

The day in review

- The NSE-ASI shed 0.3%
- Weighed by sell-off in Financial counters
- Sentiment was mostly bullish in the T-bills space
- Naira depreciated to N362.3/\$ at NAFEX

Looking forward

- July-18 Inflation Report - NBS
- C. N473.4bn OMO maturity
- c. 33.4bn NTB auction

Daily insight

The Nigerian Oil & Gas Sector in H2-18 – militant agitations or PIGB passage?

The bottom line for the upstream sector is that it remains at the mercy of policy reforms that can incentivize International Oil Companies (IOCs) and catalyze more investments into the sector. With the build-up to the election brewing, two themes are likely to shape the Upstream sector in H2-18: Firstly, we may see marked progress with the Petroleum Industry Bill (PIB) as the incumbent tries to score election points. Secondly, issues relating to supply disruptions in the Niger Delta may return, driving output volatilities and a slow down in exploration activities.

Regarding progress with the PIB, news flow suggests that the Petroleum Industry Governance Bill (PIGB) would likely be signed into law by Q4-18. If the PIGB is passed into law, the Nigerian National Petroleum Corporation (NNPC) would get a much-needed reorganization and all regulation would be undertaken by a new regulator - the Nigerian Petroleum Regulatory Commission (NPRC) which would strengthen oversight in the industry.

On production disruption, even though oil exploration activities and crude production have already started to pick up, we think the operating environment in the Niger Delta region remains fragilely stable. Therefore, we believe that oil production may inch lower if Niger Delta militants react as a result of the forthcoming election.

Headline	Level	1 day	YTD
NSE ASI	35,288.2	▼ -0.3%	▼ -7.7%
Mkt. Cap (N'bn)	12,883.4	▼ -0.3%	▼ -5.3%
Mkt. Cap (\$'mn)	42,095.7	▼ -0.3%	▼ -5.4%
Value (N'mn)	1,612.6	▼ -27.2%	
Value (\$'mn)	5.3	▼ -27.2%	
Volume	164.5	▲ 2.5%	
Deals	3,448.0	▲ 10.5%	
Market Breadth	0.4		

T-Bills Yields	Current	Previous	%Δ
3 months	11.2	11.6	▼ -0.5
6 months	13.1	13.0	▲ 0.1
12 months	13.1	13.3	▼ -0.2

Bonds Yields	Current	Previous	% Δ
3 years	14.1	14.0	▲ 0.1
5 years	14.5	14.5	0.0
7 years	14.8	14.6	▲ 0.1
10 years	14.7	14.5	▲ 0.2

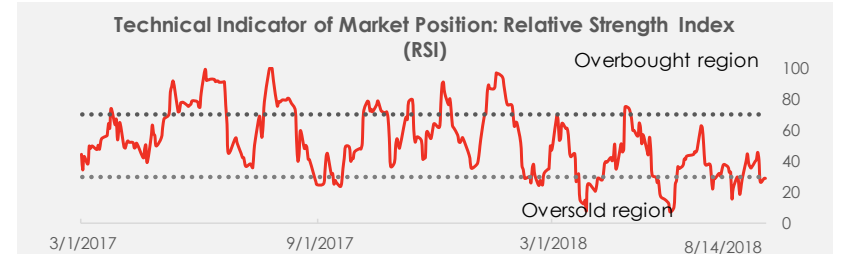
Currencies	Current	Previous	% Δ
Official	306.1	306.1	0.0
Parallel	358.5	358.5	0.0
NAFEX	362.3	362.2	0.0

Other Key indices	Current	Previous	% Δ
OBB	10.4	11.8	▼ -1.4
OVN	11.2	12.4	▼ -1.3
Brent	72.5	72.6	▼ -0.2

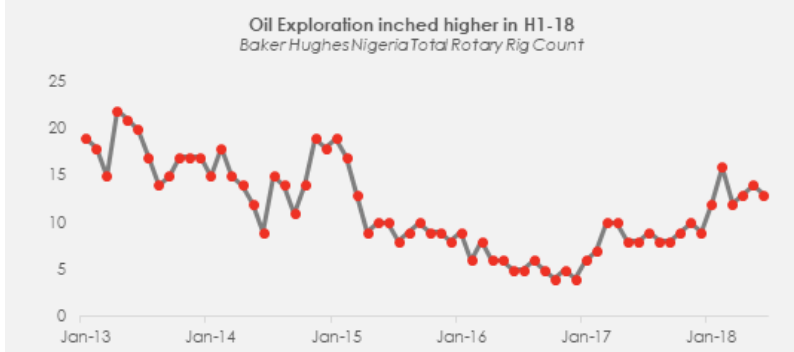
	Agriculture	Financials	Consumer	Oil & Gas	Industrial
1 day	▲ 0.1%	▼ -1.0%	▼ -0.1%	▼ -0.7%	0.0%
YTD	▼ -1.6%	▲ 0.4%	▼ -8.6%	▼ -3.8%	▼ -5.8%
P/E (x)	4.5	7.2	55.9	55.4	17.1
Div. Yid.	0.4%	4.2%	2.6%	2.0%	3.4%

Mkt. Avg. P/E	10.2	Mkt. Avg. Div. Yid	4.6%
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*P/Es are based on the last twelve months trailing earnings
*Dividend yields are based on past year dividend payments



Pan African Market Monitor					
Equities	Level	1 day	YTD	P/E	Div. Yid.
BRVM	209.0	▲ 0.2%	▼ -14.0%	24.8	2.4
Egypt	15,356.8	▼ -1.1%	▲ 2.2%	11.2	2.5
Ghana	2,828.9	▲ 0.3%	▲ 9.7%	32.4	1,307.0
Kenya	174.5	▲ 0.9%	▲ 1.9%	14.2	3.9
Mauritius	2,235.2	▲ 0.0%	▲ 1.5%	24.6	2.2
Morocco	312.5	▼ -0.9%	▼ -7.2%	18.9	4.4
MSCI FM	552.8	▼ -1.3%	▼ -13.3%	11.9	3.8
South Africa	57,608.9	▼ -0.5%	▼ -3.2%	17.7	3.2
Tunisia	8,369.6	▲ 0.3%	▲ 33.2%	21.9	1.7
Zimbabwe	3751.13	0.0%	▲ 27.6%	24.3	2.1



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