

**What Moved the Markets this Week?**

According to the United States Bureau of Labour Statistics, the country's non-farm payroll increased by 336,000 jobs in September, signifying the highest monthly change since January 2023. Although the unemployment rate stayed unchanged at 4.80%, the higher-than-expected jobs additions might spur consumer spending and demand for goods & services, thus posing an upside risk to the inflation levels in the country. According to the World Bank's latest report on sub-Saharan Africa's economic outlook, output growth in the region is expected to decelerate to 2.50% in 2023 compared to 3.60% recorded in 2022. The rising economic and political instability majority drove the revision amid worsening global economic uncertainties. In addition, energy and logistical bottlenecks are anticipated to impede growth in South Africa - the region's most industrialized nation to 0.5%. One of the testaments of the bleak outlook in the region is the recent downgrade of Egypt's credit rating by Moody's to Caa1 from B3. This downgrade underscores the country's worsening debt profile and FX illiquidity as its external debt obligations look to increase over the next two years. Furthermore, Ghana has reached a staff-level agreement with the International Monetary Fund (IMF) on the first review of Ghana's extended credit facility arrangement. Upon completing the IMF Management and executive board approval, Ghana would have access to a special drawing right of c. US\$60.00mn, bringing the total IMF financial support to c. US\$1.20bn. We expect this financing to aid Ghana's efforts towards settling its financial crisis and economic recovery.

For Nigeria, the World Bank projects an economic growth of 2.90% in 2023. The Washington-based lender expects the persistent Naira depreciation to strain output in the oil and non-oil sectors. This forecast stays just 4bps shy of our projection of a 2.94% YoY growth in 2023FY GDP. While we anticipate a moderate recovery in the oil sector, we expect better performance from the non-oil sector to boost total economic output growth. According to the National Bureau of Statistics, Niger's total capital inflows plunged by 32.80% YoY and 9.04% QoQ to US\$1.03bn in Q2.2023. This decline can be attributed to the significant dip in foreign direct investment (41.54%YoY) and portfolio investment (85.89% YoY). In our view, the deteriorating macroeconomic conditions (high inflation rate, FX illiquidity, sluggish economic growth) are primary drivers of the reduced capital inflows during the period. Considering the existing structural challenges, we do not expect a significant capital inflow for the rest of the year; however, we remain optimistic that the successful execution of critical reforms will send positive signals to foreign investors. On corporate development, VFD Group Plc (**VFDGROUP**) - an investment company, has successfully listed on the main board of the Nigerian Exchange (NGX) via a "Listing by Introduction" process on October 6, 2023 at a price of NGN244.88 and a market capitalization of NGN46.53bn. This listing will aid capital raising, enhance the group's visibility and contribute to the deepening of the Nigerian capital market. Following the successful listing on the exchange, **VFDGROUP** gained 9.96% to close the trading session at NGN269.30.

The Nigerian equities market closed in the green zone this week, spending three consecutive weeks of losses. The All Share Index gained 0.11% WoW, settling at 66,454.57pts. Thus, the Year-to-Date return advanced to 29.66%. Performance across sectoral indices was mixed as the **NGXNBI** (+1.43% WoW) and **NGXNSMRGDS** (+0.17% WoW) closed the week positive while **NGXINDUSTR** (-1.38% WoW) and **NGXINS** (-3.11% WoW) recorded weekly losses.

In the fixed-income secondary market, sentiment was predominantly bullish as the average T-bills and bond yields declined to 7.47% and 14.41% from 7.86% and 14.65% last week, respectively.

**Nigeria | October 06th, 2023**

**Market Performance**

Indices	This Week	Previous Week	% Δ
NGXASI	66,454.57	66,382.14	0.11%
Volume (bn)	1.75	1.33	31.32%
Value (bn)	21.06	17.87	17.90%
Mkt. Cap. (Trn)	36.50	36.33	0.47%
Market Breadth	1.1x	0.9x	

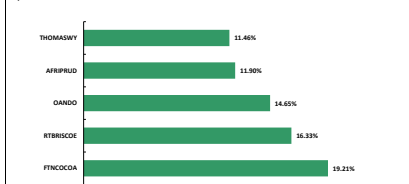
	WTD	MTD	YTD
NGXNBI	1.43%	1.43%	61.96%
NGXNSMRGDS	0.17%	0.17%	92.65%
NGXOILGAS	0.00%	0.00%	97.63%
NGXINS	-3.11%	-3.11%	57.27%
NGXINDUSTR	-1.38%	-1.38%	9.28%
NGXASI	0.11%	0.11%	29.66%

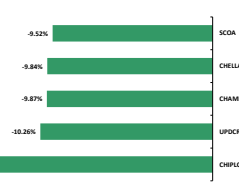
Other Indices	WTD	MTD	YTD
NGX 30	0.07%	0.07%	32.64%
NGX-PENSION	0.81%	0.81%	60.18%

**Market Outliers**

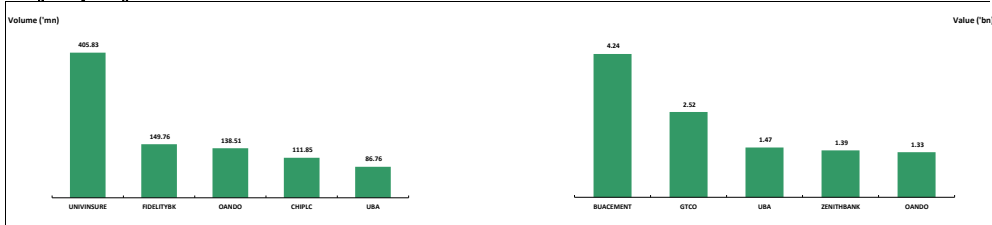
**Top Gainers**



**Top Losers**



**Weekly Trading Activity**



	This Week	Previous Week	% Δ
I & E (per USD)	741.85	755.27	1.81%

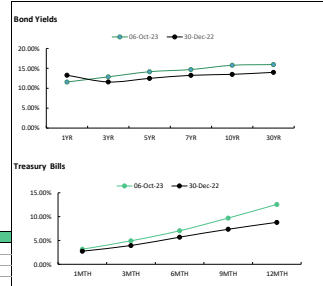
Bond Yields	This Week	Previous Week	% Δ
1YR	11.56%	12.61%	-1.04%
3YR	12.87%	12.97%	-0.10%
5YR	14.16%	12.76%	1.40%
7YR	14.71%	14.68%	0.03%
10YR	15.78%	15.12%	0.66%
30YR	15.96%	16.08%	-0.13%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	-0.17%	0.00%	0.84%	-1.69%	0.12%	-0.54%	0.26%	1.03%
WTD	0.11%	-1.11%	0.00%	-1.87%	-1.45%	-2.31%	-2.37%	-2.37%
YTD	29.66%	28.36%	36.13%	-36.66%	-2.35%	-4.29%	-2.73%	2.02%
P/E	10.08x	6.52x	9.61x	5.02x	11.04x	9.00x	13.45x	13.09x

Money Market Rates	This Week	Previous
ONB	1.00%	2.70%
OVN	1.70%	3.40%
Average	1.35%	3.05%

Treasury Bill Yields	This Week	Previous
1MTH	3.16%	3.38%
3MTH	4.92%	4.44%
6MTH	7.03%	7.13%
9MTH	9.70%	10.44%
12MTH	12.56%	13.94%
Average	7.47%	7.86%

**Bond Income Monitor**



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Meristem Research portal: <https://research.meristemng.com/reports>

Bloomberg: MERI <GO>

Capital IQ: [www.capitaliq.com](http://www.capitaliq.com)

ISI Emerging Markets: [www.securities.com/eh.html?pc=NG](http://www.securities.com/eh.html?pc=NG)

Reuters: [www.thomsonreuters.com](http://www.thomsonreuters.com)

FactSet: [www.factset.com](http://www.factset.com)

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