

What Moved the Markets this Week?

According to the US Bureau of Economic Analysis, the US economy expanded by 1.60% YoY in Q1-2024 (vs 2.20% YoY in Q1-2023). This was also lower than the 3.40% recorded in Q4-2023. This slower growth pace can be attributed to reduced consumer spending, exports and government expenditure during the period. We expect the US economy to remain resilient in the near term, however the impact of elevated interest rate environment in the monetary authority's bid to tame inflationary pressure, may continue to cause a strain on economic growth in subsequent periods. Across Asia, the Bank of Japan (BOJ) in its meeting held during the week, kept its interest rate unchanged within the range of 0.00% - 0.10%. In our view, this decision is in line with the bank's objective of taming inflation rate to its target rate of 2.00%. Going forward, we expect the BOJ to maintain interest rate at current levels as the country's inflation (2.70% in March 2024) remains above its targeted level.

On the domestic scene, the Central Bank of Nigeria (CBN) continued the sale of foreign exchange to Bureau de Change (BDC) operators during the week, to meet market demand from invisible transactions. The CBN sold to the BDCs at the rate of 1,020/USD, an 8.11% reduction from NGN1,110/USD in its previous sale. We expect this move to further strengthen the CBN's position in maintaining currency stability and improving market liquidity. The Federal Account Allocation Committee (FAAC) disbursed a total of NGN1.10trn to the three tiers of government in March 2024 (vs NGN2.07trn in February 2024), marking the end to the consecutive increase in allocation from September 2023. This reduction was primarily due to a decline in foreign exchange and statutory revenues during the period. We expect that the continuous depreciation of the Naira may improve distributable revenue from FAAC in the near term. Meanwhile, data from the CBN revealed that Nigeria's foreign debt service in 2023 stood at USD3.50bn, a 55% spike from USD 2.60bn in 2022. This uptick is mainly to increased external loans during the period, as the country's total external debt portfolio grew to USD42.29bn in 2023 (vs. USD41.69bn in 2022). Also, the Naira depreciation during the period impacted the value of the country's foreign debt holdings. In our view, the country's rising debt profile may continue to widen Nigeria's fiscal deficit, which poses a downside to economic growth and foreign investment prospects in the near term. We, however, note the fiscal authority's efforts in improving debt management strategies and boosting government revenue, thereby reducing dependency on external borrowing. On corporate actions, Stanbic IBTC Holdings Plc (STANBIC) has revealed its intentions to raise around NGN550.00bn via a debt issuance program and a rights issue. This strategic move is aimed at fulfilling the requirements of the recent banking recapitalization directive issued by the CBN. The decision underscores the company's proactive approach to meet regulatory standards and enhance its financial resilience. This move also mirrors similar capital-raising announcements from other banks as the banking players completing the recapitalization exercise within the stipulated timeframe.

The Nigerian equities market recorded negative returns for the sixth consecutive week, as the All-Share Index (NGXASI) recorded a -1.37% WoW decline to settle at 99,539.75pts. Thus bringing the year-to-date return to +31.29%. Across sectoral indices, the performance was largely bearish, as NGXBANK (-3.10% WoW), NGXOILGAS (-1.41% WoW), and NGXCNSMRGDS (-1.15% WoW) recorded week-on-week gains while the NGXINS (0.02% WoW) and NGXINDUSTR (0.38% WoW) closed in the green zone for the week.

At the T-bills primary market auction held during the week, the total amount offered stood at NGN142.57bn (vs. NGN149.64 at the previous auction), with total subscription declining to NGN0.76trn (vs. NGN1.82trn at the previous auction). As a result, the total amount allotted decreased to NGN362.45bn from NGN951.82bn at the previous auction. Consequently, the spot rates on 91-day, 182-day, and 364-day instruments remained unchanged at 16.24%, 17.00% and 20.70% respectively. In the secondary market, the sentiment during the week was mixed as the average T-bills yields increased to 21.53% from 20.03% while average bonds yields fell to 18.93% (vs. 19.03% the previous week).

Nigeria | April 26th, 2024

Market Performance

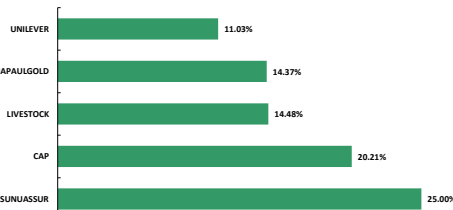
Equities	This Week	Previous Week	% Δ
NGXASI	98,176.76	99,539.75	-1.37%
Volume ('bn)	1.63	1.56	4.49%
Value ('bn)	29.73	32.21	-7.71%
Mkt. Cap. ('trn)	55.56	56.30	-1.31%
Market Breadth	0.56x	0.19x	

	WID	MID	YTD
NGXBANK	-3.10%	-25.75%	-14.79%
NGXCNSMRGDS	-1.15%	-2.50%	40.07%
NGXOILGAS	-1.41%	-1.69%	22.00%
NGXINS	0.02%	-5.97%	18.66%
NGXINDUSTR	0.38%	-2.83%	73.45%
NGX-ASI	-1.37%	-6.11%	31.30%

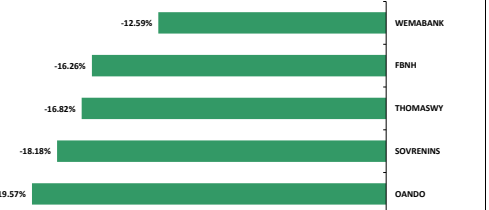
Other Indices	WID	MID	YTD
NGX-30	-1.39%	-6.28%	30.34%
NGX-PENSION	-1.66%	-13.32%	5.22%

Market Outliers

Top Gainers

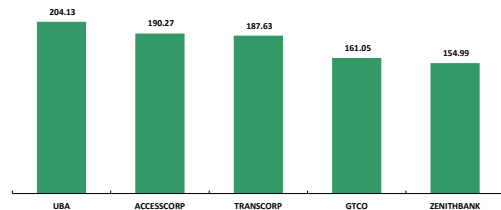


Top Losers

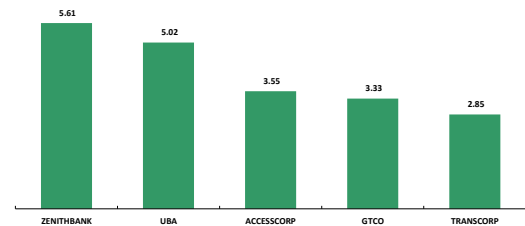


Weekly Trading Activity

Volume ('mn)



Value ('bn)



	This Week	Previous Week	%Δ
NAFEM (per USD)	1,339.23	1,169.99	-12.64%

Money Market Rates

	This Week	Previous
OBB	30.25%	29.39%
OVN	31.25%	30.32%
Average	30.75%	29.86%

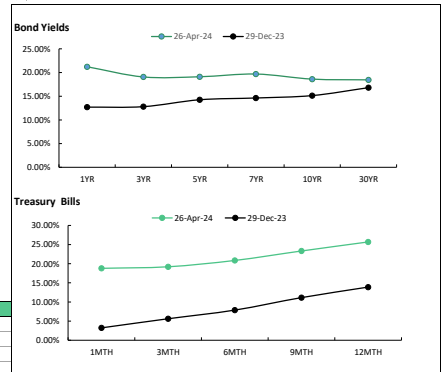
Bond Yields

	This Week	Previous Week	%Δ
1YR	21.22%	19.03%	2.19%
3YR	19.07%	19.42%	-0.36%
5YR	19.11%	19.12%	-0.02%
7YR	19.68%	19.75%	-0.07%
10YR	18.61%	18.61%	0.00%
30YR	18.45%	18.45%	0.00%

Treasury Bills Yields

	This Week	Previous
1MTH	18.79%	15.73%
3MTH	19.20%	17.47%
6MTH	20.85%	19.61%
9MTH	23.32%	22.28%
12MTH	25.68%	25.10%
Average	21.57%	20.03%

Fixed Income Monitor



In Other Markets

	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.01%	0.01%	-3.21%	0.31%	1.40%	0.25%	-0.59%	-0.74%
W/D	-1.37%	0.00%	0.00%	0.91%	2.74%	0.97%	2.43%	1.32%
Y/D	31.30%	11.95%	4.11%	16.78%	-1.98%	0.53%	0.48%	1.33%
P/E	13.14x	4.66x	9.71x	5.31x	15.50x	11.07x	14.92x	15.03x

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

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

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