

“40.1% of Nigeria’s population is poor” – NBS



Economic News

Social

Lifestyle

Unity Bank Digest

May 14, 2020

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Poverty and Inequality Report



According to the Poverty and Inequality report by the NBS, 82.9 million Nigerians out of a population of about 200 million are considered poor. On average, 4 out of 10 individuals have a real per capita expenditure below ₦137,430 annually. The report which excludes Borno state reveals that the rural poverty level (52.1%) is 34.1% higher than the urban level (18%). This means that there are more poor people in rural than urban areas. In addition, household expenditure grew by 85.97% to ₦40.21trn in 2019 from ₦21.62trn in 2009/10. Food spending accounted for 56.65% while income spent on non-food items stood at 43.35% of the total amount

Poverty & Inequality Index: State by State Analysis

States with the highest poverty level

States	Poverty Headcount Rate
Sokoto	87.73
Taraba	87.72
Jigawa	87.02

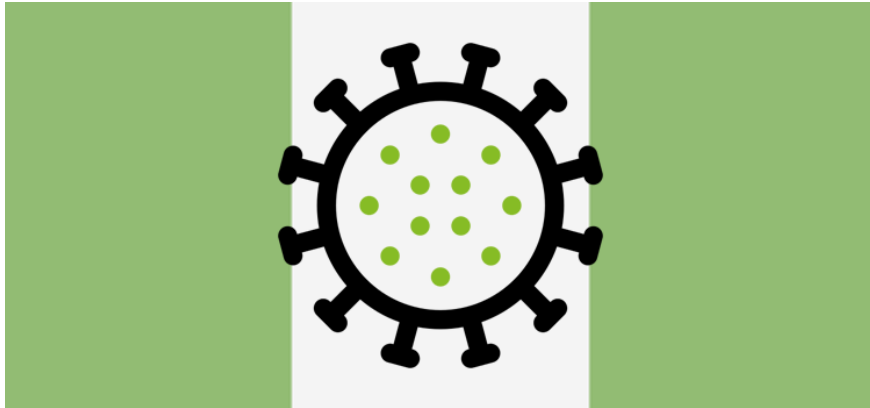
States with the lowest poverty level

States	Poverty Headcount Rate (% of population)
Lagos	4.5
Delta	6.0
Osun	8.5

Covid-19 Dashboard in Nigeria (As At May 14th)

Total Cases - 4,971

Casualties - 164



Recovered - 1,070

States with the highest cases

States with the lowest cases

	Infected cases	Number of deaths
Lagos	2,041	33
Kano	707	33
FCT	370	7
Katsina	224	12
Bauchi	206	3

	Infected cases	% of Total
Abia	2	0
Anambra	2	0
Imo	3	0
Benue	4	0
Bayelsa	6	0

- Lagos is the epicentre of the virus in Nigeria*

The Highlights

World's second oldest airline files for bankruptcy

Columbian carrier, Avianca, has filed for bankruptcy in a US court. The carrier was hit severely by the Coronavirus pandemic as its passenger operations have been grounded since March, cutting more than 80% of the carrier's income. If it fails to come out of bankruptcy, Avianca will become the first major airline to crumble amidst the pandemic. Avianca is not the only airline struggling to survive this period, Virgin Atlantic has also announced its plan to cut 3,000 jobs and is seeking investors in order to avoid a collapse of the airline.

Global air travel has suffered a huge blow since the outbreak of Covid-19. The International Air Transport Association (IATA) estimates that Latin American Airlines will lose \$15bn in revenues in 2020.

US unemployment spikes to 14.7%

The US unemployment rate jumped from 4.4% in March to 14.7% in April. This represents the highest jobless rate since the Great Depression of the 1930s. Following the Covid-19 pandemic and the self-imposed shutdown, a total of 20.5 million Americans lost their jobs in April. This resulted in an increase in unemployment claims to 33.3 million, 20% of the US workforce. However, analysts expect the US job market to return to its pre-pandemic strength in the coming years.

NSE commits N100mn to fight COVID-19

The Nigerian Stock Exchange (NSE) announced it was committing N100mn to support the fight against the coronavirus in Nigeria. According to the NSE, N60mn will be donated to the Capital Market Support Committee for COVID-19 (CMSCC) while N40mn will be devoted to the "Masks for all Nigerians" campaign. The NSE through the campaign will donate over 100,000 face masks to the states most affected by the virus. An enlightenment program will also be done via traditional and social media platforms to sensitize people on the safe use of the masks.


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FG waives import duty on health equipment

As part of its effort to fight the pandemic, the federal government approved a waiver of import duties on all health equipment and supplies into the country. This is expected to support the health care system and assist the NCDC in combating the virus. The Nigerian Customs service is also expected to ensure seamless clearing of pharmaceuticals, supplies and health care equipment.

NNPC reduces ex-depot price of PMS and diesel

The Nigerian National Petroleum Corporation (NNPC) announced another reduction of the ex-depot price of petrol by 4.66% to N108 per litre from N113.28 per litre. While the new ex-depot price of automotive gas oil (AGO), otherwise known as diesel is now N164 per litre. This is the second time in two months the NNPC is revising the price of PMS downwards. It is a market strategy to boost sales for the product while complying with the Petroleum Products Pricing Regulatory Agency's (PPPRA) price template. The price of PMS just got deregulated on April 1,2020, therefore it will take some time for the market to set an equilibrium price. However, the price of diesel has been deregulated since 2012 and as such its price is determined by the market forces of demand and supply. The current retail price of petrol and diesel stands at N123.50 and N200 per litre respectively.

Professor Ibrahim Gambari appointed as new Chief of Staff

Professor Gambari, 75 years, has been appointed as the new chief of staff to President Buhari. The diplomat and well seasoned scholar served as the Minister of External Affairs between 1984 and 1985. He has also served as the Deputy Secretary-General of the United Nations Department of Political Affairs. Professor Gambari succeeds Mallam Abba Kyari who died of Covid-19 in April 2020.

Social Corner



Twitter to allow employees to work from home on a permanent basis

- Social media network, Twitter has announced its plan to allow all of its 5,000 employees to work from home on a permanent basis.
- According to Twitter CEO, Jack Dorsey, Twitter offices are unlikely to reopen before September 2020 and employees who would rather work from home can do so indefinitely. This decision comes at a time when businesses are re-strategizing their business model for the post-pandemic world.
- Other tech giants such as Google, Facebook and Microsoft are also adapting a work-from-home model. Facebook is set to reopen its offices after the July 4 weekend while also allowing certain employees work from home until 2021. A significant portion of Google employees are also allowed to work from home till next year while only a handful will return in the summer of 2020.

Social Corner



Sinach tops US billboard charts for 7weeks

- Nigerian gospel singer and songwriter, Osinachi Egbu made history as the first African to top the billboard charts of Christian songwriters for 7-weeks straight
- Her hit single "Way Maker" which was produced by Oluwole Michael, also known as Mayo MuziQ, put her on this list
- Way Maker was released in 2016. It is currently one of the most downloaded and played gospel songs in the world
- The song gained popularity following performances by Leeland, The Elevation Worship and other Christian rock bands
- Sinach tops the chart ahead of Jason Ingram, Lauren Diagle, Steven Furtick, Jeff Pardo and Ethen Hulse

Social Corner

Michelle Obama's 'Becoming' Premieres on Netflix

- Michelle Obama's memoir, *Becoming*, has been adapted into a documentary which was released on Netflix on May 6.
- The memoir provides an in-depth look into the former first lady's life both in and outside the White House. Since its launch in November 2018, the book has sold over 11 million copies worldwide.



La Liga could resume matches on June 12/19

- In an interview, La Liga President, Javier Tebas said that the 2019-2020 Spanish season could resume on June 12/19
- All participating clubs like Atletico Madrid, Barcelona and Real Madrid would return to training ahead of the projected kick-off for the season
- Health authorities will closely monitor and ensure that social distancing measures are strictly observed. Players would be tested, facemasks and gloves would also be used during training.

Main Report



Saudi Arabia pledges to cut oil production further by 1mbpd

Saudi Arabia has announced its plan to cut its oil output by an additional 1million barrels per day effective June 1. This brings the country's total oil output cut to approximately 4.8mbpd when combined with the cuts agreed to by OPEC and its allies. In addition, total output is expected to fall to 7.5 million barrels per day in June, 40% down from April's production. UAE and Kuwait have also announced their plan to cut output by 100,000 and 80,000 barrels per day respectively. Saudi Arabia's decision to slash output comes two months after the country was engaged in a price war with Russia and flooded the market with crude oil while also slashing its oil prices.

Outlook and Implications

The commitment by Saudi Arabia is expected to go some way in mopping up excess supply in the global oil markets. However, the demand concerns are still an overhang in the market as there are heightened worries of a second wave of the coronavirus especially in the countries that have eased their lockdown restrictions. If the concerns overshadow Saudi Arabia's proposed output cut, we expect Brent to continue trading at current levels (\$25-\$29pb).

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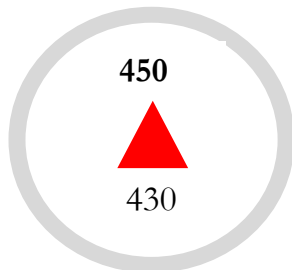
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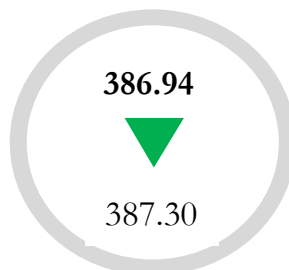
Business Update

(Review Period : May 4th - 13th, 2020)

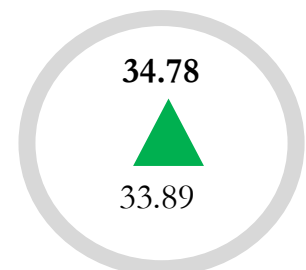
The Foreign Exchange Market



Forex: Parallel (₦/ \$)



Forex: IEFX (₦/ \$)



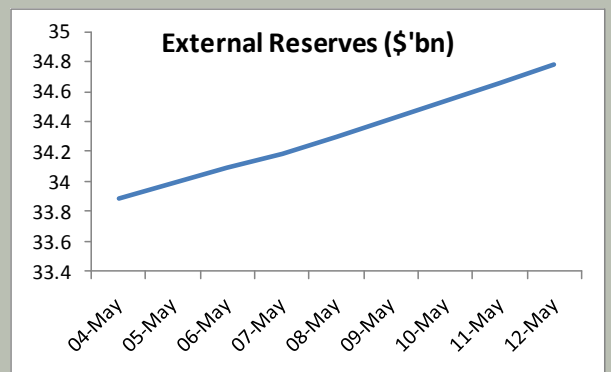
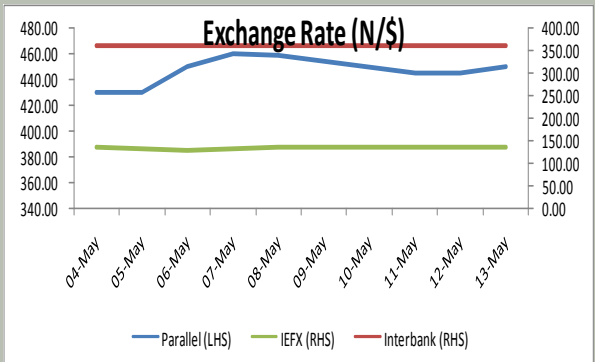
External Reserves (\$/bn)

On May 4, the CBN resumed forex sales after a 6-week suspension. The initial response was an appreciation of the naira at the parallel market from N470/\$ to N430/\$. However, the CBN's sales were largely insufficient to meet existing demand which led to a depreciation of the currency to N450/\$ on May 13th. In addition, there was a steep rise in the FMDQ OTC futures curve which could be attributed to a spike in the 5-year futures to N570/\$. On the other hand, the naira appreciated at the IEFX window from N387.3/\$ on May 4th to N386.94/\$ on May 13th.

For the first time in over 10 months, Nigeria's external reserves resumed accretion, gaining 2.63% (\$890mn) during the review period. At \$34.78bn (as at May 12), Nigeria's import cover stands at 8.66months.

Outlook & Implications

As more economies ease out of Covid-19 induced lockdowns, we expect heightened forex demand pressures. If the dollar remains scarce at the forex market, the naira could depreciate to N450 — N470/\$.



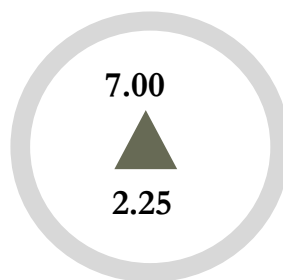
The Money Markets

Average liquidity within the banking system declined by 45.43% to N282.96bn compared to a previous position of N518.55billion in the first half of April. On May 8, naira liquidity spiked by 89.62% to N505.46billion due largely to CBN's OMO maturity and some FX refunds.

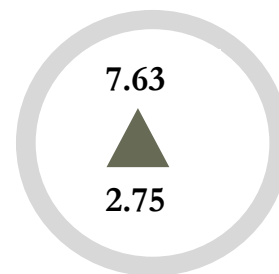
NIBOR (OBB/ON) rates increased by an average of 481bps to close at 7%pa and 7.63%pa respectively.

Outlook & Implications

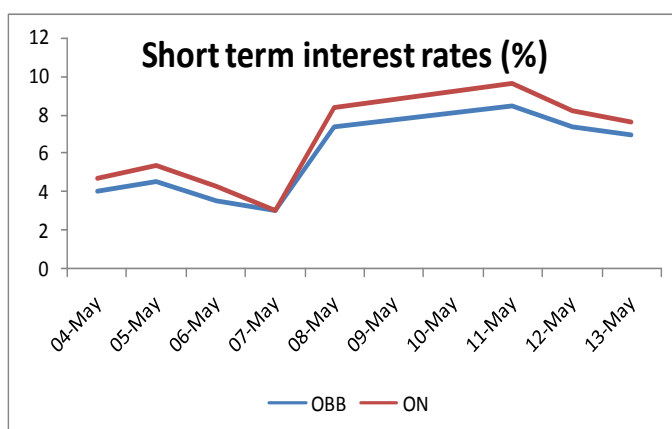
We expect the CBN to continue to manage naira liquidity through the sale of OMO bills. The level of liquidity will continue to determine the direction of interest rates.



NIBOR: OBB (%p. a)



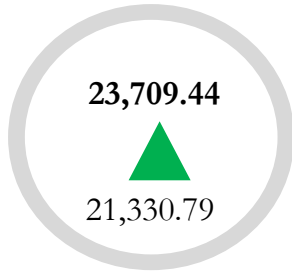
NIBOR: O/N (%p.a)



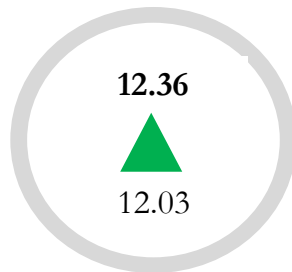
There was a Primary Market Auction of N33.84billion on May 13th.

Tenor	Secondary market rates as at May 4 2020 (% pa)	Secondary market rates as at May 13, 2020 (% pa)	Change	Primary market rates at April 29, 2020 (% pa)	Primary market rates at May 13, 2020 (% pa)	Change
91-day	2.20	1.85	-35bps	1.85	2.5	65bps
182-day	3.82	2.05	-177bps	2.50	2.85	35bps
364-day	4.50	3.11	-139bps	3.84	3.84	-

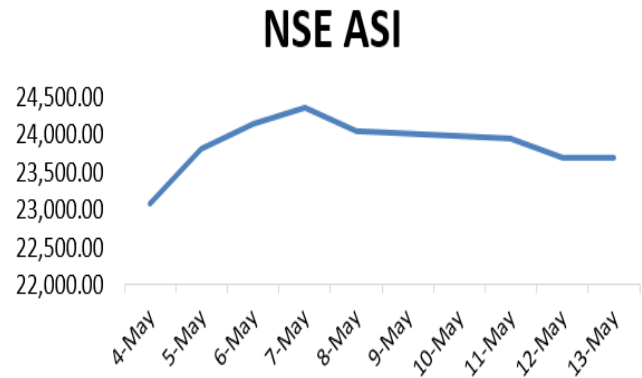
The Stock Market



NSE ASI



Market Cap. (N'trn)



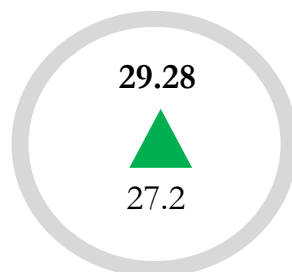
The NSE ASI gained 11.15% in the review period. The market started the period on a bullish trend likely due to purchasing undervalued stocks such as MTNN, Nigerian Breweries and Nestle. This resulted in a 9-day gaining streak before the trend was bucked on May 8. The YTD loss is 11.67%.

Outlook & Implications

In the coming weeks, there is a possibility that foreign portfolio investors will offload more equities as the depreciation of the naira and speculation of anemic corporate earnings due to Covid-19 pandemic dampens investor sentiment.

The Commodities Market

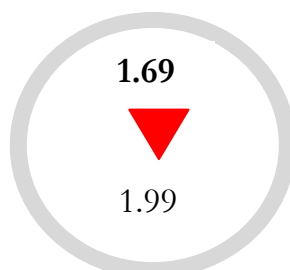
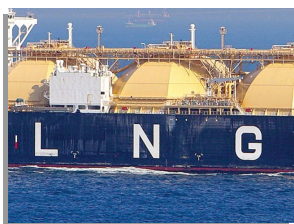
Brent prices (\$/b)



Outlook & Implications

We expect oil prices to trade at current levels despite a proposed output cut by Saudi Arabia. This is largely due to lingering demand concerns as the market worries of a possible second wave of Coronavirus in countries that have eased lockdown restrictions.

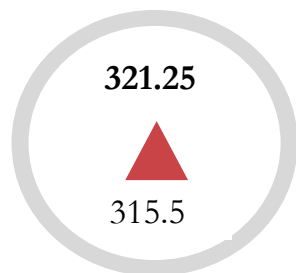
Natural gas (\$/mmbtu)



Outlook & Implications

We expect natural gas prices to continue to trend downwards driven by the current market surplus.

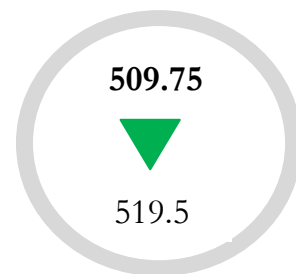
Corn (\$/bushel)



Outlook & Implications

Expectations of increased supply from the US and Brazil will likely push corn prices down in the near term.

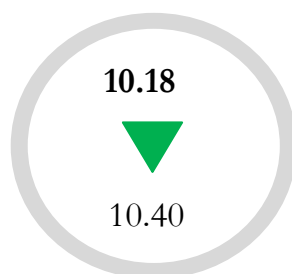
Wheat (\$/bushel)



Outlook & Implications

Wheat prices are expected to maintain their downward trend driven by improved weather conditions in the Northern Hemisphere.

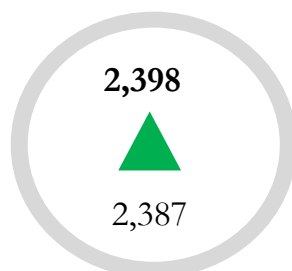
Sugar (\$/pound)



Outlook & Implications

We expect lower global demand to further depress sugar prices in the near term.

Cocoa (\$/mt)



Outlook & Implications

Supply shortages in key producing countries expected to keep cocoa prices elevated.

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Manipulate Time With These Powerful Time Management Tips

Culled from Forbes

We all have 24-hours in a day. But, why does it seem that some people are able to get the most out of every minute of the day? Believe it or not, they don't have the power to slow down time. They do, however, know how to properly manage their time.



Want to know how you can become a master of time management as well? Start by using these super-powerful time management tips:

1. Create a time audit.

When it comes to time management, the first step you need to take is finding out where your time actually goes. You may believe that you only spend 30 minutes on emails, but in reality that task is eating-up an hour of your day.

The easiest way to keep track of your time is to download an app like RescueTime, Toggl or my app Calendar to track everything you do for a week. You can then access a report to find out what's stealing your time. With this information, you can then make the appropriate adjustments.

2. Set a time limit to each task.

I've found that setting a time limit to each task prevents me from getting distracted or procrastinating. For example, if I want to write an article for my blog, I give myself two hours. So if I started at 8am, I try to get it written by 10am.

In a way, it becomes game.

Since I put buffers between tasks and activities, if I don't complete the task on time, I can still work on it without eating into the time reserved for something else.



4. Plan ahead.

One of the worst things that you can do is wake-up without a plan for the day. Instead of focusing on what needs to be done, you wander aimlessly and take care of more trivial matters.

That's why you should always plan ahead using one of these options;

The night before. Before you leave work for the day, spend the last 15-minutes organizing your office and composing a list of your most important items for tomorrow.

First thing in the morning. During your morning routine write down the 3 or 4 most urgent and important matters that need to be addressed today and work on those when you're most productive.

5. Spend your mornings on MITs.

Mark Twain once said, "If it's your job to eat a frog, it's best to do it first thing in the morning. And If it's your job to eat two frogs, it's best to eat the biggest one first."

Gross? Sure. But, the point that Twain was making that you should take care your biggest and most-challenging tasks in the morning, aka your most important tasks (MITs) of the day.

There are a couple reasons why this such an effective time management trick. For starters, you usually have the most amount of energy in the AM. So it's better to tackle these tasks when you're not drained. Also, you can use that feeling of accomplishment to get through the rest of the day.

6. Follow the 80-20 rule.

"The Pareto Principle also known as the 80-20 rule suggests that 80% of results come from 20% of the effort put in. This is commonly used in sales as 80% of sales typically come from 20% of the customers," writes Renzo Costarella in a previous Calendar post.

"When it comes to how you should manage your time this principle can also be applied. 80% of your results comes from 20% of your actions."

Renzo suggests that you start by looking "at your schedule or to-do-list every day. For the sake of simplicity try to get down five tasks you need to accomplish. Using the principle you can probably eliminate the majority of the items on your list. It may feel unnatural at first but overtime this will condition you to scale up effort on the most important tasks."

Contact

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