

What Moved the Markets this Week?

On the global scene, China's manufacturing Purchasing Managers' Index (PMI) for February 2023 rose to 52.60pts (vs 50.10pts in January 2023), marking its highest pace of acceleration since April 2022. This is attributable to the resumption of production, which was stalled under the zero COVID-19 policy. Similarly, non-manufacturing PMI increased to a 2-year high of 56.30pts (vs 54.40pts in January 2023) mainly driven by increased construction and service activities. Overall, composite PMI was higher at 56.40pts (vs 52.90pts in January 2023). Hence, we expect the recovery of the Chinese economy to persist as stalled economic activities resume fully. Elsewhere, Kenya National Bureau of Statistics (KNBS) reported an uptick in inflation for February 2023 to 9.20% YoY (vs 9.00% YoY in January 2023), following three consecutive months of disinflation. This was propelled by higher prices of food and non-alcoholic beverages (+13.30% YoY), transport (+12.80% YoY), as well as housing, water, electricity, gas and other fuels (+7.60% YoY). As the Kenyan economy grapples with the rising costs of living resulting from heightened inflationary pressure, we expect the monetary authority to hike its benchmark rate.

In the domestic economy, the Supreme Court has ordered that the MGN200, NGR200, and NGN1,000 notes should remain as legal tender until 31st December 2023. The court cited the President's order as violating the 1999 constitution. Consequently, the affected Naira notes will remain legal tender barring any new development. This is projected to relieve the ongoing cash crunch in the economy, which has slowed down economic activities, especially in the informal trade sector. Additionally, following the conclusion of the anticipated 2023 Presidential election, the Independent National Electoral Commission (INEC) declared Bola Ahmed Tinubu as the winner. However, some of the presidential candidates have declared their intention to contest the results at the court, as they question the credibility of the electoral procedures. Hence, it could heighten the country's political risk and economic uncertainty. Furthermore, Zenith Bank Plc disclosed that the CBN had granted it Approval-In-Principle to operate a non-operating Financial Holding Company structure. Upon formation, ZENITHBANK will consolidate its various subsidiaries into one. Also, we anticipate that this development could enhance its revenue, earnings, and shareholders' value.

The local bourse sustained its bullish momentum from the previous week as the All-Share Index advanced by 1.06% to close at 55,529.21pts. Hence, the Year-to-Date return increased to 8.35% (vs 7.22% last week). Across sectors, performance was largely bullish as all sectoral indices recorded week-on-week gains except **NGXOILGAS** (-2.36% WtW).

In the secondary fixed income market, performance was bearish as the average bond and T-bills yields increased to 13.25% and 4.61% (vs 13.26% and 3.68% last week).

Nigeria | March 3rd, 2023

Market Performance

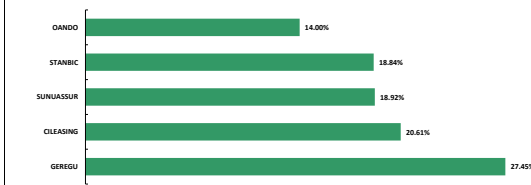
Equities	This Week	Previous Week	% Δ
NGXASI	55,529.21	54,949.21	1.06%
Volume (Tbn)	1.00	0.64	55.60%
Value (Tbn)	15.98	16.79	-4.79%
Mkt. Cap. (Tbn)	30.25	29.93	1.08%
Market Breadth	2.25x	1.70x	

	WTD	MTD	YTD
NGXBANK	1.16%	-0.99%	10.69%
NGXCNSMRGDS	5.65%	3.28%	18.09%
NGXOILGAS	-2.36%	-4.13%	17.20%
NGXINS	0.92%	-0.43%	2.53%
NGXINDUSTR	1.40%	-0.88%	4.68%
NGX-ASI	1.06%	-0.50%	8.35%

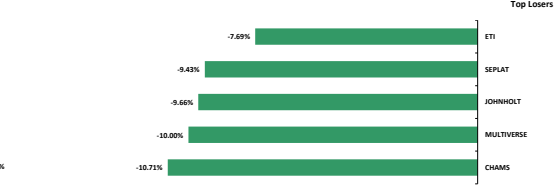
Other Indices	WTD	MTD	YTD
NGX-30	0.54%	-0.88%	7.45%
NGX-PENSION	0.86%	-1.10%	8.43%

Market Outlook

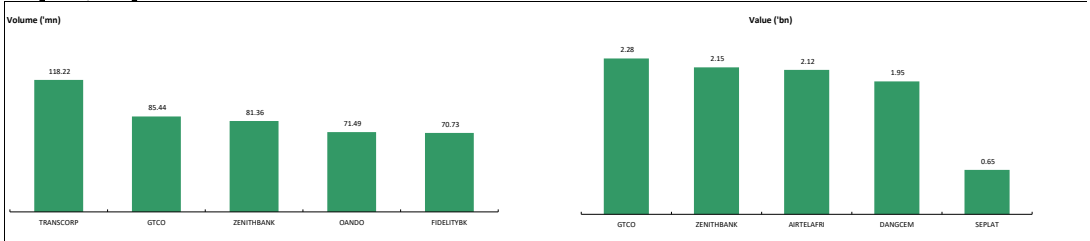
Top Gainers



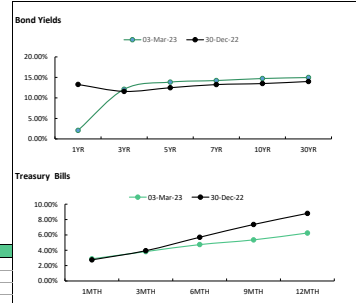
Top Losers



Weekly Trading Activity



Fixed Income Monitor



	This Week	Previous Week	% Δ
I & E (per USD)	461.75	461.17	-0.13%

Bond Yields	This Week	Previous Week	% Δ
1YR	2.09%	2.38%	-0.29%
3YR	12.10%	12.37%	-0.27%
5YR	13.85%	13.90%	-0.05%
7YR	14.23%	14.13%	0.10%
10YR	14.73%	14.41%	0.32%
30YR	14.97%	14.97%	0.00%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.25%	-0.49%	-1.61%	-0.03%	0.92%	-0.49%	-0.42%	-0.16%
WTD	1.06%	-1.59%	0.00%	-0.24%	1.72%	-0.42%	0.84%	0.91%
YTD	8.35%	-2.34%	15.40%	-1.02%	7.13%	1.55%	2.48%	5.55%
P/E	10.37x	4.18x	10.09x	6.68x	10.61x	10.55x	12.21x	13.84x

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

Treasury Bills Yields	This Week	Previous
1MTH	2.88%	2.45%
3MTH	3.82%	3.07%
6MTH	4.74%	3.67%
9MTH	5.35%	4.27%
12MTH	6.25%	5.02%
Average	4.61%	3.68%

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

Bloomberg: MER:GD

Capital IQ: www.capitaliq.com

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

Reuters: www.thomsonreuters.com

FactSet: www.factset.com

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