

Nigeria presidential poll headed to runoff

DaMina's 'VERITAS' Opaque Election Model Signals Neither PDP, nor APC will win 50%+1

DaMina's unique proprietary 'VERITAS Frontier Markets Opaque Elections Model' has previously accurately predicted the outcomes of close polls in several opaque frontier markets such as: Zambia, Papua New Guinea, Ghana, Kenya, Zimbabwe, Guinea and La Cote d'Ivoire. In 2015 the DaMina model predicted a Buhari win.

February 20, 2019

TORONTO – Nigeria's main opposition party, the center-right Peoples Democratic Party (PDP), and its leader Former Vice President Atiku Abubakar, as well as third party minor candidates are enjoying a late surge in electoral support, but neither the government nor the opposition will likely win the required 50%+1 of the votes in the upcoming February 23 poll. The Nigerian Constitution requires that a president be elected with 50%+1 of the national vote, and at least 25% of the votes in two-thirds of the 36 federal states. The Nigerian constitution requires a runoff be held within 7 days of the declaration of results if neither candidate wins an outright 50%+1. If Nigeria goes to a second-round vote in early March, the gubernatorial polls currently scheduled for March 9 will also have to be postponed. Nigeria is poised to have another 6-8 weeks of intense capital markets volatility as the country, Africa's most populous, elects a divided government for the first time in a generation.

A late surge in support for the opposition candidates following widespread middle class and professional dismay at the institutional incompetence of the electoral commission, the compromised credibility of the country's Supreme Court, and the increased belligerence of the beleaguered regime has now likely tilted the upcoming polls in favor of the opposition, but not enough to win it a first round knockout victory. Before the postponement of the poll on 15th February, President Muhammadu Buhari, despite the woeful economic performance of his administration would have likely clinched a narrow victory on the basis of his widely admired incorruptibility. However, the chaos and incompetence of key institutions now on full display have compounded concerns about Buhari's own economic incompetence, his inability to completely vanquish Boko Haram, superintend the national institutions, or arrest violent ranchers terrorizing farmers. A narrow majority of Nigerian voters may opt for the 'corruptible competence' of Abubakar over 'the incorruptible incompetence' of President Buhari.

In current US dollar terms Nigeria's overall GDP has shrunk by nearly 25% since Buhari took office in 2015.

The Nigerian capital markets are likely to see-saw until early April when it becomes clear the entire configuration of the new Nigerian parliament and executive.

A potential victory by the center-right pro-business PDP may yet see the domestic Nigerian markets and currency rebound in anticipation of a pro-business neo-mercantilist agenda. Abubakar favors privatization of the country's state oil company, a wholesale deregulation of the country's energy sector and a decentralization of the country's fiscal regime. Foreign companies who operate in Nigeria may soon see many of their locally owned competitors boosted with generous government subsidies and tax waivers for oligarch linked business groups who have backed Abubakar.

DaMina Advisors Full State-by-State Nigeria 2019 Presidential Election Forecast

Nigerian State	Pop Census (2006)	Pop Census 2016 Estimate	2015 APC Vote Share (%)	2015 PDP Vote Share	2015 State Turnout	DaMina 2019 VERITAS Likely State Turnout	Approx Total 2019 Registered Voters	DaMina VERITAS APC 2019 Vote Share	DaMina PDP 2019 Likely Vote Share	Likely 2019 TOTAL Voter Turnout - RAW	DaMina VERITAS APC 2019 Likely Votes	DaMina VERITAS PDP 2019 Likely Votes	DaMina VERITAS 3rd Party 2019 Likely Votes
ABIA	2,845,380	3,727,347	4%	96%	27%	30%	1,621,396	6%	90%	486,419	29,185.12	437,776.86	64,855.83
ADAMAWA	3,178,950	4,248,436	60%	40%	40%	45%	1,848,070	45%	55%	831,631	374,234.12	453,239.10	9,240.35
AKWA/IBOM	3,902,051	5,482,177	6%	94%	53%	50%	2,384,747	3%	93%	1,192,374	35,771.21	1,108,907.38	95,389.88
ANAMBRA	4,177,828	5,527,809	3%	97%	33%	40%	2,404,597	3%	93%	961,839	28,855.16	894,510.02	96,183.87
BAUCHI	4,653,066	6,537,314	92%	8%	45%	50%	2,843,732	61%	39%	1,421,866	867,338.12	547,418.32	14,218.66
BAYELSA	1,704,515	2,277,961	1%	99%	44%	50%	990,913	8%	87%	495,456	39,636.52	431,047.11	49,545.65
BENUUE	4,253,641	5,741,815	55%	45%	33%	40%	2,497,689	35%	60%	999,076	349,676.52	599,445.46	124,884.47
BORNO	4,171,104	5,860,183	95%	5%	24%	20%	2,549,179	45%	51%	509,836	229,426.15	260,016.30	101,967.18
CROSS RIVER	2,892,988	3,866,269	6%	94%	31%	35%	1,681,827	12%	84%	588,639	70,636.73	494,457.10	67,273.08
DELTA	4,112,445	5,663,362	4%	96%	63%	56%	2,463,563	15%	80%	1,379,595	206,939.25	1,103,676.02	123,178.13
EBONYI	2,176,947	2,880,383	6%	94%	32%	42%	1,252,967	12%	88%	526,246	63,149.53	461,517.80	3,758.90
EDO	3,233,366	4,235,595	42%	58%	31%	35%	1,842,484	58%	40%	644,869	374,024.17	257,947.71	36,849.67
EKITI	2,398,957	3,270,798	41%	59%	25%	25%	1,422,797	38%	59%	355,699	135,165.74	209,862.59	42,683.92
ENUGU	3,267,837	4,411,119	2%	98%	35%	45%	1,918,837	8%	90%	863,476	69,078.12	777,128.81	38,376.73
GOMBE	2,365,040	3,256,962	79%	21%	40%	45%	1,416,779	45%	55%	637,550	286,897.66	348,102.50	5,667.11
IMO	3,927,563	5,408,756	19%	81%	36%	46%	2,352,809	8%	90%	1,082,292	86,583.37	974,062.88	47,056.18
JIGAWA	4,361,002	5,828,163	86%	14%	48%	55%	2,535,251	76%	24%	1,394,388	1,059,734.87	330,469.95	7,605.75
KADUNA	6,113,503	8,252,366	70%	30%	54%	64%	3,589,779	55%	45%	2,297,459	1,263,602.26	1,026,964.02	10,769.34
KANO	9,401,288	13,076,892	90%	10%	46%	56%	5,688,448	61%	39%	3,185,531	1,943,173.84	1,232,800.45	17,065.34
KATSINA	5,801,584	7,831,319	93%	7%	51%	55%	3,406,624	98%	2%	1,873,643	1,836,170.27	33,725.58	6,813.25
KEBBI	3,256,541	4,440,050	85%	15%	42%	45%	1,931,422	65%	33%	869,140	564,940.83	286,816.12	38,628.43
KOGI	3,314,043	4,473,490	64%	36%	26%	20%	1,945,968	55%	43%	389,194	214,056.50	167,353.27	38,919.36
KWARA	2,365,353	3,192,893	69%	31%	38%	45%	1,388,908	41%	57%	625,009	256,253.58	356,254.97	27,778.17
LAGOS	9,113,605	12,550,598	56%	44%	32%	28%	5,459,510	65%	28%	1,528,663	993,630.88	428,025.61	382,165.72
NASARAWA	1,869,377	2,523,395	46%	54%	56%	60%	1,097,677	56%	44%	658,606	368,819.41	288,469.47	2,195.35
NIGER	3,954,772	5,556,247	82%	18%	42%	45%	2,416,968	62%	38%	1,087,635	674,333.96	411,126.19	4,833.94
OGUN	3,751,140	5,217,716	60%	40%	28%	25%	2,269,707	68%	28%	567,427	385,850.11	158,879.46	90,788.26
ONDO	3,460,877	4,671,695	54%	46%	33%	30%	2,032,187	64%	33%	609,656	390,179.99	201,186.56	60,965.62
OSUN	3,416,959	4,705,589	61%	39%	38%	30%	2,046,931	68%	29%	614,079	417,573.98	178,083.02	61,407.94
OYO	5,580,894	7,840,864	64%	36%	30%	38%	3,410,776	71%	28%	1,296,095	920,227.27	362,906.53	34,107.76
PLATEAU	3,206,531	4,200,442	44%	56%	62%	65%	1,827,192	41%	59%	1,187,675	486,946.70	694,789.80	9,135.96
RIVERS	5,198,716	7,303,924	4%	96%	61%	53%	3,177,207	12%	84%	1,683,920	202,070.35	1,414,492.44	127,088.27
SOKOTO	3,702,676	4,998,090	82%	18%	45%	40%	2,174,169	62%	38%	869,668	539,193.93	328,734.36	4,348.34
TARABA	2,294,800	3,066,834	46%	54%	51%	55%	1,334,073	38%	62%	733,740	278,821.19	452,717.57	4,002.22
YOBE	2,321,339	3,294,137	95%	5%	41%	45%	1,432,950	58%	42%	644,827	373,999.83	268,892.98	4,298.85
ZAMFARA	3,278,873	4,515,427	81%	19%	47%	50%	1,964,211	65%	35%	982,105	638,368.50	341,772.67	3,928.42
FCT ABUJA	1,406,239	3,564,126	48%	52%	44%	48%	1,550,395	57%	36%	744,189	424,187.98	267,908.20	108,527.63
	140,431,790	193,500,540			40.72%	43.41%	84,172,735			36,819,513	17,478,734	18,591,485	1,966,504
									44%	47%	50%	5%	

Source: NPC/INEC/DaMina Advisors

DaMina Advisors has over the past decade, fine-tuned a unique proprietary synthetic frontier markets elections model - 'VERITAS' as a response to the gaping mismatch of widespread lack of credible, independent, and statistically robust unbiased accurate pre-elections polls in many global frontier markets economies – (particularly in Africa), and the corresponding need by major foreign investors to get a better analytic sense of likely electoral outcomes in opaque capital markets.

DaMina proprietary VERITAS opaque elections model relies on traditional rational psychological assumptions that over time, party voting patterns and preferences in any defined geo-political voting area largely remain consistent and only vary on the margins each election cycle with turnout being the key variable. Election results therefore differ only slightly from one election to election with only slight variations in the heteroscedasticity of voter preferences for spectacularly outstanding candidates and political platforms.

The DaMina VERITAS model also assumes diminishing voter turnout rates as countries mature and ideological differences between the opposing parties shrink, yielding rising voter apathy, and decreasing voter turnout. The DaMina VERITAS model because it targets frontier markets economies always assumes that incumbency is relatively strong and institutional support for challengers is always weak. The model is therefore structurally tilted to favor incumbents during re-election campaigns rather than predict opposition upsets. It is against these assumptions that the Nigeria 2019 model predicts a deadlocked election on February 23.

DaMina Advisors is a preeminent independent frontier markets risk research, due diligence and M&A transactions consulting and strategic advisory firm. DaMina Advisors is legally registered and is headquartered in Toronto, Canada.

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