

**What Moved the Markets this Week?**

During the week, the Federal Statistical Office of Germany reported that the German economy grew by 1.30% YoY in Q3-2022, majority driven by higher consumer spending. Although the result was higher than the projection (1.20% YoY), it was lower than Q3-2021 figure (1.80% YoY). Overall, Europe's largest economy remains strong, though surging inflationary pressures portend a risk to the growth outlook. In China, efforts to boost liquidity and support the real sector of the economy prompted its monetary authority, the People's Bank of China (PBOC), to reduce its cash reserve ratio by 25bps for the second time in 2022 and announce intentions to inject USD70bn into the economy. We recall that rising COVID-19 cases and related lockdown restrictions were major catalysts of a slowdown in its Q2 and Q3 GDP figures (2.5% and 3.00% - vs 4.80% in Q2-2022, respectively). Consequently, we expect this decision to reduce the banks' funding costs and spur credit creation.

To combat the rising inflationary pressure in the country and restrict capital outflows, Nigeria's Monetary Policy Committee (MPC) hiked its Monetary Policy Rate (MPR) by 100bps in its last meeting for the year. This represents the fourth consecutive rate hike in 2022. In the secondary fixed-income market, we expect the further rate hike to hold yields higher. Also, the National Bureau of Statistics (NBS) released Q3-2022 Gross Domestic Product (GDP) report. According to the report, the real GDP for the quarter grew by 2.25% YoY (vs 3.54% YoY and 4.03% YoY in Q2-2022 and Q3-2021, respectively). The non-oil sector (+4.27% YoY) continued its growth trajectory (for the seventh consecutive quarter), while the oil sector declined significantly by 22.67% YoY. The decline in the oil sector (due to dwindling oil production volume) and the consolidated effect of the monetary policy rate hikes (250bps) during the quarter contributed to the slowdown in general economic activities. Similar to last quarter, Agriculture (+1.34% YoY), ICT (+10.53% YoY), and Trade (+5.08% YoY) were the top contributors to the quarter's real GDP.

For the second consecutive week in November, the local bourse ended the week positive, as the All-Share Index increased by 6.88% WoW to close at 47,554.34pts. Consequently, the Year-to-Date return rose to 11.33% (vs 4.16% last week). Across sectors, performance was largely positive, as all indices but the **NGXOILGAS** (-1.29%) recorded week-on-week gains.

At the T-bills auction held during the week, the Central Bank of Nigeria (CBN) raised a total of NGN213.43bn (the exact amount offered). However, compared to the previous auction, we observed lower investors' participation, as total subscription declined to NGN360.25bn (vs NGN520.92bn in the last auction). Consequently, the stop rate on the 364-Day instruments increased by 85bps to 14.84% while 91-Day and 182-Day remained flat. In the secondary fixed income market, performance was bearish as average T-bills and bond yields increased to 12.69% and 14.38% (vs 12.43% and 14.37% last week), respectively.

**Nigeria | November 25, 2022**

Market Performance			
Equities	This Week	Previous Week	% Δ
NGXASI	47,554.34	44,492.73	6.88%
Volume (Fbn)	0.67	0.67	0.03%
Value (Fbn)	15.30	8.66	76.60%
Mkt. Cap. (Fbn)	26.90	24.23	6.88%
Market Breadth	2.75x	1.00x	

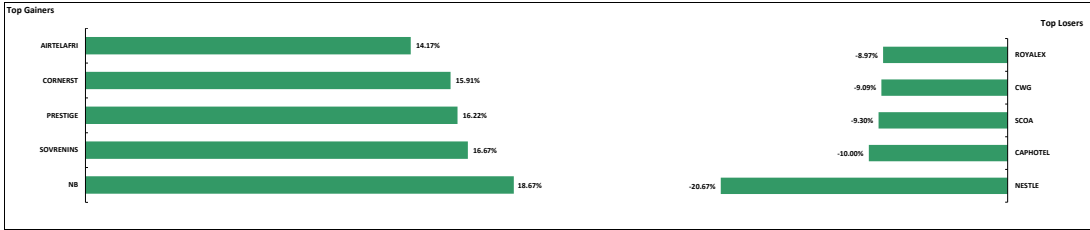
  

Sectoral Indices	WTD	MTD	YTD
NGXBNK	3.06%	5.44%	-1.70%
NGXCNSMRGDS	0.15%	-2.84%	-6.38%
NGXOILGAS	-1.29%	-8.20%	28.34%
NGXBNS	5.06%	1.95%	-17.76%
NGXINDUSTR	9.45%	14.54%	7.71%
NGX-ASI	6.88%	8.47%	11.33%

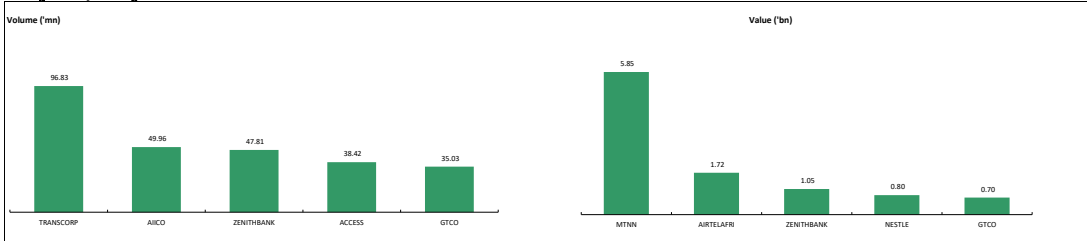
  

Other Indices	WTD	MTD	YTD
NGX-30	6.59%	8.52%	-0.46%
NGX-PENSION	2.73%	4.77%	4.24%

**Market Outliers**



**Weekly Trading Activity**



	This Week	Previous Week	% Δ
I & E (per USD)	446.33	445.67	-0.15%

Bond Yields	This Week	Previous Week	% Δ
1YR	15.57%	13.49%	2.08%
3YR	14.57%	13.54%	1.02%
5YR	15.86%	14.57%	1.29%
7YR	14.58%	13.99%	0.59%
10YR	12.80%	12.80%	0.00%
30YR	14.85%	14.33%	0.52%

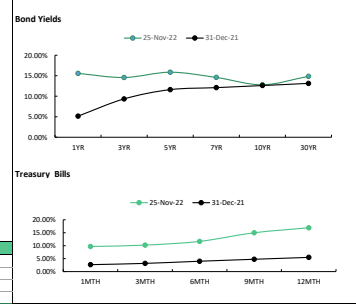
Money Market Rates		
	This Week	Previous
ORB	12.25%	16.25%
OVN	12.63%	16.50%
Average	12.44%	16.38%

Treasury Bills Yields		
	This Week	Previous
1MTH	9.68%	9.42%
3MTH	10.22%	9.92%
6MTH	11.66%	11.28%
9MTH	14.99%	14.78%
12MTH	16.91%	16.72%
Average	12.69%	12.43%

In Other Markets							
	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Developed
Today	2.04%	0.00%	1.42%	-0.22%	0.16%	0.44%	1.42%
WTD	6.88%	0.00%	0.00%	-1.17%	0.92%	0.81%	2.32%
YTD	11.33%	-11.80%	6.95%	-23.40%	-0.63%	-21.77%	-15.80%
P/E	6.58x	4.84x	8.20x	6.78x	10.71x	8.60x	10.74x

**Fixed Income Monitor**



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

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