

Dear Investor,

Happy new week,

Market Review for week ended December 8th, 2017

Despite some unhealthy political intrigues in recent time, Nigerian investment environment continues to witness positive outlook as investors (both local and foreign) priced in the following: low valuation of a basket of stocks, improved FX window, improved ease of doing business, improved PMI reading, positive Q3 GDP data amongst others. These have bolstered December's early rally seen in the equity market space as investors prepare for Yuletide season.

Another indicative aspect of the scenario as painted above is the existing lower yields on short and long dated securities (T-bills and bonds), pushing portfolio and fund managers to the allure of equity market.

In the light of the above, the equity market extended upward rally to the third week, ending December 8th (reviewed week) in a row. With exception of Friday, when marginal profit was recouped, the market reacted to all of the above listed positives from Monday through Thursday with a growth of 4.19%, thereby, pushing year-to-date (Ytd) returns to 47.1%. As it stands today, the Nigerian equity market is third most productive global market in terms of value creation or return to investors' purse, coming behind Mongolia (+85.06%) and Argentina (+58.66%).

Week-on-week (wow), the All-Share Index (ASI) gained 4,257.57 absolute points, representing a growth of 3.46% to close of 39,257.53. With Friday's marginal dip, the Ytd return dropped slightly to 46.08%.

With the exception of the NSE ASeM, NSE Oil/Gas and the NSE Industrial Goods Indices that depreciated by 1.04%, 0.47%, and 1.37% respectively, all other indices finished higher during the week as indicated in the table below.

	WEEK CLOSE 30/11/2017	WEEK CLOSE 08/12/2017	WEEKLY CHANGE	WtD	MtD	QtD	YtD
Indicators				% Change			
The NSE All-Share (ASI)	37,944.60	39,257.53	1312.93	3.46	3.46	10.77	46.08
NSE Premium Index	2,652.52	2,718.47	65.95	2.49	2.49	17.01	60.33
The NSE-Main Board	1,657.01	1,724.86	67.85	4.09	4.09	7.07	43.29
NSE ASeM Index	1,158.74	1,146.68	-12.06	-1.04	-1.04	-0.87	-3.62
NSE 30 Index	1,715.18	1,785.27	70.09	4.09	4.09	10.04	49.37
NSE Banking Index	470.74	495.86	25.12	5.34	5.34	12.65	80.76
NSE Insurance Index	140.15	140.43	0.28	0.20	0.20	0.50	11.20
NSE Consumer Goods	918.36	974.75	56.39	6.14	6.14	5.75	36.78
NSE Oil/Gas Index	290.76	289.39	-1.37	-0.47	-0.47	3.05	-7.45
NSE Lotus II	2,441.59	2,529.40	87.81	3.60	3.60	13.51	37.35
NSE Industrial Goods	2,123.06	2,093.99	-29.07	-1.37	-1.37	5.53	31.26
NSE Pension Index	1,316.95	1,417.05	100.10	7.60	7.60	16.00	74.94

Source: NSE, GTI Research

Outlook for the Week Ending December 15th, 2017

This week, we expect a level of profit taking to dictate activity on the floor of The Exchange considering that we have witnessed a consecutive three weeks of strong upward rally. This will give a number of portfolio managers, as well as traders an ample time to re-assess and re-balance their portfolio holdings ahead of Yuletide season. The positive economic environment is equally expected to dictate activity direction going forward. Major outlook or event for the week is the anticipated release of National Bureau of Statistics' (NBS) Consumer Price Index (CPI) report for November 2017 on Friday, December 15th. By and large, we expect a marginal dip in the lead indicator.

If you would require any help to ensure that your portfolio is positively aligned, or any inquiry on your portfolio, please send an email to research@gti.com.ng or to headoffice@gti.com.ng

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GTI TOP-5 WEEKLY STOCK PICKS NOTIFICATION

Kindly note that our GTI Top-5 Stock Picks have cumulatively achieved about 95% of indicated targets in recent time. Due to this premise, we are currently reviewing current fundamentals of the companies under our radar in order to come up with an investment position. Hopefully, it will return back in next publication.

In the meantime, the following stocks listed below falls into our watch list this week.

Unilever, UCAP, Fidson, Flour Mills, DangCem, Transcorp and Zenith Bank.

Have a fantastic trading week.

Research and Strategy.

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