

**What Moved the Markets this Week?**

For the second consecutive month, the United Kingdom's inflation rate moderated. According to the UK's Office for National Statistics, the country's inflation rate for December 2022 dipped to 10.50% YoY (vs 10.70% YoY in the previous month). Although food prices rose during the period, the lower prices of diesel, clothing and footwear contributed to the disinflation. Nonetheless, we opine that the Bank of England would maintain its hawkish stance in the short term in a bid to combat the higher-than-target inflation rate. In China, the National Bureau of Statistics (NBS) reported a 3.00% economic growth in 2022, lower than the country's 2022 target of 5.00%. The contributory factors to the slower economic growth include the resurgence of COVID-19 cases, lockdown restrictions, and the property market slump.

In Nigeria, the National Bureau of Statistics (NBS) released the country's December 2022 inflation report. Surprisingly, the headline inflation moderated to 21.34% YoY (vs 21.47% YoY in November), representing the first disinflation in eleven months. The food index was the major driver of the moderation, as it rose at a slower rate (23.75% YoY) compared to the previous month (24.13% YoY). In the Monetary Policy Committee (MPC)'s meeting next week, we project that the Committee would likely maintain its contractionary policy in an effort to bridge the gap between the Monetary Policy Rate (MPR) and the inflation rate. During the week, the Federal Government revealed that twenty (20) new local meter producers had been granted licenses. This comes as a development under the existing National Mass Metering Programme which seeks to facilitate the distribution of free meters across the country. On the corporate scene, Access Corporation (**ACCESSCORP**) launched its 5-Year Strategy (2023 - 2027) to provide insights into the group's strategy for the future. Succinctly, the group intends to solidify its presence across Africa in a bid to diversify earnings, as well as to de-epen its services beyond the banking ecosystem.

The Nigerian equities market sustained its positive mood this week as the All-Share Index gained 0.16% to close at 52,584.69pts. As a result, the Year-to-Date return increased to 2.62% (vs 2.46% last week). On a sectoral basis, the performance was mixed as **NGXCNSMRGDS** (+0.40% WoW), **NGXBANK** (-2.60% WoW) and **NGXINDUSTR** (-1.06% WoW) recorded week-on-week losses while **NGXOILGAS** (0.35% WoW) and **NGXINS** (1.78% WoW) closed up.

In the secondary fixed income market, performance was bearish, as average T-bills and bond yields rose to 3.94% and 13.42% (vs 3.91% and 12.78% last week).

**Nigeria | January 20, 2023**

**Market Performance**

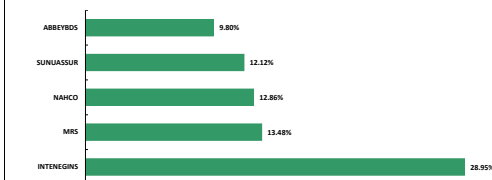
Equities	This Week	Previous Week	% Δ
NGXASI	52,594.68	52,512.48	0.16%
Volume (bn)	1.23	1.27	-2.97%
Value (bn)	15.67	29.63	-47.13%
Mkt. Cap. (bn)	28.65	28.60	0.18%
Market Breadth	1.21x	1.93x	

Sectoral Indices	WTD	MTD	YTD
NGXBANK	-2.60%	5.10%	5.10%
NGXCNSMRGDS	-0.40%	6.73%	6.73%
NGXOILGAS	0.35%	3.62%	3.62%
NGXINS	1.78%	2.80%	2.80%
NGXINDUSTR	-1.06%	1.65%	1.65%
NGX-ASI	0.16%	2.62%	2.62%

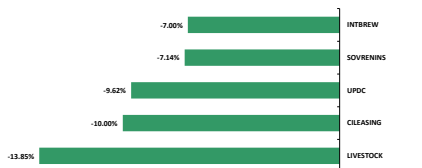
Other Indices	WTD	MTD	YTD
NGX-30	0.18%	3.06%	3.06%
NGX-PENSION	-0.64%	3.75%	3.75%

**Market Outliers**

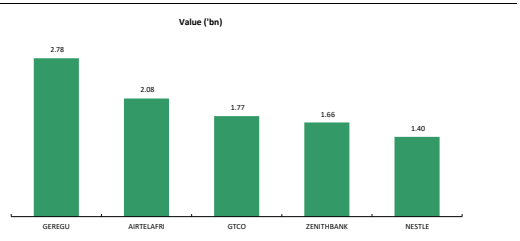
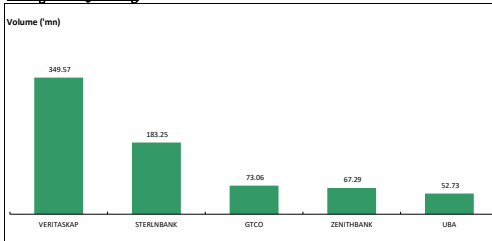
**Top Gainers**



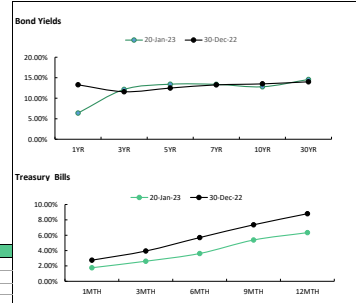
**Top Losers**



**Weekly Trading Activity**



**Fixed Income Monitor**



	This Week	Previous Week	% Δ
I & E (per USD)	461.50	461.90	0.09%

**Money Market Rates**

	This Week	Previous
0BB	11.00%	9.67%
OVN	11.50%	10.00%
Average	11.25%	9.84%

**Bond Yields**

	This Week	Previous Week	% Δ
1YR	6.38%	7.37%	-0.98%
3YR	12.24%	11.52%	0.62%
5YR	13.41%	13.32%	0.09%
7YR	13.38%	13.18%	0.20%
10YR	12.80%	14.28%	-1.48%
30YR	14.57%	14.00%	0.57%

**Treasury Bills Yields**

	This Week	Previous
1MTH	3.76%	2.20%
3MTH	2.61%	3.04%
6MTH	3.62%	3.71%
9MTH	5.37%	4.52%
12MTH	6.33%	6.07%
Average	3.94%	3.91%

**In Other Markets**

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.06%	-0.05%	0.49%	1.69%	-0.46%	-0.29%	-0.21%	-1.63%
WTD	0.16%	-0.18%	0.00%	0.83%	-0.24%	0.74%	-0.19%	-0.50%
YTD	2.62%	-0.39%	10.05%	-2.51%	8.34%	6.75%	7.48%	6.49%
P/E	12.45x	5.16x	9.77x	6.25x	10.34x	10.39x	11.38x	14.39x

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Meristem Research can also be accessed on the following platforms:

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

Bloomberg: MER:GD

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

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

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

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