

What Moved the Markets this Week?

The Eurozone's headline inflation for August remained unchanged at 5.30% YOY from its July level (more than 2.5x of the ECB's target of 2%). Core inflation, on the other hand, eased to 5.30% from 5.50% in July. This was supported by the 3.03% reduction in global oil prices during the month. While we believe that the European Central Bank will remain cautious, it is expected that the Bank will consider a rate hike, albeit at a slower pace at its next meeting scheduled for September 14. According to the Bureau of Labor Statistics, the US economy added 287,000 jobs in August, matching the number of jobs added in July. Meanwhile, the unemployment rate rose to 3.80% in August (vs 3.50% in July), the highest level since early 2022. This reflects an easing in labour market conditions, as some sectors (including the transportation and warehousing) lost jobs. These mixed signals from the labour market fuel the Fed's expectation of a possible rate pause.

As an update on Ghana's debt management efforts, the country has agreed to swap about USD4bn of its domestic debt, marking another stride in fulfilling its commitment towards an IMF bailout. This indicates an achievement of c.95% target under the latest three debt exchange deals. The restructuring processes across pension funds (29.60bn cedis out of 31bn cedis), Eurobond holders (USD741.70mm out of USD809mm), and cocoa bills (7.7bn cedis out of 7.9bn cedis). The new instruments are expected to have higher coupons than the old ones, with longer maturity dates. This strategic debt restructuring initiative is poised to play a pivotal role in revamping Ghana's public debt profile and facilitating the release of payments under a USD3bn IMF program.

The Securities and Exchange Commission (SEC) has tentatively granted approval, issuing a "no-objection" to the Nigerian Exchange (NGX) for their proposed initiative. This novel concept aims to facilitate the ability of both companies and the government to raise capital in US dollars through a new listing platform designed specifically for high-value issuers. We believe that this initiative has the potential to bolster FX supply and provide the much-needed boost to the country's FX reserves in the medium to long term. Additionally, Dangote Sugar Refinery Plc (DANGUSUGAR) unveiled the terms of its merger agreement with NASCON Allied Industries Plc (NASCON) and Dangote Rice Limited (DRL). Within this scheme framework, each shareholder of NASCON will receive eleven (11) fully paid-up ordinary shares, valued at 50 kobo each, in DANGUSUGAR for every twelve (12) NASCON shares. Similarly, for every one (1) ordinary share of DRL, shareholders will receive fourteen (14) ordinary shares of DANGUSUGAR. We expect that the merger will help the new entity take up a larger market share and also benefit from opportunities within the consumer goods sector.

The bulls, once again, dominated the local bourse as the market recorded gains in three trading sessions. As a result, the All-Share Index gained +3.00% WoWW to settle at 67,527.19pts (highest level ever), pushing the YTD return to an impressive 31.76%. Riding on the positive momentum, all sectoral indices recorded week-on-week gains.

In the secondary fixed income market, the mood was largely bullish as the average T-bills and average bond yields fell to 7.38% and 14.06% (vs. 7.55% and 14.15% last week).

Nigeria | September 1st, 2023

Market Performance

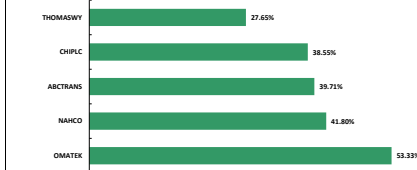
Equities	This Week	Previous Week	% Δ
NGXASI	67,527.19	65,558.91	3.00%
Volume (bn)	2.49	1.80	38.46%
Value (bn)	32.78	29.27	11.95%
Mkt. Cap. (Tm)	36.96	35.88	3.00%
Market Breadth	2.14x	0.70x	

	WTD	MTD	YTD
NGXBNK	5.11%	4.69%	62.06%
NGXCNSMRGDS	7.58%	1.46%	83.13%
NGXOLGAS	5.36%	0.07%	103.36%
NGXINS	0.80%	1.68%	56.73%
NGXINDUSTR	1.98%	1.63%	20.97%
NGX-ASI	3.00%	1.47%	31.76%

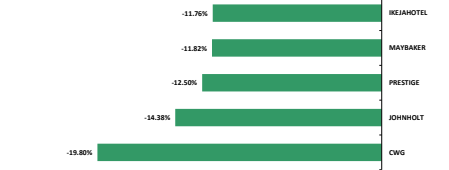
Other Indices	WTD	MTD	YTD
NGX-30	3.23%	1.71%	35.13%
NGX-PENSION	3.38%	1.80%	59.29%

Market Outliers

Top Gainers

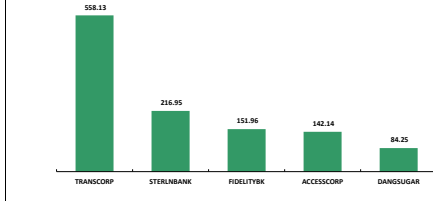


Top Losers

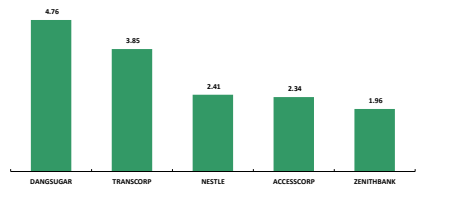


Weekly Trading Activity

Volume (mn)



Value (bn)



	This Week	Previous Week	% Δ
I & E (per USD)	740.38	778.42	5.14%

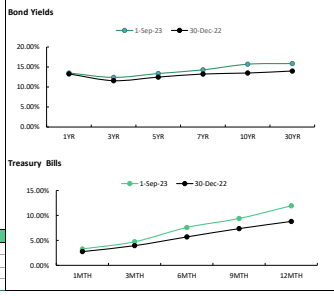
Bond Yields	This Week	Previous Week	% Δ
1YR	13.51%	9.36%	4.15%
3YR	12.41%	12.44%	-0.03%
5YR	13.38%	13.61%	-0.23%
7YR	14.29%	14.24%	-0.05%
10YR	15.71%	14.65%	1.06%
30YR	15.87%	14.99%	0.88%

Money Market Rates	This Week	Previous
ORB	1.67%	24.25%
OVN	2.42%	25.20%
Average	2.05%	24.73%

Treasury Bills Yields	This Week	Previous
1MTH	3.28%	3.53%
3MTH	4.72%	5.27%
6MTH	7.59%	7.65%
9MTH	9.38%	9.62%
12MTH	11.93%	11.66%
Average	7.38%	7.55%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	1.47%	-1.09%	0.30%	-1.10%	-0.20%	-0.74%	-0.81%	-0.39%
WTD	3.00%	-0.56%	0.00%	-1.25%	1.31%	1.31%	0.96%	2.71%
YTD	31.76%	24.88%	29.29%	-23.01%	2.46%	3.34%	2.50%	8.50%
YOE	13.03x	4.91x	8.46x	4.93x	11.69x	9.56x	13.56x	13.70x

Fixed Income Monitor



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