

**What Moved the Markets this Week?**

In its March meeting, the Bank of Japan (BOJ) kept its benchmark interest rates unchanged as the short-term rate stayed at -0.10%. The country's monetary authority has maintained its intention to spur economic growth amid rising inflation. However, this decision puts the BOJ under pressure to continue the purchase of Japanese Government Bonds as a form of its yield curve control policy which could cause tight market liquidity. In the United Kingdom, the Office for National Statistics reported that the UK economy grew (0.30%) more than expected in January. Specifically, the growth was driven by an improvement in the services sector (as school attendance levels increased after a significant dip in December). This development is an upside for the Bank of England as it presents an opportunity to avoid the technical recession projected in the first half of 2023. During the week, the US Federal Reserve Chair, Jerome Powell, hinted that the Fed would be prepared to raise rates more aggressively to combat the riskier than expected inflation.

Following the sustained period of intensified blackouts in South Africa, Statistics South Africa reported that the country's economy contracted in Q4-2022 by 1.30%. In addition, the electricity crisis in the country has continued to strain the economy and further threatens output growth in 2023. As a result, S&P Global Ratings slashed its outlook on South Africa's debt instruments to stable from positive.

In the domestic scene, the Central Bank of Nigeria (CBN) announced the issuance of guidelines for the administration of open banking in Nigeria. This policy is a laudable development as it will enable banks to share customers' data with third-party firms (including fintech companies) to create financial products and services for the customers. Also, we expect the full adoption of open banking to improve financial inclusion and increase competitiveness in the country's financial services sector. Furthermore, in 2022, Nigeria recorded its first trade surplus (NGN 1.21trn) since 2019. This signifies a gradual recovery following consecutive trade deficits recorded in 2020 and 2021 due to COVID-19 lockdown measures. For context, the value of total imports for the year was NGN25.59trn, while total exports amounted to NGN26.80trn. More so, India, Spain and the Netherlands were the top three export destinations (accounting for 34% of total exports), while China, the Netherlands and India were the top three import partners (accounting for 41% of total imports).

For the second consecutive week in March, the Nigerian equities market closed positive as the All-Share Index advanced by 0.48% to close at 55,794.51pts. Hence, the Year-to-Date return increased to 8.87% (vs 8.35% last week). Across sectors, performance was mixed as only NGXINS and NGXINDUSTR recorded week-on-week gains.

At the T-bills auction on Wednesday, the total subscription (NGN 906.22bn) was about three times the total amount offered (NGN 224.50bn), driven by robust market liquidity. However, the stop rates on the 182-Day and 364-Day instruments rose by 27bps and 10bps to 6.00% and 10.00% respectively, while that of the 91-Day instrument declined by 15bps to 1.44%. In the secondary fixed income market, performance was bullish as the average bond and T-bills yields declined to 13.07% and 4.55% (vs 13.25% and 4.61% last week).

**Nigeria | March 10th, 2023**

**Market Performance**

Equities	This Week	Previous Week	% Δ
NGXASI	55,794.51	55,529.21	0.48%
Volume (bn)	1.02	1.00	1.47%
Value (bn)	20.22	15.98	26.51%
Mkt. Cap. (bn)	30.39	30.15	0.48%
Market Breadth	0.64x	2.25x	

	WTD	MTD	YTD
NGXBANK	-1.82%	-2.79%	8.66%
NGXCNSMRGDS	-0.26%	3.01%	17.78%
NGXNHCAS	-3.82%	-7.79%	12.73%
NGXINS	0.70%	0.27%	3.26%
NGXINDUSTR	1.71%	1.63%	6.47%
NGX-ASI	0.48%	-0.02%	8.87%

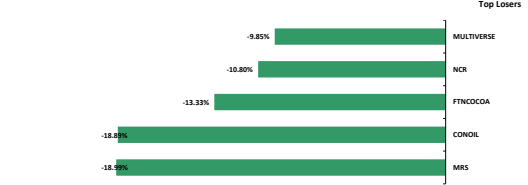
Other Indices	WTD	MTD	YTD
NGX-30	0.62%	-0.27%	8.11%
NGX-PENSION	-0.57%	-1.67%	7.81%

**Market Outlook**

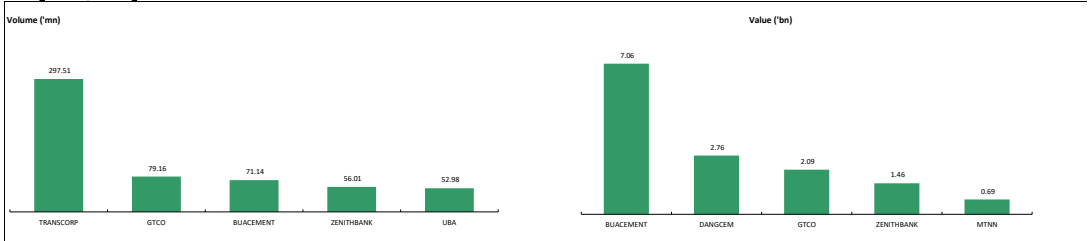
**Top Gainers**



**Top Losers**



**Weekly Trading Activity**



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

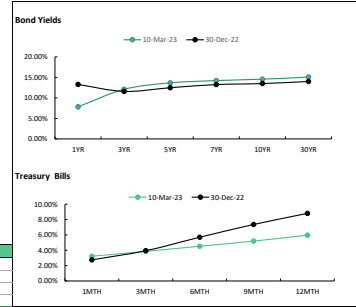
Bond Yields	This Week	Previous Week	% Δ
1YR	7.81%	7.09%	5.72%
3YR	12.10%	12.10%	0.00%
5YR	13.67%	13.85%	-0.18%
7YR	14.23%	14.23%	0.00%
10YR	14.56%	14.73%	-0.17%
30YR	15.08%	14.97%	0.12%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.05%	2.43%	0.85%	-0.74%	-1.38%	-0.72%	-0.99%	0.26%
WTD	0.48%	3.88%	0.00%	-6.56%	-2.17%	-0.70%	-1.99%	-0.37%
YTD	8.87%	1.46%	12.71%	-7.52%	4.85%	1.42%	1.26%	6.12%
P/E	10.62x	3.53x	8.89x	6.28x	10.29x	10.39x	11.98x	13.97x

Money Market Rates	This Week	Previous
ORB	10.50%	12.13%
OVN	10.81%	12.43%
Average	10.66%	12.28%

Treasury Bills Yields	This Week	Previous
1MTH	3.22%	2.88%
3MTH	3.85%	3.83%
6MTH	4.52%	4.74%
9MTH	5.19%	5.35%
12MTH	5.97%	6.25%
Average	4.55%	4.61%

**Fixed Income Monitor**



**Contact Information**

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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/eh.html?pc=NG](https://www.securities.com/eh.html?pc=NG)

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

FactSet: [www.factset.com](http://www.factset.com)

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