

What Moved the Markets this Week?

On the global scene, OPEC+ announced a crude oil production cut of 1.16 million barrels per day (mbpd) by its member countries, in addition to the voluntary production cut of 500,000 bpd by Russia in 2023, totalling a production cut of 1.66mbpd. The oil production cut is aimed at stabilizing crude oil prices, which had declined to a 15-month low of USD70.00/bbl owing to concerns about the global banking crisis affecting global oil demand. However, following the announcement, Brent Crude oil price rose above USD80.00/bbl. While this is expected to increase oil revenue for oil-producing countries, there are concerns about a reversal of the disinflation trend witnessed in advanced economies. Additionally, US job openings for February 2023 declined by 632,000 to 9.90mm (its lowest level since May 2021). Although, this decline indicates the easing of labour market conditions, however, the labour market remains tight. Hence, we expect the Federal Reserve to sustain its hawkish stance, albeit at a slower pace. Elsewhere, according to S&P Global, Ghana's Purchasing Managers' Index (PMI) for March 2023 increased to 50.90pts (vs 50.20pts in February 2023). This was driven by increased customer demand owing to its current disinflation trend and a relatively stable currency. Thus, this indicates improved business conditions in Ghana which are expected to positively impact its Gross Domestic Product (GDP) for Q1 2023.

In the domestic economy, the Minister of Finance disclosed that the Federal Government has secured a loan of USD800mm from the World Bank to provide palliatives for over 50 million Nigerians ahead of the planned fuel subsidy removal in June 2023. This is anticipated to alleviate the rising cost of living, thereby providing relief to the most vulnerable citizens (the expected beneficiaries of the loan). Furthermore, the National Bureau of Statistics released the capital importation report for Q4-2022. According to the report, capital importation for 2022FY remained below pre-covid levels (USD5.33bn vs USD6.70bn in 2021FY; USD23.99bn in 2019FY). This indicates lower foreign investors' participation in the domestic economy hinged on the deteriorating business environment as well as FX policies which pose challenges to foreign investors in repatriating their funds. In the near term, we expect a sustained decline in capital importation as foreign investors take a wait-and-see approach following the recently concluded elections. Lastly, Access Holdings plc announced a capital investment of USD300mm into its subsidiary, Access Bank Plc, targeted towards the growth and capitalization needs of the subsidiary, which is in line with the group's vision for expansion. This is expected to improve the bank's capital adequacy ratio as the investment will take the form of a Tier-1 capital qualifying instrument.

The Nigerian equities market closed in the red zone for the third consecutive week as the All-Share Index shed 2.28% WoW to close at 52,994.13 pts. Hence, the Year-to-Date return declined to 3.40% (vs 5.82% last week). The bearish sentiment was broad-based, as all sectoral indices recorded week-on-week losses except NGXINS (+2.19% WoW).

In the secondary fixed income market, performance was bearish as the average bond and T-bills yields increased to 13.68% and 8.28% (vs 13.56% and 6.89% last week), respectively.

Nigeria | April 6th, 2023

Market Performance

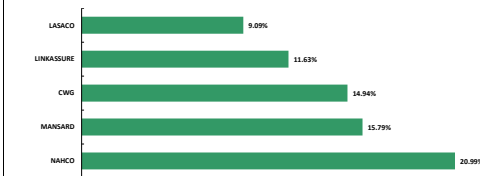
Equities	This Week	Previous Week	% Δ
NGXASI	52,994.13	54,232.34	-2.28%
Volume (Tn)	1.04	1.77	-41.03%
Value (Tn)	10.05	16.74	-40.00%
Mkt. Fan. (Tn)	28.87	29.54	-2.28%
Market Breadth	0.39x	1.29x	

	WTD	MTD	YTD
NGXRANK	-1.05%	-1.05%	7.36%
NGXCNSMRGDS	-0.62%	-0.62%	18.58%
NGXOLIGAS	-0.11%	-0.11%	10.33%
NGXINS	2.19%	2.19%	4.04%
NGXINDUSTR	-3.65%	-3.65%	2.17%
NGX-ASI	-2.28%	-3.40%	3.40%

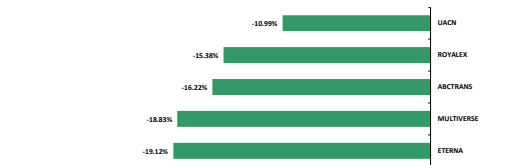
Other Indices	WTD	MTD	YTD
NGX-30	-3.42%	-3.42%	2.61%
NGX-PENSION	-1.64%	-1.64%	4.61%

Market Outliers

Top Gainers

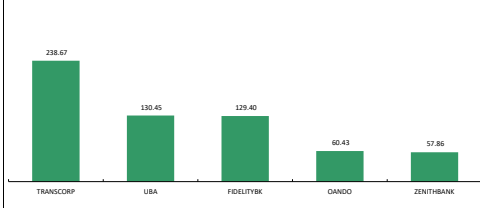


Top Losers

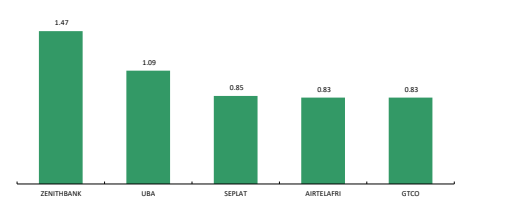


Weekly Trading Activity

Volume (mm)



Value (bn)



	This Week	Previous Week	% Δ
U & E (per USD)	463.25	461.38	-0.40%

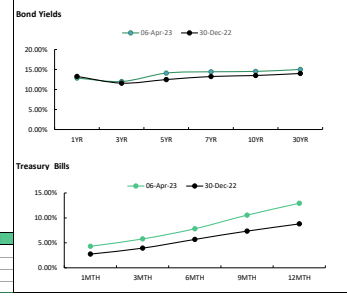
Bond Yields	This Week	Previous Week	% Δ
1YR	12.87%	13.24%	-0.37%
3YR	12.00%	12.00%	0.00%
5YR	14.10%	13.21%	0.89%
7YR	14.43%	14.25%	0.18%
10YR	14.52%	14.43%	0.09%
30YR	15.01%	15.30%	-0.29%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.05%	0.00%	-1.82%	1.30%	0.50%	-0.08%	0.02%	-0.71%
WTD	-2.28%	0.47%	1.77%	1.33%	1.23%	0.07%	-0.25%	0.43%
YTD	3.40%	12.87%	14.46%	-10.30%	5.46%	1.76%	3.29%	8.11%
P/E	10.18x	4.09x	8.74x	6.01x	10.69x	10.95x	12.65x	14.53x

Money Market Rates	This Week	Previous
OBB	18.50%	18.50%
OVN	18.88%	18.88%
Average	18.69%	18.69%

Treasury Bills Yields	This Week	Previous
1MTH	4.31%	3.50%
3MTH	5.28%	4.78%
6MTH	7.83%	6.61%
9MTH	10.56%	8.77%
12MTH	12.93%	10.78%
Average	8.28%	6.89%

Fixed Income Monitor



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Meristem Research can also be accessed on the following platforms:

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

Bloomberg: MERI <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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