

MONTHLY MARKETS REVIEW

For the month ended August 31st, 2017

Macroeconomic and Markets Review

Global Economy Key Highlights:

- Globally, there is a marginal increase in inflation rate with countries such as the US and Germany both recording an uptick to 1.7%
- Inflation in the Euro area, Japan and the UK was relatively unchanged.
- Regionally, Inflation is tapering with declines recorded in Angola, Ghana, South Africa, Kenya and Ivory Coast amongst others.

Domestic Economy Key Highlights:

- National Bureau of Statistics (NBS) reported that Consumer Price Index (CPI), which measures inflation edged lower to 16.05% (year-on-year) making the 6th consecutive Inflation decline in year 2017. The decrease was as a result of higher increase contribution in medical services, clothing materials, household utensils, furniture, books and stationeries. However, Food index rose by 1.86% (year-on-year) from 19.91% in July.
- The IMF recently highlighted concerns regarding the implementation of policy measures designed to diversify the economy, coupled with uncertainty in the oil sector; hence, signs suggesting a timid economic recovery.
- The Federal Executive Council (FEC) recently approved a plan to issue USD3 billion worth of foreign bonds of up to three years' maturity to refinance maturing naira denominated treasury bills. This decision is in line with the Federal Government's (FG) debt management strategy to rebalance its debt portfolio for domestic and foreign debt, from the current 69%:31% to a targeted 60%:40%. Although this plan is yet to be approved by the National Assembly, we expect that if implemented, it would have a modest impact on broad debt sustainability indicators.
- President Muhammadu Buhari on Monday, 28th August, 2017 received briefing from the Minister of Budget and National Planning, Senator Udoma Udo Udoma, the Minister of Finance, Mrs Kemi Adeosun, and Governor of the Central Bank of Nigeria (CBN), Mr Godwin Emefiele, after which the President declared that he was pleased with the progress being made.

Equities Market:

- The bullish outlook of the equities market softens in August on profit-taking activities majorly by the domestic investors.
- The NSE All Share Index dropped by 0.96% compared to a gain of 8.24% in July while the Year to date performance closed at 32.11% from 33.39% in July.
- The market capitalization also lost about N120bn in August.
- Market activity by volume closed downbeat by 11.51% while value of trades advanced by 111.37% in a higher deals relative to previous month's levels, 4.96% increment precisely.
- Threats in the oil&gas sector has reflected hugely on the NSEOILGAS index to decline the most among sectoral indices with -11.37%(MoM) and -4.40%(YoY). The return of the industry to full strength may be further hindered by government's consenting to cap oil production at 1.8 million barrels per day as part of OPEC's efforts to reduce global supply.
- On the other hand, NSECNSMRGDS pulled a huge return in the equities market with +11.68%(MoM) and 32.87%(YoY) bolstered by sector leaders as companies turns to backward integration for improve efficiency and cost saving in order to improve profit margin.
- We expect NSEASI outing in September to stage an uptick as investors are most likely going to take advantage of the current valuations to position. We also expect some actions by the Government to impact the equities market.

MACROECONOMIC INDICATOR	
INFLATION	16.05%
EXCHANGE RTE(USD)	N305.85
MPR	14
CRUDE OIL PRICE	\$52.07

Sources: CBN, APT Research

EQUITIES MARKET KEY INDICATORS				
Sector Indices	Close(Aug'17)	Close(Jul'17)	MoM % CHG	YTD % CHG
ASI	35,504.62	35,847.75	-0.96%	32.11%
NSE 30	1,637.95	1,635.42	0.15%	37.04%
NSE BNK	439.69	445.33	-1.27%	60.28%
NSE INS	137.54	141.02	-2.47%	8.91%
NSECNSMRGDS	946.88	847.88	11.68%	32.87%
NSEINDUSTR	2,052	2,152.88	-4.69%	28.62%
NSEOILGAS	298.93	337.27	-11.37%	-4.40%
NSELOTUSISLM	2,222.42	2,232.65	-0.46%	20.68%
NSEASEM	1,160.78	1,161.80	-0.09%	-2.43%
MKT CAP (N'tn)	12.343	12.463	-0.96%	32.06%

TRANSACTION LEVEL FOR THE MONTH			
	Current (AUG'17)	Previous (JUL'17)	MoM % CHG
Volume	7,387,354,507	8,347,912,094	-11.51%
Value	196,350,118,421	92,896,064,671	111.37%
Deals	96,511	91,954	4.96%

EQUITIES TOP PERFORMERS BY SYMBOL

TOP 10 GAINERS (%)				TOP 10 LOSERS (%)			
Symbols	Aug'17	Jul'17(N)	MoM % CHG	Symbols	Aug'17	Jul'17(N)	MoM % CHG
CILEASING	1.00	0.75	33.33	MORISON	0.82	1.30	-36.92
NASCON	13.00	10.42	24.76	MOBIL	165.11	253.00	-34.74
DANGFLOUR	6.40	5.22	22.61	NEM	1.00	1.34	-25.37
NESTLE	1220.00	1003.70	21.55	CONOIL	27.70	36.40	-23.90
PZ	27.30	23.00	18.70	FO	49.00	61.70	-20.58
NAHCO	3.23	2.78	16.19	OKOMUOIL	65.64	80.03	-17.98
GUINNESS	75.50	65.05	16.06	CHAMPION	2.40	2.85	-15.79
LIVESTOCK	0.90	0.78	15.38	OANDO	6.81	7.98	-14.66
UBN	6.00	5.24	14.50	FCMB	1.07	1.25	-14.40
DANGSUGAR	13.50	11.97	12.78	REDSTAREX	4.38	5.00	-12.40

MONTHLY MONEY MARKET RATES REVIEW

Inter Bank	Aug'17	Jul'17	MoM % CHG
Call	15.50	5.17	199.81
Open Buy Back	16.08	5.75	179.65
NIBOR (REPO)			
Call	17.08	6.67	156.07
1 Month	18.17	10.17	78.66
3 Month	19.08	11.00	73.45
6 Month	20.00	12.00	66.67
N-TBILLS (NITTY)			
1 Month	17.15	13.50	27.04
2 Month	18.68	17.88	4.47
3 Month	19.58	18.81	4.09
6 Month	20.36	19.64	3.67
9 Month	21.28	21.08	0.95
12 Month	22.07	22.84	-3.37
FOREIGN EXCHANGE MARKET			
Currency			
China Yuan Y	55.37	51.74	7.02
Euro €	434.90	408.60	6.44
BP £	471.40	456.60	3.24
JPY ¥	3.31	3.15	5.15
USD \$	365.00	348.00	4.89
SA Rand R	28.03	26.43	6.05

Sources: FMDQ-OTC, CBN, FX-RATE.NET, APT Research

REGIONAL MARKET AUGUST 2017 PERFORMANCE

Country	Index	Market Performance	
ADVANCED MARKETS		MTD (%)	YTD (%)
Japan	Nikkei 225	-1.40%	16.34%
United Kingdom	FTSE/100	0.49%	9.24%
United States	S&P 500	0.51%	13.20%
AFRICA			
Ghana	GSECI	5.10%	31.38%
Kenya	NSE 20	6.35%	27.05%
Nigeria	All Share Index	-0.61%	32.58%
BRICS			
Brazil	Ibovespa:Ind	7.53%	22.43%
Russia	RTS	8.62%	15.13%
India	BSE Sens	-2.41%	11.52%
China	Shanghai Comp	2.68%	8.92%
South Africa	JSE/All Share	1.96%	6.75%
EUROPE & ASIA			
France	CAC 40	-0.06%	14.70%
Germany	DAX: IND	-0.42%	13.92%
Hong Kong	Heng Seng	-2.37%	21.73%

Sources: Bloomberg, APT Research

MARKET NEWS

[Notice of Suspension of Trading on the Shares of Avon Crown caps & Containers \(Nig\) Plc](#)

[NSE Launches a state-of-the art Data Centre](#)

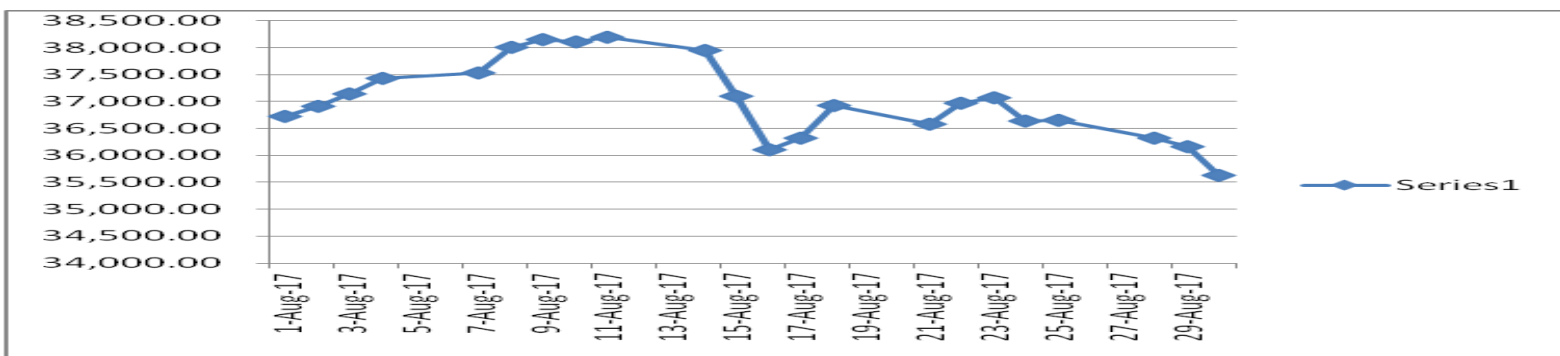
[Prestige Assurance Plc- Proposed Share Reconstruction](#)

[Consolidated Hallmark Insurance Plc- Proposed Right Issue](#)

[Notification of change of Registrars-MRS OIL NIG. PLC](#)

[Scrip Dividend Issue- STANBIC IBTC](#)

Sources: NSE, APT Research



ASI ONE MONTH TREND

CORPORATE RESULTS AND ANNOUNCEMENTS

Company	Period	Revenue			PAT/(LOSS)			Benefit Declared		
		Present N'000	Previous N'000	% CHG	Present N'M	Previous N'M	% CHG	Bonus	Dividend (N:K)	Closure Date
FIDELITYBK	H1'17	85821000	70259000	22.15%	9036000	5457000	65.59%	0	0	
ACCESS	H1'17	161905310	112292554	44%	39459944	33637748	17.31%	0	0.25(interim)	7 th Sept.17
STANBIC IBTC	H1'17	97,198,000	71,320,000	36%	24112000	11317000	113.06%	0	0.60(interim)	7 th Sept.17
UBA	H1'17	222,718,000	165,580,000	34.51%	42339000	27107000	56.19%	0	0.20(interim)	31 st Aug.17
GTBANK	H1'17	165,884,856	109,777,801	51.10%	83679408	71767621	16.59%	0	0.30(interim)	24 th Aug.17
ZENITHBANK	H1'17	380,440,000	214,812,000	77%	75,317,000	35,467,000	112.35%	0	0.25(interim)	21 st Aug.17
CONOIL PLC	H1'17	44925644	39514418	13.69%	427,290	1042183	-39.24%	0	0	0
PRESCO	H1'17	12,825,780	7,518,321	71%	5,555,144	3,012,420	84.4%	0	0	0
OANDO	H1'17	267.10BN	212.3BN	26%	4.60BN	-26.9BN	117%	0	0	0
FO	H1'17	65,647,503	84,422,706	-22.20%	4,109,792	2,233,270	84%	0	0	0

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