

## WEEKLY ECONOMIC AND MARKET RECAP

### NIGERIAN ECONOMY

The National Bureau of Statistics (NBS) reported that consumer prices eased for the second month, helped by a high base from the previous year. Headline inflation fell by 125bps to 32.15% year-on-year in August (July: 33.40% y/y). Food prices dropped to a 7-month low (-201bps to 37.52% y/y), The decline in food prices was supported by the green harvest, though high logistics costs and currency pressures limited the drop. while core inflation reached 27.58%, the highest since March 2004. On a month-to-month basis, inflation slowed to 2.22% (July: 2.28%). Core inflation increased due to rising fuel prices and a weaker naira, with notable price hikes in education, transportation, and hospitality sectors.

Following its September 2024 meeting, the Federation Accounts Allocation Committee (FAAC) announced that N1.20 trillion was distributed to the Federal, state, and local governments for August 2024. This distribution was driven by VAT (N533.90 billion), FX gains (N468.25 billion), statutory revenue (N186.64 billion), and the electronic transfer levy (N15.00 billion). The revenue allocated to states declined from N1.36 trillion distributed in July 2024. Analysts predict that FAAC revenues will remain above N1 trillion, supported by strong FX gains from the weak currency and high VAT revenue due to rising prices.

### EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.81% week-on-week to settle at 98,247.99 basis points with buying seen in stocks such as CAVERTON (+45.28%), FIDELITYBK (+24.20%), FIDSON HEALTHCARE PLC (+21.76%) and TANTALIZER (+21.55%).

Consequently, the Month-To-Date (MTD) return appreciated by 1.73% as the Year-To-Date (YTD) return remained positive settling at 31.39% for the week with Market Capitalization settling at 56.45trn Naira at the close of the trading session.

Sector performance was mixed for last week as the NGX- Oil/Gas Index and NGX-Banking Index appreciated (+1.26%) and (+0.02%). While The NGX Consumer Goods Index NGX-Industrial Index declined by (-0.77%) and (-0.13%) respectively.

### GLOBAL ECONOMY

The Bank of England's Monetary Policy Committee (MPC) voted 8-1 to keep the bank rate at 5.00%, reflecting its focus on returning inflation to the 2.0% target. The MPC also decided to reduce its stock of government bonds by GBP100 billion, bringing the total to GBP569 billion over the next year, from October 2024 to September 2025. The central bank emphasized it would closely monitor inflation risks and adjust monetary policy as needed.

Despite maintaining a cautious stance due to persistent inflation, particularly in core and services sectors, a 25bps rate cut is anticipated in the November meeting, aligning with market expectations.

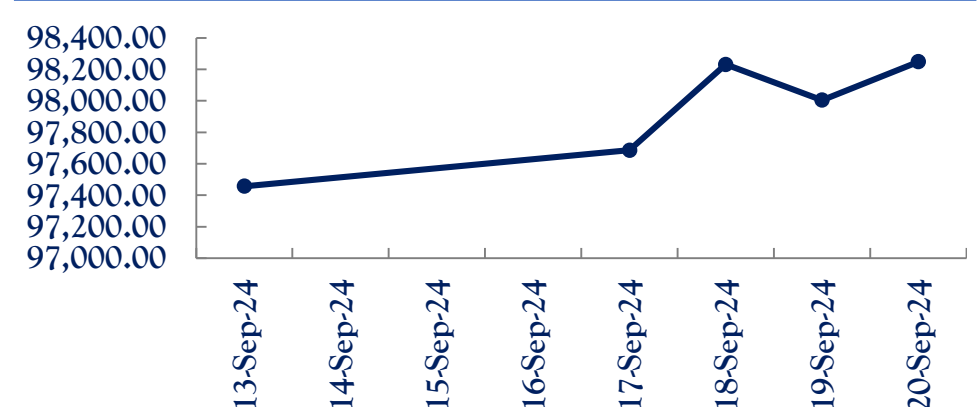
### ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.19%	2.98%
Unemployment	33.3%	33.3%
MPR	26.75%	26.25%
External Reserve	\$37.39 billion	\$36.30billion
Inflation	37.15%	33.4%

### KEY METRICS

Metrics	Outcome
All-Share Index	98,247.99
WTD	0.81%
MTD	1.73%
YTD	31.39%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	56.45

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



### SECTOR PERFORMANCE

Index	Wk. Close 13-08-2024	Wk. Close 20-08-2024	% WTD	% YTD
NGX-Banking	900.07	911.43	1.26	6.33
NGX-Industrial	3,854.56	3,849.41	-0.13	41.93
NGX Oil/Gas	1,927.23	1,927.59	0.02	84.80
NGX-Consumer Goods	1,579.33	1,567.17	-0.77	39.76

## GLOBAL MARKET

The global equity market surged last week as investors analyzed a series of policy decisions from the world's major central banks and their implications for the global economy.

The Dow Jones appreciated by (+1.06%). The Nasdaq and S&P 500 appreciated by (+2.02%) and (+1.23%) respectively.

In the European market, the CAC 40 and Euro STOXX appreciated by (+0.62%) and (+1.31%) respectively. The FTSE 100 depreciated by (-0.59%)

In the Asian market, the Nikkei 225 appreciated by (+3.16%). The China A50 and Hang Seng appreciated by (+1.54%) and (+4.74%) respectively.

## MONEY MARKET AND FIXED INCOME

### MONEY MARKET

Improved system liquidity led to a drop in interbank rates last week, with the Open Repo Rate (OPR) and Overnight rates falling by 484bps and 555bps to 29.69% and 29.97%, respectively.

### FGN BONDS AND TREASURY BILLS

The Nigerian Treasury Bill market saw limited activity, with selloffs outweighing mild demand, causing the average benchmark yield to increase by 133bps to 20.80% by Friday, up from 20.53% the previous week.

Conversely, the OMO bills market was bullish, as the average benchmark yield fell by 171bps to 23.10%.

**Looking ahead, the market is expected to be quiet as investors focus on the upcoming September bond auction.**

Investors' appetite for bonds grew last week, spurred by the moderation in August inflation. Demand was concentrated at the long end of the curve, lowering the average benchmark yield to 18.60% on Friday from 18.64% last week. Unmet demand at the auction is likely to spill into the secondary market.

## TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
CAVERTON	2.54	3.69	1.15 ▲	45.28
FIDELITYBK	10.95	13.60	2.65 ▲	24.20
FIDSON HEALTHCARE PLC	13.10	15.95	2.85 ▲	21.76

## TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
NNFM	43.50	35.25	-8.25 ▼	-18.97
MECURE	9.35	7.65	-1.70 ▼	-18.18
TANTALIZER	0.71	0.61	-0.10 ▼	-14.08

## FGN BOND

Maturity	Bid Yield	Offer Yield
NIGB 12.500% JAN 26	19.80%	19.50%
NIGB 16.2884% MAR 27	19.60%	18.85%
NIGB 19.94% MAR 27	19.20%	18.90%
NIGB 13.98% FEB 28	19.30%	18.80%
NIGB 14.55% APR 29	19.90%	19.00%
NIGB 19.30% APR 29	19.50%	19.00%
NIGB 18.50% FEB 31	19.95%	19.50%
NIGB 12.50% APR 32	18.00%	16.30%
NIGB 14.70% JUN 33	18.95%	17.50%
NIGB 19.89% MAY 33	19.95%	19.70%
NIGB 12.149% JUL 34	19.80%	19.50%
NIGB 19.00 FEB 34	19.75%	19.50%
NIGB 12.5000% MAR 35	19.00%	17.20%
NIGB 12.40% MAR 36	18.10%	17.30%
NIGB 16.25% APR 37	17.95%	17.65%
NIGB 15.45% JUN 38	17.50%	17.00%

## FOREIGN EXCHANGE

Nigeria's FX reserves rose by USD451.73 million week-on-week to USD37.39 billion as of 19 September, marking the third consecutive week of growth. The CBN boosted support for the naira, selling an additional USD46.00 million, which led to a 0.3% appreciation in the naira to NGN1,541.52/USD at the Nigerian Autonomous Foreign Exchange Market (NAFEM).

Total turnover at NAFEM fell by 66.4% to USD434.24 million, with transactions within the NGN1,530.00/USD - NGN1,670.00/USD range. In the forwards market, the naira strengthened across the 1-month (+1.8% to NGN1,639.48/USD), 3-month (+1.4% to NGN1,713.67/USD), 6-month (+1.4% to NGN1,812.71/USD), and 1-year (+1.6% to NGN2,019.55/USD) contracts.

## OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +4.01% w/w to close at \$72.04 per barrel. Likewise, Gold appreciated by +1.48% to close at \$2649.50 from \$2610.90.

Accordingly, the OPEC Basket price closed at \$74.62 per barrel for the week indicating a 1.48% weekly loss.

## TOP BUSINESS HEADLINES FOR THE WEEK

- FAAC Distributes N3.473trn To FG, States, LGs In Q2 -
- Inflation falls to 32% despite a rise in petrol prices - NBS
- CBN sustains 5% ways and means advances to the government
- New low- Sulphur crude production reaches 996,070 barrels - FG.

## INTERBANK OFFERED RATE

	13-Sept-2024	20-Sept-2024	Change(%)
OPR	31.20	29.69	-4.84
OVN	20.06	29.97	-5.55

## OIL & COMMODITIES PRICES

Instrument	13-Sept-2024	20-Sept-2024	Change (%)
Brent Crude	\$72.24	\$74.62	3.29
WTI Oil	\$69.26	\$72.04	4.01
Gold	\$2,610.90	\$2,649.50	1.48

## FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1541.52
GBP	2127.20
EUR	1830.92
CAD	1197.59

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