

What Moved the Markets this Week?

Following the heightened concerns about the global financial stability as well as the aggressive monetary policies adopted by major economies, the International Monetary Fund (IMF) has revised its global economic projections in its April edition of the World Economic Outlook (WEO). The bilateral lender projects a slower global growth of 2.80% in 2023 to 2.90% forecasted in January and a slight improvement to 3.00% in 2024 (vs 3.10% forecasted in January). The IMF also revised its global inflation projection (a moderation to 7.00% and 4.50% in 2023 and 2024, respectively). In addition, the United States Bureau of Labor Statistics reported a moderation in the country's inflation rate to 4.99% YoY in March 2023 (vs 6.04% in February), as energy prices declined rapidly by 6.40% YoY. This represents the smallest YoY inflation increase since May 2022. However, the core inflation rate edged higher to 5.39% (vs 5.54% YoY) due to higher prices of medical care and recreation on commodities. In our view, the Federal Reserve will hike the Fed funds rate further in its next meeting in May to achieve its medium-term inflation target of 2.00%. Furthermore, the United Kingdom's GDP grew by 0.50% YoY in February 2023 but stayed flat MoM (as growth in the construction sector was offset by output declines in the production and services sector). This expansion further flashes a ray of hope for England to avoid a technical recession in the first quarter of 2023.

The Ghanaian Statistical Service reported that the country's consumer price index continued its southward trend as inflation moderated to 45.00% YoY in March 2023 (vs 52.80% YoY in February 2023). This represents the highest improvement since November 2022 (50.30% YoY). According to the statistical service, food and non-alcoholic beverages as well as non-food items contributed to the inflation moderation, with both declining to 50.80% and 40.60% in March 2023 (vs 59.10% and 47.90% in February 2023), respectively. We expect the disinflation to persist as the Ghanaian Cedi as well as the lingering debt crisis have begun to stabilize largely owing to the updated fiscal and monetary policies. Also, the Ghanaian Government hinted that the IMF board approval for the USD3.00bn credit facility is expected in May after which its Eurobond restructuring will commence.

Contrary to its downward revision for global growth in 2023, the IMF maintained its initial 2023 economic growth projection for Nigeria at 3.20%. However, the bilateral lender increased its 2024 projection by 100ps to 3.00%. Notwithstanding, we posit that the cash crunch that rocked the country during the first quarter of the year straine d productivity levels and should drag the growth prospect for the economy in 2023. Also, we maintain that an expected slowdown in the manufacturing and services sectors should slow down overall output in the non-oil sector. Thus, we estimate a lower growth rate (2.70%) in 2023. Additionally, the minister of industry, trade and investments disclosed the approval of the free trade zone status of the Ekiti Knowledge Zone (EKZ). This development is expected to bolster education, designs, and innovation in the state and the country at large. Equally, the development of the knowledge arena should attract both domestic and foreign investments.

For the fourth consecutive week, the Nigerian equities market closed in the red zone as the All-Share Index shed 2.06% WoW to close at 51,903.61 pts. Similarly, the Year-to-Date return declined to 1.27% (vs 3.40% last week). The bearish sentiment was across board, as all sectoral indices recorded week-on-week losses except **NGXCNMIRGDS** (+2.15% WoW) and **NGXOILGAS** which closed flat.

At the last T-bills auction, the subscription-to-offer increased to 1.87x (vs 1.16x in the last auction) as the total subscription stood at NGN280.35bn, and the total amount offered was NGN149.64bn. We attribute this increase to better liquidity levels. Also, the 91-Day, 182-Day, and 364-Day instruments remained flat at 8.00%, 8.00%, and 14.74%, respectively. In the secondary fixed income market, performance remained bearish as the average bond and T-bills yields increased to 13.72% and 8.99% (vs 13.68% and 8.28% last week), respectively.

Nigeria | April 14th, 2023

Market Performance

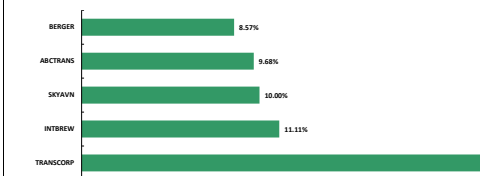
Symbol	This Week	Previous Week	% Chg
NGXASI	51,903.61	52,994.13	-2.06%
Volume (bn)	2.52	1.04	140.92%
Value (bn)	10.87	10.05	8.17%
Mkt. Fan. (Tn)	28.27	28.87	-2.06%
Market Breadth	0.40x	0.39x	

	WTD	MTD	YTD
NGXNRNK	-1.40%	-2.43%	5.86%
NGXCNMIRGDS	0.05%	-0.57%	18.64%
NGXOILGAS	0.00%	-0.11%	10.33%
NGXINS	-1.50%	0.66%	2.48%
NGXINDUSTR	-0.40%	-4.04%	1.76%
NGX-ASI	-2.06%	-5.39%	1.27%

Other Indices	WTD	MTD	YTD
NGX-30	-1.63%	-4.99%	0.94%
NGX-PENSION	-1.78%	-3.39%	2.75%

Market Outliers

Top Gainers

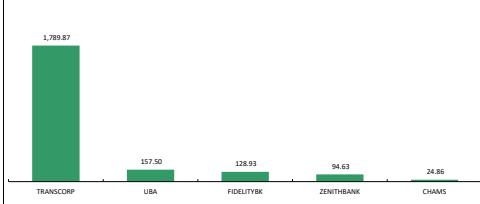


Top Losers

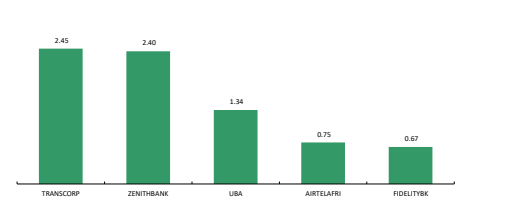


Weekly Trading Activity

Volume (mm)



Value (bn)



	This Week	Previous Week	%
L&E (per USD)	464.00	463.25	-0.16%

	This Week	Previous Week	%
1YR	13.01%	12.87%	0.15%
3YR	12.00%	12.00%	0.00%
5YR	14.12%	14.10%	0.02%
7YR	14.47%	14.43%	0.04%
10YR	14.84%	14.52%	0.32%
30YR	15.01%	15.01%	0.00%

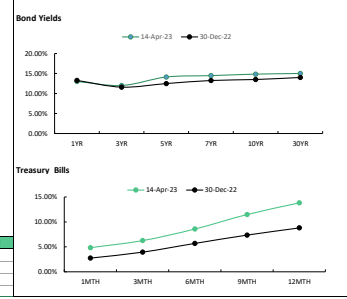
	This Week	Previous
Money Market Rates		
OBBL	18.63%	18.50%
OVN	19.00%	18.88%
Average	18.82%	18.69%

	This Week	Previous
Treasury Bills Yields		
1MTH	4.83%	4.31%
3MTH	6.26%	5.78%
6MTH	8.58%	7.83%
9MTH	11.48%	10.56%
12MTH	13.82%	12.93%
Average	8.99%	8.28%

In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.08%	-0.18%	5.55%	-0.30%	0.84%	0.49%	0.35%	0.91%
WTD	-2.06%	-2.74%	0.00%	-2.36%	2.60%	0.82%	1.01%	2.08%
YTD	1.27%	9.78%	21.05%	-12.48%	8.31%	2.37%	4.25%	10.33%
P/E	9.98x	3.99x	9.34x	5.69x	10.87x	11.22x	12.72x	14.58x

Fixed Income Monitor



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