

What Moved the Markets this Week?

On the global scene, the Office for National Statistics released UK's GDP report for Q4:2022. According to the report, the British economy recorded zero growth (vs -0.20% YoY in Q3:2022), narrowly avoiding a recession. This was mainly driven by household spending and business investments, which grew by 0.10% YoY and 4.80% YoY (vs -0.40% YoY and -3.20% YoY in Q3:2022). Nonetheless, the recovery is considered temporary, as the cumulative rate hikes by the Bank of England and the labour shortage are expected to impact economic growth adversely. Elsewhere, China's inflation accelerated for the second consecutive month to 2.10% YoY in January 2023 (vs 1.80% YoY in December 2022). This was driven by increased demand propelled by the reopening of the Chinese economy and the Lunar New Year holiday. However, we expect the People's Bank of China to sustain its accommodative stance to support the recovery of the Chinese economy continually.

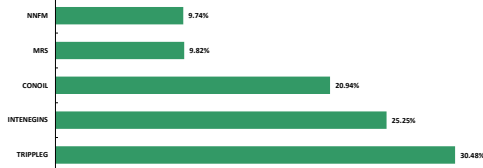
In the domestic economy, the Federal Government disclosed new measures to curb oil theft in Nigeria, including the Upstream Petroleum Measurement Regulations and the Advance Cargo Declaration Regulations. These measures are expected to enhance easy tracking of every vessel coming to land in Nigeria and the best use of the hydrocarbon measurement framework in the upstream sector, thereby improving oil production and revenue. Furthermore, Arova Plc disclosed the proposed acquisition of its shares by Ighite Investments & Commodities Limited at an offer price of NGN17.38 per share, after which ARDOVA will delist from the NGX. The offer price traded at a discount of 1.53% to the current price (NGN17.65) on the disclosure date (February 6, 2023). However, we note that the ticker lost 4.25% at the end of the trading week, which could signify investors' pessimistic sentiment prompted by the disclosure.

The Nigerian equities market closed in the green, as the All-Share Index increased by 0.21% to close at 54,327.30pts. Hence, the Year-to-Date return increased to 6.00% (vs 5.78% last week). On a sectoral basis, performance was mixed as **NGXBNK** (-0.90% WoW), **NGXNSMRGDS** (-0.63% WoW), and **NGXINS** (-3.32%) recorded week-on-week losses, while **NGXOLGAS** (+0.62% WoW) and **NGXINDUSTR** (+0.65%) closed positive.

At the Treasury Bills Primary Market Auction held during the week, the Federal Government offered NGN217.06bn (vs NGN17.06bn allotted). Also, the total subscription was 4.87x the amount offered. Consequently, rates declined across the trio instruments – the 91-day instrument to 0.10% (vs 0.29% at the previous auction), the 182-day instrument to 0.30% (vs 1.80% at the previous auction), and the 364-day instrument to 2.24% (vs 4.78% at the previous auction). On the other hand, the secondary fixed income market performance was bullish, as the average T-bills and bond yields declined to 1.78% and 13.08% (vs 2.16% and 13.24% last week).

Market Outlook

Top Gainers

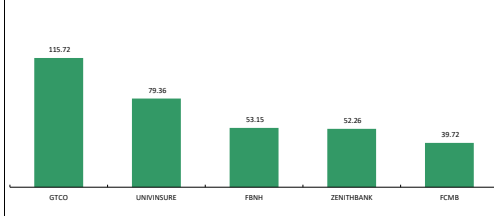


Top Losers

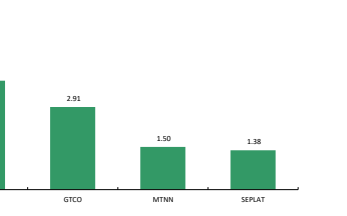


Weekly Trading Activity

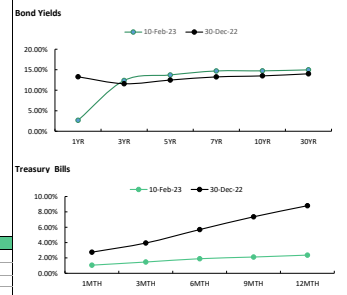
Volume (mn)



Value (bn)



Fixed Income Monitor



	This Week	Previous Week	%
I & E (per USD)	461.50	461.50	0.00%

	This Week	Previous Week	%
1YR	2.66%	2.92%	-0.25%
3YR	12.37%	12.42%	-0.05%
5YR	13.72%	14.01%	-0.28%
7YR	14.70%	14.15%	0.56%
10YR	14.73%	14.80%	-0.07%
30YR	14.97%	14.86%	0.11%

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.06%	-0.31%	3.93%	-0.29%	-1.35%	-0.12%	0.39%	0.77%
WTD	0.21%	2.31%	0.00%	-0.77%	-1.62%	-1.44%	-1.37%	-0.30%
YTD	6.00%	-1.93%	20.65%	0.61%	8.07%	5.60%	7.12%	8.68%
P/E	10.13x	3.89x	10.53x	6.59x	10.68x	10.96x	12.69x	14.85x

	This Week	Previous
OBX	10.75%	10.88%
OVN	11.13%	11.06%
Average	10.94%	10.97%

	This Week	Previous
1MTH	1.06%	1.27%
3MTH	1.47%	1.94%
6MTH	1.90%	2.73%
9MTH	2.12%	2.99%
12MTH	2.37%	3.74%
Average	1.78%	2.53%

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Meristem Research can also be accessed on the following platforms:

Bloomberg: MER<GD>

Capital IQ: www.capitaliq.com

ISI Emerging Markets: www.securities.com/ch.html?pc=NG

Reuters: www.thomsonreuters.com

FactSet: www.factset.com

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