

**What Moved the Markets this Week?**

In the United States, the Federal Reserve reduced rates by 25bps to a range of 4.50%-4.75%, following a more significant 50bps reduction in September. This action underscores the Fed's strategy to balance inflation management with labor market stability, as inflation decelerated for the sixth month in a row in September, reaching 2.40%—the closest to the Fed's 2.00% target in over a year. This shift to a more accommodative stance reflects the Fed's approach to fostering price stability while bolstering economic growth. We expect the Fed to maintain this dovish trajectory in upcoming meetings, especially with stable labor conditions and an eye on economic support.

Similarly, the Bank of England (BoE) reduced its benchmark interest rate by 25bps to 4.75%, marking its second cut this year. This decision follows a decrease in inflation, which eased to 1.70% in September 2024, the lowest level since April 2021. While the downward trend in inflation may support further rate reductions, potential inflationary pressures from planned expansionary fiscal policies could lead the BoE to take a more cautious approach to rate cuts in the near to mid-term.

In Sub-Saharan Africa, Ghana's inflation rate increased for the second consecutive month in October 2024, to 22.10% YoY from 21.50% in September. The four-month high was mainly driven by a weakening cedi and increases in both food and non-food indexes. The rise in the food index was primarily due to higher prices for food and non-alcoholic beverages, while the non-food index rose because of increased costs in housing, water, fuel, and transport. Given this continued shift from the previous disinflationary trend, we expect the Bank of Ghana to adopt a cautious approach in its upcoming meeting while closely monitoring inflationary pressures.

On the domestic scene, the World Bank has approved a USD50.00mm fund for Nigeria's Accelerating Nutrition Results in Nigeria (ANRN) Project 2.0, aimed at addressing critical nutrition challenges in the country. This initiative aligns with the World Bank's crisis response framework to support vulnerable communities and complements Nigeria's N-74 initiative, which seeks to deliver community-driven nutrition solutions across all 774 local government areas. In our view, this could provide needed support for the government's social and poverty alleviation efforts. Moreover, successful implementation could help improve the country's healthcare landscape in the mid to long term and serve as a support to improve welfare in the country.

According to the Federal Government, the Presidential Compressed Natural Gas Initiative (PCNGI) has drawn over USD200.00mm in investments, converting more than 100,000 vehicles to CNG and establishing 140 conversion centers across the country. This initiative aims to reduce dependence on petrol, potentially saving Nigeria USD3.00bn annually and adding USD2.00bn in revenue over the next few years. So far, about USD175.00mm has been directed towards mother stations, with 75 daughter stations currently under construction. Looking ahead, we view these steps positively, as they could boost natural gas adoption, expand gas infrastructure, reduce fuel import costs, improve energy security, and support sustainable growth across Nigeria.

In another development, the Central Bank of Nigeria (CBN) has issued guidelines for the recently announced nine-month Voluntary Currency Disclosure, Depositing, Repatriation, and Investment Scheme by the Federal Government. This initiative allows individuals and businesses to deposit foreign currency into designated domiciliary accounts without scrutiny. The guidelines stipulate that banks can trade with the foreign currency deposited by scheme participants, provided the funds remain accessible to the participants when needed. The guidelines also stress the importance of confidentiality, regulatory compliance, and smooth conversion to naira at market rates. Looking forward, we believe this scheme could enhance liquidity in the country's FX market, contributing to a more stable exchange rate environment. However, the risk of repatriation continues to be a significant concern for participants.

This week, the Nigerian equities market was bearish, as the NGXASI shed 0.20% WoW to settle at 97,236.19pts, bringing the year-to-date (YTD) performance to +30.04%. This negative performance was driven by sell-offs on idiosyncratic MTNN (-4.43% WoW), OAND0 (-1.97% WoW), GTCO (-0.07% WoW), and TRANSCORP (-4.04% WoW). Across sectors, performance was largely bullish, as NGXOILGAS (+5.43% WoW), NGXBNK (+2.81% WoW), NGXCSMRGDS (+0.02% WoW), NGXINS (+0.11% WoW), and MERI-AGRIC (+0.10% WoW) closed on a positive note, while the NGXINDUSTR (0.02% WoW), and MERI-TELCO (2.00% WoW) index closed in the negative territory. Top gainers for the week were EUNISELL (+45.91% WoW), JOHNHOLT (+45.76% WoW), CONOIL (+37.35% WoW), SOVRENINS (+21.05% WoW), and CONHALLFC (+14.86% WoW) while OAND0 (-1.97% WoW), ABBEYBDS (-18.15% WoW), DEAPCAP (-14.40% WoW), TANTALIZER (-12.50% WoW) and MEYER (-9.98% WoW) topped the losers chart for the week.

This week, the Central Bank of Nigeria (CBN) offered NGN513.43bn in Treasury bills across 91-Day, 182-Day, and 364-Day maturities, with stop rates of 18.00%, 18.50%, and 23.00% (up from 17.00%, 17.50%, and 20.70% in the previous auction). The subscription-to-offer ratio remained at 1.30x, consistent with the prior auction. In the secondary fixed income market, results were mixed as average T-bills yield rose to 23.90% (from 23.60% last week), while bond yields dropped by 10bps to 19.40% (from 19.50%).

In the Nigerian Eurobond market, the average yield increased to 9.40% from 9.70% last week, driven by a sell-off across all instruments as investors pursued higher premiums. Looking ahead, we anticipate generally bullish performance, though some maturities may experience bearish trends due to short-covering activities.

**Nigeria | November 8th, 2024**

**Market Performance**

Equities	This Week	Previous Week	% Δ
NGXASI	97,236.19	97,432.02	-0.20%
Volume (Tbn)	3.28	2.69	22.18%
Value (Tbn)	59.79	53.41	30.67%
Mkt. Cap. (Tbn)	59.08	59.20	-0.20%
Market Breadth	0.76x	0.78x	-3.67%

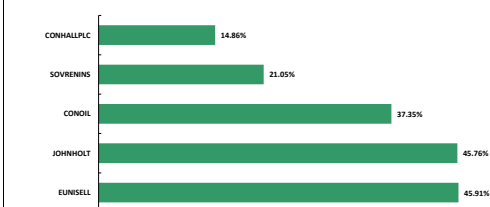
	WTD	MTD	YTD
NGXBK	2.81%	4.00%	14.71%
NGXCSMRGDS	0.02%	0.25%	38.75%
NGXOILGAS	5.43%	5.35%	133.07%
NGXINS	0.11%	0.26%	39.38%
NGXINDUSTR	-0.02%	-0.04%	27.24%
NGX-ASI	-0.20%	-0.43%	30.04%

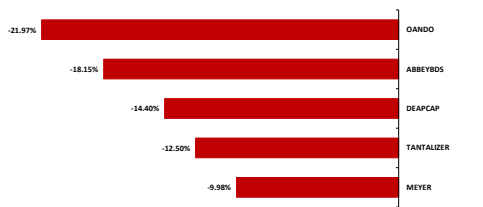
Other Indices	WTD	MTD	YTD
NGX-30	-0.17%	0.01%	31.47%
NGX-PENSION	0.94%	1.42%	31.57%

**Market Outliers**

**Top Gainers**

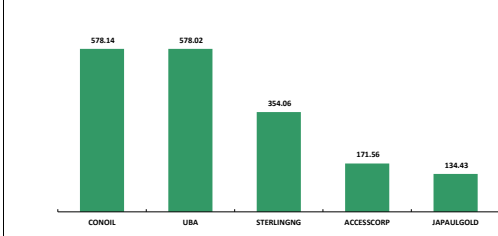


**Top Losers**

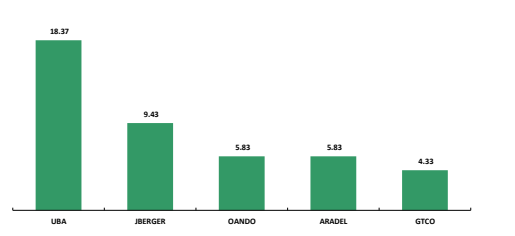


**Weekly Trading Activity**

**Volume (Tbn)**



**Value (Tbn)**



	This Week	Previous Week	%Δ
NAFEM (per USD)	1,678.87	1,666.72	-0.72%

Bond Yields	This Week	Previous Week	%Δ
1YR	28.00%	24.22%	3.78%
3YR	20.65%	20.53%	0.12%
5YR	20.47%	20.55%	-0.08%
7YR	21.08%	21.13%	-0.05%
10YR	20.10%	20.32%	-0.22%
30YR	16.87%	16.73%	0.14%

Int. Other Markets	Nigeria	Ghana	Egypt	Kenya	South Africa	Frontier	Emerging	Developed
Today	0.32%	0.39%	0.72%	0.22%	-1.02%	-0.02%	0.77%	1.45%
WTD	-0.20%	2.22%	0.00%	-1.72%	-1.25%	-0.02%	1.63%	0.77%
YTD	30.04%	47.88%	25.60%	25.49%	10.70%	6.00%	11.41%	5.27%
P/E	9.58x	4.57x	8.15x	5.25x	16.14x	0.99x	15.86x	15.79x

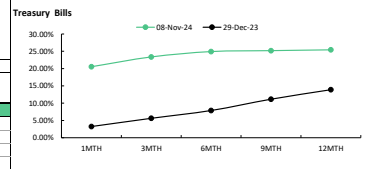
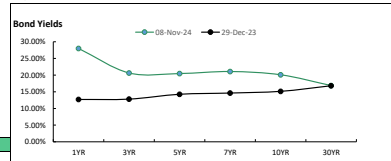
**Money Market Rates**

	This Week	Previous
OBB	31.95%	19.25%
OVN	32.48%	19.68%
Average	32.22%	19.47%

**Treasury Bill Yields**

	This Week	Previous	Column1
1MTH	20.54%	20.81%	
3MTH	23.37%	22.12%	
6MTH	24.93%	25.31%	
9MTH	25.19%	25.21%	
12MTH	25.42%	24.50%	
Average	23.89%	23.63%	

**Fixed Income Monitor**



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

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