

What Moved the Markets this Week?

During the week, South Africa's Bureau of Statistics reported that South Africa's inflation rate for July 2022 spiked to a 13-year high of 7.80% (vs. 7.40% in June 2022), attributable to the increase in food and fuel prices. Food inflation increased by 9.70% YoY (vs. 8.60% in June 2022), while core inflation grew by 4.60% YoY (vs. 4.10% in June 2022). Elsewhere, the Office of Gas and Electricity Markets (OFGEM) in the United Kingdom projected an 80% increase in household energy bills for October due to rising gas prices resulting from the Russian-Ukraine war. This is expected to put significant pressure on pricing in the energy markets in the United Kingdom and further impact its inflation rate.

In Nigeria, the National Bureau of Statistics (NBS) released the Q2-2022 GDP report during the week. According to the report, Nigeria's GDP increased by 3.54% YoY to NGN17.29trn (vs. NGN16.70trn in Q2-2021). The non-oil sector recorded a 4.77% YoY growth, while the oil sector contracted by 11.09% YoY due to lower production levels. The major drivers of growth include the Information and Communication (+6.55%), Trade (+4.51%) and Financial and Insurance sectors (+18.48). On the corporate scene, MTN Nigeria Communications Plc launched 5G network in 7 states in Nigeria (Lagos, Port Harcourt, Ibadan, Owerri, Maiduguri, Kano and Abuja). The technology is expected to result in faster speeds and lower latency.

The Nigerian equities market ended the week on a positive note, as the All-Share Index increased by 0.63% WoW to close at 49,682.15pts. Consequently, the Year-to-Date return increased to 16.31% (from 15.58% last week). Across sectors, performance was largely negative as all sectoral indices except the NGXINS (3.88% WoW) recorded a week-on-week loss. However, buying activity on AIRTELAFRI (+7.06%) and other bellwether stocks pulled the market into positive territory.

At the Treasury Bills Primary Market Auction held during the week, the Federal Government raised a sum of NGN295.53bn, with rates on the 91-, 182-day instruments increasing by 50bps to 4.00% and 5.00%, respectively, while rate on the 364-day instrument increased by 105bps to 8.50%. In the secondary fixed income market sentiment was largely mixed as the average Bond yield declined marginally by 1bps to 12.81% (vs. 12.82% last week), while average T-bills yields increased to 9.25% (vs. 8.16% last week).

Nigeria | August 26, 2022

Market Performance

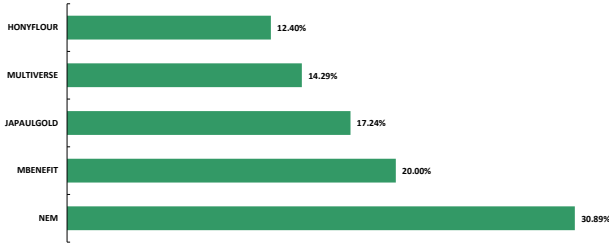
Equities	This Week	Previous Week	% Δ
NGXASI	49,682.15	49,370.62	0.63%
Volume ('bn)	0.91	0.81	12.42%
Value ('bn)	15.26	12.23	24.84%
Mkt. Cap. ('bn)	26.80	26.63	0.63%
Market Breadth	0.76x	0.48x	

Sectoral Indices

Sectoral Indices	WTD	MtD	YTD
NGXBNK	-0.69%	1.68%	-5.30%
NGXCNSMRGDS	-1.73%	3.18%	0.38%
NGXOILGAS	-4.08%	-4.70%	53.66%
NGXINS	3.88%	8.18%	-8.79%
NGXINDUSTR	-4.19%	-14.14%	-11.84%
NGX-ASI	0.63%	-1.37%	16.31%

Market Outliers

Top Gainers

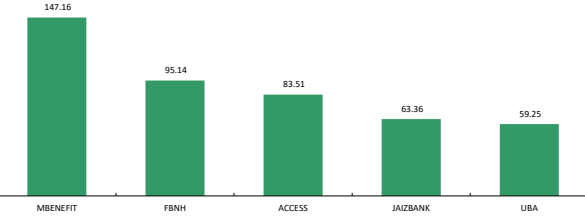


Top Losers

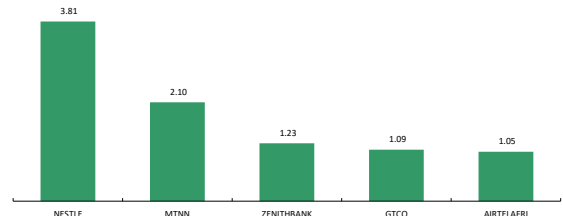


Weekly Trading Activity

Volume ('mn)



Value ('bn)



FX

	This Week	Previous Week	%Δ
I & E (per USD)	430.33	429.05	-0.30%

Money Market Rates

	This Week	Previous
OBB	13.50%	14.67%
OVN	13.67%	15.00%
Average	13.59%	14.84%

Bond Yields

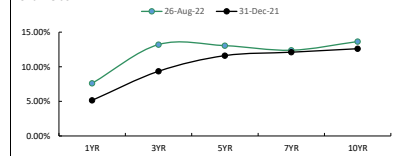
	This Week	Previous Week	%Δ
1YR	7.61%	7.51%	0.10%
3YR	13.20%	13.90%	-0.70%
5YR	13.05%	12.75%	0.30%
7YR	12.39%	12.33%	0.05%
10YR	13.64%	12.45%	1.19%
30YR	13.65%	13.26%	0.39%

Treasury Bills Yields

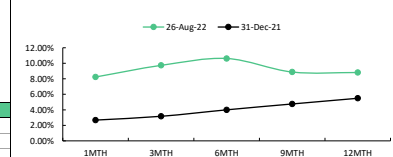
	This Week	Previous
1MTH	8.23%	7.34%
3MTH	9.73%	8.65%
6MTH	10.62%	9.04%
9MTH	8.87%	8.28%
12MTH	8.81%	7.50%
Average	9.25%	7.91%

Fixed Income Monitor

Bond Yields



Treasury Bills



In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.04%	-0.37%	1.80%	-0.63%	0.86%	0.75%	1.86%	0.46%
WTD	0.63%	-2.23%	0.00%	-5.75%	1.76%	-0.50%	0.20%	-1.10%
YTD	16.31%	-11.33%	-13.91%	-17.15%	-3.75%	-16.03%	-18.55%	-18.73%
P/E	10.30x	5.90x	7.10x	7.28x	10.36x	9.76x	11.13x	13.04x

Contact Information

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Bloomberg: MERI <GO>

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ISI Emerging Markets: www.securities.com/eh.html?pc=NG

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