





A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENT

News/Development	Relevance/Implications
 <p data-bbox="505 489 824 562">Headline Inflation Rate Up in August</p> <p data-bbox="99 753 829 1066">The National Bureau of Statistics' (NBS) latest CPI and inflation report shows that headline inflation rate rose to 13.22% in August, a 0.40% rise compared to 12.82% recorded in July. Increases were recorded in both food and non-food components with food inflation rising to 16.00%. All the inflation sub-indices also rose during the period.</p>	<p data-bbox="854 464 1523 1058">This is the 12th consecutive monthly increase and the highest level of inflation in the last 29 months. The rise in rate is higher than anticipated by most analyst, and it is expected to go up further with the recent increase in the pump price of petrol, electricity tariffs and the effects of loss in agricultural products due to flooding. The CBN expects inflation to reach 14.15% in 2020. Rising inflation will have a negative impact on consumer disposable income and also widen the already negative real return on investments. The monetary authority is faced with keeping inflation in check amidst growth contraction and public health crisis.</p>
 <p data-bbox="500 1108 805 1182">Stanbic IBTC Holdings Lists Shares</p> <p data-bbox="99 1354 829 1667">Stanbic IBTC Holdings PLC listed 601.03 million new ordinary shares of 50 kobo each at the Nigerian Stock Exchange (NSE). The additional shares resulted from the scrip dividend offered to eligible shareholders of Stanbic IBTC who elected to receive new ordinary shares in lieu of N2 final dividend declared for the financial year ended December 31, 2019.</p>	<p data-bbox="854 1094 1523 1688">Stanbic IBTC Holdings PLC by issuing scrip dividend give its shareholders the option to take their dividends in the form of new shares rather than in cash. This in effect converts the company's retained earnings into share capital, thereby preserving its cash for re-investment. The shareholders are able to increase their holding without incurring transaction costs and tax on dividend. Scrip issues, unless large, do not usually dilute share price. it can therefore lead to an increase in the companies market capitalisation and also increase the number of its stock traded in the market.</p>

Do you know?

The Dutch East India Company became the world's first public traded company when it released shares of the company on the Amsterdam Stock Exchange in 1602.



B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

The NSE All-Share Index ended the week at 25,572.57 points; increasing by 0.62% and 0.70% on a month-to-date basis but decreased by 0.13%, 4.66% and 5.75% week-to-date, year-to-date and year-on-year respectively. Similarly, market capitalization closed at ₦13.36 trillion; increasing by 0.05%, 0.80% and 3.13%, WTD, MTD and YTD respectively but decreased by 0.82% YOY.

In the Unlisted Securities Market, the index finished the week at 720.02 points, gaining 0.16% from the beginning of the week. The market grew by 1.49%, 3.22% and 2.92% from the beginning of the month, the beginning of the year respectively and the previous year respectively. Accordingly, the USI Market Capitalization at the end of the trading concluded the week at ₦528.90 billion, rising by 0.16%, 1.49%, 5.54% and 5.23% WTD, MTD, YTD and YOY.

Available data showed that the net asset value of collective investment schemes stood at ₦1.34 trillion at the end of the period under review, it grew by 33.72% year-to-date and 64.53% year-on-year.

In the money market, Over Night (ON) rate completed the week at 3.00%, higher by 1.00% WTD whereas Open Buy Back (OBB) rate completed the week 3.00% lower WTD at 2.00%.

In the commodities market, Brent crude price rose by 8.94% to close at \$43.15/barrel at the end of the week. It declined by 34.62% from the start of the year and 32.15% in the last one year. In the last one week, cocoa, wheat and corn rose by 3.33%, 5.36% and 2.44% respectively; while gold and cotton fell by 0.08% and 1.44% respectively.

The interbank exchange rate ended the week at ₦380/US\$, depreciating by 19.21% and 19.24% from the beginning of the year and in the last one year respectively. While the parallel market concluded the week at ₦465/US\$, depreciating by 1.08%, 5.38%, 22.15% and 22.58% WTD, MTD, YTD and YOY respectively. Available data also shows that the country's external reserves increased by 0.06% finishing the week at \$35.81 billion, it fell by 7.20% from the beginning of the year and by 15.65% in the last one year. The S & P 500 index finished the week at 3,319.47 points. The index decreased by 1.89% week-to-date and 2.75% on a year-to-date basis.

Market	Indicator	Value* @ 18 - Sep-20	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	25,572.57	-0.13	0.62	-4.73	-7.62
	Market Capitalisation (₦'tn)	13.36	0.05	0.80	3.13	-0.82
Unlisted (NASD)	Unlisted Securities Index (USI)	720.02	0.16	1.49	3.22	2.92
	Market Capitalisation (₦'bn)	528.90	0.16	1.49	5.54	5.23
Collective Investment (@11/09/20)	Net Asset Value (₦'bn)	1,344.65	0.69	1.68	33.72	64.53
Money	O/N (%)	3.00	1.00	-3.38	-0.33	-12.57
	OBB (%)	2.00	-3.00	-3.75	-0.50	-12.57
Commodities	Brent Crude Oil (\$/b)	43.15	8.94	-5.33	-34.62	-32.15
	Gold(\$/t oz)	1,962.10	-0.08	-0.85	28.82	29.44
	Cocoa(\$/mt)	2,641.00	3.33	-0.94	3.98	10.00
	Wheat(\$/bu)	5.75	5.36	1.95	2.91	17.47
	Corn(\$/bu)	3.79	2.44	5.73	-2.39	1.95
	Cotton(\$/lb)	65.66	-1.44	0.40	-4.91	8.53
External	Interbank Ex-rt (₦/US\$)	380.00	0.00	0.00	-19.21	-19.24
	Parallel Ex-rt (₦/US\$)	465.00	-1.08	-5.38	-22.15	-22.58
	External Reserves (\$'bn)	35.81	0.06	0.40	-7.20	-15.65
	S&P 500	3,319.47	-1.89	-5.87	2.75	10.40

* 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



C. NEWS HIGHLIGHTS FOR THE WEEK ENDED 18th September, 2020

CAPITAL MARKET	MACROECONOMY
<ul style="list-style-type: none"> The African Export-Import Bank (Afreximbank) has disbursed \$200 million to Zenith Bank PLC under its Pandemic Trade Impact Mitigation Facility (PATIMFA). PATIMFA is a 3-year medium-term facility, set up in March 2020 to support and stabilize the foreign exchange resources of Afreximbank member countries, to enable them support critical imports under emergency conditions. The facility will enable Zenith Bank contribute to the fight against the COVID-19 pandemic by providing trade finance and foreign currency funding for the importation of urgent medical equipment, and raw materials. 	<ul style="list-style-type: none"> The World Bank has disclosed that it would begin disbursement of the \$750 million approved for Nigeria's Power Sector Recovery Plan (PSRP) from 2021 and end in 2023. The PSRP is aimed at improving the reliability of electricity supply, achieving financial sustainability and enhancing accountability in the power sector. Furthermore, the programme would help the government redirect large fiscal resources from regressive power tariffs subsidies towards critical crisis-responsive and pro-poor expenditures.
<ul style="list-style-type: none"> Ellah Lakes PLC has announced that it has signed a Produce Offtake Agreement with Pure Flour Mills Ltd, a subsidiary of De United Foods Industries Ltd. The agreement is for the initial supply of approximately 5000 metric tonnes of cassava to its processing facility. Delivery of the tonnage is expected to commence after the 2020/21 harvesting season. 	
<ul style="list-style-type: none"> AllCO Insurance PLC announced the postponement of its annual general meeting (AGM) to December 8, from September 30, 2020. The shift is as a result of the delay in concluding some transactions that are conditions for holding the AGM, one of which is the conclusion of the rights issue which had commenced but was delayed by the COVID-19 pandemic as well as other challenges. 	<ul style="list-style-type: none"> The Central Bank of Nigeria has disclosed that it will release a cumulative maximum limit of N200bn to provide construction finance facility so as to enable the implementation of the Federal Government's social housing programme as part of the Economic Sustainability Plan 2020. The Organisation of Petroleum Exporting Countries (OPEC), put Nigeria's oil output at 1.3 million bpd for the month of August 2020. This indicates about 40% decline against 1.9 million bpd recorded in the corresponding month of 2019.
	<ul style="list-style-type: none"> The Nigerian National Petroleum Corporation has extended its contracts with private companies to swap crude oil for petroleum products for six months. The Federal Government has on Wednesday gazetted the market-based pricing regime of the nation's petroleum downstream sector. With the announcement, oil marketers across the country now have the power to fix petrol pump price based on market forces.
<ul style="list-style-type: none"> FMDQ Securities Exchange Limited has approved the quotation of Mixta Real Estate PLC's N2.39bn Series 28 Commercial Paper under the company's N20bn Commercial Paper Issuance Programme on its platform. The Exchange also admitted CardinalStone Partners Limited's N5bn Series 1 Commercial Paper under its N10bn Commercial Paper Issuance Programme. 	<ul style="list-style-type: none"> The French Development Agency (AFD) and European Union Infrastructure Trust Fund (EU-ITF) have launched a €70 million Sustainable Use of Natural Resources and Energy Finance (SUNREF) fund, a facility for financing green energy projects in Nigeria. The SUNREF will also provide technical assistance to the Manufacturers Association of Nigeria (MAN), partner banks (Access Bank and the United Bank for Africa) and renewable energy firms.

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