



HOW WOULD RECENT EVENTS AFFECT  
YOUR FINANCIAL INVESTMENTS?

FIND ANSWERS ON THE  
ARM WEEKLY ECONOMIC  
& FINANCIAL COMMENTARY

## **Weekly Economic & Financial Commentary**

...for the week 16th – 20th July 2018

## Summary

### *Global Economy*

- ◆ U.S. retail sales grew by 0.5% MoM in June, rising for the fifth consecutive month (vs. 1.3% MoM in May). The growth in retail sales was boosted by higher motor vehicle sales during the period. Also, the reported number solidifies the view of improved consumer spending and guides towards robust economic growth over Q2 2018. Over in Asia, China reported an economic growth of 6.7% YoY for Q2 18, slightly lower than the prior quarter of 6.8%. Elsewhere, U.K inflation figures for the month of June came in below expectations, printing at 2.4% YoY and unchanged from prior month. Further in the region, retail sales dropped 0.5% over the month of June while core retail sales (which excludes auto motor fuel sales) dropped 0.6% MoM.

### *Domestic Economy*

- ◆ According to media sources, the CBN commenced auction of the Chinese Yuan, recording its first sale today. This is coming following the agreement signed with China on a naira-yuan currency swap worth \$2.4 billion earlier in May. The facility which is valid for three years is aimed at facilitating trade and direct investment between China and Nigeria as well as minimizing exchange risk in both countries. While the result of the auction has not been communicated, we reiterate that the size of the deal – valid for three years – relative to Nigeria imports from China of \$6.1 billion in FY 17 (FY 16: \$6.9 billion) is a drop in the ocean and thus, do not see any significant relief on dollar demand for China imports.

### *Equities*

- ◆ The Nigerian equity market traded bearish this week, posting losses for 4 out of the 5 trading days. The market ended the week 2.11% lower WoW, making it the third consecutive week of decline. The decline was largely due to negative performances in First Bank (-12.98%), Guaranty Bank (-4.88%), Zenith Bank (-4.17%), Lafarge (-13.33%), Nestle (-6.35%), PZ (-11.58%) and Okomu Oil (-9.78%). Dissecting the performance on a sectorial basis, all sectors closed in the red save the Cement sector with Construction (-6.19%), Banking (-4.73%) and Food (-4.44%) sectors leading the decliners.

### *Fixed Income*

- ◆ Yields in the Nigerian fixed income market dipped 17bps WoW to 13.05% following buy sentiment at the short end of the curve. To buttress, despite OMO sales of ₦496.25 billion, massive market liquidity stemming from several coupon payments on FGN bonds in the week, and absence of OMO sales for most part of the week spurred buying sentiment at the short end of the curve. Consequently, treasury bill yields plunged 38bps WoW to 12.21%. At the long end of the curve, the release of the Q3 bond calendar (₦270 billion), which points to higher FG borrowings, stocked sell pressures at the bond market and pushed average bond yields slightly higher by 5bps WoW 13.9%.

## The week in Review

- U.S. retail sales grew by 0.5% MoM in June, rising for the fifth consecutive month (vs. 1.3% MoM in May). The growth in retail sales was boosted by higher motor vehicle sales during the period. Also, the reported number solidifies the view of improved consumer spending and guides towards robust economic growth over Q2 2018. Over in Asia, China reported an economic growth of 6.7% YoY for Q2 18, slightly lower than the prior quarter of 6.8%.

- Elsewhere, U.K inflation figures for the month of June came in below expectations, printing at 2.4% YoY and unchanged from prior month. Further in the region, retail sales dropped 0.5% over the month of June while core retail sales (which excludes auto motor fuel sales) dropped 0.6% MoM.

| Global Equities |                | Index Returns (% Index Characteristics |         |         |           |         |                  |              | Global Fixed Income |           |             |            |               | Global Currencies              |   |         |         |      |       |
|-----------------|----------------|--|---------|---------|-----------|---------|------------------|--------------|---------------------|-----------|-------------|------------|---------------|--------------------------------|---|---------|---------|------|-------|
| Country         | Index          | Level (in \$)                          | WoW (%) | YTD (%) | 52-Wk (%) | P/E (x) | Mkt. Cap (\$'bn) | Div. Yld (%) | 1-Yr Tenor          | WoW (pps) | 10-yr Tenor | WoW (pps)  | Inflation (%) | This Week                      | Prior Week                                  | WoW (%) | YTD (%) |      |       |
| US              | S&P 500        | 2,805                                  | 0.1     | 4.9     | 13.4      | 21.1    |                  | 1.9          | US                  | 2.39      |             | 2.89       | -0.6          | 2.9                            | Euro (€)                                    | 1.2     | 1.2     | 0.4  | -2.3  |
|                 | NASDAQ         | 7,821                                  | -0.1    | 13.3    | 22.4      | 26.5    | 11,881.3         | 1.0          | UK                  | 0.70      | 0.0         | 1.23       | 0.3           | 2.4                            | GBP (£)                                     | 1.3     | 1.3     | -0.7 | -2.8  |
| UK              | FTSE ASI       | 7,679                                  | 0.2     | -0.1    | 2.5       | 13.7    |                  | 4.3          | Euro                | -0.26     | -0.1        | 0.89       | 2.4           | 2                              | JPY (¥)                                     | 111.5   | 112.4   | 0.8  | 1.0   |
| France          | CAC 40         | 5,398                                  | -0.6    | 1.6     | 3.8       | 17.0    | 1,003.5          | 3.3          | Japan               | -0.14     | 0.0         | 0.01       | 0.1           | 0.8                            | INR (₹)                                     | 68.9    | 68.5    | -0.5 | -7.2  |
| Germany         | XETRA DAX      | 12,561                                 | 0.2     | -2.8    | 0.9       | 14.0    |                  | 3.2          | China               | 2.81      | -1.1        | 3.29       | -2.2          | 1.9                            | CNY (¥)                                     | 6.8     | 6.7     | -1.2 | -3.9  |
| Japan           | NIKKEI 25      | 22,698                                 | 0.0     | -0.3    | 12.9      | 17.3    | 5.5              | 1.9          | India               | 7.21      | 0.3         | 7.79       | -0.1          | 3.96                           | MXN (\$)                                    | 19.1    | 18.9    | -0.9 | 3.1   |
| China           | Shanghai Comp  | 2,829                                  | 0.0     | -14.5   | -12.6     | 13.8    | 4,431.4          | 2.7          | Mexico              | 8.14      | 0.3         | 7.67       | 0.5           | 4.65                           | RUB (p.)                                    | 63.5    | 62.4    | -1.7 | -9.2  |
| Brazil          | Ibovespa       | 78,907                                 | 3.0     | 3.3     | 21.5      | 19.8    | 33.9             | 3.7          | Turkey              | 20.78     | 0.3         | 16.62      | 3.9           | 15.39                          | ZAR (R)                                     | 63.5    | 62.4    | -1.7 | -9.2  |
| India           | BSE Sens       | 36,496                                 | -0.1    | 7.2     | 14.4      | 22.9    | 522.0            | 1.6          | Russia              | 6.97      | 2.7         | 4.01       | -0.3          | 2.3                            | EGP (£)                                     | 17.9    | 17.9    | 0.0  | -0.7  |
| Russia          | RTS            | 589                                    | -7.0    | -2.6    | 11.0      | 6.3     | 2.8              | 6.7          | Egypt               | 19.17     | -0.6        | 14.18      | -11.4         | 14.4                           | KES (sh)                                    | 100.7   | 100.8   | 0.0  | 2.5   |
| Mexico          | S&P/BMV IPC    | 48,906                                 | 1.0     | -0.9    | -4.4      | 23.1    |                  | 2.3          | South Africa        | 7.86      | -0.3        | 9.09       | 0.0           | 4.6                            | GHS (¢)                                     | 17.9    | 17.9    | 0.0  | -0.7  |
| Turkey          | Borsa Istanbul | 94,082                                 | 4.7     | -18.4   | -11.9     | 7.5     | 0.4              | 4.7          | Kenya               | 10.24     | -1.4        | 12.91      | 0.0           | 4.3                            | XOF (F)                                     | 566.5   | 569.9   | 0.6  | -0.4  |
| Indonesia       | JCI Index      | 5,873                                  | 0.0     | -7.6    | 1.9       | 20.3    | 451.7            | 2.4          | Ghana               | 14.50     | -3.3        | 19.00      | 0.0           | 9.97                           | XAF (F)                                     | 567.1   | 574.4   | 1.3  | -1.6  |
| Kazakhstan      | KASE Index     | 2,379                                  | -0.3    | 10.0    | 36.9      | 8.0     | 1.2              | N/A/N/A      | Nigeria             | 11.49     | -0.2        | 14.11      | -0.4          | 11.6                           | NGN (₦)                                     | 361.3   | 361.5   | 0.1  | -0.4  |
| Vietnam         | VN Index       | 933                                    | 0.0     | -5.2    | 22.5      | 17.5    | 121.7            | 1.6          | Global Commodities  |           |             |            |               | Global Indicators for the Week |   |         |         |      |       |
| South Africa    | FTSE/JSE ASI   | 56,990                                 | 1.1     | -4.2    | 5.0       | 17.2    |                  | 3.4          |                     |           | This Week   | Prior Week | WoW (%)       | YTD (%)                        |   | Latest  | Prior   |      |       |
| Egypt           | EGX 30         | 15,416                                 | 0.0     | 2.6     | 12.4      | 15.5    | 11.4             | 175.2        | Brent Crude         | \$/bbl    | 73.1        | 75.3       | -2.9          | 9.3                            | US Retail Sales - June                      |         |         | 0.5% | 1.3%  |
| Kenya           | NSEASI         | 172                                    | 0.6     | 0.7     | 11.7      | 14.2    | 24.2             | 4.6          | OPEC Crude          | \$/bbl    | 70.9        | 72.2       | -1.7          | 10.0                           | Italy's Industrial Sales (YoY) - May        |         |         | 5%   | 4%    |
| Morocco         | MSCI MX        | 304                                    | -1.7    | -9.9    | -11.0     | 18.4    | 9.0              | 3.9          | Gasoline            | \$/gal    | 206.6       | 210.7      | -1.9          | 5.9                            | Italy's CPI (YoY) - June                    |         |         | 1.3% | 1.3%  |
| Ghana           | GSE Composite  | 2,863                                  | -0.2    | 11.0    | 30.0      | 69.0    | 4.5              | 1.0          | Natural Gas         | \$/MBtu   | 2.8         | 2.8        | 0.3           | -1.7                           | EU's CPI (YoY) - June                       |         |         | 2%   | 2%    |
| Tunisia         | TunIndex       | 8,163                                  | 1.3     | 30.0    | 32.4      | 21.3    | 0.8              | 1.8          | Gold                | \$/t oz   | 1230.0      | 1244.3     | -1.1          | -5.6                           | Germany's Producer Price Index (YoY) - June |         |         | 3%   | 2.7%  |
| BRVM            | BRVM           | 214                                    | -0.9    | -12.0   | -15.5     | 25.5    | 26.4             | 1.6          | Sugar               | \$/lb     | 11.1        | 11.0       | 0.0           | -26.9                          | Canada's CPI (YoY) - June                   |         |         | 2.5% | 2.2%  |
| Mauritius       | SEMDEX         | 2,237                                  | 0.7     | 1.6     | 2.9       | 19.0    | 9.3              |              | Wheat               | \$/bsh    | 515.5       | 497.0      | 3.7           | 10.7                           | Canada's Retail Sales (MoM) - May           |         |         | 2.0% | -1.2% |
| Nigeria         | NGSE ASI       | 36,603                                 | -2.11   | -4.29   | 8.63      | 10.6    | 36.2             | 5.0          | Crude Palm oil      | IYR/MT    | 2194.0      | 2159.0     | 0.0           |                                |   |         |         |      |       |

Source: Bloomberg, Reuters, ARM Research

### The week in Review

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| Currency                                | This Week  | Prior Week | WoW (%)   | YTD (%)   | Earnings release  | Period  | Latest (N'000) | Prior (N'000) | CHG (%) |
|---|------------|------------|-----------|-----------|---|---------|----------------|---------------|---------|
| External Reserve (\$'bn)                | 47.45      | 47.62      | -0.37%    | 22.40%    | UACN Property Development Co.   | H2 2018 | (1,832,978)    | (2,063,383)   | -11%    |
| USD/NGN (₦/\$)                          |            |            |           |           |   |         |                |               |         |
| NAFEX                                   | 361.6      | 361.39     | -0.06%    | -0.33%    | Dangote Cement Plc  | H2 2018 | 113,164,000    | 109,713,000   | 3.1%    |
| Parallel                                | 358.5      | 359.5      | 0.28%     | 0.97%     |   |         |                |               |         |
| Economic Snapshot                       | Latest (%) | Prior      | CHG (pps) | 2018 Avg. | Unilever Nigeria Plc  | H2 2018 | 5,719,084      | 3,676,993     | 55.5%   |
| Inflation YoY (May)                     | CHG (pps)  |            |           |           |   |         |                |               |         |
| Headline                                | 11.61      | 12.48      | 0.9       | 13.4      | Ecobank Transnational Inc.  | H2 2018 | 51,552,393     | 37,734,985    | 36.6%   |
| Core                                    | 10.71      | 10.92      | 1.0       | 11.32     |   |         |                |               |         |
| Food                                    | 13.45      | 14.8       | 0.9       | 16.17     |   |         |                |               |         |
| GDP (%) - YoY                           | Q1 18      | Q4 17      | FY 17     | FY18F     | Report released this week (Click Link below for Full report)                        |         |                |               |         |
| Real GDP                                | 1.9        | 2.1        | 0.8       | 2.4       | NSR H2 2018 Excerpts - Multi-fund - Will variable assets Blow-Up or Blow Over?      |         |                |               |         |
| Oil                                     | 14.8       | 11.2       | 5.5       | 8.8       | NSR H2 2018 Excerpts - EM Portfolio flows: Slowing the flow, but far from a dribble |         |                |               |         |
| Agriculture                             | 3.0        | 4.2        | 3.4       | 3.3       | NSR H2 2018 Excerpts - Peaks and Troughs across soft commodities                    |         |                |               |         |
| Manufacturing                           | 3.4        | 0.1        | -0.2      | 2.6       | NSR H2 2018 Excerpts - Crude Oil: Stability gains ground in titans' Tug of War      |         |                |               |         |
| Services                                | 0.5        | -0.8       | -0.8      | 1.3       |   |         |                |               |         |
| Labor Data (%) - Q3 17                  | Latest     |            |           |           | News Headline for the week (click news for link)                                    |         |                |               |         |
| Unemployment Rate                       |            |            | 18.8      | 16.2      | * National carrier needs \$300m initial capital — FG                                |         |                |               |         |
| Underemployment                         |            |            | 21.2      | 21.1      | * Nigerian Stock Exchange to List FGN N10.69bn Green Bond                           |         |                |               |         |
| Capital Importation (\$'mn) - Q1 18     | Q1 18      | Q4 17      | QoQ (%)   | YoY (%)   | * Wema Bank to issue N20b debt  |         |                |               |         |
| Foreign Portfolio Investment - Equities | 701.61     | 989.2      | 29.1      | 588       | * Workers borrow to feed as FAAC deadlock lingers                                   |         |                |               |         |
| Bonds                                   | 335.88     | 309.5      | 8.5       | N/A       | * Senate okays N348bn subsidy payment to oil marketers                              |         |                |               |         |
| Treasury Bills                          | 3,527.6    | 2,178.8    | 61.9      | 157       | * FG seeks to reduce N183bn sugar import bill                                       |         |                |               |         |
| Foreign Direct Investment               | 246.6      | 378.4      | 34.8      | 20        | * Osinbajo inaugurates N107bn BUA's Sokoto cement plant                             |         |                |               |         |
| Balance of Payment (\$'mn)              | Q1 18      | Q4 17      | Q3 17     | QoQ (%)   |   |         |                |               |         |
| Trade Balance                           | 6,042      | 5,009      | 3,032     | 21        |   |         |                |               |         |
| CA Balance                              | 4,468      | 3,656      | 1,974     | 22        |   |         |                |               |         |

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

### The week in Review

- The Nigerian equity market traded bearish this week, posting losses for 4 out of the 5 trading days. The market ended the week 2.11% lower WoW, making it the third consecutive week of decline. The decline was largely due to negative performances in First Bank (-12.98%), Guaranty Bank (-4.88%), Zenith Bank (-4.17%), Lafarge (-13.33%), Nestle (-6.35%), PZ (-11.58%) and Okomu Oil (-9.78%).

- Dissecting the performance on a sectorial basis, all sectors closed in the red save the Cement sector with Construction (-6.19%), Banking (-4.73%) and Food (-4.44%) sectors leading the decliners.

### Index Performance

|                    | Level    | Index Returns (%) |        |        |        |        |
|--------------------|----------|-------------------|--------|--------|--------|--------|
|                    |          | WoW               | MTD    | QTD    | YTD    | 1 year |
| NSE ASI            | 36603.44 | -2.11             | -4.38  | -4.38  | -4.29  | 8.63   |
| NSE ASI (\$)       | 101.23   | -0.02             | -4.45  | -0.04  | -0.05  | 0.09   |
| Market Cap (₦'bn)  | 13259.62 | -0.02             | -4.38  | -0.04  | -0.03  | 0.13   |
| Market Cap (\$'mn) | 36669.29 | -0.02             | -4.45  | -0.04  | -0.03  | 0.15   |
| NSE 30             | 1642.22  | -2.92             | -5.57  | -5.57  | -5.98  | 7.12   |
| NSE Premium        | 2663.89  | -0.16             | -2.08  | -2.08  | 3.89   | 17.22  |
| NSE 50             | 1870.36  | -3.24             | -5.43  | -5.43  | -4.09  | 10.67  |
| NSE ASEM           | 798.75   | -5.12             | -15.88 | -15.88 | -26.54 | -32.00 |
| NSE Banking        | 449.05   | -3.59             | -5.67  | -5.67  | -5.55  | 7.90   |
| NSE Insurance      | 143.63   | 0.08              | -4.53  | -4.53  | 3.06   | 5.38   |
| NSE Consumer       | 858.39   | -3.72             | -7.47  | -7.47  | -12.06 | 8.18   |
| NSE Oil & Gas      | 309.15   | -2.22             | -4.35  | -4.35  | -6.51  | -5.23  |
| NSE Industrial     | 1864.82  | -3.26             | -7.16  | -7.16  | -5.61  | -8.40  |
| NSE Lotus          | 2512.08  | -1.93             | -4.36  | -4.36  | -1.89  | 22.34  |
| NSE Pensions       | 1383.86  | -4.07             | -7.13  | -7.13  | 0.30   | 18.58  |

### Top 10 Gainers

| Company          | This Week | WoW  |
|------------------|-----------|------|
| LINKAGE          | 0.79      | 9.7% |
| CCNN             | 24.90     | 8.3% |
| AIRLINE SERVICES | 4.50      | 7.8% |
| LAW UNION        | 1.00      | 6.4% |
| NPF              | 1.80      | 5.9% |
| NIGER INSURANCE  | 0.27      | 3.8% |
| AFRIPRUD         | 4.15      | 3.8% |
| CONTINENTAL RE   | 1.50      | 3.4% |
| DANGCEM          | 234.70    | 3.4% |
| SKYE BANK        | 0.65      | 3.2% |

### Top 10 Losers

| Company          | This Week | WoW    |
|------------------|-----------|--------|
| UNION DIAGNOSTIC | 0.23      | -34.3% |
| TANTALIZERS      | 0.21      | -22.2% |
| EQUITY ASSURANCE | 0.20      | -16.7% |
| WAPCO            | 32.50     | -13.3% |
| OANDO            | 5.55      | -13.3% |
| FBNH             | 9.05      | -13.0% |
| PZ               | 16.80     | -11.6% |
| JULIUS           | 24.30     | -10.0% |
| MULTI-TREX       | 0.36      | -10.0% |
| UPDC             | 9.00      | -10.0% |

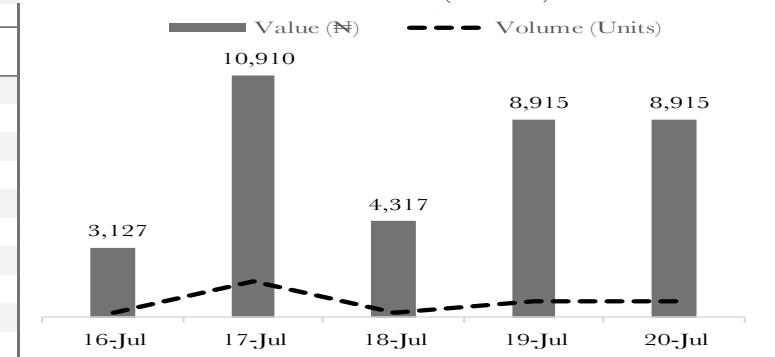
### Sector Performance

|               | Returns (%) |        |         |
|---------------|-------------|--------|---------|
|               | WoW         | QTD    | YTD     |
| Banking       | -4.73%      | -6.65% | -2.04%  |
| Brewers       | -2.59%      | -5.76% | -19.05% |
| Cement        | 2.53%       | 1.23%  | 0.72%   |
| Personal Care | -3.53%      | -6.63% | 7.86%   |
| Construction  | -6.19%      | -7.25% | -8.29%  |
| Food          | -4.44%      | -8.62% | -8.49%  |
| Insurance     | -1.92%      | -1.64% | 0.73%   |
| Oil & Gas     | -4.04%      | -8.37% | -12.47% |
| Real Estate   | 0.00%       | 0.00%  | -2.60%  |

### ARM Indices

|                        | WoW    | QTD    | YTD     |
|------------------------|--------|--------|---------|
| Large Cap (Top 10%)    | -1.72% | -3.73% | -3.68%  |
| Mid Cap (Mid 30%)      | -3.48% | -6.67% | -3.78%  |
| Small Cap (Bottom 60%) | 30.78% | 29.02% | -46.24% |

### Volume and Value Traded (millions)





### The week in Review

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- Consequently, treasury bill yields plunged 38bps WoW to 12.21%. At the long end of the curve, the release of the Q3 bond calendar (₦270 billion), which points to higher FG borrowings, stocked sell pressures at the bond market and pushed average bond yields slightly higher by 5bps WoW 13.9%.

|                      |  |  |  | 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 |       |           |            |         |
|----------------------|--|--|--|---------------------------------|------------|------------|---------------------------------|---------|----------|-------------------------------|----------------------|---------|-------------------------------|----------|-------|-----------|------------|---------|
| Money Market         |  |  |  | OMO                             |            |            |                                 |         |          | OMO                           |                      |         |                               |          |       |           |            |         |
| Overnight (O/N)      |  |  |  | 15.67%                          | 9.42%      | 6.25%      | 19-Jul-18                       | 11.05%  | 12.15%   |                               | 19-Jul-18            | 60.770  | 435.5                         | 0.0      |       |           |            |         |
| Open Buy Back (OBB)  |  |  |  | 15.00%                          | 8.29%      | 6.71%      | 13-Jul-18                       | 11.05%  | 12.15%   |                               | 13-Jul-18            | 0.013   | 315.3                         | 0.0      |       |           |            |         |
| NIBOR - 1M           |  |  |  | 18.00%                          | 13.51%     | 4.49%      | 25-Jun-18                       | 11.05%  | 12.15%   |                               | 25-Jun-18            | 3.720   | 133.6                         | 0.0      |       |           |            |         |
| NIBOR - 3M           |  |  |  | 18.22%                          | 14.07%     | 4.15%      | 19-Jun-18                       | 11.05%  | 12.15%   |                               | 19-Jun-18            | 0.495   | 190.9                         | 0.0      |       |           |            |         |
| NIBOR - 6M           |  |  |  | 18.58%                          | 15.15%     | 3.43%      | 07-Jun-18                       | 11.05%  | 12.15%   |                               | 07-Jun-18            | Nil     | 41.2                          | 0.0      |       |           |            |         |
| Treasury Bills       |  |  |  | Treasury Bills                  |            |            |                                 |         |          | 91 Day                        | 182 Day              | 364 Day | Treasury Bills                |          |       | 91 Day    | 182 Day    | 364 Day |
| 1-month              |  |  |  | 10.89%                          | 11.34%     | -0.45%     | 18-Jul-18                       | 10.00%  | 10.50%   | 11.49%                        | 18-Jul-18            | 0.0     | 0.0                           | -71.4    |       |           |            |         |
| 3-month              |  |  |  | 11.04%                          | 11.70%     | -0.66%     | 05-Jul-18                       | 10.00%  | 10.30%   | 11.50%                        | 05-Jul-18            | 0.00    | 0.0                           | -68.2    |       |           |            |         |
| 6-month              |  |  |  | 12.30%                          | 12.58%     | -0.28%     | 20-Jun-18                       | 10.00%  | 10.30%   | 11.50%                        | 20-Jun-18            | 3.4     | 16.9                          | 13.5     |       |           |            |         |
| 9-month              |  |  |  | 13.29%                          | 13.49%     | -0.20%     | 13-Jun-18                       | 10.20%  | 10.50%   | 11.50%                        | 13-Jun-18            | 9.5     | 47.7                          | 38.2     |       |           |            |         |
| 12-month             |  |  |  | 12.41%                          | 0.00%      | 12.41%     | 30-May-18                       | 10.00%  | 10.30%   | 11.00%                        | 30-May-18            | 5.4     | 8.4                           | 40.2     |       |           |            |         |
| FGN Bonds (Local)    |  |  |  | FGN Bonds                       |            |            |                                 |         |          | 5 Year                        | 7 Year               | 10 Year | FGN Bonds                     |          |       | 5 Year    | 7 Year     | 10 Year |
| 16.00% 29-JUN-2019   |  |  |  | 12.47%                          | 13.24%     | -0.77%     | 27-Jun-18                       | 13.50%  | 13.80%   | 13.81%                        | 27-Jun-18            | 8.8     | 7.9                           | 21.0     |       |           |            |         |
| 15.54% 13-FEB-2020   |  |  |  | 13.67%                          | 13.52%     | 0.15%      | 23-May-18                       | 13.50%  | 13.50%   | 13.55%                        | 25-Apr-18            | 38.3    | 12.8                          | 39.0     |       |           |            |         |
| 14.50% 15-JUL-2021   |  |  |  | 13.56%                          | 13.59%     | -0.03%     | 25-Apr-18                       | 12.75%  | 12.85%   | 12.89%                        | 23-Mar-18            | 100.5   | 89.1                          | 45.1     |       |           |            |         |
| 16.39% 27-JAN-2022   |  |  |  | 13.74%                          | 13.69%     | 0.05%      | 23-Mar-18                       | 13.40%  | 13.53%   | 13.60%                        | 23-Feb-18            | 27.2    | 0.0                           | 52.4     |       |           |            |         |
| 14.20% 14-MAR-2024   |  |  |  | 13.85%                          | 13.91%     | -0.06%     | 23-Feb-18                       | 13.70%  | 0.00%    | 13.98%                        | 24-Jan-18            | 45.1    | 0.0                           | 64.9     |       |           |            |         |
| 12.50% 22-JAN-2026   |  |  |  | 14.11%                          | 13.97%     | 0.14%      | Corporate Bonds                 |         |          | This Week                     | Prior Week           | WoW (%) | Corporate Eurobond            |          |       | This Week | Prior Week | WoW (%) |
| 16.2884% 17-MAR-2027 |  |  |  | 14.01%                          | 13.99%     | 0.02%      | DUFIL   18.25%   1-SEP-2022     |         |          | 15.55%                        | 15.53%               | 0.02%   | ZENITH   6.25%   22-APR-2019  |          |       | 5.23%     | 9.49%      | -4.26%  |
| 12.1493% 18-JUL-2034 |  |  |  | 14.12%                          | 14.16%     | -0.04%     | FCMB   17.25%   8-DEC-2023      |         |          | 15.20%                        | 15.24%               | -0.04%  | DIAMOND   8.75%   21-MAY-2019 |          |       | 9.44%     | 18.41%     | -8.97%  |
| 16.2499% 18-APR-2037 |  |  |  | 14.16%                          | 14.18%     | -0.02%     | FIDELITY   16.48%   13-MAY-2022 |         |          | 14.76%                        | 14.72%               | 0.04%   | FBN   8.25%   07-AUG-2020     |          |       | 23.66%    | 10.50%     | 13.16%  |
| FGN Eurobonds        |  |  |  | LAPO MFB   17.75%   19-DEC-2022 |            |            | 17.49%                          | 17.48%  | 0.01%    | ECOBANK   8.75%   14-AUG-2021 |                      |         | 9.78%                         | 7.42%    | 2.36% |           |            |         |
| 6.50% 28-Nov-2027    |  |  |  | 7.13%                           | 7.98%      | -0.85%     | MIXTA   17.00%   16-JAN-2022    |         |          | 14.71%                        | 14.60%               | 0.11%   | ACCESS   10.50%   19-OCT-2021 |          |       | 8.72%     | 9.32%      | -0.60%  |
| 7.625% 28-Nov-2047   |  |  |  | 8.09%                           | 5.84%      | 2.25%      | STANBIC   13.25%   30-SEP-2024  |         |          | 14.93%                        | 14.93%               | 0.00%   | ZENITH   7.375%   30-MAY-2022 |          |       | 7.21%     | 8.53%      | -1.32%  |
| 7.875% 16-FEB-2032   |  |  |  | 7.66%                           | 5.58%      | 2.08%      | STERLING   16.50%   3-AUG-2023  |         |          | 14.84%                        | 14.87%               | -0.03%  |                               |          |       |           |            |         |
| 5.625% 27-JUN-2022   |  |  |  | 5.63%                           | 6.99%      | -1.36%     | UBA   16.45%   30-DEC-2021      |         |          | 14.74%                        | 14.69%               | 0.05%   |                               |          |       |           |            |         |
|                      |  |  |  | VIATHAN   16.00%   14-DEC-2027  |            |            | 14.96%                          | 14.94%  | 0.02%    |                               |                      |         |                               |          |       |           |            |         |

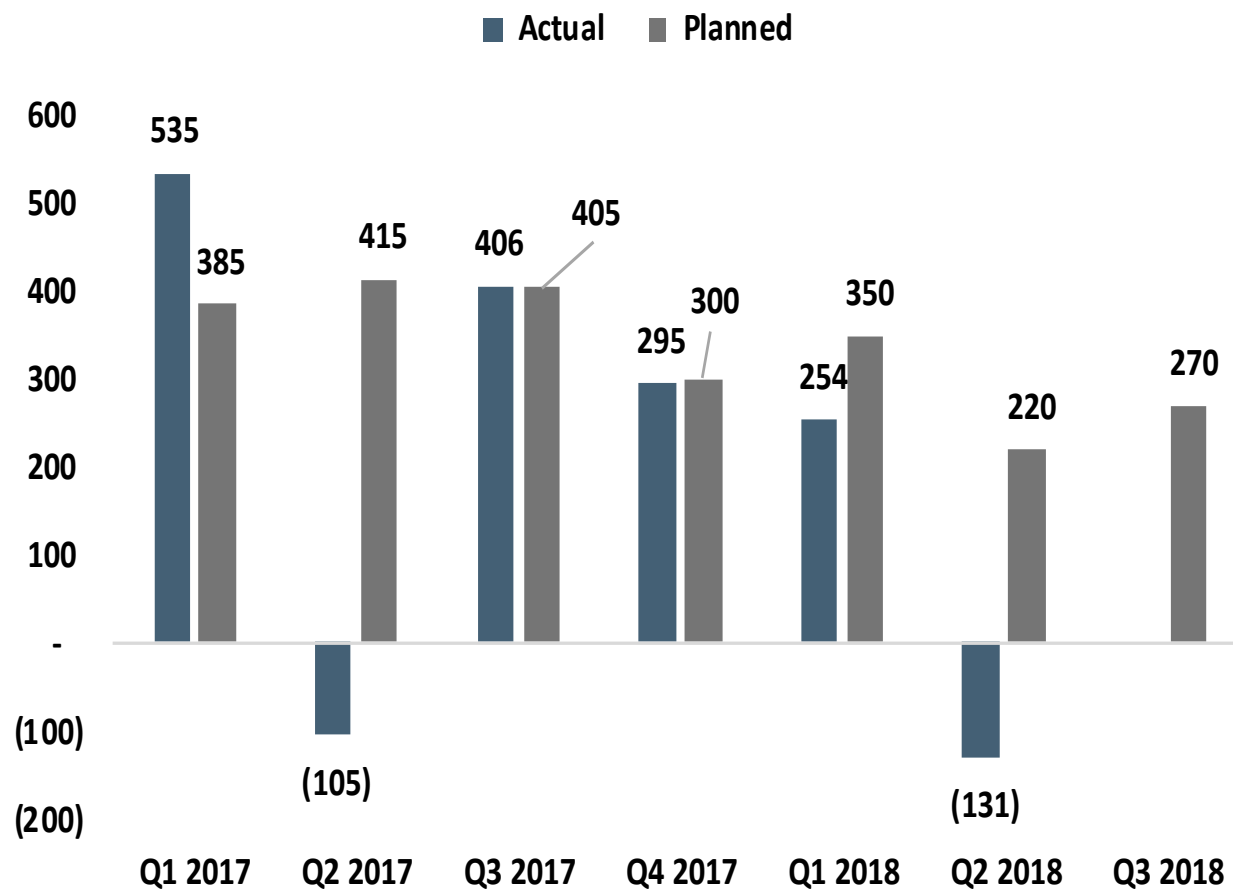
Source: DMO, FMDQ, Bloomberg, ARM Research

## Economic and Financial Calendar for the week 23rd July - 27th July 2018

|          | Monday   | Tuesday                                      | Wednesday                                 | Thursday                                    | Friday   |
|----------|--|--|---|---|--|
|          | 23-Jul   | 24-Jul                                       | 25-Jul                                    | 26-Jul                                      | 27-Jul   |
| Global   | US' Chicago Fed National Activity Index - June | Japan's Manufacturing PMI - July             | France's Producer Prices - June           | OPEC's Meeting                              | France's GDP - Q2                                |
|          | Canada's Wholesale Sales - May                 | France's Services & Manufacturing PMI - July | EU's Private Loans - June                 | France's Consumer Confidence - July         | France's - Consumer Spending - June              |
|          | US's Existing Home Sales - June                | France's PMI Composite - July                | EU's Money Supply (M3) - June             | Spain 5-yr and 10-yr Bond Auction           | Italy's 10-yr Bond Auction                       |
|          | EU's Consumer Confidence - July                | EU's Manufacturing & Services PMI - July     | US' New Home Sales - June                 | EU's Deposit & Interest Rate Decision       | US' GDP - Q2                                     |
|          | US' 3 and 6 Month Bill Auction                 | UK's Industrial Trends Survey-Orders - July  | US' Crude Oil Stocks Change - July 16     | US' Wholesale Inventories - June            | US' Personal Consumption Expenditure Prices - Q2 |
|          |  | US' Manufacturing & Services PMI - July      | US' 5-yr Note Auction                     | US' Goods Trade Balance - June              |  |
|          |  | US' 4-week Bill & 2-yr Note Auctions         | Japan's Foreign Bond Investment - July 16 | US' 7-yr Note Auction                       |  |
|          |  |  |   |   |  |
| Domestic | CPI & Inflation Report - June 2018             | MPC Meeting                                  |   | Daily Energy Generated & Sent Out - Q2 2018 |  |
|          |  |  |   |   |  |

## CHART OF THE WEEK

**Figure: Historical FG's Actual vs Planned bond issuances**



- ◆ The Debt management office (DMO) released its Q3 2018 bond calendar which showed a marked shift from the previous quarter.
- ◆ The total planned issuance of ₦270 billion in Q3 2018 which is split between the 5-year (₦75 billion), 7-year (₦75 billion) and 10-year (₦120 billion) is 23% higher than planned issuance in Q2 2018 and a long stretch from FG's ₦135 billion net repayment over the same period.
- ◆ For us, this reflects FG's drive to kick start implementation of the 2018 fiscal outlay following its late passage in June 2018.





Thank You



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