



Q3 2021 Nigerian Market Wrap-up

The NGX ASI gained **6.10%** in Q3 2021 with a corresponding value of the index at **40,221.17** as at 30th Sept 2021. For Q3, 2021, the Banking Index was up **1.20%**, the Consumer Index was down **5.61%**, the Oil & Gas Index was up **17.31%** and the Industrial Goods Index was up **10.68%**. Best performers included HONYFLOUR, UPDC, CUTIX, PHARMDEKO and COURTVILLE. Worst performers included MEYER, SCOA, MBENEFIT, LINKASSURE and UPL. We summarize the performance of the market for Q3 2021 below and present some of the major highlights in the quarter.

NGX ASI Q3 2021 Performance

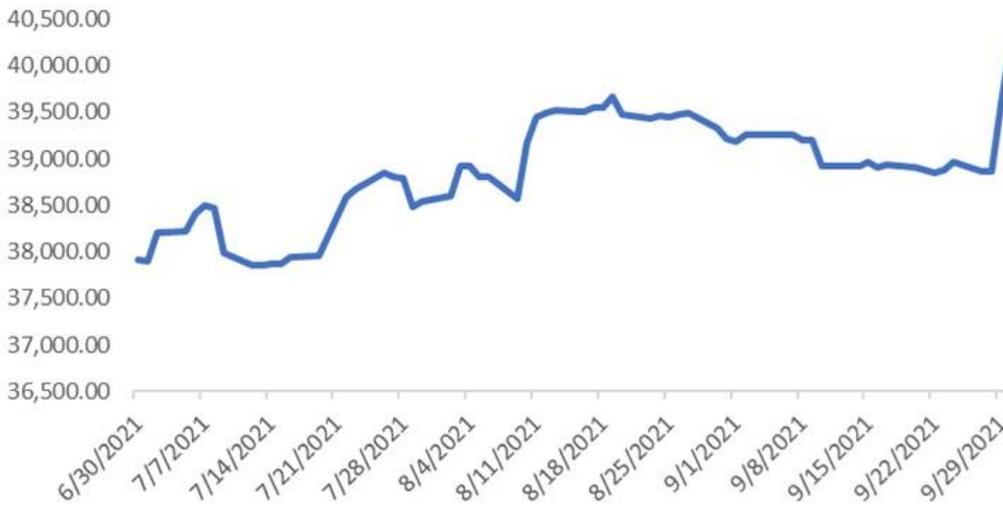


Fig 1: Q3 2021 NGX ASI Performance

PERFORMANCE INDICATORS					
INDICATOR	2021: OPEN	30 Sep 2021	30-Jun-21	Change (%)	
NGX All-Share Index	40,270.72	40,221.17	37,907.28	↑	6.10%
Market Capitalisation (N'bn)	21,056.76	20,955.51	19,760.39	↑	6.05%
NGX BANKING	393.02	370.85	366.47	↑	1.20%
NGX PENSION	1,388.64	1,552.33	1,479.77	↑	4.90%
NGX CONSUMER GOODS	573.35	567.17	600.88	↓	-5.61%
NGX OIL AND GAS	226.20	367.27	313.08	↑	17.31%
NGX 50	1,658.56	1,693.85	1,625.78	↑	4.19%
NGX INDUSTRIAL	2,052.33	2,089.38	1,887.76	↑	10.68%
NGX PREMIUM	3,470.77	4,070.31	3,527.67	↑	15.38%
NGX 30	1,640.11	1,674.51	1,594.87	↑	4.99%
Total Volume for the Quarter Ended ('m)		16,631.33	14,509.52	↑	14.62%
Total Value for the Quarter Ended (N'm)		149,426.71	179,682.32	↓	-16.84%

Table 1: Performance Indicators for Q3 2021

What Happened in Q3 2021?

Q3 remained very quiet as we saw similar themes from previous quarters continue to play out. Foreign investors continued to sit on the fence as FX liquidity remained a concern. Some foreign investors stayed active but they were mostly interested in trading dual listed stocks such as AIRTEL and SEPLAT. There were some decent blocks traded in the market in those names. Some foreign investors also got active in Nestle Nigeria on the sell side of the market.

Local investors remained the key driver of trading activities in the quarter according to data released by the Nigerian Exchange Limited (NGX). Local investors commanded 82.7% and 71.64% of total trades executed in July and August 2021 respectively. This is a deviation from the norm as foreign/ local split has previously been in the region of 50/50 to 60/40. We continued to see a lot of speculative activities driven by corporate action announcements as local investors stayed in the market for interim dividends from key corporates.

In terms of trading volumes, GTCO, ZENITHBANK, FBNH and ACCESS led the charge. We also noted some audited H1 earnings released by the major banks. There were some reactions to the numbers in just a few of the names including ACCESSBANK. Reactions were muted and negative for most of the other banks that released numbers.

The biggest single transaction in the quarter was a cross of 474m FBNH at NGN7.50 worth NGN 3.55bn (\$8.61m). Other notable single clip transactions included a cross of 763,898,306 TRANSCOHOT at NGN3.76 worth NGN2.87bn (\$6.95m) and 401m HONYFLOUR crossed at NGN3.80 worth NGN1.523bn (\$3.69m). These transaction were all done by locals in the month of September, 2021.

Outside of FX issues, the quiet trend in the market could also be attributed to the lack of potential catalysts in the short term.

The ASI gained **+1.69%** in July, **+1.74%** in August and **+2.55%** in September, 2021.

Best Performers

Worst Performers

S/N	Stock	30-Sep-21	30-Jun-21	Change	S/N	Stock	30-Sep-21	30-Jun-21	Change
1	HONYFLOUR	3.76	1.67	125.15%	1	MEYER	0.20	0.59	-66.10%
2	UPDC	1.92	0.86	123.26%	2	SCOA	0.87	1.95	-55.38%
3	CUTIX	4.95	2.80	76.79%	3	MBENEFIT	0.30	0.43	-30.23%
4	PHARMDEKO	2.35	1.34	75.37%	4	LINKASSURE	0.60	0.84	-28.57%
5	COURTVILLE	0.35	0.20	75.00%	5	UPL	1.23	1.67	-26.35%
6	OANDO	5.17	3.29	57.14%	6	JULI	0.91	1.23	-26.02%
7	TRANSCOHOT	5.43	3.57	52.10%	7	SMURFIT	0.20	0.26	-23.08%
8	NAHCO	3.60	2.38	51.26%	8	LASACO	1.19	1.50	-20.67%
9	MORISON	2.10	1.40	50.00%	9	REDSTAREX	3.00	3.67	-18.26%
10	FTNCOCOA	0.49	0.33	48.48%	10	NB	49.50	60.00	-17.50%
11	UCAP	8.95	6.20	44.35%	11	WAPIC	0.48	0.57	-15.79%
12	SKYAVN	4.45	3.16	40.82%	12	IKEJAHOTEL	1.14	1.33	-14.29%
13	NNFM	8.55	6.15	39.02%	13	FCMB	2.89	3.35	-13.73%
14	LEARNAFRCA	1.44	1.05	37.14%	14	UBN	4.90	5.60	-12.50%
15	BOCGAS	11.65	8.55	36.26%	15	JAPAUFGOLD	0.44	0.50	-12.00%
16	CAPHOTEL	3.19	2.40	32.92%	16	ABCTRANS	0.33	0.37	-10.81%
17	TOTAL	192.00	145.00	32.41%	17	VANLEER	5.45	6.05	-9.92%
18	NCR	3.00	2.27	32.16%	18	ROYALEX	0.55	0.61	-9.84%
19	TRIPPLEG	0.90	0.70	28.57%	19	INTBREW	4.80	5.30	-9.43%
20	CONOIL	25.50	20.00	27.50%	20	AIICO	0.95	1.04	-8.65%

Table 2: Best and Worst Performers for Q3 2021

Outlook for Q4 2021

With the year gradually drawing to a close, we do not see a major deviation from the current trend in the market. In the absence of potential catalysts especially from the FX space, we expect to see market performance lag through till the end of the year. However, with rising crude oil price and increasing efforts to boost FX reserves, we anticipate this may drive liquidity. We believe that if foreigners were able to get their monies out of Nigeria, they might likely be seller of Nigeria today.

We also expect that local investors may start to take positions ahead of next year's full year earnings towards the end of the year to lock in for dividend yields.

Thank you

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