



A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 <p>Seven-up Bottling Company (SBC) delisted from the NSE.</p> <p>The Nigerian Stock Exchange (NSE) approved the voluntary delisting of Seven-Up Bottling Company on 12 March, 2018 after receiving a takeover bid from its majority shareholder, Affelka S.A aimed at restructuring the soft drinks bottler following losses recorded. The buyout was at an offer price of N125 per share to acquire the outstanding 171,542,574 as against the former consideration of N112.70 per share in January. Seven-up Plc, was incorporated as a private limited liability company on June 1959 under the name Seven-Up limited and in May 1960, the name was changed to Seven-up Bottling Company Limited. The company became public in 1978 and listed in June 1986.</p>	<p><i>This development is coming at a time of dearth in new listings on the NSE. Delisting this company implies an estimated reduction of N65.32billion from the NSE Market Capitalization. Although it is a voluntary delisting as against inability to comply with post-listing and corporate governance requirements, the government, regulators and NSE should collaborate to encourage new listings while ensuring those already listed are maintained. It is noteworthy that in line with the 10-year Capital Market Master Plan, effort are ongoing to buoy the level of listings on the NSE as well as trading of unlisted stocks on the NASD.</i></p>
 <p>Nigeria's inflation drops to 14.33%.</p> <p>The National Bureau of Statistics (NBS) on Wednesday 14 February, 2017 released Nigeria's inflation report. It showed that the inflation rate slowed for the 13th consecutive month to 14.33% in February notwithstanding increases in food prices.</p> <p>The report indicated that Headline index grew by 0.79% (month-on-month) in February 2018. This was 0.01% points lower than the rate recorded in January. The food index increased by 17.59% (year-on-year) in February, down by 1.33% points from rate recorded in January 2018 (18.92%) indicating all major food sub-indexes increased during the month.</p>	<p><i>The decline of headline inflation from 15.13% in January to 14.33% in March is desirable. Lower inflation will in turn increase the possibility of achieving a lower interest rate, and cause a fall in firm's borrowing cost. The equities market will likely enjoy increased demand as a result of shift in preference from fixed income instruments. Lower inflation equally implies improvement in the purchasing power of citizens and their capacity to invest, including in the capital market.</i></p>
<p>Do you know?</p> <p>On March 19, 1996, the Federal Government of Nigeria appointed the panel on the review of the Nigerian Capital Market (The Odife Panel). One of the terms of reference of the panel was to recommend measures to strengthen the laws, the structure, the institutions and the framework (including manpower training) of the capital market to make it more responsive to the needs of all economic units, be they at the federal, state, local government or village level.</p>	



B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

In the Equities market, the All Share Index closed the week at 41,935.9 points declining by 2.6% WTD and 2.1% MTD. On the other hand, it grew by 9.6% YTD and 65% YoY. Similarly, the equities market capitalization ended of the week at N15.0 trillion, losing 2.6% WTD and 2.5% MTD but increased by 10.3% YTD and 70.5%YoY.

The Unlisted Securities Index (USI) from the beginning of the week grew by 1.1% concluding the week at 661.3 points. It further grew by 9.3% YTD and 7.8% YoY but fell by 1.4% MTD. The USI market capitalization stood at N447.5bn at the end of the week rising by 1.1%, 9.3% and 7.8% WTD, YTD and YoY respectively but fell by 1.4% MTD.

Obtainable data indicated that the Net Asset Value (NAV) of Collective Investment Schemes finished the week at N505.2bn increasing by 25.5% YTD at the end of the period under review.

In the money market, Over Night (ON) and Open Buy Back (OBB) both completed the week lower at 12.9% and 11.8% respectively, losing 1.8% points accordingly.

In the commodities market, Brent crude ended the week higher at \$66.2pb gaining 1.9% from the beginning of the week. It further grew by 3.7% from the start of the month and 28% in the last one year, but fell by 0.5% from the beginning of the year. In the last one year, Gold, Cocoa, Wheat, Corn and Cotton finished higher by 6.9%, 24.4%, 7.3%, 4.6% and 6% respectively.

In the parallel market, the exchange rate ended the week at N363/US\$ depreciating by 0.3% from the beginning of the week, but grew marginally from the beginning of the month and from the beginning of the year. It further grew by 25.3% in the last one year. The interbank rate ended the week at N305.75/US\$ appreciating by 0.1% from the beginning of the year and 0.3% in the last one year. It also appreciated marginally from the beginning of the week and from the beginning of the month. Available data also shows that the country's external reserves stood at \$44.6bn growing by 14.7% from the beginning of the year and 47.4% in the last one year. The S & P 500 Index was valued at 2,752.0 at the end of the week falling by 1.1%.

Market	Indicator	Value* @ 16-Mar-18	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	41,935.9	-2.6	-2.1	9.6	65.0
	Market Capitalisation (N'tn)	15.0	-2.6	-2.5	10.3	70.5
Unlisted (NASD)	Unlisted Securities Index (USI)	661.3	1.1	-1.4	9.3	7.8
	Market Capitalisation (N'bn)	447.5	1.1	-1.4	9.3	7.8
Collective Investment	Net Asset Value (N'bn)	505.2	-0.3	24.6	25.5	108.2
Money	O/N (%)	12.9	-1.8	9.5	7.4	0.6
	OBB (%)	11.8	-1.8	8.8	7.2	0.8
Commodities	Brent Crude Oil (\$/b)	66.2	1.9	3.7	-0.5	28.0
	Gold(\$/t oz)	1,312.3	-0.6	0.5	-0.3	6.9
	Cocoa(\$/mt)	2,522.0	-0.9	12.1	30.3	24.4
	Wheat(\$/bu)	4.7	-4.7	-9.3	7.9	7.3
	Corn(\$/bu)	3.8	-2.0	-0.9	8.4	4.6
	Cotton(\$/lb)	82.9	-0.5	1.3	6.9	6.0
External	Interbank Ex-rt (N/US\$)	305.75	0.0	0.0	0.1	0.3
	Parallel Ex-rt (N/US\$)	363	-0.3	0.0	0.0	25.3
	External Reserves (\$'bn)	44.6	1.2	4.6	14.7	47.4
	S&P 500	2,752.0	-1.1	2.8	2.1	15.6

* When value of the relevant day is not available, the price of the nearest day is taken.

WTD: week-to-date; MTD: month-to-date; YTD: year-to-date; YoY: year-on-year

Source: Computed by the SEC ERPM Research Division; underlying data from NSE, NASD, SEC, FMDQ, Bloomberg, CBN and FRED

Important Disclaimer

The information contained in this report reflects the existing judgment of the author(s) and current market conditions; it does not necessarily reflect the opinion of Economic Research and Policy Management (ERPM) Division of the Securities and Exchange Commission, Nigeria. The information herein has been obtained from various sources and ERPM makes no representation as to the accuracy or completeness of such information. ERPM has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. ERPM recommends that independent advice be sought should any party seek to place any reliance on the information contained herein. This report has been prepared for general dissemination and information purposes only and may not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. Neither ERPM, nor any officer or employee thereof accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. Any securities recommendations made herein may not be suitable for all investors. Past performance is no guarantee of future returns. Any modelling or back-testing data contained in this document is not intended to be a statement as to future performance.