





A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 <p>NSE Among 5 Best Performing Exchanges in 2017.</p> <p>Nigeria's stock market has been ranked amongst the best five performers in 2017, outperforming most major European, Middle Eastern and Asian countries. The remarkable performance of the country's market has been attributed in part to recovery in the country's macroeconomic outlook as well as sound foreign exchange management of the monetary authorities. Analysts see the CBN's Importers and Exporters Window (I& EW) as having made a significant contribution to liquidity and therefore bolstered the market. Furthermore, Nigeria 's Stock Market has so far recorded a 43% gain after the CBN in April 2017 made it easier to swap foreign currencies through the Special Window. On the whole there is optimism that the bullish trend in the country's stock market will continue owing to favourable macroeconomic outlook and better foreign exchange management.</p>	<p>The rally in the country's stock market has been received as good news for investors, quoted companies as well as other stakeholders in the capital market. There is evident optimism that confidence in the market will continue to return which will mean that local investors in the country will begin to show more interest in the market.</p>
 <p>Foreign Investment Rises to 241% In 11 Months.</p> <p>With foreign investors showing more interest in the country's stock market, total equities transaction rose by 241.1% in November 2017 compared to the value of N44.01 billion in January of the same year.</p> <p>In 11 consecutive months, foreign portfolio investment inflows have exceeded outflows and as mentioned earlier, this trend has been attributed to improved liquidity in the foreign exchange market. Though the aggregate domestic investors' contribution to the total portfolio investment in the market lagged behind their foreign counterparts, it showed appreciable increase of 150.2% during the period.</p> <p>Total transactions significantly increased by 117.88%. The aggregate value of transactions from January to November 2017 increased by 95.45% from N1.055 trillion recorded in 2016 to N2.062 trillion in 2017.</p>	<p>The capital market in Nigeria faces good prospects in the coming months. The strident implementation of measures to develop the capital market through a range of activities such as e-dividend, direct cash settlement etc have combined with the CBN's better management of foreign exchange, and access to liquidity have all contributed to this improved prospects.</p>

Do you know?

On April 1999, The Automated Trading System was introduced in the Nigerian Stock Market to replace the open Outcry method. The Automated Trading System is a security trading arrangement whereby transactions on the stock exchange are achieved through a network of computers operating on-line, real time and automatically. This increased settlements efficiency from T + 2 weeks to T + 3 days.



B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

The NSE All Share Index stood at 37,990.7 points, increasing by 0.27% Week-to-Date. Subsequently, an increase of 7.6% Month-to-Date, 41.4% Year-to-Date and 41.8% Year-on-Year was recorded. Similarly, the equities market capitalisation completed the week higher at N13.5 trillion rising by 0.27% Week-to-Date, 2.23% Month-to-Date, 47.6% Year-to-Date but fell by 99.9% year-on-year.

In the Unlisted Securities Market, the index finished the week higher at 1.7% concluding the week at 604.9 points but falling by 2.13% month-to-date, 2.3% year-to-date and 3.43% year-on-year. Furthermore, the USI market capitalization finished the week at N604.9bn rising by 47.8% week-to-date, 44.63% month-to-date, 44.43% year-to-date and 42.7% year-on-year. Existing data showed the Net Asset Value (NAV) of Collective Investment Schemes standing at N401.8bn at the end of the period under review. It fell by 0.2% WTD and MTD but growing by 79.8% YTD and 85.3% YoY.

In the money market, O/N and OBB rates both finished the week higher at 4.5% and 3.8% respectively declining by 1.3% and 1.2% which can be attributed to the distributed N609.95 billion FAAC allocation as against N77.25 billion in October

In the commodities market, Brent crude improved by 11.8% to close at 66.9% during the week. It further grew by 701% from the beginning of the month, 20.6% from the beginning of the year and 19.1% in the last one year. In the last one year, gold, wheat, corn and cotton grew by 13.1%, 5.5%, 0.3% and 11.5% respectively but cocoa fell by 12.6%.

The interbank rate completed the week at N306/US\$ while the parallel market concluded the week at N363/US\$. The interbank grew by 0.03% WTD and 0.33% MTD but fell by 0.33% YTD and 0.2% YoY. Although the parallel market went flat MTD, it grew by 0.28% WTD, 35% YTD and YoY. Available data released by the Central Bank of Nigeria (CBN) reveals the country's external reserves at \$38.7bn at the end of the week rising by 48.4% YTD and 50.2% YoY. The S & P index finished the week lower by 0.3% from the beginning of the week rising by 18.4% from the beginning of the year.

Market	Indicator	Value* @ 29-Dec-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	37,990.7	0.27	7.6	41.4	41.8
	Market Capitalisation (N'tn)	13.5	0.27	2.23	47.6	-99.9
Unlisted (NASD)	Unlisted Securities Index (USI)	604.9	1.7	-2.13	-2.3	-3.43
	Market Capitalisation (N'bn)	604.9	47.8	44.63	44.43	42.7
Collective Investment	Net Asset Value (N'bn)	401.8	-0.2	-0.2	79.8	85.3
Money	O/N (%)	4.5	-1.3	-18.8	-4.3	-5.1
	OBB (%)	3.8	-1.2	-17.7	-4.4	-5
Commodities	Crude Oil (\$/b)	66.9	11.8	7.1	20.6	19.1
	Gold(\$/t oz)	1,309.3	1.10	2.5	12.7	13.1
	Cocoa(\$/mt)	1892.0	1.4	-7.3	-12.7	-12.6
	Wheat(\$/bu)	4.3	-	-99.0	4.9	5.5
	Corn(\$/bu)	3.5	-0.8	-99.0	-1.5	0.3
	Cotton(\$/lb)	78.6	-0.2	8.3	9.5	11.5
External	Interbank Ex-rt (N/US\$)	306	0.03	0.33	-0.33	-0.2
	Parallel Ex-rt (N/US\$)	363	0.28	-	35.0	35.0
	External Reserves (\$'bn)	38.7	2.1	9.2	48.4	50.2
	S&P 500	2,673.6	-0.3	1.295	18.4	18.9

Important Disclaimer

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