



Global Economy -Rundown:

The Trade deficit in the month of January for United State grew by 1.9% to \$68.2 Billion, this was propelled by 1.6% growth recorded on Imported goods worth over \$ 221Billion, as consumer spending surged during the recent lockdown measures, as economic activities were disrupted for the month, this translated to increased import activities that was able to suppress fragile recovery from the export that appreciated by 1.6% to \$135.7billion. The magnitude of consumer spending was able to curb the level of retail inventories for the month, as customers' wallets were boosted by the government pandemic relief's targeted at low-income households. The projected outlook for the United State trade balance tilt toward further trade deficit, this is on the strength of slim inventories and anticipated demand strength, as the U.S. Senate approves the \$1.9 trillion Covid relief bill, and the pace of vaccinations remained accelerated.

Global Market Indices:



Source: FCSL Research & Bloomberg



MACRO-ECONOMIC INDICATORS as at March 5th, 2021

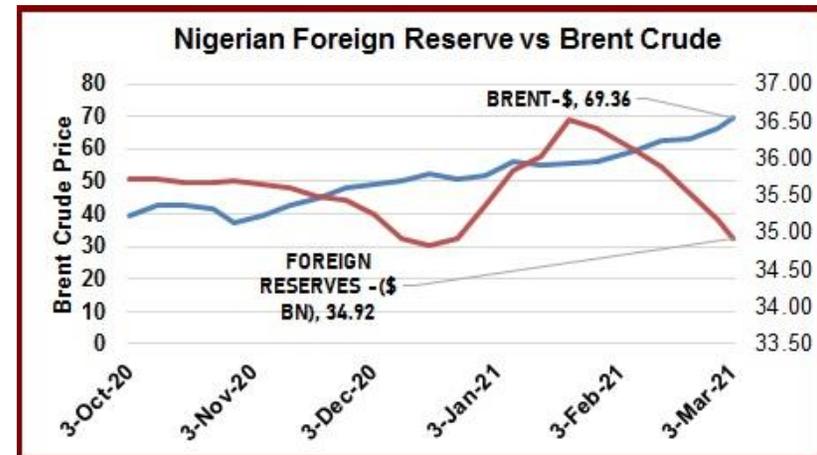
| | |
|---------------------------------|----------|
| Monetary Policy Rate (MPR) | 11.50% |
| Inflation Rate-December, 2020 | 16.47% |
| GDP Growth Rate Annual-2020 | (1.92) % |
| Foreign Reserves at (3 -Mar-21) | \$34.92B |
| Exchange Rate (N/\$) | |
| CBN Official | 380.00 |
| I&E FX | 411.00 |
| Parallel | 480.00 |
| WTI Light Crude | \$66.09 |
| London Brent Crude | \$69.36 |

Source: CBN, NBS, Bloomberg & FC SL Research

Domestic Economy -Rundown:

The banking sector exposure to the manufacturing sector rose further, according to the Central Bank of Nigeria, Banks' facility to the manufacturing sector rose by 21.8% to N3.19trillion as of December 2020 compared to N2.62trillion at the end of 2019. Although the sector is being engulfed with the increased facility, the contribution of the industry to the Gross Domestic Product of the country has been limited due to the weight of double digits interest rate that has been a major bottleneck impeding the industry development. Also, Key Industry players have added their voice to the unabated cost of borrowings, referencing the Special single-digit scheme being

offered by development banks through commercial banks have been of limited impact due to the stringent measures in accessing these facilities. *Based on this revelation the apex bank will have to intervene to ensure those teething problems are resolved so as to prevent the systematic risk that may ensue from the credit default from the manufacturing sector, as they become overburden with facilities, they are unable to service.*



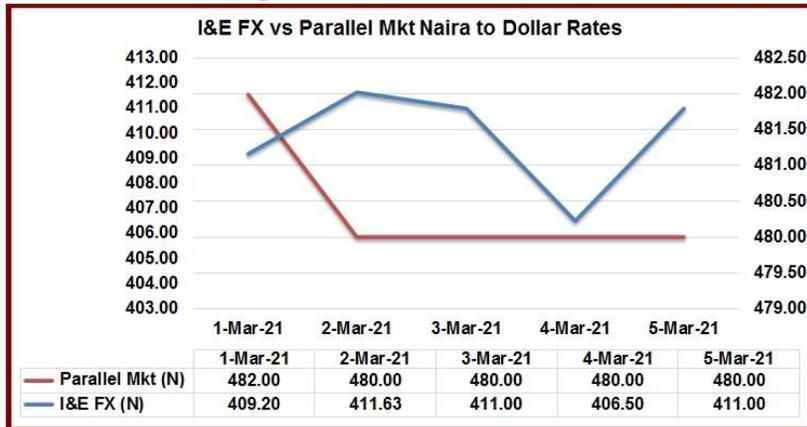
Source: CBN, Bloomberg, & FC SL Research



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Source: FMDQ, Aboki FX & FCSL Research

Currency:

The Naira contracted by 0.18% at the I&E FX window to settled at N411.00/USD, also at the parallel market, Naira appreciated to N480.00/USD.

Equities

The equities market closed the week on a bearish note as the weekly performance indicated a dip of **(1.18%)** and the YTD ASI growth contracted to **(2.33%)**. The weekly average sector performance of the NSE indices declined to 2.80%, which was driven by a 6.30% contraction in the NSE Consumer Goods.

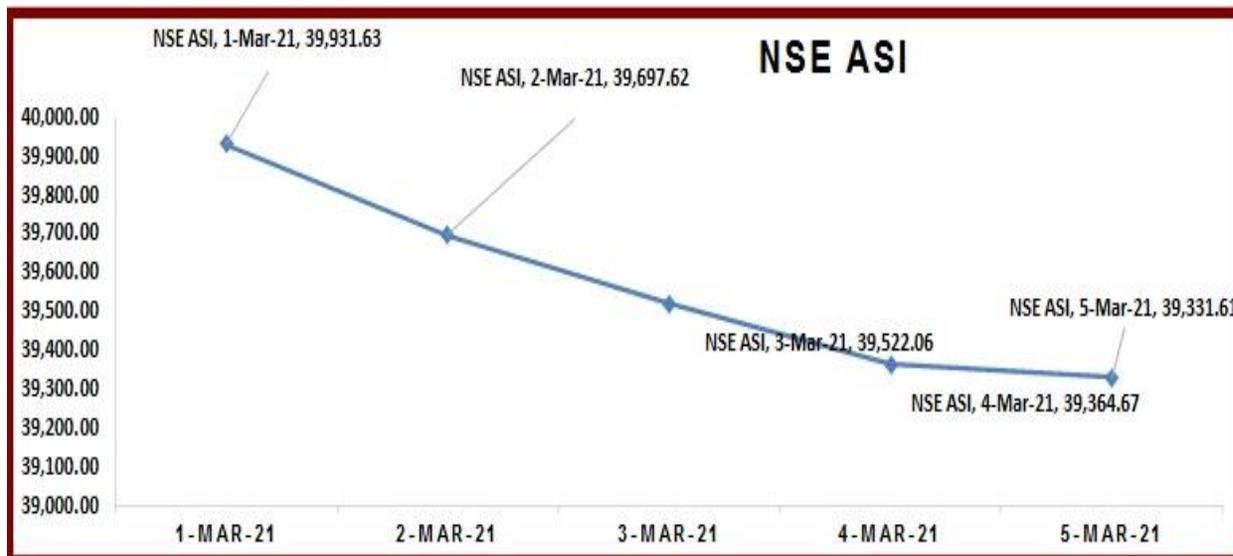
| NSE WEEKLY MARKET INDICATOR | | | |
|-----------------------------|-----------|-----------|----------|
| Metrics | 26-Feb-21 | 5-Mar-21 | % Change |
| Index | 39,799.89 | 39,331.61 | ↓ -1.18 |
| Mkt Capt. | 20,823.50 | 20,578.49 | ↓ -1.18 |
| Volume (m) | 1,930.15 | 2,091.82 | ↑ 8.38 |
| Value (N'bn) | 20.656 | 29.743 | ↑ 43.99 |
| Deals | 24,687 | 24,238 | ↓ -1.82 |

Source: NSE, & FCSL Research

| NSE INDICES | 26-Feb-21 | 5-Mar-21 | % CHANGE |
|--------------------|-----------|----------|----------|
| NSE BANKING | 382.76 | 375.35 | -1.94 |
| NSE OIL/GAS | 265.39 | 259.65 | -2.16 |
| NSE CONSUMER GOODS | 563.85 | 528.32 | -6.30 |
| NSE INSURANCE | 202.09 | 192.00 | -4.99 |
| NSE INDUSTRIAL | 1,898.20 | 1,924.58 | 1.39 |

Source: NSE, & FCSL Research

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Source: NSE, & FC SL Research

| NSE TOP PRICE MOVER FOR THE WEEK ENDED -5TH MARCH, 2021 | | | | | | | |
|---|-----------|----------|----------|--------------|-----------|----------|----------|
| Securities | 26-Feb-21 | 5-Mar-21 | % Change | Securities | 26-Feb-21 | 5-Mar-21 | % Change |
| MORISON | 0.55 | 0.66 | ↑ 20.00 | CHAMPION | 2.52 | 1.68 | ↓ 33.33 |
| SKYWAY AVIATION | 3.04 | 3.33 | ↑ 9.54 | JAPAU L GOLD | 0.69 | 0.49 | ↓ 28.99 |
| UNITY | 0.67 | 0.73 | ↑ 8.96 | ARDOVA PLC | 18.05 | 13.50 | ↓ 25.21 |
| BETA GLASS | 50.00 | 54.00 | ↑ 8.00 | OANDO PLC | 3.45 | 2.65 | ↓ 23.19 |
| LASACO | 1.23 | 1.30 | ↑ 5.69 | NASCON | 16.05 | 13.00 | ↓ 19.00 |

Source: NSE, & FC SL Research

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Fixed Income:

The system liquidity at the end of the week was N563.5billion, as corresponding open buyback rate and overnight rates firmed up to 15.33% and 16.33% respectively.

T-Bills secondary market activities was relatively muted as average yield dipped by 1bps to 1.47%, as yield across all maturity spectrum closed relatively flat with the exception, of the medium-term bills.

The Bond secondary market closed bearish, as the average yield for the week inched up by 42bps to 10.57%, investors cherry picked their respective preferred market tenor in relation to their desired yields.

FIXED INCOME AUCTION RATE

NIGERIA TREASURY BILLS RATE_ 24-FEB-2021

| Tenor | Rate% |
|---|-------|
| 91DAYS | 2.00 |
| 182DAYS | 3.50 |
| 364DAYS | 4.50 |
| <i>Source: DMO, & FCSL Research</i> | |

FGN BOND RATE_ 17-FEB-2021

| Tenor | Rate% |
|---|-------|
| 10YRS (FGN JAN-2026) | 10.25 |
| 15YRS (FGN MAR-2035) | 11.25 |
| 25YRS (FGN MAR-2050) | 11.80 |
| <i>Source: DMO, & FCSL Research</i> | |



SECONDARY MARKET

FCSL BENCHMARK NTB RATE

| Tenor | DTM | 26-Feb-21 | 5-Mar-21 | Yield |
|-----------------|-----|-----------|----------|--------|
| NTB 1-APR-21 | 27 | 0.5 | 0.5 | - |
| NTB 29-APR-21 | 55 | 0.55 | 0.55 | - |
| NTB 13-MAY-21 | 69 | 0.76 | 0.76 | - |
| NTB 10-JUN-21 | 97 | 1.19 | 1.19 | - |
| NTB 1-JUL-21 | 118 | 1.56 | 1.56 | - |
| NTB 15-JUL-21 | 132 | 1.18 | 1.18 | - |
| NTB 29-JUL-21 | 146 | 1.46 | 1.46 | - |
| NTB 26-AUG-21 | 174 | 2.02 | 1.87 | (0.15) |
| NTB 9-SEP-21 | 188 | 1.97 | 1.97 | - |
| NTB 16-SEP-21 | 195 | 1.97 | 1.97 | - |
| NTB 14- OCT-21 | 223 | 1.99 | 1.99 | - |
| NTB 28- OCT- 21 | 237 | 2 | 2.00 | - |
| NTB 25 NOV-21 | 265 | 2.02 | 2.02 | - |
| | | | | |

Source: FMDQ & FC SL Research



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SECONDARY MARKET

FCSL BENCHMARK FGN BOND RATE

| Tenor | TTM _ Years | 26-Feb-21 | 5-Mar-21 | Yield changes |
|------------------------------|----------------|-----------|----------|------------------|
| FGN BOND 13.53%, 23-MAR-2025 | 4.05 | 6.74 | 9.05 | ↑ 2.31 |
| FGN BOND 12.50%, 22-JAN-2026 | 4.89 | 8.15 | 9.97 | ↑ 1.82 |
| FGN BOND 13.98%, 23-FEB-2028 | 6.97 | 10.33 | 10.1 | ↓ -0.23 |
| FGN BOND 10.00%, 23-JUL-2030 | 9.38 | 10.77 | 10.4 | ↓ -0.37 |
| FGN BOND 16.25%, 18-APR-2037 | 16.12 | 11.10 | 11.1 | ↑ 0.00 |
| FGN BOND 9.80%, 24-JUL-2045 | 24.39 | 11.55 | 11.18 | ↓ -0.37 |
| FGN BOND 14.80%, 26-APR-2049 | 28.14 | 11.13 | 11.35 | ↑ 0.22 |
| FGN BOND 12.90%, 27-MAR-2050 | 29.06 | 11.43 | 11.39 | ↓ -0.04 |

Source: FMDQ & FCSL Research

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WEEKLY STOCK PICK

| S/N | Company | Price 05-03-2021 | 52-Wk High | 52-Wk Low | WTD Chg | YTD Chg | Fair Value | FY EPS | Latest Qtr's EPS | Earnings Yield | Dividend Yield | Forward EPS | Book Value Per | TTM PE | PE Multiple | Latest Dividend | Last Closure Date for Dividend | Remarks |
|-----|--|------------------|------------|-----------|---------|---------|------------|--------|------------------|----------------|----------------|-------------|----------------|--------|-------------|-----------------|--------------------------------|---------|
| | NSE ASI | | 42,412.66 | 20,669.38 | | | | | | | | | | | | | | |
| | AGRICULTURE | | | | | | | | | | | | | | | | | |
| 1 | OKOMUOIL | 93.00 | 93.00 | 55.05 | 0.00% | 2.20% | 63.82 | 5.29 | 7.74 | 8.32 | 2.15% | 6.99 | 32.72 | 17.58 | 12.02 | 2.00 | 19-May-20 | SELL |
| | BANKING | | | | | | | | | | | | | | | | | |
| 2 | ACCESS | 7.80 | 10.50 | 5.30 | -5.45% | -7.69% | 12.48 | 2.78 | 2.90 | 37.18 | 8.33% | 3.87 | 19.12 | 2.81 | 2.69 | 0.25 | 18-Sep-20 | BUY |
| 3 | FIDELITY BANK | 2.30 | 3.10 | 1.50 | -5.74% | -8.73% | 3.46 | 0.98 | 0.70 | 30.43 | 8.70% | 0.93 | 9.42 | 2.35 | 3.29 | 0.20 | 20-Apr-20 | BUY |
| 4 | FIRST BANK | 7.10 | 9.00 | 3.60 | -3.40% | -0.70% | 10.80 | 1.95 | 1.87 | 26.34 | 5.35% | 2.49 | 16.85 | 3.64 | 3.80 | 0.38 | 21-Apr-20 | BUY |
| 5 | GTBANK | 31.00 | 38.40 | 16.70 | 0.00% | -4.17% | 46.80 | 6.96 | 5.02 | 16.19 | 9.03% | 6.69 | 22.46 | 4.45 | 6.18 | 0.30 | 16-Sep-20 | BUY |
| 6 | UBA | 7.95 | 9.80 | 4.40 | -2.45% | -8.09% | 12.52 | 2.52 | 2.16 | 27.17 | 12.58% | 8.64 | 17.49 | 3.15 | 3.68 | 0.17 | 16-Sep-20 | BUY |
| 7 | ZENITH BANK | 25.30 | 28.50 | 10.70 | -0.39% | 2.02% | 35.79 | 7.34 | 7.34 | 29.01 | 11.07% | 6.76 | 29.49 | 3.45 | 3.45 | 2.70 | 3-Sep-21 | BUY |
| | BUILDING MATERIALS/CONSTRUCTION | | | | | | | | | | | | | | | | | |
| 8 | DANGOTE CEMENT | 220.00 | 253.00 | 116.00 | 0.00% | -10.17% | 170.53 | 11.79 | 7.45 | 3.39 | 7.27% | 14.90 | 61.42 | 18.66 | 29.53 | 16.00 | 26-May-20 | SELL |
| 9 | WAPCO | 22.00 | 31.50 | 8.95 | -4.76% | 4.51% | 20.00 | 0.96 | 1.45 | 6.59 | 4.55% | 2.90 | 21.87 | 22.92 | 15.17 | 1.00 | 4-May-20 | SELL |
| | CONSUMER GOODS | | | | | | | | | | | | | | | | | |
| 10 | DANGOTE SUGAR | 16.90 | 23.40 | 8.90 | -6.11% | -3.98% | 17.45 | 1.87 | 0.53 | 3.14 | 6.51% | 2.12 | 9.54 | 9.04 | 31.89 | 1.10 | 22-Jun-20 | SELL |
| 11 | FLOURMILLS | 27.00 | 35.00 | 17.00 | -6.41% | 3.85% | 29.60 | 0.98 | 1.84 | 6.81 | 4.44% | 2.45 | 36.82 | 27.55 | 14.67 | 1.20 | 9-Aug-19 | HOLD |
| 12 | GUINNESS | 23.00 | 28.50 | 13.00 | -0.22% | 21.05% | 48.10 | 2.50 | 0.62 | 2.70 | 8.00% | 0.83 | 40.66 | 9.20 | 9.20 | 1.84 | 23-Sep-19 | BUY |
| 13 | NASCON | 13.00 | 17.60 | 8.50 | -19.00% | -10.34% | 15.86 | 1.02 | 1.02 | 7.85 | 3.08% | 1.27 | 4.42 | 12.75 | 12.75 | 0.40 | 15-Jul-20 | BUY |
| 14 | NB | 49.50 | 63.20 | 22.00 | -4.81% | -11.61% | 78.80 | 2.43 | 0.94 | 1.90 | 1.39% | 1.25 | 21.67 | 20.37 | 52.66 | 0.69 | 17-Mar-21 | BUY |
| 15 | PZ | 5.20 | 5.80 | 3.75 | -1.89% | -1.89% | 10.16 | 0.25 | -0.89 | 4.81 | 2.88% | -1.19 | 10.53 | 20.80 | 20.80 | 0.15 | 14-Oct-19 | BUY |
| 16 | UNILEVER | 13.25 | 17.00 | 9.90 | -2.57% | -4.68% | 13.88 | -1.29 | -0.28 | -2.11 | 11.32% | -0.56 | 11.48 | -10.27 | -47.32 | 1.50 | 15-Apr-19 | HOLD |
| | INSURANCE | | | | | | | | | | | | | | | | | |
| 17 | NEM | 1.89 | 2.69 | 0.76 | -5.50% | 5.59% | 2.18 | 0.67 | 0.20 | 10.58 | 7.94% | 0.80 | 2.51 | 2.82 | 9.45 | 0.15 | 4-May-20 | HOLD |
| | CONGLOMERATES | | | | | | | | | | | | | | | | | |
| 18 | UACN | 7.40 | 10.10 | 5.40 | -1.33% | 2.07% | 9.47 | -1.83 | 0.40 | 5.41 | 1.35% | 1.60 | 26.10 | -4.04 | 18.50 | 0.10 | 19-May-20 | BUY |

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