

**What Moved the Markets this Week?**

In the widely anticipated September meeting, the US Federal Reserve kept the Fed Funds rate unchanged at the range of 5.25% to 5.50%. This serves as a measure for the Fed to monitor the progress of the multiple rate hikes in combating the persistently high inflation. However, the general tone of the Fed signals a likely rate hike this year while anticipating fewer rate cuts in 2024 than initially projected due to the tight labour market. Also, the Fed projects that the country's headline inflation rate should fall below 3% in 2024. Similarly, the Bank of England (BoE) halted its long streak of interest rate increases (14 consecutive hikes since December 2021) to keep its monetary policy rate at 5.25%. This move came as a response to the 10bps decline in the country's inflation rate to 6.70% YoY in August. The BoE indicated that the nation may already be experiencing the consequences of the several rate hikes implemented (including the slowdown in economic activities). However, it firmly emphasized its readiness to implement further rate increases if necessary. While we expect this measure to bode well for the economy, output growth will likely remain sluggish. Likewise, the South African Reserve Bank (SARB) held its benchmark lending rate at 8.25% for the second consecutive time. This decision was primarily driven by concerns over the persistent depreciation of the Rand and the enduring price pressures. Despite the 10bps uptick in the country's inflation rate to 4.80% YoY in August, it remains within SARB's target range of 3%-6%. In our view, this measure will be instrumental in supporting the growth of the vulnerable economy amidst the prevalent structural challenges. Elsewhere in Ghana, the economy grew by 3.20% YoY in Q2 2023, marking a slowdown relative to previous year's growth of 3.50% YoY. This can be attributed to the contraction in key sectors such as construction, electricity, and manufacturing. Thus, we believe that the monetary policy committee will consider this in its forthcoming meeting, making a case for a smaller rate increase.

In the domestic scene, Dr. Olajemi Cardoso, nominated by President Bola Ahmed Tinubu, officially assumed the role of acting Governor of the Central Bank of Nigeria (CBN) on Friday, September 22, 2023, pending Senate confirmation. This announcement was made following the postponement of the CBN's 293rd Monetary Policy Committee (MPC) meeting, originally scheduled for September 25 and 26, 2023. As such, the next monetary policy meeting will mark the beginning of the administration of Yemi Cardoso and his team. We believe that focal points for the committee's consideration will include the impact of heightened oil prices on Nigeria's raging inflation, recent policy reforms, system liquidity and ongoing fluctuations in the foreign exchange market. Furthermore, the Central Bank of Nigeria (CBN) introduced the CBN Licensing, Approval, and Other Requests Portal (CBN LAR), an online platform designed to streamline the process of microfinance bank (MFB) license applications. This digital system aims to simplify the application process, enhance accessibility, reduce paperwork, and facilitate more efficient communication. The transition to this new platform will run parallel with the traditional manual process until December 31, 2023, after which manual submissions for MFB licenses will be gradually phased out. Lastly, Elah Lakes Plc has revealed plans to raise NGN2.90bn in capital through a proposed rights issue of 1,000m ordinary shares at NGN2.90 per share on the basis of one (1) new ordinary share for every two (2) ordinary shares held, following approval from the Securities Exchange Commission (SEC). The qualification date for the issue is set at February 10, 2024, while the application is anticipated to open on October 9, 2023, or on any other date sanctioned by the Commission, with a maximum subscription period of 28 days. Compared to its closing price of NGN4.25 as of 22nd September 2023, the proposed price presents an upside potential of 46.55% for investors who are able to subscribe successfully.

At the end of the week, the All-Share Index (ASI) closed down marginally by -0.11% WoW, reaching 67,324.59pts resulting in a Year-to-Date return of 31.36%. Performance across sectoral indices was mostly positive as four out of the five indices posted week-on-week gains, with the exception of the **NGKINDUSTR** (-4.80% WoW), which recorded a loss for the week.

In the secondary market, sentiments were mixed with the average T-bills declining to 8.13% from 8.19% last week. In contrast, average bond yields climbed to 14.47% from last week's 14.40%.

**Nigeria | September 22nd, 2023**

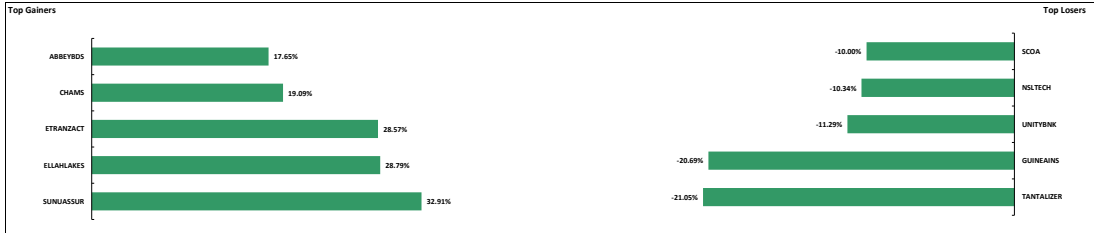
**Market Performance**

Equities	This Week	Previous Week	% Δ
NGXASI	67,324.59	67,395.74	-0.11%
Volume ('bn)	3.90	2.91	33.75%
Value ('bn)	30.37	47.45	-35.99%
Mkt. Cap. ('trn)	36.85	36.89	-0.12%
Market Breadth	1.21x	0.57x	

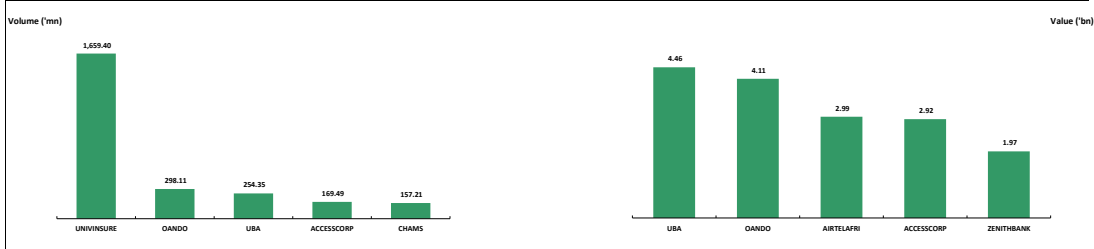
	WTD	MID	YTD
NGXBNK	0.61%	7.57%	66.52%
NGXCNSMRGDS	2.98%	4.86%	89.28%
NGXOILGAS	0.50%	-1.53%	300.12%
NGXINS	3.34%	2.46%	57.93%
NGKINDUSTR	-4.80%	-3.99%	14.28%
NGX-ASI	-0.11%	1.17%	31.36%

Other Indices	WTD	MID	YTD
NGX-30	-0.13%	1.26%	34.53%
NGX-PENSION	0.56%	2.99%	61.15%

**Market Outliers**



**Weekly Trading Activity**



	This Week	Previous Week	%Δ
I & E (per USD)	747.76	756.91	1.22%

**Money Market Rates**

	This Week	Previous
OBB	2.58%	23.64%
ON/N	3.30%	24.42%
Average	2.94%	24.03%

**Bond Yields**

	This Week	Previous Week	%Δ
1YR	11.71%	13.14%	-1.44%
3YR	13.00%	12.32%	0.68%
5YR	14.02%	14.12%	-0.09%
7YR	14.57%	14.33%	0.24%
10YR	15.70%	15.46%	0.24%
30YR	15.87%	15.87%	0.00%

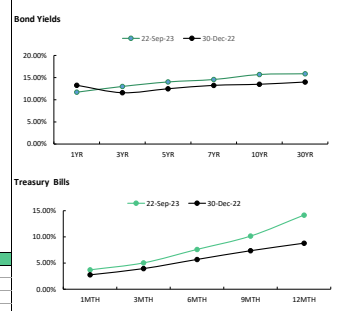
**Treasury Bills Yields**

	This Week	Previous
1MTH	3.70%	3.81%
3MTH	5.03%	5.23%
6MTH	7.60%	7.63%
9MTH	10.15%	9.83%
12MTH	14.17%	14.45%
Average	8.13%	8.19%

**In Other Markets**

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-1.39%	0.00%	1.43%	-0.14%	0.38%	-0.53%	-1.51%	-1.66%
WTD	-0.11%	0.30%	0.00%	-2.16%	-1.43%	-0.74%	-2.92%	-1.77%
YTD	31.36%	29.63%	37.55%	-24.07%	0.64%	1.45%	-0.01%	6.53%
P/E	10.45x	5.09x	9.71x	4.89x	11.38x	9.26x	13.81x	13.42x

**Fixed Income Monitor**



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