

2019 Xmas Review



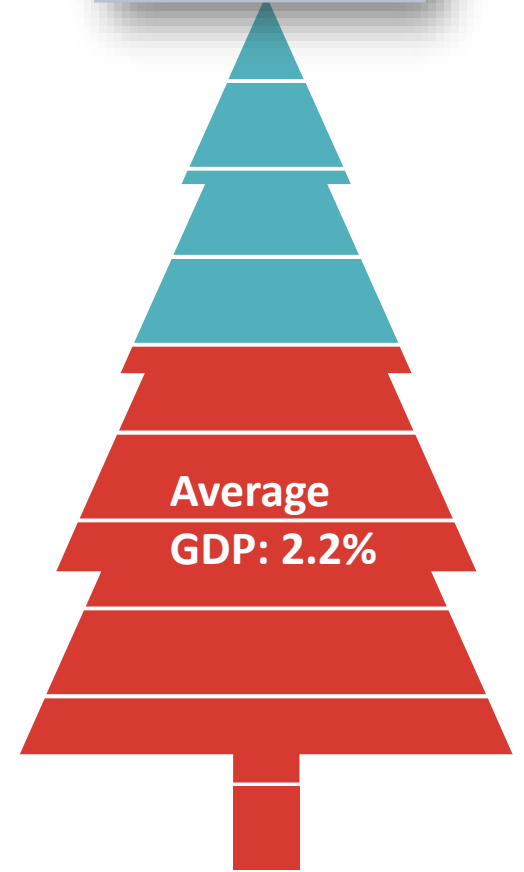
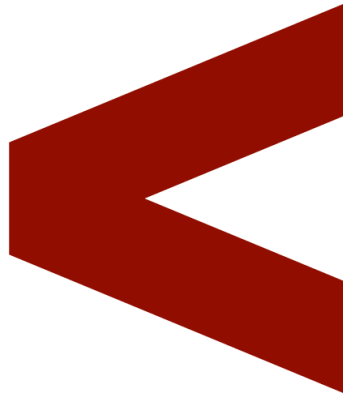
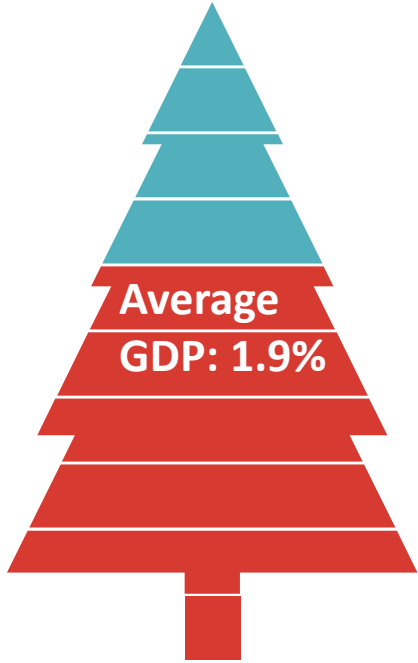
BUSINESS MORNING

Jingle Bells, Jingle Bells

2018





SCORECARD

2019



The Xmas Tree got Bigger

Christmas Day: What Did You Eat?

Christmas Meal	2018	2019	% Change
Rice & Chicken (a plate)	1,150	1,750	52.17 
Rice & Turkey (a plate)	1,250	1,900	52.00 
Swallow & soup (a plate)	600	900	50.00 
Beer	350	350	








Christmas Day: Commodities

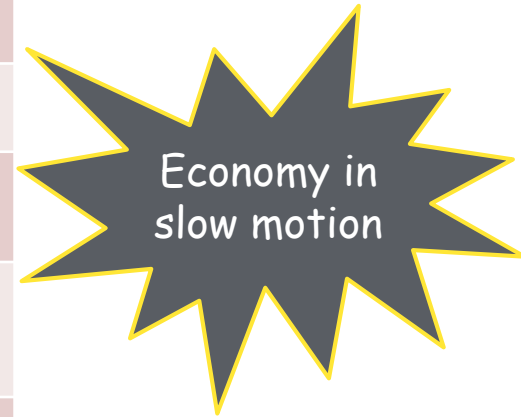


Ingredient	2018	2019	% Change
Tomatoes (50kg)	10,000	12,000	20.00
Pepper (bag)	7,500	8,000	6.67
Onions (basket)	35,000	32,000	-8.57
Vegetable oil	10,000	12,500	25.00
Palm oil (25l)	9,500	10,000	5.26



2018 VS 2019: Not a Bad Year

Leading Economic Indicators	2018	2019	% Change
GDP growth (avg; %)	1.90	2.20	0.30 
Inflation (year-end; %)	11.44	12.20*	0.76 
Balance of trade (\$bn)	22.30	17.00	-23.77 
External reserves (end-period; \$'bn)	43.12	39.0	-9.55 
Exchange rate (Parallel; N/\$)	363.00	363.00	



- **Slow but steady – Economy improving**
- **External vulnerabilities rising**

Trust

it's not about falling
...it's about helping you fly.



In life, people are often limited by their fears; failing to soar because they are afraid to fall. At Custodian, we've got your back if the unexpected ever happens. So while others say "what if you fall"; we say "...oh, but what if you fly."

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✓ CRUSADERSTERLING PENSIONS LIMITED ✓ CUSTODIAN LIFE ASSURANCE LIMITED


Custodian
...exceeding expectations

2018 vs 2019: Living Longer & Less Miserable



Misery index

(Less miserable)

2018: 35.25



-2.30%

2019: 34.44



GDP per capita

2018: \$1,969



2.64%

2019: \$1,917

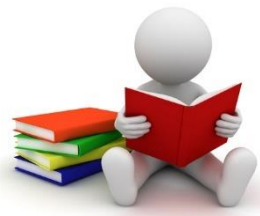


Life expectancy

(Living longer)

2018: 54.1years (4th lowest)

2019: 56.3years (4th)



Literacy rate

2018: Nigeria not among the lowest

2019: Nigeria now ranked 8th lowest (85%) in the world

2018 VS 2019: Fewer Workers, More Entrepreneurs



City liveability

2018: Lagos - 3rd worst city in the world

2019: fell to the 2nd worst city



Asylum seeking

2018: 60,000 Nigerians seeking asylum (ranked 8th out of 20 countries)

2019: Total number declined to 57,000



Entrepreneurial activity

2018: Nigeria ranked 3rd highest in

entrepreneurship (37.5%)

2019: 39.9% of Nigerians aged 18-64

2018: 4th lowest country (out of 19 countries)

2019: 5th lowest (out of 23 countries)

Cost of living

Investment - You Lost Money in 2019

Portfolio	Amount invested	1-Year Return (2018)	1-Year Return (2019)	% Change
T/Bills	N50mn	N57.23mn	N54.19mn	-5.31 
Bank Deposits	N30mn	N33.90mn	N31.8mn	-6.19 
Equities	N20mn	N16.44mn	N16.35mn	-0.55 
Return on Investment	N100mn	N7.57mn	N2.34mn	-69.09 
Real Return on investment		N6.70mn	N2.05mn	-69.40 
U.S Dollar Return (S & P 500)	\$0.28mn	\$0.36mn	\$0.35mn	-2.78 

2018 Vs 2019 - Investment (NSE: -16.91%)



Best Performing Stocks



Worst Performing Stocks

Company	Return		Company	Return	
C&I Leasing	237.1%	↑	International Breweries	-69.2%	↓
AG Leventis	103.7%	↑	GSK	-63.8%	↓
Cornerstone Insurance	90%	↑	Goldlink Insurance	-62.3%	↓

2020

A YEAR OF LIMITED UPSIDE

“Cautious Optimism”

2020 - Better Than 2019



GDP Growth to increase marginally (2.3%)

Still 0.8% below potential GDP (recessionary gap)

Reserves will slide (\$36bn)

Infrastructure investment (\$10bn)

Increased forex market volatility

PIB with new incentives to IOCs



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2020: Policy Will Remain Interventionist

- ✓ Higher interest rates – Q2'20 – Likely reversal of policies
- ✓ Minimum wage – N30,000 (67%) kicks in fully
- ✓ Cost reflective electricity tariffs – July 2020
- ✓ VAT hike to 7.5% (from 5.0%) – Q1'20
- ✓ Restoration of toll gates – Q3'20
- ✓ Better coordination between fiscal and monetary policy
Q1'20
- ✓ Eurobond borrowing - ???



Stock Market: Brighter Days Ahead

- ✓ Likely to perform better than 2019
 - ✓ New minimum capital for banks – Q2
 - ✓ Gradual improvement in investor confidence
 - ✓ Increase in market activities
 - ✓ Declining yield on fixed income instruments
 - ✓ Excess liquidity resulting from regulatory restrictions
 - ✓ Bargain hunting in the insurance space as industry consolidates
 - ✓ Telcos will be granted PSB license



Things that will change

- ✓ Oil prices to stabilise at \$60pb
- ✓ Land borders will be reopened – Q1
- ✓ Review of new guidelines on OMO market activities
- ✓ LNG Train 7
- ✓ MPC to tighten
- ✓ External reserves will slide
- ✓ Launch of Eco currency and regional convergence criteria



Summary

2020 will be a year of
imponderables



Supplementary budget likely



Best estimate for GDP
growth is 2.3%



Higher infrastructure
investment



Still below the levels needed to
boost job creation and increase
living standards



Exchange rate, subsidies
and electricity tariff will be
a subject of policy attention





Happy

New Year

2020