



THE Nigerian STOCK EXCHANGE

CAPITAL MARKET UPDATE *of the Nigerian Stock Exchange*

Presented by

Oscar N. Onyema, OON

CEO, Nigerian Stock Exchange

Capital Market Committee (CMC) Meeting

August 2018

1

- NSE Market Performance

2

- NSE Market Snapshot

3

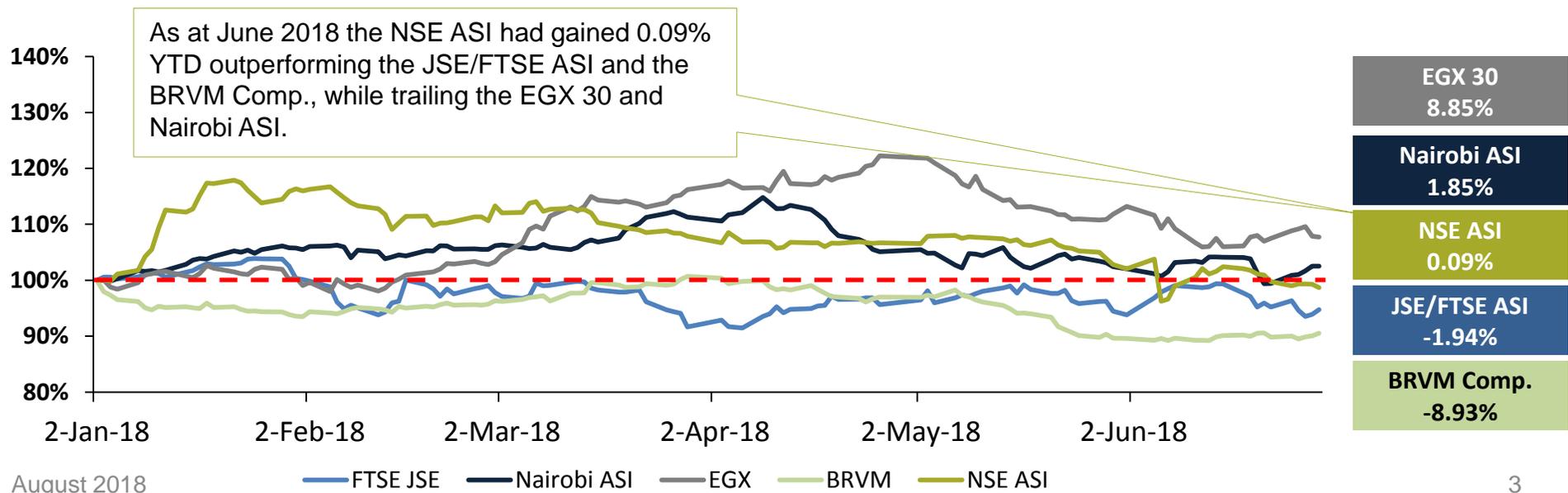
- Capital Market Issues



SUMMARY OF MARKET PERFORMANCE

- Global risk off sentiments amid uncertainty in the global financial markets as well as uncertainty with regards to Nigeria's 2019 elections saw a decrease in trading activity from the previous quarter.
- The value of transactions across all products on the NSE totaled N359.33 billion in Q2 2018, which represents an increase of 49.31% from Q2 2017, although declining from the previous quarter's total of N439.78 billion.
- Bond yields moderated in Q2'18 due to falling inflation and sustained FX stability. Average yields on FGN bonds rose by 3.6bps to close the quarter at 13.63%. Bonds at the longer end of the yield curve witnessed selling pressure as the average yield on bonds with tenors above 7 years rose by 40 bps.

NSE ASI VS. AFRICAN INDICES

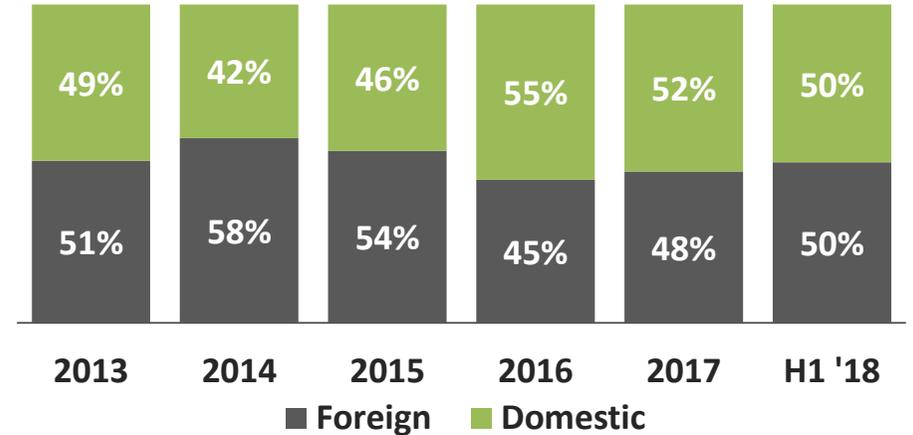




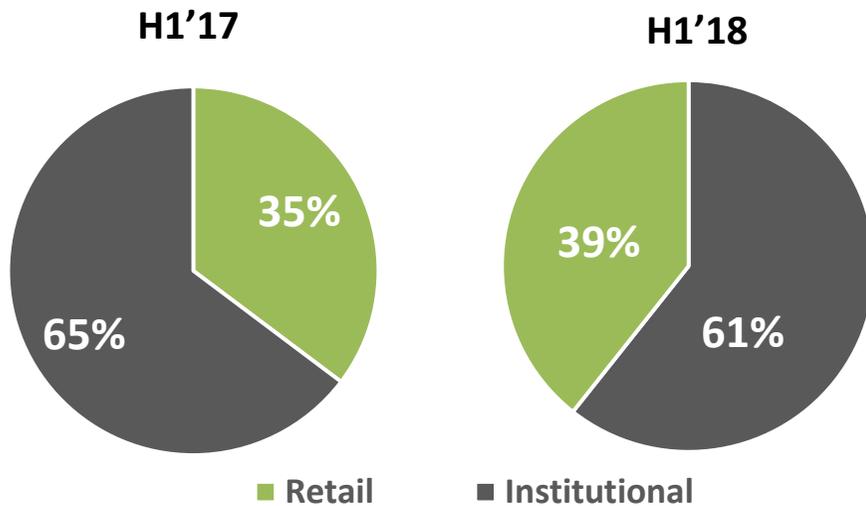
1 NSE TOTAL MARKET CAPITALIZATION (N'Trn)



2 EQUITY VALUE TRADED: DOMESTIC VS. FOREIGN

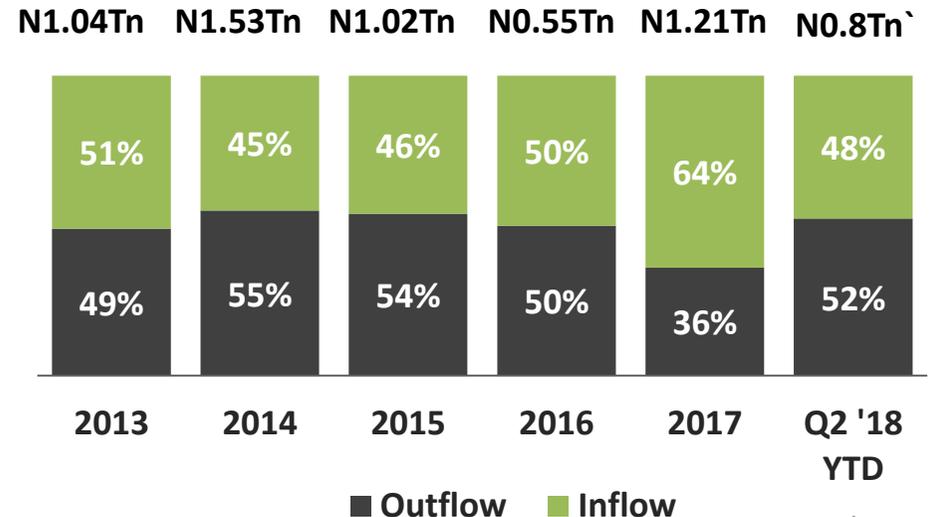


3 DOMESTIC INVESTOR ACTIVITY



August 2018

4 TOTAL FOREIGN PORTFOLIO FLOW (EQUITY)



TAX MATTERS

- **Stamp Duty (Contract Stamp) Administration:** The dispute between the FIRS and NIPOST is yet to be resolved. ASHON is at an advanced stage of firming up arrangements with FIRS and the CSCS pending the resolution of the dispute.
- **VAT Waiver on Capital Market Transactions** – We appeal to the SEC to lead advocacy efforts to further extend the waiver, which expires in July 2019, for a period of five (5) years.
- **FIRS ‘Post no Debit’ on Client Accounts** – In a bid to recover outstanding tax payments, the FIRS has directed Banks to block the client accounts of some dealing member firms. We appeal to the SEC to engage the FIRS on this matter (client accounts are held in trust on behalf of clients and should not be used to settle the debts of Capital Market Operators (CMOs)).

OPERATIONAL MATTERS

- **Financial Action Task Force (FATF) Mutual Evaluation** – In preparation for the mutual evaluation scheduled to hold in Q1 2019, we kindly appeal to all CMOs and the SEC to ensure they put their best foot forward to ensure a desirable outcome.
- **Cyber Security and Digital Compliance** – Cybersecurity remains a major threat to the Nigerian capital market. We urge that a committee of the CMC be constituted to develop a regulatory framework to protect the capital market.
- **Guaranteed Investment Products** – We appeal to the SEC to intensify efforts towards addressing the issue of CMOs providing guaranteed investment products without the prescribed authorization/registration.
- **Outstanding Rules** – We kindly appeal to the SEC to review and approve outstanding rules including: (i) CMO Hold Co. rules; (ii) The Nigerian Sustainable Finance Principles (NSFP) – Capital Market guidelines; (iii) Sponsored Individuals – The mandatory requirement for Stockbrokers to be registered; and (iv) Exchange Traded Derivatives.

The Presenter is not responsible or liable for Third Party Information as contained herein.

For authorized circulation, the document may only be circulated as a PDF to eliminate unauthorized changes to information contained herein.

For more information on this presentation, please contact Okon Onuntuei, Head of Strategy & Innovation at oonuntuei@nse.com.ng or Adedotun Ogunbiyi, Economic Analyst at aogunbiyi@nse.com.ng



THANK YOU

Visit our website today!

www.nse.com.ng

“A truly user-friendly experience”

NEW & IMPROVED WEBSITE

- Featuring Intuitive navigation
- Enhanced view of listed securities
- Detailed quotes and charting
- Site-wide search
- Mobile access
- Easy-to-find information
- Social media integration
- Improved site load-time
- Enhanced content

