

What Moved the Markets this Week?

Nigeria | March 25, 2022

Following the decision by some advanced economies such as the US and UK to increase interest rate, some African countries have followed in the same path. This week, the South African Reserve Bank approved an increase of its repurchase rate by 25 basis point to 4.25%. This is in attempt to manage inflation currently at 5.7% in February, almost nearing the country's upper limit band of 6%. Similarly, the Bank of Ghana monetary authorities decided to hike rate by 250 basis point to 17%, the highest in government records. In the committee's view, several upside risk to inflation still abound thus, would potentially raise inflation rate even further in the near term, hence the rate hike.

On the domestic scene, the Monetary Policy Committee of the Central Bank of Nigeria held its meeting this week. Members decided to hold policy rate at 11.5% including other parameters constant (Liquidity Ratio at 30%, Cash Reserve Ratio at 27.50%, and Asymmetric corridor at +100bps/-700bps). The decision to hold rate came on the back of economic growth remaining fragile and expectation for inflation moderation in the near term. However, voting decision was divided as against a unanimous position seen in the past as 40% of members voted for a rate hike by at least 25 basis point. This reflects a likely rate hike in the near term. Still in the local space, the National Bureau of Statistics released the capital importation data for Q4:2021. Based on the report, total foreign inflow into the economy amounted to USD6.70 billion, coming in 30.61% and 72.07% lower than 2020 and 2019 figures respectively. By investment type, portfolio investment constituted the largest at 51% to aggregate for the year while foreign direct investment was the least at 10%.

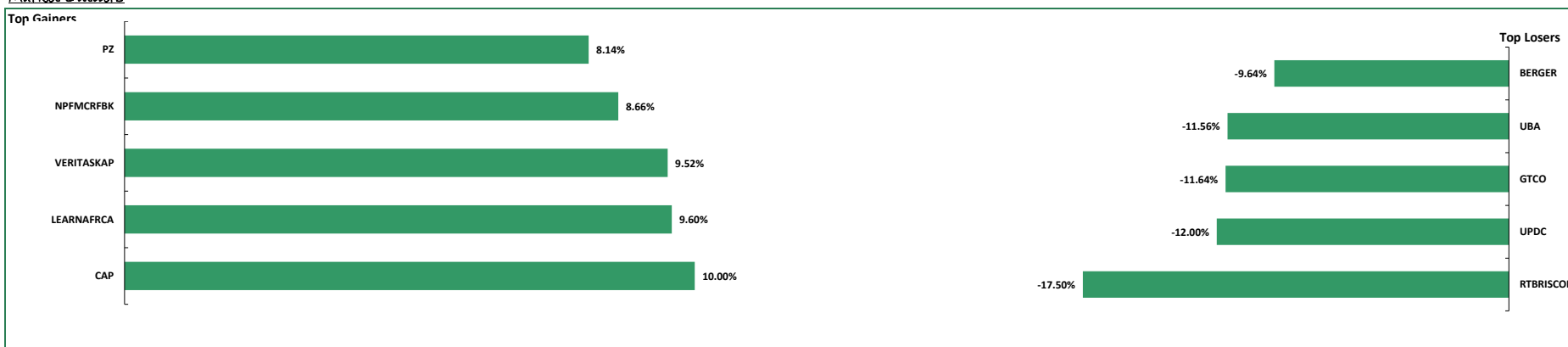
In the Nigerian Equities market, it seems the bearish mood has set in as the local bourse again ended the week in the negative region. The All-Share Index declined by 0.67%WoW, to settle at 46,964.23pts. Thus, moderating the Year to Date return further downward to 9.94% from 10.69%.

Market Performance

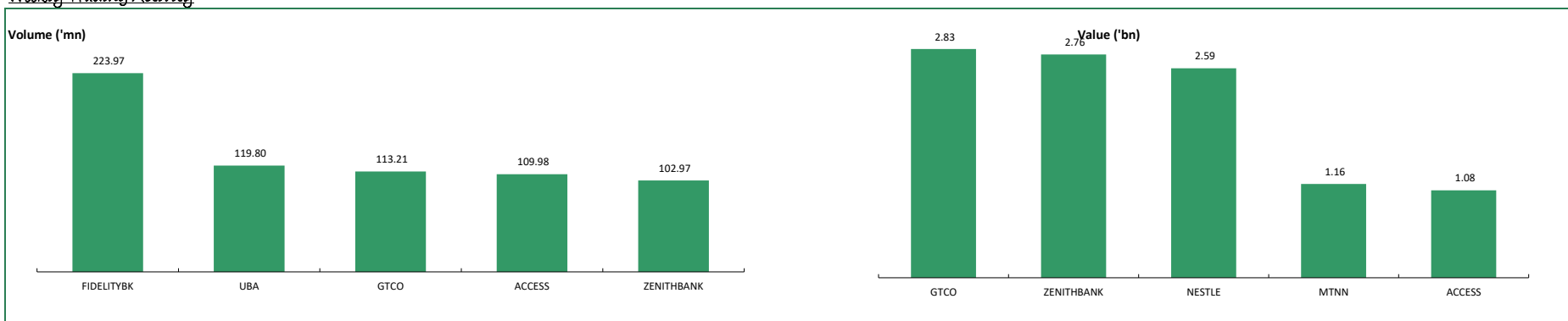
Equities	This Week	Previous Week	% Δ
NSEASI	46,964.23	47,282.67	-0.67%
Volume ('bn)	1.15	2.79	-58.80%
Value ('bn)	16.60	23.86	-30.44%
Mkt. Cap.	25.31	25.57	-1.01%
Market Breadth	0.47x	1.06x	

Sectoral Indices	WtD	MtD	YtD
NGXBNK	-0.66%	-2.81%	8.55%
NGXCNSMRGDS	-1.10%	-4.00%	-4.21%
NGXOILGAS	-0.02%	4.16%	28.12%
NGXINS	-1.40%	-2.88%	-6.35%
NGXINDUSTR	-0.02%	-0.86%	5.39%
NGX-ASI	-0.67%	-0.91%	9.94%

Market Outliers



Weekly Trading Activity



Weekly Currency Watch

	This Week	Previous Week	%Δ
I & E (per USD)	416.23	416.50	0.06%

Money Market Rates

	This Week	Previous
OBB	5.67%	9.00%
OVN	6.17%	9.67%
Average	5.92%	9.34%

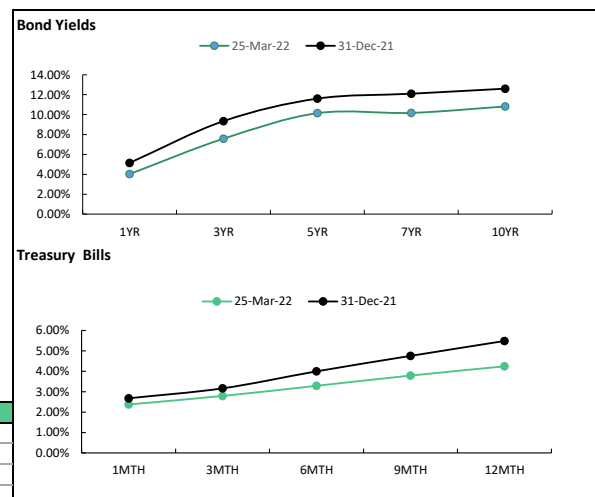
Bond Yields

	This Week	Previous Week	%Δ
1YR	4.02%	3.16%	0.86%
3YR	7.58%	6.50%	1.08%
5YR	10.14%	9.98%	0.16%
7YR	10.17%	10.19%	-0.02%
10YR	10.82%	12.05%	-1.23%
30YR	12.72%	12.88%	-0.16%

Treasury Bills Yields

	This Week	Previous
1MTH	2.37%	4.29%
3MTH	2.79%	4.25%
6MTH	3.29%	4.22%
9MTH	3.79%	4.14%
12MTH	4.24%	4.23%
Average	3.30%	4.23%

Fixed Income Monitor



In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.01%	0.00%	-0.30%	-0.47%	-0.26%	0.10%	-0.33%	-0.19%
WtD	-0.67%	0.13%	0.00%	1.57%	-0.92%	1.35%	1.24%	0.27%
YtD	9.94%	-1.82%	-2.01%	-4.27%	0.61%	-1.37%	-7.72%	-7.43%
P/E	9.94x	6.78x	8.60x	9.56x	11.25x	13.75x	13.27x	14.31x

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