



The Market Today

Trouble brewing in 9mobile?

- According to media reports, Teleology Holdings Limited is seeking to exit its investment in 9mobile Nigeria Limited. We recall that two months ago, Teleology Holdings received approval from the NCC to take over the operations of 9mobile which had defaulted on a \$1.2 billion loan owed to a consortium of 13 Nigerian Banks. However, internal disputes and dissatisfaction have reportedly caused the founder of Teleology Holdings and former MTN Nigeria CEO, Mr. Adrian Wood to resign from the 9Mobile board. Whilst neither Teleology Holdings nor 9mobile have made official statements, it is unclear how this development would impact the debt restructuring talks and thus, we foresee some cautious sentiment around the lenders involved in the matter.

Constrained liquidity muffles trading in T-bills space

- The CBN conducted an OMO auction yesterday, selling ₦11 billion (offer: ₦60 billion) across the 107DTM, 170DTM and 317DTM bills at stop rates of 11.90%, 13.50% and 15.00% respectively (effective yields 12.33%, 14.41% and 17.70%). In spite of the mop up, the Interbank Call rate declined 83bps to settle at 25.00%.
- Trading in the treasury bills market remained mixed albeit with a negative tilt, with average yields advancing 8bps yesterday. Notably, whilst the yield on the 16DTM bill advanced 70bps to settle at 15.96%, the yield on the 100DTM bill declined 50bps to settle at 12.40%. Meanwhile, despite mostly quiet trading in the bond space, yields declined 3bps on average across benchmark bonds. Specifically, the yields on the 12.50% FGN JAN 2026 and 16.2884% FGN MAR 2027 bonds declined 15bps and 12bps respectively to close at 15.50% and 15.43%.
- Amid the CBN's tight monetary stance, we anticipate another OMO auction today and foresee further mixed trading in the FI space.

Latest Indicators	
Call rate	25.00 %'
Brent crude price	\$58.25
November Inflation	11.26%
MPR	14.00%
Q3'18 GDP Growth	1.80%
Gross External Reserves	\$43.04bn

Currency (USD/NGN)	08 Jan	07 Jan	Change
Spot	306.90	306.90	0.00
1 M	369.81	369.62	0.19
6 M	388.09	387.47	0.62
1 Y	414.76	414.24	0.52
Parallel Market*	359.50	359.50	0.00
NAFEX	365.87	365.68	0.19

*Quotes are mid-prices

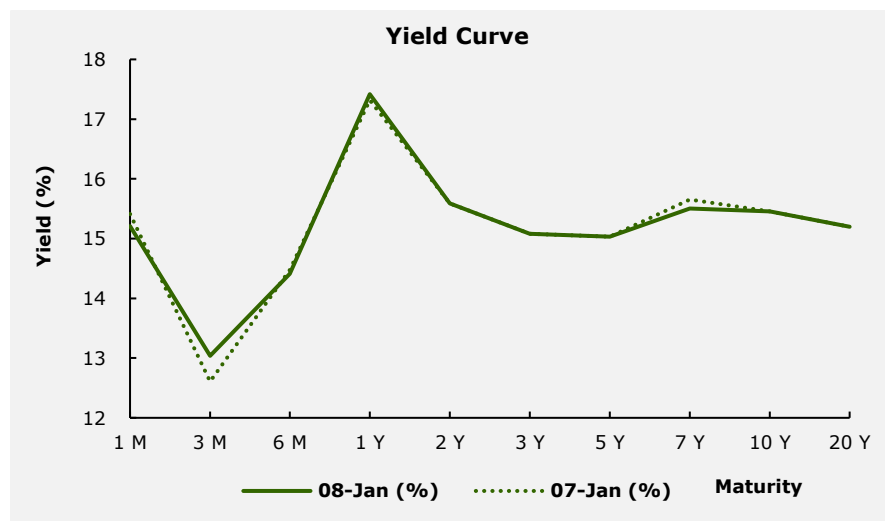
Treasury Bills	08 Jan (%)	07 Jan (%)	Change
1 M	15.21	15.41	-20bps
3 M	13.04	12.61	43bps
6 M	14.41	14.47	-6bps
1 Y	17.42	17.32	10bps

FGN Bonds - Domestic	08 Jan (%)	07 Jan (%)	Change
16.00% 29-JUN-2019	14.18	14.32	3bps
7.00% 23-OCT-2019	15.34	16.19	1bp
15.54% 13-FEB-2020	15.15	15.39	0bp
14.50% 15-JUL-2021	15.59	15.80	0bp
16.39% 27-JAN-2022	15.08	15.16	0bp
14.20% 14-MAR-2024	15.03	15.34	0bp
12.50% 22-JAN-2026	15.50	15.84	-15bps
16.2884% 17-MAR-2027	15.43	15.81	-12bps
15.00% 28-NOV-2028	15.47	15.83	0bp
12.49% 22-MAY-2029	15.47	15.82	0bp
8.50% 20-NOV-2029	15.48	15.82	0bp
8.50% 20-NOV-2030	15.49	15.82	0bp
12.1493% 18-JUL-2034	15.58	15.80	0bp
12.40% 18-MAR-2036	15.56	15.69	0bp
16.2499% 18-APR-2037	15.20	15.65	0bp

FGN Bonds - Eurobonds	08 Jan (%)	07 Jan (%)	Change
6.75% Jan 2021	5.92	5.86	6bps
5.625% Jun 2022	6.25	6.23	2bps
6.375% Jul 2023	6.85	6.83	2bps
6.50% Nov 2027	7.84	7.84	1bps
7.143% Feb 2030	8.31	8.29	3bps
7.875% Feb 2032	8.59	8.57	2bps
7.696% Feb 2038	8.64	8.61	3bps
7.625% Nov 2047	8.74	8.71	3bps

Corporates - Eurobonds	08 Jan (%)	07 Jan (%)	Change
DIAMOND BANK 8.75% May 2019	21.68	23.82	-214bps
ZENITH BANK 6.25% Apr 2019	6.26	6.26	0bp
FBNH PLC 8.00%/2Y USD SWAP+6.48% JUL 23 2021	9.10	9.05	5bps

Source: Bloomberg, FMDQ, Vetiva Research



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Vetiva Capital Management Limited

Lagos Office: Plot 266B Kofo Abayomi Street | Victoria Island | Lagos | Nigeria | +234-1-4617521-3
 Abuja Office: United Mortgage Limited | 62 Lobito Crescent, Wuse 2 | Abuja | +234-9-8700686

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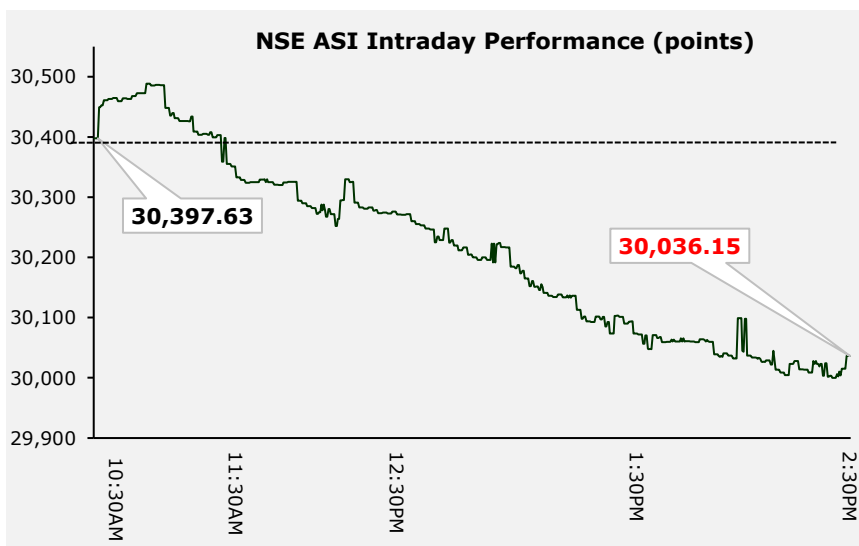


Bears persist as ASI declines further on weak trading

- Negative sentiment held sway in the market once again as the ASI closed 120bps down, dragged by three of four key sectors.
- This time, the Banking sector (-357bps) saw the largest decline, dragged by losses in heavyweights GUARANTY (-526bps) and ZENITHBANK (-469bps). Furthermore, the Oil & Gas (-145bps) and Consumer Goods (-47bps) sectors also declined as a result of losses in FO (-797bps), OANDO (-769bps), FLOURMILL (-863bps) and DANGFLOUR (-424bps). Finally, the Industrial Goods sector was the sole gainer, climbing 53bps on the back of gains in WAPCO (+308bps) and CCNN (+54bps).
- Market breadth remained negative with 14 advances and 26 declines.

Market Outlook

- As expected, investor sentiment has been weak ahead of the General elections. Thus, we expect further declines in the market today.
- **Stock Watch:** According to media reports, Teleology holdings seeks to exit its investment in telecoms giant, 9mobile following an internal dispute. 9Mobile remains indebted to several Nigerian Financial institutions and following this announcement, we foresee some negative sentiment on these banks, which include ACCESS, ZENITHBANK, GUARANTY and UBA.



Source: Bloomberg, Vetiva Research

Equity Market Indices			
	8-Jan	WtD	YtD
NSE ASI	-1.20%	-1.97%	-4.44%
NSE30	-1.42%	-2.29%	-4.93%
Banking	-3.57%	-4.48%	-7.33%
Cons. Goods	-0.47%	-2.73%	-5.07%
Ind. Goods	0.53%	0.58%	-3.92%
Oil & Gas	-1.45%	-2.17%	-2.94%

Market trade			
	8-Jan	7-Jan	30-day Avg.
Volume ('mil units)	216	223	324
Value (₦'mil)	2,669	3,340	2,928

Top 5 trades by volume		Volume
AIICO		82,723,443
DIAMONDBNK		71,101,635
ZENITHBANK		26,313,353
ACCESS		23,795,112
TRANSCORP		13,940,930

Top 5 trades by value		(₦)
ZENITHBANK		574,338,546
ACCESS		140,221,753
GUARANTY		139,023,553
DIAMONDBNK		131,196,271
#N/A		67,430,850

Top gainers			d/d change	Price (₦)
UPL			8.63%	2.14
LIVESTOCK			6.12%	0.52
SOVRENINS			5.00%	0.21
OKOMUOIL			4.99%	80.00
GUARANTY			1.67%	33.50

Top losers			d/d change	Price (₦)
DIAMONDBNK			-10.00%	1.80
BOCGAS			-9.98%	3.79
VITAFOAM			-9.82%	4.50
DANGFLOUR			-9.77%	6.00
UAC-PROP			-9.38%	1.74

Foreign Listings				Close	Change	Value (₦)
DIAMONDBNK GDR (USD)			3.40	0.07%	12.40	
GUARANTY GDR (USD)			5.20	7.07%	37.94	
ZENITHBANK GDR (USD)			2.90	0.07%	21.16	
OANDO JSE (ZAR)			0.25	-0.30%	6.56	
SEPLAT LSE (GBP)			1.15	0.32%	533.55	

	USDNGN	GBPNGN	ZARNGN
Exchange rate applied	364.79	465.98	26.24

Source: Bloomberg, Vetiva Research



Corporate Disclosures

- The Board of Directors of United Bank for Africa Plc has notified the Nigerian Stock Exchange and investing public that its closed period will commence on 7 January 2019 until 24 hours after the release of the Audited Report and Financial Statements for period ended 31 December 2018. The Board is scheduled to meet in Lagos on Monday, January 28, 2019 to consider the Financial Statements as well as recommendation for payment of final dividend.
- The Board of Directors of Zenith Bank Plc has notified the Nigerian Stock Exchange and investing public that the Board is scheduled to meet in on Friday, January 18, 2019 to consider the Group's Financial Statements for the year ended December 31, 2018 as well as recommendation for payment of final dividend.
- The Board of Directors of African Alliance Insurance Plc has notified its esteemed shareholders, other stakeholders and the investing public of the filling of the Company's Audited Financial Statements for the year ended December 31, 2017 together with Unaudited Financial Statements for Q1, Q2 and Q3 due to a delay in approval from National Insurance Commission (NAICOM).
- The Board of Directors of Sterling Bank has notified the general public that the Banks's Identity will be refreshed on January 7, 2019. The evolution of identity from "aiming for the moon" to "The Rising Sun" is to align the brand with the current strategic positioning of the Bank.



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