

**What Moved the Markets this Week?**

During the week, the Bureau of Labour Statistics revised the US GDP growth rate for Q3-2023 upward to 5.20% YoY (its fastest expansion since Q4-2021, from 4.80% earlier reported). The upward adjustment in the GDP figures reflected the increased investment in structures, particularly warehouses and healthcare facilities. The revision also captured the increased spending by state and local governments. However, consumer spending, which contributes more than two-thirds to the U.S. economic activity, was revised downward marginally to 3.60% (from 4.00% previously reported). This was primarily influenced by decreased spending on financial services and insurance during the period. More so, the EU statistical agency Eurostat, reported that European inflation for November 2023 was lower than anticipated, as it fell to 2.40% YoY (from 2.80% YoY in October 2023). This decline in inflation is attributed to reduced energy and food prices during the period. Additionally, core inflation, which excludes energy and food prices, decreased to 3.60% YoY (vs. 4.20% in October). In light of this, we expect the ECB to maintain a hold stance in its upcoming meeting, considering that the inflation rate has inched closer to the bank's 2.00% target and the potential adverse effects of elevated interest rates on the region's economy. In other developments, OPEC+ members announced that they have agreed to make additional oil production cuts in 2024 to a total of 1.00 mbpd in a bid to support market stability, following a decline in global oil prices due to weaker demand and anticipation of improved supply. We expect this cut in addition to the previous scheduled cut to impact global oil supply in the near term and keep oil prices elevated.

On the domestic scene, the Federal Executive Council (FEC) has approved the revised 2024FY proposed budget of NGN27.50trn, representing a 5.70% increase from the initial NGN26.00trn approved in the previous month. Specific adjustments were made to some key assumptions which includes a higher exchange rate of NGN/USD (vs NGN/100 USD previously) and higher oil price projection of USD/7.56/bbl (vs. USD/73.96/bbl). Thus, putting the total projected revenue at NGN18.32trn with 4.330% expected from oil related sources and 56.70% from non-oil sources. From our estimates, we anticipate the budget deficit to print at NGN9.20trn, with expected funding sources from domestic and international borrowings. We, however, note that achieving the targeted exchange rate remains bleak given the country's persistent FX liquidity challenges, unless a more enduring solution is implemented to resolve the FX issues. Additionally, in a circular issued to Deposit Money Banks, the CBN has directed a "Post No debit" restriction on all bank accounts without Bank Verification Number (BVN) and National Identification Number (NIN), effective April 2024. This restriction will prevent affected customers from making withdrawals and transfers, rendering their accounts inaccessible for the duration of the restriction. In our analysis, we expect this move to further drive financial inclusion and aid the monetary authority in its efforts to curb fraudulent practices in the financial system.

The local bourse continued on its positive tide for the fifth consecutive week, with the All-share index gaining 0.27% WoW to reach 71,419.87pts. Thus, printing a Year-to-Date return of 39.35%. Across sectoral indices, the performance was however mixed as **NGXBANK** (+1.92% WoW) and **NGXOILGAS** (+5.97% WoW) recorded positive gains while **NGXINDUSTR** (-1.23%), **NGXNSMRGDS** (-0.47% WoW) and **NGXINS** (-2.03% WoW) closed in the red zone this week.

In the secondary fixed-income market, the sentiment was largely bullish as the average T-bills, and bond yields declined to 10.47% and 15.69% (vs. 11.91% and 15.91% last week respectively).

**Nigeria | December 1st, 2023**

**Market Performance**

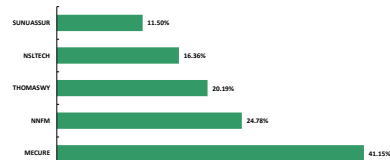
Equities	This Week	Previous Week	% Δ
NGXASX	71,419.87	71,228.79	0.27%
Volume (bn)	2.46	2.17	3.76%
Value (bn)	38.38	22.54	70.24%
Mkt. Cap. (Trn)	39.08	39.17	-0.23%
Market Breadth	0.76x	2.46x	

	WTD	MTD	YTD
NGXBANK	1.92%	1.14%	81.21%
NGXNSMRGDS	-0.47%	-0.08%	93.75%
NGXOILGAS	5.97%	0.05%	126.42%
NGXINS	-2.03%	-1.10%	71.74%
NGXINDUSTR	-1.23%	-0.06%	15.71%
NGX-ASI	0.27%	0.08%	39.35%

Other Indices	WTD	MTD	YTD
NGX-30	0.44%	-0.01%	42.47%
NGX-PENSION	0.95%	0.09%	70.85%

**Market Outliers**

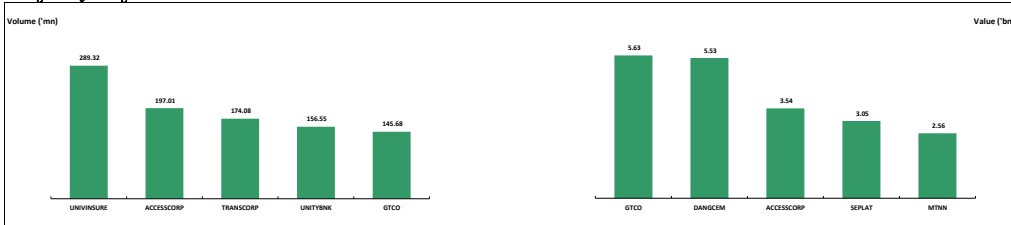
**Top Gainers**



**Top Losers**



**Weekly Trading Activity**



	This Week	Previous Week	% Δ
NAFEM (per USD)	927.19	794.93	-14.27%

**Money Market Rates**

	This Week	Previous
OIB	15.75%	23.75%
OVN	16.32%	24.58%
Average	16.04%	24.17%

**Bond Yields**

	This Week	Previous Week	% Δ
1YR	16.35%	18.03%	-1.68%
3YR	14.06%	15.13%	-1.07%
5YR	15.69%	15.50%	0.19%
7YR	16.01%	15.73%	0.28%
10YR	16.37%	17.06%	-0.69%
30YR	17.34%	17.88%	-0.53%

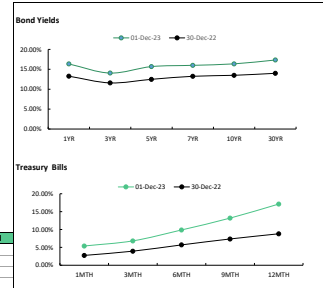
**Treasury Bills Yields**

	This Week	Previous
1MTH	5.39%	6.51%
3MTH	6.82%	8.79%
6MTH	9.87%	11.80%
9MTH	13.19%	14.36%
12MTH	17.22%	18.10%
Average	10.47%	11.91%

**FX Rates Markets**

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.08%	0.00%	-0.10%	0.37%	-0.20%	-0.47%	0.41%	0.08%
WTD	0.27%	-0.80%	0.00%	0.03%	-0.44%	-0.35%	0.69%	0.13%
YTD	39.35%	29.70%	69.44%	-27.61%	3.19%	2.59%	3.21%	9.31%
YF%	1.54x	6.72x	11.04x	5.04x	12.23x	10.15x	14.70x	24.15x

**Fixed Income Monitor**



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