

## WEEKLY ECONOMIC AND MARKET RECAP

### NIGERIAN ECONOMY

According to the recently released trade report from the National Bureau of Statistics (NBS) shows that Nigeria's total foreign trade surged by 81.3% year-on-year (y/y) to NGN35.16 trillion in Q3 2024, up from NGN19.39 trillion in Q3 2023. This significant increase is largely attributed to currency translation effects caused by the sharp depreciation of the naira, which fell by 59.1% y/y to NGN1,586.76/USD in Q3 2024, compared to NGN649.05/USD in Q3 2023. However, in dollar terms, total trade dropped by 25.8% y/y to USD22.16 billion (Q3 2023: USD29.87 billion), reflecting declines in both exports (-19.0% y/y to USD12.91 billion) and imports (-34.0% y/y to USD9.25 billion).

The decline in exports was mainly driven by lower oil prices (Q3 2024: USD75.74/barrel vs Q3 2023: USD88.69/barrel), despite higher domestic crude oil production (Q3 2024: 1.34mb/d vs Q3 2023: 1.29mb/d). On the import side, increased domestic petroleum production reduced oil imports, while non-oil imports were constrained by higher tariffs, continued naira depreciation, and subdued consumer demand. Overall, the trade balance improved by 82.1% y/y to USD3.66 billion, as imports declined faster than exports.

The Central Bank of Nigeria's (CBN) November 2024 Purchasing Managers' Index (PMI) report revealed a slight decline in Nigeria's composite PMI, which fell to 48.90 from 49.6 in October 2024. Sector-specific PMIs for services, industry, and agriculture stood at 47.4, 49.3, and 51.0, respectively, compared to 50.0, 49.3, and 50.3 in the previous month. This decline reflects weakening business activity, driven by rising energy costs, inflationary pressures, and a depreciating exchange rate. Persistent macroeconomic challenges suggest the PMI could remain below optimal levels, potentially slowing GDP growth in Q4 2024. While GDP growth is expected to exceed 3%, it may fall short of the 3.46% recorded in Q3 2024, hinting at cautious optimism amid ongoing economic headwinds.

### EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 1.19% week-on-week to settle at 99,378.06 basis points with interest seen in stocks such as GOLDBREW (+60.00%), AFRIPRUD (+59.72%), TANTALIZER (+52.07%) and CONOIL (+33.52%).

Consequently, the Month-To-Date (MTD) return appreciated by 1.92. The Year-To-Date (YTD) return remained positive settling at 32.90% for the week. Market Capitalization settled at 60.242trn Naira at the close of the trading session.

Sector performance was positive last week as the NGX-Oil/Gas Index also appreciated by (+7.61%). Consumer Goods Index and NGX-Banking Index appreciated by (+1.01%) and (+0.16%) respectively. While NGX-Industrial Index depreciated by (-0.60%).

### GLOBAL ECONOMY

According to the Bureau of Labor Statistics (BLS), headline inflation in the United States increased for the second consecutive month, rising by 10

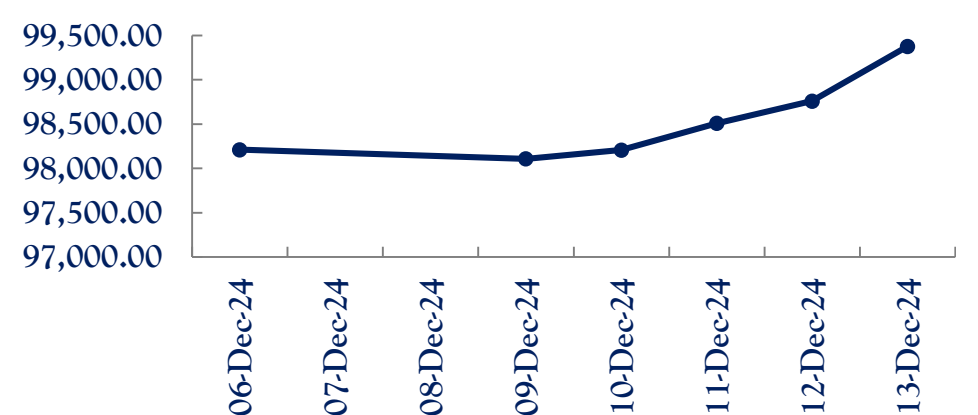
### ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.46%	3.19%
Unemployment	33.3%	33.3%
MPR	27.50%	27.25%
External Reserve	\$40.53 billion	\$40.48 billion
Inflation	33.88%	32.7%

### KEY METRICS

Metrics	Outcome
All-Share Index	99,378.06
WTD	1.19%
MTD	1.92%
YTD	32.90%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	60.24

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



### SECTOR PERFORMANCE

Index	Wk. Close 06-11-2024	Wk. Close 13-12-2024	% WTD	% YTD
NGX-Banking	1036.50	1038.21	0.16	15.72
NGX-Industrial	3615.13	3593.53	-0.60	32.49
NGX Oil/Gas	2496.60	2686.49	7.61	157.56
NGX-Consumer Goods	1591.68	1607.8	1.01	43.39

basis points to 2.7% year-on-year (y/y) in November, up from 2.6% y/y in October. This uptick was driven by higher food prices and a slower decline in gasoline prices. Food prices rose by 2.4% y/y (October: 2.1% y/y), with the cost of food at home increasing by 1.6% y/y (October: 1.1% y/y), while prices for food away from home grew at a slower rate of 3.6% y/y (October: 3.8% y/y). Meanwhile, energy prices fell by 3.2% y/y (October: -4.9% y/y), reflecting a slower decline in fuel and gasoline prices compared to the prior year. The core inflation rate remained unchanged at 3.3% y/y for the third straight month. On a month-on-month basis, headline inflation rose by 0.3% in November, up from 0.2% in October.

### GLOBAL MARKET

Global stock markets saw turbulent trading last week as investors reacted to a series of economic developments, including U.S. inflation data, the European Central Bank's (ECB) policy rate adjustments, and updates on China's economic stimulus efforts.

The Nasdaq appreciated by +0.96%. While Dow Jones and S&P 500 depreciated by (-1.29%) and (-0.03%) respectively.

European market, the FTSE 100 depreciated by (-0.95%). Euro STOXX and CAC 40 depreciated by (-0.63%) and (-1.52%) respectively.

In the Asian market, the Nikkei 225 appreciated by (+0.77%). China A50 and Hang Seng depreciated (-0.80%) and (-3.03%) respectively.

### MONEY MARKET AND FIXED INCOME

#### MONEY MARKET

Limited system liquidity, coupled with the absence of significant inflows and a Primary Market Auction (PMA), drove interbank rates higher.

The Open Buy Back (OBB) and Overnight (O/N) rates closed at 32.54% and 32.92%, respectively.

#### FGN BONDS AND TREASURY BILLS

The bond market remained subdued this week, with minimal activity on shorter maturities. Consequently, the average benchmark yield closed at 19.31%.

**We expect cautious sentiment and further selloffs in the coming weeks as investors remain risk-averse.**

Despite liquidity tightening from the PMA, the NTB secondary market saw buying interest, pushing the average benchmark yield slightly lower to 25.62%, down from 25.70% the previous week. Similarly, the Open Market Operations (OMO) bill market saw yields decline by 36bps week-on-week, closing at 27.51% compared to 27.61% the prior week.

**Looking ahead, we anticipate higher yields this week due to tighter liquidity conditions.**

**Nigerian Treasury Bill Auction:** The Debt Management Office (DMO) offered NGN275.71 billion at the NTB auction, receiving

### TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
GOLDBREW	5.40	8.64	3.24 ▲	60.00
AFRIPRUD	10.80	17.25	6.45 ▲	59.72
TANTALIZER	1.21	1.84	0.63 ▲	52.07

### TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
NSLTECH	0.70	0.54	-0.16 ▼	-22.86
AUSTINLAZ	1.90	1.62	-0.28 ▼	-14.74
HMCALL	5.85	5.20	-0.65 ▼	-11.11

### 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	20.05%	19.65%
NIGB 13.98% FEB 28	19.35%	18.95%
NIGB 14.55% APR 29	19.20%	18.70%
NIGB 19.30% APR 29	21.30%	20.95%
NIGB 18.50% FEB 31	22.10%	21.80%
NIGB 12.50% APR 32	17.50%	16.90%
NIGB 14.70% JUN 33	17.50%	17.00%
NIGB 19.89% MAY 33	20.95%	20.55%
NIGB 12.149% JUL 34	19.95%	19.50%
NIGB 19.00% FEB 34	20.90%	20.73%
NIGB 12.5000% MAR 35	18.00%	17.20%
NIGB 12.40% MAR 36	18.10%	17.30%
NIGB 16.25% APR 37	19.15%	18.65%
NIGB 15.45% JUN 38	19.05%	18.65%
NIGB 13.00% JAN 42	17.20%	16.90%
NIGB 14.80% APR 49	17.25%	17.00%
NIGB 12.98% MAR 50	17.20%	16.90%
NIGB 15.70% JUN 53	17.52%	16.98%

total subscriptions of NGN907.84 billion. The oversubscription was concentrated in the 182-day and 364-day tenors, which recorded bids of NGN10.61 billion and NGN888.43 billion, respectively. The DMO ultimately sold NGN527.83 billion, 91% higher than the offer amount but 42% lower than the total subscriptions. Stop rates remained unchanged for the 91-day and 182-day tenors at 18.00% and 18.50%, while the 364-day rate dipped slightly to 22.80% from 22.93% in the previous auction.

#### FOREIGN EXCHANGE

The naira gained 2.2% week-on-week, reaching NGN1,544.35/USD, following the Central Bank of Nigeria's (CBN) intervention, which involved selling approximately USD124.60 million to authorized dealers. Foreign exchange reserves also rose by USD210.73 million over the week to USD40.53 billion as of December 12. However, total turnover at the Nigerian Autonomous Foreign Exchange Market (NAFEM) dropped 70.5% week-to-date, amounting to USD619.61 million as of November 10, with transactions occurring within the NGN1,591.60/USD to NGN1,700.00/USD range.

#### OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +5.18% w/w to close at \$70.82 per barrel. Likewise, Gold appreciated by +0.71% to close at \$2,681.30 from \$2,662.30.

Accordingly, the OPEC Basket price closed at \$74.07 per barrel for the week indicating a +4.02% weekly gain.

#### TOP BUSINESS HEADLINES FOR THE WEEK

- Tinubu To Present N47.9trn 2025 Budget Estimates To NASS Dec 17.
- Nigeria's VAT collection hits N1.78 trillion in Q3 2024.
- Oil production hits 1.7mbpd: FG.
- Nigeria earns \$1.9 billion from non-oil exports in 11 months, says NCS.

#### INTERBANK OFFERED RATE

	06-Dec-2024	13-Dec-2024	Change(%)
OPR	27.67	32.54	17.60
OVN	28.17	32.92	16.86

#### OIL & COMMODITIES PRICES

Instrument	06-Dec-2024	13-Dec-2024	Change (%)
Brent Crude	\$71.20	\$74.07	4.03
WTI Oil	\$67.33	\$70.82	5.18
Gold	\$2662.30	\$2681.30	0.71

#### FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1533.00
GBP	2030.10
EUR	1600.89
CAD	1143.85

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