



A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 <p>FG floats \$3 billion dual-tranche bond</p> <p>The Federal Government has floated a \$3 billion dual-tranche bond to fund the 2017 budget expenditure and finance the country's domestic debt. This information was contained in a statement issued on Monday, 20th November, 2017 by Mr. Oluyinka Akintunde, the Media Adviser to the Finance Minister, Mrs. Kemi Adeosun. The Government announced that it has priced its offering of \$3 billion aggregate principal amount of dual series notes under its \$4.5 billion Global Medium Term Note programme. The Notes comprise a \$1.5 billion 10-year series and a \$1.5 billion 30-year series. The 10-year series will bear interest at a rate of 6.5per cent, compared with the 7.625per cent for the 30-year series, both of which will be repayable with a bullet repayment of the principal on maturity. The offering is expected to be closed on or about November 28, 2017. The Notes will be admitted to the official list of the UK Listing Authority and available to trade on the London Stock Exchange's regulated market. The Notes may also be listed on the NSE and FMDQ platforms. The proceeds would be utilized in funding the approved budgetary expenditures and for refinancing of domestic debt. This represents Nigeria's fourth Eurobond issuance, following issuances in 2011, 2013 (two series) and earlier in 2017.</p>	<p><i>It should be recalled that the federal government seeks to issue \$5.5 billion Eurobond to finance 2017 budget deficit (\$ 2.5billion) and re-finance existing short time domestic debt (\$3billion).This is expected to free up some resources for domestic firms, lower interest rates and raise performance of the equities segment of the capital market. While external borrowing promises an additional benefit of lowering government's costs of debt service, there is however the need for effective exchange risk management.</i></p>
 <p>NSE sets to launch Exchange Traded Derivatives as Global Spectrum Energy Services Lists</p> <p>The Nigerian Stock Exchange (NSE) has concluded arrangements to introduce Exchange Traded Derivatives (ETDs) into the market to expand its various investment instruments. Speaking at a training on legal and risk aspects of derivatives and central counterparty clearing in Lagos, First NSE's Vice President, Mr. Abimbola Ogunbanjo, said the Exchange would launch the ETDs into the market later this year. ETDs are variants of derivatives traded on an organised securities exchange as against those other derivatives traded through informal over-the-counter (OTC) market. In a related development, the NSE has on Monday, November 27, 2017, listed by introduction, eight hundred million (800,000,000) ordinary shares of Global Spectrum Energy Services Plc at N5 Per Share on its Main Board. Global Spectrum Energy Services Plc is an integrated Oil & Gas Offshore Support Vessel Services Company operating in key oil and gas producing areas in West Africa.</p>	<p><i>The introduction of ETDs is expected to further enhance the depth of the Nigerian capital market. This is one of the key strategic initiatives of the 10-year Capital Market Master Plan. There is therefore the need for effective trading and regulatory frameworks with adequate human capacity so as to ensure safety, effective risk mitigation, innovation and efficiency which are the hallmark of a truly functional derivatives market. The listing of Global Spectrum PLC is also a positive development for the market as it has added N4 billion to the market capitalization of the Exchange, further deepening the Nigerian capital market. As the economy improves further, more firms are expected to raise funds from the capital market and this will contribute to the growth of the market and the economy at large.</i></p>

Do you know?

In 1988, the Privatisation and Commercialisation Decree 25 was promulgated. This Decree provided for the privatization of some enterprises in which Federal Government of Nigeria had equity interest and the commercialization of some Federal Government wholly-owned enterprises. The exercise that ensued from this Decree brought more companies to the Nigerian Stock Exchange whose shares were thus listed.



B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

In the equities market, the All Share Index (ASI) closed the week at 37,365.9, gaining 1.6% from the beginning of the week. This shows that the ASI gained 5.8% Month-to-Date, 39.0% Year-to-Date and 46.6% Year-on-Year. The market capitalisation at the end of the week closed at N13 trillion, a level last witnessed in August 2017. This signifies a rise of 1.51% from the beginning of the week, 5.8% from the beginning of the month, 39% from the beginning of the year and 46.6% in the last one year.

The Unlisted Securities Index (USI) fell by 0.6% from the start of the week, 2.9% from the start of the year and 1.96% in the last one year but, gaining 0.11% from the beginning of the month. It concluded the week at 600.7 points. Accordingly, the USI market capitalization finished the week at N406.5bn losing 0.6% WTD, 2.93% YTD and 2% YoY but, gaining 0.11% MTD. Available data indicates that the net asset value of Collective Investment Schemes stood at N393.3bn at the end of the period under review indicating a gain of 3.2% Week-to-Date, 7.0% Month-to-Date, 75.9% Year-to-Date and 82.2% Year-on-Year.

Money market rates (OBB and ON) both ended the week lower at 32.6% and 30.8% , decreasing by 9.1 and 7.5 percentage points respectively.

In the commodities market, Brent crude price improved by 1.6% to close at \$63.7bn during the week. It gained 13.7% Month-to-Date, 14.8% during the year and 30% in the last one year. The week ended with Gold, cocoa, and cotton gaining 1.14%, 0.2% and 1.1% respectively while wheat and corn fell by 1.5% and 0.1% Week-to-Date, respectively.

The interbank exchange rate completed the week at N305.85/US\$ gaining 0.016% week to date but losing by 0.049%, 0.28% and 0.3% month to date, year to date and year on year respectively. In the parallel market, the naira closed at N364 against the dollar going flat month to date and strengthening by 29.1% in the last one year. Available data released by the Central Bank of Nigeria reveals the country's external reserves at \$34.9bn at the end of the week, gaining 0.2% WTD, 5.3% MTD, 32.2% YTD and 40.4% in the last one year. The S&P500 index completed the week higher at 2,602.4 rising 0.8% WTD, 2.677% MTD, 15.3% YTD and 18% YoY.

Market	Indicator	Value* @ 24-Nov-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	37,365.9	1.558	5.8	39.0	46.6
	Market Capitalisation (N'tn)	13.0	1.51	6.88	42.0	48.3
Unlisted (NASD)	Unlisted Securities Index (USI)	600.7	-0.6	0.11	-2.9	-1.96
	Market Capitalisation (N'bn)	406.5	-0.6	0.11	-2.93	-2.0
Collective Investment	Net Asset Value (N'bn)	393.3	3.2	7.0	75.9	82.2
Money	O/N (%)	32.6	-9.1	21.0	23.8	18.6
	OBB (%)	30.8	-7.5	19.9	22.6	17.6
	Crude Oil (\$/b)	63.7	1.6	13.7	14.8	30.0
Commodities	Gold(\$/t oz)	1,294.4	1.14	1.6	11.4	9.8
	Cocoa(\$/mt)	2,107.0	0.2	1.2	-2.7	-13.6
	Wheat(\$/bu)	4.3	-1.5	-3.5	6.2	2.0
	Corn(\$/bu)	3.5	-0.1	1.4	-0.4	-1.3
	Cotton(\$/lb)	71.4	1.1	5.7	-0.6	-0.4
	Interbank Ex-rt (N/US\$)	305.85	0.016	-0.049	-0.28	-0.3
External	Parallel Ex-rt (N/US\$)	364	0.27	-	34.6	29.1
	External Reserves (\$'bn)	34.5	0.2	5.3	32.2	40.4
	S&P 500	2,602.4	0.8	2.677	15.3	18.0

Important Disclaimer

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