

**What Moved the Markets this Week?**

According to the US Department of Labor, the initial jobless claims rose by 4.17% WoW to 225,000, implying that the number of people seeking unemployment benefits increased. However, the four-week moving average declined slightly to 221,000 (vs 221,250 in the prior week). This is a sign that the labour market is still tight despite Fed's efforts to slow down the economy in a bid to rein in inflation. In our opinion, this development could motivate Fed to maintain its current hawkish monetary stance at the next policy meeting. Elsewhere, China announced plans to ease border controls and lift the covid measures for international arrivals from January 8, 2023. This is expected to increase international travel flows and domestic resident mobility. Also, the transport and hospitality sectors are expected to benefit from the policy. According to Japan's Ministry of Economy, Trade and Industry, consumer spending fell in November as retail sales declined by 1.10% MoM. This represents the first decline in retail sales in five months, as apparel sales fell the most. However, we project this to be short-lived due to government energy subsidies expected to support consumer spending.

According to the Kenya National Bureau of Statistics (KNBS), Q3-2022's economic growth slowed to 4.70% YoY (vs 5.20% YoY in Q2-2022). For the fourth consecutive quarter, the agriculture sector was the primary contributor to the decline in the country's economic growth. This can be attributed to the adverse effect of ongoing drought in the region. Also, production of export crops was impacted by rising fertilizer and fuel costs. We believe that the lingering issues, in combination with the new administration's plan to cut spending by USD3.00bn could further cause a decline in the country's GDP.

On the domestic scene, the National Assembly approved the proposed 2023 budget following a NGN1.31trn upward revision. This brings the new budget balance to NGN21.82trn from NGN20.51trn that was initially proposed by the President. The increased funding was appropriated for the planned 2023 census and general elections. Also, the National Assembly increased the 2023 budget oil price benchmark to USD75/bbl from USD70/bbl in the initial proposal, while other parameters were retained.

In the last trading week of 2022, the Nigerian equities market closed in the green zone, as the All-Share Index increased by 3.11% WoW to close at 51,251.06 pts. Hence, the Year-to-Date return closed at 19.98%. Across sectors, performance was largely positive during the week as all sectoral indices closed positive except **NGXBNK** (-1.25 WoW).

In the fixed income market, this week, the Central Bank of Nigeria held a treasury bill primary market auction. A total sum of NGN67.43bn was raised, which is exactly the amount that was offered. Stop rates declined across the trio instrument by 275bps, 15bps and 140bps respectively to (2.75%, 7.15% and 8.49%). In the secondary fixed income market, performance was bullish, as average T-bills and bond yields declined to 3.71% and 13.04% (vs 8.12% and 13.07% last week), respectively.

**Nigeria | December 30, 2022**

**Market Performance**

Equities	This Week	Previous Week	%Δ
NGXASI	51,251.06	49,706.09	3.11%
Volume ('bn)	1.67	0.85	95.76%
Value ('bn)	16.68	16.14	3.36%
Mkt. Cap. ('bn)	27.92	26.86	3.92%
Market Breadth	2.71x	2.44x	

Sectoral Indices	WTD	MID	YTD
NGXBNK	-1.25%	5.24%	2.81%
NGXCONSMRGDS	4.85%	8.66%	-0.06%
NGXOILGAS	2.39%	4.36%	34.05%
NGXINS	3.65%	5.97%	-11.99%
NGXINDUSTR	0.14%	12.45%	19.67%
NGX-ASI	3.11%	7.53%	19.98%

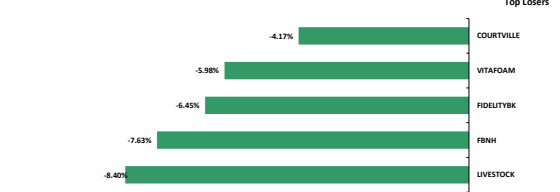
Other Indices	WTD	MID	YTD
NGX-30	2.55%	7.25%	6.98%
NGX-PENSION	0.67%	5.79%	10.37%

**Market Outliers**

**Top Gainers**

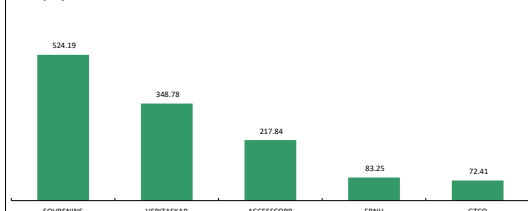


**Top Losers**

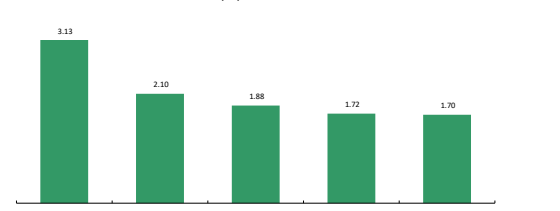


**Weekly Trading Activity**

**Volume ('mn)**



**Value ('bn)**



	This Week	Previous Week	%Δ
I & E (per USD)	461.50	456.50	-1.08%

**Money Market Rates**

	This Week	Previous
OBB	11.75%	12.00%
OVN	11.33%	12.75%
Average	11.54%	12.38%

**Bond Yields**

	This Week	Previous Week	%Δ
1YR	13.27%	12.98%	0.29%
3YR	11.82%	12.01%	-0.19%
5YR	12.48%	12.24%	0.25%
7YR	13.25%	9.96%	3.29%
10YR	14.04%	12.80%	1.24%
30YR	14.00%	13.17%	0.83%

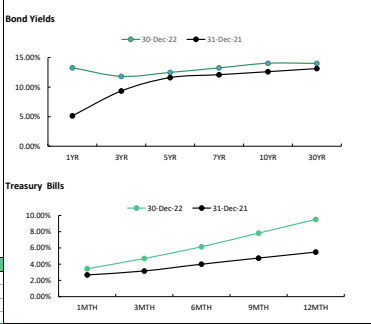
**Treasury Bills Yields**

	This Week	Previous
1MTH	3.44%	5.36%
3MTH	4.71%	6.48%
6MTH	6.15%	7.78%
9MTH	7.83%	9.41%
12MTH	9.51%	11.56%
Average	6.33%	8.12%

**In Other Markets**

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.89%	0.00%	0.14%	-0.84%	-0.75%	0.44%	-0.29%	0.63%
WTD	3.11%	0.00%	0.00%	-0.87%	-0.61%	-0.39%	0.28%	0.61%
YTD	19.98%	-12.48%	22.17%	-23.72%	-0.90%	-20.73%	-22.29%	-16.29%
P/E	10.42x	4.84x	8.91x	6.63x	9.55x	9.25x	10.71x	13.66x

**Fixed Income Monitor**



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Meristem Research can also be accessed on the following platforms:

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

Bloomberg: MERI-CGD

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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