





## A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

	News/Development	Relevance/Implications
	<p><b>Seven-Up Bottling Company plans to buy-out minority shares</b></p> <p>Seven-Up Bottling Company PLC recently informed the investing public of the plan by Affelka S.A., the holder of 73.0% of the Company's shares outstanding to completely buyout minority shares in 7UP for a consideration</p>	<p>Companies may delist for various reasons ranging from inability to meet regulatory requirements to voluntary business decisions. These reasons notwithstanding, it is desirable to have many firms listed on the Exchange. The likely delisting of 7UP may therefore confirm the fear in the capital market that more multinational companies may follow the lead of Nigerian Bottling Company (NBC) which delisted from the NSE six years ago. 7UP is a highly regarded company in the capital market. If it delists, the impact on the market will be negative. For instance, the equities market capitalization will be reduced by N62.2 billion and one hopes others will not follow suit. The novelty of the SEC decision to approve the proposal for delisting is that firms will join if they know they can exit. The freedom of entry and exit is part of SEC's arsenal for encouraging the development of the market.</p>
	<p><b>FG reviews non-performing privatised firms' operations</b></p> <p>The Bureau of Public Enterprises says it has started reviewing privatised public enterprises that have failed to live up to expectation. The Director-General of the BPE, Mr. Alex Okoh, said this when members of the Senate Committee on Privatisation and Commercialisation visited the bureau. According to a statement made available to journalists in Abuja on Sunday by the Head of Public Communications, Chukwuma Nwokoh, the bureau had started a thorough review of the non-performing enterprises in order to ascertain the issues affecting their performances. The BPE said its current initiatives were poised to positively impact on the economy in areas of power generation and supply, improvement in overall infrastructure, employment creation, food security and human capital development. Okoh added that the role of the BPE was to assist in restructuring the public sector enterprises and services so as to create a new synergy between a more cost effective government, and a revitalised and efficient service-oriented private sector.</p>	<p>One of the rationales for Privatisation is to make privatized companies more productive and efficient, create jobs and contribute to economic growth and development. The BPE normally privatizes public enterprises through asset sale, concession or guided liquidation. Other modes of privatization are private placement and share floatation. In reviewing the performance of privatized firms, it is essential to assess the performance of such firms based on their mode of privatization. If for instance, companies privatized through private placement and share floatation happen to perform better, government would then be encouraged to carry out future exercises through the capital market. In fact, economic theory posits that share-issue privatization is good for the market and the economy at large. The capital market rewards good performing companies through higher returns and penalises ailing ones through the tendency for poor performing managers to lose jobs and/or through a fall in share prices. This disciplinary mechanism of the market prompts firms listed on the exchange to pursue good performance and protect investor interest.</p>

### Do you know?

In 1989, the Kaduna State Government made its debut in the capital market raising N30 million through a 7-year bond to build a ginger processing factory. The 17% coupon bond was fully subscribed. It was also in 1989 that the Kano floor of the Nigerian Stock Exchange was opened for business. Also in the same year, a new industrial policy was adopted by the Federal Government which modified the Nigerian Enterprises promotion Decree of 1977. The policy opened all but forty enterprises to foreigners who were to invest a minimum of N20 million in these businesses.



## B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

For the week ended December 8th 2017, the NSE All Share Index closed at 39,257.5 points, growing by 3.38% WTD, 3.4% MTD, 46.1% YTD and 52.5% YoY. Correspondingly, the equities market capitalisation finished the week higher at N13.7 trillion rising by 3.46% WTD, 3.46% MTD, 49.4% YTD and 54.3% year-on-year.

The Unlisted Securities Index finished the week at 618.6 points falling by 2.92% month-to-date, 3.0% year-to-date and 1.26% year-on-year but gained 0.1% week-to-date. Also, the USI market capitalization concluded the week at N418.7bn growing by 0.1% week-to-date, 0.10% month-to-date and 1.8% year-on-year but falling by 0.04% year-to-date. Available data showed the net asset value of Collective Investment Schemes standing at N402.5bn at the end of the period under review. It went flat month-to-date and grew by 89.4% year-on-year.

In the money market, the OBB and ON rates both finished the week higher at 6.3% and 5.2% declining by 15.3% and 18.2% on the backdrop of inflows from FAAC payments and Retail FX refunds by the CBN.

In the commodities market, crude oil price finished the week at \$63.2 per barrel growing by 1.2%, 1.2% 14% and 17.3% week-to-date, month-to-date, year-to-date and year-on-year respectively which can be attributed to a drop in OPEC's crude output which was at six-month low. From the beginning of the year, gold, wheat and cotton grew by 7.7%, 2.1% and 2.4% accordingly but cocoa fell by 12.9% and corn by 1.2%.

The interbank rate closed at N306.4/US\$ whereas the parallel market concluded the week at N363/US\$. The interbank fell by 0.46% year-to-date and 0.3% year-on-year unlike the parallel market where growth of 35% was recorded from the beginning of the year and 33.6% in the last one year. Data provided by the Central Bank of Nigeria (CBN) indicates the country's external reserves at \$35.9bn at the end of the week growing by 1.1%, 1.1%, 37.4%, and 43.6% WTD, MTD, YTD and YoY respectively. The S & P index finished the week higher by 0.5% from the beginning of the week recording a growth of 18% in the last one year.

Market	Indicator	Value* @ 8-Nov-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	39,257.5	3.38	3.4	46.1	52.5
	Market Capitalisation (N'tn)	13.7	3.46	3.46	49.4	54.3
Unlisted (NASD)	Unlisted Securities Index (USI)	618.6	0.1	-2.92	-3.0	-1.26
	Market Capitalisation (N'bn)	418.7	0.1	0.10	-0.04	1.8
Collective Investment	Net Asset Value (N'bn)	402.5	1.8	-	80.1	89.4
Money	O/N (%)	5.2	-18.2	-18.2	-3.6	1.3
	OBB (%)	6.3	-15.3	-15.3	-2.0	3.3
Commodities	Crude Oil (\$/b)	63.2	1.2	1.2	14.0	17.3
	Gold(\$/t oz)	1,251.6	-2.04	-2.0	7.7	6.8
	Cocoa(\$/mt)	1887.0	-7.5	-7.5	-12.9	-16.9
	Wheat(\$/bu)	4.2	-4.5	-99.0	2.1	1.8
	Corn(\$/bu)	3.5	-0.5	-99.0	-1.2	-0.5
	Cotton(\$/lb)	73.5	1.3	1.3	2.4	2.9
External	Interbank Ex-rt (N/US\$)	306.4	0.196	0.196	-0.46	-0.3
	Parallel Ex-rt (N/US\$)	363	-	-	35.0	33.6
	External Reserves (\$'bn)	35.9	1.1	1.1	37.4	43.6
	S&P 500	2,651.5	0.5	0.46	17.4	18.0

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