

What Moved the Markets this Week?

At the start of the week, the European Union announced an energy price cap of USD60/bbl on Russian seaborne oil, which implies that European Union operators can only insure and ship Russian oil at USD60/bbl or below. The EU expects this to reduce Russia's oil revenue and ultimately pressure the country out of war. While this poses a threat to Russia's oil revenue in the case that the country refuses to sell at the capped price, other importers like China and India remain alternatives. Also, the Eurostat reported EU's GDP growth at 2.50% YoY in Q3-2022, representing a slowdown in GDP growth rate from 4.20% YoY in Q2-2022. The slowdown in the GDP growth is attributable to the European Central Bank's (ECB) aggressive monetary policy stance, which has culminated to a rate hike of 200bps. We note that the authority's focus on tightening monetary policy to rein in on inflation could further pressure economic growth. Elsewhere, China's inflation moderated to 1.60% YoY in November 2022 (vs 2.10% YoY in October 2022). The moderation was due to the slowdown in food prices to 3.70% YoY in November from 7.0% YoY in October. We opine that the deceleration in inflation rate further makes a case for the monetary authority's dovish stance, which is targeted at supporting economic growth.

The Statistics of South Africa reported an increase in the country's Q3-2022 GDP by 1.60% YoY (vs -0.70% YoY in Q2-2022). The growth was majorly driven by the improvement in the transport, storage and communication industry, which grew by 3.7% YoY, others sectors that contributed to growth include agriculture, finance, real estate divisions.

In the domestic economy, the Central Bank of Nigeria announced the cash withdrawals policy, following the redesigning of naira notes announced in October. Effective January 9, 2023, cash withdrawals from ATMs and POS terminals are limited to NGN20,000 daily while weekly ATM withdrawal is limited to NGN100,000. In addition ATMs can only dispense NGN200 naira notes and below. For over the counter withdrawals, a weekly and monthly limit of NGN100,000 and NGN5,000m respectively was imposed on individuals while a weekly and monthly limit of NGN500,000 and NGN10,000m respectively was imposed on corporate organizations. Withdrawals higher than the stipulated limits would attract a processing fee of 5% for individuals and 10% for corporates.

The equities market sustained the positive sentiment from previous weeks, as the All-Share Index increased by 1.51% WoW to close at 48,881.93pts. Consequently, the Year-to-Date return grew to 14.43% (vs 12.73% last week). Across sectors, performance was largely positive as NGKINS (+1.31%), NGKOILGAS (+0.29%), NGKXSMRGDS (+1.65%), NGKINDUSTR (+8.53%) recorded week-on-week gains except NGKBNK (-0.25% WoW) which closed negative.

At the T-bills auction, the CBN raised NG104.36bn almost double the amount (NGN54.36bn) offered. Following increased subscription, stop rates declined across all three instruments by 1bps, 5bps, and 145bps to (6.49%, 8.00%, 13.05%) respectively. In the secondary fixed income market, performance was bullish as average T-bills and bond yields declined to 11.25% and 14.09% (vs 11.83% and 14.28% last week), respectively.

Nigeria | December 09, 2022

Market Performance

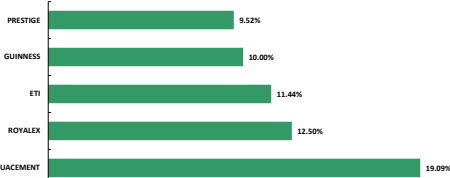
Equities	This Week	Previous Week	%Δ
NGKASI	48,881.93	48,154.65	1.51%
Volume (bn)	0.76	0.63	-8.88%
Value (bn)	13.63	12.42	9.79%
Mkt. Cap. (bn)	26.62	26.23	1.51%
Market Breadth	1.33x	1.52x	

Sectoral Indices	WTD	MID	YTD
NGKBNK	-0.25%	1.60%	-0.74%
NGKXSMRGDS	1.65%	2.84%	-5.41%
NGKOILGAS	0.29%	0.64%	29.27%
NGKINS	1.31%	1.43%	-15.76%
NGKINDUSTR	8.53%	8.52%	15.49%
NGK-ASI	1.51%	2.56%	14.43%

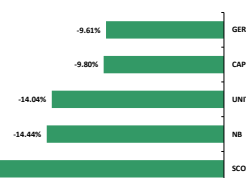
Other Indices	WTD	MID	YTD
NGX-30	1.86%	2.95%	2.68%
NGX-PENSION	-0.39%	1.29%	5.68%

Market Outliers

Top Gainers

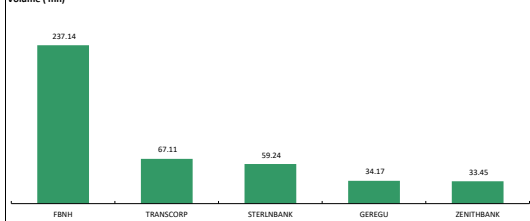


Top Losers

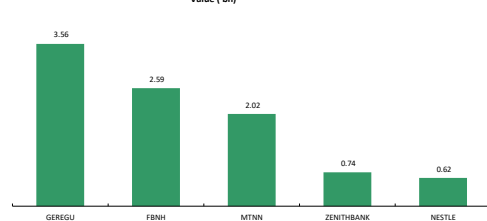


Weekly Trading Activity

Volume (mn)

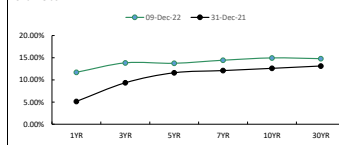


Value (bn)

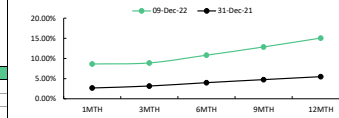


Fixed Income Monitor

Bond Yields



Treasury Bills



	This Week	Previous Week	%Δ
I & E (per USD)	446.50	445.33	-0.26%

Money Market Rates

	This Week	Previous
OBB	13.63%	11.38%
OVN	14.13%	13.00%
Average	13.88%	12.19%

Bond Yields

	This Week	Previous Week	%Δ
1YR	11.71%	13.96%	-2.25%
3YR	13.84%	13.87%	-0.03%
5YR	13.74%	14.13%	-0.38%
7YR	14.43%	14.58%	-0.15%
10YR	14.95%	14.36%	0.59%
30YR	14.79%	14.85%	-0.06%

Treasury Bills Yields

	This Week	Previous
1MTH	8.63%	9.15%
3MTH	9.90%	9.41%
6MTH	10.82%	10.79%
9MTH	12.86%	13.84%
12MTH	15.07%	15.94%
Average	11.25%	11.83%

in Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.07%	0.00%	0.35%	0.10%	0.69%	0.13%	1.09%	0.20%
WTD	1.51%	-0.11%	0.00%	0.03%	0.88%	0.28%	-0.48%	-1.09%
YTD	14.43%	-11.90%	24.18%	-24.03%	1.72%	-18.94%	-21.93%	-16.03%
P/E	9.97x	4.85x	9.18x	6.52x	9.83x	9.46x	10.95x	13.67x

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Bloomberg: MERI-CGD

Capital IQ: www.capitaliq.com

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