

Report of activities of the Securities and Exchange Commission and the Capital Market for 2017

**Compiled by Economic Research and Policy Management Division, Office of
the Chief Economist**

BRIEF ON THE NIGERIAN ECONOMY IN 2017

Macroeconomic Condition

The macroeconomic condition in Nigeria improved moderately during the year 2017, in contrast to the economic turbulence witnessed by the country in 2016. During the year, foreign exchange rate stabilised, the price of crude oil rose and oil production increased.

The Gross Domestic Product (GDP) contracted by -0.52% in Q1 2017, representing the fifth consecutive quarter of contraction since Q1 2016. The Nigerian economy however emerged from recession in the first half of the year when the GDP recorded 0.55% growth in Q2 2017; the economy further grew by 1.41% in Q3 2017 and 1.92% in Q4 2017. Annual GDP growth for 2017 was 0.83% an improvement over the 1.58% contraction recorded in 2016. The total nominal GDP in 2017 was N114.9 trillion from N102.6 trillion in 2016. Inflation rate fell steadily during the year, falling to 15.30% by December 2017 compared to 18.72% recorded in January 2017.

The IMF Projected a GDP growth of 0.8% at the end of the year 2017. Nigeria's growth is projected to be 1.9% in 2018 by the IMF and 2.5% by the World Bank. It is expected that the recovery of the economy will be sustained if the country is able to maintain high oil production, peace in the Niger Delta as well as promote new investment and transparency in the oil sector.

The Nigerian Capital Market

Following the general trend in the economy, the Capital market also witnessed low growth during the first quarter of the year but tremendously turned around thereafter to finish among the five fastest growing markets in the world during the year. Specifically, the All Share Index and Equity Market Capitalization as at 30th December, 2017 stood at 38,243.19 and N13.61 trillion from a record of 26,874.62 and N9.26 trillion at the beginning of the year. Thus, both indicators rose by 43.3% and 46.98% respectively during the year 2017.

Primary Market Issuance

A total of fifty-four (54) New Securities Issues valued at N1.98 trillion were approved and allotted both by the Securities and Exchange Commission (SEC) and the Debt Management Office (DMO) between January and December 2017. Statistics of the corresponding period in 2016 indicated that a total of fifty-five (55) new issues amounting to N1.37 trillion were floated in the market. This shows a depreciation of 1.82% in the number and an appreciation of 44.09% in the value of issues floated from January to December 2017.

NEW DEVELOPMENTS IN THE CAPITAL MARKET

The Securities and Exchange Commission (SEC) continued its efforts at regulating and developing the Nigerian capital market, in accordance with the stipulated recommendations from the Nigerian Capital Market Master Plan (2015 – 2025). To this end, (SEC) has taken the following initiatives:

Facilitating robust Commodities Trading Eco-system

The Commission set up a market-wide technical committee to look into the Nigeria commodity eco-system, this move will complement the Government's effort of diversifying the economy. Developing the eco-system will revolutionise the Nigerian agricultural and mining sectors through a dynamic, efficient and orderly marketing system that serves all. The committee has developed a framework that will ensure the development of a viable commodity market in Nigeria.

Enhancing Market Liquidity

A committee on market liquidity was set up by the Commission to develop a roadmap for improving liquidity in the market as well as examine existing liquidity initiatives. It is believed that improving market liquidity can contribute to the growth of the capital market and the economy as a whole. The committee is working on a framework that will address the liquidity issue in both the equity and debt markets.

Encouraging Listings

In order to encourage more entities to list on capital market exchanges, the Commission set up a committee on listings. The Committee has made consultations with relevant stakeholders which led into the formation of a working group in conjunction with AMCON. The working group would focus on divestment and the possibilities of doing securities lending.

Demutualisation of NSE

The process of Demutualisation is expected to increase the Exchange's efficiency and improve local and foreign investors' confidence. A joint hearing on the Demutualisation was successfully held during the year. All stakeholders were in support of the passage of the Bill, and the NSE is to be commended for achieving this landmark event in the history of the capital market, which is one of the initiatives in the Master plan.

Review of Major Laws

The Commission in collaboration with members of capital market technical committees reviewed seven (7) key laws that affect the Nigerian investment environment. It is expected that the National Assembly will act favorably towards the recommendations made.

E-Dividend/Direct Cash Settlement

The Commission, as part of its measures of reducing the growth of unclaimed dividends in the market, provided a platform for investors to check their e-dividend registration status. This portal is available on the Commission's website. The deadline for discontinuation of issuance of physical dividend warrants and free e-dividend registration exercise were extended to 31st March, 2018. This is to enable the Commission provide adequate publicity to investors. The Commission also directed that all public companies must ensure that roll-up banners educating investors on the e-dividend registration process are displayed at every Annual General Meeting. The Commission also coordinated enlightenment campaigns across the Northwest states of Katsina, Kebbi, Sokoto and Zamfara and included 8 registrars on ground for on-the-spot enrolment into the E-dividend program. Furthermore, campaigns were deployed across social media platforms to expose investors on the need to register. These adverts cut across the popular platforms such as Twitter and Facebook.

The Commission has also worked to harmonize the Direct Cash Settlement with e_DMMS. This required effective collaboration between CSCS and NIBSS,

Commencement of Risk-Based Supervision

The Commission commenced risk-based supervision (RBS) model during the year with the aim of establishing a stronger regulatory framework for the capital market. The framework for the regulation of Systemically Important Financial Institutions (SIFI) was also approved during the period.

SEC Reorganisation

The Commission reorganised its operations by relocating the Registration division to the Lagos Zonal Office. This was to enhance the Commission's efficiency, revamp the registration process and reduce financial burdens borne by Capital Market Operators when filing registration applications.

Financial Literacy

A market-wide committee on financial literacy was set up by the Commission. The committee has made an effort towards ensuring the implementation of the financial literacy roadmap, as well as plans to introduce Capital Market Studies into tertiary institutions, to improve the financial inclusion of investors in the market.

During the period, the Commission participated in the IOSCO World Investor Week which held from 2nd- 8th October 2017 and also organized an outreach for market women numbering about 300 and other local government workers at Kuje Area Council of the FCT. The Commission also visited the campus of the University of Abuja for a sensitization campaign with a view to enlightening students on the capital market. Another important event for investors was the World Savings Day and the Financial Literacy Week. The SEC partnered with Rotary International to mentor students around the FCT.

Launching of Nigeria Capital Market Development Fund (NCMDF)

The Fund was launched on 30th October, 2017 with a view of promoting infrastructural development of the Nigerian capital market and was initially conceived as a Trust Fund to enhance the development of the market. It is to be managed by a board and an independent fund manager. The Fund's board which consists of representatives from the Exchanges, Registrars, Trade Groups and Shareholder Associations was inaugurated during the same period.

SEC Statistical Bulletin

The Commission redesigned and improved its statistical bulletin which was last published in 2010. The Bulletin now provides data on capital market activities and indicators as well as macroeconomic statistics. It is available both in hard and soft copies on the Commission's website.

Electronic Transmission of Annual Reports to Shareholders

The pilot scheme for the electronic transmission of annual reports to shareholders commenced during the year. The scheme will run thus; electronic copies of the annual report will be sent to shareholders while some hard copies will be sent to the Head Offices of Shareholder Associations. Copies of the annual report will be made available at the Annual General Meetings. An impact assessment on the efficiency and benefits of the scheme would be made in the first half of 2018.

Reduction of Transaction Costs

The Commission, taking into consideration CMC decision, focused on four cost centers that charge about 70 – 80% of floatation cost at the primary issuance side and in line with this, the hair cut was on SEC, NSE, Issuing Houses and Receiving Agents. The Pilot will run for one year and thereafter will be subjected to review. The Commission has come up with Rules on the new fee structure and have been sent to the Honourable Minister of Finance for her approval.

Non-Interest Finance

The Commission continued to advocate the development of non-interest finance as a major pillar in the development of the capital market. The vision master plan is that non-interest securities will contribute 25% of the market's capitalization and is expected to provide funding which impacts the real

economy which would be channelled towards funding infrastructure deficits. This goal has been partly achieved with the issuance of the N100 Billion Naira sovereign sukuk by the DMO. Further issuances of this nature by both government and corporates are anticipated.

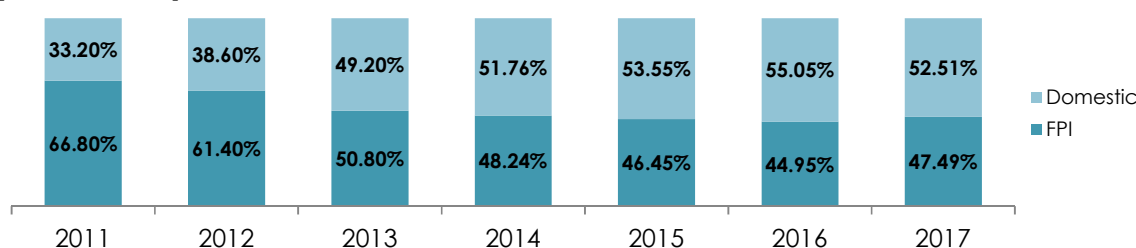
CAPITAL MARKET ACTIVITIES AND PERFORMANCE

OVERVIEW

The year 2017, began with the All-Share Index recording of 26,874.62. However, a steady drop was recorded in January through April, but this trend was reversed in May with the index rising sharply to peak at 39,534.14 in the first week of December 2017. This performance can be attributed to healthier macroeconomic fundamentals, improved global growth, relatively stable crude oil price, foreign exchange stability, due to CBN's intervention through the Investors' and Exporters' FX window, as well as improved company results. The broad index thus recorded 38,243.19 at the end of the year, which indicates an increase of 42.30% when compared to its value in the corresponding period of 2016.

Foreign Portfolio Investment (FPI), was recorded as 47.49% of total transactions which was slightly higher than the previous period, although performance was still below domestic transactions which were 52.51% of total transactions. However, in the same period of 2016, FPI recorded 44.95% thereby also performing below domestic transactions which recorded 55.05%. A substantial increase of 334.88% was recorded as total transactions at the nation's bourse rose from N110.56 billion in December 2016 to N480.80 billion in December 2017.

Chart 1: Domestic vs Foreign Participation in the Nigerian Capital Market (2011 – 2017)



Source: NSE

PRIMARY MARKET:

The year 2017 recorded an increase in equity issuance, unlike what prevailed in the previous years. The value of debt securities floated in the course of the year rose even though there was a decrease in the number of issuance.

NEW ISSUES:

The Commission approved a total of twenty-one (21) new issues worth N427.03 billion in 2017. These comprise of fourteen (14) equities worth N306.49

billion and seven (7) bonds worth N120.54 billion. The equities were all rights issues while the bond issuance was made up of four (4) sub-national bonds and three (3) corporate bonds. Thus, the total value of SEC approved issues between January and December 2017 stood at N427.03 billion.

In the corresponding period of 2016, the number and value of new issues floated between January and December stood at twenty-one (21) worth N173.718 billion. The issues comprised ten (10) equities and seven (7) bonds.

The Debt Management Office (DMO) issued a total of thirty-three (33) bonds from January to December 2017. Total value of these bonds allotted stood at N1,550.46 billion and when this is compared to the number (34) and value (N1,198.72 billion) of FGN bonds allotted in the corresponding period of the year, the number of FGN bonds issued in the period under review decreased by 2.94% and the value increased by 29.34%.

The total number and value of new issues approved by the Commission in addition to FGN bonds allotted by the Debt Management Office year-to-date stood at fifty-four (54) valued at N1,977.49 billion. In the corresponding period of 2016, the market had witnessed the floatation of fifty-five (55) new issues valued at N1,372.44 billion. The 2017 figures thus indicate a decrease of 1.82% in number and an increase of 44.09% in the value of new issues respectively.

Table 1: SUMMARY OF NEW ISSUES IN 2017 AND 2016 BY TYPE OF OFFER

| Mode of Offer | Number of Issues | | | Value of Issues (N'm) | | |
|-------------------------------|------------------|-----------|----------------|-----------------------|---------------------|--------------|
| | 2017 | 2016 | % Change | 2017 | 2016 | % Change |
| IPO | - | - | - | - | - | - |
| Rights | 14 | 4 | 250 | 306,496.39 | 3,830.30 | |
| Private Placement | - | 5 | - | - | 5,108.88 | - |
| Offer for Sale | - | - | - | - | - | - |
| Offer for Subscription | - | 1 | - | - | 1,808.75 | - |
| TOTAL EQUITIES: | 14 | 10 | 40 | 306,496.39 | 10,747.92 | 2751 |
| Corporate Bonds | 3 | 10 | (70) | 23,150.00 | 115,970.52 | (80.03) |
| Sub-national Bonds | 4 | 1 | 300 | 97,387.00 | 47,000 | 107.21 |
| Supra-national Bonds | - | - | - | - | - | - |
| FGN Bonds* | 33 | 34 | (2.94) | 1,550,460.00 | 1,198,720.00 | 29.34 |
| TOTAL DEBT SECURITIES: | 40 | 45 | (11.11) | 1,670,997.00 | 1,361,690.52 | 22.71 |
| OVERALL | 54 | 55 | (1.82) | 1,977,493.39 | 1,372,438.00 | 44.09 |

Table 2 below shows details of equities approved by the Commission in 2017 while table 3 captures details of corporate and sub-national bonds approved in the same period.

Table 2: EQUITIES APPROVED BY THE COMMISSION IN 2017

| S/N | Issuer | Offer Price (₦) | Volume | Value (₦) |
|-----|-------------------------------------|---|---|--|
| 1. | NASD Plc | 1.75 | 111,051,098 | 194,339,421.50 |
| 2. | UACN Property Dev. Plc | 3.00 | 1,718,750,000 | 5,156,250,000.00 |
| 3. | Livestock Feeds Plc | 1.10 | 1,000,000,000 | 1,100,000,000.00 |
| 4. | Guinness Nigeria Plc | 58.00 | 648,494,631 | 39,700,688,598.00 |
| 5. | ARM Life Plc | 0.52 | 1,928,557,600 | 1,002,849,952.00 |
| 6. | Trans-Nationwide Express Plc | 0.75 | 298,230,000 | 223,672,500.00 |
| 7. | Unilever Nigeria Plc | 30.00 | 1,961,709,167 | 58,851,275,010.00 |
| 8. | Union Bank Plc | 4.00 | 12,133,646,995 | 49,747,952,679.50 |
| 9. | Consolidated Hallmark Insurance Plc | 0.50 | 1,000,000,000 | 500,000,000.00 |
| 10. | CR Services (Credit Bureau) Plc | 1.05 ¹ 1.11 ² 1.09 ³ | 32,856,899 72,857,143 352,872,341 | 34,499,743.95 80,871,428.73 384,630,851.69 |
| 11. | Morrison Industries Plc | 0.60 | 836,983,125 | 502,189,875.00 |
| 12. | UAC of Nigeria Plc | 16.00 | 960,432,193 | 15,366,915,088.00 |
| 13. | Lafarge Africa Plc | 42.50 | 3,097,653,023 | 131,650,253,477.50 |
| 14. | Mutual Benefits Assurance Plc | 0.50 | 4,000,000,000 | 2,000,000,000.00 |
| | Total | | 30,154,094,215 | 306,496,388,625.87 |

¹Ordinary Shares

²Class A preference shares

³Class B preference shares

Table 3: CORPORATE AND SUB-NATIONAL BONDS APPROVED BY THE COMMISSION IN 2017

| S/N | Issuer | Issue Type | Offer Price (₦) | Volume | Value(₦) |
|--------------------------|-----------------------|--|-----------------|--------------------|---------------------------|
| SUB-NATIONAL BOND | | | | | |
| 1. | Lagos State Govt. | Offer for Subscription Series II Tranche IV, 10 Year 15.85% Fixed Rate Bond due 2027 under the N500,000,000,000 Debt Issuance Programme | 1,000.00 | 5,336,000 | 5,336,000,000 |
| 2. | Lagos State Govt. | Offer for Subscription Series II Tranche III, 7 Year 15.60% Fixed Rate Bond due 2024 under the N500,000,000,000 Debt Issuance Programme | 1,000.00 | 6,911,000 | 6,911,000,000 |
| 3. | Lagos State Govt. | Offer for Subscription Series II Tranche II, 10 year 17.25% Fixed Rate Bond due 2027 under the N500,000,000,000 Debt Issuance Programme | 1,000.00 | 38,770,000 | 38,770,000,000 |
| 4. | Lagos State Govt. | Offer for Subscription Series II Tranche I, 7 Year 16.75% Fixed Rate Bond due 2024 under the N500,000,000,000 Debt Issuance Programme | 1,000.00 | 46,370,000 | 46,370,000,000 |
| CORPORATE BOND | | | | | |
| 5. | Dufil Prima Foods Plc | Offer for Subscription of N10 Billion Series 1,5 years, 18.25% fixed rate, unsecured and unsubordinated Bond due 2022 under a N40 Billion Debt Issuance Programme | 1,000.00 | 10,000,000 | 10,000,000,000 |
| 6. | LAPO MFB SPV PLC | Offer for Subscription of Fixed Rate Series 1, 5 years 17.75%Bonds due 2022 under the N20 Billion Bond Issuance Programme | 1,000.00 | 3,150,000 | 3,150,000,000 |
| 7. | Viathan Funding Plc | Offer for Subscription N10Billion Series 1, 5 years 16% Fixed Rate, Senior Guaranteed Bond due 2027 Issue under a N50 Billion Medium Term Note Issuance Programme. | 1,000.00 | 10,000,000 | 10,000,000,000 |
| | Total | | | 120,537,000 | 120,537,000,000.00 |

Source: SEC

The Debt Management Office auctioned and allotted a total of thirty-three (33) bonds worth N1.55 trillion. Table 4 below shows the breakdown of FGN bonds auctioned and allotted in 2017.

Table 4: FGN BONDS ALLOTTED IN 2017

| Issue | Tenor | Amount Auctioned (N'Bn) | Subscriptions (N'Bn) | Level of Subscription | Amount Allotted (N'Bn) | Marginal Rate (%) Applied | Date Auctioned |
|----------------------------|-------|-------------------------|----------------------|-----------------------|------------------------|---------------------------|----------------|
| July 15,2021 (7th issue) | 5 | 40 | 39.15 | 97.88 | 34.95 | 16.899 | JAN-18-2017 |
| Jan 22, 2026 (13th issue) | 10 | 50 | 83.00 | 166.00 | 74.9 | 16.9945 | JAN-18-2017 |
| Mar 18, 2036 (30th issue) | 20 | 40 | 112.90 | 282.25 | 105.1 | 16.992 | JAN-18-2017 |
| July 15,2021 (8th issue) | 5 | 45 | 108.96 | 242.13 | 60 | 16.55 | FEB-15-2017 |
| Jan 22, 2026 (14th issue) | 10 | 20 | 88.17 | 440.85 | 30 | 16.612 | FEB-15-2017 |
| Mar 18, 2036 (31st issue) | 20 | 45 | 139.90 | 310.89 | 70 | 16.77 | FEB-15-2017 |
| July 15,2021 (9th issue) | 5 | 45 | 38.21 | 84.91 | 30 | 16.24 | MAR-15-2017 |
| Mar 17, 2027 (1st Issue) | 10 | 50 | 75.99 | 151.98 | 50 | 16.2884 | MAR-15-2017 |
| Mar 18, 2036 (32nd issue) | 20 | 35 | 102.18 | 291.94 | 80 | 16.28 | MAR-15-2017 |
| July 15,2021 (10th issue) | 5 | 35 | 20.93 | 59.80 | 15.03 | 15.9899 | APR-12-2017 |
| Mar 17, 2027 (2nd Issue) | 10 | 50 | 37.54 | 75.08 | 34.04 | 16.243 | APR-12-2017 |
| Apr 18, 2037 (1st Issue) | 20 | 50 | 71.00 | 142.00 | 56.25 | 16.2499 | APR-12-2017 |
| July 15,2021 (11th issue) | 5 | 40 | 17.29 | 43.23 | 10 | 16.3 | May-10-2017 |
| Mar 17, 2027 (3rd Issue) | 10 | 50 | 52.94 | 105.88 | 35 | 16.29 | May-10-2017 |
| Apr 18, 2037 (2nd Issue) | 20 | 50 | 91.67 | 183.34 | 65 | 16.299 | May-10-2017 |
| July 15,2021 (12th issue) | 5 | 40 | 12.52 | 31.30 | 4.22 | 16.19 | JUN-21-2017 |
| Mar 17, 2027 (4th Issue) | 10 | 50 | 57.35 | 114.70 | 30.25 | 16.19 | JUN-21-2017 |
| Apr 18, 2037 (3rd Issue) | 20 | 50 | 88.24 | 176.48 | 64.79 | 16.1965 | JUN-21-2017 |
| July 15,2021 (13th issue) | 5 | 35 | 9.10 | 26.00 | 3.9 | 16.24 | JUL-12-2017 |
| Mar 17, 2027 (5th Issue) | 10 | 50 | 55.31 | 110.62 | 47.01 | 16.25 | JUL-12-2017 |
| Apr 18, 2037 (4th Issue) | 20 | 50 | 64.75 | 129.50 | 55.05 | 16.2514 | JUL-12-2017 |
| July15, 2021 (14th Issue) | 5 | 35 | 10.38 | 29.66 | 9.18 | 16.8 | Aug-23-2017 |
| Mar 17, 2027(6th issue) | 10 | 50 | 19.91 | 39.82 | 17.51 | 16.8 | Aug-23-2017 |
| April 18, 2037(5th Issue) | 20 | 50 | 33.36 | 66.72 | 29.36 | 16.9 | Aug-23-2017 |
| July 15, 2021 (15th Issue) | 5 | 21 | 50.28 | 239.43 | 35.26 | 15.9899 | Sep-27-2017 |
| Mar 17, 2027 (7th Issue) | 10 | 43 | 127.6 | 296.74 | 76.93 | 15.9 | Sep-27-2017 |
| Apr 18, 2037 (6th Issue) | 20 | 109 | 216.97 | 199.06 | 131.59 | 15.92 | Sep-27-2017 |
| July 15, 2021 (16th Issue) | 5 | 50 | 21.17 | 42.34 | 3 | 15 | Oct-25-2017 |
| Mar 17, 2027 (8th Issue) | 10 | 50 | 166.26 | 332.52 | 118.13 | 15 | Oct-25-2017 |
| JUL 15, 2021 (17TH Issue) | 5 | 50 | 23.00 | 46.00 | 14.6 | 14.79 | Nov-22-2017 |
| Mar 17, 2027 (9th issue) | 10 | 50 | 82.39 | 164.78 | 81.83 | 14.8 | Nov-22-2017 |
| Jul 15, 2021 (18th issue) | 5 | 50 | 89.95 | 179.90 | 24.77 | 13.19 | Dec-13-2017 |
| Mar 17, 2027 (10th issue) | 10 | 50 | 198.80 | 397.60 | 61.47 | 13.21 | Dec-13-2017 |
| Total | | | 2,377.38 | | 1,550.46 | | |

SOURCE: DMO**SECONDARY MARKET**

Transaction statistics for equities indicated that volume and value of transactions increased by 4.67% and 121.66% respectively in 2017. FGN bonds witnessed decreases both in the volume and value of transactions falling by 3.53% and 11.21% respectively. Secondary market statistics for ETF recorded an appreciation of 270.66% and 59.43% in the volume and value of trades respectively.

The number of listed securities and total market capitalization which stood at 247 and N16.19 trillion in 2016 increased by 5.67% and 41.57% to close the year 2017 at 261 and N22.92 trillion respectively. The exceptional performances of market capitalization and the All-Share index can be attributed to stronger global economic performance, improved domestic macroeconomic fundamentals and most especially the introduction of the IEFX window by the CBN which boosted investor confidence, and improved company earnings.

TRANSACTIONS ON THE NIGERIAN STOCK EXCHANGE:

About 100.31 billion units of securities worth about N1.273 trillion exchanged hands on the floor of the NSE in 2017 compared to about 95.83 million securities valued at N574.40million in 2016.

Among the securities traded during the year were 765,405 units of FGN bonds exchanged for about N763.93 billion and 62.24 million units of ETF traded for N465.35 billion. The bulk of the transactions were however in equities, as shown in table 5. During the year, 100.25 billion units of shares valued at N1.271 trillion were traded on the Exchange.

Table 5: Comparative Trading Statistics for 2016 and 2017

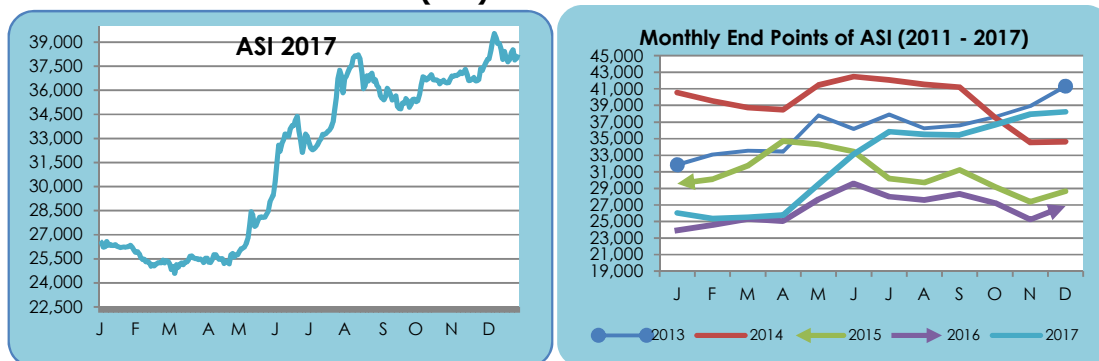
| Securities | 2016 | | 2017 | |
|------------------------------|-----------------------|---------------------------|------------------------|-----------------------------|
| | Volume | Value (Naira) | Volume | Value (Naira) |
| FGN Bonds | 793,380 | 860,396,263.58 | 765,405 | 763,928,777.60 |
| Exchange Traded Funds | 16,792,472 | 291,890,343.47 | 62,243,736 | 465,353,065.53 |
| Equities | 95,814,775,618 | 573,247,178,883.05 | 100,247,416,456 | 1,271,990,257,267.89 |
| Total | 95,832,361,470 | 574,399,465,490.10 | 100,310,425,597 | 1,273,219,539,111.02 |

Source: Compiled from NSE reports

PRICE INDICES:

The All-Share Index closed the year at 38,243.19, a sharp increase of 42.30% in contrast to a decline of 6.17% in 2016 when it ended the year at 26,874.62. As indicated in the first panel of chart 2 on the left below, the first quarter began with a fall from January to March, followed by a steady rise in May. The index reached its peak of 39,534.14 in early December 2017, followed by a slight downward erratic movement for the rest of the month.

Chart 2: NSE All-Share Index (ASI) Trends



Source: Compiled from The NSE Reports

NSE Sector Indices:

Ten (10) out of the eleven (11) sector indices recorded positive growth, only one (1) ended the year 2017 on a negative note. NSE Banking Index recorded the highest appreciation at 73.32% while NSE 30, NSE Consumer Goods, NSE Insurance, NSE Lotus Islamic, NSE Industrial appreciated by 46.14%, 36.97%, 10.36%, 5.76%, 39.03% and 23.84% respectively on a year to date basis. NSE-Asem Index depreciated by 8.6% in the previous year, only NSE Banking Index recorded an appreciation of 2.17%.

Table 6: The ASI and NSE Sector Indices Month End Points in 2017

| Month | NSE 30 | NSE Con | NSE Bank | NSE Ins | NSE Oil & Gas | NSE LII | NSE-IND | NSE-Asem | ASI |
|----------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
| January | 1,158.22 | 661.26 | 277.32 | 124.89 | 299.35 | 1,736.36 | 1,556.12 | 1,202.97 | 26,036.24 |
| February | 1,114.84 | 588.35 | 277.32 | 122.91 | 288.06 | 1,587.13 | 1,544.23 | 1,193.52 | 25,329.08 |
| March | 1,136.3 | 627.79 | 274.25 | 123.82 | 292.42 | 1,707.26 | 1,596.51 | 1,194.88 | 25,516.34 |
| April | 1,158.99 | 616.12 | 284.5 | 123.89 | 303.25 | 1,685.06 | 1,707.68 | 1,195.56 | 25,758.51 |
| May | 358.54 | 733.84 | 358.54 | 138.63 | 295.65 | 1,856.94 | 1,741.28 | 1,195.56 | 29,498.31 |
| June | 1,504.44 | 795.40 | 397.97 | 137.86 | 323.16 | 2,046.92 | 1,932.2 | 1,174.61 | 33,117.48 |
| July | 1,635.42 | 847.88 | 445.33 | 141.02 | 337.27 | 2,232.65 | 2,152.88 | 1,161.80 | 35,844.00 |
| August | 1,637.95 | 946.88 | 439.69 | 137.54 | 298.93 | 2,222.42 | 2,051.96 | 1,160.78 | 35,504.62 |
| September | 1,622.43 | 921.79 | 440.17 | 139.73 | 280.83 | 2,228.44 | 1,984.19 | 1,156.70 | 35,439.98 |
| October | 1,675.57 | 918.78 | 463.61 | 139.05 | 285.15 | 2,303.28 | 2,028.55 | 1,162.45 | 36,680.29 |
| November | 1,715.18 | 918.36 | 470.74 | 140.15 | 290.76 | 2,441.59 | 2,123.06 | 1,158.74 | 37,944.60 |
| December | 1,746.68 | 976.10 | 475.44 | 139.37 | 330.69 | 2,560.39 | 1,975.59 | 1,087.32 | 38,243.19 |
| As at Dec 2016 | 1,195.20 | 712.65 | 274.32 | 126.29 | 312.68 | 1,841.59 | 1,595.33 | 1,189.69 | 26,874.62 |
| % Change | 46.14 | 36.97 | 73.32 | 10.36 | 5.76 | 39.03 | 23.84 | (8.60) | 42.30 |

Source: Compiled from NSE Reports

LISTING AND DELISTING:

Three (3) new equities were listed to trade on the floor of the NSE during the year 2017, while seven (7) equities were delisted. The new listed equities are Medview Airline, Jai'z Bank Plc and Global Spectrum Energy Services Plc. Two (2) out of the seven (7) equities voluntarily delisted namely, Ashakacem Plc and Avon Crowncaps & Containers Plc. Hence the number of listed equities declined to 172 from 175 in 2016. One (1) new ETF was also admitted to trade on the Nigerian Stock Exchange in 2017 thus bringing the number of listed

ETFs to nine (9). For debt securities, a total of sixteen (16) bonds were listed in the course of the year.

The total number of listed securities which was 247 in 2016 increased to 261 in 2017 with the breakdown being 172 equities, 80 debt securities, and 9 ETFs.

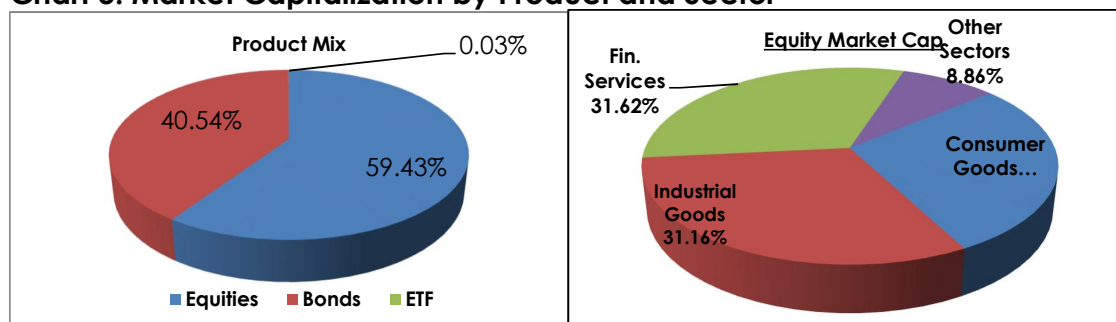
MARKET CAPITALIZATION:

The total market value of 261 securities listed on the floor of the Exchange stood at N22.92 trillion at the end of 2017. As at December 2016, there were 248 listed securities with a market capitalization of N16.19 trillion. In essence, the number and market capitalization of listed securities appreciated in 2017 by 5.24% and 41.57% respectively

A look at the composition of the total market capitalization showed that the equity market capitalization rose by 47.08% to close at N13.62 trillion from N9.26 trillion in 2016, the debt securities market capitalization appreciated by 34.20% to end at N9.30 trillion from N6.93 trillion in the previous year, while the market capitalization of ETF appreciated by 39.59% to close at N6.70 billion from N4.80 billion. In 2016, equity market capitalization depreciated by 6.12%, the debt securities capitalization declined by 3.01% while the capitalization of ETF appreciated by 19.41%.

The equity segment retained dominance of the market as it accounted for 59.43% of the overall market capitalization in 2017, while, the bond segment controls 40.54% of the total market capitalization.

Chart 3: Market Capitalization by Product and Sector



Source: Compiled from NSE reports

As shown on Table 7, in the equity segment, the **Financial Services** sector is leading with a capitalization of N4.31 trillion. The sector currently controls 31.62% of the equities market capitalization from 15.02% in 2016. Trailing behind the Financial Services sector were the **Industrial Goods** and **Consumer Goods** sectors, which controlled 31.16% and 28.36% respectively of the equities market capitalization in 2017. The three sectors dominated the equity segment in 2016.

The capitalization of the listed domestic debt of the Federal government and State governments stood at about N8.43 trillion and N562.81 billion respectively while the market value of corporate debt securities amounted to about N276.5 billion. The value of these debt securities represented 36.77%, 2.46% and 1.21% of the total market capitalization in 2017 respectively.

Table 7: Market Capitalization by Sector as at December 2017

| Sector | Listed Securities | Market Capitalization (Naira) | % Of Total Capitalization |
|----------------------------|-------------------|-------------------------------|---------------------------|
| ASeM | | | |
| Conglomerates | | 2,226,609,000.00 | 0.0097% |
| Construction/Real Estate | 1 | 24,300,000.00 | 0.0001% |
| Consumer Goods | 1 | 392,040,000.00 | 0.0017% |
| Financial Services | 1 | 3,750,000,000.00 | 0.0164% |
| Healthcare | 1 | 12,449,425.00 | 0.0001% |
| Oil & Gas | 3 | 2,963,136,266.50 | 0.0129% |
| Services | 2 | 1,063,626,229.32 | 0.0046% |
| Sub-total | 9 | 10,432,160,920.82 | 0.0455% |
| MAIN BOARD | | | |
| Agriculture | 5 | 137,171,367,416.94 | 0.5985% |
| Conglomerates | 5 | 95,968,286,298.83 | 0.4187% |
| Construction/Real Estate | 7 | 85,074,428,753.71 | 0.3712% |
| Consumer Goods | 21 | 3,862,342,386,359.71 | 16.8529% |
| Financial Services | 55 | 3,182,476,733,369.88 | 13.8864% |
| Healthcare | 10 | 40,207,855,119.61 | 0.1754% |
| ICT | 7 | 34,213,034,927.86 | 0.1493% |
| Industrial Goods | 14 | 324,348,019,343.73 | 1.4153% |
| Natural Resources | 4 | 6,272,145,056.48 | 0.0274% |
| Oil & Gas | 9 | 667,012,542,846.34 | 2.9104% |
| Services | 23 | 134,186,065,245.15 | 0.5855% |
| Sub-total | 160 | 8,569,272,864,738.24 | 37.3912% |
| PREMIUM BOARD | | | |
| Financial Services | 2 | 1,120,884,677,242.64 | 4.8909% |
| Industrial Goods | 1 | 3,919,316,703,150.00 | 17.1015% |
| Sub-total | 3 | 5,040,201,380,392.64 | 21.9924% |
| EQUITY (TOTAL) | 172 | 13,619,906,406,051.70 | 59.43% |
| ETFs | 9 | 6,694,586,024.79 | 0.0292% |
| ETF (Total) | 9 | 6,694,586,024.79 | 0.0292% |
| DEBT SECURITIES | | | |
| Federal Government Bonds | 30 | 8,427,048,864,529.79 | 36.7706% |
| Sub-National Bonds | 23 | 562,808,658,400.00 | 2.4558% |
| Corporate Bonds/Debentures | 25 | 276,498,226,960.00 | 1.2065% |
| Supra-national Bond | 2 | 24,950,000,000.00 | 0.1089% |
| DEBT (TOTAL) | 80 | 9,298,000,335,914.57 | 40.57% |
| OVERALL | 261 | 22,917,906,741,966.28 | 100.00% |

Source: Compiled from NSE Reports

TOP TWENTY (20) COMPANIES BY MARKET CAPITALIZATION:

With the exception of International Breweries Plc, P.Z. Cussons Nigeria Plc and Flour Mills Nigeria Plc, all of the equities on the list of top twenty equities by market capitalization for 2017 had remained on the list throughout the year. The top five equities on the table controlled 60.40% of the Equities Market Capitalization with Dangote Cement Plc alone controlling 28.78% of the Equities Market Capitalization followed by Nestle Nigeria Plc which controlled 9.06%.

The total capitalization for the top twenty equities amounted to N12.05trillion at the end of 2017. When compared with the value of N9.26 trillion recorded at the end of the previous year, the value indicated a 30.13% increase in the portion of the equities market controlled by the top twenty equities. The top twenty equities accounted for 88.46% while the other 152 equities accounted for 11.54% of the total Equities Market Capitalization.

Table 8: Top Twenty (20) Companies by Market Capitalization as at December 2017

| Rank | Equity | Market Capitalization (Naira) | % of Equity Market Capitalization |
|------|--|-------------------------------|-----------------------------------|
| 1 | Dangote Cement PLC | 3,919,316,703,150.00 | 28.78% |
| 2 | Nestle Nigeria Plc. | 1,233,365,201,549.48 | 9.06% |
| 3 | Guaranty Trust Bank Plc. | 1,199,320,553,378.00 | 8.81% |
| 4 | Nigerian Brew. Plc. | 1,069,635,709,791.20 | 7.85% |
| 5 | Zenith International Bank Plc | 805,006,100,673.04 | 5.91% |
| 6 | International Breweries Plc. | 468,474,475,512.00 | 3.44% |
| 7 | Stanbic IBTC Holdings Plc | 417,052,827,836.50 | 3.06% |
| 8 | Seplat Petroleum Development Company Ltd | 352,840,252,989.42 | 2.59% |
| 9 | United Bank For Africa Plc | 352,254,040,090.40 | 2.59% |
| 10 | Fbn Holdings Plc | 315,878,576,569.60 | 2.32% |
| 11 | Ecobank Transnational Incorporated | 311,942,370,655.00 | 2.29% |
| 12 | Access Bank Plc. | 302,297,303,543.95 | 2.22% |
| 13 | Lafarge Africa Plc. | 250,296,549,491.13 | 1.84% |
| 14 | Dangote Sugar Refinery Plc | 240,000,000,000.00 | 1.76% |
| 15 | Unilever Nigeria Plc. | 235,545,222,097.00 | 1.73% |
| 16 | Guinness Nig Plc | 205,895,984,986.00 | 1.51% |
| 17 | Union Bank Nig.Plc. | 132,499,425,185.40 | 0.97% |
| 18 | P Z Cussons Nigeria Plc. | 81,791,827,127.00 | 0.60% |
| 19 | Total Nigeria Plc. | 78,073,046,418.15 | 0.57% |
| 20 | Flour Mills Nig. Plc. | 76,102,878,423.00 | 0.56% |
| | Market Capitalization of Top 20 | 12,047,589,049,466.30 | 88.46% |
| | Other 152 Equities | 1,572,317,356,585.43 | 11.54% |
| | Equity Market Capitalization | 13,619,906,406,051.70 | 100.00% |

Source: Compiled from NSE Reports

GAINERS AND LOSERS:

A comparison of prices of equities in 2017 to their levels in 2016 show that the prices of sixty (60) equities appreciated, forty-two (42) recorded declines, while sixty-five (65) remained unchanged.

In terms of percentage gain in prices, the top 3 gainers, as shown in table 11 below, recorded price appreciations of over 50%. Dangote Sugar Refinery Plc topped the table with a gain of 227.33% followed by International Breweries Plc (194.59%), and Fidelity Bank Plc (192.86%). The least appreciation for the top 20 gainers as shown in the table below was 67.82%, much higher than 13.12% recorded in the previous period.

Table 9: Top 20 Price Gainers in 2017

| S/N | Equity | Price in Dec 2016 | Price in Dec 2017 | Gain | |
|-----|--------------------------------------|-------------------|-------------------|--------|--------|
| | | | | Naira | % |
| 1 | Dangote Sugar Refinery Plc | 6.11 | 20 | 13.89 | 227.33 |
| 2 | International Breweries Plc. | 18.50 | 54.5 | 36 | 194.59 |
| 3 | Fidelity Bank Plc | 0.84 | 2.46 | 1.62 | 192.86 |
| 4 | Fidson Healthcare Plc | 1.28 | 3.7 | 2.42 | 189.06 |
| 5 | Dangote Flour Mills Plc | 4.25 | 12.15 | 7.9 | 185.88 |
| 6 | Stanbic IBTC Holdings Plc | 15.00 | 41.5 | 26.5 | 176.67 |
| 7 | May & Baker Nigeria Plc. | 0.94 | 2.6 | 1.66 | 176.60 |
| 8 | FBN Holdings Plc | 3.35 | 8.8 | 5.45 | 162.69 |
| 9 | C & I Leasing Plc. | 0.50 | 1.29 | 0.79 | 158.00 |
| 10 | United Bank For Africa Plc | 4.50 | 10.3 | 5.8 | 128.89 |
| 11 | Nascon Allied Industries Plc | 8.50 | 18.5 | 10 | 117.65 |
| 12 | Nestle Nigeria Plc. | 810.00 | 1,555.99 | 745.99 | 92.10 |
| 13 | Cement Co. Of North. Nig. Plc | 5.00 | 9.5 | 4.5 | 90.00 |
| 14 | Access Bank Plc. | 5.87 | 10.45 | 4.58 | 78.02 |
| 15 | Zenith International Bank Plc | 14.75 | 25.64 | 10.89 | 73.83 |
| 16 | Presco Plc | 40.10 | 68.5 | 28.4 | 70.82 |
| 17 | Diamond Bank Plc | 0.88 | 1.5 | 0.62 | 70.45 |
| 18 | Beta Glass Co Plc. | 30.32 | 51.31 | 20.99 | 69.23 |
| 19 | Okomu Oil Palm Plc. | 40.17 | 67.69 | 27.52 | 68.51 |
| 20 | Transnational Corporation Of Nig Plc | 0.87 | 1.46 | 0.59 | 67.82 |

Source: Compiled from NSE reports

By percentage declines, the top 20 losers with price depreciations of 14% and above are captured in table 10 below. Morrison Industries Plc led the league with a percentage loss of 67.88%, Forte Oil Plc with a decline of 48.50%, and University Press Plc losing 46.23%.

Table 10: Top 20 Price Losers

| S/N | Equity | Price in Dec 2016 | Price in Dec 2017 | Loss | |
|-----|-------------------------------|----------------------|----------------------|--------|-------|
| | | | | Naira | % |
| 1 | Morison Industries Plc. | 1.65 | 0.53 | -1.12 | 67.88 |
| 2 | Forte Oil Plc. | 84.43 | 43.48 | -40.95 | 48.5 |
| 3 | University Press Plc. | 4.24 | 2.28 | -1.96 | 46.23 |
| 4 | Mrs Oil Nigeria Plc. | 43.24 | 27.46 | -15.78 | 36.49 |
| 5 | Smart Products Nigeria Plc | 0.76 | 0.54 | -0.22 | 28.95 |
| 6 | Julius Berger Nig. Plc. | 38.58 | 28 | -10.58 | 27.42 |
| 7 | A.G. Leventis Nigeria Plc. | 0.96 | 0.7 | -0.26 | 27.08 |
| 8 | NCR (Nigeria) Plc. | 8.53 | 6.3 | -2.23 | 26.14 |
| 9 | Conoil Plc | 37.48 | 28 | -9.48 | 25.29 |
| 10 | John Holt Plc. | 0.66 | 0.5 | -0.16 | 24.24 |
| 11 | Total Nigeria Plc. | 299 | 229.95 | -69.05 | 23.09 |
| 12 | Tripple Gee and Company Plc. | 1.36 | 1.06 | -0.3 | 22.06 |
| 13 | Trans-Nationwide Express Plc. | 1 | 0.78 | -0.22 | 22 |
| 14 | 7-Up Bottling Comp. Plc. | 129 | 101.97 | -27.03 | 20.95 |
| 15 | Nigerian Enamelware Plc. | 29.33 | 23.23 | -6.1 | 20.8 |
| 16 | Meyer Plc. | 0.87 | 0.7 | -0.17 | 19.54 |
| 17 | AICO Insurance Plc. | 0.63 | 0.52 | -0.11 | 17.46 |
| 18 | Champion Brew. Plc. | 2.45 | 2.08 | -0.37 | 15.1 |
| 19 | Omoluabi Mortgage Bank Plc | 0.88 | 0.75 | -0.13 | 14.77 |
| 20 | Union Dicon Salt Plc. | 15.67 | 13.45 | -2.22 | 14.17 |

Source: Compiled from NSE reports