

What Moved the Markets this Week?

According to the report from the U.S. Bureau of Labor Statistics, U.S. inflation slowed for the second consecutive time to 8.30%YOY in August 2022 (from 8.50%YOY in July 2022). However, on a month-on-month (M-o-M) basis, inflation rose to 0.10% due to the 0.80% increase in the food index. Gasoline prices however declined during the month, causing a drop in the energy index by 5.00%. Sell-offs pervaded the equities market as the inflation number was higher than expected, and investors price in the likelihood of further rate hike by the U.S. Fed at its meeting next week. Likewise, the Office for National Statistics announced the UK's inflation at 9.90%YOY in August 2022 from 10.10%YOY in July 2022, the first decline since July 2021. The drop in fuel prices was the major contributor to the slow down in inflation rate, as reflected by the decline in average global oil price to USD97.80/bbl in August from USD105.12/bbl in July. Elsewhere, in Ghana, inflation rate for August climbed to a 33.90%YOY (vs 31.70%YOY in July), its highest in two-decades. Increase in both food inflation (34.40%YOY vs 32.30%YOY in July) and non-food inflation (33.60%YOY vs 31.30%YOY in July) contributed significantly to the higher inflation rate.

In Nigeria, inflation data released by the National Bureau of Statistics (NBS) shows that prices remained on a 17-year high of 20.52%YOY in August 2022, up from 19.64%YOY in July. This came with a rise in both the food and core indices, which surged by 23.12%YOY and 17.20%YOY, respectively. On the bright side however, all the indices declined on a M-o-M basis in August: headline (+1.77% vs +1.82% in July), food (1.98% vs 2.04% in July), and core (1.59% vs 1.75% in July). Similarly, imported food inflation moderated for the second straight time on a M-o-M basis (1.38% in August, 1.39% in July vs 1.42% in June) which we ascribe to the consistent decline in global food price index reported by the United Nations' Food and Agriculture Organization (FAO). We expect a continued moderation in food and imported food inflation on a month on month basis, as geo-political tensions in Europe continue to ease.

The Nigerian equities market ended the week on a negative note, as the All-Share index declined by 0.44% WoW to close at 49,475.42pts. Thus, the Year-to-Date return declined to 15.82% (from 16.34% last week). Across sectors performance was bearish, as all sectoral indices closed negative.

At the treasury bills primary market auction held during the week, NG159.60bn was raised which equalled the amount offered. The rate on the 182 day instrument declined (15bps) to 6.00%, that of the 364 day instrument declined (25bps) to 9.75% and 91 day rate remained unchanged. At the secondary fixed income market, bearish sentiments reversed as the average bond and treasury bills yield declined by 24bps and 58bps to 12.73% and 7.63% respectively.

Nigeria | September 16, 2022

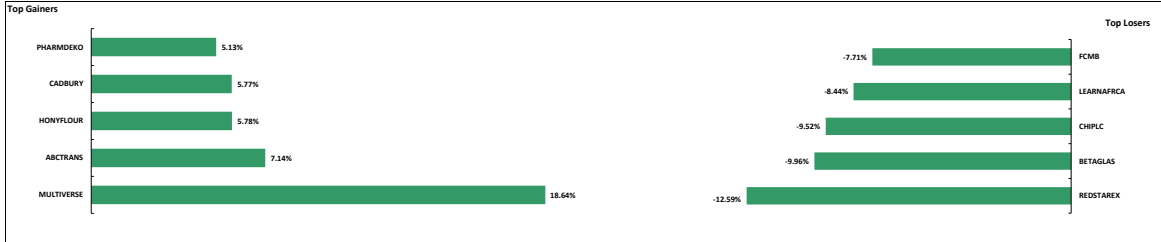
Market Performance

Equities	This Week	Previous Week	%Δ
NGXASI	49,475.42	49,695.12	-0.44%
Volume ('bn)	0.70	0.94	-25.63%
Value ('bn)	7.98	9.33	-14.43%
Mkt. Cap. ('bn)	26.69	26.80	-0.44%
Market Breadth	0.36x	0.69x	

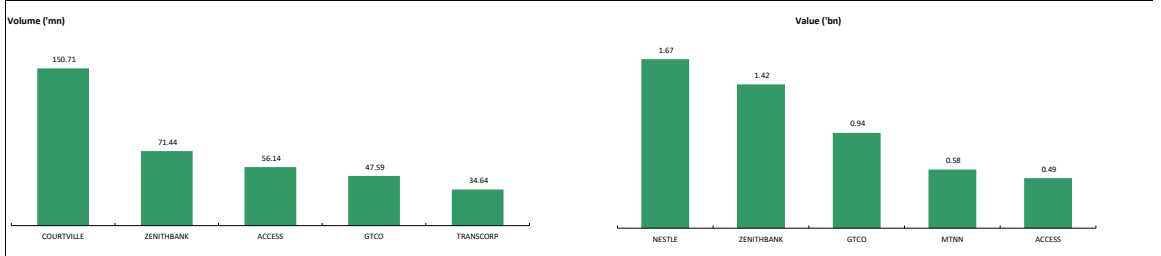
Sectoral Indices	WTD	MID	YTD
NGXBNK	-3.44%	-3.57%	-8.00%
NGXNMSMRGDS	-0.27%	0.92%	2.85%
NGXOILGAS	-0.16%	0.00%	54.24%
NGXINS	-2.29%	-0.97%	-9.90%
NGXINDUSTR	-0.16%	0.81%	-10.79%
NGX-ASI	-0.44%	-0.72%	15.82%

Other Indices	WTD	MID	YTD
NGX-3D	-0.50%	-0.74%	2.40%
NGX-PENSION	-1.72%	-1.53%	3.51%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	%Δ
I & E (per USD)	436.25	436.33	0.02%

Money Market Rates

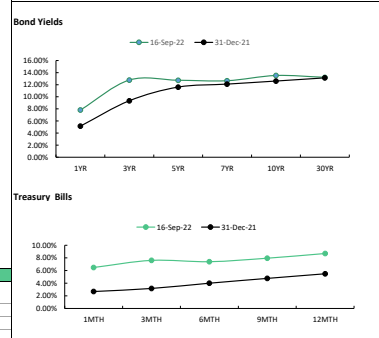
	This Week	Previous
OBB	9.67%	8.50%
OVN	10.17%	9.00%
Average	9.92%	8.75%

Bond Yields	This Week	Previous Week	%Δ
1YR	7.81%	8.02%	-0.21%
3YR	12.77%	13.00%	-0.23%
5YR	12.74%	13.03%	-0.29%
7YR	12.66%	11.75%	0.91%
10YR	13.53%	13.43%	0.09%
30YR	13.22%	13.36%	-0.13%

Treasury Bills Yields

	This Week	Previous
1MTH	6.48%	6.99%
3MTH	7.61%	7.66%
6MTH	7.40%	9.00%
9MTH	7.95%	8.41%
12MTH	8.69%	8.99%
Average	7.63%	8.21%

Fixed Income Monitor



in Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.13%	-0.10%	-1.13%	-2.93%	-1.66%	-0.28%	-0.41%	-0.57%
WTD	-0.44%	-0.42%	0.00%	-5.27%	-3.29%	-1.29%	-1.21%	-1.78%
YTD	15.82%	-10.56%	-15.65%	-19.39%	-9.85%	-19.25%	-22.19%	-22.69%
P/E	10.21x	5.30x	6.86x	7.11x	9.72x	9.36x	10.74x	12.49x

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