

Nigerian Economy: A YEAR OF RECOVERY

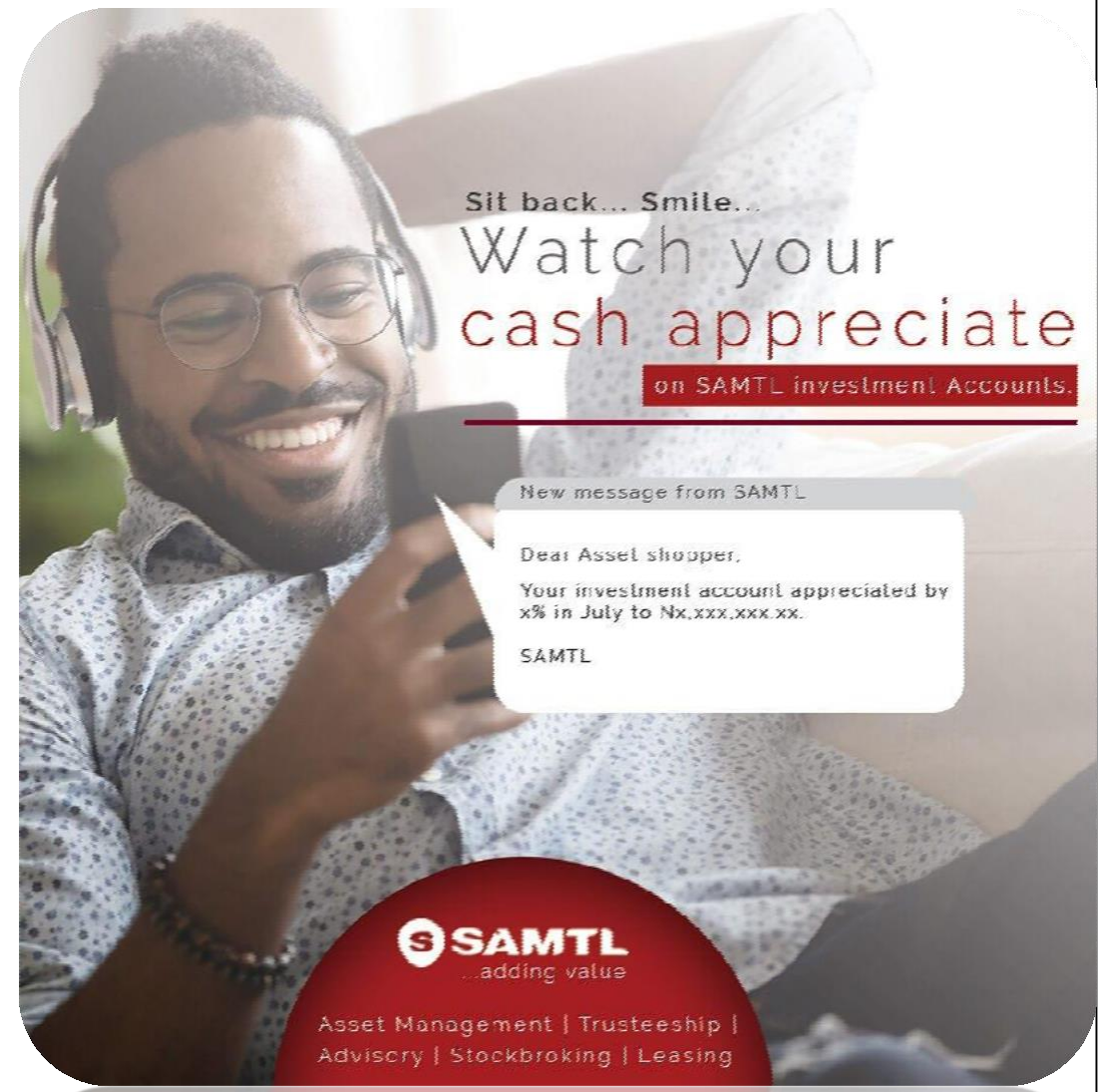


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Contents

- Introduction
- The COVID 19 Pandemic- A Review
- Global Economy
- African Economy
- Commodities
- Nigerian Economy
- Global Risks
- Conclusion



Introduction

2020 was a year unlike any we have seen in modern times. From the Covid-19 pandemic outbreak and the resultant lockdowns, to wide reaching protests, it has been a very eventful year.

Economies and markets around the globe were not spared from the impact of these events. Flash market crashes, wide spread recessions and even the first ever record of negative crude oil price were all witnessed.

Despite the beginning of roll outs of Covid 19 Vaccines and the recovery of economies and markets around the world, uncertainty still looms as rising cases in some regions as well as new strains of the Virus are bringing about a new set of lockdowns.

This report gives a recap of the year 2020 and explores the possibilities for the year 2021.

Retirement?

We've got it all sorted

We all wish for the day when we can take life a little bit slower and have the chance to enjoy the things we always wanted to do.

With SORT, retirees are the beneficiary, but incase anything happens, then the benefit of the Trust will go to his spouse or children as may be directed. All these arrangements are documented in a legal document called a Trust Deed.

RETURNS AT A GLANCE

Initial deposit of N50,000 plus N10,000 monthly contribution for a period of 5, 10, & 25 years at a glance

TENOR	INTEREST RATE	CONTRIBUTION FOR THE TENOR	ACCURED INTEREST FOR THE TENOR	TOTAL PRINCIPAL + INTEREST
5 Years	13%	N640,000	N283,525.54	N923,525.54
10 Years	13%	N1,240,000	N1,372,495.46	N2,612,495.46
20 Years	13%	N2,440,000	N9,554,017.89	N11,994,017.89

Minimum start up of N50,000.00 plus additional minimum annual contribution of N120,000.00

A minimum monthly contribution of N10,000.00 at any preferred interval.

Minimum tenor of 1 year.

Customer Benefits

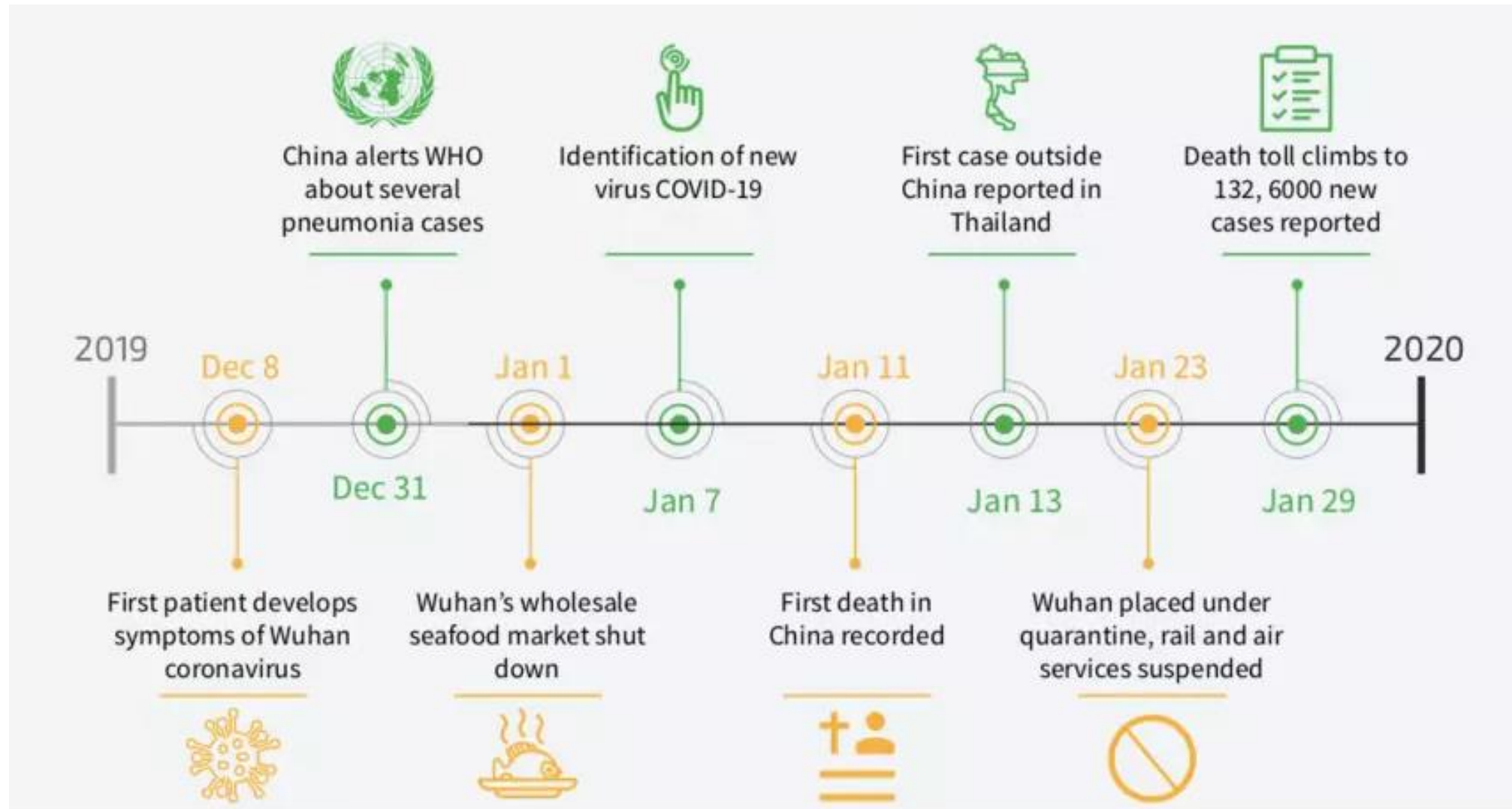
- Access to short-term loans for up to 75% of deposit after one year
- Guaranteed return of 13% per annum subject to money market rate
- Access to online statement of account

THE COVID 19 PANDEMIC

A REVIEW



Covid-19 Pandemic- The Beginning



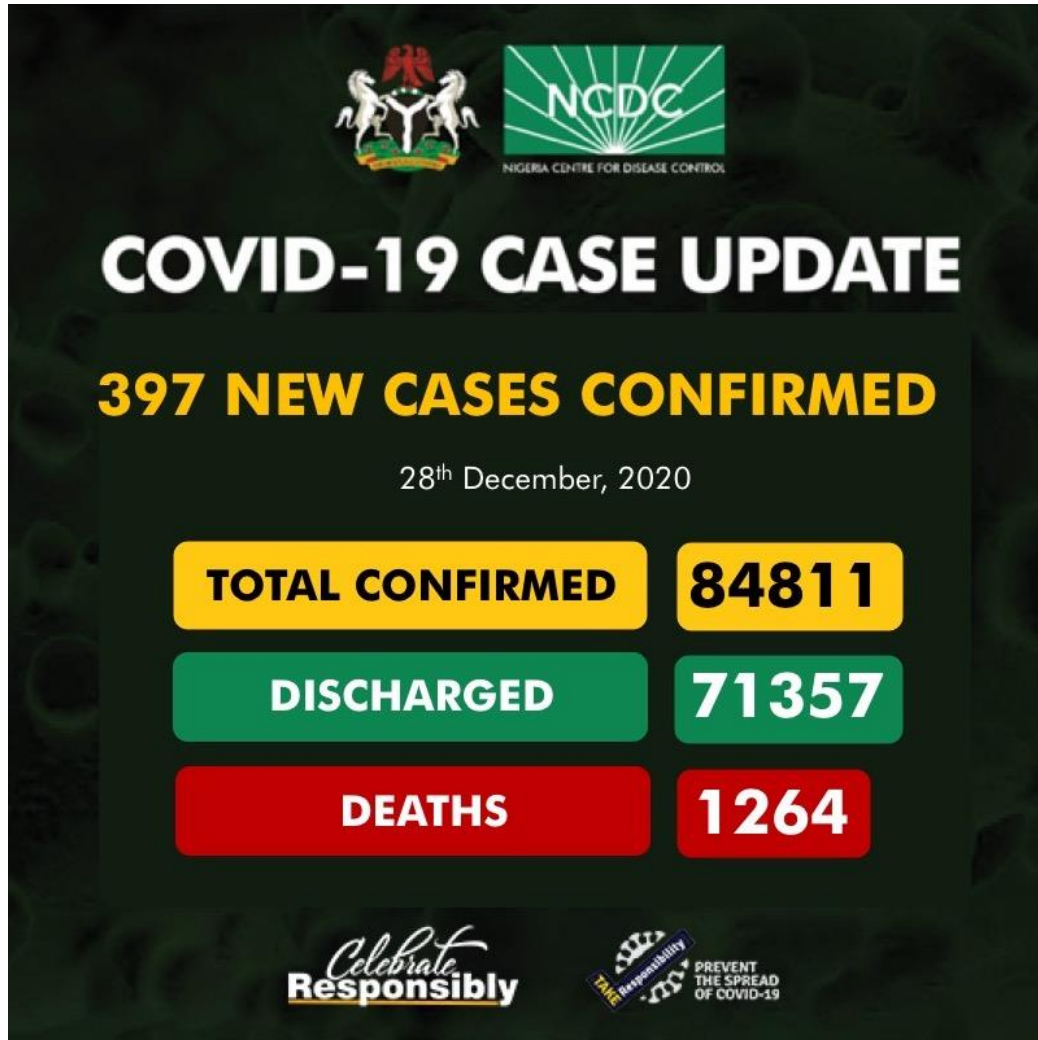
Covid-19 Cases Globally Crosses 80 million

29 Dec 2020

Location	Total cases	New cases (1 day*)	Cases per 1 million people	Deaths
Worldwide	81,193,995	No data	10,442	1,772,325
United States	19,345,092	152,102	58,700	335,032
Nigeria	84,811	397	411	1,264
India	10,224,303	16,432	7,515	148,153
Brazil	7,504,833	20,548	35,511	191,570
United Kingdom	2,329,730	41,385	35,068	71,109

- The global Covid-19 cases figure is currently at 81,193,995 with 1,772,325 deaths recorded.
- Dozens of countries have banned travel from the UK to contain a new Covid-19 variant first reported in England.
- UK hits new COVID infection record.
- Nigeria's COVID-19 fatalities nearly tripled in the past month.

Coronavirus Update-Nigeria



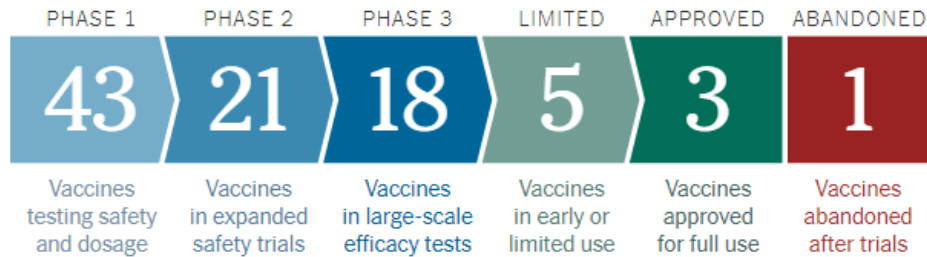
PREVENT
THE SPREAD
OF COVID-19

28-12-2020

























#TakeResponsibility
#COVID19Nigeria

S/N	STATE	Number of Cases
1	Lagos	28,885
2	FCT	11,359
3	Kaduna	4,988
4	Plateau	4,624
5	Oyo	3,909
6	Rivers	3,398
7	Edo	2,834
8	Ogun	2,457
9	Kano	2,199
10	Delta	1,868
11	Ondo	1,802
12	Katsina	1,598
13	Enugu	1,382
14	Kwara	1,379
15	Gombe	1,272

Covid 19 Vaccines

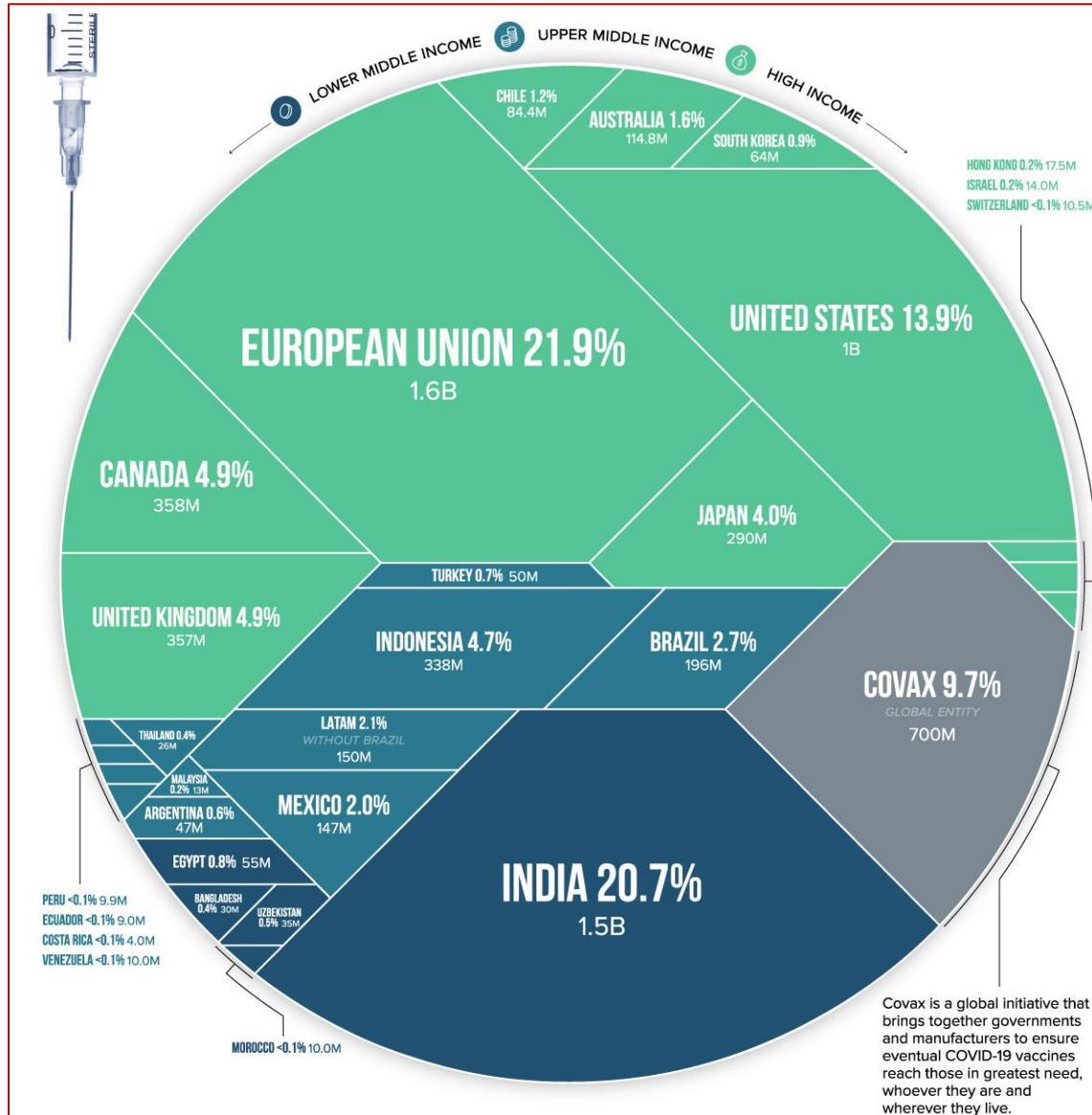


Leading vaccines

Developer	Type	Phase	Status
 Pfizer-BioNTech	mRNA	 	Approved in Canada and other countries. Emergency use in U.S. and other countries.
 Moderna	mRNA		Approved in Canada. Emergency use in U.S.
 CanSino	Adenovirus		Limited use in China.
 Gamaleya	Adenovirus		Early use in Russia.
 Johnson & Johnson	Adenovirus		
 Oxford-AstraZeneca	Adenovirus	 	
 Vector Institute	Protein		Early use in Russia.
 Novavax	Protein		
 Sinopharm-Beijing	Inactivated		Approved in U.A.E., Bahrain. Limited use in China.
 Sinopharm-Wuhan	Inactivated		Limited use in China, U.A.E.
 Sinovac	Inactivated		Limited use in China.

- The EU has launched a mass vaccination program across its 27 member states.
- **Dec. 23-** Canada approves the Moderna vaccine.
- **Dec. 21-** The European Union authorizes the Pfizer-BioNTech vaccine.
- **Dec. 18-** The F.D.A. authorizes Moderna's vaccine for emergency use.

How Many COVID-19 Vaccines has each country bought?



- Nearly 7.25 billion doses have been pre-purchased by countries and organizations around the globe
- Although high income countries are currently buying the larger shares of doses, India has ordered 1.5 billion—more than any other individual country.
- The U.S., in comparison, has pre-purchased 1.01 billion doses, and although this number is less than the amount India has purchased, the U.S. has around 330 million people compared to India's burgeoning 1.3 billion citizens.



The SAMTL Real Estate Investment Product provides exposure to the real estate market without being required to maintain properties on your own.

Minimum start-up of N5,000,000.00
Tenor: Minimum of 2 years

Customer Benefit

- The product is aimed at savvy investors who have long term investment objectives but desire appropriately higher returns than conventional investments like equities and bonds.
- Highly interest rates



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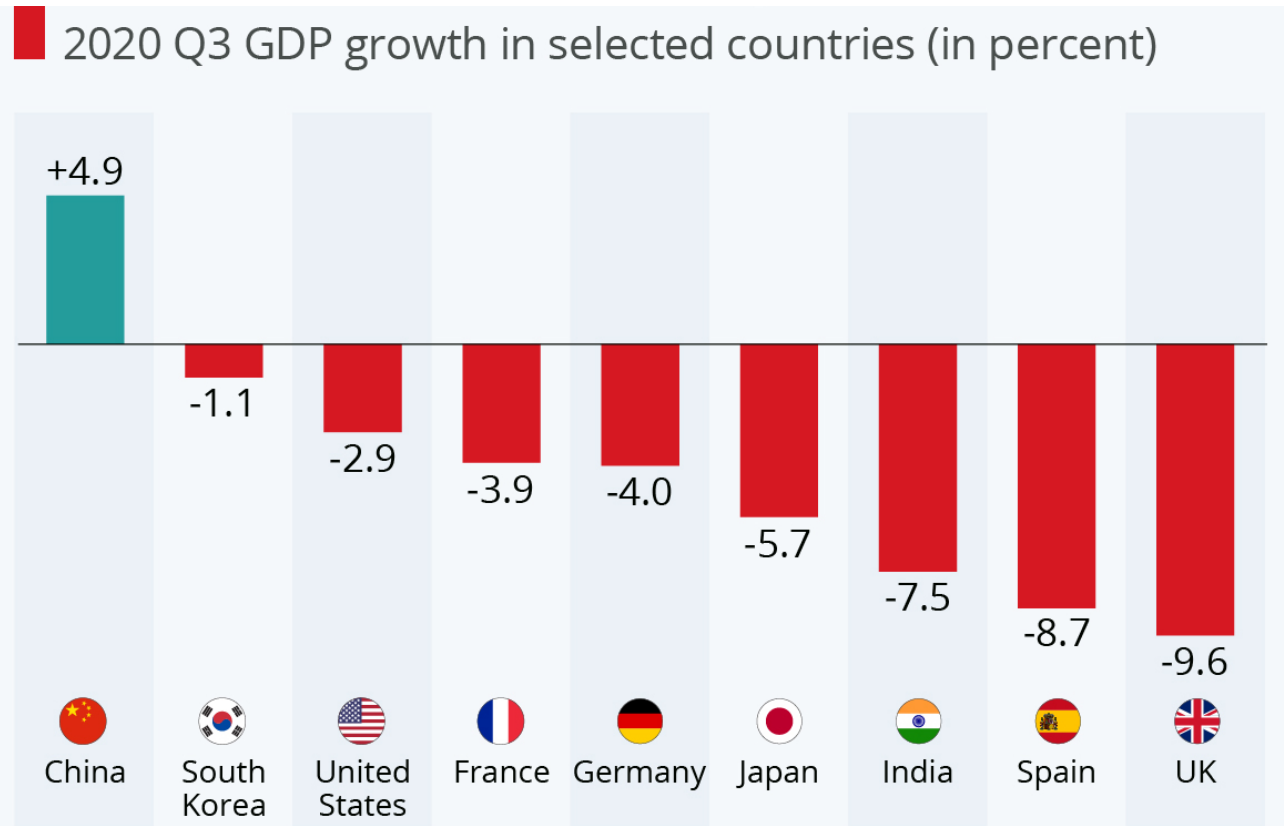
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07025577560

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59, Trans Amadi Industrial
Layout, Port Harcourt,
Rivers-State
Tel: 08034948610,
08033295014

GLOBAL ECONOMY REVIEW



2020 Q3 GDP Growth: Coronavirus Slump Continues



Year-on-year growth, not annualized

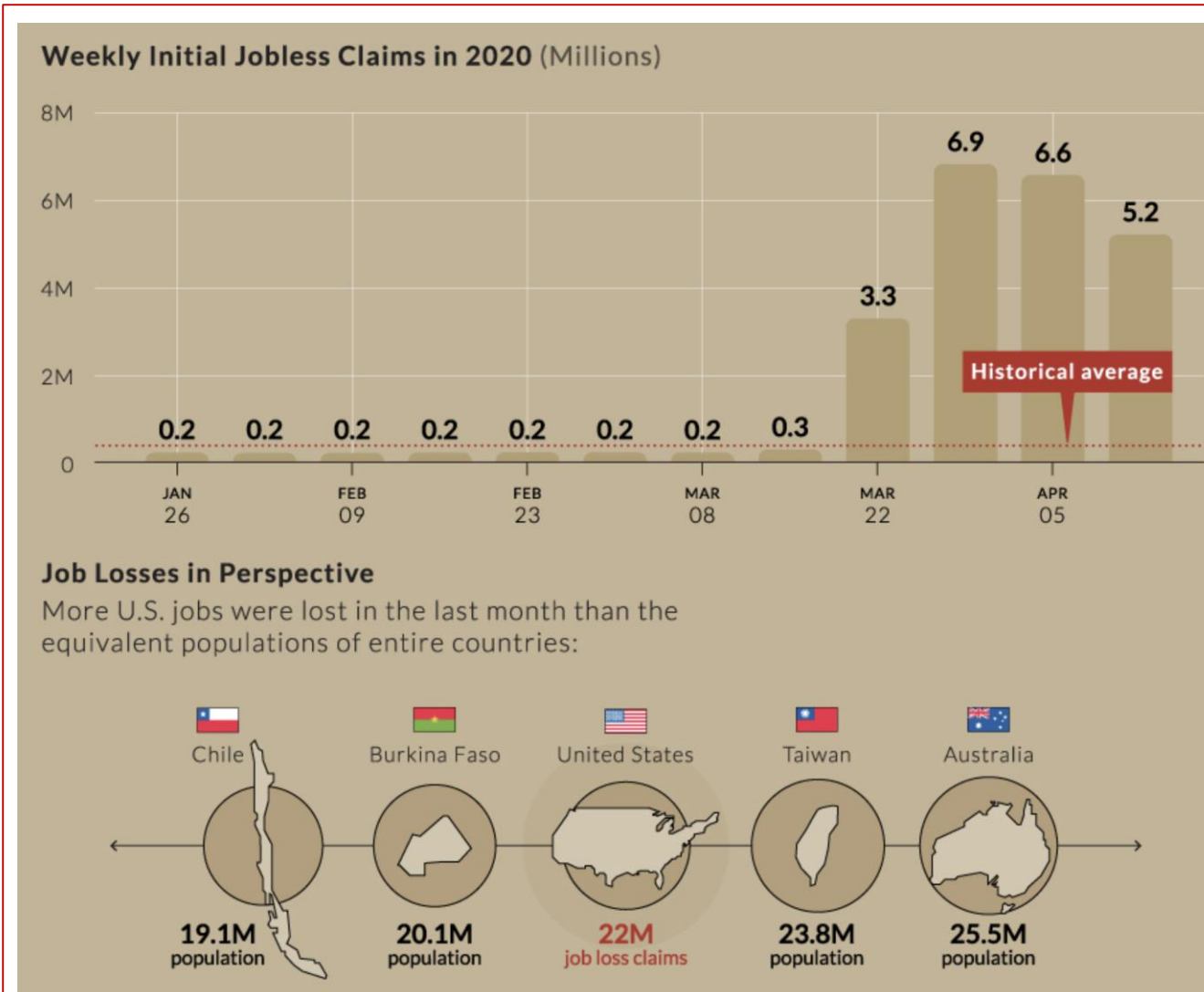
Source: OECD



statista

- China was the first (and only) economy that bounced back from its coronavirus losses, recording a year-over-year growth of 4.9 percent in the third quarter.
- Most European economies are entering their third quarter of GDP losses this fall, with Spain, the UK and Greece the most affected so far.
- The U.S., which reopened its economy despite an ongoing outbreak, saw Q3 GDP growth almost 3 percent below last year's levels

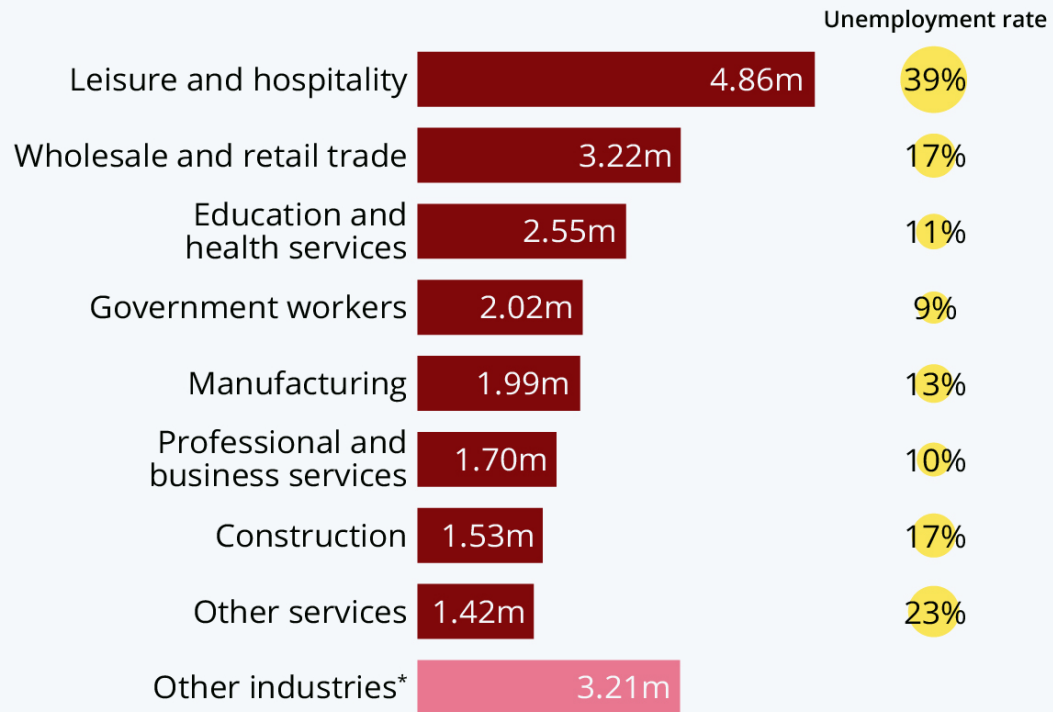
COVID 19 - Historic U.S. Job Losses



- After the World Health Organization declared COVID-19 a global pandemic on March 11, unemployment figures soon hit historic proportions.
- Within a month, 22 million in the U.S. had filed jobless claims.
- To put this in perspective, U.S. unemployment levels in 2020 were roughly 10 times higher than previous peak unemployment levels in absolute terms.

COVID 19 – Impact on Sectors

Number of unemployed persons aged 16 and over in the U.S. in April 2020, by industry



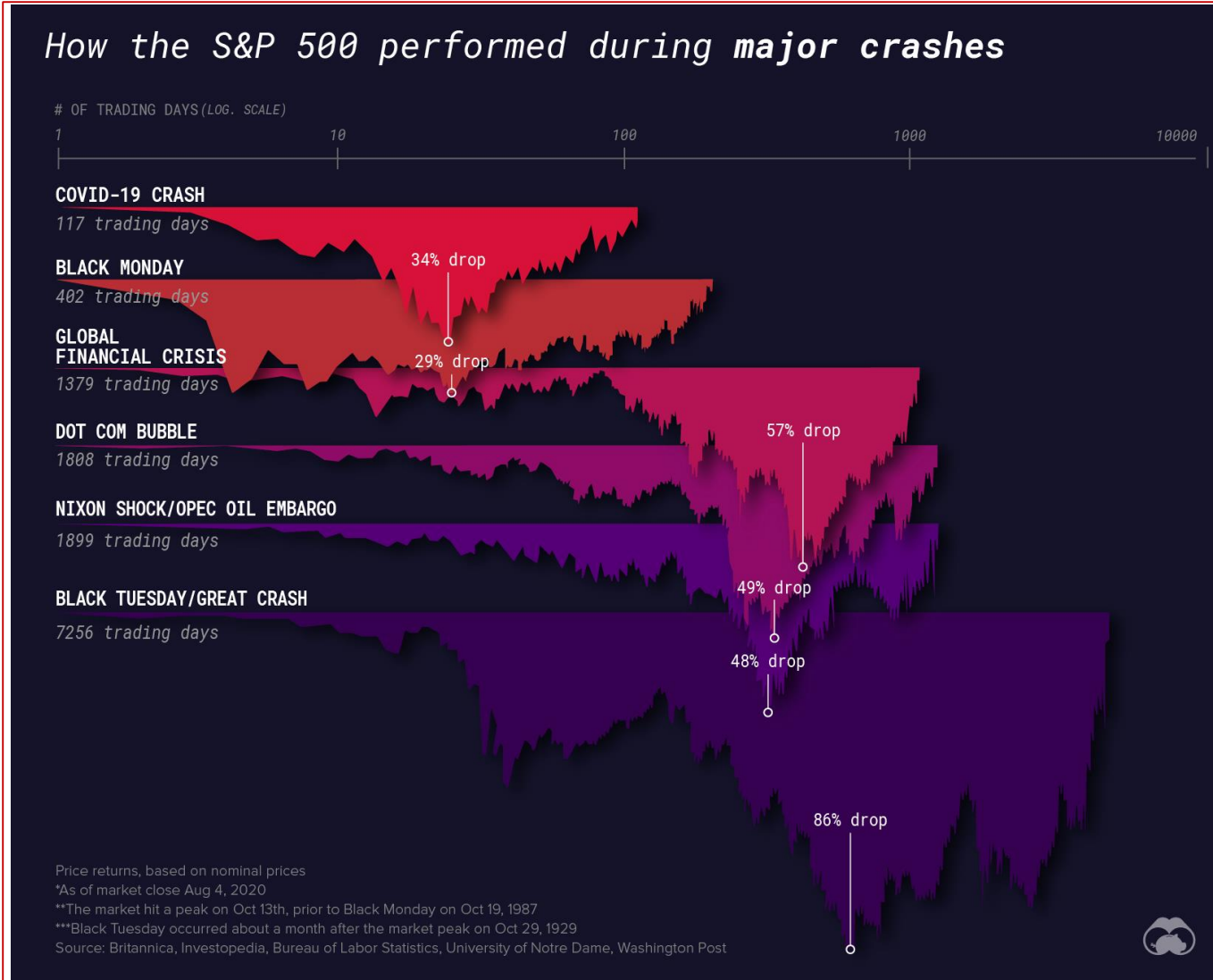
* incl. persons with no previous work experience and persons whose last job was in the U.S. Armed Forces

Source: Bureau of Labor Statistics



- According to the Bureau of Labor Statistics, the number of unemployed persons climbed to 22.5 million in April (not seasonally adjusted) as the measures taken to contain the coronavirus have wreaked havoc on the U.S. economy.
- Given that restaurants, bars and the likes remained closed amid the lockdown, the leisure and hospitality sector has been hit hardest by the COVID-19 crisis.

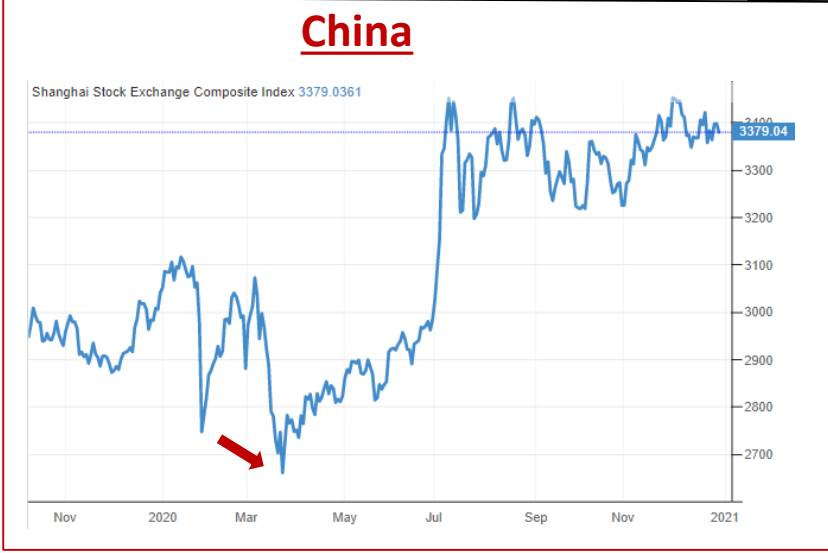
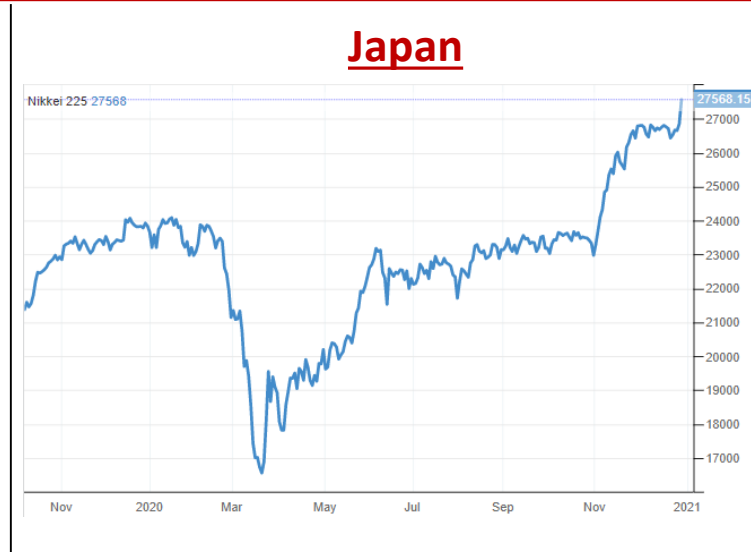
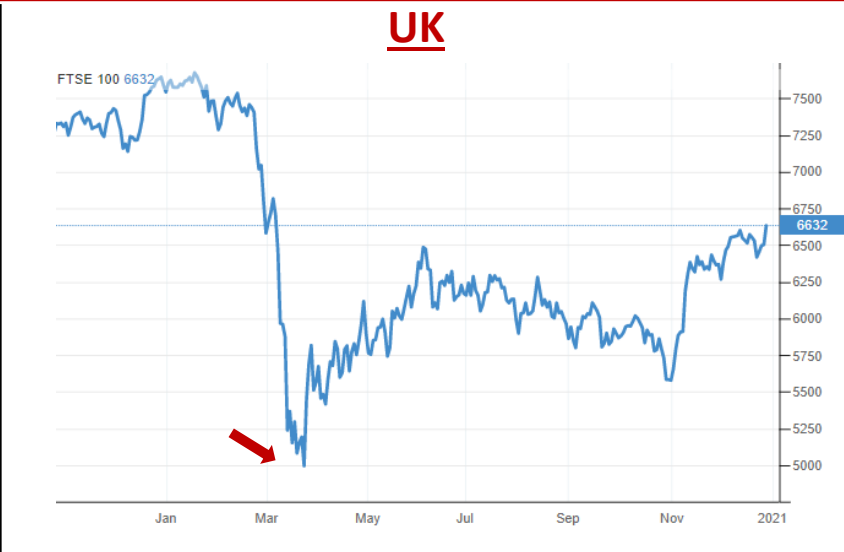
COVID 19 Crash- Shortest Bear Market in History



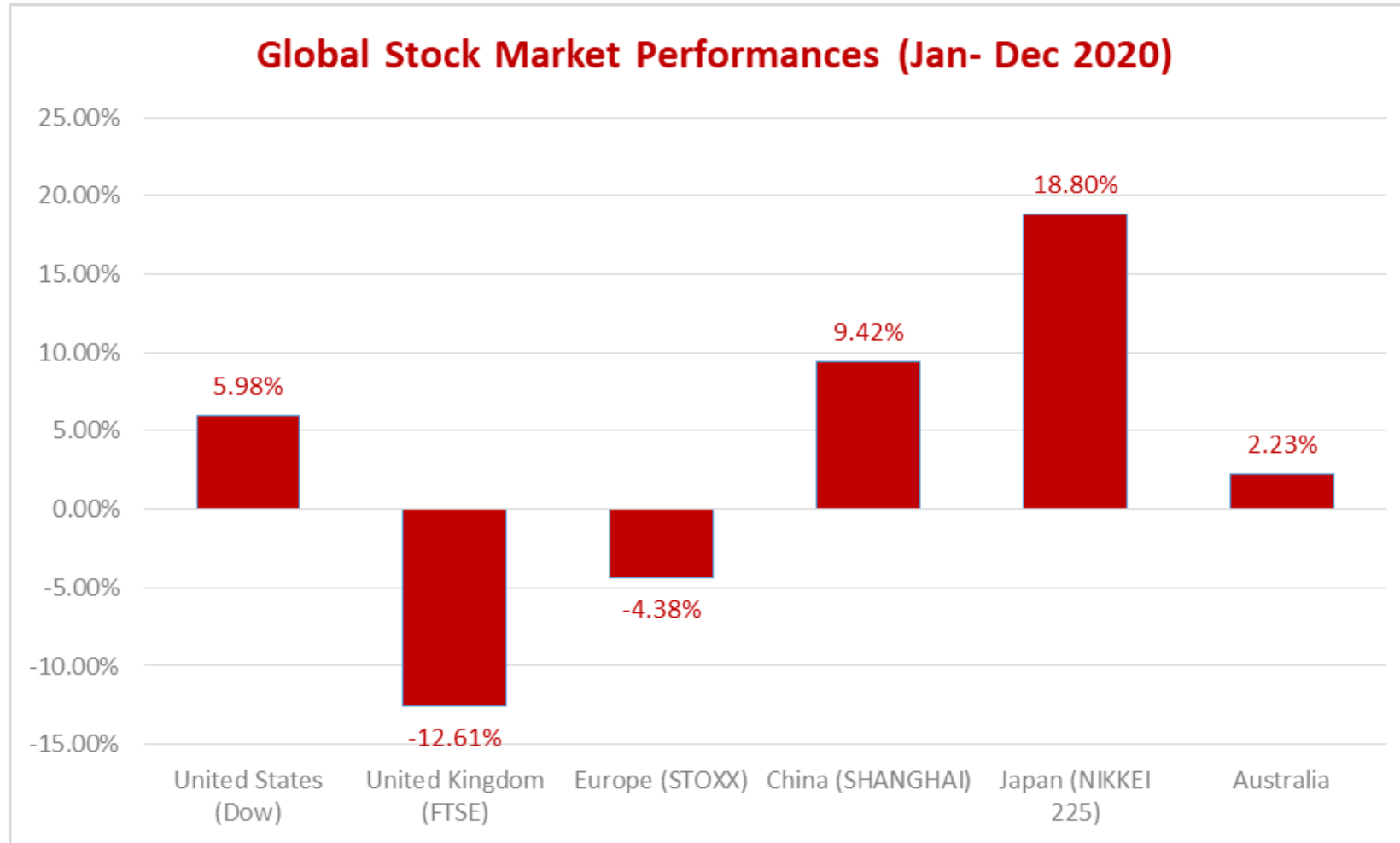
- In a stunning reversal, the bear market of 2020 ended on August 18 when the S&P 500 exceeded previous February highs.
- As trillions of dollars in stimulus response got injected into global economies, markets recovered in record time.

Global Stock Markets- Steady Recovery Post Covid-19 Crash

↓ = COVID 19 LOCKDOWN



Global Stock Markets- Steady Recovery Post Covid-19 Crash



- All the stock markets across the world witnessed major crashes as a result of the COVID 19 Lockdown.
- As economies began to reopen, these markets began their recoveries.
- The Asian markets, especially China, recorded the fastest recovery rates.
- The European markets are however still at negative Year to Date performances, taking more time to recover than all the rest.

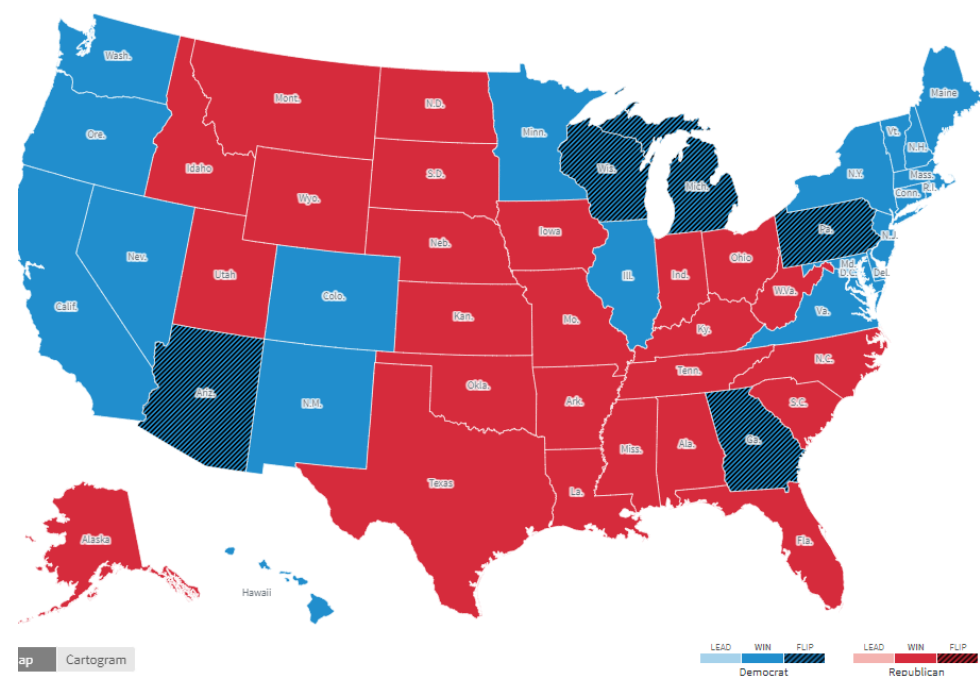
COVID 19 - The World Works from Home

MARKET CAPITALIZATION OF ZOOM VS. TOP AIRLINES



- The dramatic shift to staying at home has resulted in a much higher reliance on technology for many people.
- Nowhere were these trends exemplified more than the rise of video conferencing software Zoom—the platform was used for work, education, and socializing alike.
- Zoom’s market capitalization skyrocketed to eclipse the top seven airlines by revenue, combined.

U.S. election results- President Elect Joe Biden



306 BIDEN

81,283,098 votes (51.3%)

PRESIDENT

270 electoral votes to win

TRUMP 232

74,222,958 votes (46.8%)



SENATE

48 DEM.

Gained 1 seat
35 not up

50

REP. 50

Lost 1 seat
30 not up

HOUSE

222 DEM. ✓

Lost 9 seats

218 seats for majority

REP. 210

Gained 10 seats

GOVERNORS

23 DEM.

Lost 1 seat
20 not up

REP. 27

Gained 1 seat
19 not up



SAMTL Diaspora Investment Trust (SDIT) is an investment created for the purpose of helping Nigerians in the diaspora meet financial obligations in Nigeria, invest towards their home-coming, or sustain their local dependents.

Minimum investment of \$1000

Minimum monthly contribution of \$500

Customer Benefits

- The product will afford clients to take advantage of investment opportunities in the Nigerian money market, fixed income and equities and allow diasporas to purchase real estate and housing in Nigeria
- The Investment will be managed professionally by experts in accordance with clients instruction and mandate
- Allow clients to settle financial obligations back home
- Improve transparency, increase faith and allows Nigerians in diaspora to meet stated objectives and eliminate fear of dealing with unreliable associates and political risks
- Market competitive interest rates

Implications of Joe Biden's Victory on Africa

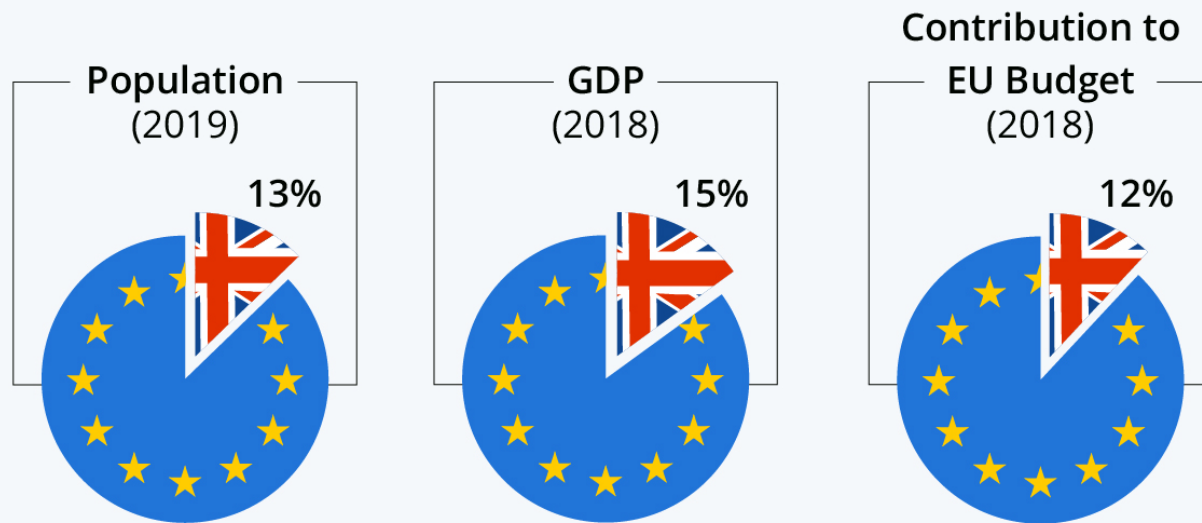
- The administration promises a change in tone and restoration of "mutually respectful engagement," as well as the revival and reinvigoration of diplomacy with the African economies.
- Endorses a continuation of President Obama's Young African Leaders Initiative and looks for diversity in the U.S. diplomatic service.
- Expect an increase in U.S. federal spending on African aid and development.
- Commitments to deeper U.S. involvement in Africa's security challenges.
- The trade environment in the US is expected to be more open to imports and outsourcing from Nigeria.
- Under Biden, the dollar will be weaker (cost of debt and imports will be low), the crude oil price will stay up (due to lower US Supply) and fed rates rise.

BREXIT

- Britain and the European Union have agreed on a new Brexit trading arrangement more than four years after the UK voted to leave the bloc.
 - The UK government noted that it reached a "zero tariff-zero quota deal" with the EU, which will help smooth the trade of goods across the channels.
 - A deal will bring relief to businesses on both sides that would have had to face higher costs had a deal not been reached.

BREXIT: What the European Union loses

United Kingdom's share of selected components of the European Union



Sources: Eurostat, European Commission, gov.uk



statista

- Once the transition period comes to an end, the EU will once and for all lose 13 percent of its total population.
- Economically, 15 percent of GDP will now also be on the outside of the union.
- The UK's significant gross contribution to the EU budget will of course also be gone, making for a loss of 12 percent.

AFRICAN ECONOMIES/MARKETS



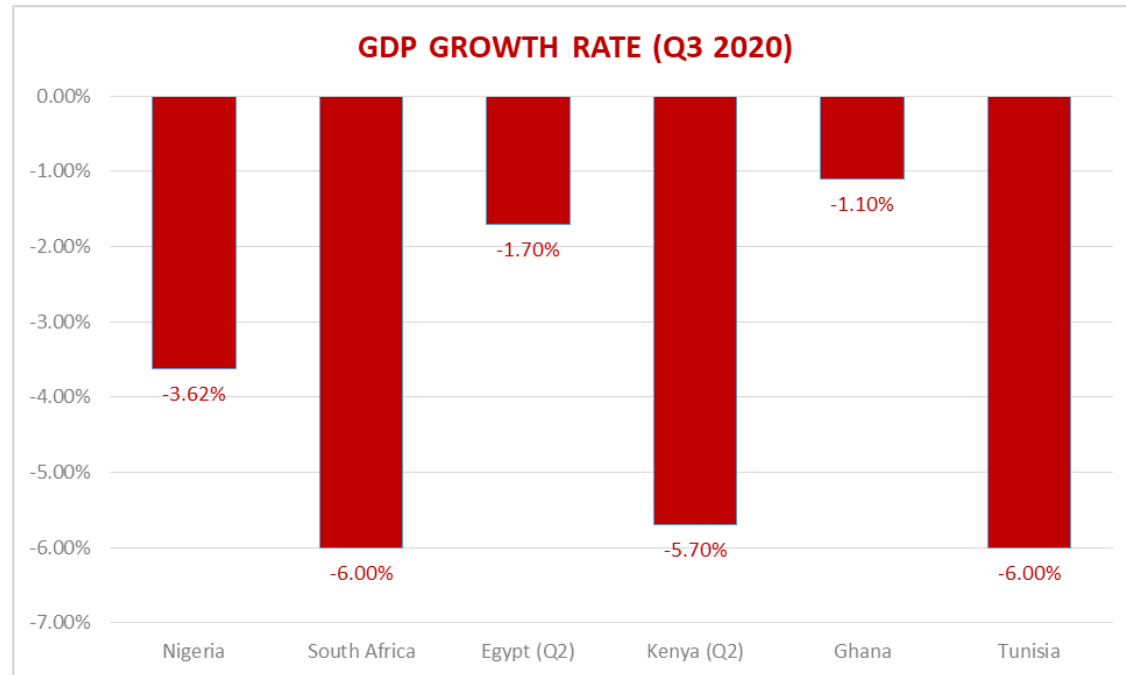
AfCFTA & Intra-Regional Trade

African Continental Free Trade Agreement (AfCFTA)



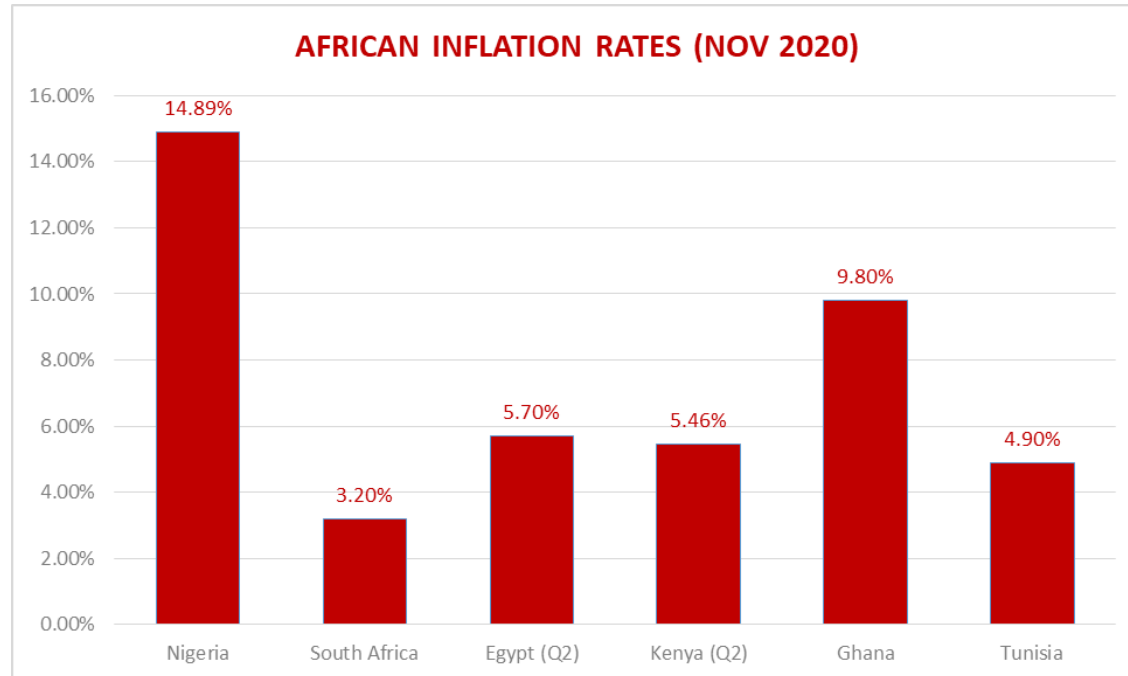
- Commencement date: Jan 1, 2021
- Expected boost in intra regional trade
- Single tariff-free market of \$3trn
- Eliminates cross border tariffs on 90% of goods
- Largest economies to benefit the most: South Africa, Ghana & Nigeria

African Macroeconomic Performance



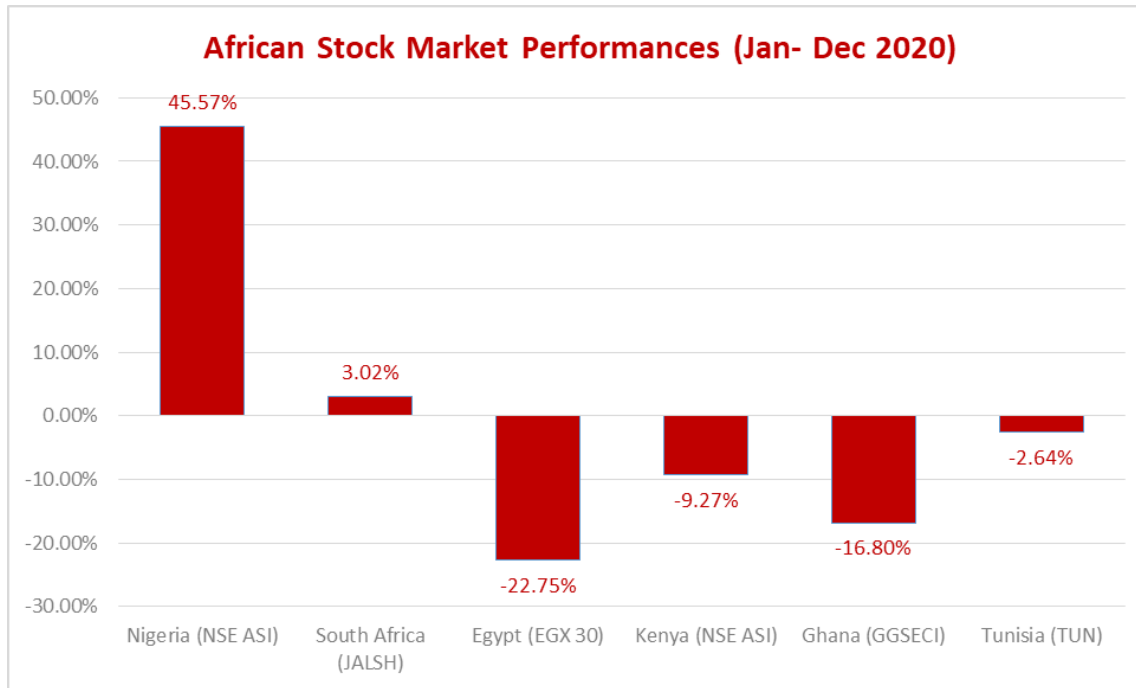
- Just like most economies around the world, the major African economies witnessed negative GDP growth in 2020 due to the Coronavirus Pandemic.

African Macroeconomic Performance



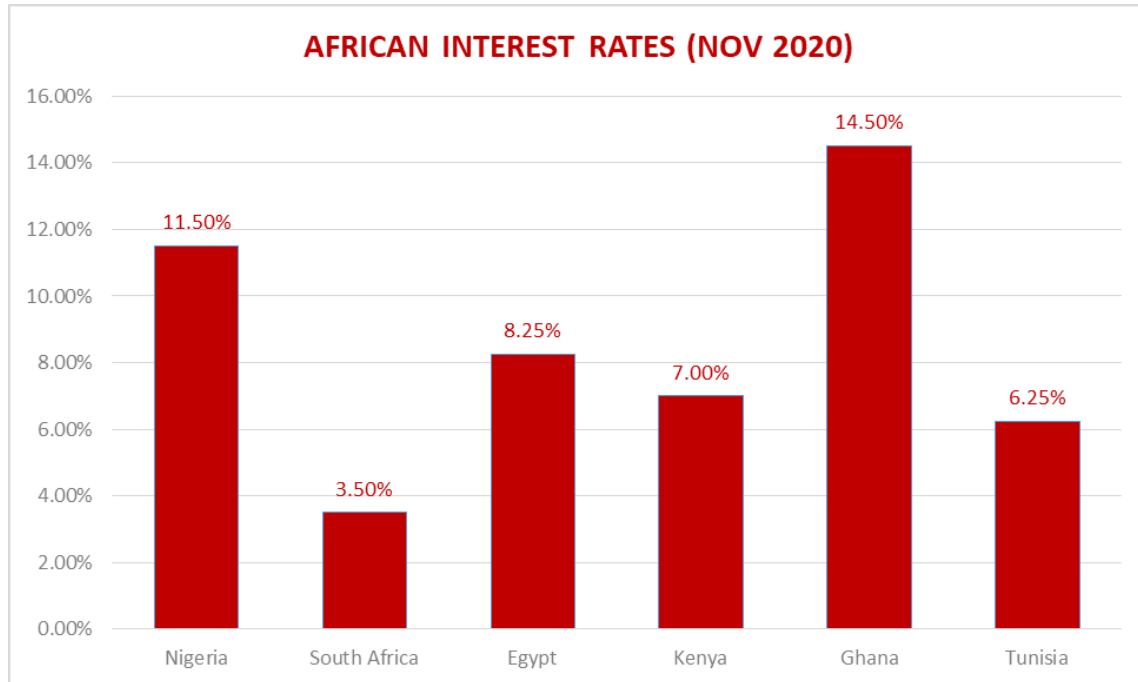
- Nigeria has the highest inflation rate amongst its African peers.

African Macroeconomic Performance



- Most of the African economies are still in the negative Year-to-Date territory in the stock market performances.
- Not only does Nigeria have a positive Year-to-Date performance, it has seen an increase of close to 50%

African Macroeconomic Performance



- Only Ghana has a higher interest rate than Nigeria.

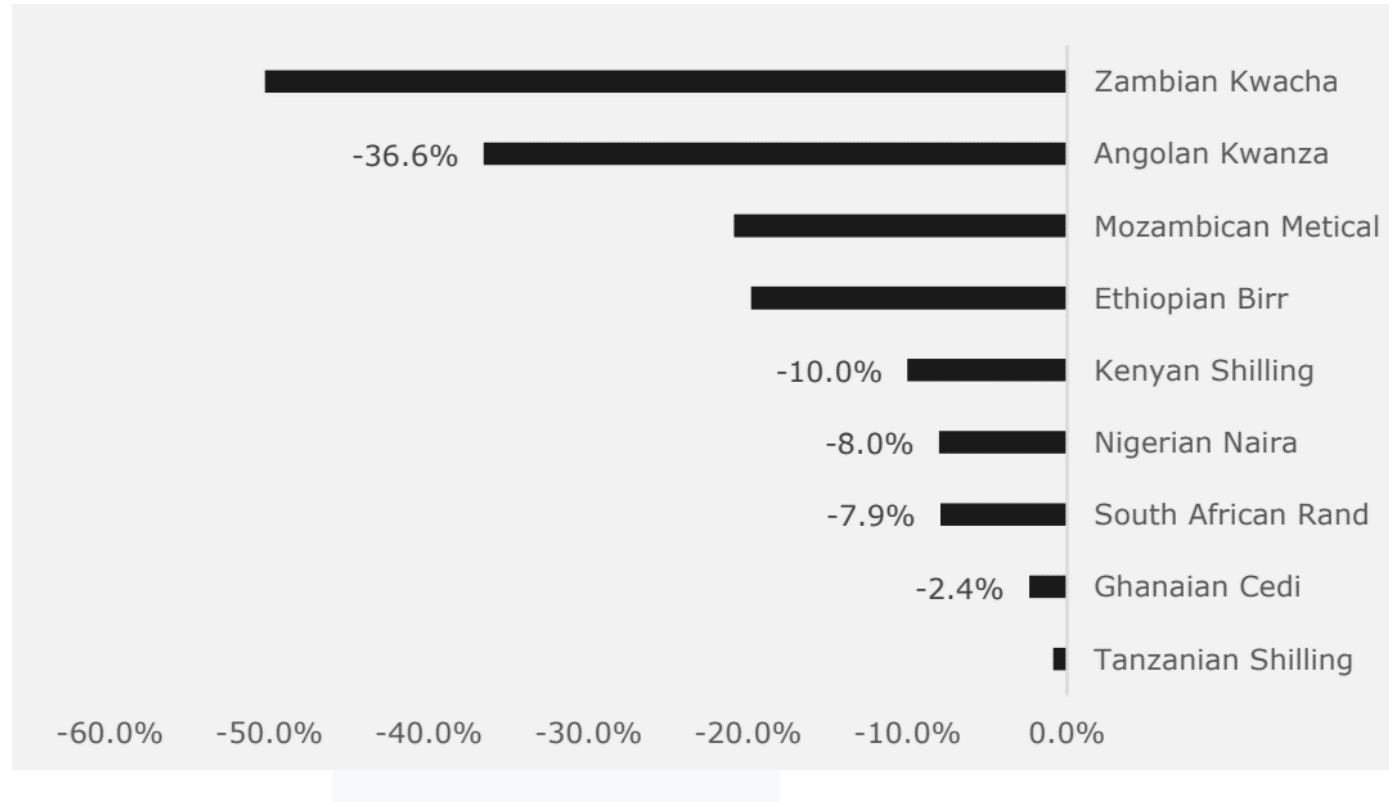
Monetary policy bias for growth

COUNTRY	RATE (%)	YTD (bps)
CAPE VERDE	1.00%	-450
ZAMBIA	8.00%	-350
LESOTHO	3.50%	-300
SOUTH AFRICA	3.50%	-300
ESWATINI	3.75%	-275
NAMIBIA	3.75%	-275
GAMBIA	10.00%	-250
MOZAMBIQUE	10.25%	-250
NIGERIA	11.50%	-200
SEYCHELLES	3.00%	-200
UGANDA	7.00%	-200
GHANA	14.50%	-150
KENYA	7.00%	-150
MAURITIUS	1.85%	-150
SIERRA LEONE	15.00%	-150
BOTSWANA	3.75%	-100
MOROCCO	1.50%	-75
RWANDA	4.50%	-50
ANGOLA	15.50%	0
CONGO, DEM. REP.	18.50%	950

Source: Bloomberg

- The region was not left out of the global easing cycle embarked upon by most Central Banks earlier in the year as they prioritized the recovery of their various economies, notwithstanding the prevailing risk-off sentiments

SSA Currencies YTD Performance (%)



- Portfolio outflows, coupled with low export receipts, increased pressure on SSA currencies and raised volatility in floated currencies while straining currency pegs.
- The Ghanaian Cedi has outperformed many SSA currencies due to interventions by the Bank of Ghana (BoG), on the back of their commitment to keep the currency within a tight range since April, as well as the country's diversified export base, despite election risks



Snei
SAMTL NIGERIA EUROBOND (USD) INVESTMENT

SAMTL NIGERIA EUROBOND (USD) INVESTMENT (SNEI)

The SAMTL Nigeria Eurobond (USD) Investment is an investment focused on US dollar denominated securities issued by Nigerian and Foreign entities such as corporate and sovereign Eurobonds.

The product is aimed at providing investors with bias for dollar denominated securities.

Minimum start-up contribution: \$5,000

Minimum Additional Investment: \$1000

Base Currency: USD

Customer Benefits

- The product will enable investors earn returns on their foreign currency holdings
- Serve as a hedge to currency fluctuations
- Diversify investors investment portfolio



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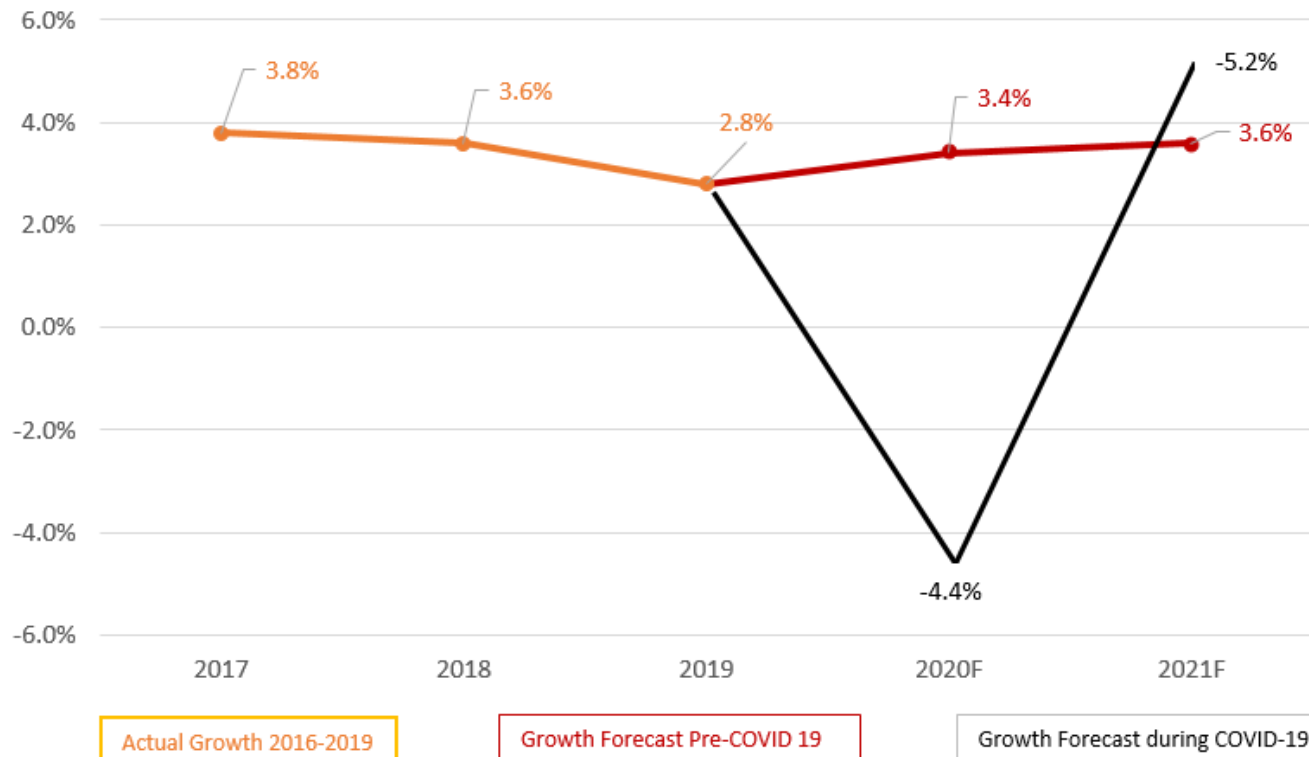
GLOBAL ECONOMY OUTLOOK



COVID-19 Induced Global Economic Contraction



Global GDP Growth



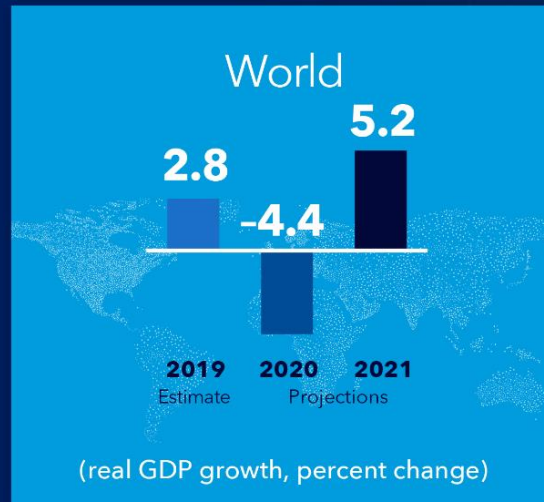
- Global GDP is expected to dip by 4.4% in 2020 due to the impact of COVID-19
- The discovery of vaccine for the virus, coupled with improved consumer demand is expected to speed up recovery in 2021.
- Among the large economies, China is expected to lead recovery with an expansion of 8.2% in 2021.
- The US economy is expected to expand by 3.1%.

2021 Global GDP- IMF Projects 5.2% Growth



Latest World Economic Outlook growth projections

(percent change)



UNITED STATES



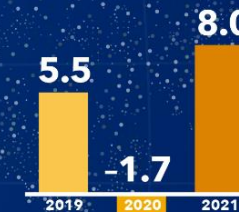
EURO AREA



MIDDLE EAST AND CENTRAL ASIA



EMERGING AND DEVELOPING ASIA



LATIN AMERICA AND THE CARIBBEAN



SUB-SAHARAN AFRICA



Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2019	2020	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Euro Area	1.3	-8.3	5.2
Germany	0.6	-6.0	4.2
France	1.5	-9.8	6.0
Italy	0.3	-10.6	5.2
Spain	2.0	-12.8	7.2
Japan	0.7	-5.3	2.3
United Kingdom	1.5	-9.8	5.9
Canada	1.7	-7.1	5.2
Other Advanced Economies	1.7	-3.8	3.6

Emerging Markets and Developing Economies	3.7	-3.3	6.0
Emerging and Developing Asia	5.5	-1.7	8.0
China	6.1	1.9	8.2
India	4.2	-10.3	8.8
ASEAN-5	4.9	-3.4	6.2
Emerging and Developing Europe	2.1	-4.6	3.9
Russia	1.3	-4.1	2.8
Latin America and the Caribbean	0.0	-8.1	3.6
Brazil	1.1	-5.8	2.8
Mexico	-0.3	-9.0	3.5
Middle East and Central Asia	1.4	-4.1	3.0
Saudi Arabia	0.3	-5.4	3.1
Sub-Saharan Africa	3.2	-3.0	3.1
Nigeria	2.2	-4.3	1.7
South Africa	0.2	-8.0	3.0
Low-Income Developing Countries	5.3	-1.2	4.9

Source: IMF, *World Economic Outlook*, October 2020

For India, data and forecasts are presented on a fiscal year basis, with FY 2020/21 starting in April 2020. India's growth is -8.6 percent in 2020 and 6.8 percent in 2021 based on the calendar year.



Good results
take time...

Great results
started early!

Set measurable goals and objectives
for your financial future and for those
you care about! #addvalue

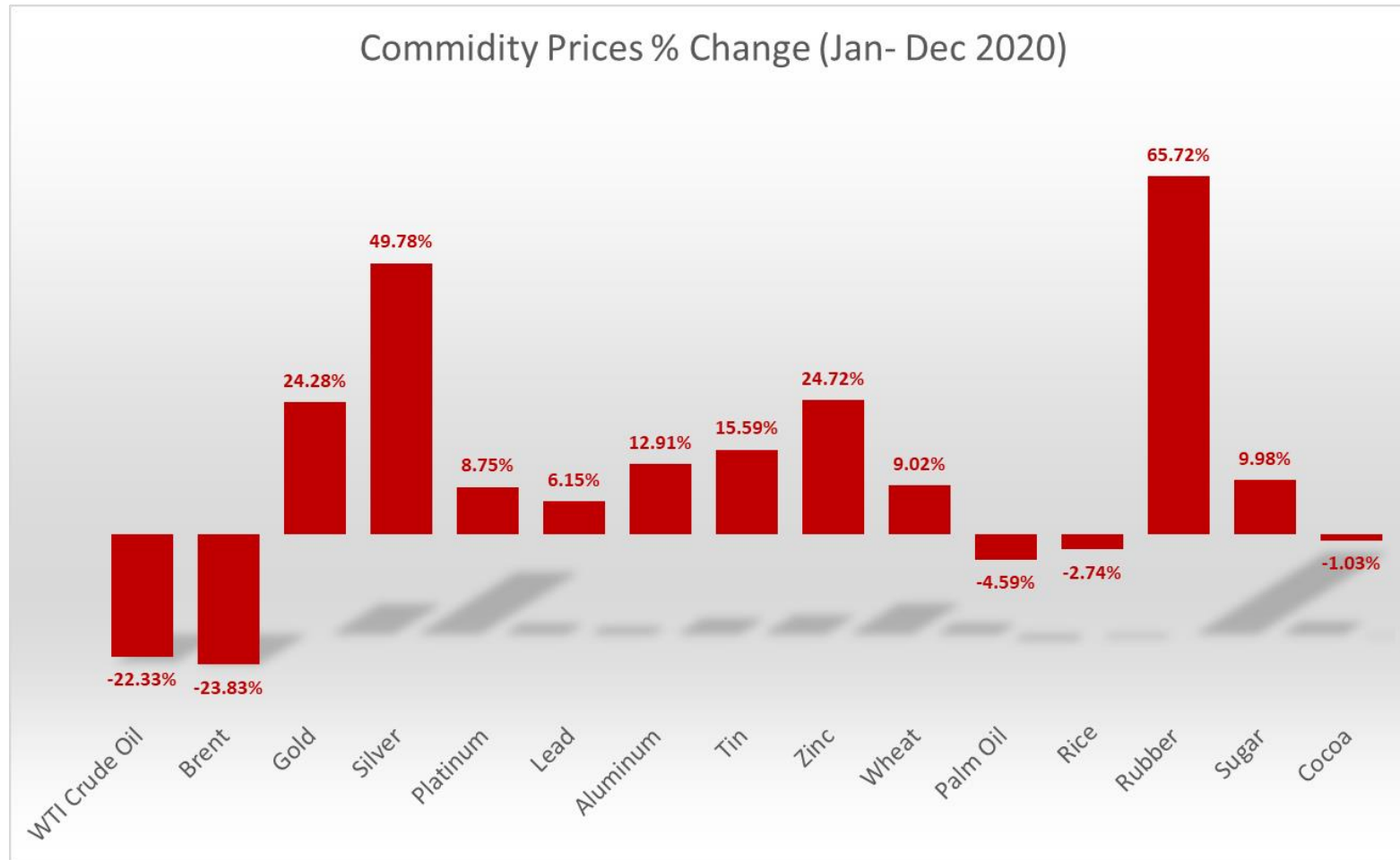
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Advisory | Stockbroking | Leasing

COMMODITIES REVIEW



Commodities Show Mixed Performance

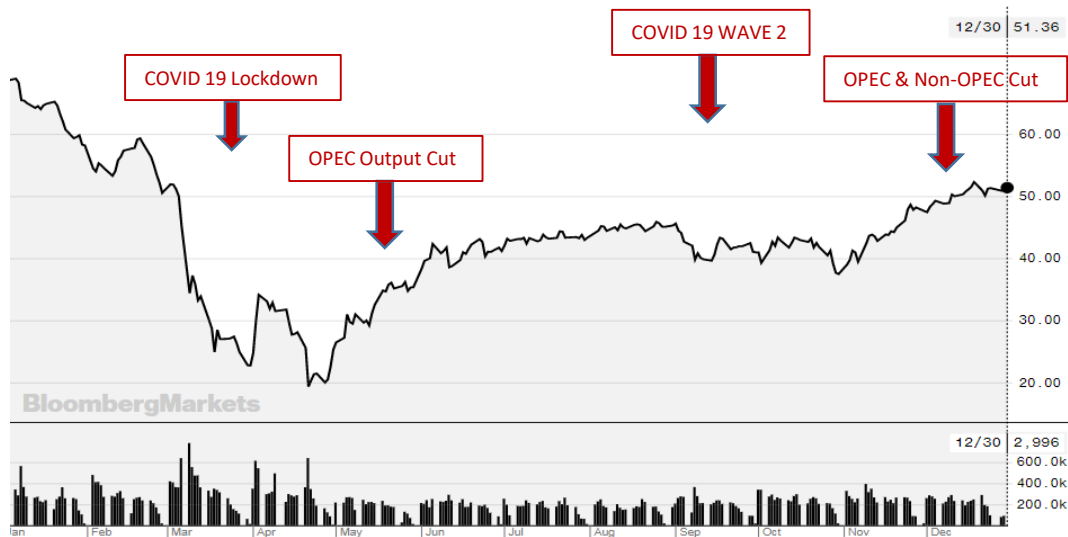
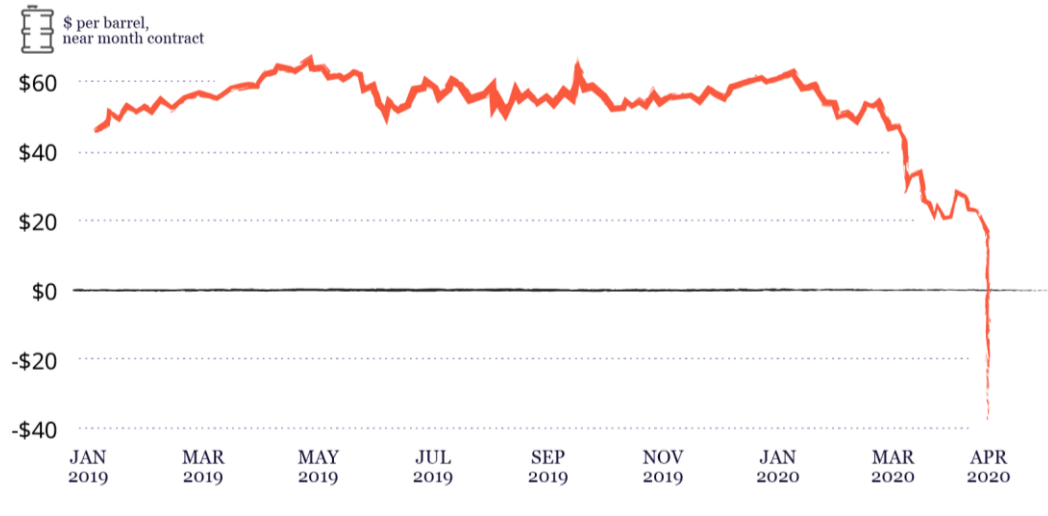


Key Points

- The pandemic resulted in a fall in oil prices.
- The precious metal market flourished on average.
- Sentiment in the cash crop market was mixed.

Oil prices went negative for the first time in history

Going Below Zero With the world in lockdown and oil supply glutting, near-term oil futures contracts became a “hot potato”.



Sources: Visual Capitalist / Bloomberg

- The outbreak of COVID-19 significantly reduced the demand for crude oil due to lockdowns and movement restrictions.
- Futures contracts for WTI oil fell to a - \$37.63 on April 20th, with producers actually paying traders to take oil off their hands.
- Oil price began trending upwards in May following a relatively higher demand.
- Production cuts by OPEC and non-OPEC countries as well as improved demand resulted in upward price movement in November and December



**Gives you the power
to create Wealth**



This is an investment with the objective of providing financial security for the investor at retirement.

Investment vehicles includes Money Market, Government Securities, Equities, and Real Estate.

Minimum start up of N50,000.00

Minimum monthly contribution of N10,000.00

Ideal for building financial resources for future

Customer Benefit

- Can be used for collateral for loan in the future
- Attractive interest rates



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COMMODITIES OUTLOOK



Oil producers agreed to further cut production in January 2021

Voluntary Production Level in 1,000 barrels per day (January 2021)

	Reference Production	Voluntary Adjustment	Voluntary Production Level
Saudi Arabia	11,000	-1,881	9,119
UAE	3,168	-542	2,626
Kuwait	2,809	-480	2,329
Nigeria	1,829	-313	1,516
Angola	1,528	-261	1,267
Algeria	1,057	-181	876
Congo	325	-56	269
Gabon	187	-32	155
Eq. Guinea	127	-22	105
Iraq	4,653	-796	3,857
Total OPEC-10	26,683	-4,564	22,119
Total participating Non-OPEC	17,170	-2,636	14,534
Total OPEC-10 + Non-OPEC	43,853	-7,200	36,653

Source: OPEC

- Given the need to ensure a stable crude oil price, oil producers agreed in December to cut production for January 2021.
- The voluntary cuts in production was led by Saudi Arabia and Russia.
- Overall, producers agreed to cut back 7.2 million b/d.
- OPEC-10 had the highest share of 4.56 million b/d. Non-OPEC participating countries agreed to cut 2.64 million b/d.
- Nigeria is expected to produce 1.52 million b/d after a voluntary adjustment of -313,000 b/d.
- These cuts are expected to bring some stability to oil price in January 2021.

Oil producers agreed to further cut production in January 2021

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Your Child's

Future **is not 'child's play'**

Don't take chances with the future wellbeing of your wards. **Secure their future for as low as N10,000 monthly** with SAMTL's Investment Trust for kids

*Terms and conditions apply

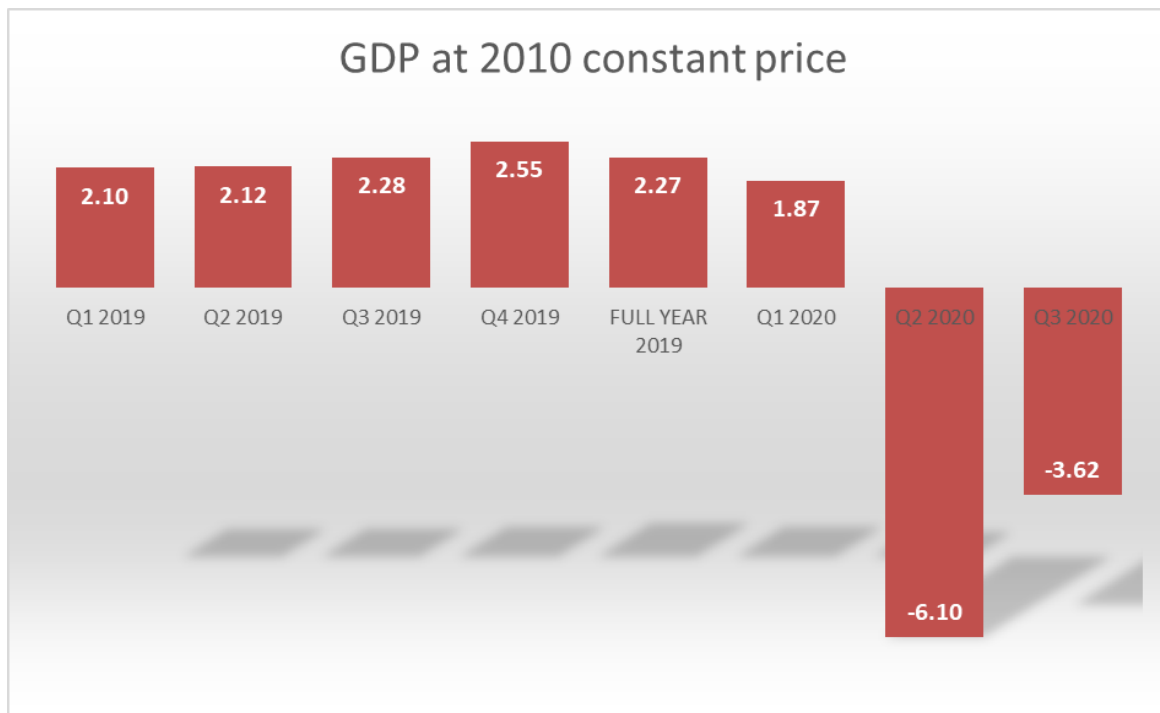


Asset Management | Trusteeship |
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NIGERIAN ECONOMY- REVIEW



Nigeria's Real GDP Contracts by -3.62% in Q3 2020 Entering a Technical Recession



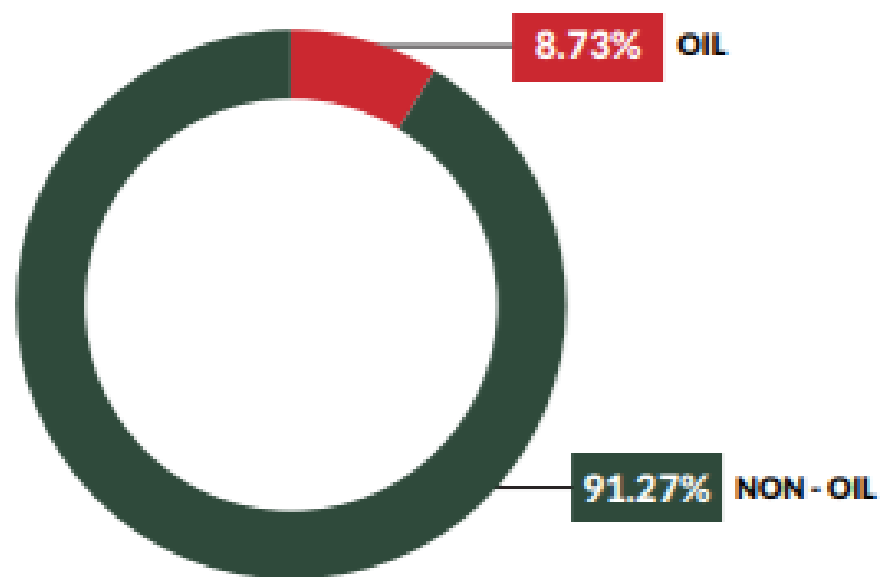
Source: NBS

Key Points

- Nigeria's gross domestic product (GDP) recorded a growth rate of -3.62% (year-on-year) in real terms in the third quarter of 2020. Cumulatively, the economy has contracted by -2.48% .
- While this represents an improvement of 2.48% points over the -6.10% growth rate recorded in the preceding quarter (Q2 2020), it also indicates that two consecutive quarters of negative growth have been recorded in 2020.
- Growth in Q3 2020 was slower by 5.90% points when compared to the third quarter of 2019 which recorded a real growth rate of 2.28% year on year.

Nigeria Q3 2020 GDP: Oil & Non-Oil Sectors Performances

CONTRIBUTION OF OIL AND NON-OIL SECTORS



Key Points

- Real growth for the oil sector was -13.89% (year-on-year) in Q3 2020, indicating a sharp contraction of -20.38% points relative to the rate recorded in the corresponding quarter of 2019.
- Real oil growth decreased by -7.26% points when compared with oil sector growth recorded in Q2 2020 (6.63%).
- The sector contributed 8.73% to total real GDP in Q3 2020, down from 9.77% and 8.93% respectively recorded in the corresponding period of 2019 and the preceding quarter, Q2 2020.

Nigeria Q3 2020 GDP: Oil & Non-Oil Sectors Performances

CONTRIBUTION OF OIL AND NON-OIL SECTORS

NON-OIL GDP

Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
90.78	91.02	90.23	92.68	90.50	91.07	91.27

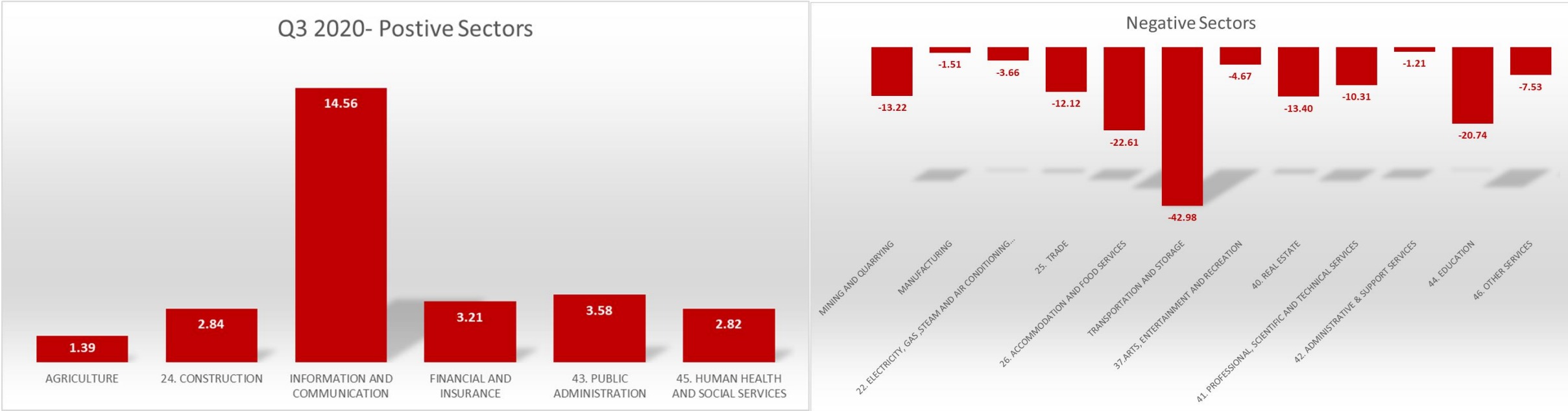
OIL GDP

Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
9.22	8.98	9.77	7.32	9.50	8.93	8.73

Key Points

- The non-oil sector grew by –2.51% in real terms during the reference quarter, which is –4.36% points lower than the rate recorded in Q3 2019 but 3.54% points higher than in the second quarter of 2020.
- The non-oil sector was driven mainly by Information and Communication (Telecommunications), with other drivers being Agriculture (Crop Production), Construction, Financial and Insurance (Financial Institutions), and Public Administration.
- In real terms, the non-oil sector contributed 91.27% to the nation's GDP in the third quarter of 2020, higher than its share in the third quarter of 2019 (90.23%) and the second quarter of 2020 (91.07%)

Nigeria Q3 2020 GDP: Positive and Negative Growth Sectors

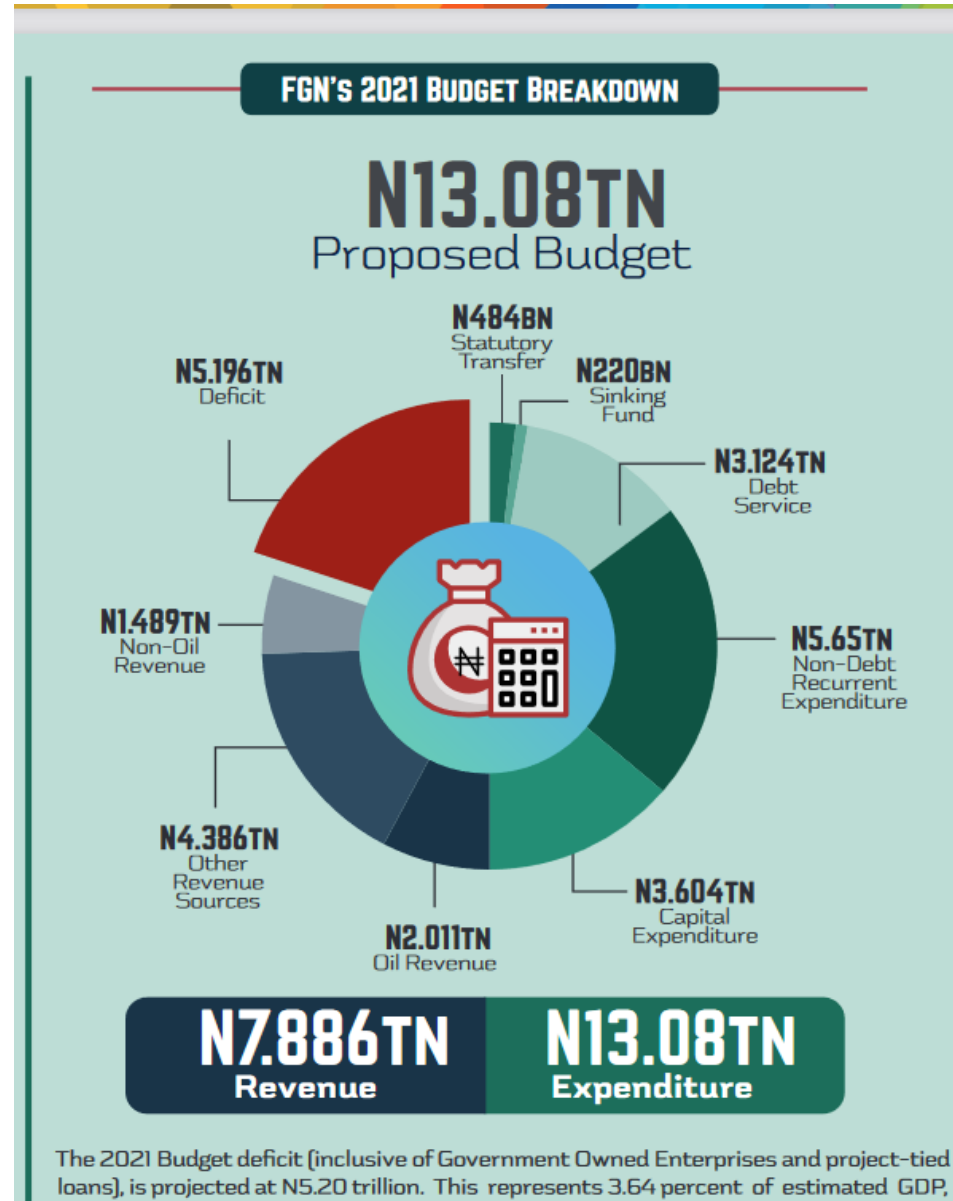


2021 Nigeria Budget- Assumptions

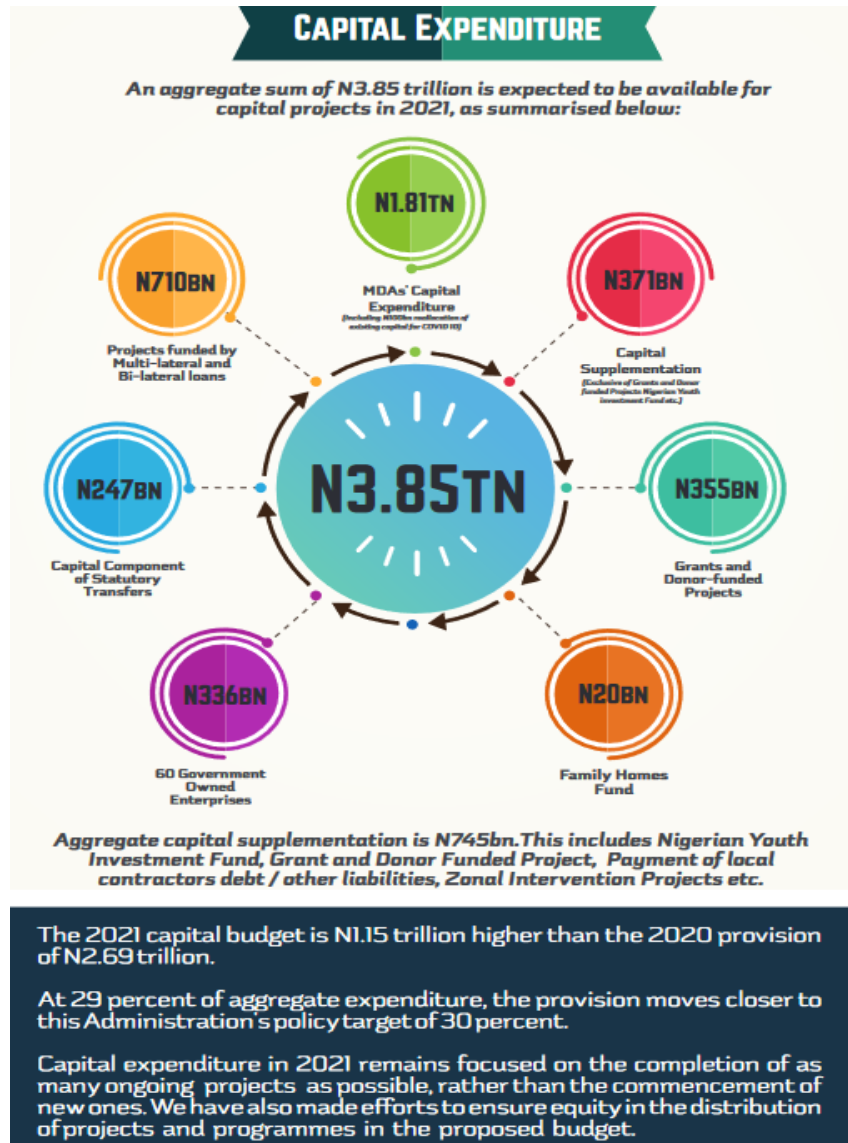
Description	2019 Actual	2020 Budget	2021	2022	2023
Oil Price Benchmark (US\$/b)	67.2	28.0	40.0	40.0	40.0
Oil Production (mbpd)	1.96	1.80	1.86	2.09	2.38
Exchange Rate (N/\$)	305.0	360.0	379.0	379.0	379.0
Inflation (%)	11.98	14.15	11.95	10.94	11.02
Non-Oil GDP (N'bn)	131,810.1	131,155.5	132,592.2	134,154.5	139,304.9
Oil GDP (N'bn)	12,400.4	8,691.9	10,102.2	12,640.0	12,159.5
Nominal GDP (N'bn)	144,210.5	139,517.5	142,694.4	146,794.6	151,496.4
GDP Growth Rate (%)	2.27	(4.20)	3.00	4.68	3.86
Nominal Consumption (N'bn)	119,281.6	117,913.7	118,887.3	120,835.4	125,157.3

- Oil GDP growth rate has a strong positive correlation with real GDP growth in Nigeria,
- Nigeria's total production capacity is 2.5 mbpd, current crude production is about 1.7mbpd;
- World Bank forecasts that crude oil prices will rise gradually from an average of US\$42 pb in 2021
- EIA expects Brent crude oil prices to average \$41 pb during the second half of 2020 and \$50 pb during 2021, reaching \$53 pb by the end of 2021

2021 Nigeria Budget- Highlights



2021 Nigeria Budget- Where is the money going?



Key capital spending allocations:

- Power – N198 billion
- Works and Housing – N404 billion.
- Transportation – N256 billion.
- Defence – N121 billion.
- Agriculture and Rural Development – N110 billion.
- Water Resources – N153 billion.
- Industry, Trade and Investment – N51 billion.
- Education – N127 billion.
- Universal Basic Education Commission – N70 billion.
- Health – N132 billion.
- Zonal Intervention Projects – N100 billion.
- Niger Delta Development Commission – N64 billion.



Minimum investment of N1,000,000,00
1 year minimum investment tenor

Customer Benefits

- Attractive interest rate
- Does not attract withholding tax
- No management fee
- No restriction to withdrawal of funds (20% penalty of the interest on withdrawal before maturity)
- Medium/Long term product for building up financial resources to start your own business, acquisition of choice property etc
- Can be used as collateral for loan from Sterling Asset Management & Trustees (SAMTL)
- You can request for either monthly or quarterly interest payment



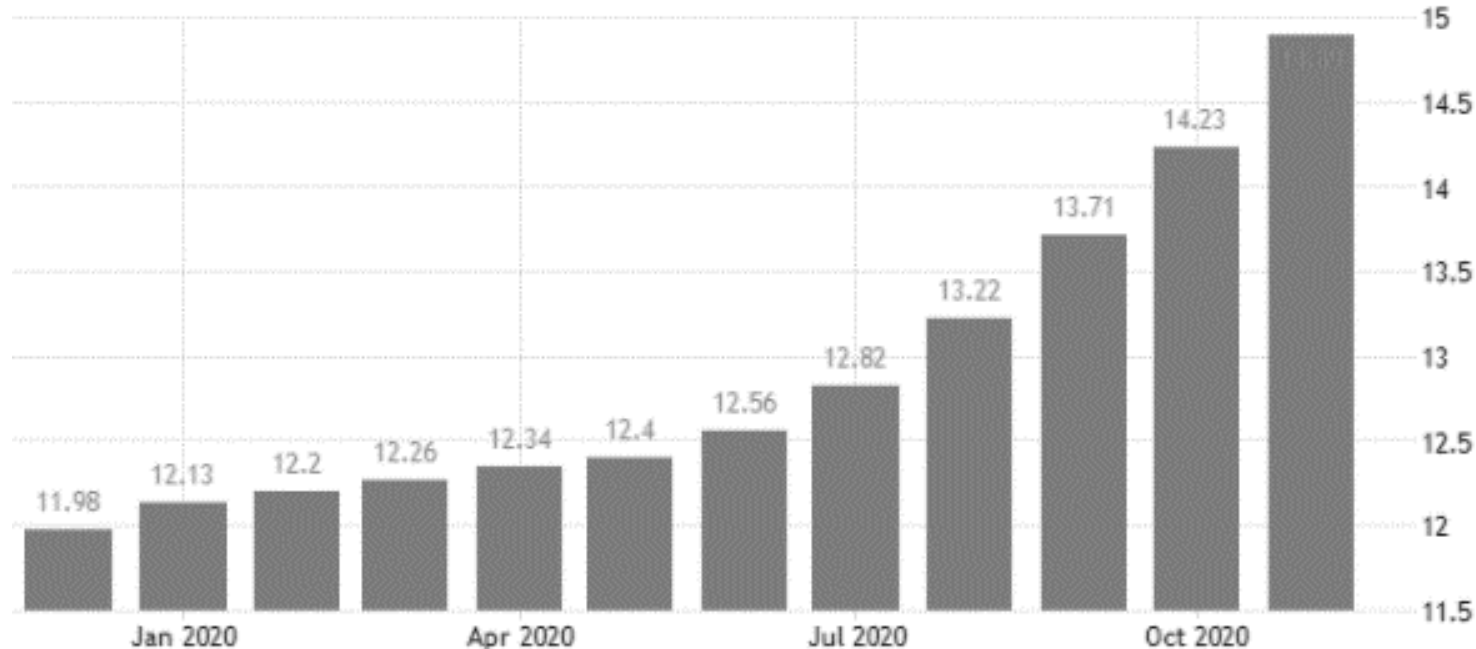
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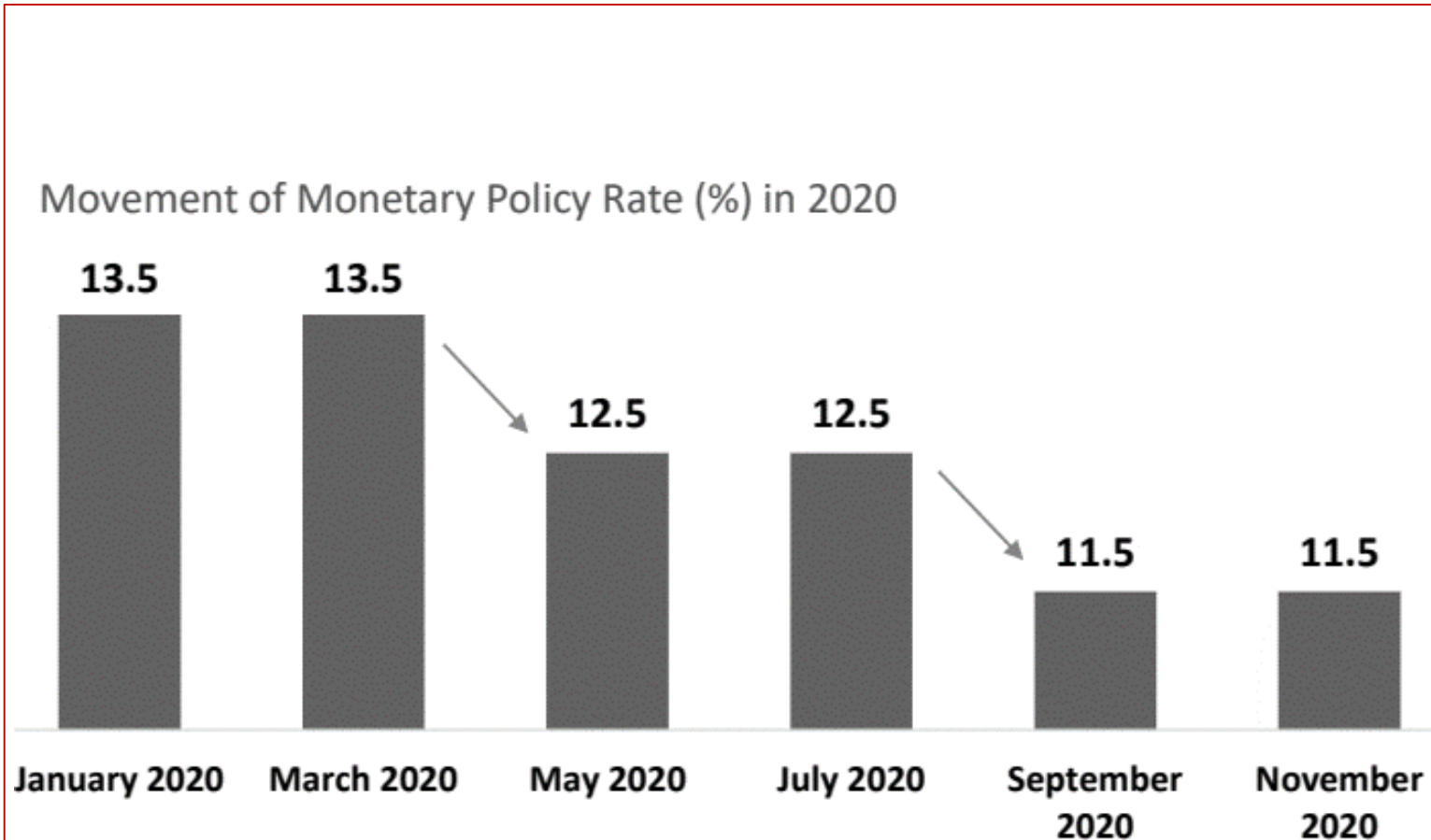
Nigeria's Annual Inflation Rate Rose For A 15th Straight Month



SOURCE: TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS, NIGERIA

- Nigeria's annual inflation rate rose for a 15th straight month to 14.89% in November of 2020 from 14.23% in October and 12.13% in January.
- It was the highest inflation rate since January of 2018, as food inflation hit a near three-year high of 18.3%, mainly linked to dollar shortages and surging Boko-Haram attacks in farming areas.

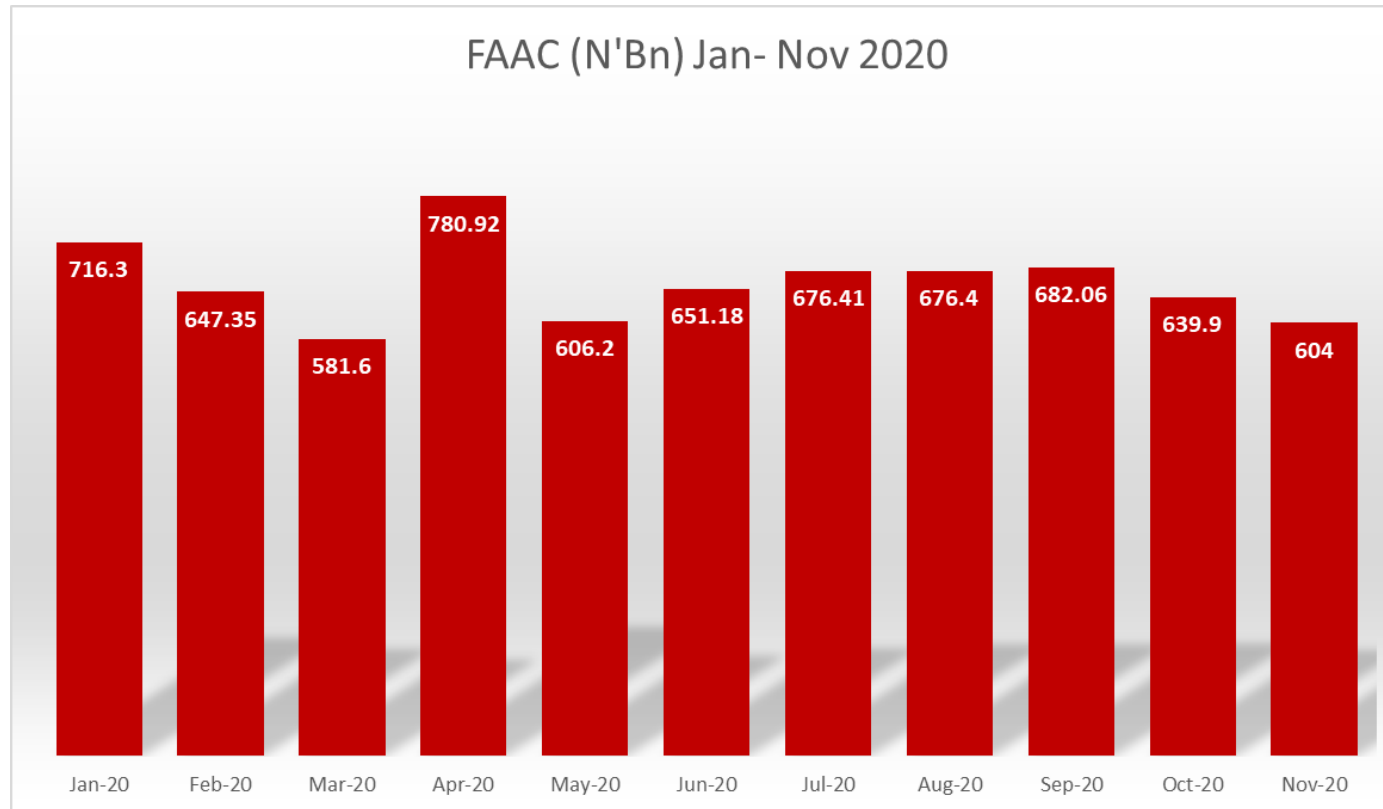
Monetary Policy Rate: Slashed twice in 2020



Source: CBN

- The MPR at the beginning of the year was 13.5%.
- The Central Bank of Nigeria slashed the rate twice; once in May (by 100 bps to 12.5%) and the other in September (by 100 bps to 11.5%).

FAAC declines in the month of November



Source: NBS

- November FAAC- N604bn
 - Statutory revenue of N436.457 billion;
 - Value Added Tax (VAT) revenue of N156.786 billion and
 - Augmentation of N7.867 billion from the Forex Equalization revenue
- According to the Communiqué, in the month of November 2020, Petroleum Profit Tax(PPT), Import Duty, Excise Duty, Value Added Tax(VAT), and Oil and Gas Royalty decreased substantially; while Companies Income Tax (CIT) recorded a sharp drop.



**FLEX - POWERED BY SAMTL LEASING
(RETAIL LOANS AND ADVANCES)**

This product gives existing SAMTL customers and referrals from existing SAMTL customers retail loans and advances.

Loanable Amount: From N100,000.00 up to a maximum of N500,000.00.

Duration: From one month up to a maximum of one year.

Customer Benefit

- Fast and convenient
- Less paperwork
- Direct credit to your account

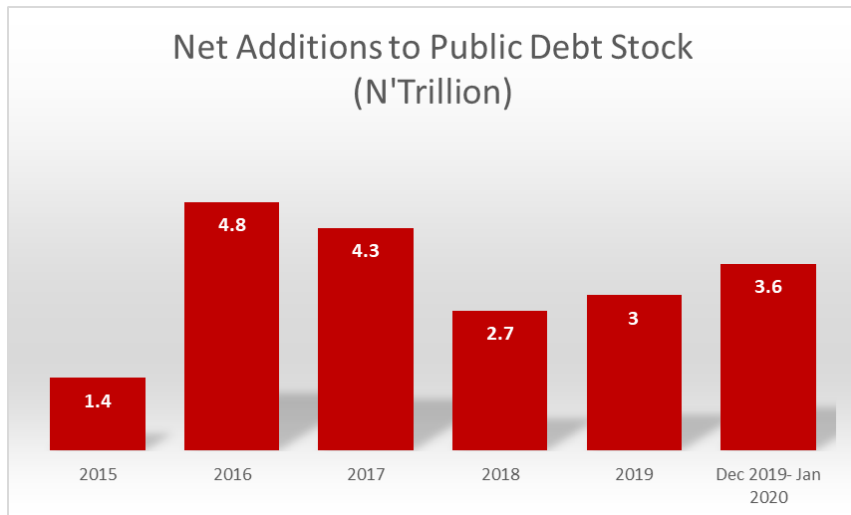
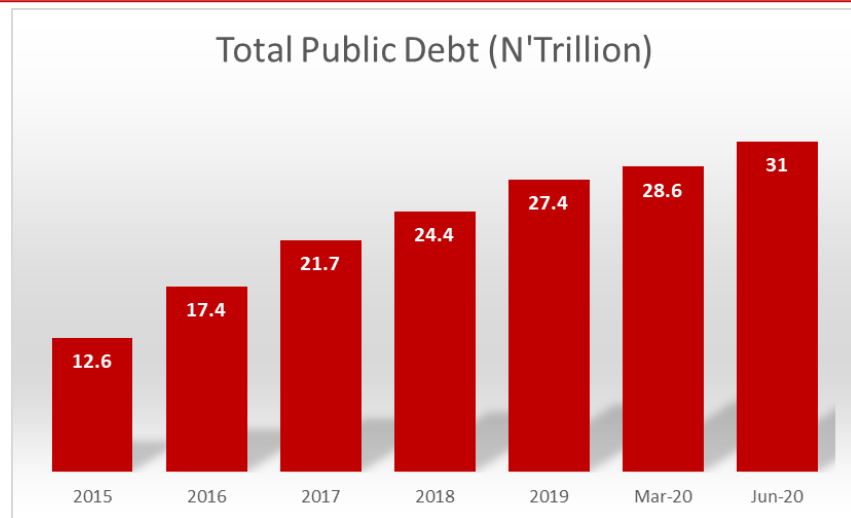


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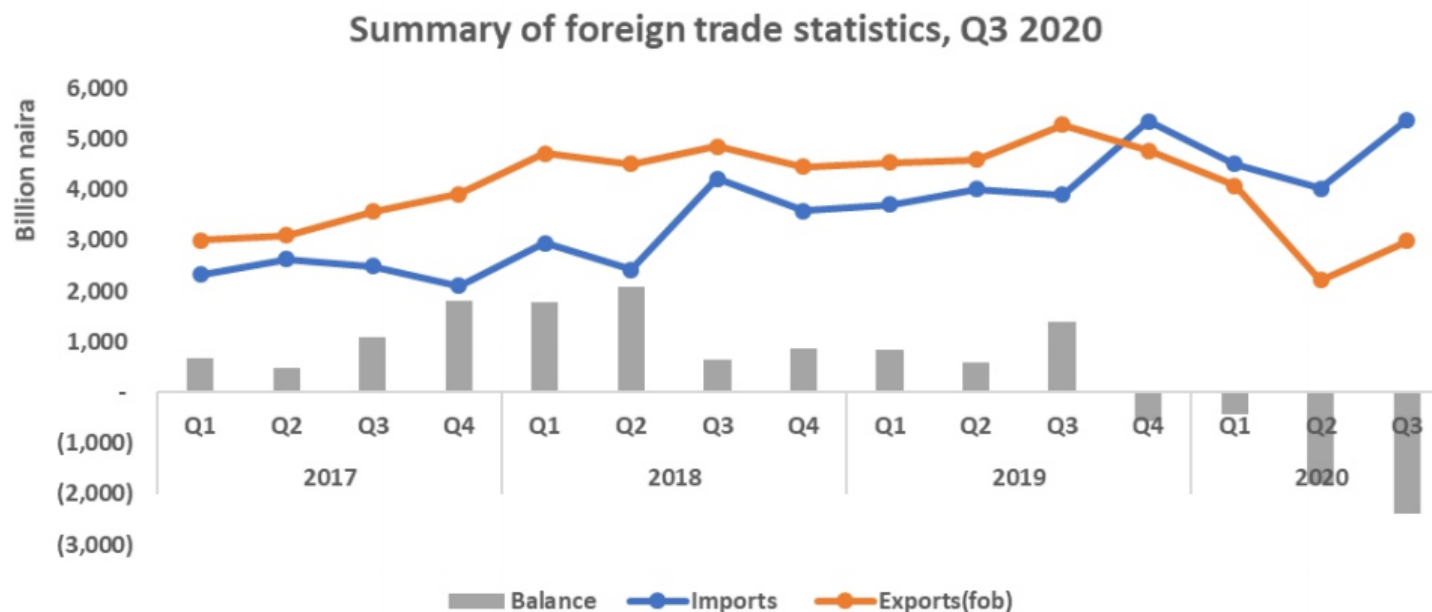
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Nigeria's Debt Accumulation Continues



- Since June 2018, the country's debt level has increased consistently.
- The need to borrow has increased given the blow dealt to oil revenues by the COVID-19 pandemic.
- As at Jun'20, public debt increased by 13% to ₦31.00 trillion (Dec'19: ₦27.40 trillion), majorly driven by the \$3.4 billion IMF budget support inflow from the IMF under the Rapid Credit Facility and the devaluation of the Naira.

External Trade: Trade Balance Worsened Following Lockdown

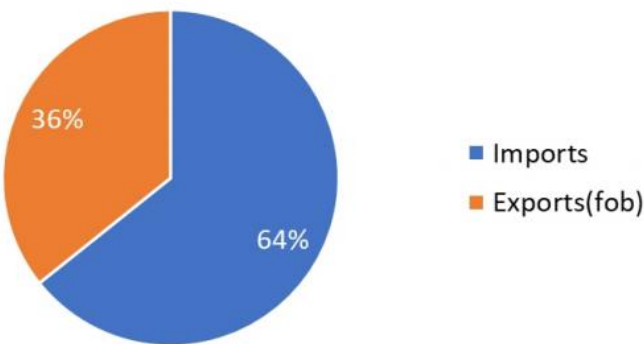


Source: NBS

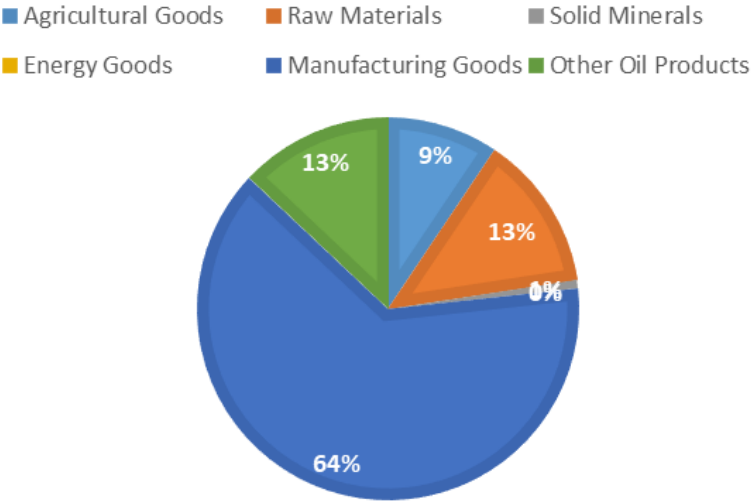
- For the fourth consecutive quarter, Nigeria experienced yet another negative trade balance of –N2.4 trillion in Q3 2020, despite an increase in the value of total.
- As a share of total trade, exports accounted for 36% while imports had a share of 64%.
- Continued closure of land borders, increasing demand for imported goods coupled with weakened demand for exports are some factors that have expanded Nigeria's trade deficit in Q3.

External Trade: Breakdown of Imports and Exports

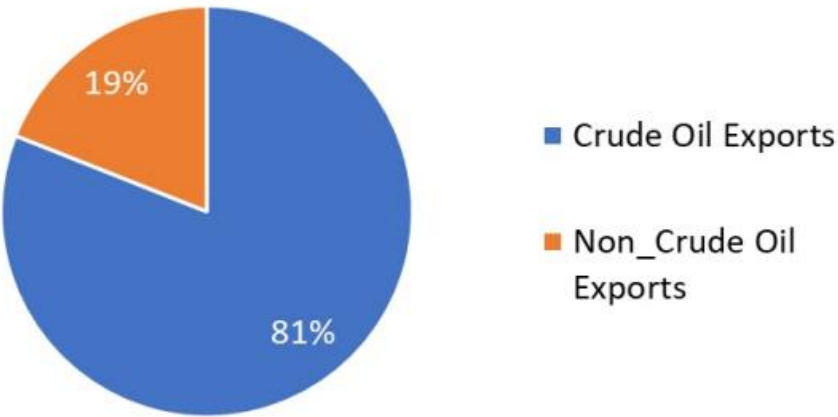
Composition of total trade, Q3 2020



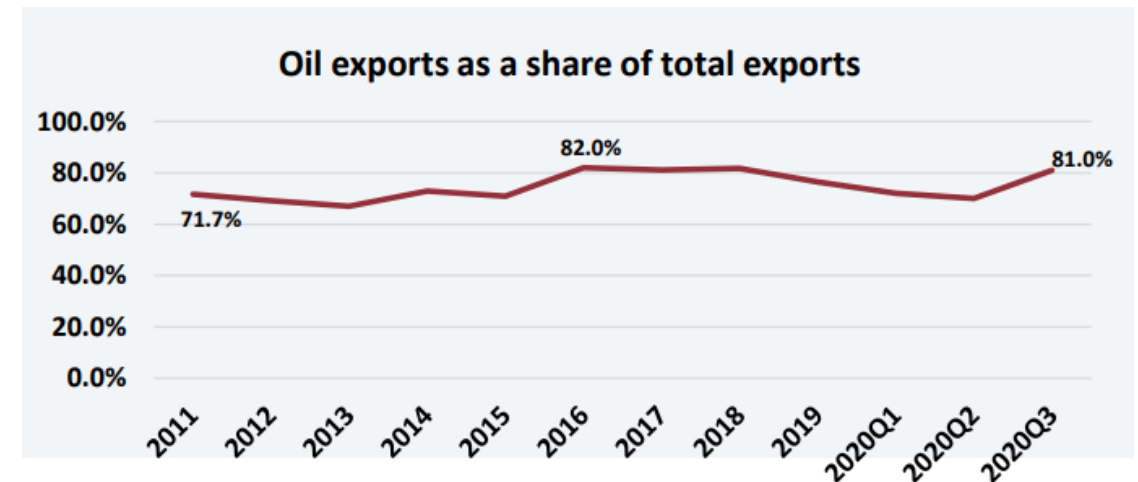
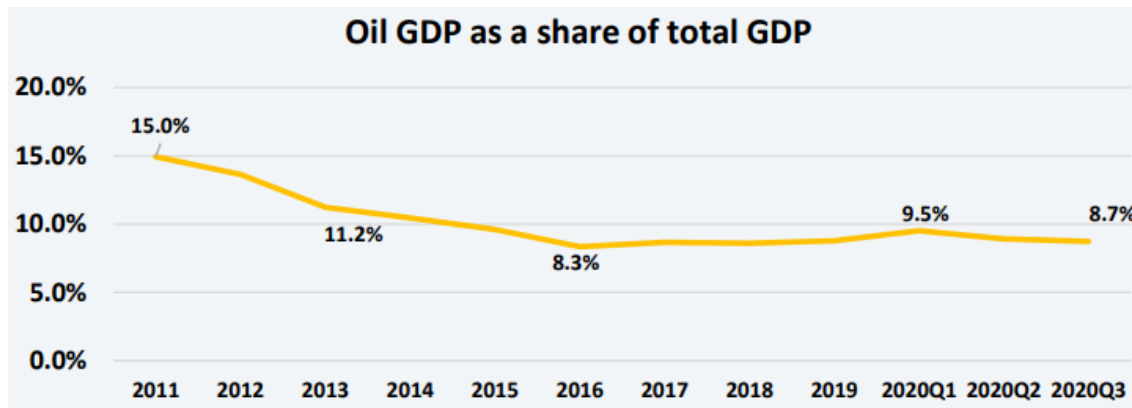
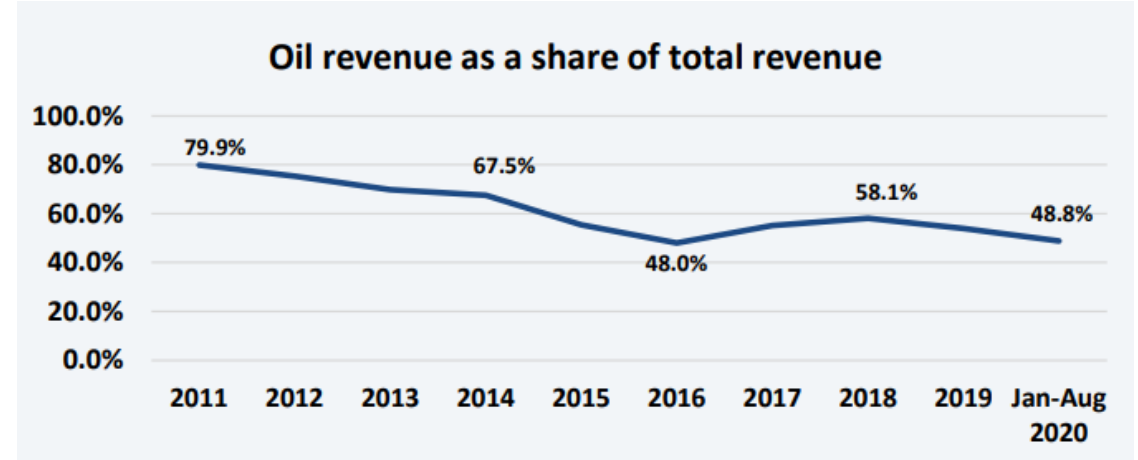
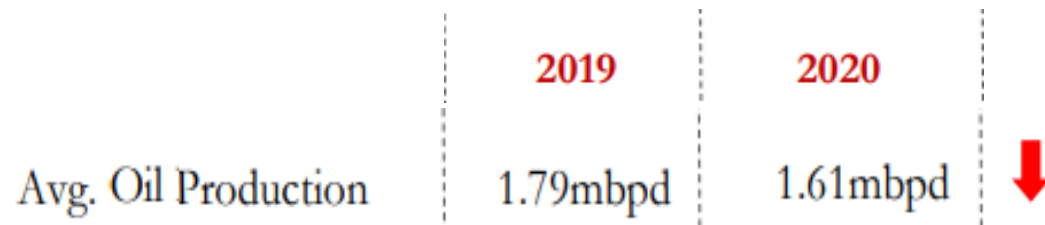
BREAKDOWN OF IMPORTS IN Q3 2020



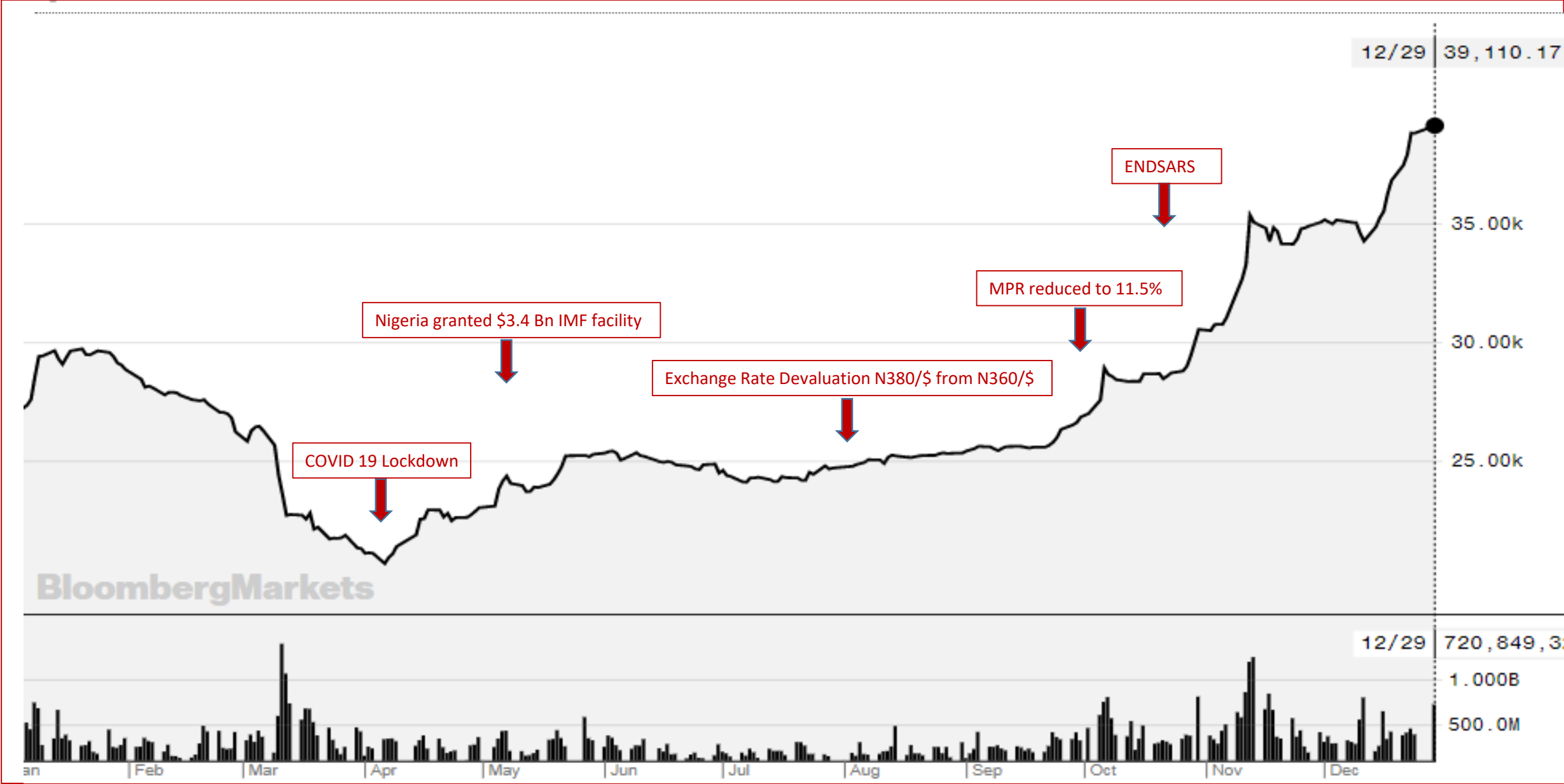
Composition of exports , Q3 2020



Crude Oil: A Crucial Driver Of The Nigerian Economy



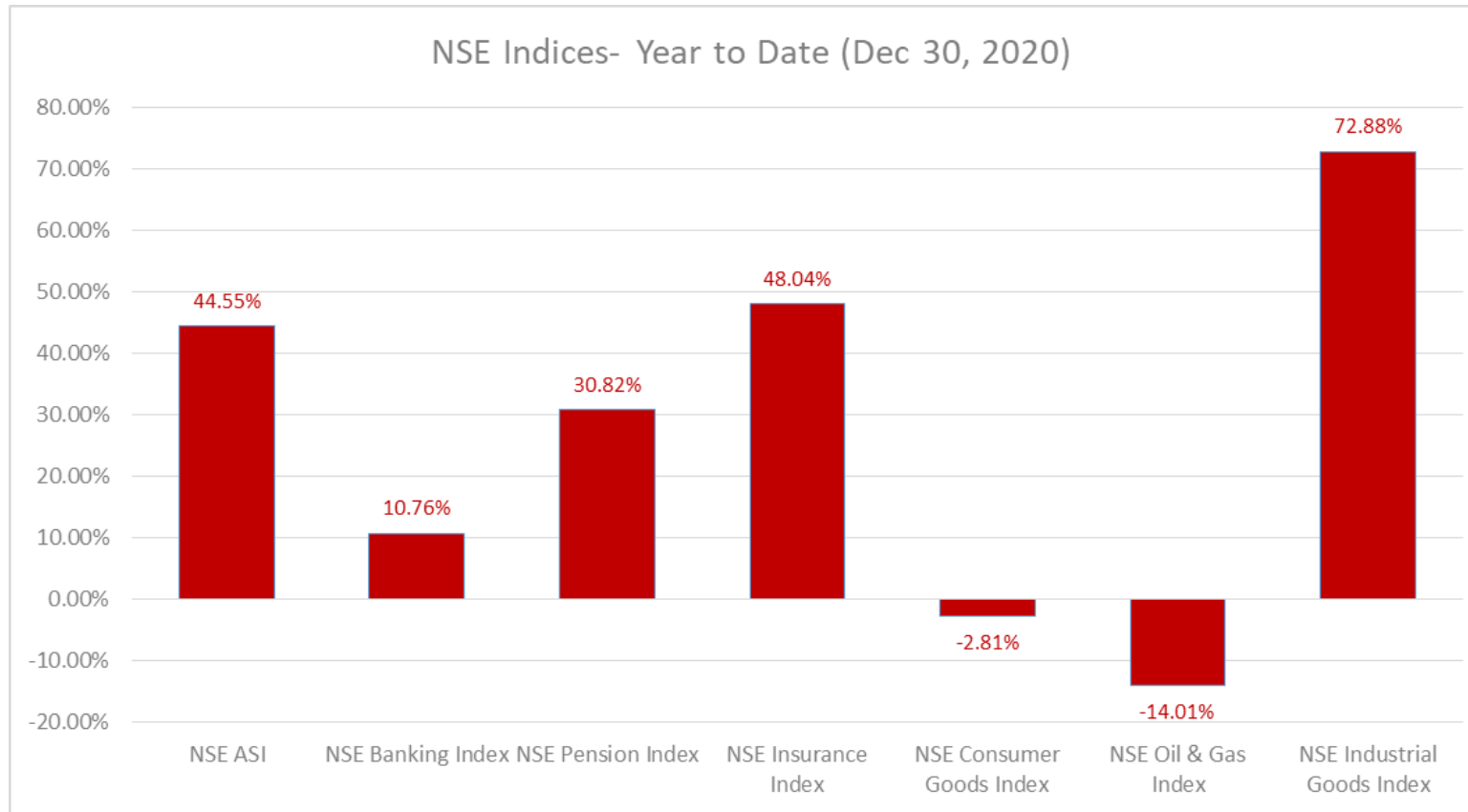
Nigerian stocks ranked world's best-performing stock market- Up 44.55% YtD



Drivers of the Nigerian Stock Market

- The lack of investable assets available for most fund managers.
 - The low-interest rate environment means there is limited options where they can throw money into creating an opening for stocks.
 - Information from fund managers suggests most of the demand in stocks have been from local portfolio investors.
 - The Stock Exchange's foreign portfolio investment report, also confirms this viewpoint. Out of the N1.2 trillion transactions in stocks this year, N731 billion was from domestic investors, the highest percentage contribution since 2010.
- Stocks have also been considered undervalued following the March sell-offs, as indicative in the high dividend yield.
- The better than expected performances of Banks, FCMGs, Telecommunications sector, and the Agriculture sector of the economy.

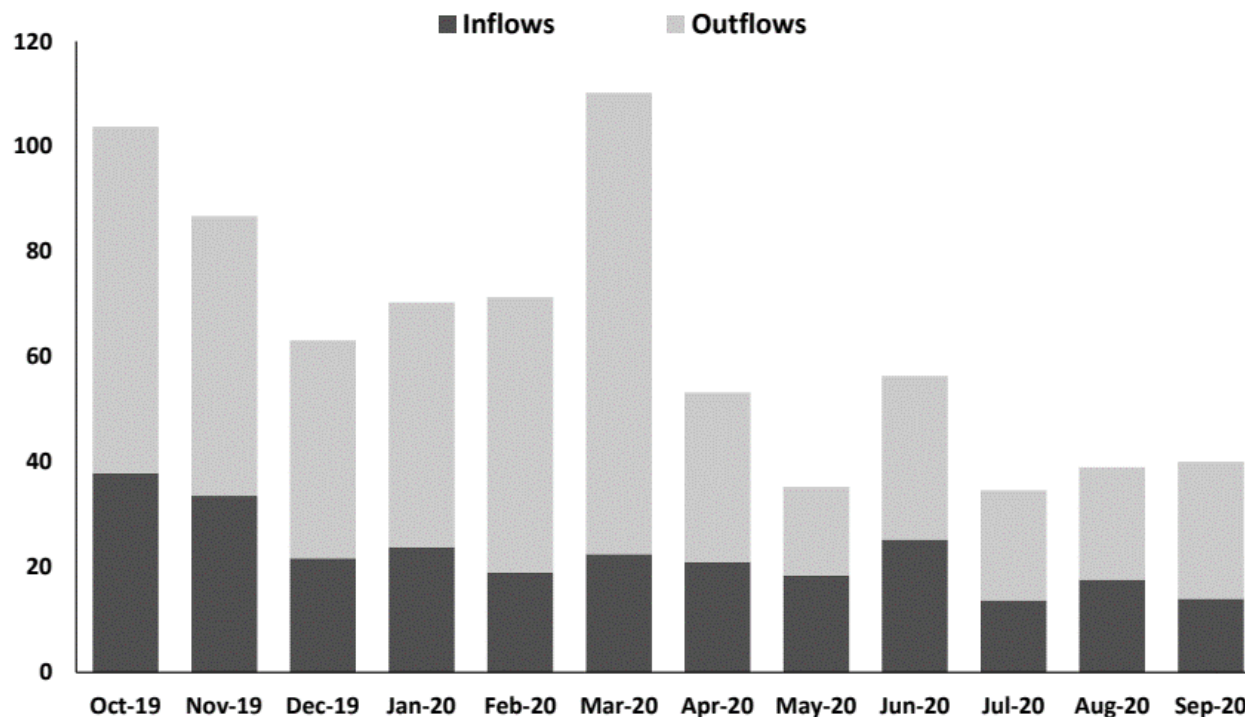
Sectorial Performance



- All sectors apart from the Consumer goods and Oil & Gas Sectors recorded positive performances in the year 2020.
- The Industrial goods sector recorded the best performance while the Oil & Gas sector was the poorest

Foreign Participation In The Capital Market Weakened In The Year

Foreign Participation on the Nigerian Stock Exchange (N'Billion)



- In addition to constrained inflow of foreign exchange, there was a surge in foreign outflows.
- In the first quarter of 2020, the Capital market witnessed severe capital flight as foreign investors divested due to drained confidence on the Nigerian economy.
- Nine months into 2020, total foreign participation stood at N510.25 billion, 65.64% of which was outflows from the stock market.
- This further pressured the foreign exchange market.

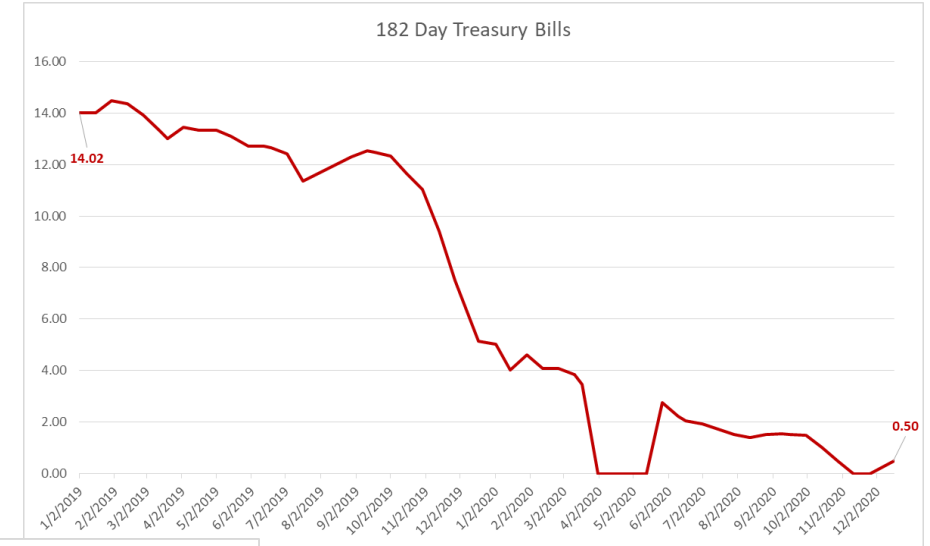


Money Market- Rates Continue To Decline

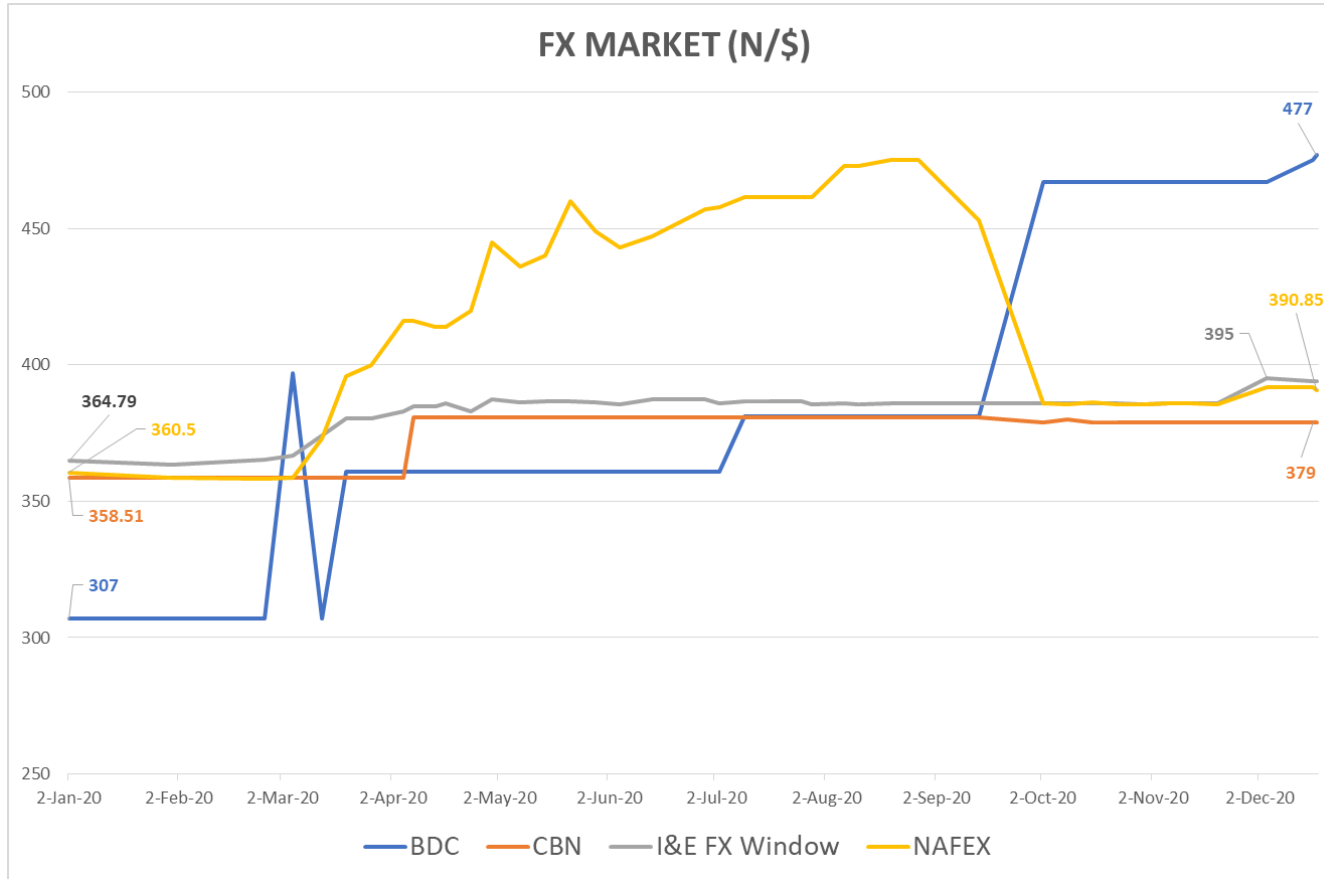
MARKET SEGMENT PERFORMANCE	Year End 2020	Year End 2019
FGN Bond Yield (%)	3.88	10.76
NT-Bill Yield (%)	0.10	4.85
OMO Yield (%)	0.09	13.18
Corporate Bond Valuation Yield (%)	4.45	11.49
Commercial Paper Valuation Yield (%)	4.37	6.45

Source: CBN

- The average yields on FGN Bond, NT-Bill and OMO instruments dropped to 3.88%, 0.10% and 0.09% from 9.13%, 4.65% and 13.10% at the start of the year respectively.
- Real interest rate remained negative all through the year which replicated Nigeria's previous experiences: 2016 Recession and the Global Financial Crisis in 2008/2009.
- The Bond market was driven by two major factors:
 - Mounting system liquidity arising from series of Open Market Operation instruments maturities without an option to rollover. This is as a result of the CBN's restriction of individuals and non-bank corporates from participating in OMO transactions.
 - The economic impact of COVID-19 as it affected market confidence across the globe

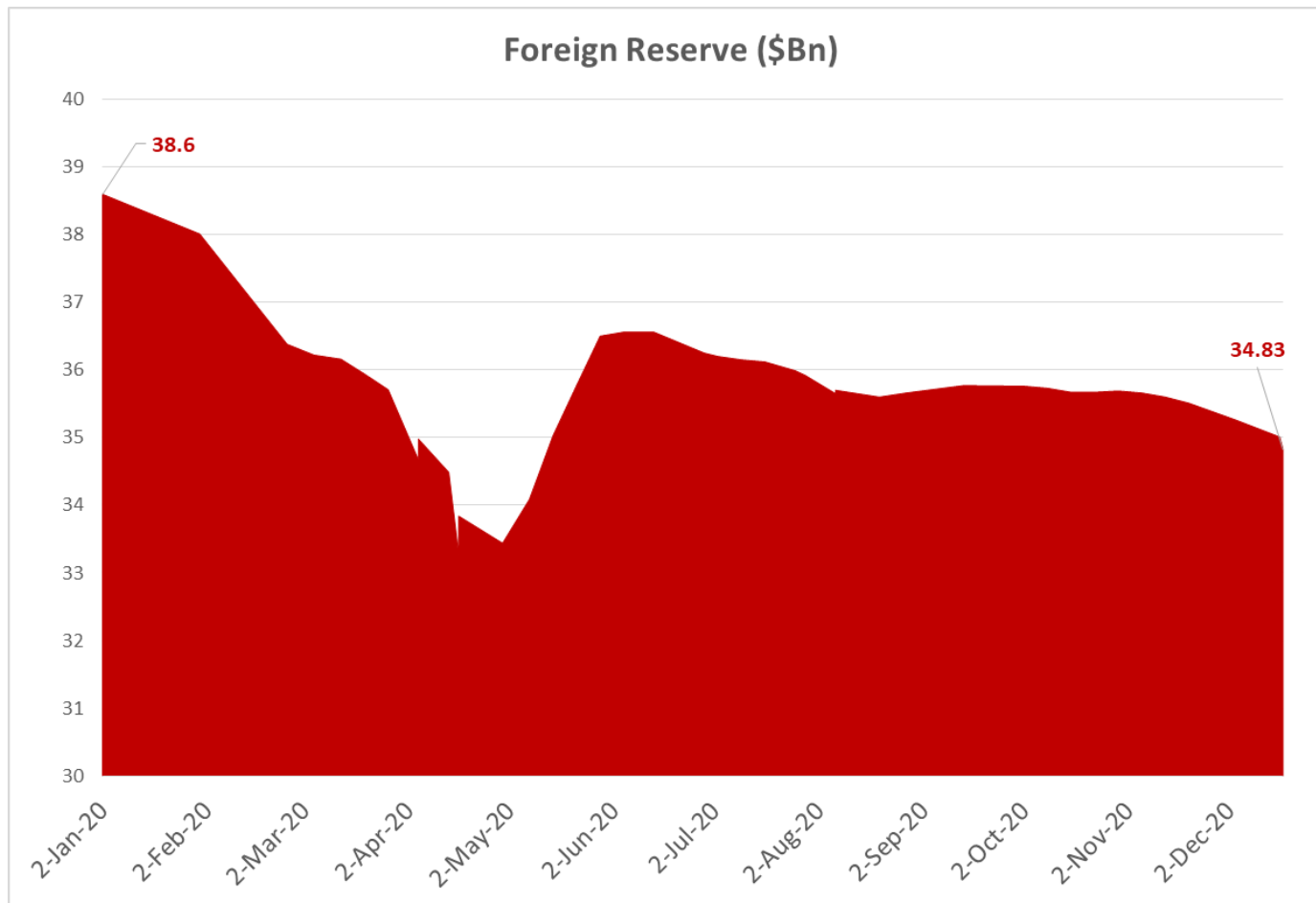


Nigeria Foreign Exchange Market



- The CBN devalued/adjusted the Naira on three occasions in 2020 in order to bridge the gap between official and parallel markets rates.
- These adjustments, coupled with lower FX inflows extended the gap in both markets.
- At the end of November 2020, the Dollar to Naira rate in the parallel market stood at N495/US\$ from N361/US\$ at the beginning of the year.
- The Naira on the I&E Window closed at N392/US\$ from N360/US\$.
- At the CBN Official Window, the Naira closed at N379/US\$.
- Increasing demand for US Dollar, lower Forex inflows and economic uncertainty are key factors that have pressured the exchange rate in Nigeria.

Nigeria External Reserves



Source: NBS

- Limited forex inflows due to COVID-19 exerted pressure on External Reserves in the year.
 - Lower inflows from crude oil intensified in the second quarter when oil price fell significantly.
 - Capital inflows reduced - foreign investment inflows dipped by 50.9% year on year to US\$7.15 billion in 2020H1 from US\$14.56 in 2019H1.
 - Rising demand for foreign currency fuelled mainly by rising imports and capital outflows have also influenced Reserves movement.
- The inflow of foreign loans and a gradual pick-up of crude oil price have managed to ensure some level of stability of reserves.



SAMTL NON- INTEREST ASSET MANAGEMENT PRODUCT

The SAMTL Non-interest Investment Product is an investment plan which enables investors put aside and grow their wealth with varying investment objectives such as retirement, Hajj Pilgrimage, Children's school fees.

The fund will be invested in Shari'ah-compliant investment instruments such as sovereign Sukuk, Corporate Sukuk, Real Estate, and Leasing.

Minimum start-up contribution: N250,000.
No withdrawal before six months.

Customer Benefits

- Attracts halal returns through profit distribution ratio.
- Eligibility to enter a sponsored airfare draw
- Market competitive return on investment (ROI)

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NIGERIAN ECONOMY- OUTLOOK



Macroeconomic Outlook for 2021

	2020	2021 P
GDP Growth(%)	-3.40	2.00
Inflation (%)	14.89	16.00
Exchange Rate (N/\$)- Parallel	470.00	500.00
External Reserve (\$bn)	34.91	34.00
MPR (%)	11.50	11.00
Crude Oil Production (mbpd)	1.43	1.70
Brent Crude (\$pb)	51.45	55.00
Power (MW)	5,500.00	6,000.00
Equities Market Index	38,800.00	43,000.00
Equities Market Cap (N'tr)	20.30	23.00
NTBills		
91 days	0.021	1.03
182 days	0.09	1.15
364 days	0.15	1.3
FGN Bonds		
5 year		8
15 year	8.52	5.97
30 year	12.15	7

COMMENTS

GDP

- Positive growth expected in 2021.
- Driven by land border reopening, AfCFTA and pick up in economic activities
- Uneven recovery expected across sectors
- Construction, ICT and financial institutions will be growth drivers

INFLATION

- Inflationary pressures are likely to persist in 2021 due to:
 - Electricity tariff hike
 - PMS price increase a function of global oil prices if market is fully deregulated
 - Capacity constraints of local producers
 - Exchange rate adjustment

2021 Macroeconomic Outlook- **COMMENTS Contd.**

INTEREST RATE

- Timing of an interest rate increase will be a function of:
 - Money supply growth
 - Increased inflation
 - Exchange rate pressures

EXCHANGE RATE

- Pressures expected to remain on increased capital outflows, heightened forex demand and dollar dearth
 - Driven by weak macroeconomic fundamentals
 - Another currency adjustment likely in 2021

FAAC

- Average FAAC disbursement to return to pre-pandemic levels: approximately N700bn
 - On higher oil receipts, increased VAT remittances

STOCK MARKET

- The equity market is likely to continue.
- Corporate profitability is expected to rise as economies open up in 2021.
- Foreign participation could remain subdued in the equity market if External Reserves position does not improve.

GLOBAL RISKS



Health risks

- Clarity on the long-term effects of the Covid-19 vaccine may take a while to unravel.
- In addition, there is an increasing risk that low-income countries may not have enough funding to roll out mass vaccination schemes.
- While other vaccines are in the final stages of clinical trials, the possibility of a rise in local transmission and second wave of lockdowns cannot be over ruled.

Economic Risks

- Some countries imposed export restrictions on key commodity exports during the first wave of the virus, lending credence to a rise in protectionism.
- With regards to souring US – China tensions, the tussle could re-emerge cutting across economic, technological, and military spheres. This could result in a downturn in the Chinese manufacturing industry and by extension, resource-dependent emerging economies.
- Lower commodity prices could worsen the fiscal and external balances of these economies, who will have to cope with weaker revenues, overvalued currencies, and the depletion of reserves assets.

Financial Risks

- High sovereign debt levels could create a vicious cycle in an economic slowdown.
- High corporate debt in US & China
- Loose global monetary policy could further exacerbate financial risks

Security risks

- From the Black Lives Matter protests in the US to citizenship law concerns in India and anti-police brutality protests in Nigeria, a wave of protests spanned through 2020, as the socio-economic consequence of inequality and poverty aroused dissatisfaction and unrest in countries across the globe.
- A possible recurrence of these protests in 2021 could result in dire implications for these economies as increased political risks dampen investors' confidence and delay investment decisions.
- The economic consequences of the pandemic could fuel civil unrests in 2021, as the rise in unemployment spur protests and revolts in emerging economies.

Geo-Political risks

- As vaccine development become successful, we may witness a return of buried geopolitical tensions.
- Starting out with tensions in the Korean peninsula, the emergence of a Biden Presidency could see the re-emergence of nuclear weapon tests, which could stir provocations and unrest in the Middle East.
- In Iran, the decision of the US President as regards the abandoned Joint Comprehensive Plan of Action (JCPOA) could awaken US-Iran tensions. In addition, the election of a stricter Iranian president may result in heightened risks, as the incumbent leader is constitutionally restricted from contesting for a third term in office.
- Tensions at the Strait of Hormuz could resume from vengeful attacks against oil tankers, following the murder of the Iranian leader. The power play between these key forces could arouse tensions in the world and dampen growth prospects.

Environmental/Climate risks

- The occurrence of natural disasters could pose a major risk in a receding global economy. Although environmental risks have subsided due to lower carbon emissions, a rise in global temperature levels could result from the pick-up in industrial production.
- Increased global warming could snowball into flooding due to rising sea levels, having significant effects on plants and humans.
- On the other hand, natural disasters could result in losses of buildings and infrastructure, which could dampen recovery efforts and require deeper interventions by the affected governments.

Conclusion

The Covid-19 pandemic caught many by surprise and consequently had severe impacts across global economies, sectors and markets.

As we enter 2021, the massive deployment of Covid-19 vaccines heralds the end of the pandemic and it is expected to create the environment for normalization of economic activities.

We are optimistic that the year 2021 will be a year of recovery and should usher in opportunities across numerous sectors.

At SAMTL, we look forward to supporting you in the achievement of your investment goals.

Skit up your kids for success



Laying a financial foundation for your children's future can take the weight off the mind.

Skit is designed to help set aside funds on a gradual basis to assist parents in building wealth for their children.



Minimum start up of N50,000.00

Minimum monthly contribution of N10,000.00

The account will be strictly for investment in diversified portfolio

Customer Benefit

- Guarantee return of 13% per annum subject to money market conditions
- The account will be personalized in the name of the child
- The portfolio shall be transferred to the beneficiary at the maturity of 18 years
- Effective management of the dividend account/other portfolio on behalf of the child

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Tel: 08034948610,
08033295014



Secure your children's future

This product is designed to help you set aside funds on a gradual or lump sum basis for the education of your children.

Such funds are invested on behalf of the named beneficiaries, tuition and other incidentals are paid in line with your express instructions at the appropriate time.

The residue upon the completion of education of the beneficiaries is disbursed in line with your express instruction as well.

The product is backed up with Trust Deed. It is a unique product that is documented in a Trust Deed in which your wishes towards your children are stated.

Minimum start up of N50,000.00.

Minimum monthly contribution of N10,000.00.

Minimum tenor of one year.

Customer Benefit

- Attractive interest rates.
- The trust will be administered strictly in accordance with your wishes in any event and thereof incapable of being abused or mismanaged by relations or other personal representatives.
- Sket will be administered by SAMTL and managed with professionalism, strict confidentiality and accountability.

SAMTL
STERLING ASSET
MANAGEMENT & TRUSTEE LTD.

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This report was prepared by Sterling Asset
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