

What Moved the Markets this Week?

Nigeria | March 18, 2022

The U.S. Federal Reserve held its meeting during the week. The members of the committee approved a 25bps hike in its benchmark interest rate, thereby increasing the Fed's funds rate to a range of 0.25%-0.50%. This represents the first rate hike since December 2018 and is expected to curb the spiraling inflation being witnessed in the country.

On the domestic scene, the National Bureau of Statistics (NBS) reported a 15.70% YoY increase in the consumer price index for February 2022 (vs. 15.60% YoY in January). The increase in headline inflation was majorly driven by growth in the core components. Core inflation for the month increased to 14.01% YoY (from 13.87% YoY in January 2022), caused by the rise in prices of Gas, Liquid and Solid Fuels. Food inflation for the month was 17.11% YoY (vs. 17.13% in January), driven by the increase in prices of Bread, Cereals, Yam, Potatoes and other tubers. Also, the Federal Government raised USD 1.25bn through a 7-Year Euro bond in the International Capital Market (ICM). The proceeds of the Eurobonds will be used to finance capital projects contained in the budget, in order to bridge the infrastructural deficit in the country. The Eurobond is also expected to help prop the nation's external reserves.

The local bourse ended the week in the negative region, as the All-Share Index lost 33bps WoW, to settle at 47,282.67pts. Thus, the Year to Date return therefore declined to 10.69%.

At the Treasury Bills primary market auction held during the week, stop rates on all three instruments (91-day, 182-day and 364-day) declined by 1bps, 28bps and 10bps respectively. The mood in the fixed income secondary market was positive, as average bonds and T-bills yield declined by 9bps and 81bps to 9.04% and 3.41% respectively.

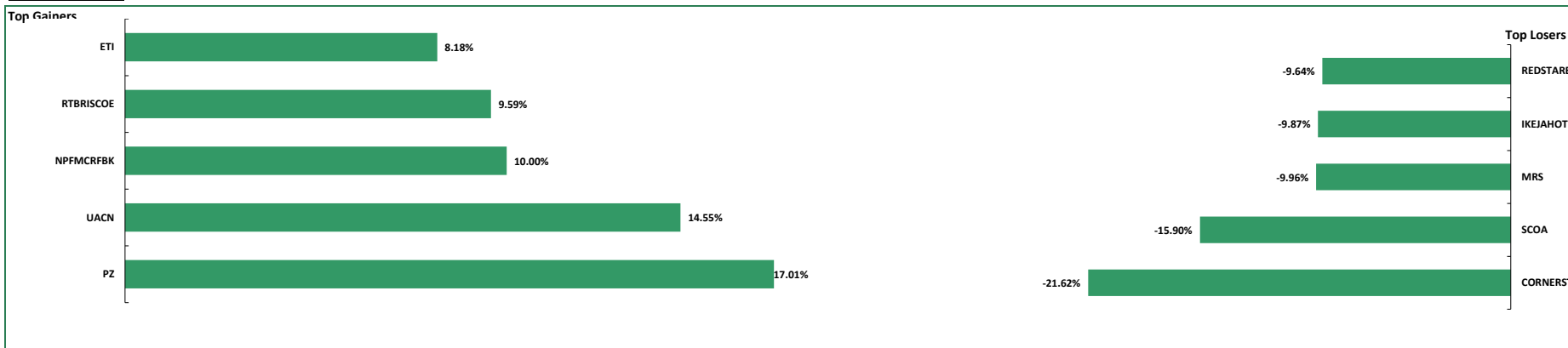
Market Performance

Equities	This Week	Previous Week	% Δ
NSEASI	47,282.67	47,437.48	-0.33%
Volume ('bn)	2.42	2.79	-13.09%
Value ('bn)	20.66	23.86	-13.41%
Mkt. Cap.	25.48	25.57	-0.34%
Market Breadth	0.51x	1.06x	

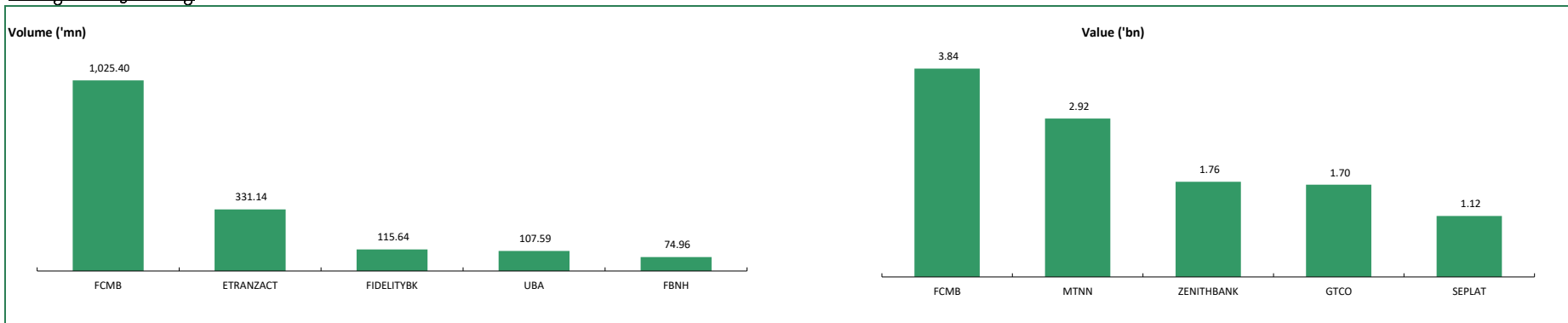
  

Sectoral Indices	WtD	MtD	YtD
NGXBNK	-0.17%	-2.16%	9.27%
NGXCNSMRGDS	-0.43%	-2.93%	-3.14%
NGXOILGAS	-3.87%	4.18%	28.14%
NGXINS	-2.93%	-1.50%	-5.02%
NGXINDUSTR	0.14%	-0.84%	5.41%
NGX-ASI	-0.33%	-0.24%	10.69%

Market Outliers



Weekly Trading Activity



Weekly Currency Watch

	This Week	Previous Week	%Δ
I & E (per USD)	416.50	416.34	-0.04%

Money Market Rates

	This Week	Previous
OBB	9.00%	4.50%
OVN	9.67%	5.00%
Average	9.34%	4.75%

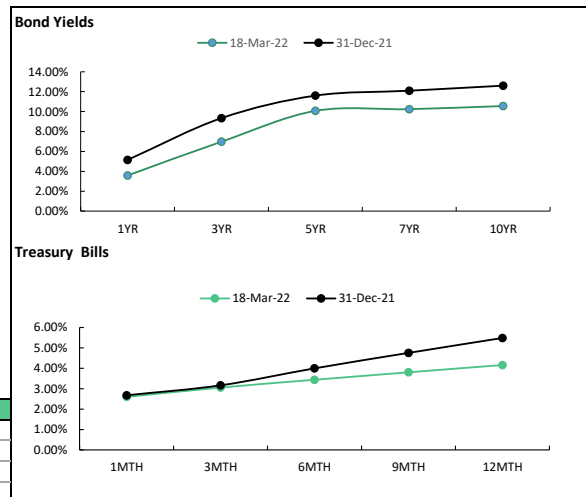
Bond Yields

	This Week	Previous Week	%Δ
1YR	3.58%	3.16%	0.42%
3YR	6.98%	6.50%	0.48%
5YR	10.07%	9.98%	0.09%
7YR	10.24%	10.19%	0.05%
10YR	10.56%	12.05%	-1.49%
30YR	12.79%	12.88%	-0.09%

Treasury Bills Yields

	This Week	Previous
1MTH	2.60%	4.29%
3MTH	3.06%	4.25%
6MTH	3.44%	4.22%
9MTH	3.80%	4.14%
12MTH	4.16%	4.23%
Average	3.41%	4.23%

Fixed Income Monitor



In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.15%	0.01%	0.19%	-0.50%	0.87%	1.06%	3.69%	1.98%
WtD	-0.33%	-0.21%	0.00%	-1.36%	1.47%	0.57%	3.25%	5.17%
YtD	10.69%	-1.94%	-10.23%	-5.75%	1.44%	-2.20%	-9.02%	-7.98%
P/E	10.12x	6.79x	7.89x	9.76x	11.25x	13.70x	13.17x	14.27x

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