

## What Moved the Markets this Week?

During the week, Eurostat reported a decline in Eurozone's inflation to 10.00% YoY in November (vs. 10.60% YoY in October), mainly due to lower energy costs. While energy inflation in the region eased to 34.90% YoY from 41.50% YoY in October, food inflation continues to trend higher - 13.60% YoY (vs. 13.10% YoY in October). Inflation increased on a month-on-month basis across the Euro area member countries except in Belgium, Greece, Spain, Cyprus, Luxembourg, Malta, Netherlands. While we note that inflation remains above ECB's targeted 2.00%, we expect a less aggressive hike in benchmark rate by the ECB in December given the slowdown in inflation and the Eurozone's current economic environment. Elsewhere, China's manufacturing activities was slightly upbeat in November as the Caixin manufacturing PMI increased to 49.40pts (vs. 49.20pts in October). However, the sub-indices for output and new orders remained below 50 for the third and fourth months respectively due to covid controls and increasing risk of recession among trading partners. China's economy faces headwinds including weaker external demand, housing market crises and protest against covid-19 lockdown measures.

Recent data from the Kenya National Bureau of Statistics (KNBS) shows inflation easing to 9.50% YoY in November (vs. 9.60% YoY in October). Decline in inflation is attributed to drop in food and non-alcoholic beverages to 15.40% YoY from 15.80% YoY in October. Furthermore, transportation index dropped by 0.10% MoM, and the housing, water, electricity, gas and other fuel's index declined by 0.40% MoM in November.

In the domestic economy, the National Pension Commission (PenCom) reported an increase in Nigeria's total pension fund assets by 1.14% MoM to NGN14.59trn in October (vs. NGN14.42trn in the prior month). Also, the number of registered Retirement Savings Account (RSA) increased by 0.59% MoM to 9.85mn (vs. 9.79 in September). The details of the report shows that while pension fund administrators investment in the domestic fixed income space increased by 1.47% MoM to NGN15.24trn in October, investment in the equities market declined by 4.65% MoM to NGN828.17bn (vs. NGN868.58bn in September). We believe this is due to the attractiveness of fixed income market as opposed to other investment options given the rising y yields.

The local bourse sustained the bullish sentiments from previous weeks, as the All-Share Index increased by 1.26% WoW to close at 48,154.65pts. Consequently, the Year-to-Date return rose to 12.73% (vs 11.33% last week). Across sectors, performance was mixed, as **NGXBNK** (+1.23%), **NGXINS** (+1.11%) and **NGXOILGAS** (+0.44%) recorded week-on-week gains while **NGXNSMRGDS** (-0.61%) and **NGXINDUSTR** (-1.20%) closed negative.

In the secondary fixed income market, performance was bullish as average T-bills and bond yields decreased to 11.83% and 14.28% (vs 12.69% and 14.38% last week), respectively.

## Nigeria | December 02, 2022

## Market Performance

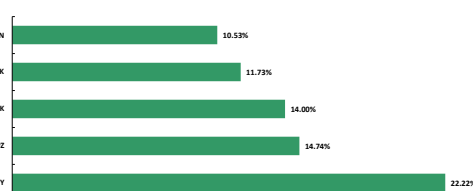
Equities	This Week	Previous Week	%Δ
NGXASI	48,154.65	47,554.34	1.26%
Volume ('bn)	0.83	0.67	23.19%
Value ('bn)	12.42	15.30	-18.82%
Mkt. Cap. ('bn)	26.23	25.90	1.26%
Market Breadth	1.52x	2.75x	

Sectoral Indices	WTD	MID	YTD
NGXBNK	1.23%	1.85%	-0.50%
NGXNSMRGDS	-0.61%	1.17%	-6.95%
NGXOILGAS	0.44%	0.35%	28.90%
NGXINS	1.11%	0.12%	-16.85%
NGXINDUSTR	-1.20%	0.00%	6.41%
NGX-ASI	1.26%	1.04%	12.73%

Other Indices	WTD	MID	YTD
NGX-30	1.28%	1.07%	0.81%
NGX-PENSION	1.78%	1.68%	6.10%

## Market Outliers

## Top Gainers



## Top Losers

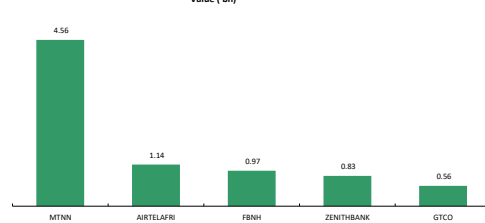


## Weekly Trading Activity

## Volume ('mn)

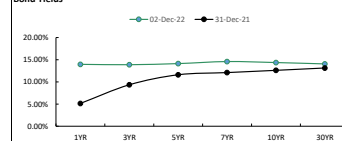


## Value ('bn)

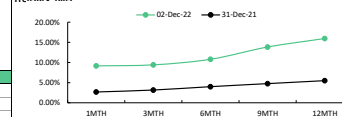


## Fixed Income Monitor

## Bond Yields



## Treasury Bills



	This Week	Previous Week	%Δ
I & E (per USD)	445.33	446.33	0.22%

## Bond Yields

	This Week	Previous Week	%Δ
1YR	13.96%	15.57%	-1.61%
3YR	13.87%	14.57%	-0.69%
5YR	14.13%	15.86%	-1.73%
7YR	14.58%	14.58%	0.00%
10YR	14.36%	12.80%	1.56%
30YR	14.05%	14.85%	-0.80%

## In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.04%	0.00%	2.87%	-0.35%	-1.72%	-0.06%	0.62%	2.67%
WTD	1.26%	0.01%	0.00%	-0.68%	0.79%	2.41%	3.96%	1.68%
YTD	12.73%	-11.79%	14.15%	-24.05%	0.03%	-19.20%	-20.59%	-14.56%
P/E	2.01x	0.23x	8.62x	6.61x	9.66x	9.38x	11.03x	13.92x

## Money Market Rates

	This Week	Previous
OBB	11.38%	12.25%
OVN	13.00%	12.63%
Average	12.19%	12.44%

## Treasury Bills Yields

	This Week	Previous
1MTH	9.15%	9.68%
3MTH	9.41%	10.22%
6MTH	10.79%	11.66%
9MTH	13.84%	14.99%
12MTH	15.94%	16.91%
Average	11.83%	12.69%

## Contact Information

## Investment Research

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Meristem Research can also be accessed on the following platforms:

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

Bloomberg: MERI<GD>

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

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

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

FactSet: [www.factset.com](http://www.factset.com)

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