

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

According to the National Bureau of Statistics (NBS), consumer prices increased for the second consecutive month by 118bps to 33.88% y/y in October (September: 32.70% y/y). The persistent price pressures reflect the synchronized effects of (1) lingering currency pressures, (2) elevated gas and other energy prices, (3) increased flooding incidents, and (4) lingering structural challenges impeding food supply. Thus, food prices (+139bps to 39.16% y/y) rose to a three-month high, while the core inflation (+94bps to 28.37% y/y) increased to its highest level since March 2004 (32.60% y/y). On a month-on-month basis, the headline inflation increased by 12bps to 2.64% - tracking above the 10M-24 average (2.52% m/m).

We expect the MPC to sustain its hawkish stance and investors to price-in high-for-long inflation to fixed-income securities at subsequent auctions.

According to the Debt Management Office (DMO), Nigeria's public debt increased by 10.4% q/q to NGN134.30 trillion in Q2-24 (Q1-24: NGN121.67 trillion). Consequently, there was a broad-based increase across the domestic (53.0% of the total public debt) and external (47.0% of total public) debt stock.

Specifically, the total domestic debt stock rose by 8.5% q/q to NGN71.22 trillion (Q1-24: NGN65.65 trillion), while total external debt increased by 1.9% q/q to USD42.90 billion (vs -0.9% q/q to USD42.12 billion in Q1-24), reflecting additional borrowing from the World Bank (USD1.22 billion) amid matured IMF loan repayments (USD418.8 million). In naira terms, total external debt rose by 12.6% q/q to NGN63.07 trillion (Q1-24: NGN56.02 trillion) using an average exchange rate value of NGN1,470.19/USD in Q2-24, compared to NGN1,330.26/USD in Q1-24. Total debt on a year-on-year basis grew by 53.7%, pushing the country's debt-to-GDP ratio to 50.8%.

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.50% week-on-week to settle at 97,722.28 basis points with interest seen in stocks such as JOHNHOLT (+60.50%), EUNISELL (+46.22%), TANTALI (+33.93%) and SUNUASSUR (+32.04%).

Consequently, the Month-To-Date (MTD) return appreciated by 0.07. The Year-To-Date (YTD) return remained positive settling at 30.69% for the week. Market Capitalization settled at 59.215trn Naira at the close of the trading session.

Sector performance was mixed last week as the Consumer Goods Index and NGX-Banking Index appreciated by (+0.60%) and (+2.32%) respectively. The NGX-Industrial Index and NGX-Oil/Gas Index depreciated by (-0.20%) and (-0.29%) respectively.

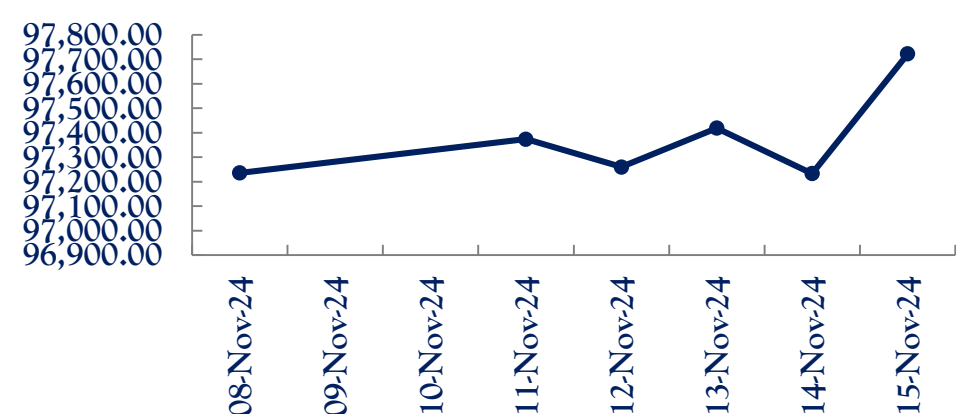
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.19%	2.98%
Unemployment	33.3%	33.3%
MPR	27.25%	26.75%
External Reserve	\$40.24 billion	\$39.77billion
Inflation	33.88%	32.7%

KEY METRICS

Metrics	Outcome
All-Share Index	97,722.28
WTD	0.50%
MTD	0.07%
YTD	30.69%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	59.21

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 08-11-2024	Wk. Close 15-11-2024	% WTD	% YTD
NGX-Banking	1,029.21	1,053.12	2.32	17.38
NGX-Industrial	3,451.08	3,444.31	-0.20	26.99
NGX Oil/Gas	2,431.01	2,423.85	-0.29	132.38
NGX-Consumer Goods	1,556.27	1,565.57	0.60	39.62

GLOBAL ECONOMY

The Bureau of Labor Statistics (BLS) reported that U.S. consumer prices rose for the first time since April, increasing by 20 basis points (bps) to 2.6% year-on-year (y/y) in October (September: 2.4% y/y). This increase was largely driven by a slower decline in energy prices (-4.9% y/y vs. -6.8% y/y in September), attributed to higher gasoline and fuel oil costs. Meanwhile, food prices eased to 2.1% y/y (September: 2.3% y/y), reflecting reduced pressure on prices for food at home (+1.1% y/y vs. +1.3% y/y in September) and food away from home (+3.8% y/y vs. +3.9% y/y in September). On a month-on-month basis, headline inflation remained unchanged at 0.2%, consistent with the prior three months.

GLOBAL MARKET

Global stock markets paused last week following a post-election rally, as the Federal Reserve signaled a slower pace of future rate cuts. Additionally, renewed concerns about a potential China-U.S. trade conflict weighed on investor sentiment.

The Dow Jones and S&P 500 depreciated by (-1.91%) and (-2.18%) respectively. The Nasdaq depreciated by (-3.21%).

European market, the FTSE 100 depreciated by (-0.52%). Euro STOXX and CAC 40 depreciated by (-1.54%) and (-2.17%) respectively.

In the Asian market, the Nikkei 225 depreciated by (-2.39%). The Hang Seng and China A50 depreciated by (-4.16%) and (-2.40%) respectively.

MONEY MARKET AND FIXED INCOME

MONEY MARKET

The Open Repo Rate (OPR) and Overnight Rate (O/N) dropped significantly, declining by 1,834bps and 1,724bps week-on-week (w/w), to close at 26.09% and 26.88%, respectively, compared to 31.95% and 32.48% the previous week.

FGN BONDS AND TREASURY BILLS

Tight liquidity and rising inflation in October led to selloffs across most of the yield curve.

As a result, the market closed on a bearish note, with the benchmark yield increasing by 17bps w/w to 19.43%, up from 19.40% the previous week.

The tight liquidity and elevated inflation sustained bearish sentiment in the treasury bill market.

The average benchmark yield rose by 1,263bps w/w to 24.35%, while the average yield on OMO bills increased by 1,697bps w/w to 26.13%, compared to 22.34% the previous week.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
JOHNHOLT	4.81	7.72	2.91 ▲	60.50
EUNISELL	8.20	11.99	3.79 ▲	46.22
TANTALI	0.56	0.75	0.19 ▲	33.93

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
DAARCOMM	0.66	0.58	-0.08 ▼	12.12
OANDO	69.95	62.65	-7.30 ▼	10.44
VFDGROUP	0.45	40.50	-4.50 ▼	10.00

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	19.80%	19.35%
NIGB 13.98% FEB 28	19.35%	18.95%
NIGB 14.55% APR 29	19.20%	18.70%
NIGB 19.30% APR 29	20.70%	20.45%
NIGB 18.50% FEB 31	21.45%	21.10%
NIGB 12.50% APR 32	17.50%	16.90%
NIGB 14.70% JUN 33	17.50%	17.00%
NIGB 19.89% MAY 33	20.40%	20.05%
NIGB 12.149% JUL 34	19.85%	19.85%
NIGB 19.00 FEB 34	20.20%	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	18.05%	17.50%
NIGB 13.00% JAN 42	17.20%	16.90%
NIGB 14.80% APR 49	17.35%	16.95%
NIGB 12.98% MAR 50	17.15%	16.65%
NIGB 15.70% JUN 53	17.00%	16.70%

FOREIGN EXCHANGE

The naira appreciated by 1.6% w/w to NGN1,652.25/USD in the Nigerian Autonomous Foreign Exchange Market (NAFEM), driven by the Central Bank of Nigeria's (CBN) intervention, which involved selling approximately USD144.0 million to authorized dealers.

Additionally, the country's foreign exchange reserves continued to rise, with the gross reserves increasing by USD117.98 million w/w to USD40.24 billion as of November 13. However, market turnover fell by 52.2% week-to-date (WTD), amounting to USD1.14 billion as of November 14, with trades conducted within the NGN1,609.00/USD - NGN1,698.50/USD range.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by -3.59% w/w to close at \$67.64 per barrel. Likewise, Gold depreciated by -4.74% to close at \$2,566.60 from \$2,694.20.

Accordingly, the OPEC Basket price closed at \$73.59 per barrel for the week indicating a -2.77% weekly loss.

TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria's External Debt Payments Rise by 2% Due to Naira Volatility.
- Nigeria's Purchasing Managers' Index (PMI) Declines to 49.6 Points in October 2024.
- NNPC Ends N24tn Fuel Importation, Sources Supply from Dangote Refinery.
- Nigeria's Total External Trade Increases to N6.9tn in Q2: Shettima.
- NNPC and Dangote Refinery Sign 10-Year Gas Supply Agreement to Boost Production.

INTERBANK OFFERED RATE

	08-Nov-2024	15-Nov-2024	Change(%)
OPR	21.62	24.35	12.63
OVN	22.34	26.13	16.97

OIL & COMMODITIES PRICES

Instrument	08-Nov-2024	15-Nov-2024	Change (%)
Brent Crude	\$73.59	\$73.59	-2.77
WTI Oil	\$70.16	\$67.64	-3.59
Gold	\$2,694.20	\$2,566.60	-4.74

FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1,652.25
GBP	2,167.67
EUR	1805.49
CAD	1218.17

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