

Unity Bank Digest

July 12th, 2018



THE HIGHLIGHTS

NNPC signs an agreement with energy companies to implement \$3.7 billion gas projects

The Nigerian National Petroleum Corporation (NNPC) concluded an agreement with Shell Petroleum Development Company (SPDC), Seplat Petroleum Development Company Plc., Oando Plc and other partners on the implementation of seven critical gas development projects on July 9th. According to Managing Director of NNPC, the aim of the agreement is to manage the gas supply deficit in the domestic market. A gap of about 3 billion cubic feet of gas per day in 2020 has been forecasted by NNPC and will be bridged by the projects identified in the agreement. NNPC had engaged two world-class project management consultants – DeltaAfrik/Worley Parson and Crestech/Penspen who will work with the stakeholders to achieve set project deliverables.

Yuan slips to a 6-month low

The Chinese yuan slipped to ¥6.6/\$ for the first time in six months on June 27th, after opening at ¥6.57/\$. Although losses were regained, it is expected that prices will slide further due to the ensuing trade war between the US and China. A weaker yuan is being said to be a warning to the US that China is prepared to use a weaker yuan as a weapon in a trade war with the US. The depreciation in Yuan implies the same amount of Naira can buy slightly more Chinese goods. However, we expect a marginal depletion in the Yuan component of Nigeria's external reserves

Nigeria receives \$475m in grants from France

Nigeria, on July 3rd, signed an agreement worth \$475 million with France. The provision of these grants is for funding various projects in Kano, Ogun and Lagos state. These projects are for the development of sustainable water supply in Kano, a land degradation project in Ogun and an urban mobility scheme in Lagos. This agreement was signed during the French president Emmanuel Macron's visit to Nigeria. Finance for these projects is coming through Agence Française de Development (AFD), a French development agency.

Procter & Gamble shuts down manufacturing plant in Lagos

Procter and Gamble, the multinational firm expressed its intention to end the operations at its factory in Agbara, Ogun state. P&G's plant in Ogun state opened in June 2017, as a factory for diaper production in addition to the firm's plant in Ibadan, Oyo state. According to the firm, production in Agbara is being moved to Ibadan in order to scale up manufacturing operations and strengthen operations in Ibadan. Its decision to shut down one of its Nigerian plants is likely to have an adverse effect on manufacturing output which is likely to affect the Purchasing manufacturers index (PMI) negatively.

Federation Accounts Allocation Committee (FAAC) Deadlock

The Federal Account Allocation Committee (FAAC) postponed June's disbursements to the Nigerian federal, state and local governments. This was after the FAAC meeting on June 27, ended in a deadlock due to discrepancies in the NNPC's remittances. The Nigerian National Petroleum Corporation (NNPC) was able to exceed its remittance by N35bn in June due to the increase in global crude oil prices. However, the N35bn remittance sparked some controversy between the state governors. If the problem persists, salaries to the Federal and state government workers might be delayed.

World Bank approves \$2.1 bn project support loan for Nigeria

The World Bank, on June 28th, approved the allocation of a concessionary project support loan to Nigeria worth \$2.1 billion. This loan is intended to support seven key projects: nutrition, access to electricity, fiscal transparency of states, polio eradication, women's empowerment, public finance and national statistics, and reducing risk of soil erosion. According to the World bank Director for Nigeria, the approved projects supports the implementation of the federal government's Economic Recovery and Growth Plan (ERGP) and identifies human capital development as one of its key pillars.



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Note that all transactions are subject to Central Bank of Nigeria (CBN) guidelines.



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SOCIAL CORNER

Samsung opens world's biggest phone factory in India

- Samsung Electronics has launched the world's biggest mobile phone manufacturing plant in India. The plant, which is located in Noida, would double the company's current capacity for mobile phones in India to approximately 120 million units a year from 68 million units.
- The phone manufacturer plans to use the plant to make entry-level phones (with a retail price of less than \$100) and flagship devices including the Galaxy S9.
- Other smartphone makers including Xiaomi and Apple also assemble their products in India, taking advantage of India's population (1.3bn) and its smartphone market (approx. 400mn users).



Nigeria's National Carrier to commence in December

- According to the Federal Government of Nigeria, a national carrier for the country is set to be unveiled in December 2018. The new carrier comes 15 years after Nigeria Airways folded up in 2003.
- The name, logo, colour scheme, structure and the type of airplane of the national carrier would be unveiled at the Farnborough International Public Air show held in London in July 2018.
- The first set of five airplanes would arrive in Nigeria on December 19 with a preliminary cost of \$8.8mn and \$300mn as take-off cost.

Nissan falsifies exhaust emission data

- Japanese automobile manufacturer, Nissan Motor Corporation, has admitted to falsifying auto-emissions and fuel-economy data – the second time in 12 months where misconduct was discovered in its inspection process.
- Nissan reported falsification in about 1,200 sample tests performed at six of its plants in Japan. The misconduct



affected vehicle driving speeds and durations, external temperatures and mileage data.

- Nissan has not made any recalls to the affected models as the safety of these models has not been compromised. Stocks of the company however fell by 4.6% following speculations surrounding the announcement.

Forbes List of America's Top 60 Female Entrepreneurs¹

- On July 11 2018, Forbes released its annual list of the 60 self-established American women who have broken barriers to become some of the top income earners in the country.
- Topping the list were Diane Hendricks, Marian Ilitch, Judy Faulkner, Meg Whitman and Johnelle Hunt, who have a combined net worth of approximately \$19.2 billion.
- Also featured on the list is Kylie Jenner, founder of Kylie Cosmetics (No. 27), who at 20 years old, is set to be the youngest female billionaire in American history.
- Other popular names include philanthropist, Opera Winfrey (No. 7), makeup mogul and reality TV star, Kim Kardashian West (No. 54) and singer, Beyoncé (No. 53).



WhatsApp Updates the App to Curb Hoaxes

- WhatsApp, the Instant messaging service, on July 10th launched a label to identify forwarded messages.
- Users of the updated version of the app will receive a little note in italics at the left corner of the message, informing them if the message has been forwarded. However, the note will not inform users of the identity of the original sender.
- This was incorporated as a means to combat fake news and the spread of misinformation across countries.
- However, the site still advises people to refrain from forwarding messages that appear to be unconvincing, and also urges users to report any potentially harmful messages.



¹ <https://www.forbes.com/sites/forbespr/2018/07/11/forbes-releases-2018-list-of-americas-richest-self-made-women-a-ranking-of-the-most-successful-women-entrepreneurs-in-the-country/#741f863f3845>

TOP STORIES

Procter and Gamble to shut down its \$300 million Agbara factory

- Procter and Gamble, the multinational firm is set to shut down its \$300mn production plant in Agbara industrial estate, Ogun state.
- The company started operation in Nigeria in 1992, launched the production of pampers in 1994 and expanded its footprint in Nigeria in June 2017 by commissioning an extension of its diaper line in Agbara for the production of its sanitary pads and diapers.
- According to the firm, production in Agbara is being moved to the Ibadan plant in order to scale up manufacturing operations and strengthen operations in Ibadan.

Analysis and Outlook

P&G is a foremost global consumer goods company, its decision to shut down one of its Nigerian plant is likely to have an adverse effect on production levels in the manufacturing sector which could feed into the Purchasing manufacturers index (PMI). The shutdown could also lead to the layoff of some staff, which will increase the rate of unemployment in the near term. A reduction in production coupled with the possible increase in unemployment would have an adverse effect on the economy.

Yuan slips to a 6-month low

- China's yuan slipped to a 6-month low of ¥6.62/\$ on June 27th, after opening at ¥6.57/\$.
- A weaker yuan is being said to be a warning to the US that China is prepared to use a weaker yuan as a weapon in a trade war with the US.
- Although the losses were regained, it is expected that prices will slide further due to the ensuing trade war between the US and China.
- The yuan appreciated to ¥6.23/\$ in March 2018, up 4% for the year against the US dollar, making it the best performing emerging-market currency in the period. However, it has now erased those gains, and the sharp fall means it is down 1.5% so far this year.

Analysis and Outlook

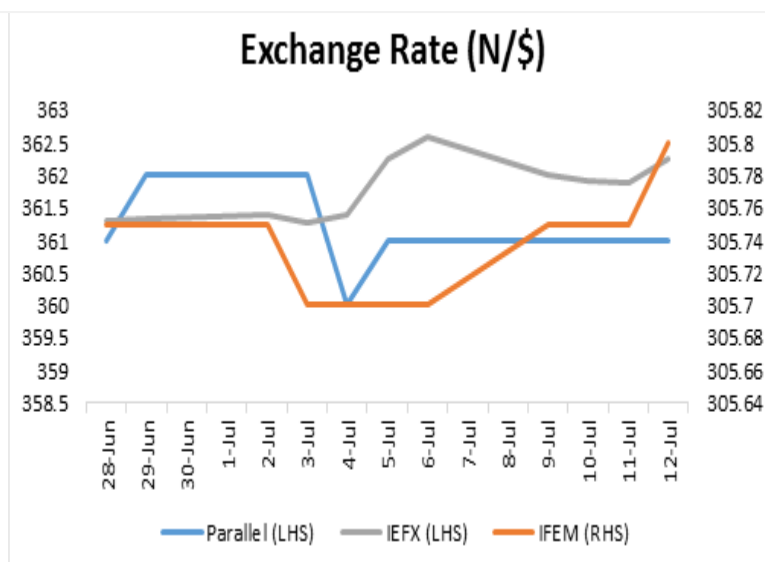
Nigeria signed a currency swap deal with China in May 2018, the deal allows the CBN and the PBoC to make available liquidity in their respective currencies for the facilitation and promotion of trade and investments across the two countries through the purchase, sale and subsequent repurchase and resale of the Chinese yuan (CNY) against the naira and vice versa. The depreciation in Yuan implies the same amount of Naira can buy slightly more Chinese goods. However, we expect a marginal depletion in the Yuan component of Nigeria's external reserves

BUSINESS UPDATE (Review Period: 28th June – 12th July 2018)

The Forex Market – Naira appreciates to a 2-year high against the dollar

At the parallel market, the naira started the period at N361/\$, depreciated to N362/\$ on June 29th, appreciated to a 2-year high of N360/\$ before closing at N361/\$ on July 12th. This can be attributed partly to the CBN's intervention of approximately \$738.7mn in the period. The naira appreciated against the pound and Euro to close at N480/£ and N419/€ on July 12th from N482/£ and N420/€ on June 28th.

At the interbank foreign exchange market, the naira started the period at N305.75/\$, appreciated marginally to N361.70/\$ before closing at N305.80/\$ on July 12th. The naira depreciated by 0.26% to close at N362.25/\$ at the IEFX window from N361.30/\$ on June 28th. Total forex traded at the IEFX window was \$1.81bn, compared to \$3.38bn in the corresponding period in June. The level of Nigeria's gross external reserves decreased by 0.17% (\$80mn) to \$47.70bn on July 11th from \$47.78bn on June 28th. This was partly due to the increase in forex intervention. The import cover also decreased to 11.68 months from 11.70 months on June 28th.

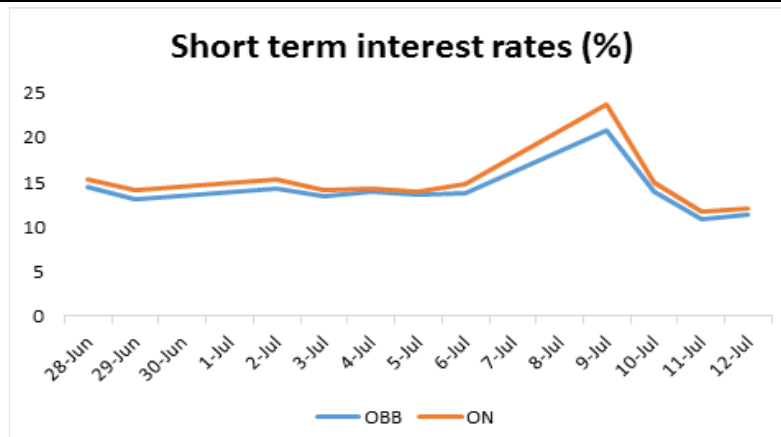


SOURCE: FDC Think Tank, CBN, FMDQ

The Money Market

Short term interest rates (OBB and ON) declined by 308bps and 317bps respectively to close at 11.42% and 12.08% pa. Rates reached a high of 20.83% and 23.79% respectively on July 9th. Total OMO sales during the period was N411.71bn compared to maturities of N421.92bn. This resulted in a net inflow of N10.21bn compared to a net inflow of N424.92bn in the previous period. Average opening position of banks during the period was positive at N157.13bn compared to a positive position of N426.67bn in the corresponding period in June. At the last primary market auction on July 5th, all T/Bills except the 182-day tenor remained flat. The 182-day bill increased by 20 bps. At the secondary market, all T/Bills rates declined by an average of 45bps.

Tenor	Secondary market rates as at June 28 th 2018 (%)	Secondary market rates as at July 12 th 2018 (%)	% change	Primary market rates as at June 28 th 2018 (%)	Primary market rates as at July 12 th 2018 (%)	% change
91-day	12.49	11.49	-1.00	10.0	10.0	-
182-day	12.28	12.10	-0.18	10.3	10.5	0.2
364-day	12.46	12.29	-0.17	11.5	11.5	-



SOURCE: FMDQ, CBN

The Stock Market

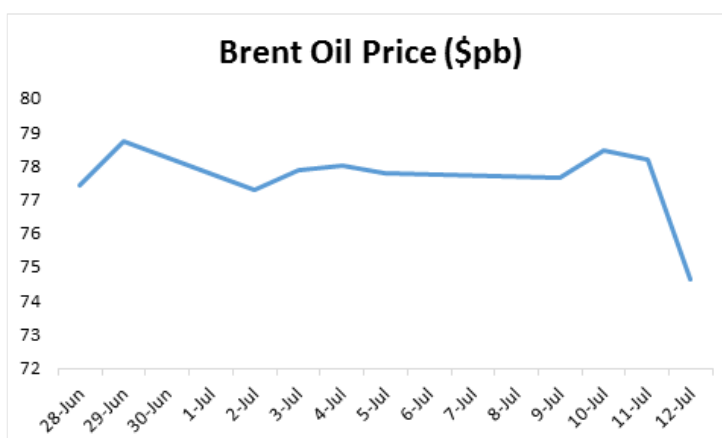
The Nigerian Stock Exchange All Share Index (NSE ASI) lost 1.34% to close at 37,226.44pts on July 12th from 37,733.44pts on June 28th. Total market capitalization declined by 1.32% to N13.49trn on July 12th from N13.67trn on June 28th. During the period, the market recorded 3 positive days and 7 negative days.



SOURCE: NSE

The Commodities Market

- Brent crude prices dipped by 4.57% to \$74.29pb on July 12th, from \$77.85pb on June 28th.
 - Caused by persistent outages in Libya and Canada.
 - Planned sanctions by the US on Iran in addition to increasing global demand
- Natural gas declined by 4.08% to close at \$2.82/mmbtu, from \$2.94/mmbtu.
 - Influenced by rising natural gas production in the US
- Corn prices decreased by 2.19% to close at \$3.58/bushel from \$3.66/bushel during the review period.
 - Due to slightly wetter and cooler weather forecasts suggesting favourable conditions
- Wheat prices increased 6.40% to a high of \$5.15/bushel on July 6th from \$4.84/bushel on June 29th, before declining to \$4.77 on July 12th.
 - Increase was prompted by the forecast of reduced wheat production
 - Recent decline was as a result of uncertainty about EU harvests
- Sugar prices declined by 9.14% to \$0.1113/pound from \$0.1225/pound.
 - Due to the decline in global demand and an increase in production
- Cocoa prices increased 1.18% to \$2,480mt from \$2,451/mt in the review period, with a low of \$2,443 on July 9th.
 - Despite Ghana Cocoa Board's (COCOBOD) expectation of increased cocoa production



SOURCE: Bloomberg, EIA, Newsnow

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SCAN TO OPEN



UNITY BANK NEWS

Unity Bank flags off Season 2 Unity Verve for Value Promo to Reward over 3,000 Customers

Unity Bank Plc, one of the leading drivers in e-payment system, has flagged off the Season 2 Unity Verve for Value Promo offer to give out cash prizes and other material rewards to customers and verve card holders of the Bank.

The Season 2 offer is a set of incentives that have been packaged as a reward scheme for deserving customers and active users of the verve debit card on electronic platforms such as POS and WEB.

A statement from the Bank quoted the Managing Director/CEO, Unity Bank Plc, Mrs. Tomi Somefun, to have said that the Season 2 promo offer is aimed at spreading out the benefits of the scheme to bring more verve card holders into the reward net. She stated that from July to December, 2018 scheduled for the duration of the promo, as much as 300 Unity Bank verve cards holders (i.e. 50 winners monthly) will receive cash gifts while 3,000 customers (i.e. 500 card holders monthly) will receive airtime top-up.

To qualify for the promo, Verve Card holders are required to transact on POS and Web channels to accumulate transaction counts, volume and value. At the end of every month, 50 customers with highest number of transactions will enjoy reward of N5, 000 worth of cash, while another 500 will be rewarded with airtime top up.

Also speaking on the promo, the General Manager, Product and Channels, Unity Bank Plc, Mr. Bonaventure E. Okhaimo urged customers, old and new, to take advantage of the offer and participate actively, adding that the Season 2 Unity Verve for Value Promo is well thought out to promote consumer lifestyle and e-commerce experience by encouraging customers' uptake to transact more on the POS and Web channels.

He said that "apart from the Season 2 reward promo, the Bank is interested in the customers accessing wide-ranging electronic solutions that will give them control, convenience and product experience as more and more Verve card holders make purchases on PoS and Web".

According to him, Unity Bank is committed to ensuring ease, convenience and security in banking transactions for all its customers and its Verve Card holders which is accepted for payment for goods and services.

Mr. Okhaimo said that the promo gives Verve Card holders the benefits of using their cards and getting rewarded for their commitment and patronage.

He further assured Cards holders that Verve Cards are very secure as cardholders are protected against fraud by providing two-factor authentication platform to help guard them across channels.

The Season1 Unity Verve for Value Promo produced two star prize winners: Mr. Ofurum Oscar Chidiebube (Owerri branch) and Mr. Ojo Gbenga Oluwafemi (Ado Ekiti branch) who were rewarded with an all-expense paid trip to Ghana.

Verve is a Naira denominated card linked to customer's savings, current or corporate account and used to settle purchases within Nigeria. It is a Chip and PIN secured debit Cards that offers customers with 24-hour access to funds on ATMs, POS, and WEB within Nigeria thereby reducing the risk and the inconvenience of carrying cash.

LIFESTYLE SECTION

10 Freelance Businesses You Can Start For Free Tomorrow - Forbes²

Thinking about becoming a freelancer? You're not alone.

Many people around the world are sidestepping their fears, ditching the 9-to-5 lifestyle, and setting out to make money on their own off of their skills and passions. Now's the perfect time to do so – the demand for creative freelancers has never been higher. According to CNBC, the number of independent contractors has increased by about 27% more than payroll employees over the past 20 years. A lot of that is thanks to gig work apps and freelance sites.



Here are 10 freelance business ideas for you – find one that works for you and join the gig economy.

1. Teaching

Thanks to video chat, teaching is a freelance job you can do online or off. If you have writing skills, know two languages, or possess just about any other teachable skill, there are people around the world who need your help. Charge a simple hourly rate for your freelance teaching services.

2. Tutoring

You don't have to be an expert at something to help others learn. High school and college students need tutors for particular subjects you have a knack for, like math or chemistry. You can find tutoring jobs in your community or online.

² <https://www.forbes.com/sites/abdullahimuhammed/2017/05/06/55-freelance-businesses-you-can-start-for-free-tomorrow-morning/#7ae520cd1bdd>

3. Driving For Uber

Drive for Uber or Lyft in your spare time to pick up some extra cash! It's easy to sign up and work through the app to find gigs in your town. Pay is not that great, but it is a nice way to earn extra cash when you have free time.

4. Personal Fitness Training

Fitness trainers don't have to be gym employees. You can do this freelance for individuals or groups at the gym, in the park, or anywhere else. A lot of people prefer to work with freelance personal trainers because your fee isn't jacked up by the gym's overhead.

5. Party Planning

If you know how to throw a party, your services are needed. You can help people budget, book, and buy everything they need to make a wedding, graduation party, or anniversary go off right. Gain new clients through word-of-mouth in your community, and feature your successful parties on your freelance website.

6. Programming

The internet wouldn't exist if it weren't for programmers, and it certainly won't advance without it. If you're savvy with coding language or software development, people will hire you to create complex websites, develop apps, and more.

7. Blogging

Lots of business and entertainment sites need people to write for them. You can become a resident blogger for hire and earn a nice freelance salary in the process. Better yet, you can start your own blog and attract traffic with your posts. Then start monetizing it to turn it into a real business.

8. Online Researching

Always got good grades on your research reports in school? That's all the qualification you need to become an online researcher. Organizations need statistics for their whitepapers and infographics, for example. You can be their go-to person to find all the information they need to complete their work. You don't have to write, just supply the data.

9. Magazine Articles Writing

Lots of magazines and online publications solicit free contributions from writers, but not all. All you have to do is come up with a story idea that works for their audience, pitch the idea, and land a paid writing gig!

10. Graphic Designing

Graphic designers are very in-demand online. People need logos, infographics, memes, blog post cover photos and more made all the time. Most freelance graphic design is piece work, but there's so much of it out there you can easily work your way up to full time.



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Would you like to open an account with us?

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