

What Moved the Markets this Week?

In its recent global economic projection report, the World Bank revised its global GDP forecast upward from 1.70% in January 2023 to 2.10% due to the resilience of major economies including China and US. Conversely, the global economic growth for 2024 was revised downward to 2.40% from 2.70% due to the estimated adverse impact of monetary authorities' hawkish stance. In the quest to curb rising inflation, the Bank of Canada (BoC) and the reserve bank of Australia (RBA) have maintained a tightened monetary policy stance. Consequently, the Bank of Canada and RBA raised their rates to 4.75% and 4.10% (vs 4.50% and 3.80%), respectively. As with other economies, the rate hike is expected to increase borrowing costs in these countries. In other climes, South Africa barely averted a recession, as the economy grew by 0.40% in Q1-2023 after contracting by 1.10% in Q4-2022. This growth was driven by increased outputs from the manufacturing (low electricity intensive) and finance sectors. Notwithstanding, we note that the country's electricity challenges and hawkish monetary stance continue to threaten the country's output growth.

In the domestic scene, the National Bureau of Statistics (NBS) reported a trade surplus of NGN27.16bn in the foreign trade report for Q1-2023. The oil and manufacturing sectors remained the main contributors to exports and imports, respectively. This represents the second consecutive trade surplus following a rebound from the trade deficit recorded in Q3-2022. We envisage that the drastic decline in oil production in April 2023 (0.99mbpd) poses a setback in recording a trade surplus for Q2-2023. Additionally, the World Bank revised the economic growth forecast for Nigeria downward to 2.80% (vs 2.90% initially estimated in January 2023). This downward revision was attributed to weaker revenue generation, continued legacy shocks (insecurity, political instability and poverty), foreign exchange challenges and fiscal pressures. Another development in Nigeria is the partnership between the Security and Exchange Commission (SEC) and the Standards Organization of Nigeria (SON) to ensure the standardization of export commodities. This is expected to enhance the competitiveness of the country's export commodities in the international market, thereby presenting the opportunity to improve output. In addition, the Organization of Petroleum Exporting Countries (OPEC+) announced a production cut for its member countries, where Nigeria's production quota was revised to 1.38mbpd from 1.74mbpd, effective January 2024. This figure may be revised upwards subject to what is achievable by the country in 2024. As we advance, we envisage stakeholders in the oil and gas industry would implement measures to improve oil production given the importance to economic growth.

Profit-taking activities in the market dampened the upbeat mood from the previous week, as the market closed up marginally. The all-share Index (ASI) gained 0.19% WoW bringing the year to date return to 9.13%. Across the sectors, all indices except for the **NGXINDUSTR** (-1.32%) recorded week-on-week gains.

In the last primary market auction held during the week, stop rates increased across the trio instrument to settle at 4.48%, 6.00% and 9.45% (vs. 2.29%, 4.99% and 7.99% in the last auction), respectively. In the secondary fixed income market, performance was mixed as average bond declined to 13.76% (vs 13.88% in the prior auction) while average T-bill rose to 5.66% (vs 5.56% in the last auction).

Nigeria | June 9th, 2023

Market Performance

Equities	This Week	Previous Week	% Δ
NGXASI	55,930.97	55,822.82	0.19%
Volume ('bn)	2.19	2.58	-15.06%
Value ('bn)	46.02	46.63	-1.31%
Mkt. Cap. ('bn)	30.45	30.39	0.20%
Market Breadth	1.65x	3.13x	

	WTD	MID	YTD
NGXBNK	1.10%	0.47%	25.97%
NGXCNSMRGDS	0.14%	-0.03%	43.96%
NGXOILGAS	3.39%	8.01%	39.19%
NGXINS	13.91%	15.61%	38.59%
NGXINDUSTR	-1.32%	-1.37%	2.11%
NGX-ASI	0.19%	0.29%	9.13%

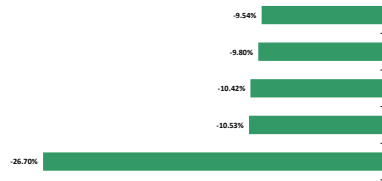
Other Indices	WTD	MID	YTD
NGX-30	0.11%	0.05%	9.74%
NGX-PENSION	0.35%	0.24%	24.31%

Market Outliers

Top Gainers

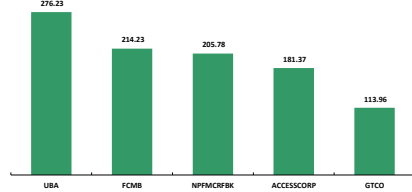


Top Losers

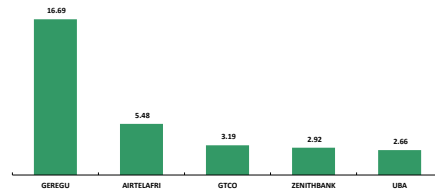


Weekly Trading Activity

Volume ('mn)



Value ('bn)



	This Week	Previous Week	% Δ
I & E (per USD)	472.50	464.67	-1.66%

Bond Yields

	This Week	Previous Week	% Δ
1YR	8.84%	7.87%	0.97%
3YR	12.07%	12.65%	-0.58%
5YR	13.57%	13.00%	0.56%
7YR	14.20%	14.54%	-0.34%
10YR	14.67%	14.71%	-0.05%
30YR	15.77%	15.77%	0.00%

In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.05%	0.00%	-0.06%	-0.06%	-0.21%	0.04%	-0.13%	0.42%
WTD	0.19%	4.87%	0.00%	0.70%	-0.36%	1.28%	0.99%	0.44%
YTD	9.13%	7.92%	20.02%	-15.97%	5.21%	1.81%	3.94%	8.39%
P/E	10.18x	3.63x	8.99x	5.34x	10.61x	9.63x	12.93x	14.10x

Money Market Rates

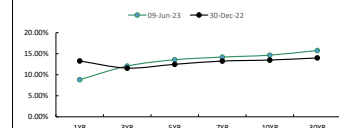
	This Week	Previous
OBB	11.70%	11.50%
OVN	12.10%	11.88%
Average	11.90%	11.69%

Treasury Bills Yields

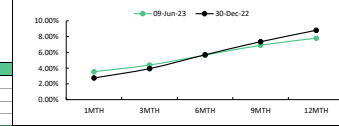
	This Week	Previous
1MTH	3.55%	2.79%
3MTH	4.39%	4.04%
6MTH	5.65%	5.54%
9MTH	6.90%	6.98%
12MTH	7.80%	8.43%
Average	5.66%	5.56%

Fixed Income Monitor

Bond Yields



Treasury Bills



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