

## WEEKLY ECONOMIC AND MARKET RECAP

### NIGERIAN ECONOMY

The Central Bank of Nigeria (CBN), in its Purchasing Manager's Index (PMI) survey, reported that Nigeria's composite PMI increased to 50.4 points from 50.2 points in August 2024. This marks the second time in 2024 that the PMI has surpassed the 50-point threshold, driven by growth in the services sector (51.0 from 50.7 in August) and agricultural sector activity (51.4 from 50.5). However, the manufacturing sector's PMI (49.7 from 49.2) remained below 50, indicating mostly stagnant business conditions for private sector operators, aligning with our forecasts.

According to FMDQ data, total inflows into the Nigerian Autonomous Foreign Exchange Market (NAFEM) dropped by 7.1% month-on-month (m/m) to USD2.17 billion in September (August: USD2.34 billion). The decline was attributed to a broad-based reduction in both local inflows (84.1% of total transaction value) and foreign inflows (15.9% of total transaction value). Local inflows fell by 6.0% m/m to USD1.83 billion (August: USD1.94 billion) due to drops in the Individuals (-53.1% m/m), non-bank corporates (-27.5% m/m), and exporters (-4.7% m/m) segments, despite stronger inflows from the CBN (+184.2% m/m). Similarly, foreign inflows declined by 12.4% m/m to USD345.50 million (August: USD394.50 million), partly due to weak investor sentiment.

### EQUITIES

The local bourse ended the week on a negative note as the All Share Index (NGX ASI) depreciated by -0.95% week-on-week to settle at 97,520.54 basis points with sell-off seen in stocks such as MCNICHOLS (-15.63%), FIDELITYBK (-13.33%), DANGSUGAR (-12.20%) and FBNH (-11.19%).

Consequently, the Month-To-Date (MTD) return depreciated by -1.05% as the Year-To-Date (YTD) return remained positive settling at 30.42% for the week with Market Capitalization settling at 56.03trn Naira at the close of the trading session.

Sector performance was mixed for last week as the NGX- Oil/Gas Index and NGX Consumer Goods Index appreciated (+7.29%) and (+0.34%). While The NGX-Banking Index and NGX-Industrial Index declined by (-6.84%) and (-0.04%) respectively.

### GLOBAL ECONOMY

In the United States, the Bureau of Labor Statistics reported that non-farm payroll employment increased by 254,000 jobs in September (August: +159,000 jobs), exceeding market expectations of 140,000. Job gains were particularly notable in the healthcare sector (+45,000 jobs), supported by demand in healthcare services, hospitals, and nursing & residential care facilities. Government employment (+31,000 jobs) also grew, driven by job gains in local and state governments. Employment in social assistance (+27,000 jobs) increased, mainly due to higher demand in individual and family services. As a result, the unemployment rate fell to 4.1% from 4.2% in August, while the labor force participation rate held steady at 62.7% for the third consecutive month.

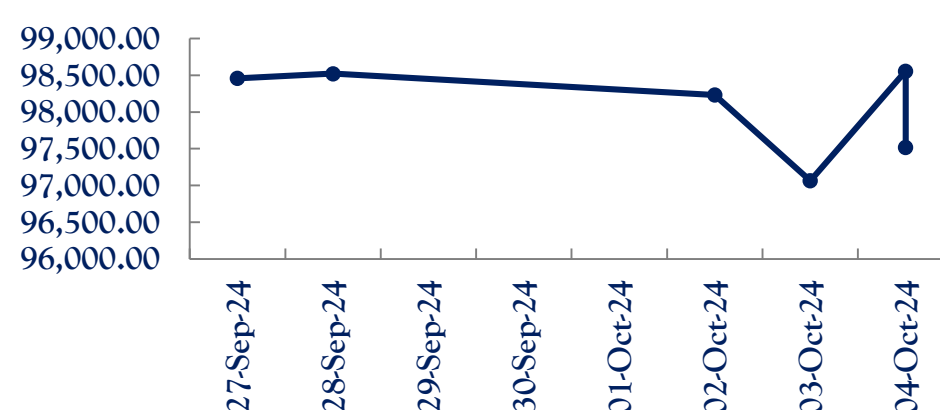
### ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.19%	2.98%
Unemployment	33.3%	33.3%
MPR	27.25%	26.75%
External Reserve	\$38.58 billion	\$37.78billion
Inflation	32.15%	33.4%

### KEY METRICS

Metrics	Outcome
All-Share Index	97,520.54
WTD	-0.95%
MTD	-1.05%
YTD	30.42%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	56.03

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



### SECTOR PERFORMANCE

Index	Wk. Close 27-09-2024	Wk. Close 04-10-2024	% WTD	% YTD
NGX-Banking	933.79	926.84	-0.74	3.30
NGX-Industrial	3,847.83	3,584.49	-6.84	32.16
NGX Oil/Gas	1,990.84	2,135.95	7.29	104.78
NGX-Consumer Goods	1,564.86	1,570.25	0.34	40.04

On average, 9M-24 employment increased by 194,000 jobs, below the 12-month and 9M-23 averages of 198,580 and 264,000 jobs, respectively, reflecting a slowdown in hiring amid cooling economic activity.

### GLOBAL MARKET

Global stock markets were affected by a risk-averse sentiment, fueled by rising tensions in the Middle East and uncertainty over U.S. interest rate cuts following the September payrolls report. However, China's market performed well, supported by expectations of additional stimulus measures.

The Dow Jones appreciated by (+0.05%). The Nasdaq and S&P 500 depreciated by (-0.20%) and (-0.28%) respectively.

In the European market, the FTSE appreciated by (+0.50%). While, Euro STOXX and CAC 40 depreciated by (-1.26%) and (-1.48%) respectively.

In the Asian market, the Nikkei 225 and Hang Seng appreciated by (+3.92%) and (+9.30%) respectively. The China A50 remained unchanged (0.00%).

### MONEY MARKET AND FIXED INCOME

#### MONEY MARKET

Tight liquidity pushed interbank rates higher last week, with the Open Repo Rate (OPR) and Overnight Rate (O/N) rising by 951 basis points (bps) and 916bps week-on-week (w/w) to 32.23% and 32.77%, respectively.

**We expect interbank rates to climb further this week.**

#### FGN BONDS AND TREASURY BILLS

The bond market remained bearish, with selloffs across the yield curve.

Consequently, the average benchmark yield increased by 123bps w/w to 18.90% from 18.67%.

**We anticipate mild demand this week, driven by the primary auction.**

The liquidity squeeze triggered selloffs in the market, pushing yields higher across tenors.

The average benchmark yield rose by 406bps w/w to 22.83% from 21.94% last week.

Meanwhile, the OMO bills market ended the week bullish, with the average benchmark yield dropping by 280bps w/w to 22.58%.

### TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
DEAPCAP	1.11	1.46	0.35	▲ 31.53
SEPLAT	4103.10	4964.70	861.60	▲ 21.00
TRIPPLEG	4.13	4.97	0.84	▲ 20.34

### TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
MCNICHOLS	1.60	1.35	-0.25	▼ -15.63
FIDELITYBK	15.00	13.00	-2.00	▼ -13.33
DANGSUGAR	34.85	30.60	-4.25	▼ -12.20

### FGN BOND

Maturity	Bid Yield	Offer Yield
NIGB 12.500% JAN 26	19.60%	19.20%
NIGB 16.2884% MAR 27	19.50%	18.80%
NIGB 19.94% MAR 27	19.35%	19.10%
NIGB 13.98% FEB 28	19.35%	18.95%
NIGB 14.55% APR 29	19.20%	18.70%
NIGB 19.30% APR 29	19.65%	19.20%
NIGB 18.50% FEB 31	21.05%	20.70%
NIGB 12.50% APR 32	17.50%	16.90%
NIGB 14.70% JUN 33	17.50%	17.00%
NIGB 19.89% MAY 33	20.75%	20.55%
NIGB 12.149% JUL 34	19.85%	19.40%
NIGB 19.00 FEB 34	21.15%	20.80%
NIGB 12.5000% MAR 35	18.00%	17.20%
NIGB 12.40% MAR 36	18.10%	17.30%
NIGB 16.25% APR 37	19.05%	18.15%
NIGB 15.45% JUN 38	18.25%	17.75%
NIGB 13.00% JAN 42	17.20%	16.90%
NIGB 14.80% APR 49	17.40%	16.85%
NIGB 12.98% MAR 50	17.45%	16.95%
NIGB 15.70% JUN 53	17.35%	16.95%

## FOREIGN EXCHANGE

The naira depreciated by 3.4% w/w to USD/NGN1,631.21 in the Nigerian Autonomous Foreign Exchange Market (NAFEM) as the CBN refrained from interventions during the week. Total market turnover (as of 03 October) dropped by 30.7% w/w to USD906.11 million, with transactions conducted within the USD/NGN1,540.00 to USD/NGN1,699.00 range.

Notably, Nigeria's FX reserves grew for the fifth straight week, rising by USD517.01 million w/w to USD38.58 billion as of 03 October. In the forwards market, the naira depreciated across contracts: 1-month (-0.3% to USD/NGN1,689.10), 3-month (-0.7% to USD/NGN1,770.68), 6-month (-1.1% to USD/NGN1,870.30), and 1-year (-2.1% to USD/NGN2,095.43).

## OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +9.88% w/w to close at \$75.05 per barrel. Likewise, Gold appreciated by +0.33% to close at \$2671.80 from \$2671.10.

Accordingly, the OPEC Basket price closed at \$78.83 per barrel for the week indicating a 9.47% weekly gain.

## TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria lost 362.28 million barrels of crude oil due to sabotage - NEITI.
- The World Bank has approved a \$1.57 billion loan for Nigeria.
- Petrol imports decreased by 3.58 billion litres following the removal of subsidies - FG.
- The Federal Government is set to launch an employment program aimed at creating 2.5 million jobs.

## INTERBANK OFFERED RATE

	27-Sept-2024	04-Oct-2024	Change(%)
OPR	29.43	32.23	9.51
OVN	30.02	32.77	9.16

## OIL & COMMODITIES PRICES

Instrument	27-Sept-2024	04-Oct-2024	Change (%)
Brent Crude	\$72.01	\$78.83	9.47
WTI Oil	\$68.3	\$75.05	9.88
Gold	\$2,671.10	\$2671.80	0.33

## FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1631.21
GBP	2153.83
EUR	1852.15
CAD	1202.18

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