

Tuesday, January 8, 2019

The day in review

- Bears tighten hold on domestic bourse
- A lull theme in the FI space
- Money market rates trended lower
- Naira settled N365.9/\$1 at NAFEX

Looking forward

- Dec-18 inflation report-Jan 17
- Monetary policy meeting-Jan 22

Daily insight

Emerging Markets Outlook in 2019

A glimpse at key markets within the classification showed that Brazil's economy slowed in 2018, as industrial action by truckers, as well as political uncertainties from the country's presidential race weighed. The outlook for the country is hinged on the delivery of policy actions by the new government. Similarly, the Russian economy continued on a recovery path as growth in GDP settled at 1.7% in 2018E from 1.5% in 2017. Looking ahead however, the hike in value-added tax and its consequential impact on consumer demand and business activity could weigh on growth.

Meanwhile, India remained an outperformer after recording strides ranging from amassing the largest gain of any G-20 country in the World Bank's Ease of Doing Business Index to a rise to the 58th ranking in the Global Competitiveness Index. Going into 2019, while we expect further growth from the South Asian economy, key downside risks are the forthcoming general elections and increases in policy rates. Finally, the momentum of the Chinese economy is estimated to slow, as deleveraging efforts seem to be taking a back seat on the need to calm the economy from trade tensions. We expect more expansionary policies to trail the cut in CRR, as authorities seek to inject stimulus into the economy considering that the impact of trade tensions could bite harder in 2019.

Headline	Level	1 day	YTD
NSE ASI	30,036.2	▼ -1.2%	▼ -4.4%
Mkt. Cap (N'bn)	11,200.8	▼ -1.2%	▼ -4.4%
Mkt. Cap (\$'mn)	36,496.4	▼ -1.2%	▼ -4.4%
Value (N'mn)	2,669.5	▼ -20.1%	
Value (\$'mn)	8.7	▼ -20.1%	
Volume	216.2	▼ -2.8%	
Deals	4,508.0	▲ 20.3%	
Market Breadth	0.4		

T-Bills Yields	Current	Previous	%Δ
3 months	13.04	12.61	▲ 0.43
6 months	14.41	14.47	▼ -0.06
12 months	17.42	17.32	▲ 0.10

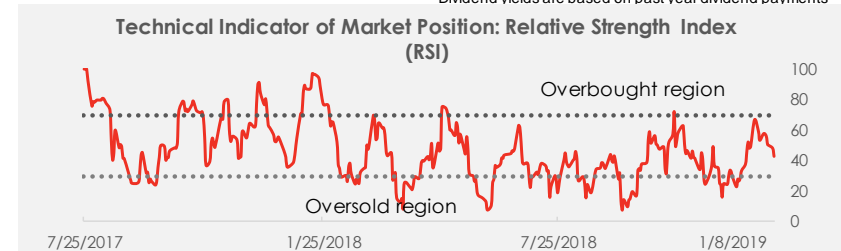
Bonds Yields	Current	Previous	% Δ
3 years	15.08	15.08	0.00
5 years	15.03	15.03	0.00
7 years	15.50	15.66	▼ -0.16
10 years	15.46	15.46	0.00

Currencies	Current	Previous	% Δ
Official	306.90	306.90	0.00
Parallel	359.50	359.50	0.00
NAFEX	365.87	365.68	▼ 0.00

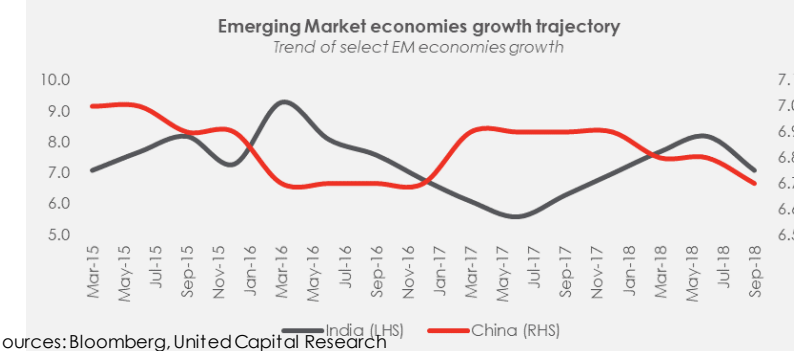
Other Key indices	Current	Previous	% Δ
OBB	25.0	25.8	▼ -0.83
OVN	27.3	28.0	▼ -0.75
Brent	58.6	57.3	▲ 2.16

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	▲ 3.1%	▲ 4.2%	▲ 4.2%	4.2	3.4%
Banks	▼ -3.6%	▼ -7.3%	▼ -7.3%	4.2	8.4%
Consumer	▼ -0.5%	▼ -5.1%	▼ -5.1%	19.3	3.6%
Industrial	▲ 0.5%	▼ -3.9%	▼ -3.9%	na	6.9%
Insurance	▼ -3.3%	▼ -4.9%	▼ -4.9%	4.4	6.7%
Oil & Gas	▼ -1.4%	▼ -2.9%	▼ -2.9%	3.8	5.7%
Mkt. Avg. P/E 8.6				Mkt. Avg. Div. Yid 5.5%	

*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	170.7	▼ -1.1%	▼ -0.9%	8.0	7.3
Egypt	13,402.7	▲ 0.4%	▲ 2.8%	12.3	2.3
Ghana	2,509.2	▼ 0.0%	▲ 0.4%	22.0	1,473.6
Kenya	138.9	▲ 1.1%	▼ -1.1%	10.6	5.2
Mauritius	2,215.1	▲ 0.0%	▼ -0.2%	17.8	2.0
Morocco	302.2	▼ -0.4%	▼ -2.5%	18.8	3.8
MSCI FM	525.6	▲ 0.9%	▲ 1.8%	11.1	3.9
South Africa	52,165.5	▲ 0.4%	▼ -1.1%	14.7	4.0
Tunisia	7,206.8	▲ 0.5%	▼ -0.9%	18.6	2.0
Zimbabwe	6203.49	▼ -1.1%	▲ 0.3%	23.6	2.0



Sources: Bloomberg, United Capital Research

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