

**What Moved the Markets this Week?**

As part of its efforts to combat the high inflation in the United Kingdom, the Bank of England (BoE) raised its key interest rate by a quarter percentage point to 4.50%. The members of the Committee reiterated their commitment to exploring the necessary monetary policies to curb persistent price pressures. In addition, the BoE revised its growth projections as it foresees stronger wage growth and an escape from a recession. Despite this, it is expected that inflation will decline at a slower rate than initially expected due to sustained increases in food prices. The projection of the BoE showed signs of manufacturing as the Office for National Statistics reported that the British economy expanded by 0.10% in Q1 2023, driven by improvement in the services and real sector. However, the economy witnessed an unexpected contraction of 0.30% in March owing to a decline in economic activities in the services sector amid high borrowing costs. While the case for a recession may have subsided with this report, it highlights the expectation that the UK economy is likely to grow at a slower pace in 2023 and could lag behind the G7 economies (in line with the IMF estimates). In the United States, the inflation rate eased to 4.90% in April (from 5.00% in March) – representing the lowest level since April 2021. With the tenth consecutive rate hike recently implemented by the Federal Reserve, the country's headline inflation is expected to continue decelerating. Thus, this could support the notion that the Federal Reserve may be ready to pause its hiking cycle. Elsewhere, the Ghana Statistical Service reported that the country's inflation rate declined to 41.20% in April 2023 (45.00% in March). The West African country's inflation rate has been consistently dropping as prices of food and non-food items continue to decelerate rapidly.

The Central Bank of Nigeria (CBN) has announced the expansion of its non-oil export rebate scheme to stimulate dollar inflows. Recall that the CBN commenced the Race to USD200bn (RT200) programme in February 2022 to boost FX inflows through increased exports. Hence, effective from April 1, 2023, the scheme will incorporate the payment of Naira incentives to exporters of primary goods and raw materials to boost dollar inflows. According to the Organisation of Petroleum Exporting Countries (OPEC), Angola's daily oil production reached 1.6 million barrels in April 2023, surpassing Nigeria's output of 0.99 million barrels per day. For Nigeria, the figure represents a 24% decline from the production volume recorded in March 2023. This sharp dip can be attributed to various factors, including production challenges faced by Nigeria, such as pipeline vandalism and militant attacks. The instability in the oil production volume remains a concern for the Nigerian Government as it seeks to increase its revenue. Lastly, the Federal Government issued the post-privatisation discharge certificate to Transcorp Power Limited. This indicates that the company will no longer be subject to post-privatisation monitoring as it has satisfied the criteria for privatisation. It further underscores the company's drive to increase its electricity generation as it surpassed the minimum target capacity of 670 megawatts. As a result, the ticker rallied on the local bourse, appreciating by 33.51%.

The Nigerian equities market closed in the red zone as the All-Share Index lost 0.48% to settle at 52,214.62 pts. Similarly, the Year-to-Date return declined to 1.88% (vs. 2.37% last week). On a sectoral basis, performance was mixed as the **NGXOLGAS** (+5.20% WoW), **NGXINS** (+1.20% WoW), and **NGXNSMRGDS** (+0.89% WoW) closed up while the **NGXBNK** (-0.99% WoW) and **NGXINDUSTR** (-3.36% WoW) closed down.

At the last T-bills auction, the total subscription (NGN820.85bn) was about five times the total amount offered (NGN143.98bn), this can be attributed to robust market liquidity. Consequently, the top spots on the 91-Day, 182-Day, and 364-Day instruments declined to 4.50%, 6.44%, and 8.99% (vs. 5.30%, 8.00%, and 10.17% in the last auction), respectively. In the secondary fixed income market, performance was bullish as average bond and T-bills yield declined to 13.69% and 6.72% (vs. 14.16% and 7.08% last week), respectively.

**Nigeria | May 12th, 2023**

**Market Performance**

Equities	This Week	Previous Week	% Δ
<b>NGXASI</b>	52,214.62	52,466.52	-0.48%
<b>Volume ('bn)</b>	3.59	2.34	53.84%
<b>Value ('bn)</b>	36.44	21.15	72.30%
<b>Mkt. Cap. ('bn)</b>	28.43	28.57	-0.48%
<b>Market Breadth</b>	1.47x	2.20x	

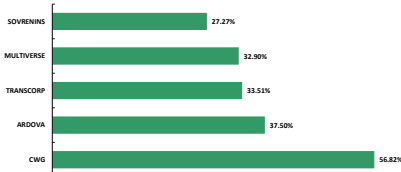
	WTD	MTD	YTD
<b>NGXBNK</b>	-0.99%	4.18%	9.32%
<b>NGXNSMRGDS</b>	0.89%	0.92%	26.14%
<b>NGXOLGAS</b>	5.20%	10.55%	20.05%
<b>NGXINS</b>	1.20%	4.23%	10.33%
<b>NGXINDUSTR</b>	-3.36%	-3.27%	-1.50%
<b>NGX-ASI</b>	-0.48%	-0.36%	1.88%

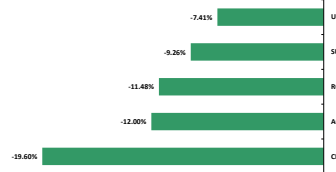
Other Indices	WTD	MTD	YTD
<b>NGX-30</b>	-0.12%	-0.44%	2.17%
<b>NGX-PENSION</b>	1.05%	3.97%	9.70%

**Market Outliers**

**Top Gainers**

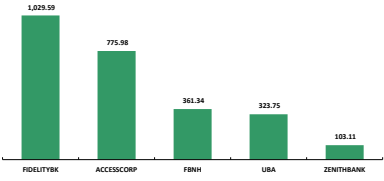


**Top Losers**

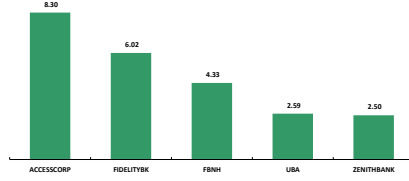


**Weekly Trading Activity**

**Volume ('mn)**

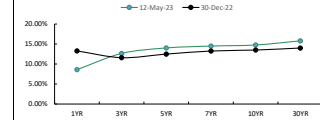


**Value ('bn)**

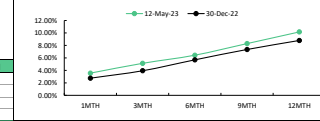


**Fixed Income Monitor**

**Bond Yields**



**Treasury Bills**



	This Week	Previous Week	% Δ
<b>I &amp; E (per USD)</b>	462.23	462.23	0.00%

	This Week	Previous Week	% Δ
<b>1YR</b>	8.60%	10.01%	-1.42%
<b>3YR</b>	12.65%	12.59%	0.06%
<b>5YR</b>	14.02%	13.95%	0.07%
<b>7YR</b>	14.49%	14.00%	0.49%
<b>10YR</b>	14.76%	14.81%	-0.05%
<b>30YR</b>	15.79%	15.48%	0.31%

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
<b>Today</b>	0.10%	0.43%	-1.28%	-4.84%	1.64%	-0.40%	-0.19%	-0.43%
<b>WTD</b>	-0.48%	1.88%	0.00%	-9.19%	0.16%	-1.16%	-0.39%	-0.67%
<b>YTD</b>	1.88%	11.34%	18.30%	-26.99%	7.13%	1.32%	2.24%	9.58%
<b>YTD</b>	9.29%	3.81%	9.15%	4.84%	10.81%	11.10%	12.63%	14.45%

**Money Market Rates**

	This Week	Previous
<b>ORB</b>	12.13%	11.00%
<b>OVN</b>	12.63%	11.38%
<b>Average</b>	12.38%	11.19%

**Treasury Bills Yields**

	This Week	Previous
<b>1MTH</b>	3.56%	4.44%
<b>3MTH</b>	5.13%	5.71%
<b>6MTH</b>	6.43%	6.71%
<b>9MTH</b>	8.29%	8.30%
<b>12MTH</b>	10.17%	10.14%
<b>Average</b>	6.72%	7.08%

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**Investment Research**

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

Bloomberg: MERI <GO>

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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