



HOW WOULD RECENT EVENTS AFFECT  
YOUR FINANCIAL INVESTMENTS?

FIND ANSWERS ON THE  
ARM WEEKLY ECONOMIC  
& FINANCIAL COMMENTARY

## **Weekly Economic & Financial Commentary**

...for the week 30th July – 3rd August 2018

## Summary

### *Global Economy*

- ◆ In the United Kingdom, the Bank of England (BoE) raised its benchmark rate by +25bps to 0.75% with the committee unanimously voting for a hike. For context, despite the weather-induced frail economic growth in Q1 18, the committee slowly continued its rate normalization as stronger labour market and sturdy wage growth continued to put upward pressure on consumer prices. The committee guided to two rate hikes in 2019 & 2020 respectively with the downside risk being failure of U.K to secure Brexit deal at the target date of March 2019. In the United States, the labour market posted another impressive number in July as 157,000 new jobs were added in the period. Meanwhile, unemployment rate fell to nearly two decades low of 3.9% (June: 4.0%).

### *Domestic Economy*

- ◆ Latest PMI reading by the Central Bank of Nigeria (CBN) showed that economic impetus in Nigeria increased pace in the month of July with both the manufacturing (56.8 points) and non-manufacturing (57.7 points) PMI recording an expansion. However, the Manufacturing PMI grew at a slower rate of 56.8 index points compared to an expansion of 57.0 in June. Of all 14 subsectors, all reported growth save the Plastics & Rubber products subsector. On the other hand, Non-Manufacturing PMI printed at 57.7 points higher than an expansion of 57.5 points in June.

### *Equities*

- ◆ The Nigerian equity market closed on a bearish note this week with the index shedding 0.37% WoW to close the week at 36,499.67pts. The negative performance was driven by sell pressures in Dangote Sugar (-3.03%), Dangote Cement (-2.14%), Nigerian Breweries (-0.96%) and Access Bank (-0.50%) which masked gains in Seplat (+13.6%), Guaranty Bank (+1.14%) and Zenith bank (+0.63%). Parsing through the reading on a sectorial basis, the sectors closed mixed with the Banking, Food, Oil & Gas and Real Estate closing in the green while Brewers, Personal Care, Cement, and Insurance sectors closed in the red. Additionally, Notore Chemical Industries (Notore) undertook a listing by introduction of its entire ordinary shares – 1.61 billion at a per share price of ₦62.50

### *Fixed Income*

- ◆ Yields in the fixed income market dipped 11bps WoW to 13.07%. This was largely driven by bullish trend at both ends of the curve. Specifically, following pent up liquidity in the system prior to the OMO auction on Thursday—when CBN mopped up ₦393 billion—yields fell 35bps to 12.83% on Wednesday but crept back up to end today's close at 13.07%. Consequently, average yields dipped 18bps and 4bps to 12.31% and 12.84% at the short and long end respectively.

## The week in Review

- ◆ In the United Kingdom, the Bank of England (BoE) raised its benchmark rate by +25bps to 0.75% with the committee unanimously voting for a hike. For context, despite the weather-induced frail economic growth in Q1 18, the committee slowly continued its rate normalization as stronger labour market and sturdy wage growth continued to put upward pressure on consumer prices.

- ◆ The committee guided to two rate hikes in 2019 & 2020 respectively with the downside risk being failure of U.K to secure Brexit deal at the target date of March 2019. In the U.S, the labour market posted another impressive number in July as 157,000 new jobs were added in the period. Meanwhile, unemployment rate fell to nearly two decades low of 3.9% (June: 4.0%).

## Global Equities

Country	Index	Index Returns (% Index Characteristics)						
		Level (in \$)	WoW (%)	YTD (%)	52-Wk (%)	P/E (x)	Mkt. Cap (\$'bn)	Div. Yld (%)

US	S&P 500	2,831	0.4	5.9	14.5	20.7		1.9
	NASDAQ	7,794	0.7	12.9	22.9	58.0	11,858.4	1.0
UK	FTSE ASI	7,659	-0.5	-0.4	2.5	13.2		4.3
France	CAC 40	5,479	-0.6	3.1	6.8	16.9	1,023.2	3.2
Germany	XETRA DAX	12,616	-1.9	-2.3	3.8	14.0		3.2
Japan	NIKKEI 25	22,525	-0.8	-1.1	12.5	16.7	5.5	1.9
China	Shanghai Comp	2,740	-4.6	-17.1	-16.3	13.3	4,264.5	2.8
Brazil	Ibovespa	81,417	1.9	6.6	21.9	20.5	35.5	3.7
India	BSE Sens	37,556	0.6	10.3	16.5	24.4	535.5	1.5
Russia	RTS	607	-0.3	0.5	15.0	6.3	2.9	6.5
Mexico	S&P/BMV IPC	49,350	-0.6	0.0	-3.8	21.6		2.2
Turkey	Borsa Istanbul	95,610	0.0	-17.1	-10.8	7.5	0.4	4.5
Indonesia	JCI Index	6,008	0.3	-5.5	3.9	22.2	462.0	2.3
Kazakhstan	KASE Index	2,275	-4.1	5.2	26.0	7.6	1.1	N/A/N/A
Vietnam	VN Index	960	2.6	-2.5	21.7	17.1	128.1	1.5
South Africa	FTSE/JSE ASI	57,118	-0.1	-4.0	2.6	17.6		3.4
Egypt	EGX 30	15,806	0.0	5.2	17.8	10.5	11.7	170.9
Kenya	NSEASI	171	-0.8	0.0	7.7	14.1	24.0	4.5
Morocco	MSCI MX	318	0.1	-5.6	-5.9	19.3	9.4	3.7
Ghana	GSE Composite	2,859	0.1	10.8	26.8	32.7	4.5	0.9
Tunisia	TunIndex	8,380	0.9	33.4	35.8	21.9	0.8	1.8
BRVM	BRVM	210	-1.5	-13.5	-16.0	24.9	25.6	1.6
Mauritius	SEMDEX	2,241	-0.7	1.8	3.0	19.1	9.3	
Nigeria	NGSE ASI	36,500	-0.37	-4.56	-1.71	10.6	36.3	4.9

## Global Fixed Income

	1-Yr Tenor	WoW (pps)	10-yr Tenor	WoW (pps)	Inflation (%)
US	2.41		2.96	0.0	2.9
UK	0.70	0.0	1.33	-0.4	2.4
Euro	-0.25	4.0	0.93	1.8	2.1
Japan	-0.13	0.0	0.09	-0.1	0.8
China	2.68	-4.1	3.29	-2.1	1.9
India	7.25	0.3	7.76	-0.2	3.93
Mexico	8.06	-1.1	7.69	0.2	4.65
Turkey	22.06	-6.4	18.35	-4.8	15.85
Russia	7.12	0.5	3.91	-0.2	2.3
Egypt	18.67	0.5	16.00	12.8	14.4
South Africa	7.86	0.1	9.09	-0.9	4.6
Kenya	10.01	-0.8	12.91	0.0	4.4
Ghana	14.50	0.0	19.00	0.0	9.97
Nigeria	11.30	-1.7	14.17	-0.1	11.2

## Global Commodities

		This Week	Prior Week	WoW (%)	YTD (%)
Brent Crude	\$/bbl	73.0	74.3	-1.7	9.2
OPEC Crude	\$/bbl	71.6	73.6	-2.8	11.1
Gasoline	\$/gal	207.0	211.3	-2.0	7.9
Natural Gas	\$/MBtu	2.9	2.8	2.7	2.4
Gold	\$/t oz	1217.0	1224.2	-0.6	-6.6
Sugar	\$/lb	11.0	10.9	0.8	-27.9
Wheat	\$/bsh	583.0	550.0	6.0	21.0
Crude Palm oil	IYR/MT	2196.0	2186.0	0.0	

## Global Currencies

	This Week	Prior Week	WoW (%)	YTD (%)
Euro (€)	1.2	1.2	-0.5	-3.4
GBP (£)	1.3	1.3	-0.7	-3.7
JPY (¥)	111.2	111.1	-0.1	1.3
INR (₹)	68.6	68.7	0.1	-6.9
CNY (¥)	6.8	6.8	-0.2	-4.7
MXN (\$)	18.6	18.6	0.3	5.8
RUB (p.)	63.2	62.7	-0.8	-8.8
ZAR (R)	63.2	62.7	-0.8	-8.8
EGP (£)	17.9	17.9	0.1	-0.6
KES (sh)	100.4	100.4	0.0	2.8
GHS (¢)	17.9	17.9	0.1	-0.6
XOF (F)	573.1	569.0	-0.7	-1.5
XAF (F)	578.7	575.1	-0.6	-3.5
NGN (₦)	362.3	362.3	0.0	-0.6

## Global Indicators for the Week

	Latest	Prior
Japan's Unemployment rate - June	2.4%	2.2%
BoJ Interest Rate Decision	-0.1%	-0.1%
China Caixin Manufacturing PMI	50.8	51.0
BoE Interest Rate Decision	0.75%	0.50%
Caixin China Services PMI - July	52.8	53.9
US Trade Balance - June (\$'billion)	(46.50)	(43.10)
US Unemployment Rate - July	3.9%	4.0%

Source: Bloomberg, Reuters, ARM Research

Last updated at 17:26 GMT

### The week in Review

- Latest PMI reading by the Central Bank of Nigeria (CBN) showed that economic impetus in Nigeria increased pace in the month of July with both the manufacturing (56.8 points) and non-manufacturing (57.7 points) PMI recording an expansion. However, the Manufacturing PMI grew at a slower rate of 56.8 index points compared to an expansion of 57.0 in June.

- Of all 14 subsectors, all reported growth save the Plastics & Rubber products subsector. On the other hand, Non-Manufacturing PMI printed at 57.7 points higher than an expansion of 57.5 points in June.

Currency	This Week	Prior Week	WoW (%)	YTD (%)	Report released this week (Click Link below for Full report)
External Reserve (\$'bn)	47.07	47.16	-0.20%	21.42%	* Lafarge Africa Plc Q2 18 - Remain Cautious on Near-Term Headwinds
USD/NGN (₦/\$)					* Initial View: Flour Mills of Nigeria Plc FQ1 19 - Weaker earnings despite lower finance expense
NAFEX	362.7	362.28	-0.11%	0.65%	* Initial View: Nestle Nigeria Plc- Impressive Earnings Performance
Parallel	358.5	358.5	0.00%	0.00%	* Initial View: Presco Plc - Lower CPO prices submerge earnings
Economic Snapshot	Latest (%)	Prior	CHG (pps)	2018 Avg.	* Initial View: FBN Holdings Plc - Earnings Recovery on Track
Inflation YoY (June)			CHG (pps)		* Initial View: FCMB Group Plc - Strong Set of H1 Results
Headline	11.23	11.61	-0.4	13.02	* Initial View: Seplat Plc - Higher downtime in Q2 offset by lower finance charge
Core	10.39	10.71	-0.3	11.17	* NSR H2 2018 Excerpts - Fixed Income: Have Yields hit the bottom?
Food	12.98	13.45	-0.5	15.63	* NSR H2 2018 Excerpts - Monetary Policy: A classic catch-22, where will the balance tilt?
GDP (%) - YoY	Q1 18	Q4 17	FY 17	FY18F	* NSR H2 2018 Excerpts - Nigerian Inflation: Approaching an Inflection Point
Real GDP	1.9	2.1	0.8	2.4	
Oil	14.8	11.2	5.5	8.8	News Headline for the week (click news for link)
Agriculture	3.0	4.2	3.4	3.3	* External reserves lost \$669m in July — CBN
Manufacturing	3.4	0.1	-0.2	2.6	* Expedite action on minimum wage bill, labour tells FG
Services	0.5	-0.8	-0.8	1.3	* Notore's Listing Boosts NSE Market Capitalisation by N101bn
Labour Data (%) - Q3 17			Latest	Prior	* Nigeria's internet users by .3m in June, NCC says
Unemployment Rate			18.8	16.2	* CBN's PMI shows manufacturing expanding
Underemployment			21.2	21.1	* \$210m forex injection lifts naira
Capital Importation (\$'mn) - Q1 18	Q1 18	Q4 17	QoQ (%)	YoY (%)	* Pension fund assets hit N8.14tn — PenCom
Foreign Portfolio Investment - Equities	701.61	989.2	-29.1%	588	* 2019: INEC budgets N1.8bn for possible presidential run-off
Bonds	335.88	309.5	8.5%	N/A	* FAAC crisis: Buhari directs new template on revenue remittance
Money Market	3527.6	2,178.8	61.9%	1567	
Foreign Direct Investment	246.62	378.4	-34.8%	16.7	
Balance of Payment (\$'mn)	Q1 18	Q4 17	Q3 17	QoQ	
Trade Balance	6,042	5,009	3,032	20.6%	
CA Balance	4,468	3,656	1,974	22.2%	

Source: CBN, NBS, FMDQ, Aboki FX, ARM Research

### The week in Review

- The Nigerian equity market closed on a bearish note this week with the index shedding 0.37% WoW to close the week at 36,499.67pts. The negative performance was driven by sell pressures in Dangote Sugar (-3.03%), Dangote Cement (-2.14%), Nigerian Breweries (-0.96%) and Access Bank (-0.50%) which masked gains in Seplat (+13.6%), Guaranty Bank (+1.14%) and Zenith bank (+0.63%).

- Parsing through the reading on a sectorial basis, the sectors closed mixed with the Banking, Food, Oil & Gas and Real Estate closing in the green while Brewers, Cement, Personal Care, Cement, and Insurance sectors closed in the red.

### Index Performance

	Level	Index Returns (%)				
		WoW	MTD	QTD	YTD	1 year
NSE ASI	36499.67	-0.37	-1.40	-4.65	-4.56	-1.71
NSE ASI (\$)	101.26	-0.37	-0.86	-0.04	-0.05	0.00
Market Cap (₦'bn)	13391.54	0.09	-0.14	-0.03	-0.02	0.05
Market Cap (\$'mn)	36961.56	0.01	-0.11	-0.04	-0.02	0.06
NSE 30	1643.87	0.10	-1.28	-5.47	-5.89	-2.41
NSE Premium	2644.37	-0.57	-0.91	-2.80	3.13	2.03
NSE 50	1883.15	-0.18	-1.12	-4.78	-3.43	0.92
NSE ASEM	809.92	-0.06	0.00	-14.71	-25.51	-30.29
NSE Banking	461.68	0.83	0.79	-3.02	-2.89	1.37
NSE Insurance	145.30	-0.97	-1.61	-3.42	4.25	2.21
NSE Consumer	848.13	-1.01	-3.69	-8.58	-13.11	-3.64
NSE Oil & Gas	317.70	6.76	0.47	-1.71	-3.93	-2.04
NSE Industrial	1773.21	-0.53	-0.41	-11.72	-10.24	-20.70
NSE Lotus	2503.92	-0.91	-1.38	-4.67	-2.21	9.38
NSE Pensions	1363.91	-0.88	-1.82	-8.47	-1.15	8.56

### Top 10 Gainers

Company	This Week	WoW
FO	0.30	50.0%
NEM	5.60	15.5%
FBNHNestle	0.30	15.4%
Intercontinental Wapic	0.31	14.8%
Seplat	16.70	11.3%
Unity Kapital	3.60	10.8%
Aiico	7.20	9.9%
Consolidated Hallmark	2.25	9.8%
Honeywell Flour	21.95	9.7%
JohnHolt	1.70	9.7%

### Top 10 Losers

Company	This Week	WoW
MC Nichols PLC	0.72	-18.5%
Secure Elect	0.36	-18.2%
Red Star	5.45	-12.1%
Conoil	24.30	-10.0%
Pharma-Deko	1.98	-10.0%
Royal Exchange	0.27	-10.0%
Cap Plc	31.50	-10.0%
Transcorp Hotels	6.75	-9.4%
Deal Capital Mgt	0.44	-8.3%
PZ	14.00	-7.6%

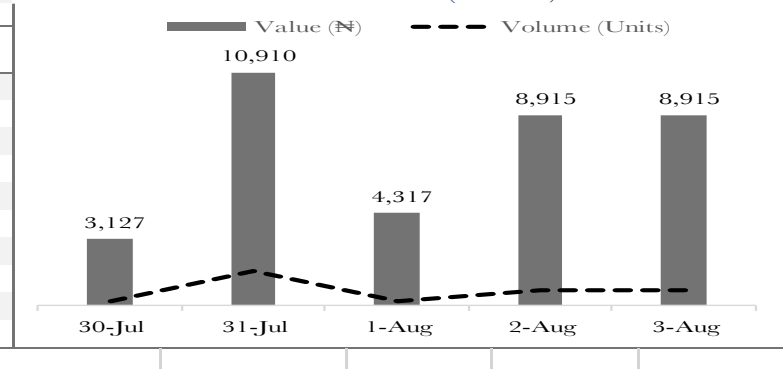
### Sector Performance

	Returns (%)		
	WoW	QTD	YTD
Banking	2.56%	-2.82%	1.98%
Brewers	-3.75%	-12.19%	-24.58%
Cement	-1.58%	-1.17%	-1.67%
Personal Care	-1.38%	-9.49%	4.56%
Construction	1.71%	-5.67%	-6.72%
Food	4.14%	-4.07%	-3.93%
Insurance	0.80%	-0.30%	2.10%
Oil & Gas	2.93%	-11.06%	-15.04%
Real Estate	0.42%	-0.59%	-3.18%

### ARM Indices

	WoW	QTD	YTD
Large Cap (Top 10%)	0.79%	-2.96%	-2.91%
Mid Cap (Mid 30%)	0.04%	-8.35%	-5.51%
Small Cap (Bottom 60%)	9.04%	39.90%	-41.71%

### Volume and Value Traded (millions)



Source: NSE, Bloomberg, ARM Research



### The week in Review

- Yields in the fixed income market dipped 11bps WoW to 13.07%. This was largely driven by bullish trend at both ends of the curve. Specifically, following pent up liquidity in the system prior to the OMO auction on Thursday—when CBN mopped up ₦393 billion—yields fell 35bps to 12.83% on Wednesday but crept back up to end today's close at 13.07%.

- Consequently, average yields dipped 18bps and 4bps to 12.31% and 12.84% at the short and long end respectively.

	This Week	Prior Week	WoW change	Primary Market Auction (Rates)	91 Days	250 Days	364 Days	Issuance (N'billion)	91 Days	250 Days	364 Days
<b>Money Market</b>				<b>OMO</b>				<b>OMO</b>			
Overnight (O/N)	15.67%	15.67%	0.00%	02-Aug-18	11.05%	12.15%		02-Aug-18	59.000	304.0	0.0
Open Buy Back (OBB)	15.00%	15.00%	0.00%	26-Jul-18	11.05%	12.15%		26-Jul-18	73.700	275.0	0.0
NIBOR - 1M	18.00%	18.00%	0.00%	19-Jul-18	11.05%	12.15%		19-Jul-18	60.770	435.5	0.0
NIBOR - 3M	18.22%	18.22%	0.00%	13-Jul-18	11.05%	12.15%		13-Jul-18	0.013	315.3	0.0
NIBOR - 6M	18.58%	18.58%	0.00%	25-Jun-18	11.05%	12.15%		25-Jun-18	3.720	133.6	0.0
<b>Treasury Bills</b>				<b>Treasury Bills</b>	<b>91 Day</b>	<b>182 Day</b>	<b>364 Day</b>	<b>Treasury Bills</b>	<b>91 Day</b>	<b>182 Day</b>	<b>364 Day</b>
1-month	10.18%	10.89%	-0.71%	01-Aug-18	10.00%	10.40%	11.30%	01-Aug-18	9.5	69.6	238.8
3-month	10.94%	11.04%	-0.10%	18-Jul-18	10.00%	10.50%	11.49%	18-Jul-18	5.8	26.6	74.6
6-month	12.43%	12.30%	0.13%	04-Jul-18	10.00%	10.30%	11.50%	04-Jul-18	9.50	33.9	58.9
9-month	12.93%	13.29%	-0.36%	20-Jun-18	10.00%	10.30%	11.50%	20-Jun-18	3.4	16.9	13.5
12-month	12.54%	12.41%	0.13%	13-Jun-18	10.20%	10.50%	11.50%	13-Jun-18	9.5	47.7	38.2
<b>FGN Bonds (Local)</b>				<b>FGN Bonds</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>	<b>FGN Bonds</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>
16.00% 29-JUN-2019	12.64%	12.47%	0.17%	27-Jul-18	13.69%	14.00%	14.30%	27-Jul-18	8.9	11.6	46.4
15.54% 13-FEB-2020	13.31%	13.67%	-0.36%	29-Jun-18	13.50%	13.80%	13.81%	29-Jun-18	8.8	7.9	21.0
14.50% 15-JUL-2021	13.68%	13.56%	0.12%	23-May-18	13.50%	13.50%	13.55%	25-Apr-18	38.3	12.8	39.0
16.39% 27-JAN-2022	13.77%	13.74%	0.03%	25-Apr-18	12.75%	12.85%	12.89%	23-Mar-18	100.5	89.1	45.1
14.20% 14-MAR-2024	13.74%	13.85%	-0.11%	23-Mar-18	13.40%	13.53%	13.60%	23-Feb-18	27.2	0.0	52.4
12.50% 22-JAN-2026	14.14%	14.11%	0.03%	<b>Corporate Bonds</b>			<b>This Week</b>	<b>Corporate Eurobond</b>			<b>This Week</b>
16.2884% 17-MAR-2027	14.02%	14.01%	0.01%	DUFIL   18.25%   1-SEP-2022	15.54%	15.55%	-0.01%	ZENITH   6.25%   22-APR-2019	5.15%	5.23%	-0.08%
12.1493% 18-JUL-2034	14.22%	14.12%	0.10%	FCMB   17.25%   8-DEC-2023	15.10%	15.20%	-0.10%	DIAMOND   8.75%   21-MAY-2019	9.12%	9.44%	-0.32%
16.2499% 18-APR-2037	14.18%	14.16%	0.02%	FIDELITY   16.48%   13-MAY-2022	14.77%	14.76%	0.01%	FBN   8.25%   07-AUG-2020	8.00%	23.66%	-15.66%
<b>FGN Eurobonds</b>				LAP0 MFB   17.75%   19-DEC-2022	17.46%	17.49%	-0.03%	ECOBANK   8.75%   14-AUG-2021	9.84%	9.78%	0.06%
6.50% 28-Nov-2027	7.04%	7.13%	-0.09%	MIXTA   17.00%   16-JAN-2022	14.53%	14.71%	-0.18%	ACCESS   10.50%   19-OCT-2021	8.11%	8.72%	-0.61%
7.625% 28-Nov-2047	8.19%	8.09%	0.10%	STANBIC   13.25%   30-SEP-2024	14.86%	14.93%	-0.07%	ZENITH   7.375%   30-MAY-2022	7.12%	7.21%	-0.09%
7.875% 16-FEB-2032	7.72%	7.66%	0.06%	STERLING   16.50%   3-AUG-2023	14.77%	14.84%	-0.07%				
5.625% 27-JUN-2022	5.74%	5.63%	0.11%	UBA   16.45%   30-DEC-2021	14.75%	14.74%	0.01%				
				VIATHAN   16.00%   14-DEC-2027	14.91%	14.96%	-0.05%				

Source: DMO, FMDQ, Bloomberg, ARM Research

## Economic and Financial Calendar for the week 6th August - 10th August 2018

	Monday	Tuesday	Wednesday	Thursday	Friday
	6-Aug	7-Aug	8-Aug	9-Aug	10-Aug
Global	U.K 30-yr Bond Auction	Japan's Labour Cash Earnings (YoY) - June	Australia's Consumer Confidence - August	China's Inflation (YoY) - August	EU Industrial Output (MoM) - June
	U.S 3 and 6 month Bill Auction	China's Foreign Reserves (MoM) - July	China's Trade Balance (YoY) - July	Switzerland's Unemployment (MoM) - July	U.K Gross Domestic Product (QoQ) - Q2 2018
	Australia's Construction Index - July	Australia's Interest Rate Decision	New Zealand's Interest Decision	Japan's Gross Domestic Product (QoQ) - Q2	U.K Industrial Production (MoM) - June
	Japan's Household Spending (YoY) - July	France's Current Account Balance - June	Foreign Investment in Japan - July	U.S Producer Price Index (MoM) - July	U.K Trade Balance (YoY) - June
	Japan's Foreign Reserves - June	Japan's Trade Balance - June	EIA Crude Oil Stocks Change	Australia's Business PMI - July	U.S Inflation (YoY) - July
		Canada's Purchasing Manager's Index - July	Spain's Industrial Output (YoY) - July	Canada's New Housing Price Index - June	Canada Unemployment rate (YoY) - July
Domestic				Telecoms Data: Active Voice & Internet - Q2 18	

## New Addition to NSE (NOTORE CHEMICAL INDUSTRY PLC)

Yesterday, Notore Chemical Industries (Notore) undertook a listing by introduction of its entire ordinary shares – 1.61 billion at a per share price of ₦62.50 – on the Nigerian Stock Exchange to promote better liquidity of its ordinary shares in the secondary market and have access to long term capital from a wide range of local and international investors when required. Notore is an agro-allied and chemical business engaged in the production and sale of fertilizer products. The company currently has five subsidiaries namely Notore Power, Notore Supply and Trading, Notore Industrial City, Notore Seeds. The last subsidiary, Notore foods is currently in incubation.

**Table 1: Historical Financials for the period ended 30th September**

	2014	2015	2016	2017
<b>Income statement</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Revenue</b>	<b>16,571,954</b>	<b>16,276,760</b>	<b>25,201,505</b>	<b>35,893,598</b>
Gross profit	(341,821)	667,596	6,924,703	10,432,160
<b>Operating profit/loss</b>	<b>(6,002,033)</b>	<b>(4,631,382)</b>	<b>2,407,742</b>	<b>6,942,700</b>
Net finance cost	5,651,725	8,083,239	14,243,348	9,090,835
Profit/loss	(11,653,758)	(12,714,621)	(12,016,862)	8,652,434
<b>Key balance sheet items</b>				
Cash and bank balances	654,134	490,111	254,377	1,039,087
Borrowings	59,848,509	64,921,906	69,945,959	72,989,892

Source: NSE, ARM Research





Thank You



<b>ARM Securities</b>		
Research	234 (1) 2701653	research@armsecurities.com.ng
Institutional Sales & Trading	234 (1) 448 8833	trading@armsecurities.com.ng
Customer Service	234 (1) 4488282	customerservice@armsecurities.com.ng

Copyright © 2018 ARM Securities Limited (“ARM”).

All rights reserved. Unauthorised use, reproduction, distribution, or disclosure of this document is strictly prohibited.

This material has been issued by ARM Securities Limited, a member of the Asset & Resource Management (“ARM”) Group, and a Company regulated by the Nigerian Securities & Exchange Commission. The analyst(s) primarily responsible for preparing this research report, in whole or in part, certifies that with respect to each security or issuer covered; all the views expressed accurately reflect his/her personal views about the subject securities and issuers and no part of his/her compensation was, is, or will be, directly or indirectly, related to the inclusion of specific recommendations or views in the report.

This research report is based on information from sources that ARM and its analysts believe to be reliable. Neither ARM nor any of its research analysts, nor any member of the ARM Group, gives any representation or warranty, express or implied, or undertaking of any kind or assumes responsibility or liability of any kind with respect to the accuracy or completeness of the information set out in this report or any third party’s use (or the results of such use) of such information. This report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, or endorsements of any kind whatsoever. The investments and strategies discussed here may not be suitable for all investors; counsel of investment advisor should be obtained with regards to such investments and or strategies. This research report is not a replacement for advice from an accountant, lawyer, personal finance advisor or other category of investment advisor. The investments discussed in this report may oscillate in price or value. Opinions and information provided are made as of the date of the report issue and are subject to change without notice. This research report is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Reference herein to any specific security or financial instrument does not necessarily constitute or imply its endorsement or recommendation by ARM, its directors, officers, employees, or designated agents. Members of ARM may act as broker, advisor, or lender, or make a market in any investments or issuers referenced in this report. Further information on any of the securities discussed herein may be obtained upon request to ARM. By accepting this document, you agree to be bound by the foregoing limitations.