

What Moved the Markets this Week?

On the global front, the Euro area witnessed another deceleration in inflation rate to 9.20% in December 2022 (down from 10.10% in November 2022). The decline in inflation in nations like Germany, France, Italy, and Spain mirrored the slowdown witnessed in the region as energy prices decreased. However, we note that the inflation in the Euro area remains significantly above the European Central Bank's 2.00% target. Also, despite this decline, the ECB could likely maintain its hawkish policy posture in the near term. Additionally, in December 2022, the Purchasing Managers Index (PMI) for the Eurozone increased marginally to 47.80 points (vs 47.10pts in November 2022). While this portends an increase in manufacturing activity from the previous month, it remains below the threshold of 50 points, indicating slow growth in the region. Conversely, in the UK, the PMI fell from 46.50 points in November to 45.30 points in December 2022. The decline in manufacturing activities was due to the drop in production and new orders, which resulted in the loss of jobs. This indicates a slowdown in output growth for the UK economy.

On the domestic scene, the Nigerian Financial Intelligence Unit (NFUI) stated that all government agencies and parastatals should embrace the cashless policy and therefore desist from making cash withdrawals from official accounts. In line with this, the Federal Government ordered that direct cash withdrawals by public institutions and officers should be stopped effective March 1, 2023. With an exception of transactions approved by the president, any cash withdrawal by a government official from government account would trigger investigations for money laundering and corruption. We expect that this to result in more digital transactions for banks as well as drive cashless policy.

The local bourse resumed the first trading week of 2023 on a negative note, as the All-Share Index declined by 0.06% to close at 51,222.34pts. This decline was majority due to sell-offs on bellwether tickers such as AIRTELAFRI (-5.20% WoW), BUACEMENT (-1.79% WoW), and NESTLE (-1.82%WoW). On a sectoral basis, positive sentiments were maintained as most sectoral indices closed up except for NGXINDUSTR (-0.58% WoW).

In the secondary fixed income market, performance was bullish, as average T-bills and bond yields declined to 5.15% and 12.68% (vs 6.33% and 13.04% last week), respectively.

Nigeria | January 6, 2023

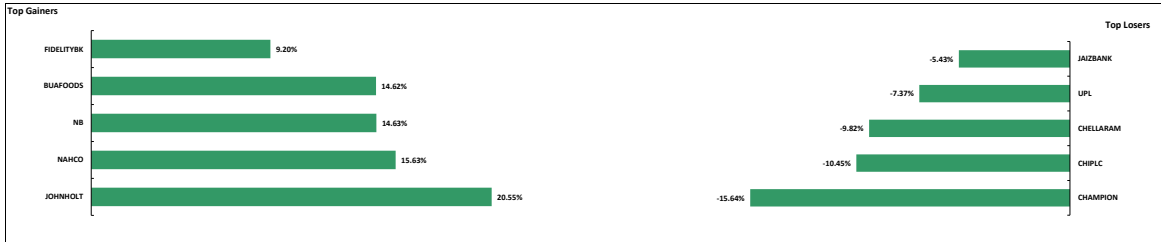
Market Performance

Equities	This Week	Previous Week	%Δ
NGXASI	51,222.34	51,251.06	-0.06%
Volume ('bn)	0.72	1.67	-57.04%
Value ('bn)	24.84	16.68	48.94%
Mkt. Cap. ('bn)	27.90	27.92	-0.06%
Market Breadth	1.86x	2.71x	

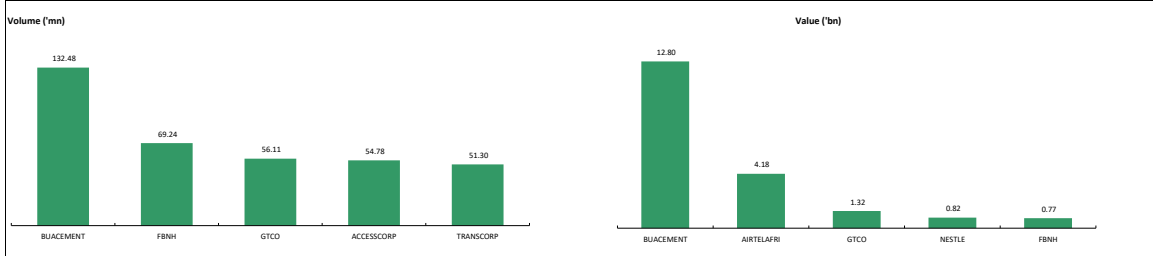
Sectoral Indices	WTD	MID	YTD
NGXBNK	4.27%	4.27%	4.27%
NGXCONSMRGDS	6.44%	6.44%	6.44%
NGXOILGAS	0.06%	0.06%	0.06%
NGXINS	2.68%	2.68%	2.68%
NGXINDUSTR	-0.58%	-0.58%	-0.58%
NGX-ASI	-0.06%	-0.06%	-0.06%

Other Indices	WTD	MID	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)	461.67	461.50	-0.04%

Money Market Rates

	This Week	Previous
OBB	13.00%	11.75%
OVN	14.50%	11.33%
Average	13.75%	11.54%

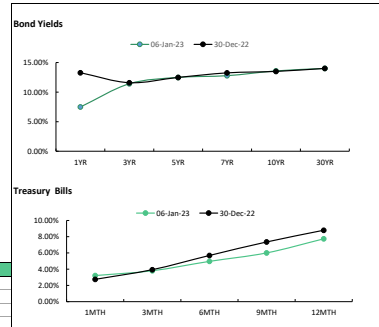
Bond Yields	This Week	Previous Week	%Δ
1YR	7.49%	13.27%	-5.79%
3YR	11.41%	11.82%	-0.41%
5YR	12.48%	12.48%	0.00%
7YR	12.78%	13.25%	-0.48%
10YR	13.58%	14.04%	-0.45%
30YR	14.00%	14.00%	0.00%

Treasury Bills Yields

	This Week	Previous
1MTH	3.21%	3.44%
3MTH	3.81%	4.21%
6MTH	4.96%	6.15%
9MTH	6.00%	7.83%
12MTH	7.74%	9.51%
Average	5.15%	6.33%

in Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.70%	0.00%	2.86%	-0.37%	1.80%	0.71%	1.00%	-1.01%
WTD	-0.06%	0.00%	0.00%	-0.49%	5.13%	2.62%	2.89%	0.90%
YTD	-0.06%	0.00%	9.62%	-0.49%	5.13%	2.62%	2.89%	0.90%
P/E	9.91x	5.18x	9.77x	6.43x	10.04x	9.54x	11.03x	13.68x

Fixed Income Monitor



Contact Information

Investment Research

research@meristemng.com

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