

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

According to the Central Bank of Nigeria (CBN), Credit to the Private Sector (CPS) rose 27.5% year-on-year to NGN75.85 trillion in September, up from NGN59.51 trillion in September 2023. This steady growth in CPS likely results from (1) the CBN's mandate for a 50% loan-to-deposit ratio and (2) the impact of the naira's depreciation on banks' foreign-denominated assets. Month-on-month, CPS increased by 1.7% in September (compared to a 1.0% m/m decrease in August, totaling NGN74.73 trillion).

Meanwhile, Credit to the Government also hit a new high of NGN42.02 trillion in September, marking an 89.8% year-on-year rise from NGN22.14 trillion in September 2023, reflecting the government's increased dependence on domestic banks for deficit funding. In addition, the broad money supply (M3) grew by 62.8% y/y to NGN108.95 trillion, driven by rises in quasi-money (+79.6% y/y) and narrow money supply (+40.4% y/y), with currency in circulation growing 56.1% y/y to NGN4.31 trillion (from NGN2.76 trillion in September 2023).

EQUITIES

The local bourse ended the week on a negative note as the All Share Index (NGX ASI) depreciated by 2.03% week-on-week to settle at 97,432.02 basis points with interest seen in stocks such as ARADEL (-25.75%), CAVERTON (-20.00%), ELLAHLAKES (-12.59%) and REGALINS (-12.50%).

Consequently, the Month-To-Date (MTD) return depreciated by -0.20. The Year-To-Date (YTD) return remained positive settling at 30.30% for the week. Market Capitalization settled at 59.039trn Naira at the close of the trading session.

Sector performance was mixed last week as the NGX- Oil/Gas Index and NGX-Banking Index appreciated by (+0.19%) and (+1.15) respectively. The NGX-Industrial Index and Consumer Goods Index depreciated by (-3.70%) and (-0.22%) respectively.

GLOBAL ECONOMY

The Bureau of Economic Analysis (BEA) reported that the United States real GDP growth for Q3 2024 fell short of market expectations of 3.0% quarter-over-quarter, instead reaching 2.8% (compared to 3.0% in Q2 2024). This slowdown is largely due to a marked decline in private domestic investment, which grew only by 0.3% (down from 8.3% in Q2 2024), impacted by weaker residential (-5.1% vs. -2.8% in Q2 2024) and non-residential investments (+3.3% vs. +3.9% in Q2 2024).

In contrast, consumer spending picked up, growing by 3.7% (up from 2.8% in Q2 2024), driven by increased spending on goods (+6.0% vs. +3.0%) and stable services expenditure (+2.6% vs. +2.7%). Government spending also rose, reaching a four-quarter high at 5.0% (compared to 3.1% in Q2 2024), mainly due to increased defense expenditures. On a year-over-year basis, the economy expanded by 2.7% in Q3 2024, following 3.0% in Q2 2024 and 3.2% in Q3 2023.

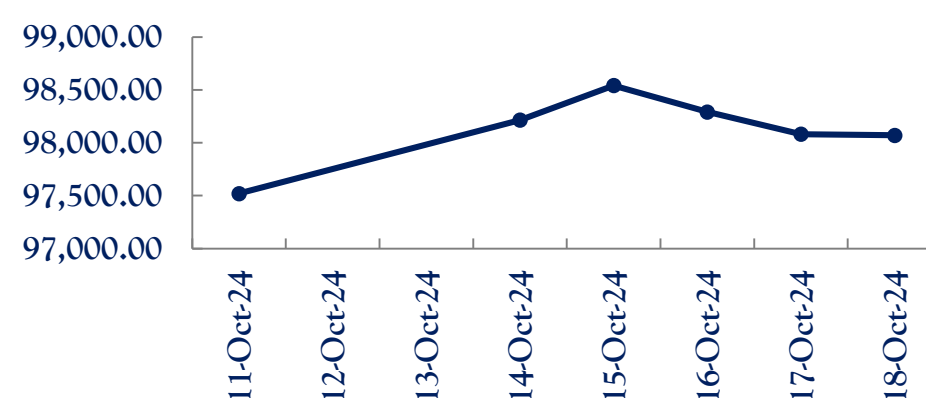
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.19%	2.98%
Unemployment	33.3%	33.3%
MPR	27.25%	26.75%
External Reserve	\$39.77 billion	\$38.83billion
Inflation	32.7%	32.15%

KEY METRICS

Metrics	Outcome
All-Share Index	97,432.02
WTD	2.03%
MTD	-0.20%
YTD	30.30%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	59.03

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 25-10-2024	Wk. Close 01-11-2024	% WTD	% YTD
NGX-Banking	999.20	1,001.07	0.19	11.58
NGX-Industrial	3,584.60	3,451.92	-3.70	27.27
NGX Oil/Gas	2,279.54	2,305.77	1.15	121.06
NGX-Consumer Goods	1,559.43	1,555.96	-0.22	38.77

GLOBAL MARKET

Global stocks continued to decline for a second consecutive week, weighed down by uncertainty surrounding the upcoming U.S. presidential election, mixed economic and earnings data, and caution in anticipation of the October non-farm payrolls report, which weakened risk appetite.

The Dow Jones and S&P 500 depreciated by (-0.15%) and (-1.37%) respectively. The Nasdaq depreciated by (-1.50%).

European market, the FTSE 100 depreciated by (-0.87%). Euro STOXX and CAC 40 depreciated by (-1.32%) and (-1.18%) respectively.

In the Asian market, the Nikkei 225 appreciated by (+0.25%). The Hang Seng and China A50 depreciated by (-0.41%) and (-1.42%) respectively.

MONEY MARKET AND FIXED INCOME

MONEY MARKET

The Open Repo Rate (OPR) and Overnight Rate (O/N) dropped by 3,536 basis points and 3,470 basis points week-on-week, closing at 19.25% and 19.68%, down from the prior week's rates of 29.78% and 30.14%, respectively.

FGN BONDS AND TREASURY BILLS

Despite tight system liquidity, bearish sentiment dominated the treasury bill market, with the average benchmark yield rising 136 basis points week-on-week at 24.53%.

Conversely, the average benchmark yield for OMO bills declined by 445 basis points week-on-week, closing at 25.03% from 25.15%.

In the FGN bond market, bullish sentiment was observed at the long end of the yield curve (-0.56% week-on-week), while bearish trends affected the short (+3.54% week-on-week) and mid-segments (+0.72% week-on-week) of the curve.

Overall, the market closed on a bearish note, with the average yield increasing by 132 basis points week-on-week to 19.45% from 19.19% the previous week.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
TRANSCORP	11.05	45.75	34.70	▲ 314.03
EUNISELL	3.50	5.62	2.12	▲ 60.57
JOHNHOL	2.75	3.30	0.55	▲ 20.00

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
ARADEL	600.10	445.60	-154.50	▼ -25.75
CAVERTON	2.50	2.00	-0.50	▼ -20.00
ELLAHLAKES	4.05	3.54	-0.51	▼ -12.59

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	19.70%	19.30%
NIGB 13.98% FEB 28	19.35%	18.95%
NIGB 14.55% APR 29	19.20%	18.70%
NIGB 19.30% APR 29	20.60%	19.25%
NIGB 18.50% FEB 31	21.05%	20.80%
NIGB 12.50% APR 32	17.50%	16.90%
NIGB 14.70% JUN 33	17.50%	17.00%
NIGB 19.89% MAY 33	20.55%	20.25%
NIGB 12.149% JUL 34	19.85%	19.40%
NIGB 19.00 FEB 34	20.10%	19.85%
NIGB 12.5000% MAR 35	18.00%	17.20%
NIGB 12.40% MAR 36	18.10%	17.30%
NIGB 16.25% APR 37	18.50%	17.85%
NIGB 15.45% JUN 38	19.30%	17.50%
NIGB 13.00% JAN 42	17.20%	16.90%
NIGB 14.80% APR 49	17.60%	17.15%
NIGB 12.98% MAR 50	17.45%	16.95%
NIGB 15.70% JUN 53	17.25%	16.90%

FOREIGN EXCHANGE

The naira weakened by 4.0% week-on-week to USD/NGN1,666.72 at the Nigerian Autonomous Foreign Exchange Market (NAFEM) last week, despite the Central Bank of Nigeria's (CBN) intervention in the official market, where it sold approximately USD77 million to authorized dealers. Meanwhile, Nigeria's foreign exchange reserves increased for the ninth week, rising by USD326.64 million week-on-week to USD39.77 billion as of October 30.

Total turnover at the NAFEM as of October 31 dropped by 50.0% week-to-date to USD 771.23 million, with trades occurring within the range of USD/NGN1,575.00 to USD/NGN1,690.00.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +0.52% w/w to close at \$69.88 per barrel. Likewise, Gold appreciated by +0.77% to close at \$2753.70 from \$2732.70.

Accordingly, the OPEC Basket price closed at \$73.75 per barrel for the week indicating a +0.11% weekly gain.

TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria makes N1.37tr revenue from solid minerals.
- Money supply increases 64% to N108.95trn.
- FG plans tax overhaul to access \$750m World Bank loan.
- Electricity accounts for 35% of manufacturers' cost structure – MAN.

INTERBANK OFFERED RATE

	25-Oct-2024	01-Nov-2024	Change(%)
OPR	29.78	19.25	-35.36
OVN	30.14	19.68	-34.70

OIL & COMMODITIES PRICES

Instrument	25-Oct-2024	01-Nov-2024	Change (%)
Brent Crude	\$73.67	\$73.75	0.11
WTI Oil	\$71.42	\$69.88	0.52
Gold	\$2,732.70	\$2,753.70	0.77

FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1666.72
GBP	2207.75
EUR	1852.25
CAD	1223.99

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