

# **Monthly Economic and Financial Market Outlook**

*Additional Expansionary Policies Required for Inclusive Growth*

*June 2018*

## Executive Summary

### Domestic Scene:

- The recovery path of Nigeria's economy decelerated in Q1 2018. FSDH Research however observed steady recoveries recorded in both the manufacturing, and information and communication sectors. Agriculture recorded the lowest growth rate since Q1 2016
- Despite the recovery in some sectors, FSDH Research notes that the growth is still very fragile. Our analysis shows that the labour intensive sectors of the economy, such as, real estate, construction and trade contracted in Q1 2018. Thus, additional expansionary policies are required for inclusive growth
- According to data from the National Bureau of Statistics (NBS), the real Gross Domestic Product (GDP) grew by 1.95% in Q1 2018, compared with the growth rate of 2.11% recorded in Q4 2017
- A further analysis of the growth pattern in Q1 2018 shows that the major drivers of the recovery are within the mining and quarrying, agricultural, financial and insurance, and manufacturing sectors, with weighted growth contributions of 1.44%, 0.65%, 0.47% and 0.34% respectively
- Looking at the recovery path in Q1 2018, FSDH Research has revised the GDP growth forecast for 2018 to 2.78%, down from our previous forecast of 3.16%
- The expected growth in government spending in the second half of the year, once the 2018 budget has been signed into law, should increase economic activities, with positive impacts on the income of households and businesses
- The Nigeria National Assembly (NASS) passed the 2018 Budget of N9.12trn in May 2018. The crude oil benchmark and expenditure were increased from the initial budget that the executive arm of government sent to the NASS, leading to a drop in the budget deficit to N1.95trn
- FSDH Research estimates that about N1.05trn will be sourced from the domestic market through the FGN Bond market. This will place upward pressure on the yields on FGN Bonds
- FSDH Research observes that there is no provision for Premium Motor Spirit (PMS) subsidy in the 2018 Budget. The budget deficit will increase when the PMS subsidy is factored in. We expect the FGN to finance the deficit through issuance of bonds (local and foreign), leading to higher yields
- The Purchasing Managers' Index (PMI) published by the Central Bank of Nigeria (CBN) for the month of May 2018 shows an expansion. However, the PMI grew at a slower rate when compared with the expansion in April
- FSDH Research expects the positive domestic and external environment to further lead to external reserves accretion in the short-term and this development should provide further stability for the foreign exchange rate
- The inflation rate in the month of April 2018 dropped in line with the forecast of FSDH Research. We expect the inflation rate to drop to 11.50% in the month of May 2018
- The outlook for the equity market remains positive. Both economic and financial developments support recovery in the equity market
- Investors should take strategic positioning in the stocks that declare interim dividends. Some stocks in the consumer goods, building materials, petroleum marketing and banking sectors are attractive at their current prices.

### International Scene:

- The Organization of the Petroleum Exporting Countries (OPEC) left unchanged its global growth forecast at 3.8% for 2018 in its monthly report for May 2018
- The Federal Open Market Committee (FOMC) of the United States (US) Federal Reserve (The Fed) maintained its anchor interest rate in May 2018. There are expectations that it may raise the rate when it meets in June 2018.

The prices of government bonds recorded more decreases than increases in the countries we monitored in May 2018, compared with April.

## 1.0 Global Developments:

The prices of government bonds recorded more decreases than increases in the countries we monitored in May 2018, compared with April. This is in response to the monetary policy normalisation in our selected countries. The 8.8% September 2023 Turkey Government Bond recorded the highest month-on-month (M-o-M) price decrease of 6.64% to 79.68. This was followed by the 17% April 2022 Egypt Government Bond, with a decrease of 2.28% to 103.22. The 1.75% May 2023 United States (US) Treasury Note Government Bond recorded the highest M-o-M price increase of 0.58% to 95.61. This was followed by the 12.705% June 2022 Kenya Government Bond, with an increase of 0.09% to 102.07. All the bonds we monitored recorded positive real yields in May. **The Kenya Government Bond offered the most attractive real yield amongst the selected bonds in May.**

The U.S economy recorded a growth of 2.2% (q-o-q) in Q1 2018.

According to the US Bureau of Economic Analysis (BEA), the US economy grew by 2.2% quarter-on-quarter (Q-o-Q) in Q1 2018, lower than the 2.3% reported in the advance estimate. Consumer spending, inventories and exports grew lower than expected; while business spending on equipment, structures, and intellectual property was revised higher. Similarly, inflation rate in the US increased to 2.5% year-on-year (Y-o-Y) in April 2018, from 2.4% in March. The US unemployment rate fell to 3.9% in April 2018, from 4.1% in March. The Federal Open Market Committee (FOMC) of the US Federal Reserve (The Fed) may raise the Federal Fund Rate (Fed Rate) at its June 2018 meeting, following improvements in the economy.

**Table 1: Summary of Key Indicators**

S/N	Indicators	China	Egypt	India	Kenya	Nigeria	Russia	South Africa	Turkey	USA
1	Bond Price	100.13	103.22	100.93	102.07	108.84	102.52	99.14	79.68	95.61
2	Bond Yield	3.49%	15.82%	7.88%	12.04%	13.31%	6.73%	7.96%	14.37%	2.70%
3	Bond Price MoM Change	(0.15%)	(2.28%)	(0.68%)	0.09%	(0.63%)	(0.47%)	(1.36%)	(6.64%)	0.58%
4	Bond Yield MoM Change	0.03%	0.79%	0.20%	(0.03%)	0.24%	0.16%	0.35%	1.76%	(0.11%)
5	Bond Price YTD Change	1.53%	(0.75%)	(2.57%)	0.88%	1.62%	(1.43%)	(0.27%)	(9.35%)	(2.02%)
6	Bond Yield YTD Change	(0.33%)	0.17%	0.69%	(0.31%)	(0.72%)	0.41%	0.07%	2.63%	0.47%
7	Real Yield	1.69%	2.72%	3.30%	8.09%	0.83%	4.33%	3.46%	3.52%	0.20%
8	Volatility	0.07	0.79	0.20	0.05	0.57	0.20	0.37	2.08	0.40
9	FX Rate MoM Change*	1.22%	1.34%	1.11%	1.04%	0.49%	(1.06%)	1.82%	10.32%	(3.68%)
10	FX Rate YTD Change*	(1.50%)	0.64%	5.25%	(1.76%)	0.50%	7.46%	2.37%	16.36%	(2.86%)
11	Inflation Rate	1.80%	13.10%	4.58%	3.95%	12.48%	2.40%	4.50%	10.85%	2.50%
12	Policy Rate	4.35%	16.75%	6.00%	9.50%	14.00%	7.25%	6.50%	8.00%	1.75%
13	Debt to GDP	47.60%	101.00%	68.70%	57.10%	21.30%	12.60%	53.10%	28.30%	105.00%
14	GDP Growth Rate	6.80%	5.40%	7.70%	5.80%	1.94%	1.30%	1.50%	7.30%	2.80%
15	Nominal GDP (US\$)	11,199bn	336bn	2,264bn	70.53bn	405bn	1,283bn	295bn	858bn	18,624bn
16	Current Acct to GDP	1.30%	(6.50%)	(0.70%)	(5.90%)	(1.80%)	1.80%	(2.50%)	(5.50%)	(2.40%)

\*-ve means appreciation while +ve means depreciation

Sources: Bloomberg, Central Bank of Various Countries; Trading Economics; and FSDH Research Analysis

*OPEC left unchanged its global growth forecast at 3.8% for 2018 in its monthly report for May 2018.*

*The US strong growth forecast is expected to continue despite the softening of the growth trend in Q1 2018.*

### 1.1 The Global Economic Growth:

OPEC left unchanged its global growth forecast at 3.8% for 2018 in its monthly report for May 2018. The report noted that the synchronised global growth trend continues, but leading and sentiment indicators are pointing to some moderation of the existing high growth dynamic. In addition, OPEC noted that the Q1 2018 growth in the major Organisation for Economic Cooperation and Development (OECD) economies confirms this slowing dynamic. However, OPEC said it assumes that the softening trend is transitory, and a high growth level of 3.8% will be maintained in 2018.

The OPEC’s economic growth forecast for the OECD remains at 2.4% for 2018. The US strong growth forecast is expected to continue despite the softening of the growth trend in Q1 2018. The US growth forecast is mainly supported by fiscal stimulus measures. However, the report notes that this may be slightly dampened by the potential negative consequences of a rising budget deficit to finance the economic stimulus, the possibility of rising inflation, and the consequences of a likely tighter monetary policy. In the emerging economies, China is forecast to slow slightly, given its maturing economy. Brazil’s and Russia’s forecasts remain unchanged. India is expected to overcome the negative effects of economic reforms, and its 2018 GDP growth forecast was revised up slightly to 7.3%, after growth of 6.3% in 2017.

The downside risks to the growth outlook are the potential re-emergence of global trade barriers, rising volatility in asset markets and continued monetary tightening in major advanced economies.

	<b>2017E</b>	<b>2018F</b>
<b>World</b>	<b>3.8%</b>	<b>3.8%</b>
<b>OECD</b>	<b>2.5%</b>	<b>2.4%</b>
<b>USA</b>	<b>2.3%</b>	<b>2.7%</b>
<b>Japan</b>	<b>1.7%</b>	<b>1.5%</b>
<b>Euro-zone</b>	<b>2.5%</b>	<b>2.2%</b>
<b>China</b>	<b>6.9%</b>	<b>6.5%</b>
<b>India</b>	<b>6.3%</b>	<b>7.3%</b>
<b>Brazil</b>	<b>1.0%</b>	<b>2.1%</b>
<b>Russia</b>	<b>1.5%</b>	<b>1.8%</b>

*Source: OPEC Monthly Report, May 2018; E - Estimate; F- Forecast*

## 1.2 Expansionary Policies Required to Stimulate Economic Recovery:

The recovery path of Nigeria's economy decelerated in Q1 2018. FSDH Research however observed steady recoveries recorded in both the manufacturing, and information and communication sectors. Agriculture recorded the lowest growth rate since Q1 2016. Our analysis shows that the labour intensive sectors of the economy contracted in Q1 2018. According to data from the National Bureau of Statistics (NBS), the real Gross Domestic Product (GDP) grew by 1.95% in Q1 2018, compared with the growth rate of 2.11% recorded in Q4 2017.

A further analysis of the growth pattern in Q1 2018 shows that the major drivers of the recovery are within the mining and quarrying, agricultural, financial and insurance, and manufacturing sectors, with weighted growth contributions of 1.44%, 0.65%, 0.47% and 0.34% respectively.

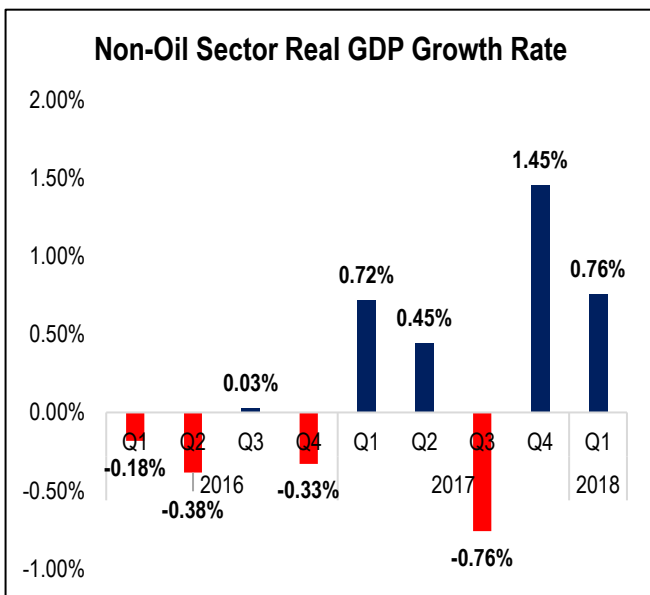
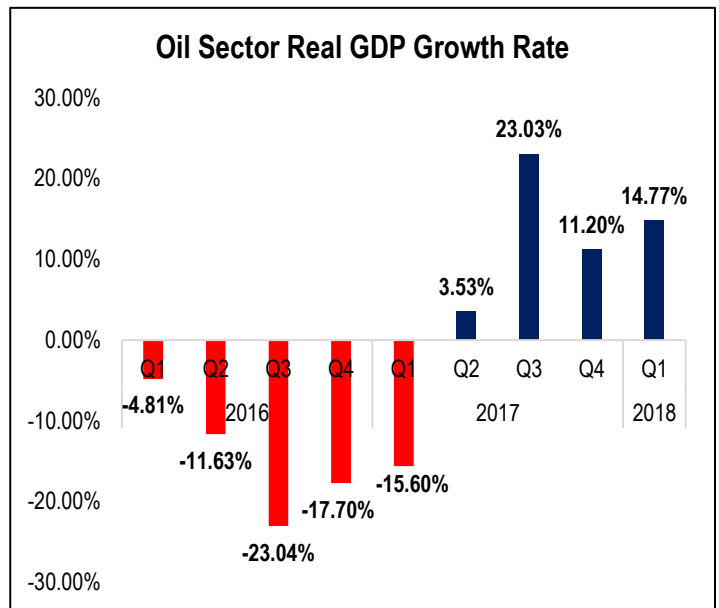
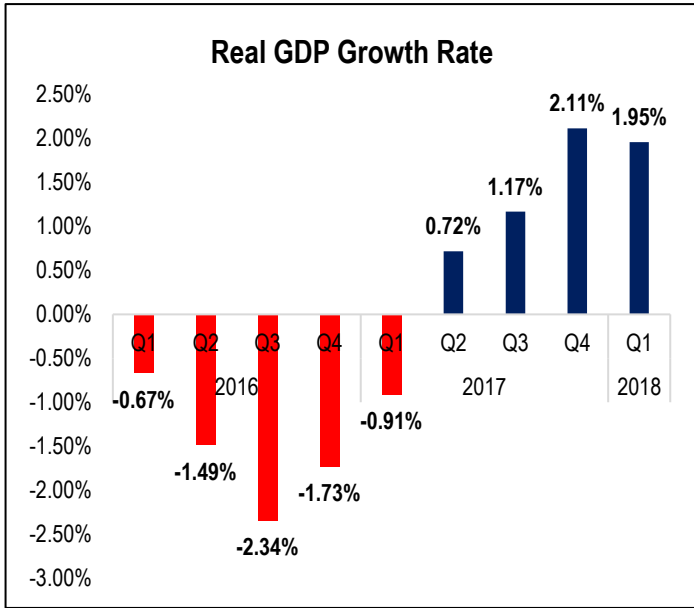
Crude oil production dominates the mining and quarrying sector (accounting for 99.28%, up from 98.54% in Q4 2017). Crop production dominates the agricultural sector (accounting for 87.32%, down from 90.08% in Q4 2017). Transportation and storage, information and communication also grew in Q1 2018. Other leading sectors of the economy by size (trade and real estate) contracted in Q1 2018.

The nominal GDP stood at N28.46trn in Q1 2018. This represents an increase of 9.34% from N26.03trn recorded in Q1 2017. Nominal GDP measures the monetary value of national output at current market prices while real GDP is measured at constant prices (at 2010 prices). The services sector contributed 54.35% to the GDP in Q1 2018, industries contributed 24% while the agricultural sector contributed 21.65%. FSDH Research believes that more expansionary policies are required to stimulate the recovery in the economy in order to generate employment opportunities.

Looking at the recovery path in Q1 2018, FSDH Research has revised the GDP growth forecast for 2018 to 2.78%, down from our previous forecast of 3.16%. The major sectors that will lead the recovery in 2018 are: mining and quarrying, agriculture, manufacturing, trade, and information and communication. We believe there are financing and investment opportunities in these sectors. The major downside risks to the recovery is the security challenge in some parts of Nigeria. The expected growth in government spending in the second half of the year, once the 2018 budget has been signed into law, should increase economic activities, with positive impacts on the income of households and firms.

*The recovery path of Nigeria's economy decelerated in Q1 2018.*

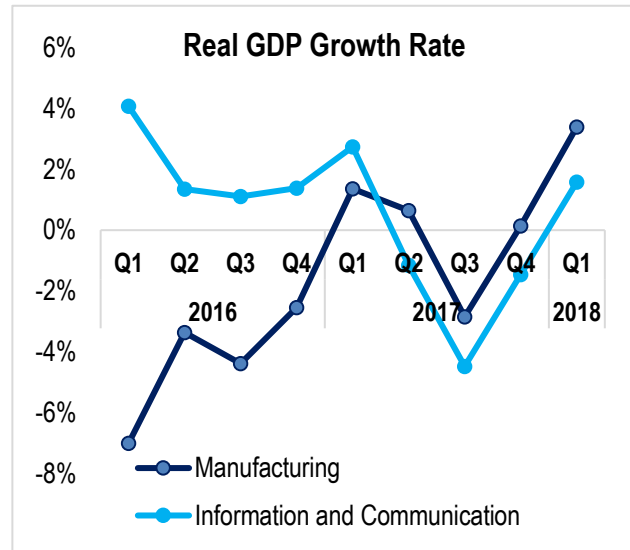
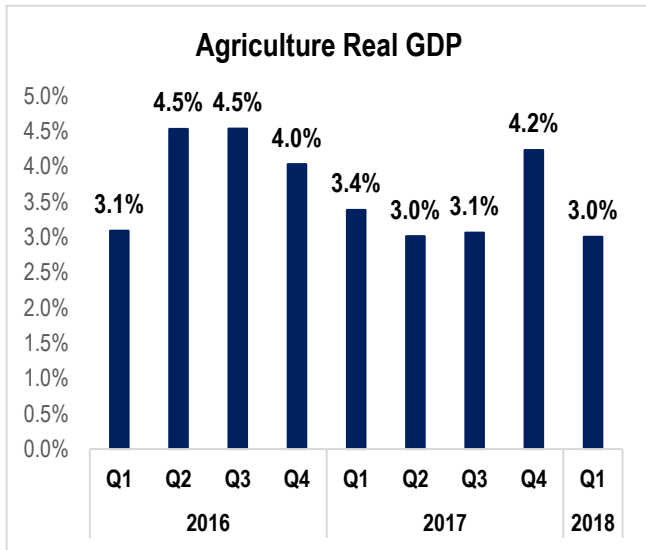
*Looking at the recovery path in Q1 2018, FSDH Research has revised the GDP growth forecast for 2018 to 2.78%, down from our previous forecast of 3.16%.*



**Table 3: Performance of Leading Sectors of the Nigerian Economy:**

Q1 2018			
Activity Sectors	^Contribution	GDP GR	WG
Agriculture	21.65%	3.00%	0.65%
Trade	17.06%	(2.57%)	(0.44%)
Information & Communication	12.41%	1.58%	0.20%
Manufacturing	9.91%	3.39%	0.34%
Mining and Quarrying	9.67%	14.85%	1.44%
Real Estate	5.63%	(9.40%)	(0.53%)
Construction	4.04%	(1.54%)	(0.06%)
Financial and Insurance	3.55%	13.30%	0.47%
Professional, Scientific and Technical	3.51%	(2.35%)	(0.08%)
Public Administration	2.23%	(1.72%)	(0.04%)

Sources: National Bureau of Statistics (NBS) and FSDH Research Analysis; ^Sector Contribution to GDP, GR: Growth Rate; WG: Weighted Growth


**Table 3: Sectoral Real Growth Rate**

	2016				2017				2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Agriculture</b>	3.09%	4.53%	4.54%	4.03%	3.39%	3.01%	3.06%	4.23%	3.00%
<b>Mining And Quarrying</b>	-5.84%	-11.42%	-22.65%	-17.26%	-15.40%	3.51%	22.64%	10.70%	14.85%
<b>Manufacturing</b>	-7.00%	-3.36%	-4.38	-2.54%	1.36%	0.64%	-2.85%	0.14%	3.39%
<b>Electricity, Gas ,Steam And Air Conditioning Supply</b>	-44.46%	-10.46%	-6.68%	-5.16%	-5.04%	35.50%	11.46%	16.03%	4.93%
<b>Water Supply, Sewerage, Waste Management And Remediation</b>	9.59%	8.46%	8.66%	10.76%	12.63%	3.45%	0.33%	1.23%	11.61%
<b>Construction</b>	-5.37%	-6.28%	-6.13%	-6.03%	0.15%	0.13%	-0.46%	4.14%	-1.54%
<b>Trade</b>	2.02%	-0.03%	-1.38%	-1.44%	-3.08%	-1.62%	-1.74%	2.07%	-2.57%
<b>Accommodation And Food Services</b>	-7.41%	-6.39%	-4.88%	-2.74%	-3.96%	-4.05%	0.18%	0.78%	0.29%
<b>Transportation And Storage</b>	14.73%	-5.34%	0.72%	-5.32%	10.55%	-6.18%	-6.25%	16.57%	14.45%
<b>Information And Communication</b>	4.07%	1.35%	1.11%	1.38%	2.73%	-1.15%	-4.48%	-1.46%	1.58%
<b>Arts, Entertainment And Recreation</b>	8.41%	1.80%	1.99%	2.04%	11.67%	-0.62%	0.44%	3.54%	0.30%
<b>Financial And Insurance</b>	-11.28%	-10.82%	2.64%	2.685	0.67%	10.45%	-5.96%	0.22%	13.30%
<b>Real Estate</b>	-4.69%	-5.27%	-7.37%	-9.27%	-3.10%	-3.53%	-4.12%	-5.92%	-9.40%
<b>Professional, Scientific And Technical Services</b>	-0.93%	1.07%	1.40%	1.45%	1.48%	-1.72%	-1.38%	0.64%	-2.35%
<b>Administrative &amp; Support Services</b>	-0.88%	-4.06%	0.01%	2.07%	1.22%	-1.61%	0.68%	2.16%	-0.52%
<b>Public Administration</b>	-4.40%	-6.13%	-3.57%	-4.15%	-2.07%	1.63%	-0.72%	-0.45%	-1.72%
<b>Education</b>	3.82%	2.88%	-0.11%	-0.09%	0.86%	-1.34%	-1.22%	-1.04%	0.45%
<b>Human Health And Social Services</b>	0.55%	-2.64%	-2.31%	-2.49%	1.07%	-0.96%	-0.85%	-0.38%	-0.37%
<b>Other Services</b>	8.04%	4.32%	4.01%	3.07%	1.66%	2.33%	1.72%	3.46%	2.24%
<b>Real GDP Growth Rate</b>	-0.67%	-1.49%	-2.34%	-1.73%	-0.91%	0.72%	1.17%	2.11%	1.95%

Sources: NBS

### 1.3 NASS Passed 2018 Budget Proposal:

The Nigeria National Assembly (NASS) passed the 2018 Budget of N9.12trn in May 2018. The crude oil benchmark and expenditure were increased from the initial budget which the executive arm of government sent to the NASS, leading to a drop in the budget deficit to N1.95trn. FSDH Research observes that there is no provision for Premium Motor Spirit (PMS) subsidy in the 2018 Budget. The NASS noted this development and requested from the executive a supplementary budget to cater for this.

**Table 4: Main 2018 Budget Assumptions**

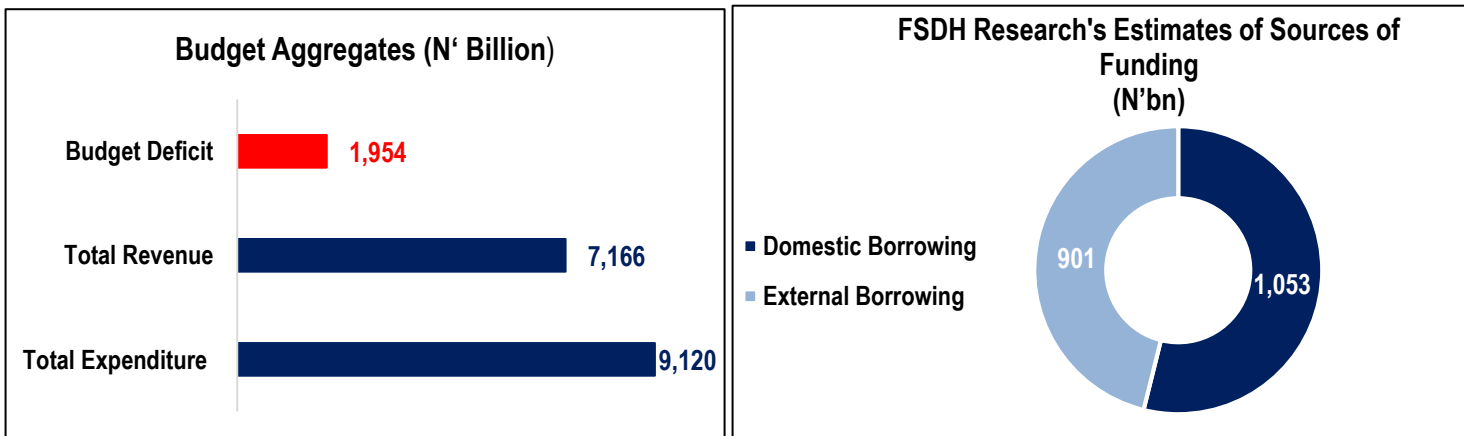
Parameter	Benchmark
Crude Oil Price	US\$51/b
Foreign Exchange Rate	N305/US\$1
Crude Oil Production	2.3 million barrels per day

Source: Nigeria Budget Office

**Table 5: Budget Breakdown**

Key Component of Budget	Amount (N' Billion)
Statutory Transfers	530
Debt Service	2,204
Capital Expenditure	2,873
Recurrent Expenditure	3,513
<b>Total Expenditure</b>	<b>9,120</b>
<b>Total Revenue</b>	<b>7,166</b>
<b>Budget Deficit</b>	<b>1,954</b>

Source: Budget Office of Nigeria



#### Implications:

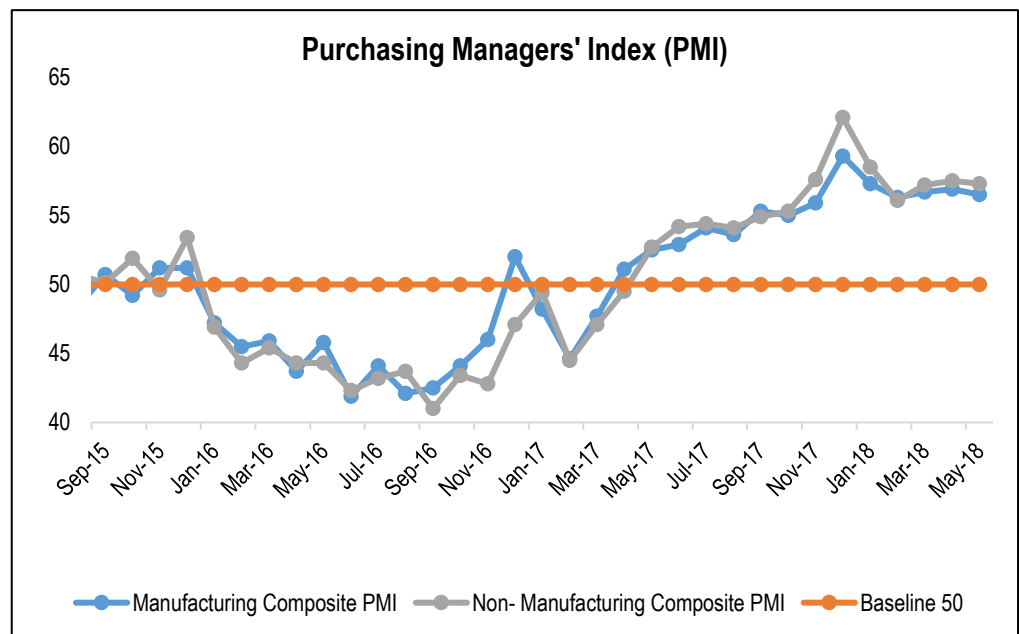
- The budget deficit will increase when the PMS subsidy is factored in
- FSDH Research believes that the FGN will finance the deficit through issuance of bonds (local and foreign) and this may put upward pressure on yields.



**1.4 Purchasing Managers' Index (PMI):**

The PMI published by the CBN for the month of May 2018 shows an expansion. However, the PMI grew at a slower rate when compared with the expansion in April. The Manufacturing PMI of May stood at 56.5 points from 56.9 points recorded in April. Similarly, the Non-Manufacturing PMI stood at 57.3 points, from 57.5 points in April. The slowdown in the PMI is an indication of the weak economic growth recovery that FSDH Research had discussed in its previous reports. **FSDH Research believes the recent developments in the Nigerian economy and the short-term outlook of the economy favour expansionary monetary policies, which are required to stimulate economic growth.**

*The PMI grew at a slower rate in May 2018 when compared with April figure.*



### 1.5 Inflation Rate:

The inflation rate dropped further to 12.48% in April 2018, from 13.34% recorded in March. The drop in the inflation rate was in line with the expectation of FSDH. The M-o-M change in the Consumer Price Index (CPI) stood at 0.83% in April, marginally lower than 0.84% recorded in March. Y-o-Y change in the Food Price Index (FPI) stood at 14.80% in April, down from 16.08% in March 2018. M-o-M, the FPI grew by 0.91% in April, compared with 0.90% in March. The increase in the prices of potatoes, yam and other tubers, fish, bread and cereals, oil and fats, vegetables and meat drove the FPI during the period.

The Core Index stood at 10.90% in April, down from 11.20% in March. The largest increase in the Core Index were recorded in fuel and lubricants for personal transport equipment, vehicle spare parts, garments, clothing materials, other articles of clothing and clothing accessories, hairdressing salons and personal grooming establishments, paramedical services and pharmaceutical products.

#### **FSDH Research forecasts a further drop in the inflation rate to 11.50% in May 2018.**

We expect the inflation rate to drop to a single digit in July 2018 provided there is no food shortage in the country due to of the current rising crisis in the food producing areas in the country.

*The inflation rate dropped further to 12.48% in April 2018, from 13.34% recorded in March.*

*FSDH Research expects the May 2018 inflation rate to drop to 11.50%.*

**Table 6: Inflation Rate Actual Vs. Forecast**

Month	Jan-18A	Feb-18A	Mar-18A	Apr-18A	May-18F	Jun-18F	Jul-18F	Aug-18F	Sep-18F	Oct-18F	Nov-18F	Dec-18F
<b>Actual/Forecast*</b>	15.13%	14.33%	13.34%	12.48%	11.50%	10.51%	9.90%	9.42%	9.24%	9.01%	8.80%	9.91%

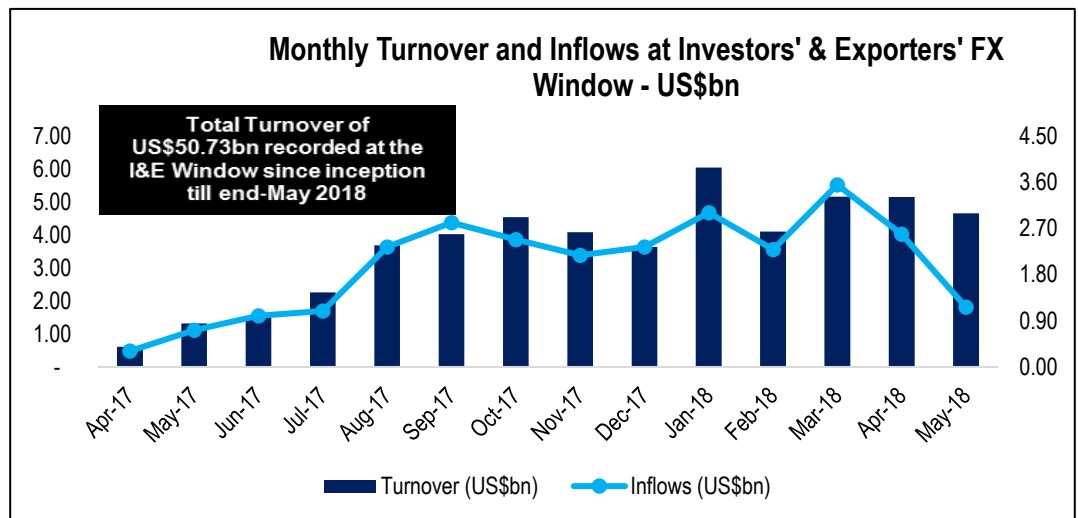
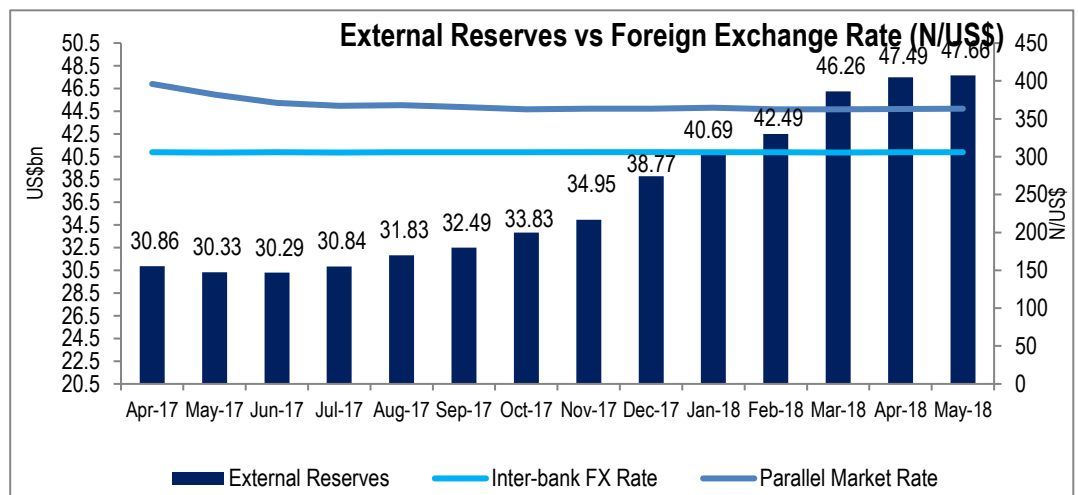
*Sources: National Bureau of Statistics and FSDH Research Analysis. \* Assumed no increase in fuel and electricity tariff. A- Actual, F - Forecast*

The 30-Day Moving Average external reserves increased by 0.36%, up from US\$47.49bn at end-April 2018 to US\$47.66bn as at 28 May, 2018.

### 1.6 Movement in the External Reserves:

The M-o-M growth rate recorded in the external reserves was the lowest level since July 2017. The pressure on demand from foreign investors was mainly responsible for the low growth in the external reserves. The 30-day moving average external reserves increased by 0.36%, up from US\$47.49bn at end-April to US\$47.66bn at 28 May 2018. The total turnover at the Investors' and Exporters' FX Window (I&E Window) between April 2017 and May 2018 stood at US\$50.73bn. The highest amount was recorded in January 2018. Our analysis between August 2017 and May 2018 shows that Nigeria recorded the lowest foreign exchange inflows through the I&E Window in May 2018.

FSDH Research expects the positive domestic and external environment to further lead to external reserves accretion in the short-term and this development should provide further stability for the foreign exchange rate.



### 1.7 Crude Oil Market and Bonny Light Price:

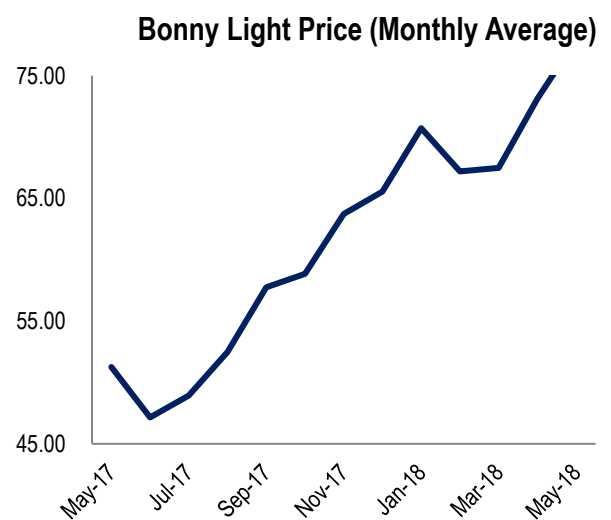
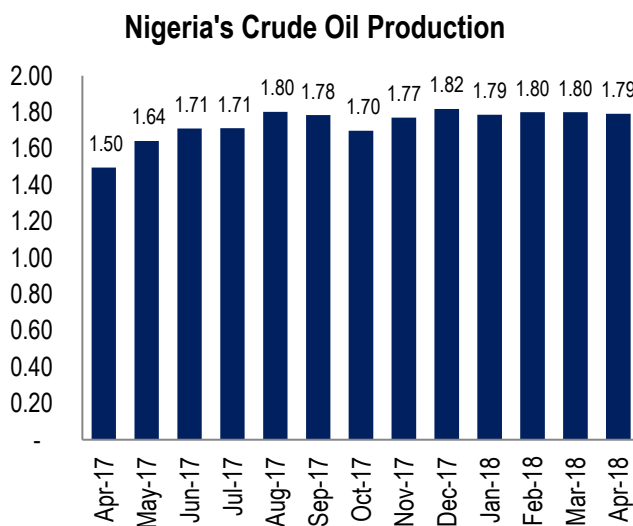
The daily crude oil production in Nigeria decreased marginally by 0.56% from 1.80mb/d in April to 1.79mb/d in May 2018. This is based on the secondary data available from OPEC report for the month of May 2018. The total OPEC crude oil production from secondary sources was 31.93mb/d in May, a marginal increase of 0.03% from 31.92mb/d over the previous month. Crude oil production output increased mostly from Saudi Arabia, Algeria, Iran, Libya, and United Arab Emirates; while production recorded the largest drop in Venezuela, Gabon, Nigeria, Angola, and Qatar.

In its monthly report for May 2018, the US Energy Information Administration (EIA) forecast an average price of Brent crude oil of US\$71/b and US\$66/b in 2018 and 2019, respectively. The May forecast is higher than the April forecast of US\$64/b.

According to data from Thomson Reuters, the Bonny Light crude oil price increased by 1.69% to US\$77.16/b as at end-May, from US\$75.88/b at end-April. The average price of Bonny Light was US\$77.93/b in May, an increase of 6.58% from the average price of US\$73.12/b recorded in April.

*The daily crude oil production in Nigeria decreased marginally by 0.56% from 1.80mb/d in March 2018 to 1.79mbpd in April 2018.*

*The average price of Bonny Light was US\$77.93/b in May, an increase of 6.58% from the average price of US\$73.12/b recorded in April.*



*The value of the Naira depreciated at the inter-bank and parallel markets in May 2018, compared with April.*

*FSDH Research expects the value of the Naira to remain stable in the short-to-medium term.*

### **1.8 Foreign Exchange Rate:**

**The value of the Naira depreciated further at the inter-bank and parallel markets in May 2018, compared with April.** The demand pressure at the I&E Window occasioned by foreign investors' repatriation of their matured fixed income investments was largely responsible for the depreciation in the value of the Naira.

The value of the Naira depreciated M-o-M at the inter-bank market to N305.95/US\$ as at end-May 2018, a depreciation of 0.08% from N305.70/US\$ at end-April. The average exchange rate at the inter-bank market also depreciated by 0.06% to stand at N305.80/US\$ in May, compared with N305.61/US\$ in April.

**The value of the Naira also depreciated at the parallel market in May to N363.50/US\$, a drop of 0.14%, compared with April.** The average exchange rate at the parallel market also depreciated by 0.29% to stand at N363.90/US\$ in May, compared with N362.86/US\$ in April. **FSDH Research expects the value of the Naira to remain stable in the short-to-medium term.**

The yields on the FGN Bond securities in the fixed income securities market increased marginally in spite of the drop in inflation rate.

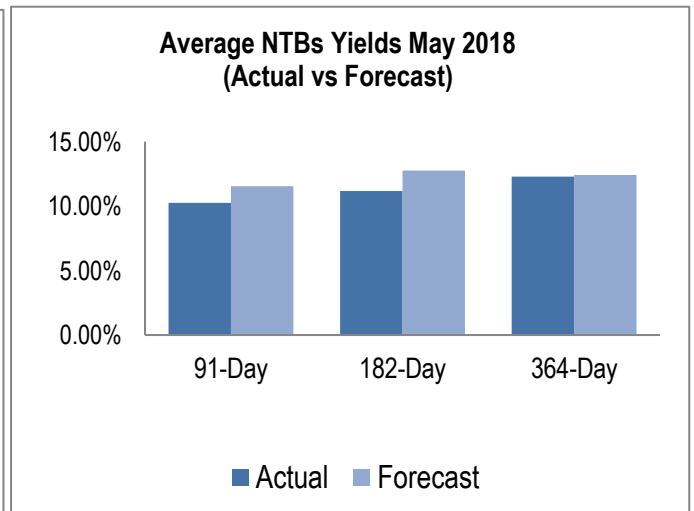
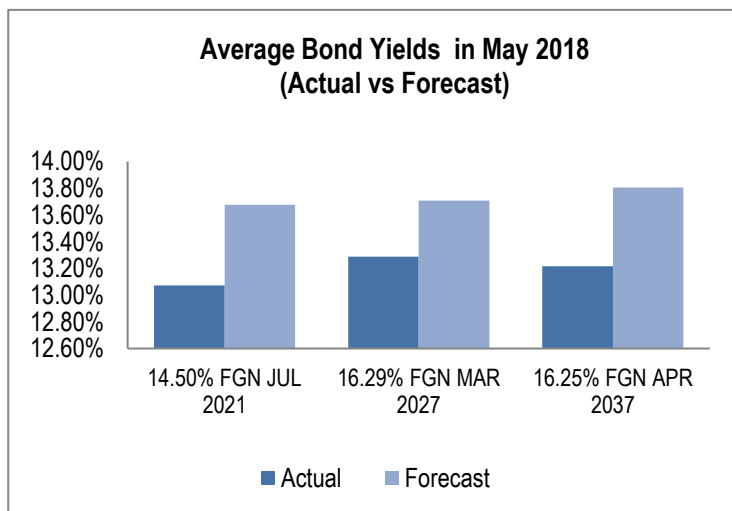
## 2.0 Interest Rate and Yield Analysis:

The yields on the FGN Bond securities in the fixed income securities market increased marginally, despite the drop in the inflation rate. This is in line with the expectation of FSDH Research.

The fixed income market analysis for the month of May 2018 shows a net outflow of about N224bn, compared with a net outflow of about N749bn in April. The major outflows in May were the OMO and Repurchase Bills (REPO) of N1.81trn, CBN's Foreign Exchange Sale of N413bn, Primary Nigerian Treasury Bills (NTBs) of N178bn and the Bond auction of N50bn. Meanwhile, in April, the major outflows were the OMO and Repurchase Bills (REPO) of N2.03trn, CBN's Foreign Exchange Sale of N381bn, Primary NTBs of N154bn and the Bond auction of N90bn. The major inflows in May were the matured OMO and REPO Bills of N1.21trn, matured NTBs of N358bn and the Federation Account Allocation Committee's (FAAC) injection of N337bn. The major inflows in April were the matured OMO and REPO Bills of N1.32trn, matured NTBs of N263bn and the Federation Account Allocation Committee's (FAAC) injection of N320bn.

Average yields on all the fixed income securities traded lower in the month of April than the previous month.

At the NTBs auction, average yield on the 91-day NTB was down to 10.26% in the month of May compared with 11.65% recorded in April. The average 182-Day NTB stood at 11.17%, down from 13.16% in April. The average 364-Day NTB yield also decreased to 12.29% in May, from 14.37% in April. The average NIBOR closed in May higher than it closed in April. The 30-Day NIBOR closed at 13.15% in May, up from 12.91% in April. The average 90-Day and 180-Day NIBOR also increased to 14.50% and 15.96%, from 14.02% and 15.48% in April, respectively.



**Table 7: Market Liquidity (N'bn)**

	April 2018			May 2018		
	Total Inflow	Total Outflow	Net Flow	Total Inflow	Total Outflow	Net Flow
Primary Market: NTB	263	154	110	358	178	180
Open Market Operations & Rev Repo	1317	2025	(708)	1214	1807	(593)
Bond	0	90	(90)	316	50	266
FAAC	320	0	320	337	0	337
FX Market	0	381	(381)	0	413	(413)
CRR Debit/Credit	0	0	0	0	0	0
TSA Implementation	0	0	0	0	0	0
<b>Total</b>	<b>1,901</b>	<b>2,650</b>	<b>(749)</b>	<b>2,224</b>	<b>2,448</b>	<b>(224)</b>

Sources: Central Bank of Nigeria and Federal Ministry of Finance

**Table 8: Average Bond Yields**

	14.50% FGN JUL 2021	16.29% FGN MAR 2027	16.25% FGN APR 2037
April 2018	13.07%	13.29%	13.22%
May 2018	13.12%	13.31%	13.25%
<b>Change</b>	<b>0.05%</b>	<b>0.02%</b>	<b>0.03%</b>

Source: Financial Market Dealers Quotation

**Table 9: Average Interest Rate and Yields**

	NIBOR				Treasury Bill Yields		
	Call	30 Day	90 Day	180 Day	91-Day	182-Day	364-Day
April 2018	3.88%	12.91%	14.02%	15.48%	11.65%	13.16%	14.37%
May 2018	22.77%	13.15%	14.50%	15.96%	10.26%	11.17%	12.29%
<b>Change</b>	<b>18.89%</b>	<b>0.24%</b>	<b>0.48%</b>	<b>0.49%</b>	<b>(1.40%)</b>	<b>(1.99%)</b>	<b>(2.07%)</b>

Sources: CBN and FMDQ

## 2.1 Revised Outlook Going Forward:

A total inflow of about N1.79trn is expected to hit the money market from the various maturing government securities and FAAC in June 2018. We estimate a total outflow of approximately N781bn from the various sources, including government securities and statutory withdrawal, leading to a net inflow of about N1.01trn. FSDH Research expects the market to remain relatively liquid in June. This may necessitate the issuance of OMO to mop-up the liquidity in the system. We expect the inflation rate to drop below the current level. FSDH Research believes the yields on the NTBs may drop marginally from the current levels. However, the yields on the FGN Bonds may increase from the current levels as government begins the implementation of the 2018 budget. Consequently, yields on fixed income securities may trend marginally higher, except the yield on the NTBs.

*The yields on the FGN Bonds may increase from the current levels as government begins the implementation of the 2018 budget.*

The budget deficit in the 2018 Budget passed by the National Assembly in May 2018 is around N1.95trn. We estimate that about N1.05trn will be sourced from the domestic market through the FGN Bond market. This will place upward pressure on the yields on the FGN Bonds.

**Table 10: Expected Inflow and Outflow Analysis – June 2018 (N'bn)**

Date	07-Jun-18	14-Jun-18	21-Jun-18	28-Jun-18	Others	Total
Inflows	397.07	424.87	444.30	249.95	272.13	1,788.31
Outflows	198.54	-	222.15	75.00	285.00	780.69
Net Flows	<b>198.54</b>	<b>424.87</b>	<b>222.15</b>	<b>174.95</b>	<b>(12.88)</b>	<b>1,007.63</b>

Source: FSDH Research Analysis, \*Statutory Allocation (FAAC) and Cash Reserve Requirement (CRR) Debit

**Table 11: Revised Yields – Actual vs Forecast**

	Treasury Bills (Primary Market)			FGN Bonds (Secondary Market)		
	91-Day	182-Day	364-Day	Jul-21	Mar-27	Apr-37
JanA-18	12.72%	14.86%	16.33%	13.40%	13.43%	13.33%
FebA-18	12.26%	14.56%	15.73%	13.66%	13.72%	13.44%
MarA-18	12.21%	13.90%	15.16%	13.62%	13.64%	13.33%
AprA-18	11.65%	13.16%	14.36%	13.07%	13.29%	13.22%
MayA-18	10.26%	11.17%	12.29%	13.12%	13.31%	13.25%
JunF-18	10.22%	10.78%	11.90%	13.68%	13.87%	15.37%
JulF-18	9.61%	10.17%	11.49%	13.07%	13.36%	14.18%
AugF-18	9.13%	9.69%	11.01%	12.59%	12.88%	13.70%
SepF-18	8.95%	9.52%	10.84%	12.41%	12.70%	13.52%
OctF-18	8.71%	9.28%	10.60%	12.17%	12.47%	13.29%
NovF-18	8.50%	9.07%	10.39%	11.97%	12.26%	13.08%
DecF-18	8.81%	9.38%	10.70%	12.27%	12.57%	13.39%

Sources: CBN, FMDQ, and FSDH Research Forecasts



The following factors will influence yields on fixed income securities in June 2018:

- Government borrowing needs to fund the 2018 Budget deficit
- The FGN's strategy to issue longer-dated bonds against the short-dated securities
- Monetary policy normalisation in the advanced countries
- Issuance of OMO to mop-up liquidity from the banking system.

## 2.2 Strategy:

- The recent increase in the yield on the FGN bonds and Eurobonds is in line with our expectation and creates trading opportunities for investors.
- Investors may sell down a fraction of their bond investment portfolio to buy back later when the yield increases.
- Investors should take advantage of the current yields on one year Treasury Bills.

*The recent increase in the yield on the FGN bonds and Eurobonds creates trading opportunities for investors.*

**The average prices on the FGN Eurobonds were lower in May 2018 than in April.**

Consequently, the average yields on the bonds closed higher in the month of May than in April. This reflects increasing yield due to the monetary policy normalisation in advanced countries. The current yields on all the FGN Eurobonds are still lower than their respective coupons. The implication is that the prices may still drop further.

**Table 12: FGN Eurobonds**

Date	15-Year 7.875% FGN Eurobond February 2032		10-Year 6.75% FGN Eurobond January 2021		10-Year 6.375% FGN Eurobond July 2023		5-Year 5.125% FGN Eurobond July 2018		5-Year 5.625% FGN Eurobond June 2022	
	Price (US\$)	Yield	Price (US\$)	Yield	Price (US\$)	Yield	Price (US\$)	Yield	Price (US\$)	Yield
01-May-18	106.54	7.12%	105.08	4.74%	103.95	5.49%	100.25	3.74%	101.71	5.16%
02-May-18	105.16	7.27%	104.67	4.90%	103.19	5.66%	100.22	3.89%	101.25	5.28%
03-May-18	105.16	7.27%	104.58	4.93%	103.36	5.62%	100.19	4.02%	101.29	5.27%
04-May-18	105.02	7.29%	104.46	4.97%	103.18	5.66%	100.25	3.63%	101.21	5.29%
08-May-18	104.32	7.37%	104.21	5.07%	102.91	5.72%	100.25	3.59%	101.04	5.34%
09-May-18	103.44	7.47%	103.79	5.23%	102.40	5.83%	100.16	4.09%	100.67	5.44%
10-May-18	105.28	7.26%	104.09	5.11%	103.03	5.69%	100.22	3.68%	101.13	5.32%
11-May-18	105.99	7.18%	104.21	5.06%	103.29	5.63%	100.25	3.46%	101.29	5.27%
14-May-18	106.40	7.14%	104.33	5.01%	103.49	5.59%	100.19	3.82%	101.50	5.21%
15-May-18	105.42	7.24%	104.13	5.09%	103.23	5.64%	100.21	3.67%	101.21	5.29%
16-May-18	105.55	7.23%	104.13	5.09%	103.20	5.65%	100.16	4.00%	101.17	5.30%
17-May-18	105.31	7.26%	104.04	5.12%	103.12	5.67%	100.17	3.88%	101.13	5.31%
18-May-18	105.13	7.28%	103.96	5.15%	103.05	5.68%	100.21	3.53%	101.09	5.33%
21-May-18	104.42	7.36%	103.88	5.18%	102.83	5.73%	100.17	3.80%	100.88	5.38%
22-May-18	105.42	7.24%	103.96	5.14%	103.05	5.68%	100.17	3.77%	101.13	5.31%
23-May-18	105.65	7.22%	104.00	5.13%	103.13	5.66%	100.13	4.03%	101.04	5.34%
24-May-18	106.34	7.14%	104.09	5.09%	103.27	5.63%	100.17	3.63%	101.17	5.30%
25-May-18	107.00	7.07%	104.17	5.05%	103.53	5.57%	100.07	4.46%	101.41	5.23%
28-May-18	107.00	7.07%	104.17	5.05%	103.53	5.57%	100.07	4.46%	101.41	5.23%
29-May-18	106.21	7.16%	104.13	5.07%	103.53	5.57%	100.17	3.61%	101.49	5.21%
30-May-18	105.91	7.19%	104.03	5.11%	103.33	5.61%	100.03	4.73%	101.29	5.27%
31-May-18	105.21	7.27%	103.79	5.20%	102.85	5.72%	100.02	4.85%	100.92	5.37%

### 3.0 Equity Market:

#### 3.1 The Secondary Market:

The equity market depreciated for the fourth consecutive month in May 2018. The Nigerian Stock Exchange All Share Index (NSE ASI) depreciated by 7.67% (a loss of 7.75% in US\$) to close at 38,104.54 points. **Year-to-Date (YTD), the Index recorded a loss of 0.36%.** Similarly, the market capitalisation recorded a M-o-M loss of 7.67% (a loss of 7.75% in US\$) to close at N13.80trn (US\$45.11bn). **Some investors attribute the downward trend in the equity market to uncertainty ahead of the general election in Nigeria next year and the fact that some foreign investors are repatriating their maturing fixed income investments due to low yields.**

Market activities weakened for the fourth consecutive month in May. The volume of stocks traded decreased by 11.67% to 7.47bn in May from 8.46bn in April. Stanbic IBTC Holdings Plc (1.16bn), Zenith Bank Plc (718.53mn), GT Bank Plc (630.10mn), FCMB Plc (515.54mn), and UBA Plc (498.41mn) were the five most highly traded stocks in May. However, the value of stocks traded on The NSE in May increased by 49.97% to N159.13bn, from N106.11bn in April.

**All Sectoral Indices depreciated in May.** The NSE Consumer Goods and Banking Index recorded the highest M-o-M depreciation. The NSE Consumer Goods Index depreciated by 11.38% M-o-M, with a YTD depreciation of 8.76%. The loss recorded in the Consumer Goods Index was mainly attributed to the decrease in the share prices of Nigerian Breweries Plc (16.94%), International Breweries Plc (14.09%) and Nestle Nigeria Plc (7.91%). The NSE Banking Index recorded a M-o-M loss of 8.77%, with a YTD loss of 0.27%. The loss in the NSE Banking Index was mainly attributed to the decrease in the share prices of GT Bank Plc (10%), Zenith Bank Plc (7.10%) and UBA Plc (6.49%).

*The equity market depreciated for the fourth consecutive month in May 2018.*

*Year-to-Date (YTD), the Index recorded a loss of 0.36%.*

*All Sectoral Indices depreciated in May.*

**Table 13: Nigerian Equity Market: Key Indicators**

Month	Volume (bn)	Value (N'bn)	NSEASI	Market Cap. (N'trn)	Banking*	Insurance*	Consumer Goods*	Oil/Gas*	Industrial*
April	8.46	106.11	41,268.01	14.95	519.73	145.69	1,004.94	363.97	2,077.89
May	7.48	159.13	38,104.54	13.80	474.14	141.93	890.55	346.22	1,919.25
Change	(11.67%)	49.97%	(7.67%)	(7.67%)	(8.77%)	(2.58%)	(11.38%)	(4.88%)	(7.63%)
YTD			(0.36%)	1.42%	(0.27%)	1.84%	(8.76%)	4.70%	(2.85%)

Sources: NSE and FSDH Research. \* NSE Sectoral Indices

**Table 14: Major Earnings Announcements in May 2018**

Company and Result	Turnover (Nm)	Change	PBT (Nm)	Change	PAT (Nm)	Change
<b>FIDELITY BANK PLC</b>						
3 months, Mar. 2018	43,680	6.95%	4,982	2.74%	4,627	7.21%
<b>NESTLE NIGERIA PLC</b>						
3 months, March 2018	67,464	10.32%	13,640	(4.50%)	8,606	2.96%
<b>FBN HOLDINGS PLC (First Bank)</b>						
3 months, March 2018	138,866	(1.54%)	18,814	(4.45%)	14,766	(8.56%)
<b>GUINNESS NIG PLC</b>						
9 month, Mar. 2018	105,484	17.37%	7,892	420.24%	5,089	299.15%
<b>11 Plc (Formerly MOBIL OIL NIG PLC)</b>						
3 months, March 2018	45,076	79.10%	4,077	9307.50%	2,756	21005.55%
<b>CHAMPION BREWERIES</b>						
3 months, March 2018	1,129	2.07%	97	71.17%	67	70.30%
<b>STERLING BANK PLC</b>						
3 months, March 2018	39,766	39.27%	3,175	56.33%	3,100	65.25%
<b>U A C N PLC</b>						
3 months, March 2018	18,312	(24.90%)	974	3.00%	598	(1.22%)
<b>NIGERIAN AVIATION HANDLING COMPANY PLC</b>						
3 months, March 2018	2,189	22.54%	117	11,342.98%	98	9,409.36%
<b>BERGER PAINTS PLC</b>						
3 months, March 2018	834	5.79%	103	(20.68%)	70	(20.68%)
<b>CEMENT CO. OF NORTH NIG. PLC</b>						
3 months, March 2018	5,394	23.97%	1,505	119.66%	1,084	110.92%
<b>NASCON ALLIED INDUSTRIES</b>						
3 months, March 2018	6,768	4.75%	1,562	33.18%	1,062	33.18%
<b>PORTLAND PAINTS &amp; PRODUCTS NIGERIA PLC</b>						
3 months, March 2018	624	13.58%	35	159.98%	24	159.98%
<b>E-TRANZACT INTERNATIONAL PLC</b>						
3 months, March 2018	3,392	19.54%	91	(52.11%)	62	52.11%
<b>DIAMOND BANK PLC</b>						
3 months, March 2018	48,447	(2.01%)	1,253	(75.19%)	785	(81.70%)
<b>UNION BANK NIG. PLC</b>						
3 months, March 2018	39,466	15.03%	5,407	16.01%	5,288	17.02%

Source: NSE

**Table 15: Major Corporate Actions Announcements in May 2018**

Company	Result	DPS(N)	Closure Date	Payment Date	Interim/Final
LASACO ASSURANCE PLC	Full year, Dec. 2017	0.04	04-Jun-18	05-Jul-18	Final
Newrest ASL Nigeria Plc	Full Year Dec. 2017	0.18	12-Jun-18	28-Jun-18	Final
CEMENT CO. OF NORTH NIG. PLC	Full year, Dec. 2017	1.25	18-Jun-18	29-Jun-18	Final
N.E.M INSURANCE CO (NIG) PLC	Full year, Dec. 2017	0.10	04-Jun-18	20-Jun-18	Final
SMART PRODUCTS NIGERIA PLC	Full year, Dec. 2017	0.10	30-Jul-18	21-Sep-18	Final
MUTUAL BENEFITS ASSURANCE PLC	Full year, Dec. 2017	0.02	14-Jun-18	28-Jun-18	Final
CAP PLC	Full year, Dec 2017	2.05	28-May-18	19-Jun-18	Final

Source: NSE

Most of the equity markets across the globe recorded losses in the month of May.

Most of the equity markets across the globe recorded losses in the month of May. The Brazil Stock Market Index recorded the highest M-o-M loss of 10.87%, with a YTD appreciation of 0.46%. This is followed by the GSE Composite Index (Ghana) with M-o-M loss of 9.22%, with a YTD appreciation of 22.78%. The NASDAQ Composite Index recorded the highest M-o-M appreciation of 5.32%, with a YTD appreciation of 7.80% as at 31 May 2018. This is followed by the S&P 500 Index with a M-o-M gain of 2.16% and a YTD gain of 1.18%.

**Table 16: Foreign Equity Market Performance in May 2018**

North/Latin America	YTD Change	Month-on-Month Change
Dow Jones Industrial Average	(1.23%)	1.05%
S&P 500 Index	1.18%	2.16%
NASDAQ Composite	7.80%	5.32%
Brazil Stock Market Index	0.46%	(10.87%)
<b>Europe</b>		
Swiss Market Index	(9.86%)	(4.83%)
FTSE 100 Index (UK)	(0.12%)	2.10%
CAC 40 Index (France)	1.62%	(2.21%)
DAX Index (Germany)	(2.42%)	(0.06%)
SMSI Index (Madrid, Spain)	(5.51%)	(5.27%)
<b>Africa</b>		
NSE All-Share Index	(0.36%)	(7.67%)
FTSE/JSE Africa All Share Index	(5.62%)	(3.60%)
Nairobi All Share Index (Kenya)	0.78%	(3.90%)
GSE Composite Index (Ghana)	22.78%	(9.22%)
<b>Asia/Pacific</b>		
NIKKEI 225 Index (Japan)	(2.47%)	(1.18%)
S&P BSE SENSEX Index (India)	3.72%	0.46%
Shanghai Stock Exchange Composite Index (China)	(6.40%)	0.43%
Hang Seng Index (Hong Kong)	1.84%	(1.10%)

Sources: Bloomberg and Nigerian Stock Exchange (NSE)

*FSDH Research believes the equity market is approaching an oversold position. Thus, there may be a reversal of the current downward trend very soon.*

### 3.2. Outlook for the Month of June 2018:

**FSDH Research believes the equity market is approaching an oversold position. Thus, there may be a reversal of the current downward trend very soon as the economic environment continues to improve.** The following factors should drive the performance of the equity market:

- Stability in the foreign exchange market due to positive developments in the crude oil market
- Bargain-hunting investors taking advantage of current prices
- Strategic positioning ahead of HY1 2018 results
- Repositioning of portfolios as a result of the drop in yields on NTBs.

### 3.3. Strategies:

- Investors should take strategic positions in the stocks that pay interim dividends and have prospect for capital appreciation from current levels
- Some stocks in the consumer goods, building materials, petroleum marketing and banking sectors are attractive at their current prices.

Months	Year				
	2013	2014	2015	2016	2017
<b>May</b>	37,794.75	41,474.40	34,310.37	27,663.16	29,498.31
<b>June</b>	21,599.57	36,164.30	42,482.48	33,456.83	29,597.79
<b>% Change</b>	<b>(2.12%)</b>	<b>(4.31%)</b>	<b>2.43%</b>	<b>(2.49%)</b>	<b>6.99%</b>

Sources: The Nigerian Stock Exchange (NSE) and FSDH Research Analysis

*We expect the equity market to appreciate from current levels.*

The performance of the equity market in the last five years shows that the market recorded negative performances in 2013, 2014 and 2016; while it appreciated in 2015 and 2017. **Looking at the current development in the market, we expect the equity market to appreciate from current levels as investors position for HY1 2018 results and bargain hunt.**

Asset Class	Fund Allocation
Equities	30%
Fund Placement	10%
Treasury Bills	20%
Real Estate Investment Trust (REIT)	5%
Bonds	15%
Collective Investment Schemes	20%

*Source: FSDH Research*

Stocks	Max Entry Price	52 Week Low	52 Week High	Trailing EPS	Trailing PE Ratio	Target Price
Access Bank	11.25	8.86	13.45	2.13	5.09	13.69
Dangote Cement	238.50	195.60	278.00	12.94	17.62	290.00
Dangote Sugar	18.35	7.82	23.35	3.36	5.46	23.00
FBN Holdings	13.00	5.14	14.75	1.08	10.22	15.00
Flour Mills Nigeria	35.15	22.00	38.00	3.58	8.70	43.00
GT Bank	42.00	33.50	54.71	5.90	7.12	51.39
Seplat	740.00	350.00	785.00	138.57	5.34	937.50
Lafarge Africa Plc	42.00	33.10	63.00	0.00	-	52.00
Zenith Bank	27.05	19.99	33.51	5.97	4.53	33.00

*Source: FSDH Research*

S/N	Security Description	Tenor To Maturity (Yrs)	Coupon	Current Price (N)	Current Yield	Modified Duration
1	14.50% FGN JUL 2021	3.28	14.50%	102.50	13.51%	2.49
2	14.20% FGN MAR 2024	5.94	14.20%	103.20	13.40%	3.94
3	16.288% FGN MAR 2027	8.95	16.288%	113.75	13.58%	4.88
4	16.25% FGN APR 2037	19.04	16.25%	118.75	13.49%	6.24

*Source: FSDH Research. Prices and yields as at 04 April, 2018*

The prices of the Eurobonds of the following companies are trading at discounts to their face values: Diamond Bank, First Bank, and Ecobank offer attractive prices and yields. Investments in these securities may generate good returns for investors who have US Dollar holdings and can take the associated risks.

**Table 21: Attractive Fixed Income Securities Trading on the FMDQ as at 05 June, 2018**

Issuer	Description	Coupon	Maturity Date	TTM (Years) *	Current Yield	Price
<b>State Bonds</b>						
Lagos	14.50% LAGOS 22-NOV-2019	14.50%	22-Nov-19	1.47	14.51%	99.97
Lagos	13.50% LAGOS 27-NOV-2020	13.50%	27-Nov-20	2.48	14.19%	98.59
<b>Corporate Bonds</b>						
FCMB	15.00% FCMB 6-NOV-2020	15.00%	06-Nov-20	2.42	17.33%	95.51
Lafarge Africa Plc	14.25% LAFARGE 15-JUN-2019	14.25%	15-Jun-19	1.03	13.63%	100.57
NAHCO	15.25% NAHCO II 14-NOV-2020	15.25%	14-Nov-20	2.44	13.87%	102.75
Transcorp Hotels Plc	15.50% TRANSCORP 4-DEC-2020	15.50%	04-Dec-20	1.57	16.06%	99.26
Lafarge Africa Plc	14.75% LAFARGE 15-JUN-2021	14.75%	15-Jun-21	3.03	14.14%	101.47
FCMB	14.25% FCMB I 20-NOV-2021	14.25%	20-Nov-21	3.46	15.86%	95.85
UBA	16.45% UBA I 30-DEC-2021	16.45%	30-Dec-21	3.57	14.37%	105.61
Fidelity Bank	16.48% FIDELITY 13-MAY-2022	16.48%	13-May-22	3.94	14.41%	106.02
Transcorp Hotels	16.00% TRANSCORP 26-OCT-2022	16.00%	26-Oct-22	2.65	15.74%	100.48
Stanbic IBTC	182D T.Bills+1.20% STANBIC IA 30-SEP-2024	16.29%	30-Sep-24	6.32	14.39%	107.65
Stanbic IBTC	13.25% STANBIC IB 30-SEP-2024	13.25%	30-Sep-24	6.32	14.39%	95.32
<b>Supranational Bonds</b>						
AfDB	11.25% AFDB 1-FEB-2021	11.25%	01-Feb-21	1.41	13.09%	97.75
<b>Corporate Eurobonds</b>						
Zenith Bank Plc	6.25% APR 22, 2019	6.25%	22-Apr-19	-	6.23	100.01
Diamond Bank Plc	8.75% May 21, 2019	8.75%	21-May-19	-	9.20	99.59
First Bank Plc	8.25% AUG 07, 2020	8.25%	07-Aug-20	-	9.50	100.01
Access Bank Plc II	9.25%/6M USD LIBOR+7.677% JUN 24, 2021	9.25%	24-Jun-21	-	9.49	101.52
First Bank Ltd.	8.00%/2Y USD SWAP+6.488% JUL 23 2021	8.00%	23-Jul-21	-	9.16	98.90
Ecobank Nig. Ltd	8.75% AUG 14, 2021	8.75%	14-Aug-21	-	9.68	99.42
<b>Commercial Paper</b>						
Issuer	Description	Yields at Issue	Maturity Date	DTM (Years) **	Current Yield (%)	Discount Rate (%)
Wema Bank Plc	WEMA CP II 26-JUN-18	22.79%	26-Jun-18	21	16.71%	16.55%
Access Bank Plc	ACCESS CP XV 18-SEP -18	17.51%	18-Sep-18	105	13.68%	13.16%
Access Bank Plc	ACCESS CP XVII 27-AUG -18	16.05%	27-Aug-18	83	13.73%	13.32%

\*TTM – Tenor to Maturity; \*\* DTM – Day to Maturity  
Source: FMDQ



Table 22: Select Global Bonds Issue		
Country	Bond	TTM*
China	3.52% February 21, 2023	8
Egypt	17% April 03, 2022	7
India	8.15% June 11, 2022	7
Kenya	12.705% June 13, 2022	7
Nigeria	16.39% FGN January 2022	7
Russia	7.60% April 14, 2021	6
South Africa	7.75% February 28, 2023	8
United States	1.75% May 15, 2023	8
*TTM – Tenor to maturity Source: Bloomberg		

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