

**What Moved the Markets this Week?**

During the week, the United States Bureau of Economic Analysis reported that the country's real GDP grew by 2.60% in the third quarter of 2022 (vs 0.60% decline in Q2-2022), representing the first GDP growth since Q4-2021. The improvement in the world's biggest economy's GDP was driven by increased consumer spending, exports, government defence spending, and non-residential fixed investment. For the rest of the year, we expect sustained growth hinged on the strong labor market and personal consumption. Also, the European Central Bank (ECB) raised its key interest rates by 75bps (its third consecutive rate hike in 2022) as it seeks to rein in inflation (9.50% YoY in September). Therefore, we opine that the several rate hikes could result in a slowdown in economic activities in the Eurozone in Q3-2022.

Elsewhere, Egypt agreed with the International Monetary Fund (IMF) for a 46-month Extended Fund Facility of USD3.00bn. This aims to enhance the country's macroeconomic environment and debt sustainability. Prior to the announcement, the Central Bank of Egypt had reported the adoption of a flexible exchange system (a pre-condition for the IMF agreement), which caused the Egyptian Pounds to dip by c.17% against the USD.

In Nigeria, the Central Bank announced the introduction of new NGN200, NGN500, and NGN1,000 notes from the 15th of December, 2022. This seeks to achieve effective monetary policy by reducing the money supply outside the banking system (85% of total money in circulation) and the spread of dirty and counterfeit bank notes. This exercise is likely to further pressure the exchange rate in the near term due to increased speculation. On the corporate scene, MTN Nigeria Communications Plc. (MTN) announced a EUR100m financing agreement with European Investment. In the near to medium term, we envisage that this would result in more improved network quality and higher data traffic.

In the Nigerian equities market, bearish sentiment lingered this week, as the All-Share Index declined by 1.09% WoW to close at 43,912.64pts. Consequently, the Year-to-Date return dipped to 2.80% (from 3.33% last week). Across sectors, performance was mixed as **NGIBANK** (+0.07%) and **NGINDUSTR** (+0.34%) recorded week-on-week gains, while **NGXNSMRGDS** (-0.36%), **NGXINS** (-2.38%) and **NGXOILGAS** (-0.24%) closed negative.

At the T-Bills auction held during the week, a total of NGN100.18bn was raised (vs NGN 136.96bn subscribed), with rates increasing across the trio instruments - 91-Day to 6.50% (vs 6.47% last auction), 182-Day to 8.05% (vs 7.90% last auction) and 364-Day to 14.50% (vs 13.00% last auction). In the secondary fixed income market, performance was bearish, as average bond and treasury bills yields increased to 14.31% and 12.11% (vs 14.15% and 10.42% last week), respectively.

**Nigeria | October 28, 2022**

Market Performance			
Equities	This Week	Previous Week	% Δ
NGXASI	43,912.64	44,396.73	-1.09%
Volume (bn)	0.59	0.92	-36.28%
Value (bn)	14.23	16.70	-14.79%
Mkt. Cap. (bn)	23.92	24.18	-1.09%
Market Breadth	0.97x	1.13x	

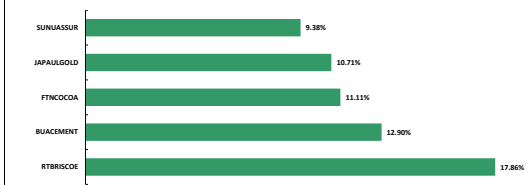
Sectoral Indices			
	WTD	MID	YTD
NGXBANK	0.07%	-0.30%	-5.90%
NGXNSMRGDS	-0.36%	-2.51%	-3.28%
NGXOILGAS	-0.24%	-4.77%	40.29%
NGXINS	-2.38%	-5.50%	-10.58%
NGXINDUSTR	0.34%	6.50%	-5.96%
NGX-ASI	-1.09%	-10.43%	2.80%

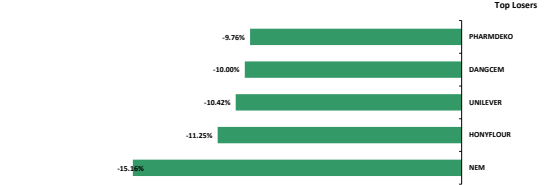
Other Indices			
	WTD	MID	YTD
NGX-30	-1.18%	-9.43%	-8.13%
NGX-PENSION	-1.19%	-2.54%	-0.42%

**Market Outliers**

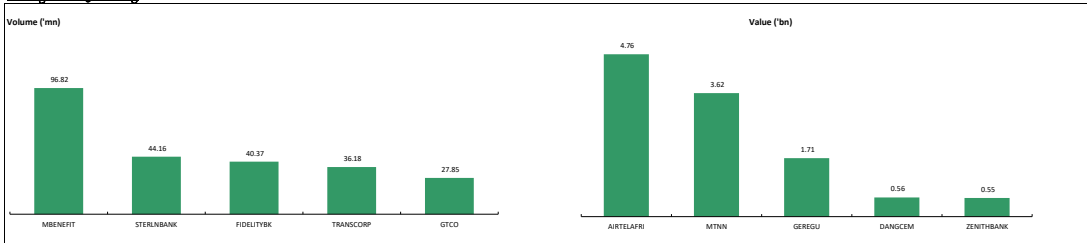
**Top Gainers**



**Top Losers**



**Weekly Trading Activity**



	This Week	Previous Week	% Δ
I & E (per USD)	444.75	441.67	-0.69%

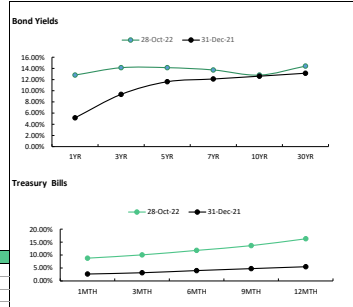
Bond Yields			
	This Week	Previous Week	% Δ
1YR	12.80%	14.58%	-1.78%
3YR	14.12%	14.22%	-0.10%
5YR	14.13%	14.96%	-0.23%
7YR	13.72%	14.14%	-0.42%
10YR	12.80%	12.80%	0.00%
30YR	14.41%	13.65%	0.76%

Money Market Rates		
	This Week	Previous
08B	16.17%	16.33%
OVN	16.50%	16.50%
Average	16.34%	16.42%

Treasury Bills Yields		
	This Week	Previous
1MTH	8.80%	9.43%
3MTH	10.06%	11.08%
6MTH	11.80%	12.73%
9MTH	13.63%	14.15%
12MTH	16.28%	16.12%
Average	12.11%	10.42%

**Fixed Income Monitor**



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Meristem Research portal: <https://research.meristemng.com/reports>

Bloomberg: MERI <GO>

Capital IQ: [www.capitaliq.com](http://www.capitaliq.com)

ISI Emerging Markets: [www.securities.com/ch.html?pc=NG](http://www.securities.com/ch.html?pc=NG)

Reuters: [www.thomsonreuters.com](http://www.thomsonreuters.com)

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