

The day in review

- Equities market starts the week on a bearish note
- System liquidity tightened marginally
- A mixed theme in the fixed income space
- Naira appreciated at NAFEX

Looking forward

- Feb-19 CPI and Inflation report - (NBS)
- FY-18 Earnings scorecard - (NSE)

Daily insight

Feb-19 Inflation: Should we expect further easing?

Inflation rate report for the month of February is scheduled to be released by the National Bureau of Statistics on Friday, 15th of March 2019. Ahead of the release of the inflation data, opinions differ as to the direction for the month of February. Some are of the view that the headline rate would take a U-turn from its southward trend on the backdrop of election spending in the month of February, while others believe that inflation would further ease on slower pace witnessed on food prices in the said month.

Historically, we observed that the inflation rate increased in the election months of the 2011 and 2015 elections (March 2015 and April 2011). Although, the CBN has sustained its liquidity mop-up via OMO, in aggregate demand in the weeks leading to the 2019 election, may pressure prices northwards in Feb-2019. Thus, if history is anything to go by, we may see a marginal uptick in the inflation rate for the month of February.

Accordingly, we expect a marginal uptick in the headline inflation rate to 11.38%, above CBN's single-digit target, but well below the current MPR of 14.0% in February 2019. Meanwhile, in the interim, we anticipate moderation in general prices on the back of stability in the polity.

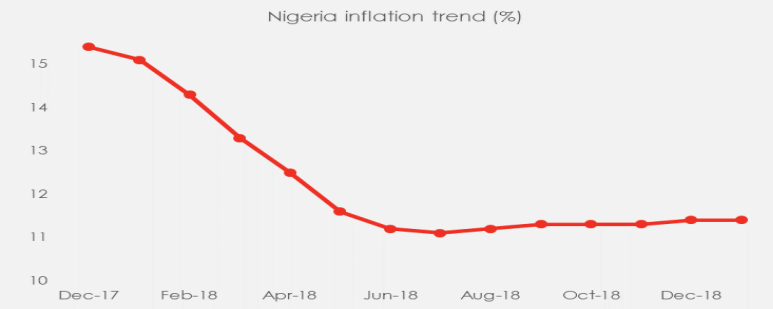
Headline	Level	1 day	YTD
NSE ASI	31,636.7	▼ -0.9%	▲ 0.7%
Mkt. Cap (N'bn)	11,797.8	▼ -0.9%	▲ 0.7%
Mkt. Cap (\$'mn)	38,441.8	▼ -0.9%	▲ 0.7%
Value (N'mn)	2,386.1	▲ 5.1%	
Value (\$'mn)	7.8	▲ 5.1%	
Volume	128.4	▼ -45.0%	
Deals	2,701.0	▼ -13.2%	
Market Breadth	0.7		

T-Bills Yields	Current	Previous	%Δ
3 months	12.19	12.42	▼ -0.23
6 months	14.93	15.03	▼ -0.10
12 months	14.28	14.24	▲ 0.04

Bonds Yields	Current	Previous	% Δ
3 years	14.55	14.55	0.00
5 years	14.47	14.20	▲ 0.27
7 years	14.42	14.42	0.00
10 years	14.31	14.02	▲ 0.29

Currencies	Current	Previous	% Δ
Official	306.95	306.90	▼ -0.02%
Parallel	358.50	358.50	0.00%
NAFEX	360.23	360.42	▲ 0.05%

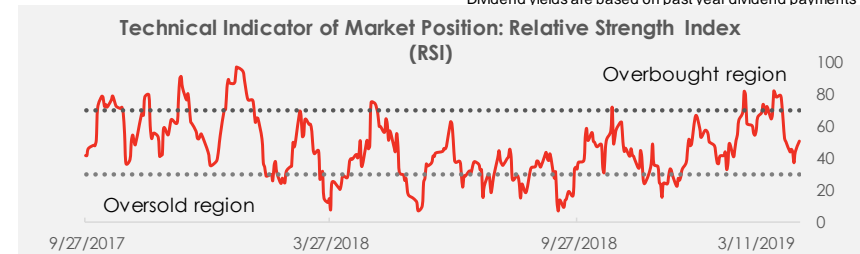
Other Key indices	Current	Previous	% Δ
OBB	10.83	9.2	▲ 1.66
OVN	11.58	10.1	▲ 1.50
Brent	66.6	65.7	▲ 1.23



Sources: Bloomberg, United Capital Research

	1 day	MTD	YTD	P/E (x)	Div. Yid.
Agriculture	▼ -0.6%	▲ 0.6%	10.4%	4.5	3.2%
Banks	▼ -2.9%	▲ 0.8%	3.9%	4.7	7.5%
Consumer	▼ -0.7%	▼ -1.6%	-4.0%	22.2	3.2%
Industrial	▼ -0.4%	▲ -1.9%	0.9%	49.0	6.6%
Insurance	▼ -0.5%	▲ -2.3%	3.0%	4.7	6.8%
Oil & Gas	▲ 0.0%	▼ -2.3%	-3.4%	49.0	5.8%
Mkt. Avg. P/E 8.1			Mkt. Avg. Div. Yid 5.2%		

*P/Es are based on the last twelve months trailing earnings
*Dividend yields are based on past year dividend payments



Pan African Market Monitor					
Equities	Level	1 day	YTD	P/E	Div. Yid.
BRVM	174.2	▼ -0.4%	▲ 1.1%	8.3	7.1
Egypt	15,098.1	▲ 0.8%	▲ 15.8%	16.9	2.0
Ghana	2,438.0	▲ 0.1%	▼ -2.5%	23.4	1,516.6
Kenya	155.3	▼ -0.5%	▲ 10.6%	12.9	4.7
Mauritius	2,194.9	▼ 0.0%	▼ -1.1%	17.5	2.0
Morocco	299.9	▼ -0.2%	▼ -3.2%	18.7	3.9
MSCI FM	544.6	▲ 0.0%	▲ 5.5%	11.1	3.6
South Africa	55,580.7	▲ 0.2%	▲ 5.4%	20.4	4.2
Tunisia	7,039.8	▼ -0.6%	▼ -3.2%	18.0	2.0
Zimbabwe	5882.71	▼ -1.4%	▲ -4.9%	21.2	2.2

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