



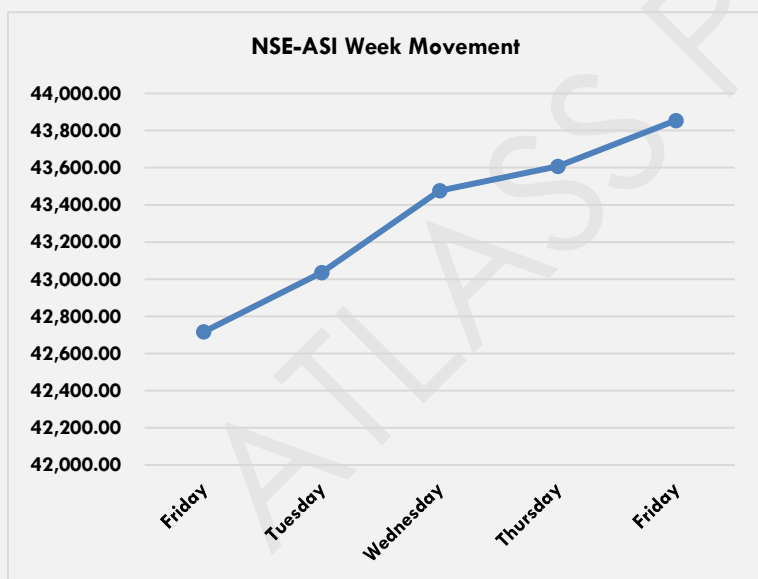
Equities Market Kick-Starts New Year on a High Note, Gain 2.66%w/w

NIGERIA EQUITY MARKET

Equities Market Kick-Starts New Year on a High Note, Gain 2.66%w/w

After resuming the new year holiday, the Nigeria equities hit the ground running with a very bullish sentiment as investors' wealth recorded gains in all four trading sessions.

Consequently, the All-Share Index grew by 1,137.98 basis points, representing an upsurge of 2.66% to close at 43,854.42. While the Market Capitalization gained ₦1.33 trillion, representing a growth of 5.97%, to close at ₦23.63 trillion following the listing of 18.00 billion ordinary shares of 50k each of BUA Foods Plc at ₦40 per share and delisting of Studio Press Nigeria Plc and Union Diagnostic and Clinical Services Plc.



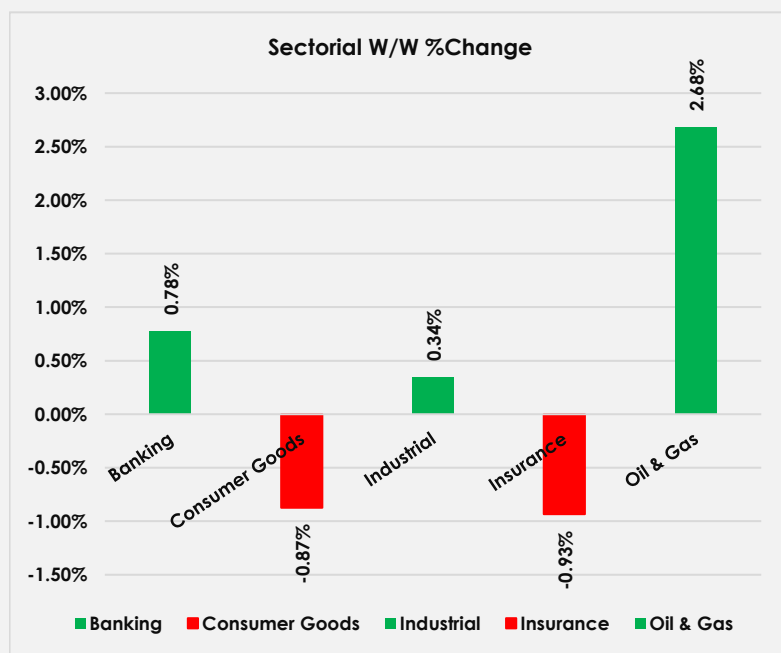
Source: NGX, Atlass Portfolios

In that regard, investors witnessed capital gain in 40 listed stocks, among which are; ACADEMY, which emerged as the best performing stock of the week with 20.00% growth, followed by AIRTELAFRI with 10.00% growth, while UCAP,

WAPCO, MTNN, NGXGROUP, ACCESS, FBNH, BUACEMENT, SEPLAT, ZENITHBANK and CAP grew by 9.60%w/w, 8.86%w/w, 8.24%w/w, 6.00%w/w, 4.40%w/w, 3.04%w/w, 2.91%w/w, 2.31%w/w, 1.60%w/w and 0.26%w/w, respectively.

On the contrary, SUNUASSUR shed 17.78%w/w to top the decliners' table, trailed by CHIPLC (-16.46%w/w), VITAFOAM (-10.00%w/w), LIVESTOCK (-5.96%w/w), DANGCEM (-2.72%w/w), AFRIPRUD (-1.56%w/w), UACN (-1.04%w/w), TRANSCORP (-1.01%w/w) and GTCO (-0.77%w/w), as 31 stocks depreciated during the week.

Accordingly, three of the five major sectors in the market experienced bullish sentiment, led by Oil & Gas with 2.68%w/w growth, followed by Banking – 0.78%w/w, and Industrial Goods – 0.34%w/w sectors, while the Insurance and Consumer Goods sector declined by 0.93%w/w and 0.87%w/w, respectively.



Source: NGX, Atlass Portfolios

Meanwhile, a total of 2.03 billion shares valued at ₦59.01 billion in 15,750 deals were traded in the week, compared to 995.36 million shares worth ₦13.21 billion in 10,264 deals traded in the prior week.

Outlook

We anticipate the positive sentiment to be sustained in the coming week as investors expected to queue ahead of dividends from the 2021 financial year. However, short term investors may begin profit-taking from the recent rally.

FX, FOREIGN RESERVE & OIL MARKET

Naira Strengthened on Improved Liquidity

Following the improved liquidity in the FX market, the Naira in the first week of the year regained strength against the USDollar. As such, the Naira strengthened by 4.80% in the I&E Window to close at ₦414.14/USD, and strengthened by 0.18% in the Black market to close at ₦564/USD, according to the BDCs operators.

| FX Rate | Open | Close | W/W %Change |
|-----------------|--------|--------|-------------|
| I & E Window | 435.00 | 414.14 | ▲ 4.80% |
| Parallel Market | 565.00 | 564.00 | ▲ 0.18% |

Source: FMDQ,BDCs, Atlass Portfolios

Oil Rises to Best Week Since Mid-Dec, Amidst Unrest Strokes and Supply Worries

The global oil prices had the biggest weekly gains since mid-December, following supply worries amid escalating unrest in Kazakhstan, outages in Libya and expectation of OPEC+ to stick to increasing output plan in February.

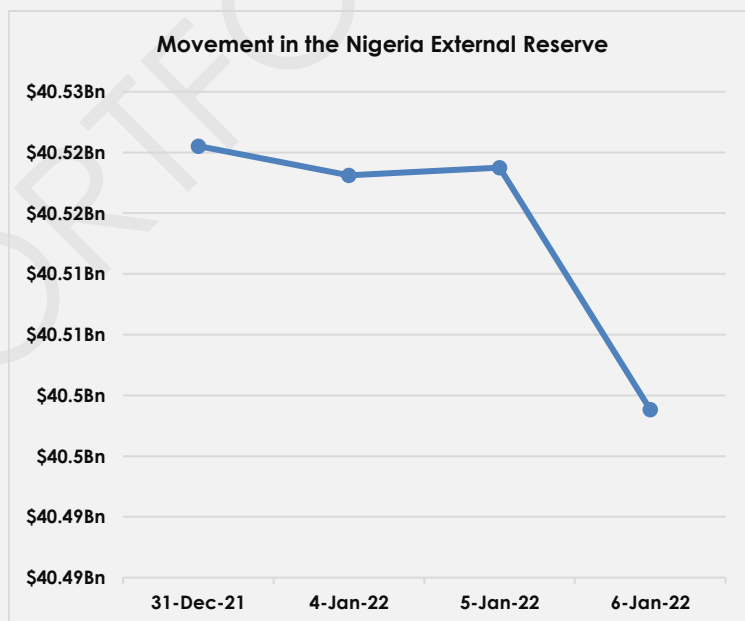
Consequently, the Brent rose by 5.10% to close at \$81.75pb, while the Nigeria oil benchmark (Bonny Light) climbed by 5.29% to \$81.81pb.

| Oil Price | Open | Close | W/W %Change |
|------------------|-------|-------|-------------|
| Brent (\$) | 77.78 | 81.75 | ▲ 5.10% |
| Bonny Light (\$) | 77.70 | 81.81 | ▲ 5.29% |

Source: oilprice.com, Atlass Portfolios

Foreign Reserve

Despite recording an upsurge on Wednesday (first time since 26th October 2021), the Nigeria Foreign Reserve sustained its weekly downtrend with a loss of \$21.70Mn from the closing position of \$40.52Bn (Friday, 31st December 2021) to \$40.50Bn on Thursday 6th January 2022.



Source: CBN, Atlass Portfolios

GLOBAL STOCKS

Global Stocks Mixed Amid Weak U.S. Job Data and Expected FED Rate Hikes.

The global market was mixed after U.S. job data pointed weaker as against the previous month, and aggressive monetary policy tightening by the Federal Reserve.

As a result, all the three major market indices in the U.S. as the DJIA, S&P 500 and NASDAQ, closed the week lower by 0.29%w/w, 1.87%w/w and 4.53%w/w, respectively.

However, automobile stocks drove the European stocks higher, even as the new year rally appeared to be running out of gas due to concerns over Covid-19 and slowing growth. Consequently, UK FTSE 100, Germany DAX, France CAC 400 rose by 1.36%w/w, 0.40%w/w and 0.93%w/w, respectively.

| Region | STOCK MARKET | OPEN | CLOSE | W/W % CHANGE |
|---------------|---|------------|------------|--------------|
| US | DJIA | 36,338.30 | 36,231.66 | ▼ -0.29% |
| | S&P 500 | 4,766.18 | 4,677.03 | ▼ -1.87% |
| | NASDAQ | 15,644.97 | 14,935.90 | ▼ -4.53% |
| EUROPE | France: CAC 40 | 7,153.03 | 7,219.48 | ▲ 0.93% |
| | Germany: DAX | 15,884.86 | 15,947.74 | ▲ 0.40% |
| | UK: FTSE 100 | 7,384.54 | 7,485.28 | ▲ 1.36% |
| ASIA | China: Shanghai Composite | 3,639.78 | 3,579.54 | ▼ -1.66% |
| | Hong Kong: Hang Seng | 23,397.67 | 23,493.38 | ▲ 0.41% |
| | Japan: Nikkei 225 | 28,791.71 | 28,478.56 | ▼ -1.09% |
| | Indian: S&P BSE Sensex | 58,253.82 | 59,744.65 | ▲ 2.56% |
| SOUTH AMERICA | Brazil: Bovespa | 104,822.44 | 102,719.47 | ▼ -2.01% |
| | Mexico: IPC All-Share | 53,272.44 | 53,202.11 | ▼ -0.13% |
| | Argentina: Merval | 83,500.11 | 84,402.07 | ▲ 1.08% |
| AFRICA | South Africa: FTSE/JSE Africa All-Share | 73,709.39 | 73,939.71 | ▲ 0.31% |
| | Egypt: EGX 30 | 11,949.10 | 12,043.42 | ▲ 0.79% |
| | Ghana: GSE Composite | 2,789.34 | 2,742.36 | ▼ -1.68% |
| | Nigeria: ASI | 42,716.44 | 43,854.42 | ▲ 2.66% |

Source: WSJ, Atlass Portfolios

Meanwhile, Asian stocks were mixed as investors waited to see whether U.S. jobs data would reinforce the need for faster U.S. interest rate hikes. As a result, Honk-Kong HANG SENG and Indian S&P BSE rose by 0.41%w/w and 2.56%w/w, respectively, While China Shanghai Composite and Japan Nikkei 225 dipped by 1.66%w/w and 1.09%w/w, respectively.

Mixed sentiment also prevailed in other emerging markets under our coverage as Nigeria ASI rose by 2.66%w/w.

We positive sentiment as investors begins to recalibrate their portfolios to account for a more hawkish Federal Reserve on the signs that the central bank is ready to pull out the stops in its fight against inflation.

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