



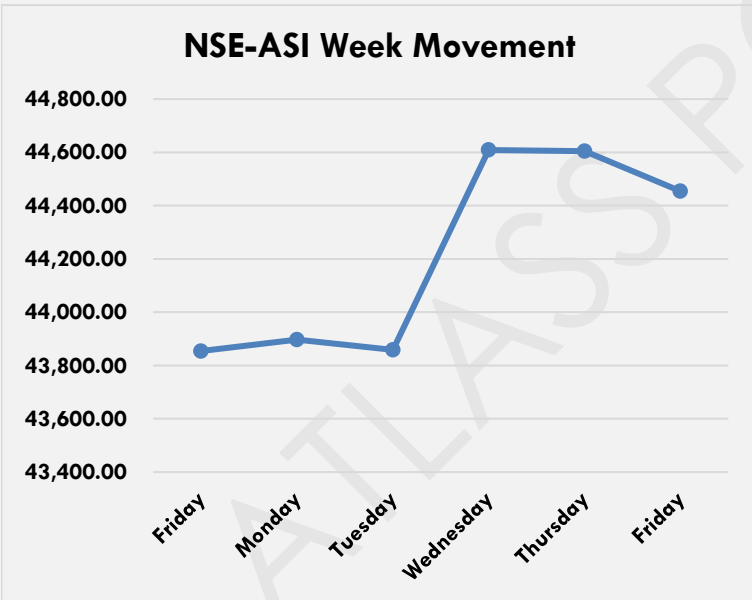
Stock Market Sustains Weekly Uptrend Despite 3-Days Decline

NIGERIA EQUITY MARKET

Stock Market Sustains Weekly Uptrend Despite 3-Days Decline

At the end of the week, the equity market sustained the weekly uptrend despite declines in three of the five trading sessions. The uptrend was maintained following the investors' positive reaction to the Dangote Cement Plc Tranche-II share buy-back and increase in global oil prices.

Consequently, the All-Share Index grew by 600.25 basis points, representing an uprise of 1.37% to close at 44,454.67. While the Market Capitalization gained ₦1323.4 billion, representing a growth of 1.37%, to close at ₦23.95 trillion.



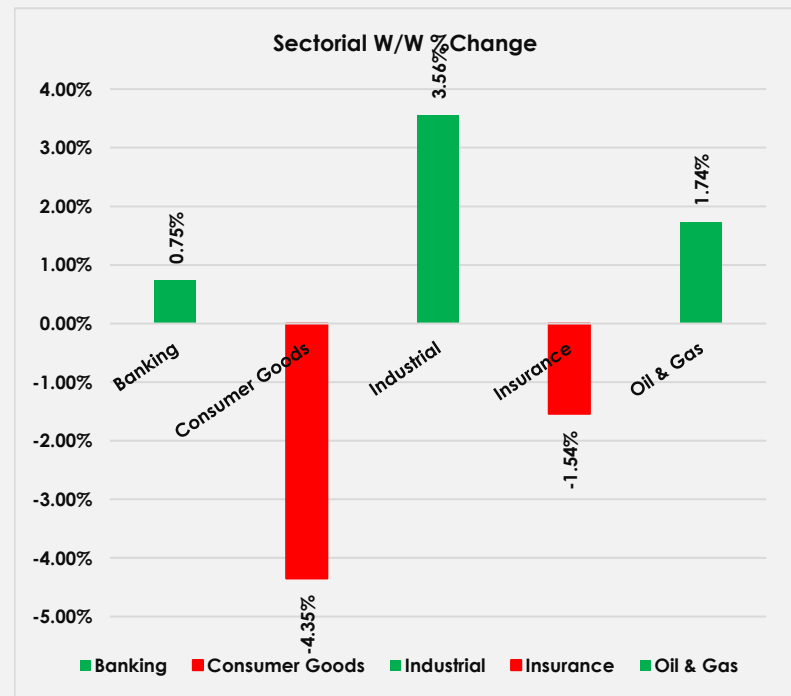
Source: NGX, Atlass Portfolios

In that regard, investors witnessed capital gain in 33 listed stocks, among which are; BUAFODDS, which emerged as the best performing stock of the week with 24.06% growth, followed by TRANSCORP with 16.33% growth, while DANGCEM, GUINNESS, JBERGER, SEPLAT, UBA, UCAP FBNH,

And ZENITHBANK grew by 8.00%w/w, 5.76%w/w, 4.59%w/w, 3.76%w/w, 3.12%w/w, 2.30%w/w, 1.27%w/w, and 0.39%w/w, respectively.

On the contrary, SUNUASSUR shed 16.22%w/w to top the decliners' table, trailed by CUSTODIAN (-9.49%w/w), NESTLE (-7.81%w/w), NGXGROUP (-6.37%w/w), NEIMETH (-4.26%w/w), NB (-4.17%w/w), MTNN (-3.55%w/w), FLOURMILL (-2.59%w/w), GTOC (-2.33%w/w) and BUACEMENT (-0.72%w/w), as 35 stocks depreciated during the week.

Accordingly, three of the five major sectors in the market experienced bullish sentiment, led by Industrial Goods with 3.56%w/w growth, followed by Oil & Gas – 1.74%w/w, and Banking – 0.75%w/w sectors, while the Consumer Goods and Insurance sector declined by 4.35%w/w and 1.54%w/w, respectively.



Source: NGX, Atlass Portfolios

Meanwhile, a total of 1.60 billion shares valued at ₦32.72 billion in 22,607 deals were traded in the week, compared to 2.03 billion shares worth ₦59.01 billion in 15,750 deals traded in the prior week.

Outlook

In the week ahead, we expect mixed sentiment as some investors may extend the profit-taking while others may see higher dividend yield opportunities on the fundamental stocks.

FX, FOREIGN RESERVE & OIL MARKET

Naira Record First Weekly Decline of the Year

The Nigeria currency (Naira) traded weakly at both the official and parallel market. As such, the Naira weakened by 0.16% in the I&E Window to close at ₦414.79/USD, and weakened by 0.89% in the Black market to close at ₦569/USD, according to the BDCs operators.

FX Rate	Open	Close	W/W %Change
I & E Window	414.14	414.79	▼ -0.16%
Parallel Market	564.00	569.00	▼ -0.89%

Source: FMDQ,BDCs, Atlass Portfolios

Oil Rises Climb on Low U.S. Inventory

The global oil prices hit two-month highs on during the week on tight supply as crude inventories in the U.S., the world's top consumer, fell to their lowest since 2018, and as the dollar weakened and worries eased about the Omicron coronavirus variant.

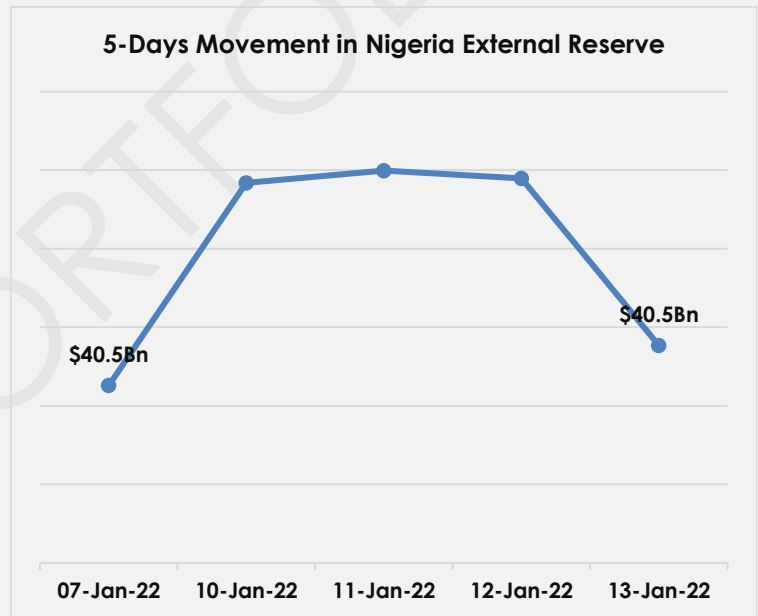
Consequently, the Brent rose by 5.27% to close at \$86.06pb, while the Nigeria oil benchmark (Bonny Light) climbed by 5.79% to \$86.55pb.

Oil Price	Open	Close	W/W %Change
Brent (\$)	81.75	86.06	▲ 5.27%
Bonny Light (\$)	81.81	86.55	▲ 5.79%

Source: oilprice.com, Atlass Portfolios

Foreign Reserve

The Nigeria External Reserve posted its first weekly increment within the last two months as it rose marginally by \$2.56Mn from the closing position of \$40.496Bn (Friday, 7th January 2022) to \$40.499Bn on Thursday 13th January 2022.



Source: CBN, Atlass Portfolios

GLOBAL STOCKS

Rising U.S. Treasury Yields Drag Global Stocks Lower

Global stocks closed lower with huge drag from financial stocks as investors were disappointed by fourth-quarter results from big U.S. banks. Also, the decline was further impacted by rising U.S. Treasury yields as cautious investors worried about how imminent U.S. interest rate hikes would affect the economy.

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 0.88%w/w, 0.30%w/w and 0.28%w/w, respectively.

Meanwhile, European stocks were mixed following European bond yields uprise in choppy trade as investors focused on monetary policy tightening by central banks. Though sharp falls in Germany's benchmark 10-year yield earlier this week led it to notch its biggest weekly fall in 10 weeks. Consequently, only the UK FTSE 100 rose by 0.77%w/w, while Germany DAX and France CAC 400 dipped by 0.40%w/w and 1.06%w/w, respectively.

Similarly, Asian stocks were mixed after a drumbeat of hawkish remarks from Federal Reserve officials made clear that U.S. interest rates could rise as soon as March, putting an end to ultra-easy monetary conditions. As a result, Hong Kong HANG SENG and Indian S&P BSE rose by 3.79%w/w and 2.50%w/w, respectively, While China Shanghai Composite and Japan Nikkei 225 sustained decline by 1.63%w/w and 1.24%w/w, respectively.

Region	STOCK MARKET	OPEN	CLOSE	W/W % CHANGE
US	DJIA	36,231.66	35,911.81	▼ -0.88%
	S&P 500	4,677.03	4,662.85	▼ -0.30%
	NASDAQ	14,935.90	14,893.75	▼ -0.28%
EUROPE	France: CAC 40	7,219.48	7,143.00	▼ -1.06%
	Germany: DAX	15,947.74	15,883.24	▼ -0.40%
	UK: FTSE 100	7,485.28	7,542.95	▲ 0.77%
ASIA	China: Shanghai Composite	3,579.54	3,521.26	▼ -1.63%
	Hong Kong: Hang Seng	23,493.38	24,383.32	▲ 3.79%
	Japan: Nikkei 225	28,478.56	28,124.28	▼ -1.24%
	Indian: S&P BSE Sensex	59,744.65	61,236.38	▲ 2.50%
SOUTH AMERICA	Brazil: Bov espa	102,719.47	85,481.07	▼ -16.78%
	Mexico: IPC All-Share	53,202.11	53,744.92	▲ 1.02%
	Argentina: Merval	84,402.07	85,481.07	▲ 1.28%
AFRICA	South Africa: FTSE/JSE Africa All-Share	73,939.71	75,160.21	▲ 1.65%
	Egypt: EGX 30	12,043.42	12,012.31	▼ -0.26%
	Ghana: GSE Composite	2,742.36	2,761.95	▲ 0.71%
	Nigeria: ASI	43,854.42	44,454.67	▲ 1.37%

Source: WSP, Atlas Portfolios

Positive sentiment however prevailed in other emerging markets under our coverage except for the Brazil: BOVESPA and Egypt: EGX30 that dipped 16.78%w/w and 0.26%w/w, respectively.

As investors seek reasons to keep faith in the shares while bracing for U.S. interest rate hikes, we expect further mixed reactions in the coming week.

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