

# Riding the Waves of Uncertainty



# Agenda

1 Introduction.

2 Welcome.

3 Economic and Market outlook

4 Managing your investment in uncertain  
times

5 Q&A.

6 Closing.

A photograph of two hands reaching towards each other in a field. The hands are positioned as if about to shake or clasp. The background is a blurred landscape with trees and a field under a cloudy sky. The image is overlaid with a semi-transparent brown rectangle.

# Welcome

*Introduction*

# Meet the Team

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*Kai Oryga*  
*MD, ARM Investment*  
*Managers*




*Adetayo Iboronke*  
*Investment Management*



*Ayodele Idowu*  
*Wealth Advisor*









*Ifoma Okoli*  
*Market Research*

A grayscale photograph showing a person's hand holding a pen and pointing at a line graph on a computer monitor. The graph shows a fluctuating line with several peaks. The background is slightly blurred, showing other parts of the computer interface.

# Economic and Market Outlook

# Expectations for Key Macro Indicators in 2020



Key Macros	2019	Q1 20	Direction	Key drivers
 <b>CRUDE OIL PRICE (\$/barrel)</b>	\$64.1/bbl.	\$50.82/bbl.		<ul style="list-style-type: none"><li>Decline in global demand for crude as key economies remain closed</li><li>Non or partial compliance of the OPEC and OPEC++ to the stipulated cuts</li></ul>
 <b>GDP</b>	2.3%	N/A.		<ul style="list-style-type: none"><li>Contraction in the oil sector as FG struggles to export its crude.</li><li>Slowdown across key non-oil sectors due to shutdown in production activities.</li></ul>
 <b>FISCAL DEFICIT (₹'trillion)</b>	3.06*	1.85**		<ul style="list-style-type: none"><li>Lower oil prices and production.</li><li>Moderating FPI flows and persistent outflows will place pressure on the country's FX reserves</li></ul>

# Expectations for Key Macro Indicators in 2020

Key Macros	2019	Q1 20	Direction	Key drivers
 CURRENCY (₹/\$)	361.63	367		<ul style="list-style-type: none"><li>• Lower oil prices and production.</li><li>• Moderating FPI flows and persistent outflows will place pressure on the country's FX reserves</li></ul>
 INFLATION	11.40%	N/A.		<ul style="list-style-type: none"><li>• Border closure, VAT hike, technical devaluation, artificial increase in food prices and increase in electricity tariffs</li></ul>
 MONETARY POLICY RATE	14%	13.5%		<ul style="list-style-type: none"><li>• FX Concerns</li></ul>

# Market Expectations for 2020



## EQUITIES MARKET

- Growing risk of sentiment globally.
- Weak economic outlook
- Lower crude oil prices.
- Concerns of further currency devaluation



## FIXED INCOME MARKET

- Demand and supply dynamics
- CBN's policy

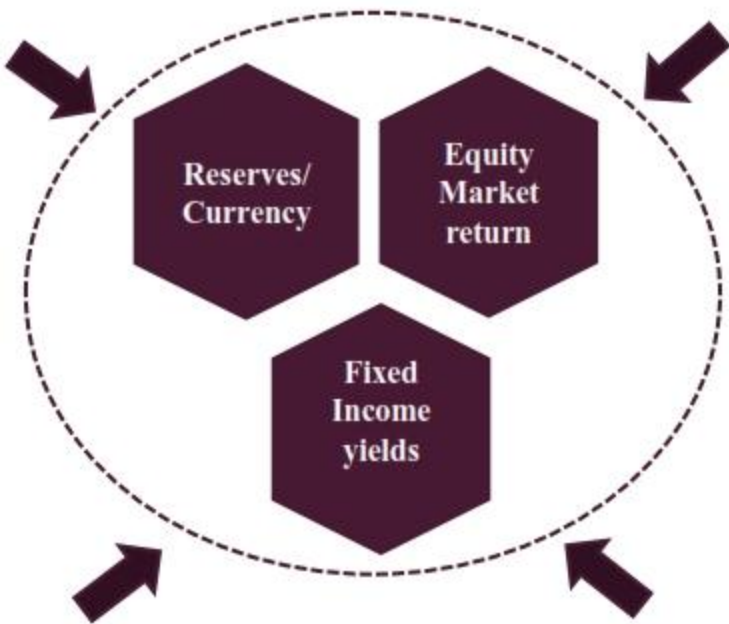


## REAL ESTATE

- A slowdown in investment (both FG and private) hinged on anticipated strain on FG receipts and consumer income .



# Market Triggers for 2020



## Potential Triggers

<b>Reserves/ Currency</b>	<ul style="list-style-type: none"><li>• Expected multilateral assistance of \$6.9 billion could support reserves.</li><li>• Higher oil prices would likely improve reserve accretion.</li></ul>
<b>Equity Market return</b>	<ul style="list-style-type: none"><li>• Further currency devaluation to levels more reflective of fundamentals.</li><li>• Increased economic activity could see increased appetite for risky assets</li><li>• Higher crude oil prices</li></ul>
<b>Fixed Income yields</b>	<ul style="list-style-type: none"><li>• Multilateral loans</li><li>• Given the revised budget benchmark for crude oil, higher oil prices could reduce the need for government borrowing</li></ul>



# Investing in uncertain times



1. Remain strategic, focused and disciplined
2. It is a game of waits - “Long Term Investing”
3. Stick to sound security selection and safety of assets

## Some Essential Questions

**Age**

**Risk Tolerance**

**Liquidity Needs**

**Investment Objective**

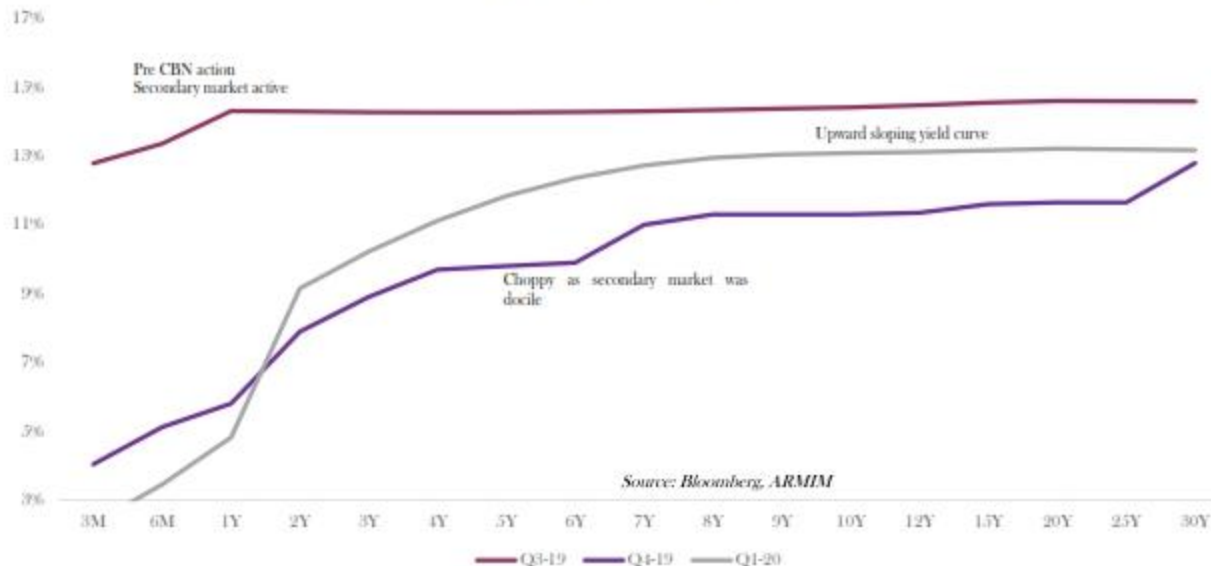
**Time Horizon**

**Asset Liability Match**

# Risk Tolerance: Below average



## Fixed Income Yields

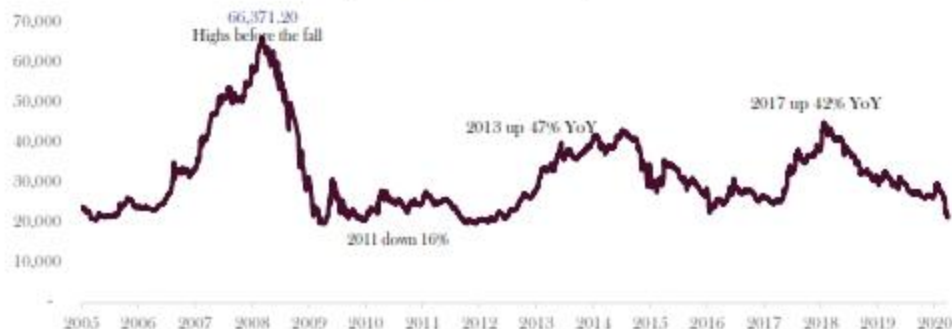


- Recommendation:** “Short term play”.
- A mix of short to medium term instrument;
  - Money market funds
  - Fixed Income Funds

# Risk Tolerance: Above-average



## NSEASI Movement



## NSEASI Dividend Yield



# Risk Tolerance – Above average



Nigerian Exchange Rate | Brent Crude Prices



## Recommendation:

Focus on investment outlet that:

- Manage Liquidity needs
- Reduce concentration risk
- Are in line with your risk appetite



During uncertain times there are always opportunities and as investors we need to **step back, reevaluate** our positions/ investment and **seize opportunities** as they fall through.

# Q&A

Please use the Q&A button at the bottom of your screen.

The screenshot displays a Zoom meeting window. At the top, it shows the participant ID '28' and meeting ID '952-838-134'. Below this is a 'Please Wait' status bar. The main area contains meeting details: Meeting Topic, Host Name, Invitation URL, and Participant ID. A 'Join Audio' button with a headset icon is visible. A red-bordered window titled 'Q&A' is open, displaying the message 'You have no open questions'. A red arrow points from the 'Q&A' button in the bottom toolbar to the red-bordered window. The bottom toolbar includes icons for Video, Mute, Participants, Q&A, Polling, Show Screen, Chat, and More.





# Thank You

Email

[wealthadvisor@arm.com.ng](mailto:wealthadvisor@arm.com.ng)



ARM Group:



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Our Mission  
& Vision:

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