

## WEEKLY ECONOMIC AND MARKET RECAP

### NIGERIAN ECONOMY

Nigeria's capital importation dropped to \$2.60bn in Q2 2024 from \$3.38bn in Q1, though it remained higher than the \$1.03bn recorded in Q2 2023. The Q2 increase was mainly driven by foreign portfolio inflows of \$1.40bn, down from \$2.08bn in Q1, while foreign direct investment (FDI) fell to \$0.03bn from \$0.12bn in Q1. The strong performance of FPIs is largely due to high interest rates aimed at controlling inflation. FPIs accounted for over half of the total inflows, with the banking sector receiving over 40% due to attractive local securities yields.

According to the Nigerian Exchange's (NGX) Domestic and Foreign Portfolio Report, total transactions in the domestic stock market fell by 22.8% month-on-month to NGN379.52 billion in August, down from NGN491.61 billion in July. This decline likely stems from two main factors: (1) rising yields in the fixed-income market and (2) ongoing FX liquidity challenges. Domestic transactions, which accounted for 84.9% of total transactions, decreased by 25.8% month-on-month to NGN322.05 billion (July: NGN434.09 billion), driven by a 33.5% drop in retail inflows and a 12.9% drop in institutional inflows. Similarly, foreign transactions, representing 15.1% of total activity, fell slightly by 0.1% to NGN57.47 billion in August (July: NGN57.52 billion), marking the third consecutive month of decline.

### EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.09% week-on-week to settle at 97,606.63 basis points with interest seen in stocks such as MECURE (+19.53%), UPL (+17.51%), LASACO (+17.39%) and FIDELITYBK (+13.08%).

Consequently, the Month-To-Date (MTD) return depreciated by -0.97. The Year-To-Date (YTD) return remained positive settling at 30.54% for the week. Market Capitalization settled at 56.08trn 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 (+1.57%) and (+0.57%). The NGX Consumer Goods Index and NGX-Industrial Index declined by (-0.13%) and (-1.25%) respectively. NGX Consumer Goods Index

### GLOBAL ECONOMY

Consumer prices in the U.S. continued to decline, with headline inflation easing by 10 basis points to 2.4% year-on-year (August: 2.5%), slightly above the market forecast of 2.3%. This decrease was primarily driven by a further drop in energy prices, which fell to 6.8% year-on-year (August: -4.0%) due to lower gasoline and fuel oil costs. However, food prices rose to an eight-month high, increasing to 2.3% year-on-year (August: 2.1%), with notable pressure in both the "food away from home" and "food at home" categories. Core inflation rose to 3.3% year-on-year (August: 3.2%), influenced by a decline in used car and truck prices and a slight easing in shelter costs. Monthly, headline inflation remained unchanged at 0.2% in September.

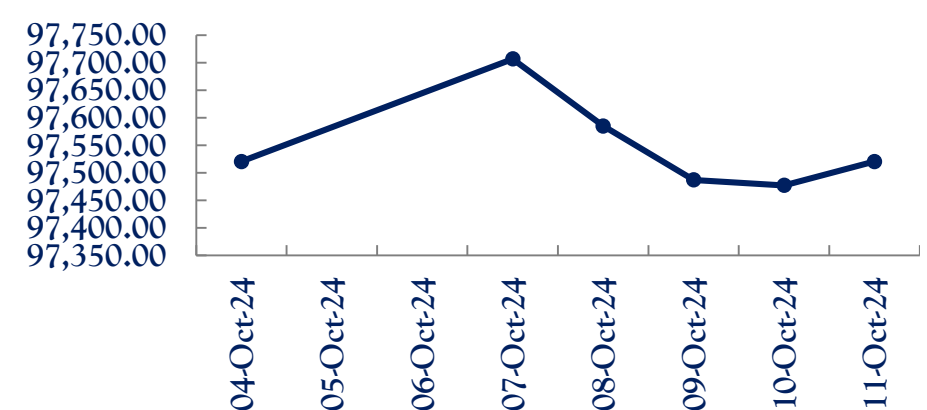
### ECONOMIC INDICATORS

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	97,606.63
WTD	0.09%
MTD	-0.97%
YTD	30.54%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	56.08

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



### SECTOR PERFORMANCE

Index	Wk. Close 04-10-2024	Wk. Close 11-10-2024	% WTD	% YTD
NGX-Banking	926.84	931.18	0.47	3.79
NGX-Industrial	3,584.49	3,579.83	-0.13	31.99
NGX Oil/Gas	2,135.95	2,169.47	1.57	107.99
NGX-Consumer Goods	1,570.25	1550.61	-1.25	38.29

## GLOBAL MARKET

Global equities showed mixed sentiment, influenced by higher-than-expected U.S. inflation data and concerns over China's stimulus plans.

The Dow Jones appreciated by (+2.17%). The Nasdaq and S&P 500 appreciated by (+2.34%) and (+0.29%) respectively.

European market, the Euro STOXX appreciated by (+0.74%). While FTSE 100 and CAC 40 depreciated by (-0.62%) and (-0.27%) respectively.

In the Asian market, the Nikkei 225 appreciated by (+0.69%). The Hang Seng and China A50 depreciated by (-8.69%) and (-1.53%) respectively.

## MONEY MARKET AND FIXED INCOME

### MONEY MARKET

Money market liquidity remained tight, pushing interbank rates higher, with the Open Repo Rate (OPR) and Overnight Rate (O/N) increasing to 32.36% and 33.00%, respectively.

### FGN BONDS AND TREASURY BILLS

The bond market witnessed demand at both the short and long ends of the curve. However, it ended on a bearish note, with the benchmark yield increasing by 7bps week-on-week to 18.91% from 18.90%.

The unsatisfied demand at the auction boosted market activity last week, with bids concentrated on the new issues. However, the market ended on a bearish note, as the average benchmark yield increased by 2307 basis points (bps) week-on-week (W-o-W) to 23.07%.

#### Nigerian Treasury Bill Auction.

The Debt Management Office (DMO) offered N81.90bn and received total subscriptions of N272.27bn, with the oversubscription mainly concentrated in the 364-day tenor. However, the DMO allotted exactly the amount offered, distributing N12.96bn, N3.91bn, and N65.03bn across the tenors. The stop rates for the 91-day and 182-day tenors remained unchanged at 17.00% and 17.50%, respectively, while the 364-day stop rate fell to 19.86% from 20% in the previous auction.

#### OMO Bill Auction.

The CBN offered N300bn and received total subscriptions of N908.23bn, with demand on the 361-day tenor, while the 95-day and 179-day tenors saw no subscriptions. The CBN ultimately settled N905.23bn at a stop rate of 24.30%.

## TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
MECURE	6.45	10.10	1.65 ▲	19.53
UPL	2.17	2.55	0.38 ▲	17.51
LASACO	2.30	2.70	0.40 ▲	17.39

## TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
TRIPPLED	4.97	2.01	-2.96 ▼	-59.56
DAARCOMM	0.76	0.57	-0.19 ▼	-25.00
AFRIPRUD	10.65	9.25	-1.40 ▼	-13.15

## 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%	19.00%
NIGB 13.98% FEB 28	19.35%	18.95%
NIGB 14.55% APR 29	19.20%	18.70%
NIGB 19.30% APR 29	19.00%	18.75%
NIGB 18.50% FEB 31	21.10%	20.75%
NIGB 12.50% APR 32	17.50%	16.90%
NIGB 14.70% JUN 33	17.50%	17.00%
NIGB 19.89% MAY 33	21.05%	20.55%
NIGB 12.149% JUL 34	19.85%	19.40%
NIGB 19.00 FEB 34	20.80%	20.35%
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%	17.00%

## FOREIGN EXCHANGE

The naira depreciated by 0.6% week-on-week to USD/NGN1,641.27 in the Nigerian Autonomous Foreign Exchange Market (NAFEM) last week, despite the CBN intervening in the official window by selling approximately USD50.00 million to authorized dealers. Notably, Nigeria's FX reserves continued to grow for the sixth consecutive week, increasing by USD63.06 million week-on-week to reach USD38.67 billion (October 10). Total turnover at NAFEM fell by 31.9% week-to-date to USD 880.34 million, with trades occurring within the USD/NGN1,540.00 to USD/NGN1,650.00 range.

## OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +0.30% w/w to close at \$75.49 per barrel. Likewise, Gold appreciated by +29.11% to close at \$2677.50 from \$2671.80.

Accordingly, the OPEC Basket price closed at \$79.07 per barrel for the week indicating a 0.30% weekly gain.

## TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria's debt servicing soars to N6tn, says CBN report
- FG will reduce post-harvest losses by 25% – Minister
- NNPC buys PMS at N900, sells to marketers at N1010 – IPMAN chair.
- Nigeria's Capital Importation Fell 22.85% to US\$2.60bn Q-o-Q in Q2 2024.

## INTERBANK OFFERED RATE

	04-Oct-2024	11-Oct-2024	Change(%)
OPR	32.23	32.23	32.36
OVN	32.77	32.77	33.00

## OIL & COMMODITIES PRICES

Instrument	04-Oct-2024	11-Oct-2024	Change (%)
Brent Crude	\$78.83	\$79.07	0.30
WTI Oil	\$75.05	\$75.49	0.59
Gold	\$2671.80	\$2677.50	29.11

## FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1641.27
GBP	2136.68
EUR	18830.29
CAD	1202.47

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