

LEAD EQUITY MARKET WRAP – WEEK ENDED 30th AUGUST 2019

In the prior week, the equity market which started the week on a bullish footing closed the week bearish having the mix of two of the five days negative, this is as a result of renewed high enthusiasm in market activity, exhibited by investors.

Accordingly, the NSE Bench Mark Index shed -0.99% to end the week's session at 27,525.81 points. Thus, the year to date (YTD) return contracted by -12.42%.

FIDELITY BANK PLC.HI'19: Revenue N103.66bn Vs N92.30bn (12.3%); Profit after Tax N13.69bn Vs N11.84bn (15.6%).

UPDATE ON TAKEOVER OFFER OF FORTE BY IGNITE INVESTMENTS AND COMMODITIES LIMITED.

Prior to an updated news on the takeover of Forte oil which reached the public on the 28th of August 2019, there had been the 74.06% equity stake of the issued and paid up capital of Forte Oil by Ignite as at 24 June 2019. Accordingly, Ignite Investments And Commodities Limited took over 500,000(Five Hundred Thousand) ordinary shares of N50 Kobo each representing 0.04% equity stake to qualified shareholders of Forte Oil at N66.25k free of all cash.

This takeover offer allows participation of all qualified shareholders to sell their shares in return of cash consideration of N66.25 per share, as well as not to make any payment of commission or brokerage fees on their acceptance of the takeover to the registrar. This is in accordance with section 131(1) of the ISA and Rules 445-448 of the SEC Rules and Regulations (as amended).

CBN'S DIRECTIVE: LOAN DEFAULTS TO BE SETTLED WITH DEFAULTER'S DEPOSITS ACROSS BANKS

The Central Bank of Nigeria has announced that loan defaults will be settled from deposits in other banks. This would encourage banks to increase lending, meeting up with the Loan to Deposit Ratio benchmark.

Accordingly, this will quell the challenges of bad loans, reducing the Non-Performing Loans to the barest minimum.

The apex bank also reiterated the banks must perform credit checks on a potential borrower and also request for the Bank Verification Number for new loans coming on board.

MANUFACTURING SECTOR RECORDS GROWTH AS PMI SUSTAINS EXPANSIONARY TREND

The Purchasing Manufacturing Index for August 2019 currently stands at 57.9% compared to 57.6% in the previous month. This indicates that the manufacturing sector has sustained its expansionary rate for the twenty ninth consecutive month.

Of the 14 subsectors, 13 reported growth, with the cement, petroleum and coal products, food, beverage and tobacco products and transportation equipment subsectors topping the list.

EARNINGS

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Key Economic Stats

Brent Crude (USD/Barrel)	60.97
MPR	13.50%
Inflation (July 2019)	11.08%
GDP (Q1 2019)	2.01%
External Reserves (USD Bn)	43.7
Exchange Rate (NGN/USD)	362.75

Index	Performance		
	16-Aug	QtD	YtD
NSE ASI	-0.99%	-8.15%	-12.42%
NSE Banking	-3.46%	-12.45%	-19.49%
NSE 30	-2.24%	-13.38%	-23.25%
NSE Consumer Goods	-0.63%	-15.46%	-29.74%
NSE Industrial	0.34%	0.31%	-11.85%
NSE Oil and Gas	-10.76%	-21.65%	-34.35%