

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) reported that Nigeria's crude oil production, including condensates, remained stable at 1.54 million barrels per day (mb/d) in October, matching the September output of 1.54 mb/d. However, the Forcados terminal experienced a sharp 30.1% month-on-month (m/m) decline in production due to a shutdown for repairs after a sabotage incident. This decline offset production gains from terminals such as Qua Iboe (+45.1% m/m), Tulja-Okwibome (+9.0% m/m), Escravos (+5.2% m/m), and Bonga (+5.0% m/m). On average, crude oil production stood at 1.52 mb/d for the first nine months of 2024, compared to 1.45 mb/d in the same period in 2023 and 1.47 mb/d for the full year 2023.

Meanwhile, data from FMDQ shows that total inflows into the Nigerian Autonomous Foreign Exchange Market (NAFEM) increased by 32.9% m/m to USD 4.05 billion in November, up from USD 3.04 billion in October. This growth was driven by a broad-based rise in local (57.8% of total inflows) and foreign (42.2% of total inflows) contributions. Local inflows grew by 38.5% m/m to USD 2.34 billion (October: USD 1.69 billion), supported by increases from the Central Bank of Nigeria (CBN) (+27.0% m/m) and non-bank corporates (+56.0% m/m), despite declines in inflows from individuals (-88.5% m/m) and exporters (-63.5% m/m). Foreign inflows reached their highest level since January 2020, rising by 26.0% m/m to USD 1.71 billion (October: USD 1.36 billion). This was driven by significant increases in foreign portfolio investment (FPI) inflows (+39.9% m/m) and other corporates (+43.9% m/m), while foreign direct investment (FDI) inflows fell sharply (-84.2% m/m). The robust growth in FPI inflows is attributed to improved investor confidence and higher participation in the Nigerian capital market, supported by attractive naira yields

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.72% week-on-week to settle at 98,210.75 basis points with interest seen in stocks such as GOLDBREW (+45.95%), SUNUASSUR (+29.49%), WAPCO (+27.59%) and NSLTECH (+27.59%).

Consequently, the Month-To-Date (MTD) return appreciated by 0.72. The Year-To-Date (YTD) return remained positive settling at 31.34% for the week. Market Capitalization settled at 59.53trn Naira at the close of the trading session.

Sector performance was positive last week as the Consumer Goods Index and NGX-Banking Index appreciated by (+0.13%) and (+1.30%) respectively. The NGX-Industrial Index and NGX-Oil/Gas Index also appreciated by (+2.52%) and (+4.84%) respectively.

GLOBAL ECONOMY

The United States Bureau of Labor Statistics reported a significant increase in non-farm payroll employment, with 227,000 jobs added in November.

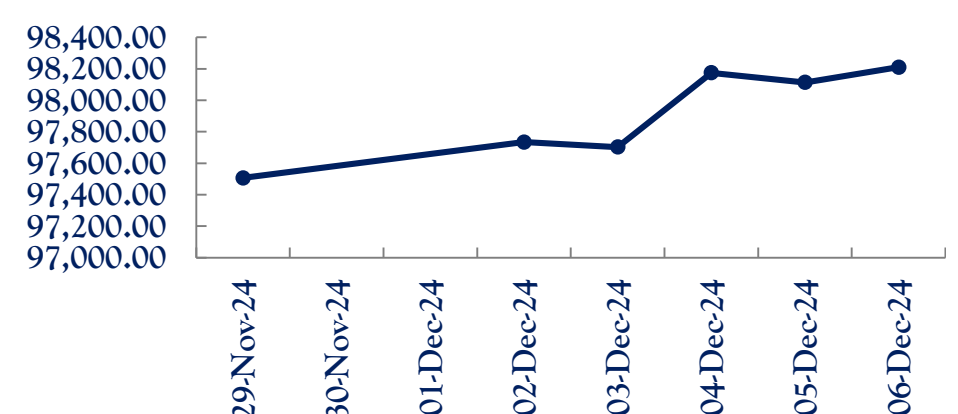
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.46%	3.19%
Unemployment	33.3%	33.3%
MPR	27.50%	27.25%
External Reserve	\$40.24 billion	\$39.77billion
Inflation	33.88%	32.7%

KEY METRICS

Metrics	Outcome
All-Share Index	98,210.75
WTD	0.72%
MTD	0.72%
YTD	31.34%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	59.53

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 29-11-2024	Wk. Close 06-12-2024	% WTD	% YTD
NGX-Banking	1023.22	1036.50	1.30	15.53
NGX-Industrial	3526.38	3615.13	2.52	33.29
NGX Oil/Gas	2381.31	2496.60	4.84	139.35
NGX-Consumer Goods	1589.61	1591.68	0.13	41.95

This marks a strong recovery from October’s modest gain of 36,000, which was impacted by Hurricane Helene and the Boeing strike. Key sectors contributing to the job growth include healthcare (+54,000), leisure and hospitality (+53,000), government employment (+33,000), and transportation equipment manufacturing (+32,000). However, retail trade saw job losses (-28,000) as declines in general merchandise retailers outweighed gains in electronics and appliance stores.

Despite the job growth, the unemployment rate rose to 4.2% in November (October: 4.1%), reflecting a slight easing in labor market conditions. Additionally, the labor force participation rate declined to 62.5% (October: 62.6%), signaling continued softness in the market.

GLOBAL MARKET

Globally, equity markets showed positive momentum last week, driven by increased expectations of a US Federal Reserve interest rate cut following the November jobs report and anticipated economic stimulus from China.

The Nasdaq and S&P 500 appreciated by (+2.35%) and (+0.71%) respectively. Dow Jones depreciated by (-0.31%).

European market, the FTSE 100 appreciated by (+0.17%). Euro STOXX and CAC 40 appreciated by (+2.71%) and (+2.98%) respectively.

In the Asian market, the China A50 and Nikkei 225 appreciated by (+1.32%) and (+1.67%) respectively. Likewise The Hang Seng appreciated by (+4.42%).

MONEY MARKET AND FIXED INCOME

MONEY MARKET

Improved system liquidity led to a decline in interbank rates, with the Open Repo Rate (OPR) and Overnight Rate (O/N) falling to 27.67% and 28.17% on Friday, representing week-on-week declines of 540 basis points (bps) and 582bps, respectively.

However, rates are expected to rise this week as liquidity is mopped up through the Primary Market Auction (PMA).

FGN BONDS AND TREASURY BILLS

The Federal Government of Nigeria (FGN) bond market saw subdued trading activity last week as market focus shifted to the Nigerian Treasury Bill Primary Market Auction (NTB PMA). The average benchmark yield remained stable for most sessions, closing at 19.25% on Friday.

We expect selloffs to continue in the bond market as investor sentiment remains cautious.

The Nigerian Treasury Bill market closed on a bearish note, despite inflows of unmet demand from the auction into the secondary market. The average benchmark yield increased by 134bps week-on-week to 25.70%. Similarly, selloffs in the Open Market Operations (OMO) bill market pushed the average benchmark yield to 27.61% by Friday.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
GOLDBREW	3.70	5.40	1.70 ▲	45.95
SUNUASSUR	3.90	5.05	1.15 ▲	29.49
WAPCO	58.00	74.00	16.00 ▲	27.59

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
LEARNAFRCA	3.32	2.93	-0.39 ▼	-11.75
ARADEL	517.00	465.00	-52.00 ▼	-10.06
ETRANZACT	7.50	6.75	-0.75 ▼	-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%

Nigerian Treasury Bill Auction

The Debt Management Office (DMO) offered N583.25 billion at last week's Nigerian Treasury Bill auction, attracting total subscriptions of N2,546.83 billion, with the bulk of the oversubscription focused on the 364-day instrument (N2,526.56 billion). The DMO ultimately sold N756.71 billion, 30% more than the initial offer. Stop rates for the 91-day and 182-day tenors remained unchanged at 18.00% and 18.50%, respectively, while the 364-day rate declined to 22.93% from 23.50% at the previous auction.

FOREIGN EXCHANGE

The Central Bank of Nigeria (CBN) introduced the Electronic Foreign Exchange Matching System (EFEMS) on Monday to enhance the efficiency of foreign exchange transactions. Following this development and increased foreign portfolio investment (FPI) inflows, the naira strengthened by 7.3% week-on-week (w/w) to NGN1,558.65/USD (NAFEM). Additionally, the country's foreign exchange reserves rose by USD68.65 million w/w to USD40.30 billion as of December 3.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by -2.17% w/w to close at \$67.33 per barrel. Likewise, Gold depreciated by -1.56% to close at \$2,662.30 from \$2,073.80.

Accordingly, the OPEC Basket price closed at \$71.20 per barrel for the week indicating a -2.61% weekly loss.

TOP BUSINESS HEADLINES FOR THE WEEK

- FG earns N2.78tr taxes from telecoms, tech companies in H1.
- Nigeria records \$1.27b foreign capital inflow from BRICS countries.
- Nigeria's Eurobond issuance oversubscribed by \$9bn.
- NBS: Transport Fare Moderated 18.72% YOY in October Despite Fuel Price Hike.

INTERBANK OFFERED RATE

	06-Nov-2024	06-Dec-2024	Change(%)
OPR	29.25	27.67	-5.40
OVN	29.91	28.17	-5.82

OIL & COMMODITIES PRICES

Instrument	29-Nov-2024	06-Dec-2024	Change (%)
Brent Crude	\$76.99	\$71.20	-2.61
WTI Oil	\$71.42	\$67.33	-2.17
Gold	\$2073.80	\$2662.30	-1.56

FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1558.65
GBP	1593.56
EUR	2034.15
CAD	1110.71

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