

**What Moved the Markets this Week?**

According to the Bureau of Economic Analysis, US real gross domestic product (GDP) grew at an annualised rate of 2.90% QoQ in Q4:2022 (vs 3.20% QoQ in Q3:2022). Likewise, growth in consumer spending slowed to 2.10% QoQ (vs 2.30% QoQ in the prior quarter). We expect the Fed to consider the GDP report at the meeting next week, especially the slowdown in consumer spending. Hence, this should further encourage the Fed to maintain its less aggressive posture. In Japan, inflation rose to a four-decade high of 4.00% YoY in December (vs 3.80% YoY in November). The surge in fuel and utilities (15.20% MoM) and food prices (7.00% MoM) led to inflation. However, the Japanese government is expected to introduce energy subsidies in the coming months, slowing down price increases. The rise in inflation weakens expectations of the Bank of Japan (BoJ) pivot. In addition, South Africa Reserve Bank (SARB) increases the benchmark interest rate by 25bps to 7.25%. The 25-bps hike is lower than the consensus estimates of 50 bps. Also, SARB lowered its economic growth forecast to 0.30% from 1.10% due to extensive power outages. According to the monetary authority, this rate level is expected to support credit demand (support economic growth) whilst keeping inflationary pressures at bay.

On the domestic economy, Nigeria's export to the UK will receive tariff exemption as the UK government launched the Developing Countries Trading Scheme (DCTS). We expect this to stimulate free trade between Nigeria and the UK while increasing revenue from export to Nigeria. Also, the Central Bank of Nigeria (CBN), in collaboration with the Nigeria Inter-Bank Settlement Systems (NIBSS), unveiled "Afrigo" (national payment card). As stipulated, Afrigo will function like other payment cards and is expected to reduce dependence on foreign cards and incorporate the informal sector into the financial system.

The Nigerian equities market sustained its positive mood this week as the All-Share Index gained 0.12% to close at 52,657.88pts. As a result, the Year-to-Date return increased to 2.74% (vs 2.62% last week). In addition, the performance was broadly positive on a sectoral basis as all sectoral indices gained week on week except NGKCSMRGDS (-1.09% WoW).

At the Bills Primary Market Auction (PMA), total subscription was about 4.54x the total amount offered. Consequently, the stop rate of the 91-Day, 182-Day, and 364-Day instruments moderated by 171bps, 253bps, and 252bps to 0.29%, 1.80%, and 4.78%, respectively. In the secondary fixed income market, performance was bullish, as average T-bills and bond yields declined to 3.21% and 13.11% (vs 3.94% and 13.42% last week).

**Nigeria | January 27, 2023**

**Market Performance**

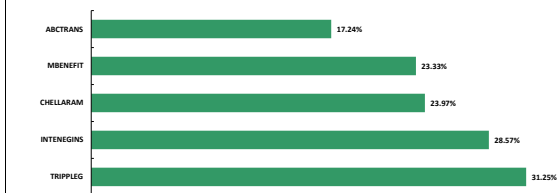
Equities	This Week	Previous Week	%Δ
NGKASI	52,657.88	52,594.68	0.12%
Volume ('bn)	0.74	1.23	-39.88%
Value ('bn)	13.65	15.67	-12.87%
Mkt. Cap. ('bn)	28.68	28.65	0.12%
Market Breadth	1.45x	1.21x	

Sectoral Indices	WTD	MID	YTD
NGKRNK	1.65%	6.83%	6.83%
NGKCSMRGDS	-1.09%	5.56%	5.56%
NGKXILGAS	1.73%	5.41%	5.41%
NGKINS	0.77%	3.59%	3.59%
NGKINDUSTR	0.37%	2.03%	2.03%
NGK-ASI	0.12%	2.74%	2.74%

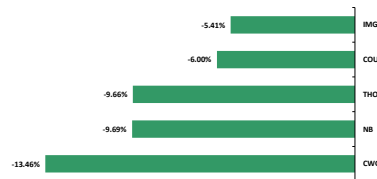
Other Indices	WTD	MID	YTD
NGX-30	-0.07%	2.99%	2.99%
NGX-PENSION	0.32%	4.09%	4.09%

**Market Outliers**

**Top Gainers**

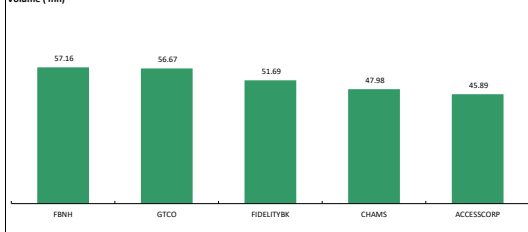


**Top Losers**

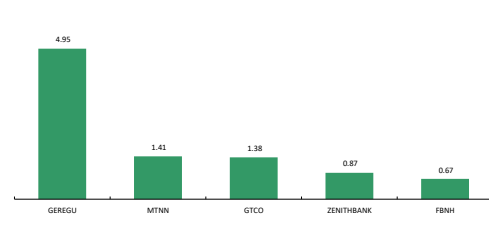


**Weekly Trading Activity**

**Volume ('mn)**



**Value ('bn)**



	This Week	Previous Week	%Δ
I & E (per USD)	461.75	461.50	-0.05%

**Money Market Rates**

	This Week	Previous
OBB	10.50%	11.00%
OVN	11.00%	11.50%
Average	10.75%	11.25%

Bond Yields	This Week	Previous Week	%Δ
1YR	3.13%	6.38%	-3.25%
3YR	11.97%	12.14%	-0.27%
5YR	13.39%	13.41%	-0.02%
7YR	13.86%	13.38%	0.48%
10YR	14.77%	12.80%	1.97%
30YR	14.83%	14.57%	0.27%

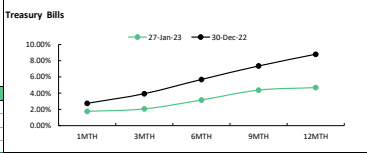
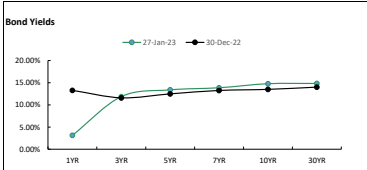
**Treasury Bills Yields**

	This Week	Previous
1MTH	1.76%	1.76%
3MTH	2.06%	2.51%
6MTH	3.16%	3.62%
9MTH	4.38%	5.37%
12MTH	4.69%	6.33%
Average	3.21%	3.94%

**ix. Other Markets**

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.18%	-0.07%	0.21%	0.40%	-0.14%	1.08%	-0.15%	
WTD	0.12%	-0.20%	0.00%	1.45%	1.97%	0.40%	1.57%	1.14%
YTD	2.74%	-0.59%	15.02%	-1.10%	10.65%	7.06%	10.05%	8.24%
P/E	12.39x	5.15x	10.21x	6.35x	10.57x	10.47x	11.65x	14.73x

**Fixed Income Monitor**



**Contact Information**

**Investment Research**

research@meristemng.com

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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