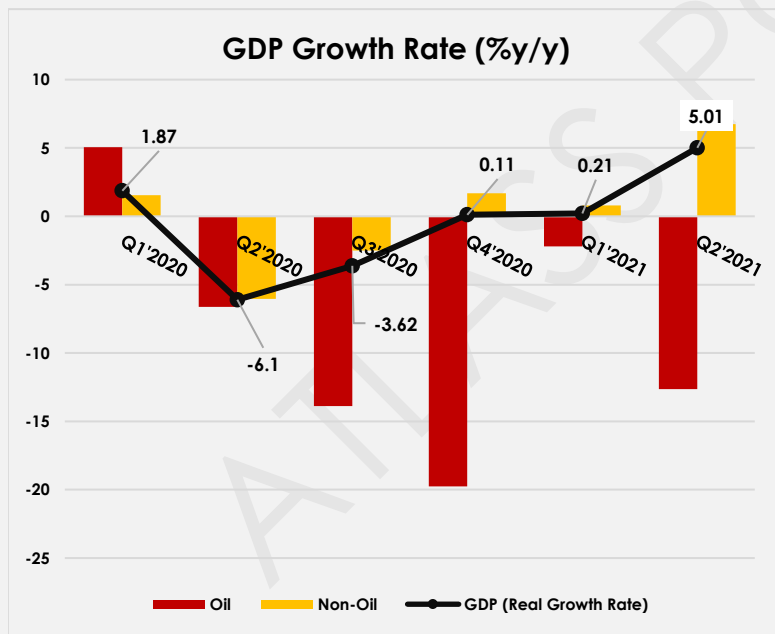


With 5.01% expansion of GDP in Q2'2021, is Nigeria actually making progress?

Following the data released by the Nigerian Bureau of Statistics within the week under review, Nigeria most important economic performance indicator - GDP, grew in real-term by 5.01%/y/y in Q2-2021, sustaining Q4-2020 and Q1-2021 growth of 0.11% and 0.51%, respectively. The expansion represents the fastest economic growth in 6 years. On a Quarter-on-Quarter basis, the GDP contracted -0.79% as against the -13.93%q/q contraction in Q1-2021.

As regards the components contributing to the GDP, the Non-Oil contribution to the GDP grew by 1.50% (annualized) to 92.58% compared to 91.07% in Q2-2020. On the other hand, the Oil contribution to the GDP declined by 1.50% (annualized) to 7.42% as against 8.93% in Q2-2020.

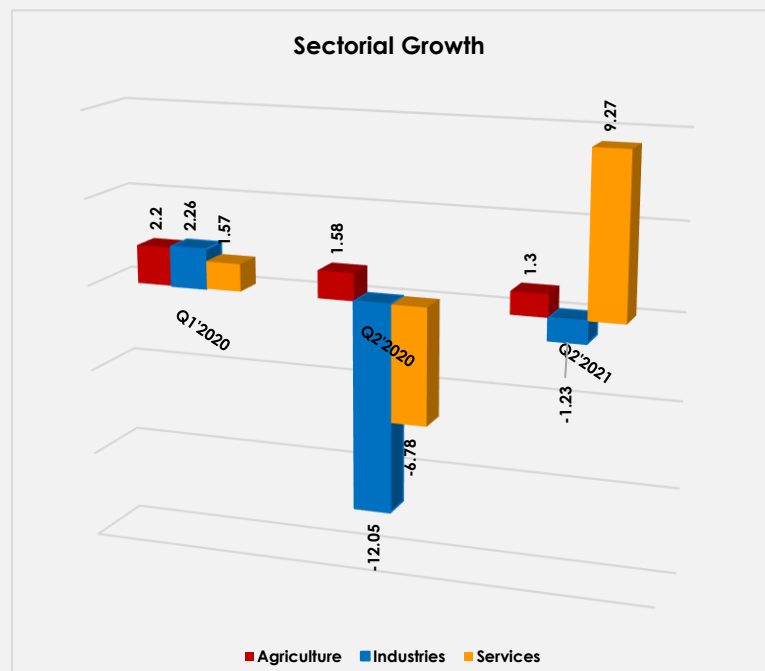


Source: NBS, Atlass Portfolios

Nevertheless, in terms of growth, the Non-Oil components expanded largely by 6.74%/y/y, as against the contraction of -6.05% in Q2-2020 (vs 0.79% slow growth in Q1-2021). We believed this resulted from the base effect, when the

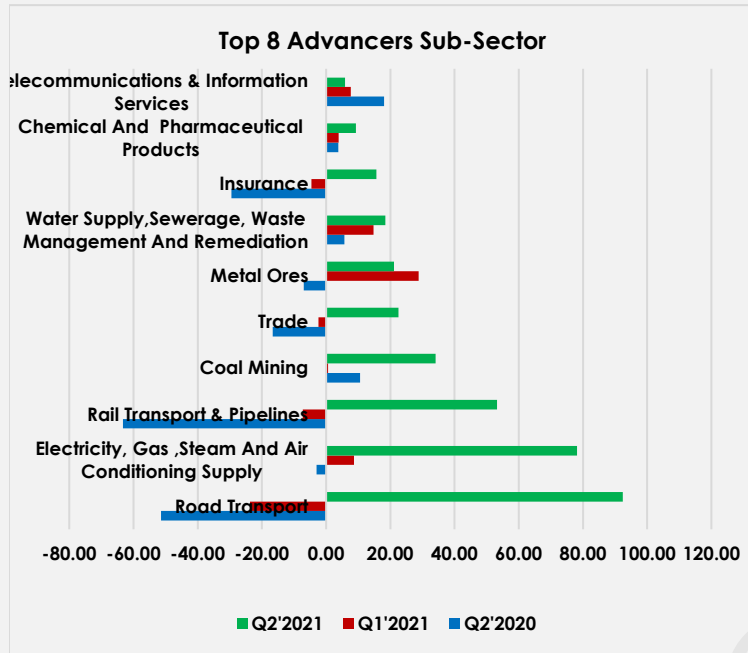
economy experienced lockdown, following the measure to curb Covid-19 disease spread. On the other hand, the Oil component of the GDP contracted by -12.65%, compared to the -2.21% and -6.63% contraction in Q1-2021 and Q2-2020, respectively. The contraction was largely impacted by the decrease in average Nigeria daily Crude oil production of 4.03mbpd in Q2-2021, compared to 5.48mbpd in Q2-2020, despite the 147%/y/y increase in the average Nigeria daily Crude oil (Bonny Light) price in Q2-2021, as against Q2-2020).

Breaking down the components of the Non-Oil GDP, both the Services and Agriculture sectors expanded by 9.27%/y/y and 1.30%/y/y, while the Industries sector posted a contraction of -1.23% and 2.22%/y/y (vs 0.94%/y/y in Q1'2021). The contraction witnessed in the Industries sectors was believed to be driven by the high exchange



Source: NBS, Atlass Portfolios

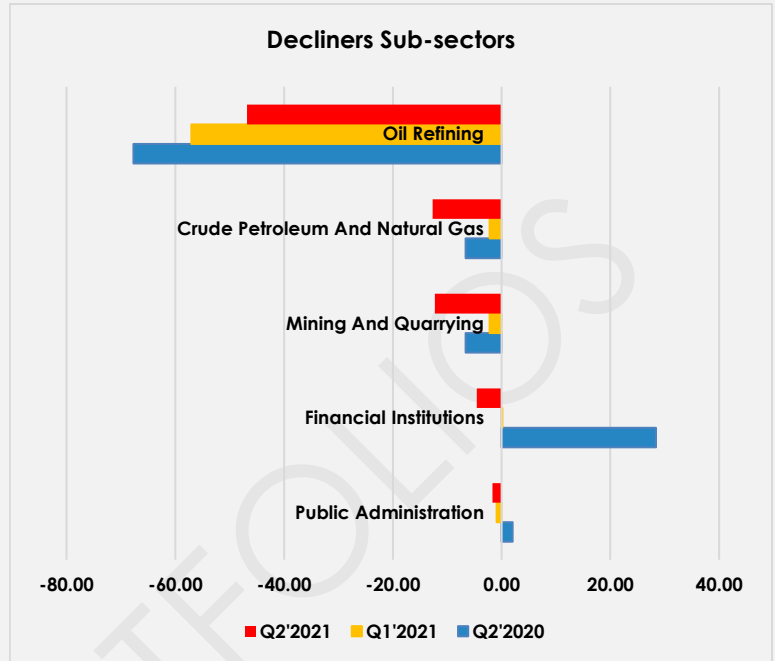
rate of Naira to the US Dollar and high inflation rate, low Ease of Doing Business faced by manufactures, and this was seen in Net-Profits of many consumer goods companies on the Nigeria Exchange.



Source: NBS, Atlass Portfolios

As expected, Road Transport came out as the fastest growing industry in Q2-2021 with 92.38%/y growth from -51.37%/y contraction in Q2-2020. Remember that there was a full travelling restriction in the early part of Q2-2020, following the Covid-19 pandemic lockdown. The growth in Road Transport was followed by the expansion in Electricity, Gas, Steam and A.C Supply by 78.16%/y (vs -3.00%/y expansion in Q2-2020 and 8.66%/y in Q1-2021), Rail Transport by 53.28%/y (vs -63.32%/y in Q2-2020 and -7.30%/y in Q1-2021), while Coal Mining and Metal Ores expanded by 34.14%/y (vs 10.53% in Q2-2020 and 0.66%/y in Q1-2021) and 21.12%/y (vs -70.1%/y in Q2-2020 and 28.83%/y in Q1-2021). Other sub-sectors that saw expansion was the Insurance sector with 15.68%/y expansion from -29.53% in Q2-2020 and Telecommunication & Information with 5.90%/y growth, compared to 18.10%/y in Q2-2020 when nearly all servicing companies begin to work from home as a result

of the lockdown.



Source: NBS, Atlass Portfolios

On the flipside, Oil Refining recorded the highest contraction of -46.78%, closely followed by the Crude Petroleum & Natural Gas with -12.65%, Financial Institution with -4.54%, and Public Administration -1.68%.

Going forward, we expect decline in GDP growth of -0.5% - -2.00% in Q3-2021, amidst the base year effect when the GDP climbed to ₦17.82 trillion, high insecurities causing, low ease of doing business and of value creation of goods.

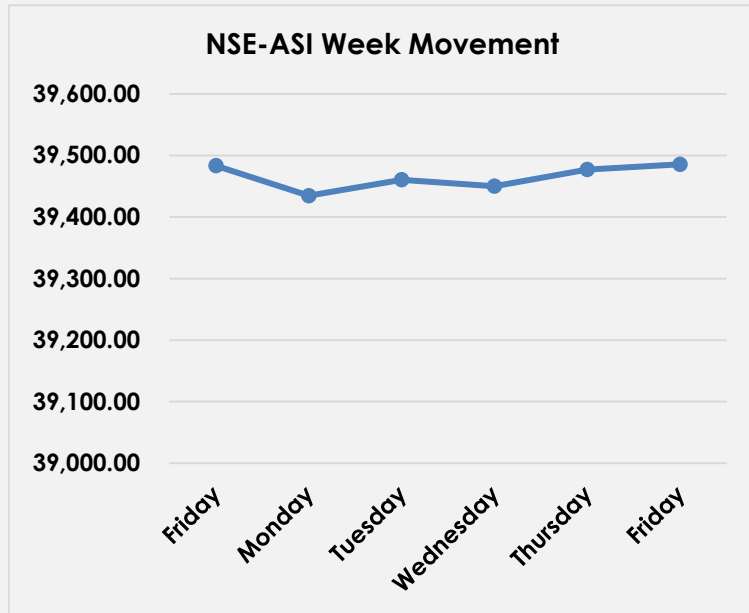
NIGERIA EQUITY MARKET

Financial and Oil & Gas sectors grew equity market marginally by 0.01%w/w

The Nigeria equity market grew marginally by 0.01% week-on-week as the market indicators rose in three of the five trading days. The marginal growth was impacted by gains in the financial and Oil & Gas sectors.

Accordingly, the All-Share Index increased by 2.57 basis points, representing a climb of 0.01% to close at 39,485.65, while the Market Capitalization gained ₦1.41 million,

representing a growth of 0.01%, to close at ₦20.57 trillion.

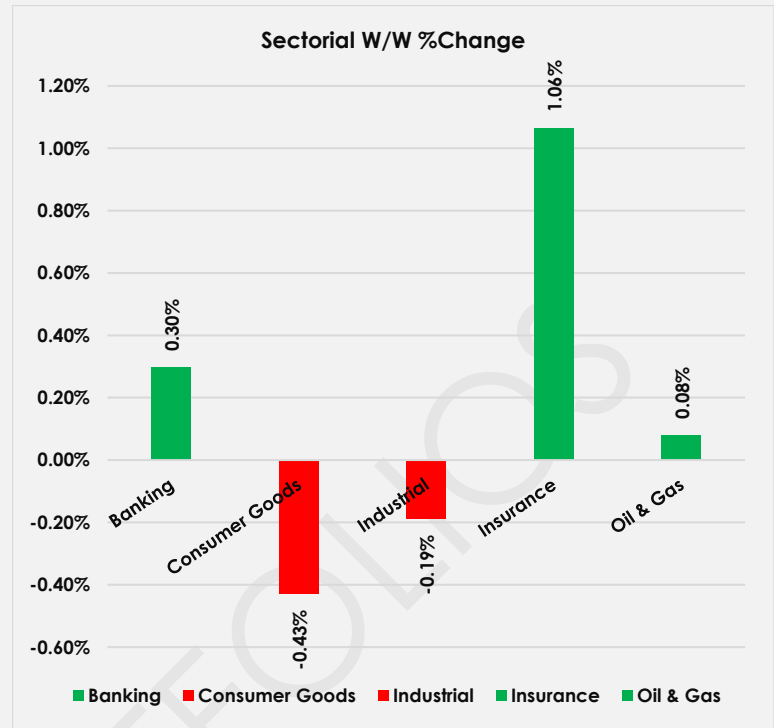


Source: NSE, Atlass Portfolios

The positive sentiment was driven mainly by price appreciation in UPDC, which emerged as the best performing stock of the week with 37.59% growth, followed by MORISON with 32.14% growth. While UCAP, VITAFOAM, FBNH, ACCESS, PRESCO, ZENITHBANK and MTNN grew by 4.06%w/w, 2.50%w/w, 1.35%w/w, 1.11%w/w, 0.55%w/w, 0.41%w/w and 0.29%w/w respectively, to be among the 35 appreciated stocks for the week.

Meanwhile, ABCTRANS receded 15.38%w/w to led the losers' chart, trailed by IKEJAHOTEL (-10.00%w/w), UNILEVER (-10.00%w/w), UACN (-4.37%w/w), WAPCO (-3.08%w/w), GTCO (-1.96%), UBA (-0.66%w/w), FCMB (-0.65%w/w), and MAYBAKER (-0.62%w/w), as 29 stocks depreciated during the week.

Afterward, three of the of the five major sectors had a positive sentiment, led by Insurance (1.04%w/w), Banking (0.30%w/w) and Oil & Gas (0.08%w/w). While the Consumer Goods (-0.43%w/w), and Industrial Goods (-0.19%w/w) declined, respectively.



Source: NSE, Atlass Portfolios

Meanwhile, a total of 1.03 billion shares valued at ₦8.18 billion in 18,102 deals were traded in the week, compared to 866.54 million shares worth ₦12.26 billion in 17,291 deals traded in the prior week.

Conclusively, Eterna Plc substantial shareholders announced their 60.98% divestment to a new investor (Preline Limited), while Zenith Bank Plc announced ₦0.30 per share interim dividend.

Outlook

we expect moderate bargain hunting in the coming week amidst the decline in the last OMO action rates.

FX, FOREIGN RESERVE & OIL MARKET

Naira persist stress in the FX market

The Naira this week remain weakened, as it depreciated in both the parallel market and I& E Window by 0.77% and 0.08%, respectively to close on Friday at ₦524/USD, and ₦412.00/USD.

FX Rate	Open	Close	W/W %Change
I & E Window	411.67	412.00	▼ -0.08%
Parallel Market	520.00	524.00	▼ -0.77%

Source: FMDQ, AbokiFX, Atlass Portfolios

Oil Price rose on expected hurricane

The global oil prices posted their biggest weekly gains in over a year as energy firms began shutting U.S. production in the Gulf of Mexico ahead of a major hurricane expected to hit early next week.

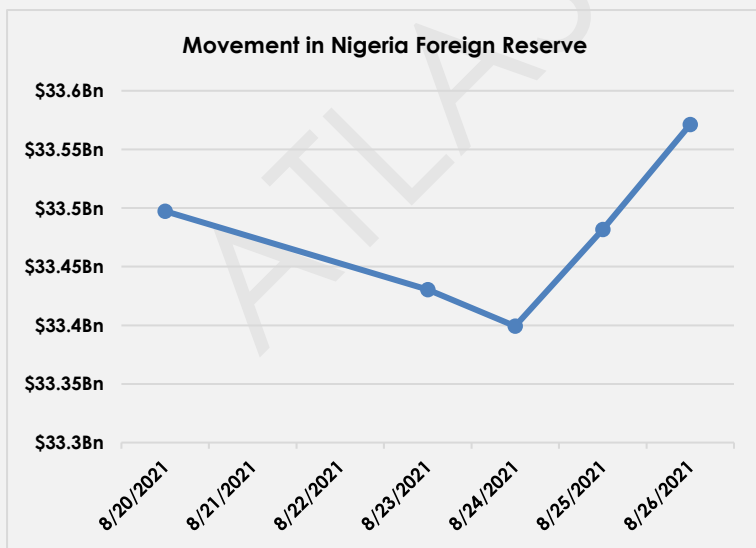
Thus, the Brent grew by 11.54% to close at \$72.20pb, while the Nigeria oil benchmark (Bonny Light) rose by 8.21% to close at \$70.02pb

Oil Price	Open	Close	W/W %Change
Brent (\$)	65.18	72.70	▲ 11.54%
Bonny Light (\$)	64.71	70.02	▲ 8.21%

Source: Oilprice.com, Atlass Portfolios

Foreign Reserve

The Nigeria Foreign Reserve upturned last week decline by \$74.05 million from the closing position of \$33.50 billion (Friday, 20th August 2021) to \$33.57 billion on Thursday 26th July 2021.



Source: CBN, Atlass Portfolios

GLOBAL STOCKS

Global stocks rise on Powell statement to reduce bond buying

Global stocks soared after Federal Reserve Chair; Jerome Powell indicated the U.S. central bank could begin scaling back bond-buying program by year-end but did not give a firm timeline. The much-anticipated speech was noncommittal on the precise timing of the Fed's bond tapering, unlike earlier remarks by several regional Fed presidents who wanted to taper to start soon.

As a result, the three major market indices in the U.S., the DJIA, NASDAQ and S&P 500, closed the week higher by 0.96%w/w, 2.82%w/w and 1.52%w/w, following the positive sentiment in four of the five trading days.

Similarly, the European stocks, this week, edged higher after Jerome Powell showed no signs the U.S. central bank will reduce a massive stimulus program. Consequently, the UK FTSE 100, Germany DAX and France CAC 400 grew 0.85%w/w, 0.28%w/w and 0.84%w/w, respectively.

The Asian market also finished the week higher after China's central bank increased its short-term fund of 50-million-yuan injection this week by offering the most cash on a net basis in nearly seven months to meet higher cash demand towards the month-end. Resultantly, all of the four indices grew significantly, as China Shanghai Composite, Japan Nikkei 225, Honk-Kong HANG SENG, and India S&P BSE increased by 2.77%w/w, 2.32%w/w, 2.25%w/w and 1.44%w/w respectively.

Positive sentiment also prevailed in other emerging markets as all other emerging stock markets grew accordingly, except for the Ghana GSE Composite index that shed 0.55%w/w.

Despite the palpable Covid variant spike, we think the market will continue to chug along," boosted by corporate and consumer spending as some investors remain ready to jump on any downswings brought on by higher volatility in the coming weeks.

	STOCK MARKET	OPEN	CLOSE	W/W % CHANGE
US	DJIA	35,120.08	35,455.80	▲ 0.96%
	S&P 500	4,441.67	4,509.37	▲ 1.52%
	NASDAQ	14,714.66	15,129.50	▲ 2.82%
EUROPE	France: CAC 40	6,626.11	6,681.92	▲ 0.84%
	Germany: DAX	15,808.04	15,851.75	▲ 0.28%
	UK: FTSE 100	7,087.90	7,148.01	▲ 0.85%
ASIA	China: Shanghai Composite	3,427.33	3,522.16	▲ 2.77%
	Hong Kong: Hang Seng	24,849.72	25,407.89	▲ 2.25%
	Japan: Nikkei 225	27,013.25	27,641.14	▲ 2.32%
	Indian: S&P BSE Sensex	55,329.32	56,124.72	▲ 1.44%
SOUTH AMERICA	Brazil: Bovespa	118,052.77	120,677.60	▲ 2.22%
	Mexico: IPC All-Share	51,414.32	52,425.64	▲ 1.97%
	Argentina: Merval	67,822.20	73,203.64	▲ 7.93%
AFRICA	South Africa: FTSE/JSE Africa All-Share	66,011.06	67,646.08	▲ 2.48%
	Egypt: EGX 30	10,808.70	11,125.55	▲ 2.93%
	Ghana: GSE Composite	2,754.93	2,739.84	▼ -0.55%
	Nigeria: ASI	39,483.08	39,485.65	▲ 0.01%

Source: WSJ, Atlass Portfolios

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