

What Moved the Markets this Week?

Eurozone's inflation rate sustained its southward trend in June 2023, moderating to 5.50% (vs 6.10% in May 2023). The decline was driven by lower prices of food and energy during the month. However, we envisage that the ECB will maintain its hawkish stance as inflation still remain well above the Central bank's target of 2.00%. In Sub-Saharan Africa, Ghana reached an agreement with banks to restructure its USD1.36bn worth of locally issued USD bonds and cocoa bills. This is in alignment with fulfilling the conditions necessary to obtain the next tranche of the USD 2.00bn loan from the International Monetary Fund (IMF). Moreover, there is still USD11.80bn domestic debt yet to be restructured. Thus, we foresee that the fund may not be disbursed as scheduled since the June deadline has elapsed. Furthermore, the Kenya National Bureau of Statistics reported that Kenya's inflation rate fell from 8.00% in May 2023 to 7.90% in June 2023. This is a positive outcome after the central bank raised rates by 100 basis points at its most recent monetary policy meeting. Going forward, we project that general prices will remain elevated in the near term premised on the adverse impact of increase in electricity charge, new tax measures on price stability.

Nigeria's total public debt stock for the first quarter of 2023 was reported by the Debt Management Office (DMO). The nation's total debt grew by 7.78% QoQ to NGN49.85trn (vs. NGN46.25trn in Q4:2022). We anticipate higher debt figures in the second quarter, as we expect the securitized ways and means in May 2023 to be included. Also, we note that the foreign debt stock was reached using the exchange rate as of March 31st, 2023 thus, we project that the recent changes in the operations of the foreign exchange market which has led to the significant depreciation of naira to further increase the debt figure in Q2:2022. We expect that this would result in worsened economic indicators such as Debt to GDP ratio.

The Nigerian equities market closed in the green zone as the NGXASI gained 2.98% WoW to close at 60,968.23pts. Thus, the Year-to-Date return increased to 18.96% (from 15.52% in the previous week). In addition, the positive sentiment was evident across sectors, as all sectoral indices recorded week-on-week gains.

In the primary market T-Bills auction held during the week, the total subscription (NGN753.47bn) was higher than the amount offered (NGN187.12), thus the stop rates on the 91, 182 and 364-day instruments declined by 201bps, 75bps and 202bps to 2.87%, 4.37% and 6.23% respectively. In the secondary fixed income market, performance was predominantly bullish as the average bond and Tbills yield declined to 12.98% and 4.88% (vs 13.78% and 5.92% last week), respectively.

Nigeria | June 30th, 2023

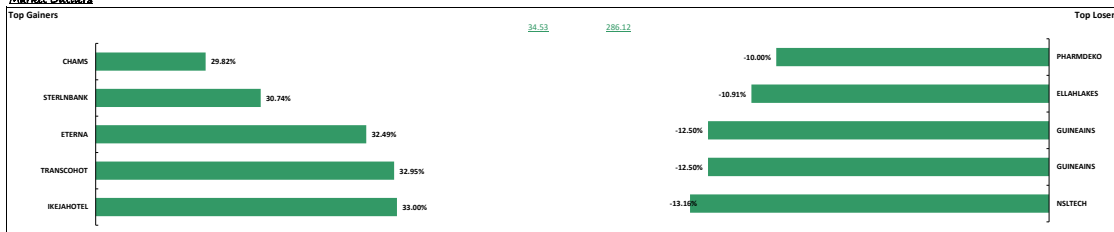
Market Performance

Equities	This Week	Previous Week	% Δ
NGXASI	60,968.27	59,206.63	2.98%
Volume ('bn)	2.31	3.26	-29.04%
Value ('bn)	41.50	41.74	-0.58%
Mkt. Cap. ('trn)	33.20	32.24	2.98%
Market Breadth	3.52x	1.78x	

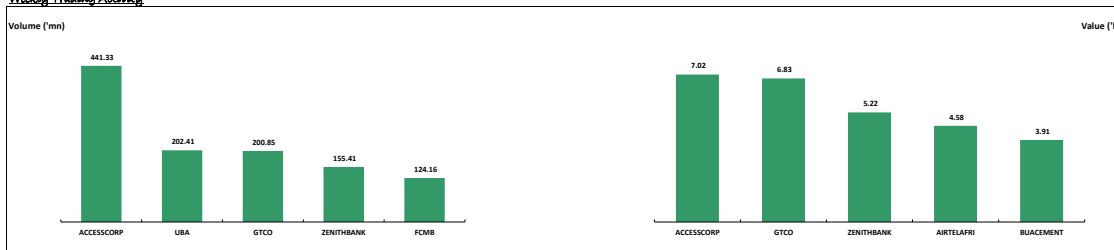
	WTD	MTD	YTD
NGXBNK	7.78%	23.30%	54.59%
NGXCNSMRGDS	1.12%	5.51%	51.93%
NGXOILGAS	4.56%	30.18%	67.76%
NGXINS	1.90%	32.55%	58.91%
NGXINDUSTR	0.63%	0.13%	3.66%
NGX-ASI	2.98%	9.32%	18.96%

Other Indices	WTD	MTD	YTD
NGX-30	2.81%	8.92%	19.47%
NGX-PENSION	4.47%	16.14%	44.03%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	% Δ
I & E (per USD)	769.25	770.17	0.12%

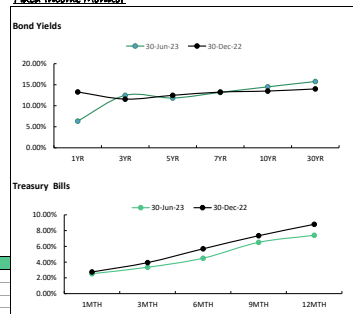
Bond Yields	This Week	Previous Week	% Δ
1YR	6.36%	8.02%	-1.66%
3YR	12.48%	11.61%	0.87%
5YR	11.85%	13.40%	-1.55%
7YR	13.18%	14.06%	-0.88%
10YR	14.50%	14.50%	-0.00%
30YR	15.77%	15.77%	0.00%

vs. Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.05%	0.01%	0.79%	-2.78%	-1.89%	-0.26%	0.23%	-0.43%
WTD	0.33%	1.92%	-1.21%	-4.45%	-1.27%	1.71%	2.85%	1.58%
YTD	24.72%	-6.51%	-11.72%	-10.84%	-8.05%	-11.73%	-16.14%	-15.54%
P/E	10.88x	6.56x	2.37x	7.42x	10.00x	11.66x	11.63x	13.64x

Money Market Rates	This Week	Previous
OBB	1.36%	2.90%
OVN	2.00%	3.40%
Average	1.68%	3.15%

Treasury Bills Yields	This Week	Previous
1MTH	2.53%	3.33%
3MTH	3.39%	4.47%
6MTH	4.50%	5.73%
9MTH	6.51%	7.56%
12MTH	7.41%	8.51%
Average	4.88%	5.92%

Fixed Income Monitor



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