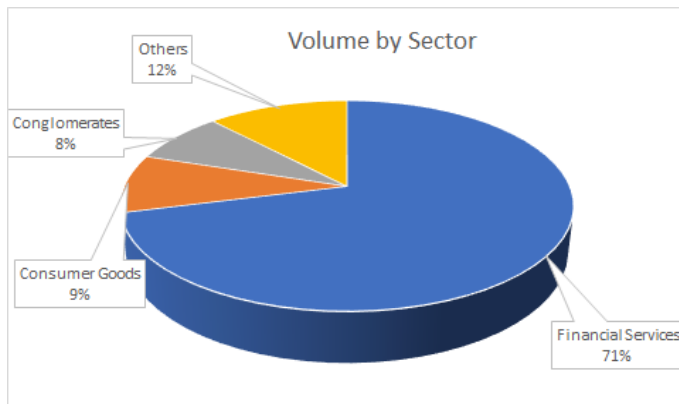
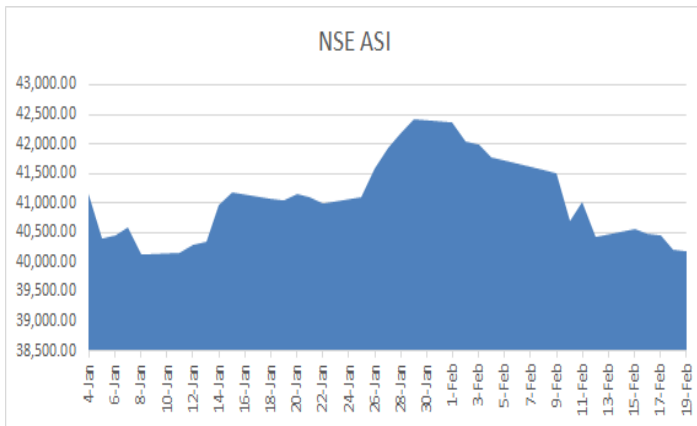


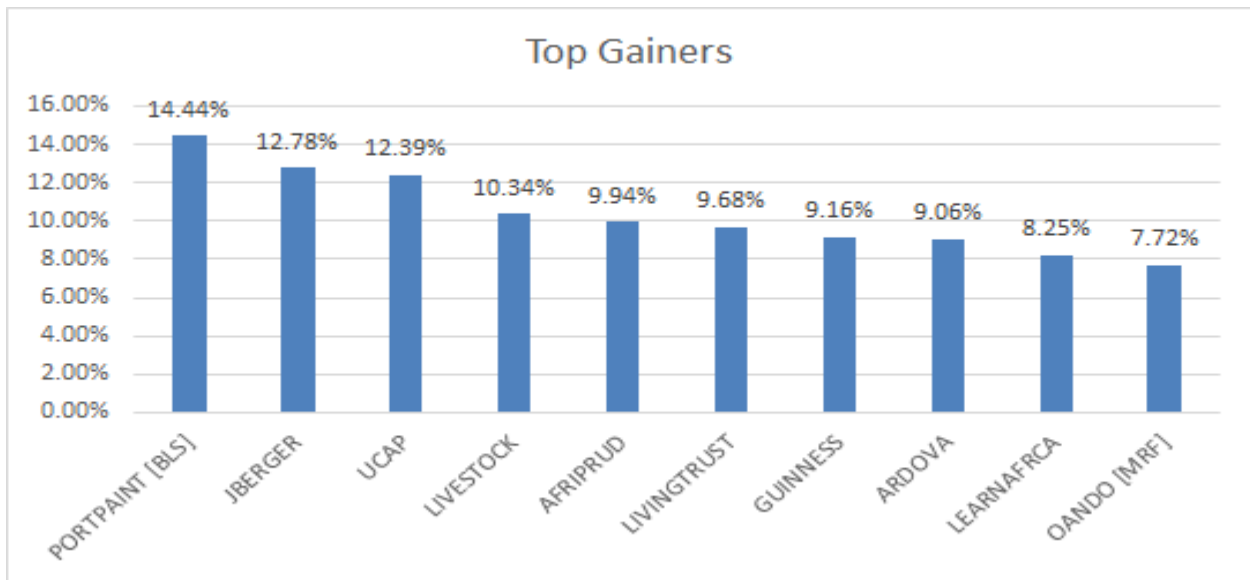
Bearish week on The Nigerian Bourse - ASI inches down -0.63%



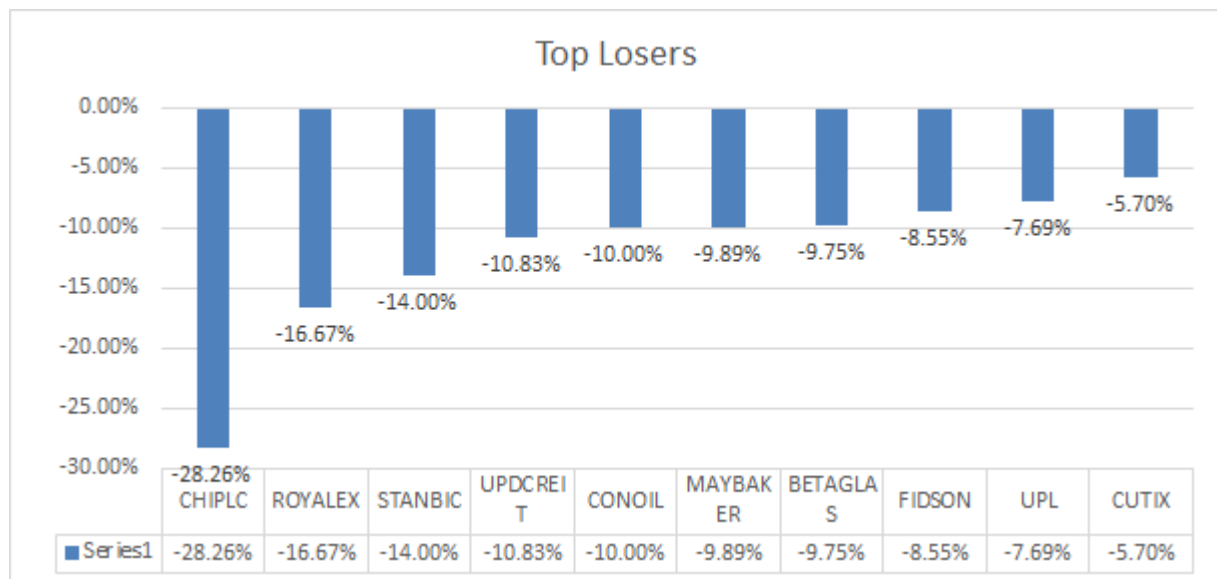
- It was a bearish week on the Nigerian equities market as the NSEASI closed negative on all five trading days. The NSE All-Share Index and Market Capitalization depreciated by -0.63% and -0.61% to close the week at 40,186.70 and N21.026 trillion respectively.
- Amongst the sectorial indices under our coverage, only NSE Banking and NSE Oil & Gas appreciated during the week. PORTLAND topped the weeks gainers (+14.44%), while CHIPLC (-28.26%) topped the bottom table.
- FBNH, GUARANTY and ZENITHBANK led the volume trade for the week. Together, they accounted for 35.92% and 48.98 % of the total equity turnover volume and value respectively.
- Thirty nine (39) equities appreciated in price during the week while Thirty - three (33) companies depreciated in price.
- NB is proposing a dividend of 69kobo per share, shareholders have a right of election to receive share consideration instead of cash payment. The Reference Share Price for determining the number of shares for the share option will be a ten-day trading average of its share price starting on the 11th of March, 2021. The company's share price closed the day at N59.00.
- UCAP is proposing a dividend of 70kobo per share

- The continued sell off in the market is attributable to the recent uptick in the fixed income market, as investors reposition their portfolios.
- The dividend season is almost upon us, the dividend yields of some companies may seem more attractive than the rates available in the fixed income space.
- The oil market outlook continues to look promising with Brent Crude trading above \$62 p/b, this signals good news for the foreign reserves which should invariably attract foreign investors.
- The Inflation figures for January 2021 were released and Nigeria saw a 17th consecutive increase in rates to 16.47% from 15.75% in December 2020 owing to the lingering effects of Covid-19 crisis, rising food prices from violent farm attacks and dollar restrictions.
- Nigerians heaved a sigh of relief when the National Bureau of Statistics released the country's official GDP figures for Q4 2020 showing that Nigeria has exited the recession which it slumped into during the year. The economy of Nigeria advanced 0.11% yoy in the Q4 of 2020, following a 3.6% contraction in the previous period. It marks the first positive quarterly growth in the last three quarters, reflecting the gradual return of economic activities following the easing of restricted movements and limited local and international commercial activities in the preceding quarters. While we believe the GDP figures is a sort of good news to investors, the CBN may begin to shift focus to combat Inflation by adjusting interest rates. If the CBN chooses to increase interest rate and drive more investment into the fixed income, investors may begin to rebalance their portfolio by exiting their equity positions and taking up fixed income instruments. We note that the major driver of the stock market last year was the low yields in the fixed income market, therefore a reversal of events would pose a threat to the bulls rally. On this note, we say that the major driver for the equities market for this year would be the fundamentals of companies, industrial breakthroughs and rebound in the oil sector.

- Hence, we advise investors to stick to companies with good fundamentals and liquidity so as not to get trapped with a stock when the bubble bursts and unable to sell. Investors should diversify their portfolio to inculcate both short/medium-term positions and long-term positions. Investors should consider sectors with high upside potentials on the strength of earnings and fundamentals.
- Despite news of Nigeria exiting recession and a few companies proposing dividend, the market still remained quiet during the week. We expect foreign investors to be re-attracted to the country's investment landscape should our macro economic variables continue to post positive figures. This is one factor that could offset the impact of portfolio readjustment by domestic investors. Should the foreign investors dominate the market once again, the bulls rally may be sustained but limited to fundamentally strong stocks.
- This week we believe that performance will be mixed as companies begin to post proposed dividends, however the overall negative investor sentiment will continue to weigh on the market. We advise investors to watch out for stocks expected to declare dividend as they would be attractive. However, some stocks may already have dividend rally inculcated in their prices and may not see substantial gains even after declaration of dividend.



Date	Days	NSEASI	%Change	Volume(m)	Value(N m)	Gainers	Losers
19/2/2021	Friday	40,186.70	-0.06%	307.79	2,905.33	17	19
18/2/2021	Thursday	40,212.19	-0.63%	426.27	4,750.06	10	27
17/2/2021	Wednesday	40,465.32	-0.07%	244.20	2,653.72	18	21
16/2/2021	Tuesday	40,494.35	-0.19%	356.43	5,762.55	22	19
15/2/2021	Monday	40,571.67	0.33%	206.24	2,163.67	31	13



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