

## What Moved the Markets this Week?

In the global scene, the US Bureau of Labour Statistics reported that the country's non-farm payroll rose by 32.67% MoM to 199,000 jobs in November compared to 150,000 in the previous month. The uptick in jobs numbers was fuelled by an increase in government payrolls, and a resumption of workers to the automobile sector following a period of industrial action. Nonetheless, we expect the Fed to keep rates unchanged at its next meeting as other indicators (inflation rate, economic growth) remain favourable. In other developments, the Bank of Canada (BOC) at its last meeting, held its key overnight rate constant at 5% (its 25-year high). This decision was influenced by a slowdown in inflation (3.10% YoY in October) and a contraction in the country's growth (-1.10% in Q3-2023). As inflation remains above the bank's target of 2%, we expect the bank to continue to monitor underlying inflation drivers before their next meeting. In Asia, revised estimates revealed that Japan's economy contracted by 2.90% YoY in Q3-2023 lower than previous estimates of -2.10% YoY. This decline owed to the downturn in household and business spending, reduction in corporate investments and a surge in inventory accumulation during the period. In the near term, we expect a modest improvement in the country's economic growth as the scheduled stimulus package of c. USD113bn is anticipated to spur private consumption and business activities.

During the week, the National Bureau of Statistics (NBS) reported that Nigeria's total trade rose by 53.2% YoY to NGN18.80trn in Q2-2023 (vs. NGN12.74trn in Q2-2022 and NGN12.38trn Q3-2022). Accordingly, total export advanced by 74.35% YoY to NGN10.35trn (vs. NGN5.5trn in Q2-2023) owed to the devaluation of Naira which made exports cheaper and higher oil production volumes during the period. Also, the country's oil sector remained the major driver to export during the period. Likewise, total imports recorded a 33.3% growth to NGN8.46trn (vs. NGN6.3trn in Q2-2022), due to increased imports in the manufacturing sector. As a result, trade surplus improved to NGN1.9trn (+\$61.4% YoY). Looking ahead, we anticipate a sustained positive trade balance, mainly driven by reduced import values as a result of the commencement of operations at the Dangote refinery, decreasing the need for petroleum product imports. Additionally, the Nigeria Interbank Settlement System (NIBSS) issued a circular instructing banks to remove non-deposit payment service providers (such as Payment Solution Service Providers (PSSP), switching companies and super agents) from the instant payment (NIP) outward transfer channels. This directive aligns with the Central Bank of Nigeria's (CBN) policy on electronic payments. In our opinion, this action aims to reduce fraudulent transactions, tackle violations and deepen financial inclusion in Nigeria. In the corporate scene, like many other consumer goods companies in Nigeria, US-based multinational corporation, Procter and Gamble (P&G), has announced its intention to exit Nigeria, after about thirty years of business operation. This development was due to the operational hurdles faced by the company amid a challenging macroeconomic environment and the persistent effects of Naira devaluation on its operations. Consequently, the company has decided to shift towards an import-only operational model. As a result, we expect the prices of the company's product to inch higher and further strain consumer wallet.

The Nigerian equities market stayed in the greens for the sixth consecutive week as the All-Share index gained 0.17% WoW to reach 71,541.74pts. Consequently, the Year-to-Date return rose to 39.59%. Across sectors, performance was predominantly mixed as the **NGXBNK** (+6.08% WoW), **NGXCNSMRGDS** (+0.21% WoW) recorded gains while the **NGXOILGAS** (-0.58% WoW) while **NGXINDUSTR** (-3.03%), and **NGXINS** (-1.44% WoW) recorded week-on-week losses.

In the Primary Market Auction (PMA) held during the week for Treasury Bills, the total amount offered declined to NGN104.35trn (vs. NGN211.71trn recorded at the previous auction). However, subscription level rose to NGN2.23trn (vs. NGN1.23trn at the last auction). As a result, the subscription-to-offer ratio rose to 19.39% from 5.82% at the previous auction. Furthermore, the average stop rates on the 91-day and 182-day instruments increased by 100bps to 9.00% and 11.00% respectively, while the stop rate on the 364-day instrument declined by the same magnitude to 15.75% in the secondary fixed income market, sentiment was predominantly bullish earish as average T-bills and bond yields rose to 10.36% and 14.86% from 10.47% and 15.69%, respectively in the previous week.

## Nigeria | December 8th, 2023

## Market Performance

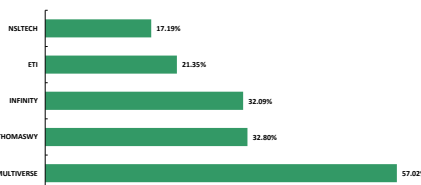
Equities	This Week	Previous Week	% Δ
NGXASI	71,541.74	71,419.87	0.17%
Volume ('bn)	2.33	2.46	-5.30%
Value ('bn)	42.33	38.38	10.30%
Mkt. Cap. ('trn)	39.15	39.08	0.17%
Market Breadth	1.48x	0.76x	

	WTD	MTD	YTD
NGXBNK	6.08%	7.28%	92.23%
NGXCNSMRGDS	0.21%	0.13%	94.16%
NGXOILGAS	-0.58%	-0.53%	125.12%
NGXINS	-1.44%	-2.52%	69.28%
NGXINDUSTR	-3.03%	-3.08%	12.21%
NGX-ASI	0.17%	0.25%	39.59%

Other Indices	WTD	MTD	YTD
NGX-30	0.22%	0.20%	42.78%
NGX-PENSION	0.72%	0.81%	72.08%

## Market Outliers

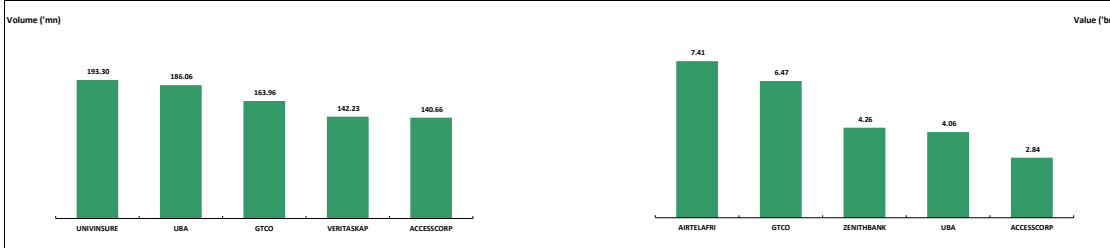
## Top Gainers



## Top Losers



## Weekly Trading Activity



	This Week	Previous Week	% Δ
NAFEM (per USD)	1,099.05	927.19	-15.64%

## Bond Yields

	This Week	Previous Week	% Δ
1YR	17.15%	16.35%	0.80%
3YR	14.06%	14.06%	-0.00%
5YR	14.95%	15.69%	-0.74%
7YR	15.32%	16.01%	-0.69%
10YR	17.00%	16.97%	0.03%
30YR	17.55%	17.34%	0.24%

## In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.12%	0.05%	-0.07%	0.01%	-1.35%	-0.37%	-0.50%	0.00%
WTD	0.17%	-1.24%	0.00%	1.81%	-2.53%	-0.29%	-1.22%	0.37%
YTD	39.59%	28.09%	69.10%	-26.30%	1.02%	2.96%	1.44%	10.00%
P/E	10.18x	5.72x	11.29x	5.28x	12.01x	10.50x	14.56x	14.26x

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Meristem Research can also be accessed on the following platforms:

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

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

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

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

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