

What Moved the Markets This Week?

On the global scene, Japan experienced a slight uptick in inflation in October, reaching 2.90% compared to 2.80% in September. This increase was driven by global commodity prices and a weakened yen. Similarly, South African annual inflation rose to a five-month high of 5.90% in October compared to 5.40% in September. This uptick is predominantly attributed to increases in food prices, non-alcoholic beverages, and transportation costs. The rise in the food index is mainly driven by elevated prices for poultry-related products, including eggs, which experienced heightened upward pressure due to the avian flu outbreak.

According to the National Bureau of Statistics (NBS), the Nigerian economy recorded a YOY expansion of 2.54% in Q3-2023, an improvement from 2.25% in Q2-2023 and 2.51% in Q2-2022. The non-oil sector continued its growth trend at +2.75% YOY, constituting c.95% of the overall GDP, while the oil sector remained negative, albeit slightly at -0.87% YOY. In the foreseeable future, we anticipate the non-oil sector to remain the primary driver of GDP growth, buoyed by strong consumer consumption. Additionally, recent investments in the oil sector are expected to contribute to increased production volumes, thereby improving overall oil output. According to a recently released communique, the Federation Account Allocation Committee (FAAC) disbursed NGN906.96bn (vs NGN903.48bn for September) among the three tiers of government for October 2023. This increase is primarily attributed to higher proceeds from Value Added Tax (VAT), Petroleum Profit Tax (PPT), Import Duty, Customs External Tariff (CET), and EMTI. Anticipated growth in oil output is expected to sustain the upward trajectory of FAAC disbursements, countering the impact of prevailing low global oil prices (USD\$1.45pb as of 24th Nov). Increased FAAC allocations will alleviate fiscal pressures on Federal and state governments, facilitating the fulfillment of outstanding obligations. More so, Africa's largest oil producer (Nigeria) and Europe's biggest gas consumer (Germany) signed two deals in Berlin at the G20 Compact with Africa conference. The deals included a USD\$500m renewable energy pact, signed by the Union Bank of Nigeria and Germany's DWS Group. The second MoU marks the first-ever gas deal between Riverside LNG of Nigeria and Germany's Johannes Schuetz Energy Import AG. Set to commence in 2026, Nigeria is poised to supply 850,000 tons (2% of its liquefied natural gas) to Germany, with expectations to increase to 1.20m tons. In return, Germany is expected to boost investments in renewable technologies in Nigeria. In line with the NNPC's directive to halt refined oil importation by December 2024, the successful implementation of this deal, contingent on increased production and operational refineries in Nigeria, could elevate oil receipts, boost accretion to external reserves, diversify its energy mix, and improve electricity accessibility for rural areas. Simultaneously, Germany stands to secure a dependable gas supply, diminish its carbon footprint, and support its energy transition objectives.

The local bourse saw the bulls dominate it for the fourth consecutive week, as the All-share index gained 0.16% WoW to reach 71,228.79pts and a Year-to-Date return to 38.98%. Sectoral performance was largely positive as all but one sector gained WoW. **NGXBANK** (+1.94% WoW), **NGXINS** (+4.07% WoW), **NGXOILGAS** (+0.00% WoW), **NGXINDUSTR** (+0.04%) recorded week-on-week gains while the **NGXNSMRGDS** (-0.53% WoW) recorded losses for the week.

At the Treasury Bills Primary Market Auction held during the week, the total subscription (NGN12.21trn) was 5.824x the amount offered (NGN199.93bn). Stop rates on the 91 and 181-day instruments increased by 10bps to 8.00% and 12.00%, while that of the 364-day remained at 16.70%. In the secondary fixed-income market, sentiment was mixed as the average T-bills yields declined to 11.91% from 12.45% last week, while average bond yields rose to 15.91% from 15.95% last week.

Nigeria | November 24th, 2023

Market Performance

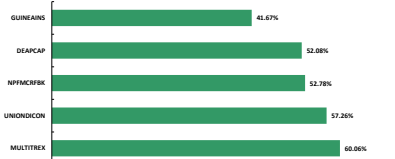
Equities	This Week	Previous Week	% Δ
NGXASX	71,228.79	71,112.99	0.16%
Volume (bn)	2.37	1.96	20.54%
Value (bn)	22.54	27.59	-18.30%
Mkt. Cap. (Trn)	39.17	39.20	-0.07%
Market Breadth	2.96x	1.81x	

	WTD	MTD	YTD
NGXBANK	1.94%	2.61%	77.79%
NGXNSMRGDS	-0.53%	-0.24%	94.66%
NGXOILGAS	0.00%	5.60%	113.67%
NGXINS	4.07%	9.78%	75.30%
NGXINDUSTR	0.04%	-0.77%	12.15%
NGX-ASI	0.16%	2.88%	38.98%

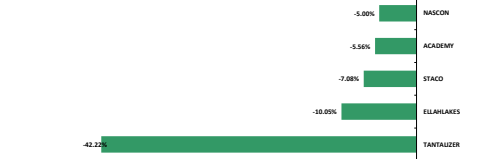
Other Indices	WTD	MTD	YTD
NGX-30	0.11%	2.61%	41.84%
NGX-PENSION	-0.38%	2.21%	69.25%

Market Outliers

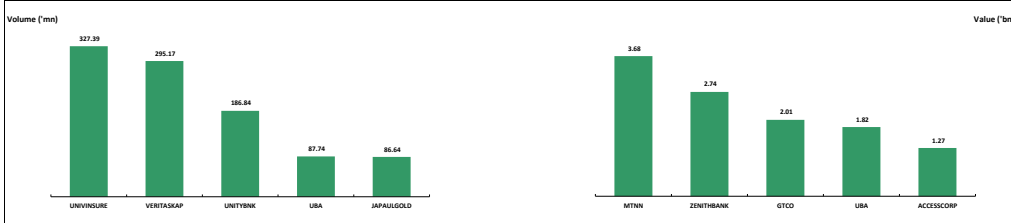
Top Gainers



Top Losers



Weekly Trading Activity



	This Week	Previous Week	% Δ
NAFEM (per USD)	794.89	793.72	-0.40%

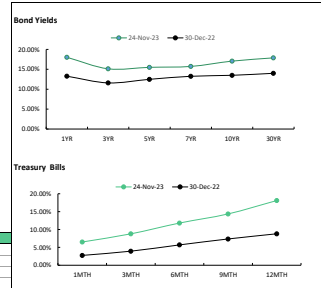
Bond Yields	This Week	Previous Week	% Δ
1YR	18.03%	17.43%	0.60%
3YR	15.13%	15.29%	-0.16%
5YR	15.50%	15.34%	0.16%
7YR	15.73%	15.45%	0.28%
10YR	17.00%	16.96%	0.04%
30YR	17.88%	18.01%	-0.14%

Money Market Rates	This Week	Previous
OIB	23.75%	20.83%
OVB	24.58%	22.20%
Average	24.17%	21.52%

Treasury Bills Yields	This Week	Previous
1MTH	6.51%	6.16%
3MTH	8.79%	8.42%
6MTH	11.80%	12.50%
9MTH	14.36%	15.24%
12MTH	18.10%	19.51%
Average	11.91%	12.45%

FX Rates	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.25%	0.00%	1.96%	0.65%	0.26%	-0.27%	0.45%	0.46%
WTD	0.16%	0.00%	0.00%	1.92%	2.32%	0.78%	1.18%	0.49%
YTD	38.98%	30.75%	74.81%	-27.64%	3.54%	2.18%	3.31%	8.60%
YF%	10.46%	6.79%	11.35%	4.88%	11.80%	9.92%	14.70%	14.06%

Fixed Income Monitor



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