

What Moved the Markets this Week?

In the United States of America, the Bureau of Labor Statistics reported an increase of 209,000 jobs in the nonfarm payroll employment for June 2023, representing the lowest addition since the end of 2020. Surprisingly, the unemployment rate slowed to 3.60% during the month (vs 3.70% in May 2023) while average hourly wages advanced by 0.40% MoM. We note that this data presents mixed signals, as the low job additions infer cracks in the labor market while the increase in wages highlights the strength of the market. Thus, we envisage that the Fed could consider this to resume its hawkish stance by raising interest rates at its July meeting, as wage growth may impact inflation. In sub-Saharan Africa, Kenya experienced slower economic growth in Q1.2023 (5.30% YoY vs 6.20% YoY in Q2 2022). The recovery in agricultural activities (5.80% YoY) and development in several other industries, including ICT, finance and insurance, lodging, and food service, all contributed to the positive rise. For the rest of the year, we anticipate that growth will remain positive, although slower, as macroeconomic indicators such as inflation, weakened currency and higher interest rate are expected to subdue demand.

On the domestic front, President Tinubu signed four executive orders repealing tax laws implemented by the previous administration. These orders include the suspension of the implementation of the Finance Act of 2023 till September 1, 2023, the customs excise tariff, the 5.00% excise tax on telecommunication services, and the newly introduced green tax on single-use plastics. This reversal aims to address inefficiencies of the tax system and promote a business-friendly environment. This is a welcome development, and it is expected to pull less pressure on businesses, individuals and foster output expansion in the coming quarters. Also, the African Development Bank has granted a loan of USD115 million to Abia State to rehabilitate roads, control erosion, and manage solid waste in the state capital, Umuahia, and the commercial hub, Aba. We expect the project to generate employment opportunities in various sectors across the state while enhancing the availability of economic and social facilities. In the corporate scene, Coronation Insurance (WAPIC) has disclosed that it has received an offer from Coronation Capital (Mauritius) Limited to acquire its share and possibly delist from the NSE. While we expect further information on the transaction's outcome, we highlight investors' negative reactions as the share price has declined by (-24.69%) between the announcement date (4th of July) and today.

The local bourse closed in the green as the NGXASI gained 3.40% WoW to close at 63,040.87pts. This brought the year-to-date return to 23.00% from 18.96% recorded in the previous week. Similarly, performance across all sectoral indices was positive as all indices recorded week-on-week gains save for the NGXCNSMRGDS (-0.22% WoW).

In the secondary fixed income market, performance was bullish as the average T-Bills and bond yields declined to 4.22% and 12.95% (vs 4.86% and 12.98% last week), respectively.

Nigeria | July 7th, 2023

Market Performance

Equities	This Week	Previous Week	% Δ
NGXASI	63,040.87	60,958.27	3.40%
Volume ('bn)	9.83	2.31	325.00%
Value ('bn)	145.40	41.50	250.37%
Mkt. Cap. ('trn)	34.33	33.20	3.40%
Market Breadth	3.20x		

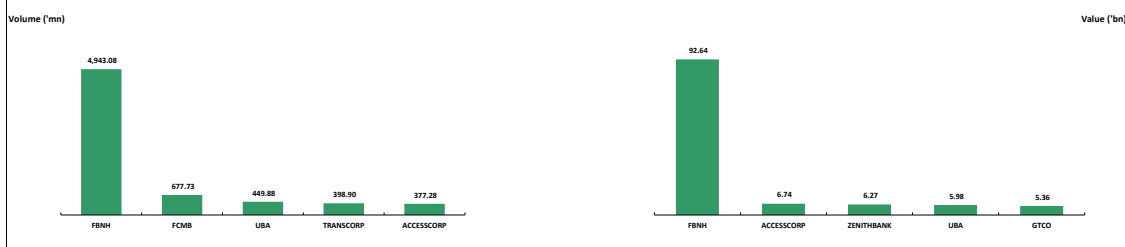
	WTD	MID	YTD
NGXBNK	9.82%	9.82%	69.77%
NGXCNSMRGDS	-0.22%	-0.22%	51.99%
NGXOILGAS	7.18%	7.18%	79.81%
NGXINS	0.73%	0.73%	60.07%
NGXINDUSTR	2.22%	2.22%	5.97%
NGX-ASI	3.40%	3.40%	23.00%

Other Indices	WTD	MID	YTD
NGX-30	3.95%	3.95%	24.19%
NGX-PENSION	4.36%	4.36%	50.31%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	% Δ
I & E (per USD)	742.31	769.25	3.63%

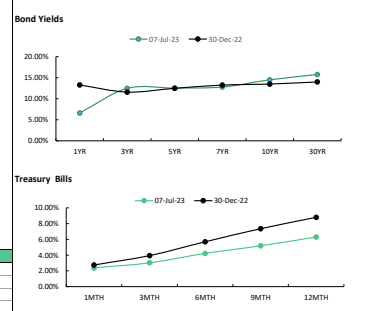
Money Market Rates		
	This Week	Previous
OBB	0.86%	1.36%
OVN	1.25%	2.00%
Average	1.06%	1.68%

Bond Yields			
	This Week	Previous Week	% Δ
1YR	6.62%	6.36%	0.26%
3YR	12.48%	12.48%	-0.00%
5YR	12.54%	11.85%	0.69%
7YR	12.79%	13.18%	-0.39%
10YR	14.50%	14.50%	0.00%
30YR	15.77%	15.77%	0.00%

Treasury Bills Yields		
	This Week	Previous
1MTH	2.38%	2.53%
3MTH	3.02%	3.35%
6MTH	4.22%	4.50%
9MTH	5.18%	6.51%
12MTH	6.30%	7.41%
Average	4.22%	4.86%

In Other Markets								
	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.65%	5.18%	-1.60%	2.35%	0.85%	-1.09%	-1.64%	-2.08%
WTD	3.40%	5.64%	0.00%	4.08%	-1.69%	-0.44%	-0.48%	-2.57%
YTD	23.00%	21.37%	17.15%	-12.63%	2.32%	1.68%	2.96%	6.84%
P/E	11.32x	3.42x	8.53x	5.49x	10.53x	9.60x	12.84x	13.90x

Fixed Income Monitor



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