggests momentum for a strong year ahead. The Nigerian Equities market was not left out of the New Year spring as it extended its prior year's rally buoyed by rising crude oil prices, and foreign exchange (FX) liquidity. Investors' retained an optimistic view of the Nigerian markets; hinged on a positive economic outlook - with strengthened GDP growth expectations of 2.5% for 2018 (as forecasted the World Bank).

Fig. 1 Global Markets Performance (%)

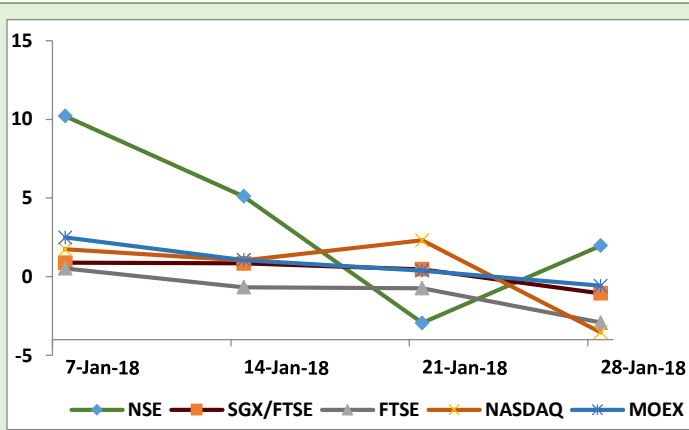
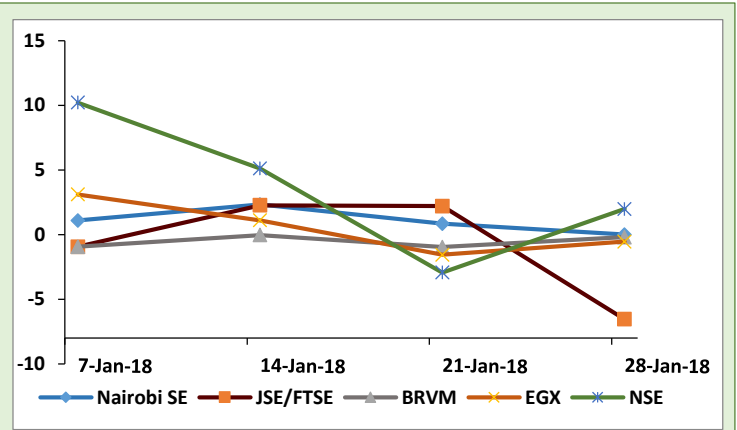


Fig. 2 African Markets Performance (%)



The NSE All Share Index (ASI) closed the month as the best performing in Africa, as well as one of the top performing globally (keeping strides with its FY2017 positioning). The January 2018 rally recorded an all-time Equities Market Capitalization high of N16.15tn; while the ASI also advanced by 15.95% to hit a 10-year high of 45,092 pts. The market enjoyed increased liquidity in the period under review as c.107 securities traded with a Daily Average Value Traded (DAVT) of N8.96bn (up c.74% from Dec-2017 levels). The Broad market index closed on a positive note recording its best month-to-date return in the last decade

Fig. 3 NSE Turnover and Market Capitalization

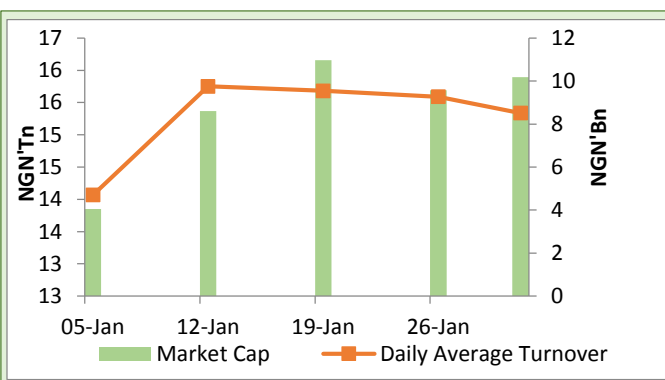


Fig. 4 NSE Indices Performance (%)

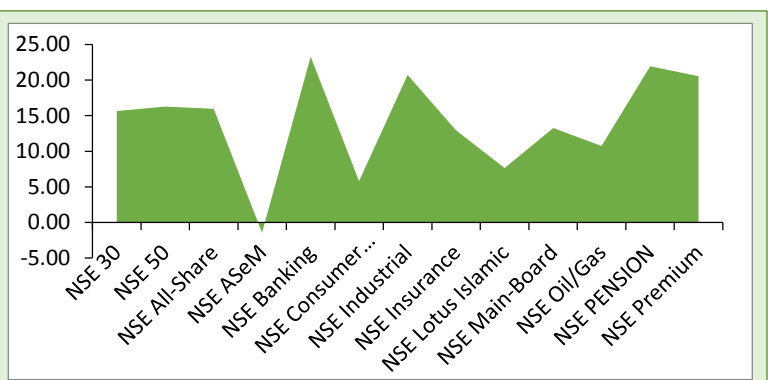


Table 1 Market Indicators

Indicators	Jan-18	Dec-17
Turnover (NGN'bn)	197.20	240.39
Market Depth	14.89%	21.20%
Breadth	3.22	1.05
Market Cap (NGN'bn)	15.90	13.61
DAVT (NGN'bn)	8.96	5.15
Trading Days	22	18

Table 2 Top 5 Gainers and Losers

Top Losers	% Loss	Top Gainers	% Gain
ABCTRANS	-16.00	SKYEBANK	194.00
LASACO	-16.00	UNITYBNK	186.79
ROYALEX	-16.00	WEMABANK	182.69
AGLEVENT	-14.29	DIAMONDBNK	112.00
AIRSERVICE	-14.29	FCMB	106.76

The market rally was driven by positive macro-environment indicators and improved investor confidence as FX reserves increased by c\$1.77bn (c.4.56% month-on-month) amid higher crude oil prices. The Investors & Exporters FX window also witnessed the NGN appreciating 0.28% against the USD over the period

Fig. 5 Crude Oil Price & FX Reserves

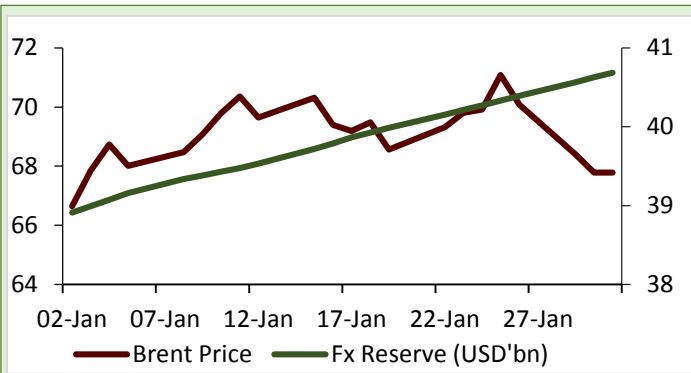
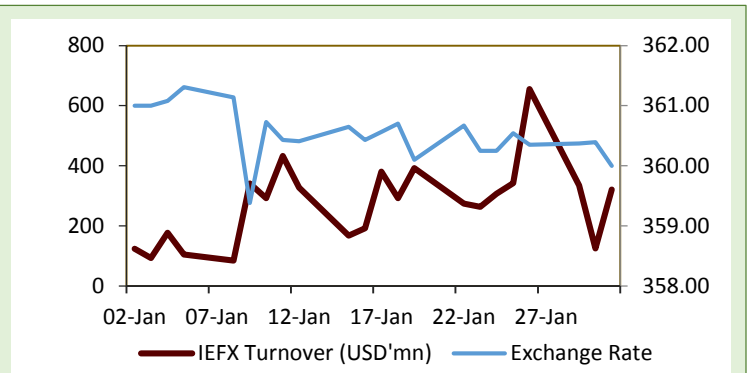


Fig. 6 CBN IEFX Market



Aggregate domestic investor activity dominated Foreign Portfolio Investor play in the market as the period witnessed increased retail investors' appetite - as portfolio switch decisions were made to participate in the bargain hunting. Interestingly, domestic investors' activity was driven mostly by High Net-worth Individuals (HNIs) and Non-Pension institutional investors

Fig. 7 Foreign vs Domestic Participation

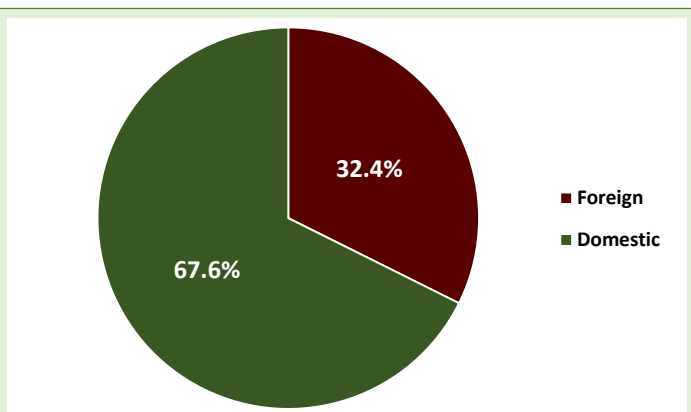
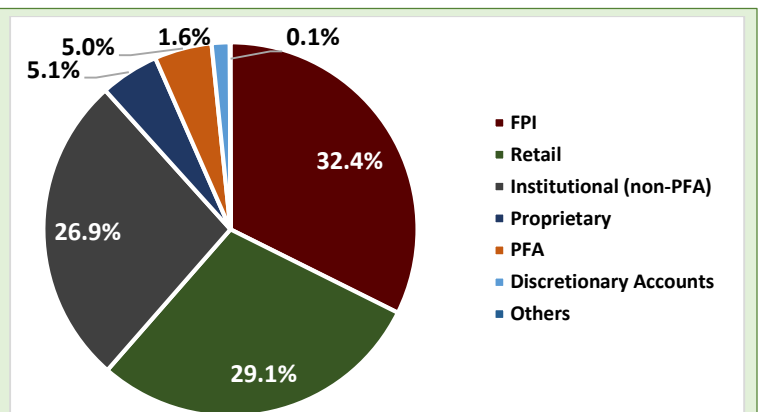


Fig. 8 Investors' Classification



*This data excludes all trades that are below NGN50,000 in transaction size

*Retail Investors include HNIs

Financial Services, Consumer Goods, Conglomerate and Industrial Goods led other sectors within the month, with major trades in Nigerian Breweries, Zenith Bank and Guaranty Trust Bank (GTB), among others.

Table 3 Top 5 Sectors/Industries

Sector	Volume	Value (NGN)	Value (%)
Banking	9,296,877,867	83,703,131,238.13	42.44
Beverages	320,029,952	34,736,413,972.15	17.61
Other Financial	3,293,142,702	23,829,867,819.61	12.08
Diversified Ind.	6,629,188,310	16,538,605,229.50	8.39
Building Mat	149,330,887	13,504,134,026.40	6.85
Total	19,688,569,718	172,312,152,285.79	87.37

Table 4 Top 10 Securities Traded

Security	Volume	Value (NGN)	Value (%)
NB	206,322,212	29,532,283,969	14.97
ZENITHBANK	773,535,846	24,290,384,356	12.32
GUARANTY	482,020,068	23,984,996,048	12.16
FBNH	1,199,381,592	15,084,981,018	7.65
TRANSCORP	6,539,869,954	14,977,560,167	7.59
ACCESS	1,018,323,387	12,360,203,714	6.27
DANGCEM	39,695,526	9,980,393,164	5.06
UBA	672,805,079	8,323,586,047	4.22
NESTLE	4,228,298	6,284,249,894	3.19
DIAMONDBNK	2,095,640,296	5,515,039,478	2.80
Total	13,031,822,258	150,333,677,855	76.23

Top ten brokers drove 64.62% of total transaction value and 54.73% of total volumes traded in January

Fig. 9 Top Brokers by Transaction Value

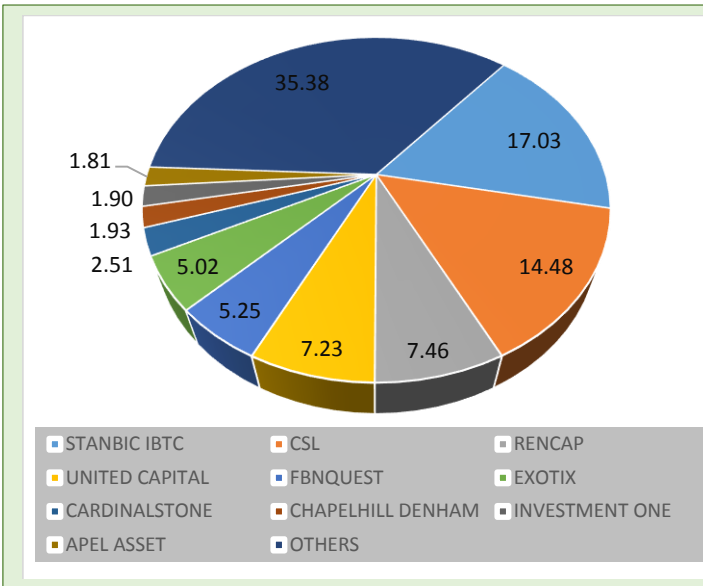
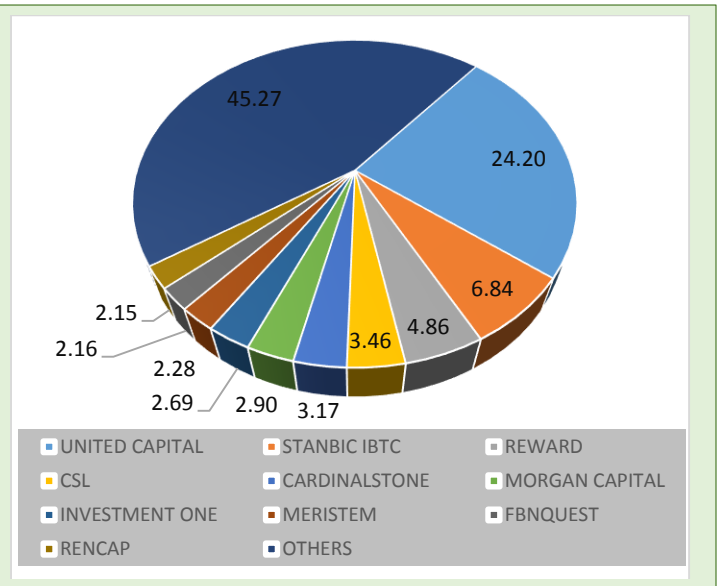


Fig. 10 Top Brokers by Volume



Acronyms and Abbreviations

BN	Billion
BVRM	BVRM Composite Index
CBN	Central Bank of Nigeria
DAVT	Daily Average Value Traded
EGX	EYGPT 30 Index
FPI	Foreign Portfolio Investors
FX	Foreign Exchange
FTSE	FTSE All Share Index
FY	Full Year
HNI	High Net worth Investors
IEFX	Investors and Exporters Foreign Exchange Window
JSE/FTSE	FTSE/JSE All Share Index
MOEX	Moscow Exchange Russia Index
Nairobi SE	Nairobi Stock Exchange All Share Index

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