

What Moved the Markets this Week?

On the global scene, the U.S. Federal Reserve increased the Fed funds rate by 75bps (to a range of 3.00%-3.25%), marking the fourth consecutive rate hike this year. The new benchmark rate also represents the highest rate since January 2008. The hawkish stance of the Federal Reserve is aimed at tackling inflation and bringing it to its 2.00% target, while also achieving full employment. Similarly, in the United Kingdom, the Bank of England's Monetary Policy Committee raised its bank rate for the seventh consecutive time by 50bps to 2.25% (vs. 1.75% in July 2022) to control the 14-year high inflation rate fueled by soaring food and energy prices. Elsewhere, the South African Reserve Bank (SARB) raised its repo rate by 75bps to 6.25% to combat inflation. Our outlook is for monetary authorities to remain hawkish in the near term as inflation remains significantly above most central banks target.

Still in South Africa, the inflation figure for August 2022 was released by the Statistics of South Africa reporting a slowdown to 7.60% YoY (vs. 7.80% in July 2022). This was anchored on a decline in fuel prices. While Ghana Statistical Service reported that Ghana's GDP expanded by 4.80% YoY in Q2-2022 (vs. 3.40% YoY in Q1-2022). The GDP growth was driven by the manufacturing (+8.80%), Information and Communication (+12.40%) and the Education sectors (+13.20%). The higher inflationary pressures and adoption of an hawkish tone by its monetary authority is however expected to impact its future growth prospects.

On the domestic scene, FBNH announced the completion of the acquisition of 100% share capital of Access Pension Fund Custodian Limited by its flagship su subsidiary, First Pension Custodian Nigeria Limited. This is in a bid to expand the company's operations. In the same vein, Access Holding Plc announced its receipt of final approval from the Central Bank of Nigeria (CBN) for its wholly owned payment subsidiary, Hydrogen Payment Services Company Limited. We expect these capacity expansion projects to result in higher non-interest income and both support topline and profitability performance of these firms.

The Nigerian equities market ended the week on a negative note, as the All-Share Index declined by 0.91% WoW to close at 49,026.62pts. Hence, the Year-to-Date return declined to 14.77% (from 15.82% last week). Across sectors, performance was bearish, as all sectoral indices except the **NGXBNK** (+2.27% WoW) closed negative.

At the bond auction held during the week, a total of NGN229.20bn was raised (vs. NGN225.00bn offered), with increase in rates across the three instruments - 13.53% FGN MAR 2025 to 13.50%, 12.50% FGN APR 2022 to 13.85%, 16.25% FGN APR 2027 to 14.50%. In the secondary fixed income market, performance was mixed as the average bond yields increased to 12.88% (vs. 12.73% last week) while the average T-Bills yields declined to 7.25% (vs. 7.63% last week), respectively.

Nigeria | September 23, 2022

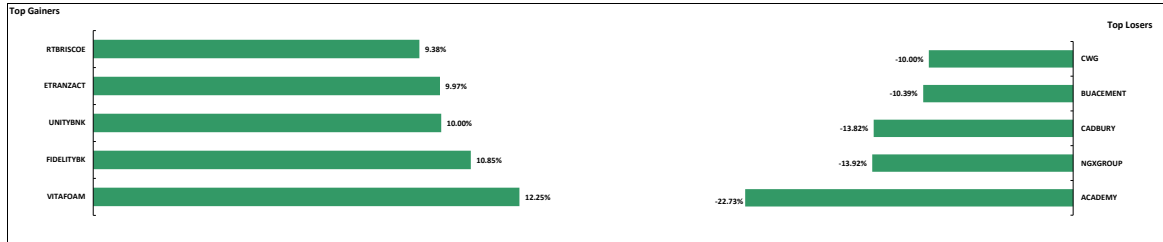
Market Performance

Equities	This Week	Previous Week	%Δ
NGXASI	49,026.62	49,475.42	-0.91%
Volume ('bn)	0.51	0.70	-27.85%
Value ('bn)	9.44	7.98	18.23%
Mkt. Cap. ('bn)	26.44	26.69	-0.91%
Market Breadth	0.39x	0.36x	

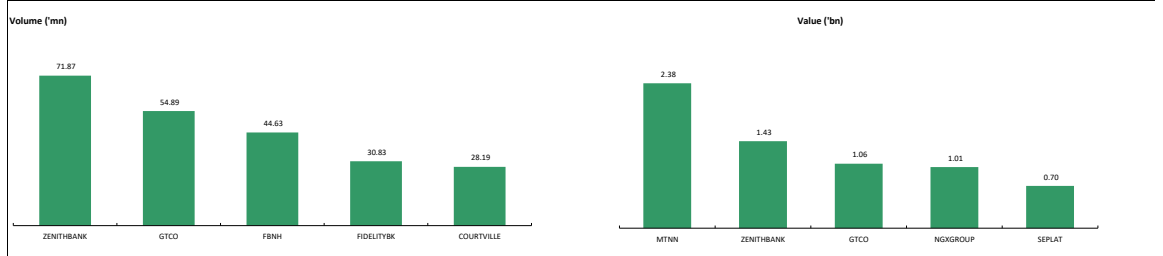
Sectoral Indices	WTD	MID	YTD
NGXBNK	2.27%	-1.24%	-5.78%
NGXCONSMRGDS	-0.16%	0.75%	2.68%
NGXOILGAS	-4.68%	-4.68%	47.02%
NGXINS	-2.08%	-3.31%	-12.04%
NGXINDUSTR	-3.92%	-3.14%	-14.29%
NGX-ASI	-0.91%	-1.63%	14.77%

Other Indices	WTD	MID	YTD
NGX-30	-0.99%	-1.73%	1.39%
NGX-PENSION	0.05%	-1.49%	3.55%

Market Outliers



Weekly Trading Activity



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

Money Market Rates

	This Week	Previous
OBB	14.83%	9.67%
OVN	15.00%	10.17%
Average	14.92%	9.92%

Bond Yields

	This Week	Previous Week	%Δ
1YR	9.43%	7.81%	1.61%
3YR	13.30%	12.77%	0.53%
5YR	13.00%	12.74%	0.26%
7YR	12.75%	12.66%	0.09%
10YR	13.29%	13.53%	-0.24%
30YR	13.22%	13.22%	0.00%

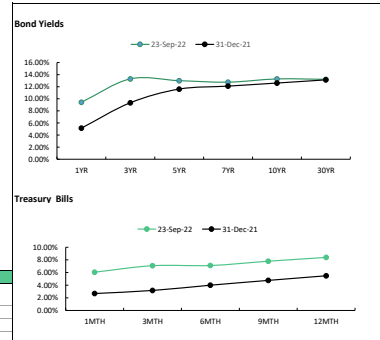
Treasury Bills Yields

	This Week	Previous
1MTH	6.06%	6.48%
3MTH	7.08%	7.61%
6MTH	7.11%	7.40%
9MTH	7.79%	7.95%
12MTH	8.39%	8.69%
Average	7.29%	7.63%

vs. Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.33%	-0.43%	-0.23%	-0.07%	-2.70%	-0.84%	-1.02%	-1.36%
WTD	-0.91%	-0.47%	0.00%	1.90%	-4.61%	-2.89%	-2.28%	-3.05%
YTD	14.77%	-10.91%	-16.87%	-18.98%	-13.83%	-22.08%	-25.11%	-25.77%
P/E	10.12x	5.29x	6.73x	7.14x	9.29x	9.16x	10.33x	11.95x

Fixed Income Monitor



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