

What Moved the Markets this Week?

On the global scene, the United States Bureau of Statistics released the country's inflation report for December 2022. According to the report, the inflation rate decelerated for the 6th consecutive month to 6.50% YoY (vs 7.10% YoY in November 2022). This decline was largely driven by moderation in food, energy and core inflation to 10.43% YoY, 7.00% YoY, and 5.70% YoY (vs 10.66% YoY, 13.00% YoY, and 6.00% YoY), respectively. The continuous disinflation supports our expectation of a slower pace of interest rate tightening from the Fed's next meeting. Also, the United States Energy Information Administration (EIA) increased its 2023 global oil demand projection by 50,000bpd to 100.48mbpd, while the global oil demand outlook for 2024 was estimated at 102.20mbpd. This is expected to be driven by increased consumption in China (given the recent opening of the Chinese economy) and India, which is expected to keep crude oil prices elevated.

On the domestic scene, AIRTELAFRI disclosed that its subsidiary, Airtel Nigeria, has acquired the 5G spectrum from Nigerian Communications Commission (NCC) for a consideration of USD316.70mn, payable in Naira. In the long term, we expect this to improve AIRTELAFRI's data traffic and revenue. Also, ACCESSCORP announced the discontinuation of the proposed acquisition by its subsidiary, Access Bank Plc, of 83.43% shareholding held by Kenyan-based Centum Investment Plc in Sidan Bank Ltd. This was attributable to the parties' inability to meet the requirements before the stop date stated in the transaction document. We expect the group to continue looking for other attractive opportunities in the region and across Africa.

This week, the local bourse closed in the green as the All-Share Index gained 2.52% to close at 52,512.48pts. Consequently, the Year-to-Date return rose to 2.46% (vs 0.06% last week). Across sectors, performance was broadly bullish, as all sectoral indices recorded week-on-week gains except NGXINS (-1.64% WoW).

At the Treasury Bills Primary Market Auction (PMA) held during the week, the Federal Government raised NGN56.93bn, equalling the amount offered. Also, the total subscription was 6.83x the total amount offered. Consequently, stop rates on the 91-Day, 182-Day, and 364-Day instruments declined to 2.00%, 4.33%, and 7.30% (vs 2.75%, 7.15%, and 8.49% at the previous auction). In the secondary fixed income market, performance was mixed, as average T-bills yield declined to 3.91% (vs 5.15% last week), while average bond yield increased to 12.78% (vs 12.68% last week).

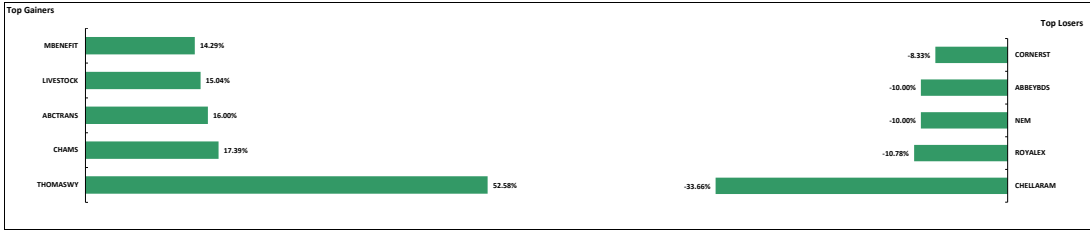
Nigeria | January 13, 2023

Market Performance			
Equities	This Week	Previous Week	% Δ
NGXASI	52,512.48	51,222.34	2.52%
Volume (bn)	1.27	0.72	76.82%
Value (bn)	29.63	24.84	19.28%
Mkt. Cap. (bn)	28.60	27.90	2.52%
Market Breadth	1.93x	1.86x	

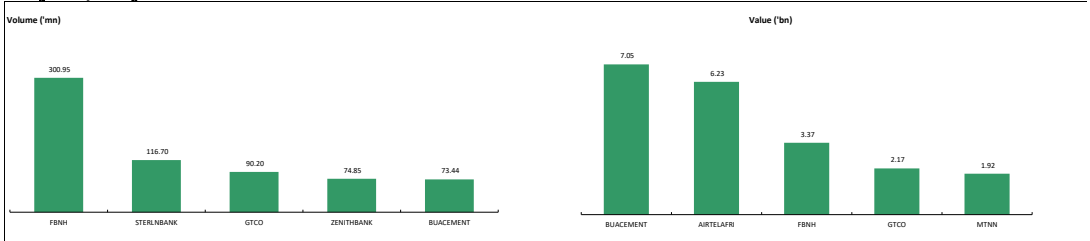
Sectoral Indices	WTD	MTD	YTD
NGXBANK	3.48%	7.91%	7.91%
NGXCNSMRGDS	0.68%	7.16%	7.16%
NGXINDAS	3.19%	3.25%	3.25%
NGXINS	-1.64%	1.00%	1.00%
NGXINDUSTR	3.34%	2.75%	2.75%
NGX-ASI	2.52%	2.46%	2.46%

Other Indices	WTD	MTD	YTD
NGX-30	2.55%	7.25%	6.98%
NGX-PENSION	0.67%	5.79%	10.37%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	% Δ
I & E (per USD)	461.90	461.67	-0.05%

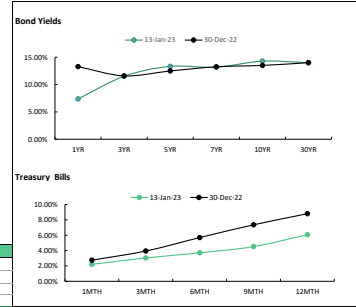
Bond Yields			
	This Week	Previous Week	% Δ
1YR	7.37%	7.49%	-0.12%
3YR	11.52%	11.41%	0.11%
5YR	13.32%	12.48%	0.84%
7YR	13.18%	12.78%	0.41%
10YR	14.28%	13.58%	0.69%
30YR	14.00%	14.00%	0.00%

In Other Markets								
	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.89%	0.00%	0.15%	-0.60%	0.64%	0.92%	0.14%	1.50%
WTD	2.52%	-0.21%	0.00%	-2.83%	2.96%	2.29%	3.00%	3.32%
YTD	2.46%	-0.21%	6.53%	-3.30%	8.33%	4.72%	6.48%	6.08%
P/E	12.42x	5.17x	9.45x	6.22x	10.34x	10.23x	11.42x	14.38x

Money Market Rates		
	This Week	Previous
ORB	9.67%	13.00%
OVN	10.00%	14.50%
Average	9.84%	13.75%

Treasury Bills Yields		
	This Week	Previous
1MTH	2.20%	3.21%
3MTH	3.04%	3.81%
6MTH	3.71%	4.56%
9MTH	4.52%	6.00%
12MTH	6.07%	7.74%
Average	3.91%	5.15%

Fixed Income Monitor



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Bloomberg: MER:GD

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Reuters: www.thomsonreuters.com

FactSet: www.factset.com

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