

What Moved the Markets this Week?

According to the US Bureau of Labour Statistics, inflation decelerated for the 4th consecutive month to 7.70% YoY in October 2022 (vs 8.20% YoY in September 2022). This represents the slowest pace of inflation growth since the start of the year, attributed to the impact of the consolidated rate hikes (375bps) by the Federal Reserve. We expect the Fed to maintain its contractionary monetary policy stance as inflation rate remains above its 2.00% target band. Elsewhere, the Office of National Statistics reported a decline in UK's GDP growth for Q3:2022 to -0.2% YoY from 0.2% YoY in Q2:2022. The decline in production output, construction and services sectors, alongside the close down of operations in September as the country mourned the death of its Queen impacted output. For Q4:2022, we expect a further contraction in the country's GDP growth and a likely fall into recession due to the expectation of a continued rate hike by the Bank of England.

In Africa, the Ghanaian inflationary environment worsened as the inflation rate for the month of October increased to 40.40% YoY (vs 37.20% YoY in September). The increase was piloted by the uptick in both the food and core index, which rose by 43.70% YoY and 37.80% YoY (vs 37.80% YoY and 36.80% YoY in September 2022), respectively. We expect the monetary policy authority to maintain its hawkish stance to combat the spiralling inflation in the country.

In Nigeria, according to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), average daily crude oil output increased to 1.01mbpd in October 2022 (vs 0.94mbpd in September 2022). This represents the first reversal to the downward trend of oil production since June, which is reflective of the Government intensified efforts against oil theft and pipeline vandalism in the country. Our prognosis is for oil production to continue to improve hinged on the sustained action against oil theft and pipeline vandalism as well as the expected commencement of export operations at the Forcados Oil Terminal and Bonny Terminal in November.

The equities market ended the week in the red zone, as the All-Share Index declined by 0.68% WoW to close at 43,968.75pts. Consequently, the Year-to-Date return fell to 2.93% (from 3.63% previous week). Across sectors, performance was broadly negative as **NGXINDUSTR** (-0.29%), **NGXCNSMRGDS** (-1.95%), **NGXINS** (-2.25%) and **NGXOILGAS** (-0.74%) closed negative, while **NGXBNK**(0.11%) recorded week-on-week gains.

In the secondary fixed income market, performance was bullish as average bond yields and treasury bills declined to 14.45% and 12.37% (vs. 14.51% and 12.59% last week), respectively.

Nigeria | November 11, 2022

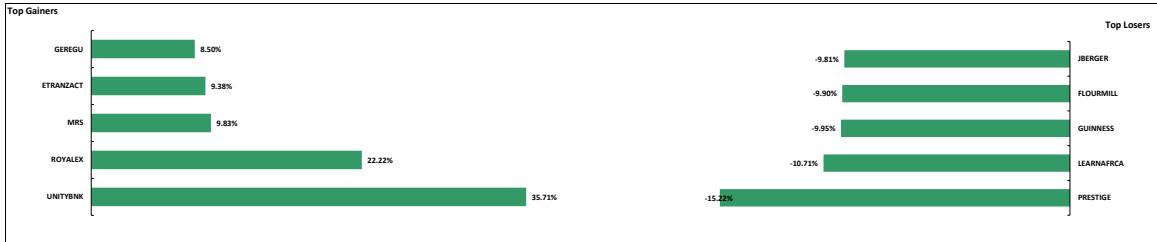
Market Performance

Equities	This Week	Previous Week	%Δ
NGXASI	43,968.75	44,269.18	-0.68%
Volume ('bn)	1.09	1.24	-11.92%
Value ('bn)	11.71	14.03	-16.53%
Mkt. Cap. ('bn)	23.95	24.11	-0.68%
Market Breadth	0.84x	0.47x	

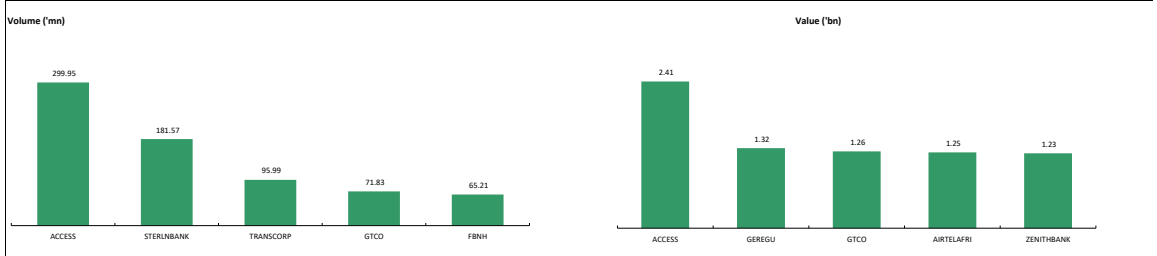
Sectoral Indices	WTD	MID	YTD
NGXBNK	0.11%	-0.96%	-8.54%
NGXCNSMRGDS	-1.95%	-3.86%	-7.36%
NGXOILGAS	-0.74%	-5.73%	31.78%
NGXINS	-2.25%	-3.85%	-22.45%
NGXINDUSTR	-0.29%	5.04%	-1.22%
NGX-ASI	-0.68%	0.29%	2.93%

Other Indices	WTD	MID	YTD
NGX-3D	1.15%	1.30%	-7.08%
NGX-PENSION	-0.44%	-0.36%	-0.87%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	%Δ
I & E (per USD)	445.75	445.50	-0.06%

Money Market Rates

	This Week	Previous
OBB	12.00%	8.50%
OVN	12.83%	8.83%
Average	12.42%	8.67%

Bond Yields

	This Week	Previous Week	%Δ
1YR	13.71%	13.23%	0.48%
3YR	13.93%	14.55%	-0.63%
5YR	14.55%	14.59%	-0.04%
7YR	14.97%	14.87%	0.10%
10YR	12.80%	12.80%	0.00%
30YR	14.33%	14.51%	-0.18%

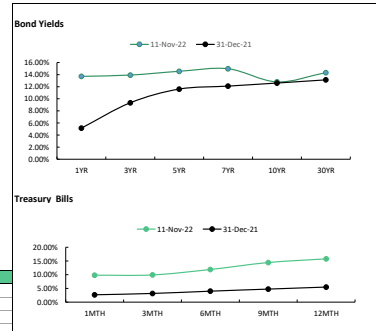
Treasury Bills Yields

	This Week	Previous
1MTH	9.82%	9.70%
3MTH	9.92%	10.49%
6MTH	11.90%	12.00%
9MTH	14.43%	14.46%
12MTH	15.79%	16.29%
Average	12.37%	12.59%

In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.05%	-0.48%	-0.21%	-0.50%	3.02%	-0.12%	-1.19%	3.52%
WTD	-0.68%	-0.21%	0.00%	0.42%	5.10%	1.13%	0.52%	5.72%
YTD	2.93%	-12.29%	-1.61%	-23.05%	-1.18%	-24.95%	-27.79%	-19.88%
P/E	6.08x	4.86x	7.58x	6.91x	10.42x	8.29x	10.07x	13.13x

Fixed Income Monitor



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

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Reuters: www.thomsonreuters.com

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