

**What Moved the Markets this Week?**

In its latest World Economic Outlook, the IMF predicted that global economic growth would slow, with a forecast of 3.00% and 2.90% in 2023 and 2024, respectively. Additionally, advanced economies are set to slow down due to policy tightening, while emerging and developing economies are expected to have a marginal decline in output growth. Inflation is predicted to decrease from 8.70% in 2022 to 6.90% and 5.80% in 2023 and 2024, anchored on tighter monetary policy and lower commodity prices. According to the United States Bureau of Labour Statistics, the country's headline inflation rate remained steady at 4.70% YoY. However, the Fed's favourite inflation measure – the core consumer price index (CPI) – slowed to 4.10% YoY (vs 4.80% YoY reported in August). On a month-on-month basis, the core CPI increased by 0.30%, suggesting that a robust labour market supports consumer demand, contributing to persistent inflationary pressures. We believe the Federal Reserve will likely explore another interest rate hike this year to cool down the rising price pressures further. For China, the headline CPI stayed at 0% YoY, triggering the possibility of deflation and concerns about weak consumer demand. On the other hand, core CPI rose by 0.80% YoY. We expect the People's Bank of China to keep rates unchanged in anticipation of other fiscal support measures. Elsewhere, Ghana's inflation declined to its lowest rate in twelve months as it declined rapidly by 200bps to 38.10% YoY in September. The deceleration in food prices was the major contributor to declining headline inflation. We believe their inflation rate will continue downward for the rest of the year due to base effects and a relatively stable cost.

On the domestic front, the National Upstream Petroleum Regulatory Commission (NUPRC) reported that Nigeria's crude oil production for September rose to 1.35 mbpd (vs 1.18 mbpd in August), marking its highest production level since February 2022. This uptick is attributed to the government's increased scrutiny in tackling insecurity in oil-producing regions and increased surveillance measures targeting crude oil theft & vandalism. Barring any operational distress or unexpected terminal shut-down, we expect the oil production level to continue its upward momentum, although not higher than its pre-pandemic levels. Furthermore, the Central Bank of Nigeria (CBN) has lifted the eight-year foreign exchange (FX) access ban for 43 previously prohibited items, reversing the 2015 import restrictions. Following this disclosure, importers of these items can access foreign currencies through the recognised I&E Window. While this is a welcome development aimed at easing FX pressure and curbing arbitrage activities in the parallel market, its short-term impact may be minimal owing to the limited FX inflows. Lastly, the IMF has revised its 2023 projected output for Nigeria downward to 2.90% from its previous projection of 3.20%, citing weaker oil and gas production as the primary reason for this adjustment. Notably, this new forecast aligns with our projection of 2.94% YoY growth in Nigeria's 2023FY GDP. Our outlook is anchored on the expected modest improvement in the oil sector and a better non-oil sector performance for the year.

The local bourse sustained the positive momentum from last week, closing the week with a 1.12% WoW gain. The All-Share Index at the end of the week stood at 67,200.69pts bringing the Year-to-Date return to 31.12%. Sectoral performance was predominantly positive as all indices save the **NGXBNK** (-0.78% WoW) sector closed in the green zone. For context, **NGXCSMRGDS** (+1.39% WoW), **NGXOLGAS** (+0.33% WoW), **NGXINDUSTR** (+5.03% WoW) and **NGXINS** (+0.92% WoW) sectors posted week-on-week gains.

In the T-bills primary auction held during the week, total subscription plummeted to NGN321.14bn from the previous auction's NGN786.79bn. As a result, rates across the 91-day, 182-day, and 364-day instruments fell to 3.67%, 5.11% and 9.25% from 4.99%, 6.55% and 11.37% in the previous auction, respectively. In the secondary market, sentiment was mixed as the average T-bills yield declined to 6.52% from 7.47% last week, while average bond yields climbed to 8.46% from 8.43% last week.

**Nigeria | October 13th, 2023**

**Market Performance**

Equities	This Week	Previous Week	% Δ
NGXASI	67,200.69	66,454.57	1.12%
Volume (bn)	1.51	1.75	-13.55%
Value (bn)	25.78	21.06	22.39%
Mkt. Cap. (Tn)	36.92	36.50	1.14%
Market Breadth	1.33x	1.15x	

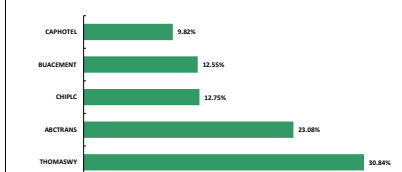
	WTD	MTD	YTD
NGXBNK	-0.78%	0.64%	60.55%
NGXCSMRGDS	1.39%	1.56%	95.28%
NGXOLGAS	0.33%	0.33%	98.29%
NGXINS	0.92%	-2.21%	58.72%
NGXINDUSTR	5.03%	3.58%	14.77%
NGXASI	1.12%	1.23%	31.12%

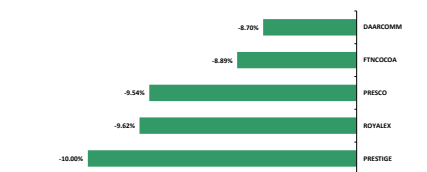
Other Indices	WTD	MTD	YTD
NGX 30	1.09%	1.16%	34.09%
NGX-PENSION	1.37%	2.19%	62.37%

**Market Outliers**

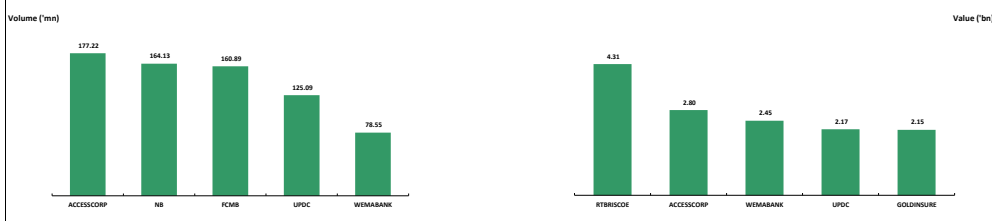
**Top Gainers**



**Top Losers**



**Weekly Trading Activity**



	This Week	Previous Week	%Δ
I & E (per USD)	764.85	741.85	-3.01%

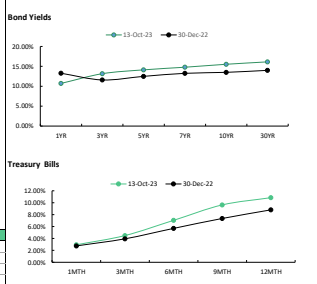
Money Market Rates	This Week	Previous
ONB	1.00%	1.00%
OVN	1.67%	1.70%
Average	1.34%	1.35%

Bond Yields	This Week	Previous Week	%Δ
1YR	10.71%	11.56%	-0.85%
3YR	13.16%	12.87%	0.29%
5YR	14.12%	14.16%	-0.03%
7YR	14.79%	14.72%	0.08%
10YR	15.52%	15.78%	-0.25%
30YR	16.13%	15.96%	0.17%

Treasury Bill Yields	This Week	Previous
1MTH	2.94%	2.16%
3MTH	4.49%	4.92%
6MTH	7.04%	7.03%
9MTH	9.63%	9.70%
12MTH	10.85%	12.56%
Average	6.99%	7.47%

In Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.10%	0.13%	1.77%	-0.34%	-0.50%	-0.09%	0.61%	-0.11%
WTD	1.12%	0.17%	0.00%	-0.13%	1.90%	0.39%	2.20%	2.38%
YTD	31.12%	28.70%	37.03%	-26.73%	-0.04%	0.04%	0.66%	4.99%
P/E	10.12x	6.54x	9.67x	5.10x	11.32x	9.14x	13.93x	13.52x

**Bond Income Monitor**



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

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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)

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