



A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 <p>Capital Market Operators (CMO's) Seek Single License To Boost Liquidity</p> <p>At the annual workshop of the Capital Market Association of Nigeria in Lagos (CMACAN), Sonnie Ayere, the Group Managing Director, Dunn Loren Merrifield sought that the Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC) should make room for a single dealing license so as to boost liquidity of the operators and facilitate a more robust and deeper financial market. The operators are currently being regulated by the Securities and Exchange Commission and they are cut out of the Primary Auction Market for Treasury Bills.</p> <p>Ayere stated that this reform would provide a much stronger platform for market-based financial intermediation to thrive and ensure that they were well capitalised and regulated. Also, The CMOs would want the CBN to allow capital market institutions with the requisite capital (as agreed by CBN) access to Primary Auctions on behalf of themselves and their customers. Furthermore, the CBN was implored to grant such CMOs access to the Discount Window in order to promote liquidity.</p>	<p>One of the major challenges facing many capital markets in the developing world is poor liquidity. Access to the Discount Window will be a potent means of promoting liquidity in the market. Stakeholders in the capital market are of the belief that such a measure could provide the required shot in the arm, improve liquidity and aid the development of the capital market. As buoyancy in the capital market is an important means of promoting macroeconomic development and growth, the CBN is expected to grant the request.</p>
 <p>Foreign Companies To Invest In Nigeria</p> <p>Thirty companies from France are in Nigeria to explore opportunities offered by Africa's biggest economy. The Head of French delegation, Mr Philippe Labonne made this known when he led the investors on a visit to the Executive Secretary, Nigerian Investment Promotion Commission (NIPC), Yewande Sadiku in Abuja. A number of sectors such as banking, infrastructure, renewable energy and youth empowerment have been penciled down for consideration.</p> <p>This decision by the companies to invest in Nigeria was taken following a directive by the French Government for French companies to increase their investments in Nigeria. Following the recent stabilization in the country's foreign exchange market, most of the French companies would form strategic partnerships with their Nigerian counterparts in a bid to achieve investment objective. While expressing delight for the interest by the investors, Sadiku said that France was one of the many countries that Nigeria was targeting in its focused investment strategy. She reiterated the objectives of Nigeria's Economic Recovery and Growth Plan (ERGP), which she said included making the country an investment destination of choice in Africa.</p>	<p>Economic growth is directly related to the inflow of foreign direct investment. With about 30 French companies investing in Nigeria, the economy will experience global expansion through transfer of information especially in product, process and managerial technology. Given the high level of unemployment in the country, it is expected that such foreign investment inflow should contribute to employment generation and therefore serve as a means of helping to reduce youth employment in the country.</p>

Do you know?

On Thursday March 24, 2005, Trade Alert was launched on the floors of the Nigerian Stock Exchange. Also known as "the trigger", trade alert is a stockholder alert system that immediately triggers a notice to a stockholder once there is a transaction on his account. Trade alert provides every stockholder with an opportunity to personally supervise, monitor and protect his investment using his/her cellphone. It will be recalled that the trade alert system was introduced in collaboration with the Securities and Exchange Commission to stop unauthorized transactions by stockbrokers they occur.



B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

The NSE All Share Index closed the week 15th December, 2017 at 38,436.1 points, gaining 8.9% Month-to-Date, 43% Year-to-Date and 44.7% Year-on-Year but fell by 1.23% Week-to-Date. In comparison, the equities market capitalisation at the end of the week finished at N13.7 trillion, rising by 0.93% Week-to-Date, 3.42% Month-to-Date and 49.3% Year-to-Date.

In the Unlisted Securities, the Index stood at 616.0 points, growing 1.5% from the beginning of the week and 48.18% in the last one year but falling by 0.33% from the beginning of the month and 0.5% from the beginning of the year. In addition, the USI market capitalization finished the week at N416.8bn, gaining 1.5% from the beginning of the week but falling 0.33% compared with the level from the beginning of the month. Accessible data showed the net asset value of Collective Investment Schemes standing at N410.8bn at the end of the period under review. It grew by 3.9% WTD, 2.1% MTD, 83.8% YTD and 90.3% YoY.

The Over Night (ON) rates in the money market finished the week higher at 4.3% and while the Open Buy Back rate (OBB) closed at 3.8%. These rates represented a year-on-year reduction of 0.2 and 0.3 percentage points respectively. This development was attributed to the \$1.1 billion treasury bills repaid by the Federal Government.

In the products market, Brent crude completed the week at \$63.7 per barrel, rising by 2%, 14.8% and 17.9% month-to-date, year-to-date and year-on-year, However, it declined 2.5% compared with the level for the previous week. Gold grew by 1.17% week-to-date, 8.4% year-to-date and 11.5% year-on-year but fell by 1.4% month-to-date.

The interbank rate completed the week at N306.25/US\$ while the parallel market concluded the week at N365/US\$. The interbank market recorded a growth of 0.03% WTD, 0.25% MTD but fell by 0.41% YTD and 0.4% YoY contrasting the parallel market where growth of 34.2% was recorded YTD and 32.9% YoY. Data provided by CBN indicates the country's external reserves finished the week at \$36.9bn rising by 1.2%, 3.9%, 41.2%, and 47.2% WTD, MTD, YTD and YoY respectively. The S & P index completed the week at 2675.8 growing by 18.5% YTD and 18.3% YoY.

Market	Indicator	Value* @ 15-Dec-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	38,436.1	-1.228	8.9	43.0	44.7
	Market Capitalisation (N'tn)	13.7	0.93	3.42	49.3	-99.9
Unlisted (NASD)	Unlisted Securities Index (USI)	616.0	1.5	-0.33	-0.5	48.18
	Market Capitalisation (N'bn)	416.8	1.5	-0.33	-0.47	-32.1
Collective Investment	Net Asset Value (N'bn)	410.8	3.9	2.1	83.8	90.3
Money	O/N (%)	4.3	0.3	-19.0	-4.4	0.2
	OBB (%)	3.8	0.5	-17.8	-4.5	0.3
Commodities	Crude Oil (\$/b)	63.7	-2.5	2.0	14.8	17.9
	Gold(\$/t oz)	1,259.5	1.17	-1.4	8.4	11.5
	Cocoa(\$/mt)	1877.0	-1.8	-8.0	-13.3	-16.3
	Wheat(\$/bu)	4.2	1.8	-99.0	3.4	2.9
	Corn(\$/bu)	3.5	-0.7	-99.0	-2.5	-2.7
	Cotton(\$/lb)	76.1	3.9	4.9	6.1	6.2
External	Interbank Ex-rt (N/US\$)	306.25	0.033	0.245	-0.41	-0.4
	Parallel Ex-rt (N/US\$)	365	-0.55	-0.55	34.2	32.9
	External Reserves (\$'bn)	36.9	1.2	3.9	41.2	47.2
	S&P 500	2,675.8	0.6	1.378	18.5	18.3

Important Disclaimer

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