

What Moved the Markets this Week?

According to the Office for National Statistics, the United Kingdom's inflation rate for June 2023 decelerated to 7.90% from 8.70% in May 2023, marking the lowest level since March 2022. This moderation was primarily driven by a substantial drop in motor fuel prices. Nonetheless, we expect the Bank of England to maintain its hawkish stance in an effort to tame inflation within its 2% target. Elsewhere in Asia, the National Bureau of Statistics of China reported that China's economy expanded by 6.30% YoY and 0.8% QoQ in Q2-2023, which was slower than anticipated. This muted growth is attributed to dwindling exports, weak consumption levels, and increasing youth unemployment rate. We posit a moderate output level in the near term as the country is on the brink of deflation. Also, following the pull out of Russia from the Black Sea Grain Deal has rekindled concerns of another global food crisis. We foresee a strain on global food supply and a subsequent rise in food prices unless the deal is revived. In Sub-Saharan Africa, the South Africa Rand Bank (SARB) held its benchmark rate constant at 8.25% after 10 consecutive hikes since November 2021. This decision comes as inflation rate has fallen within the SARB's target band of 3-6%. We expect this move to spur economic activities and contribute to economic growth.

In the domestic scene, the National Bureau of Statistics reported that inflation for June 2023 rose to 22.79% from 22.41% in May. The increase was driven by price increases in food items, transport services, gas, vehicle spare parts, fuels, and medical services. We expect inflation to maintain its upward trajectory in the subsequent months as the full effect of policy changes is reflected. Hence, we expect further interest rate tightening from the Monetary policy committee in their next meeting. Continuing the reforms in the downstream oil and gas sector, the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has issued importation licenses to 56 marketing companies, allowing them to import PMS into the country. This measure is expected to improve the supply of petroleum products and bring more transparency to the sector. On the Corporate Scene, Fidelity Bank Plc disclosed its intention to raise additional capital via a public offer and rights issue for up to 10.00bn and 3.20bn ordinary shares, respectively. We expect this to have a positive impact on the bank's capital adequacy ratio and further foster its lending services.

The bulls regained dominance in the Nigerian Equities Market as the **NGX-ASI** gained +3.89% WoW to reach 65,003.39 pts. The positive sentiment was showcased across board as all sectoral indices recorded weekly gains. Similarly, market breadth was at 4.05x, a significant improvement from 0.42x recorded last week.

At the Bonds auction, total subscription (NGN945.12bn) was above the amount allotted (NGN656.74bn). Thus, rates declined across all reopened instruments to 12.50%, 13.60%, 14.10% and 14.30% (vs. 13.90%, 14.70%, 15.54%, 15.70%), respectively. In the secondary market, mixed sentiments reigned as the average TBills yield declined to 3.75% (from 4.14% last week) while the average bonds yield remain unchanged at 12.73%.

Nigeria | July 21st, 2023

Market Performance

Equities	This Week	Previous Week	% Δ
NGXASI	65,003.39	62,569.73	3.89%
Volume ('bn)	4.22	5.23	-19.36%
Value ('bn)	100.70	63.48	58.63%
Mkt. Cap. ('trn)	35.39	34.07	3.89%
Market Breadth	4.05x	0.42x	

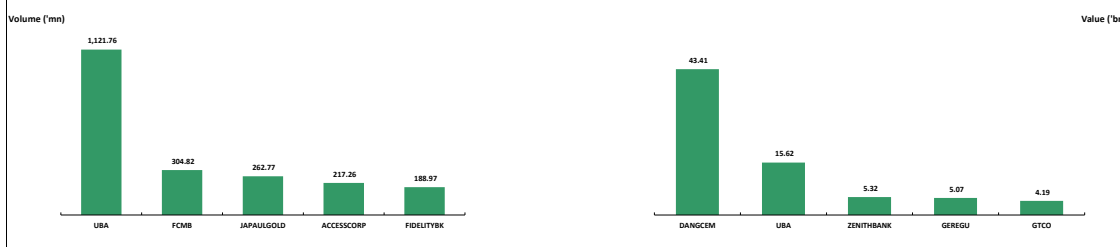
	WTD	MID	YTD
NGXBNK	15.81%	8.97%	68.46%
NGXCNSMRGDS	1.67%	-0.87%	50.61%
NGXOILGAS	0.64%	9.41%	83.55%
NGXINS	5.65%	-5.85%	49.61%
NGXINDUSTR	2.80%	14.56%	18.76%
NGX-ASI	3.89%	6.62%	26.83%

Other Indices	WTD	MID	YTD
NGX-30	3.94%	7.56%	28.51%
NGX-PENSION	4.75%	6.28%	53.07%

Market Outliers



Weekly Trading Activity



	This Week	Previous Week	% Δ
I & E (per USD)	777.82	746.28	-4.05%

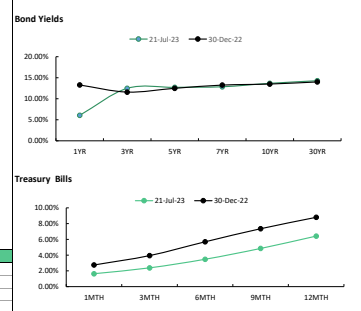
Money Market Rates			
	This Week	Previous	% Δ
OBB	20.43%	1.00%	
OVN	21.00%	1.42%	
Average	20.72%	1.21%	

Treasury Bills Yields			
	This Week	Previous	% Δ
1MTH	1.64%	2.15%	
3MTH	2.38%	2.94%	
6MTH	3.47%	4.08%	
9MTH	4.85%	5.11%	
12MTH	6.42%	6.65%	
Average	3.75%	4.14%	

Bond Yields			
	This Week	Previous Week	% Δ
1YR	6.06%	6.33%	-0.27%
3YR	12.48%	12.48%	0.00%
5YR	12.71%	12.65%	0.06%
7YR	12.85%	12.77%	0.09%
10YR	13.67%	14.08%	-0.41%
30YR	14.29%	15.77%	-1.48%

In Other Markets								
	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.68%	0.34%	-0.17%	-0.23%	-0.34%	0.40%	-0.15%	-0.25%
WTD	3.89%	0.30%	0.00%	-2.88%	-1.28%	0.61%	-1.01%	-0.32%
YTD	26.83%	17.46%	20.41%	-13.20%	5.07%	6.68%	6.45%	12.24%
P/E	11.82x	3.93x	9.36x	5.59x	10.86x	10.07x	13.34x	14.63x

Fixed Income Monitor



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