

What Moved the Markets this Week?

During the week, the United States Federal Reserve announced its fourth consecutive 75bps rate hike, thereby increasing the target range for the Fed funds rate to 3.75% - 4.00%. The decision to raise interest rate for the sixth time this year was unanimously agreed upon by the Federal Open Market Committee (FOMC). Also, the committee reiterated the likelihood of furthering its tightening cycle while continuing its quantitative tightening to maintain the federal fund rate at the desired level. Due to the committee's decision, we note the possibility of a contraction in output in the coming quarters. Also, the US Bureau of Labour Statistics reported that the unemployment rate for October increased to 3.7% (from 3.5% in September). Furthermore, the increase in non-farm payroll (261,000) represents the lowest so far this year. Elsewhere, the Bank of England (BoE) increased its bank rate by 75bps to 3.0%, representing the highest benchmark rate since November 2008. This increase in rates is notwithstanding the expectation of a recession by the monetary authority through the first half of 2024 due to high energy prices and tighter financial conditions. According to data from Eurostat, inflation in the Eurozone hit double digits in October, rising to 10.70% YoY (vs 9.90% YoY in September). The acceleration in the inflation rate was majorly driven by higher energy prices (41.9% YoY vs 40.7% YoY in September). Furthermore, the core CPI increased to 5.0% in October (vs 4.8% in September).

According to the Kenya National Bureau of Statistics, inflation rate increased for the eighth consecutive month to 9.59% YoY (vs 9.18% YoY in September). The increase in inflation was majorly driven by an increase in food and non-alcoholic beverages (+15.8% YoY), transport (+11.6% YoY) and housing, water, electricity, gas and other fuels (+7.1% YoY). The increase in the housing, water, electricity, gas and other fuels index reflects the increased prices of electricity units during the period.

In Nigeria, the Nigerian National Petroleum Company announced an agreement with Addax Petroleum Development to exit its four major oil mining blocks in Nigeria. This move is expected to create an avenue for investment opportunities in the oil and gas sector, ensure proper utilisation of the assets, and boost the country's oil production volume.

The local bourse ended the week on a positive note, as the All-Share index increased by 0.81% WoW to close at 44,269.18pts. Consequently, the Year-to-Date return rose to 3.63% (from 2.80% last week). Across sectors, however, performance was largely negative as NGXBNK(-1.87%), NGXNSMRGDS (-2.32%), NGXINS (-1.35%), and NGXOLGAS (-5.37%) closed negative while NGXINDUSTR (+5.35%) recorded week-on-week gains.

In the fixed-income secondary market, performance was bearish, as average bond and treasury bills yields increased to 14.51% and 12.59% (vs 14.31% and 12.11% last week).

Nigeria | November 04, 2022

Market Performance

Equities	This Week	Previous Week	% Δ
NGXASI	44,269.18	43,912.64	0.81%
Volume (Fbn)	1.05	0.59	78.82%
Value (Fbn)	15.40	14.23	8.23%
Mkt. Cap. (Fbn)	24.11	23.92	0.81%
Market Breadth	0.47x	1.00x	

Sectoral Indices	WTD	MTD	YTD
NGXBNK	-1.87%	-1.07%	-8.64%
NGXNSMRGDS	-2.32%	-1.95%	-5.52%
NGXOLGAS	-5.37%	-5.03%	32.76%
NGXINS	-1.35%	-1.65%	-20.67%
NGXINDUSTR	5.35%	5.35%	-0.93%
NGX-ASI	0.81%	0.98%	3.63%

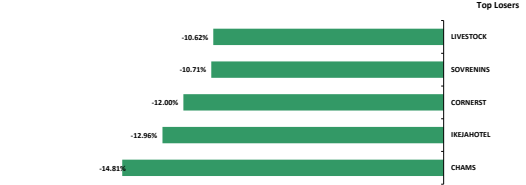
Other Indices	WTD	MTD	YTD
NGX-30	1.15%	1.30%	-7.08%
NGX-PENSION	-0.44%	-0.36%	-0.87%

Market Outliers

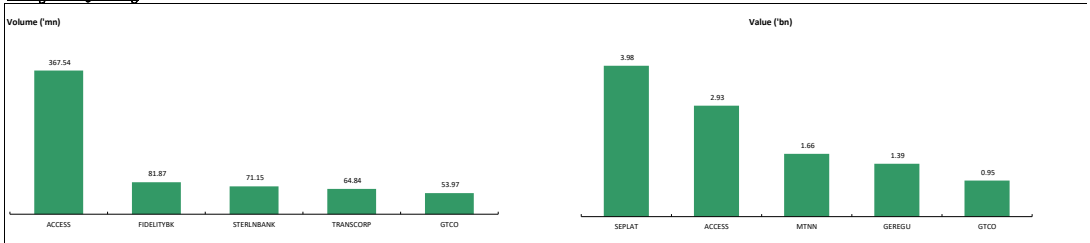
Top Gainers



Top Losers



Weekly Trading Activity



	This Week	Previous Week	% Δ
I & E (per USD)	445.50	444.75	-0.17%

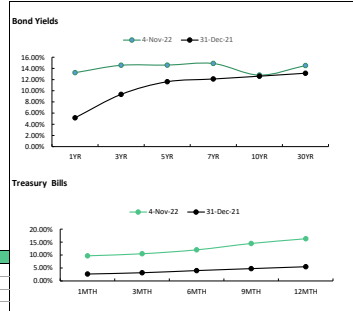
Bond Yields	This Week	Previous Week	% Δ
1YR	13.23%	12.80%	0.43%
3YR	14.55%	14.12%	0.43%
5YR	14.59%	14.13%	0.46%
7YR	14.87%	13.72%	1.15%
10YR	12.80%	12.80%	0.00%
30YR	14.51%	14.41%	0.11%

Money Market Rates	This Week	Previous
OBB	8.50%	16.17%
OVN	8.83%	16.50%
Average	8.67%	16.34%

Treasury Bills Yields	This Week	Previous
1MTH	9.70%	8.80%
3MTH	10.49%	10.06%
6MTH	12.00%	11.80%
9MTH	14.46%	13.63%
12MTH	16.29%	16.28%
Average	12.59%	12.11%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.07%	0.48%	0.18%	-0.21%	4.24%	-1.02%	-1.39%	-1.88%
WTD	0.81%	0.00%	0.00%	-0.69%	3.71%	-1.64%	1.81%	-1.04%
YTD	3.63%	-11.91%	-5.79%	-23.37%	-6.59%	-26.67%	-30.12%	-25.91%
YTD	6.16x	4.88x	7.26x	6.77x	9.86x	7.90x	9.69x	12.06x

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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