

What Moved the Markets this Week?

The US personal consumption expenditures (PCE) price index report for March revealed that inflation rose to 4.60% (vs 4.50% expected). The PCE price index (which excludes food and energy prices) is the Federal Reserve's most preferred inflation gauge as it is believed to provide a better measure of the inflation trend in the country. Thus, this increase makes a case for the Fed to hike the Fed Funds rate (probable 25bps) at its meeting next week. Also, the Conference Board reported that the United States Consumer Confidence Index declined to 103.1 Spis in April 2023 (vs. 104.0 Spis in March 2023). This decline can be attributed to increased consumer pessimism about possible short-term improvements in income, business, and labour market conditions in the United States. In the near term, there is a likelihood of significant output declines, exacerbating business conditions and financial instability concerns, as well as decelerated economic growth. In addition, the Bank of Japan maintained its short-term and long-term policy interest rates at 0.10% and around 0.00%, respectively. Particularly, the new Bank of Japan governor - Kazuo Ueda - retained the status quo with plans to assess the sustainability of the current monetary policy towards achieving the Bank's 2.00% inflation target. In our view, the governor's decision to retain rates provides sufficient time to analyze current conditions and create room for future policy changes.

In its Monetary Policy Review for April 2023, the South African Reserve Bank (SARB) estimated that the country's annual food shedding would be up 93 days to settle at 250 days in 2023 compared with 2022. To mitigate the impact of production downturns, the Bank explored businesses to continue exploring other alternative energy sources. Hence, we posit that this is likely to spur significant increases in production cost, general price level and headline inflation in 2023, with consumers bearing the final burden.

The Nigerian Export Promotion Council reported that the country's non-oil exports in Q1-2023 were worth USD1.35bn, with 167 products exported. The products exported included manufactured/semi-processed solid minerals and raw agricultural commodities. The report also revealed a shift from traditional raw agricultural commodity exports to semi-processed and manufactured goods. Notably, the report revealed that the non-oil export trade (USD4.82bn) in 2022 represented its highest export value since its inception. This significant increase can be linked to several export intervention programmes/projects undertaken during the period. Also, Dando P/C, through Dando Green Energy Limited (DCEL), disclosed that it received the electric mass transit buses required to commence the feasibility verification phase of its Sustainable Transport Initiative in Lagos state. In addition, DCEL signed a Memorandum of Understanding with the Lagos Metropolitan Area Transport Authority (LAMATA) in April 2022 and recently partnered with Yutong Bus Co Limited to support Nigeria's 2060 net zero carbon target. Furthermore, to drive intellectual and infrastructural development in the country, the Federal Government has earmarked NNS12.97bn to complete various capital projects currently underway by the ministries of aviation, works and housing, and education. This aligns with the current administration's emphasis on infrastructural development in the country to bolster economic growth.

After four consecutive week-on-week losses, the Nigerian equities market closed up as the All-Share Index gained 2.04% WoW to close at 52,403.51 pts. Similarly, the Year-to-Date return grew to 2.25% (vs 0.20% last week). Across sectors, performance was positive as **NGXCSMRGDS** (+5.18% WoW), **NGXINS** (+2.03% WoW), **NGXBNK** (+1.70% WoW), and **NGXINDUSTR** (+0.24% WoW) closed positive while only **NGXOLGAS** (-2.14% WoW) closed negative.

At the last T-bills auction, the total subscription (NGN19.15bn) was about six times the total amount offered (NGN3.145bn), driven by robust market liquidity. Consequently, the stop rates on the 91-Day and 364-Day instruments declined to 5.30% and 10.37% (vs 6.00% and 14.74% in the last auction), respectively while the 182-Day instrument stayed flat at 8.00%. In the secondary fixed income market, performance was mixed as the average bond yield increased to 14.13% (vs 13.85% last week) while T-bills yields declined to 7.95% (vs 9.27% last week).

Nigeria | April 28th, 2023

Market Performance

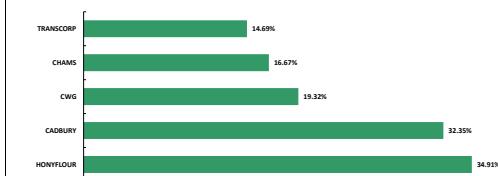
Equities	This Week	Previous Week	% Δ
NGXASI	52,403.51	51,355.74	2.04%
Volume ('bn)	4.62	1.95	147.16%
Value ('bn)	34.66	11.91	190.50%
Mkt. Cap. ('bn)	28.53	27.96	2.04%
Market Breadth	2.65x	0.92x	

	WTD	MID	YTD
NGXBNK	1.70%	-3.29%	4.93%
NGXCSMRGDS	5.18%	4.75%	25.00%
NGXOLGAS	-2.14%	-1.68%	8.60%
NGXINS	2.03%	3.87%	5.73%
NGXINDUSTR	0.24%	-3.98%	1.83%
NGX-ASI	2.04%	-4.47%	2.25%

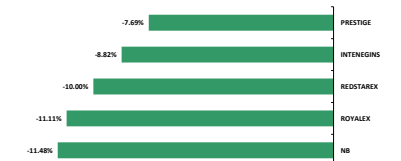
Other Indices	WTD	MID	YTD
NGX-30	2.77%	-3.40%	2.62%
NGX-PENSION	1.22%	-0.80%	5.51%

Market Outliers

Top Gainers

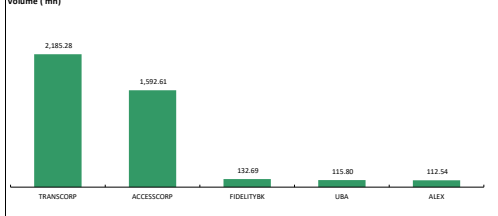


Top Losers

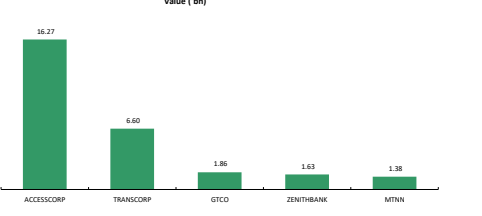


Weekly Trading Activity

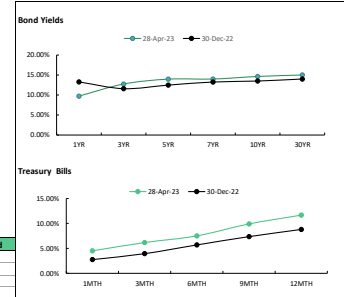
Volume ('mn)



Value ('bn)



Fixed Income Monitor



	This Week	Previous Week	% Δ
I & E (per USD)	463.00	463.67	0.14%

Bond Yields	This Week	Previous Week	% Δ
1YR	9.73%	12.18%	-2.45%
3YR	12.75%	12.00%	0.75%
5YR	13.97%	14.11%	-0.14%
7YR	14.00%	14.46%	-0.46%
10YR	14.64%	16.09%	-1.44%
30YR	15.01%	15.01%	0.00%

Money Market Rates	This Week	Previous
ORB	12.63%	18.63%
OVN	13.13%	19.00%
Average	12.88%	18.82%

Treasury Bills Yields	This Week	Previous
1MTH	4.50%	5.14%
3MTH	6.17%	6.53%
6MTH	7.51%	8.85%
9MTH	9.90%	11.71%
12MTH	11.67%	14.09%
Average	7.95%	9.27%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.32%	0.00%	1.98%	-0.87%	0.12%	-0.14%	0.45%	-0.11%
WTD	2.04%	0.21%	0.00%	-0.19%	0.39%	0.29%	-0.87%	-0.60%
YTD	2.25%	12.17%	21.91%	-15.56%	7.06%	1.58%	1.65%	9.75%
YTD	10.04x	3.92x	9.43x	5.37x	10.71x	11.13x	12.47x	14.64x

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