

What Moved the Markets this Week?

Nigeria | February 25, 2022

On the global front, the Russia-Ukraine tension intensified this week as Russia commenced a military action. This was followed by a series of sanctions against the country by different countries including the restriction of Russian financial instruments from trading in the USA and Western European markets, and the indefinite suspension of the certification of Nord Stream 2, a key Russian natural gas pipe, by Germany. This tension sent crude oil prices higher with a gain of over 4% on Brent crude (c. USD98).

Seplat Energy Plc (SEPLAT) announced that its fully owned subsidiary, Seplat Energy Offshore Ltd plans to acquire 100% shares of Mobil Producing Nigeria Unlimited (MNPU). The USD1.28bn deal will be financed with a 70%:30% debt-equity mix. The acquisition includes the purchase of different mining licenses and the Qua Iboe terminal which is one of Nigeria's largest export facilities.

There was a positive sentiment in the market this week which led to a reversal of the two-week loss in the Nigerian equities market. Thus, the All Share Index gained 40bps WoW, with the YTD return improving to 10.80%.

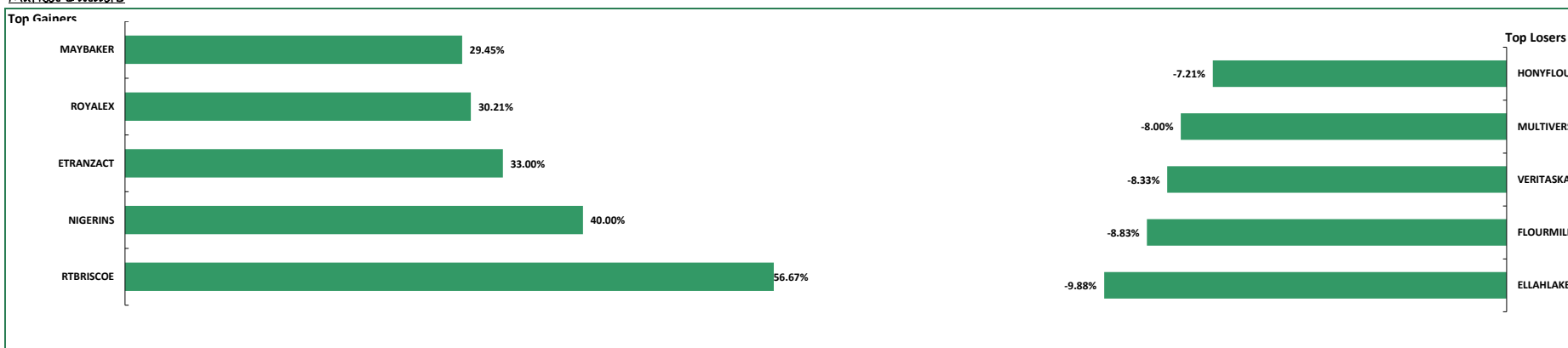
High system liquidity supported by coupon payments and Open Market Operations (OMO) maturities during the week, (which bolstered subscription level), continues to influence movement in fixed income rates. Thus, at the Treasury Bills Primart Market Auction (PMA) conducted this week, the stop rate on the 364-day instrument dropped by 85bps (relative to the former PMA) to 4.35%. Similarly, average T-Bills rate dropped by 25bps in the secondary market. The bonds market also witnessed a bullish sentiment leading to a 31bps WoW decline in average bonds yield to 9.87%.

Market Performance

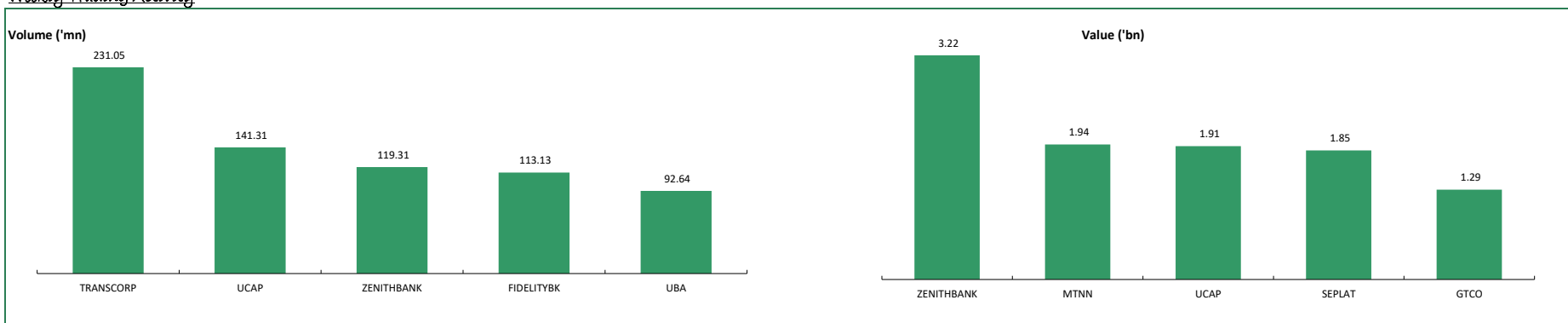
Equities	This Week	Previous Week	% Δ
NSEASI	47,328.42	47,140.48	0.40%
Volume ('bn)	1.64	1.62	1.31%
Value ('bn)	19.48	28.63	-31.96%
Mkt. Cap.	25.51	25.41	0.40%
Market Breadth	2.05x	1.24x	

Sectoral Indices	WtD	MtD	YtD
NGXBNK	0.14%	2.12%	10.99%
NGXCNSMRGDS	-1.06%	2.03%	-0.51%
NGXOILGAS	3.89%	7.98%	23.26%
NGXINS	1.15%	1.95%	-4.11%
NGXINDUSTR	-0.01%	2.64%	6.12%
NGX-ASI	0.40%	1.51%	10.80%

Market Outliers



Weekly Trading Activity



Weekly Currency Watch

	This Week	Previous Week	%Δ
I & E (per USD)	416.00	416.67	0.16%

Money Market Rates

	This Week	Previous
OBB	14.75%	1.17%
OVN	15.00%	1.50%
Average	14.88%	1.34%

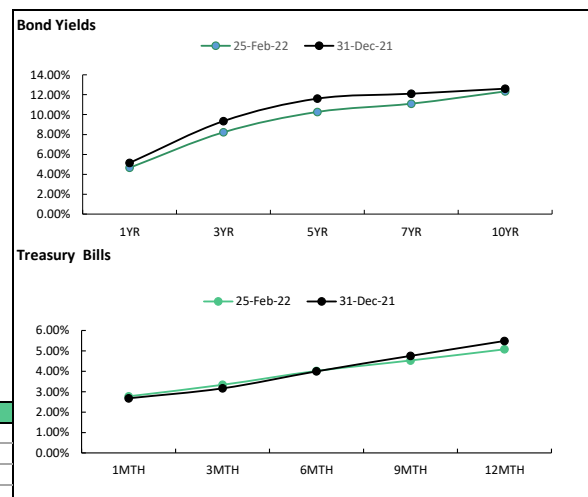
Bond Yields

	This Week	Previous Week	%Δ
1YR	4.66%	5.04%	-0.38%
3YR	8.22%	8.49%	-0.27%
5YR	10.27%	11.05%	-0.78%
7YR	11.10%	11.68%	-0.58%
10YR	12.33%	12.45%	-0.12%
30YR	12.66%	12.38%	0.29%

Treasury Bills Yields

	This Week	Previous
1MTH	2.77%	2.79%
3MTH	3.34%	3.46%
6MTH	4.02%	4.22%
9MTH	4.53%	4.90%
12MTH	5.08%	5.63%
Average	3.95%	4.20%

Fixed Income Monitor



In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.12%	0.00%	-3.63%	-3.62%	0.46%	-3.28%	-4.31%	-4.20%
WtD	0.40%	0.06%	0.00%	-5.65%	-3.06%	-3.99%	-6.24%	-5.72%
YtD	10.80%	-3.53%	-8.86%	-5.36%	0.44%	-1.80%	-6.26%	-9.76%
P/E	10.29x	5.87x	8.26x	10.46x	11.54x	14.90x	12.78x	14.01x

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