

## Local Economic Updates

According to the News Agency of Nigeria, the World Bank Group has called on the Federal Government to impose special taxes on alcohol, cigarettes and sugar-sweetened beverages to improve primary healthcare. Mr. Shubham Chaudhuri (World Bank Group, Director for Nigeria), mentioned that the economic rationale for taxing these products is strong if the government wants to save lives and make a better and healthier Nigeria.

According to the recently released World Bank Nigeria Development Update titled “Time for Business Unusual”, Nigeria’s economy has shown a faster recovery from the pandemic-induced recession in 2020 although largely supported by base effect despite challenges such as double-digit inflation, heightened insecurity and declining incomes. The report revised growth upwards for 2021 and 2022 to 2.7% and 2.8% respectively from the earlier projections of 1.8% and 2.1% in Jun’21 report on the back of the higher-than-expected recovery in non-oil sectors.

Elsewhere, the Debt Management Office (DMO) disclosed in its Domestic Debt Service reports that a lump sum of N2.2trn was gulped by the FG’s capital market debt servicing for a total period of ten (10) months.

Also, the data released by CBN on international payments revealed that total direct remittances into the country plummeted by 62.37% y/y to \$1.96bn for the first 10 months in 2021 when compared to the preceding year despite the resumption of economic activities in most nations and the CBN’s introduction of the Naira for Dollar scheme.

## Global and Emerging Market Economic Updates

Faced with a fast-rising tide of inflation, the U.S. Fed would consider rolling back on their monthly asset purchase program at a faster pace than initially agreed in their November policy meeting.

Jerome Powell, noted the willingness of the Fed to consider tapering the US\$120 billion monthly quantitative easing program from an earlier agreed US\$15 billion reduction plan (as the word “transitory” used to characterise inflation of the country no longer holds), as consumer prices are hovering around the highest levels in three years.

Also, the U.S. labour market recorded a disappointing performance in Nov’21 with merely 210,000 new jobs relative to Wall Street expectations of a 573,000 gain. Nonetheless, the rate of unemployment reduced to 4.2%, lower than Dow Jones estimates and levels in the preceding month which stood at 4.5% and 4.6% respectively.

In Europe, inflation reached its highest level since the single currency was implemented in 1999. Consumer prices in the Eurozone increased at an annualized rate of 4.9% in Nov’21 from 4.1% in Oct’21 on the back of higher energy costs.

In the oil market, oil dipped by 3.91% to close at \$69.88 as OPEC+ unanimously decided to maintain its decision to keep its current output plan of 400,000 bpd to the market each month despite news that the U.S. and other oil importing countries intends to release barrels of crude from the Strategic Petroleum Reserves in order to boost supply and the fear of an imminent supply glut on the back of the Omicron Variant.

## Nigerian Equities Market

The NGX ASI closed the week in red by 2.63% as it closed negative in all the 5 trading sessions during the week. It declined on the back of sell pressures in bellwether stocks such as MTNN (-12.11%) and BOCGAS (-10.00%). Consequently, at 42,167.91 points, the equities market's Year-to-Date return worsened to 4.71% as market capitalisation decreased by 2.65% to close at N22.00trillion.

Market breadth (a measure of investor sentiment) weakened in the previous week, decreasing from 0.81x to 0.37x as 18 stocks appreciated against 49 stocks that declined. NEM and MEYER topped the market gainers with 18.42% and 10.00% WoW respectively, while UPDC and CHIPLC were the top losers with declines of 24.43% and 20.00% respectively WoW.

The activity level weakened as the trade volume and value improved by 62.79% and 43.91% respectively WoW. A total turnover of 1.278 billion shares worth N17.34 billion in 21,052 deals were traded during the week by investors on the floor of the Exchange. Trading in the top three equities by volume were FBNH, GTCO and ACCESS. They accounted for 470.731 million shares worth N6.571 billion in 3,887 deals; contributing 36.82% and 37.90% to the total equity turnover volume and value respectively.

### Outlook for the week

We expect bullish momentum to return in the coming week as the equities market still presents decent opportunities for investors chasing positive real return on investments.

## NIGERIAN EQUITIES MARKET

NGX Indices	Close	WoW
NGX ASI	42,167.91	-2.63%
NGX 30	1,691.51	-3.25%
Market Cap (N'tn)	22.00	-2.65%
Volume (N'bn)	1.28	-62.79%
Value (N'bn)	17.34	-43.91%
Deals	21052.00	-0.27%
Market Breadth	0.37x	-54.40%

### NGX TOP MARKET GAINERS

Stocks	Price	WoW(%)
NEM	2.25	18.42
MEYER	0.22	10.00
LINKASSURE	0.56	9.80
PRESTIGE	0.51	8.51
ACADEMY	0.39	8.33

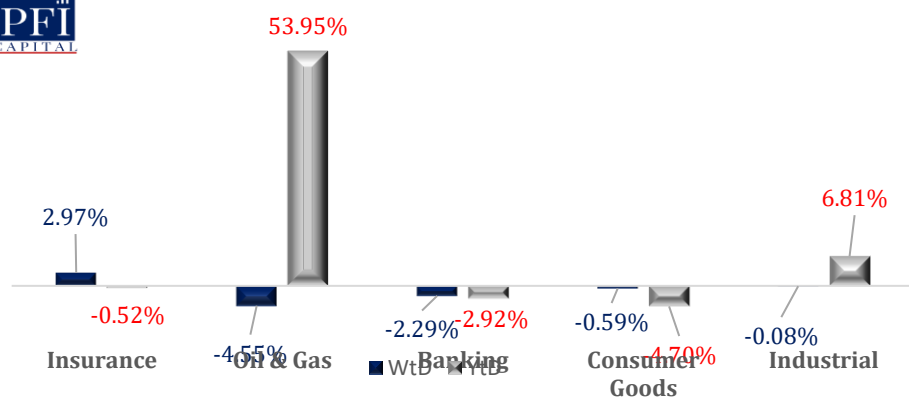
### NGX TOP MARKET LOSERS

Stocks	Price	WoW(%)
UPDC	0.99	-24.43
CHIPLC	0.44	-20.00
UPDCREIT	4.10	-18.81
FTNCOCOA	0.35	-12.50
MTNN	167.00	-12.11

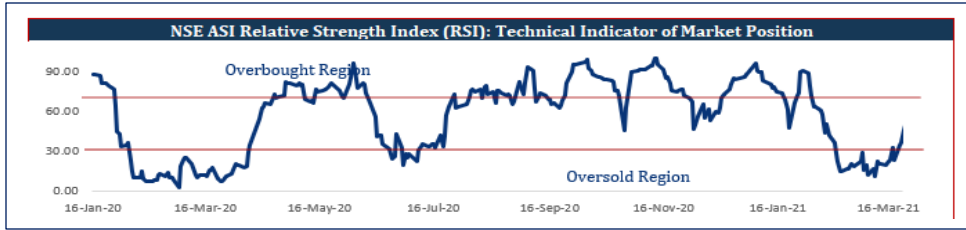
## NIGERIAN ECONOMY

Indicator	Current
GDP Growth (%)	▲+4.03%
MPR (%)	11.50%
External Reserve (\$'bn)	41.12
Inflation (%)	▼15.99%

## Weekly Sectoral Performance



## NGX ASI Relative Share Index (RSI)



## Nigerian Fixed Income Market

There was relatively bullish sentiment in the bond market last week as three (3) of the five (5) tenor yields under coverage closed lower while the yield on the 1 and 30-Year tenor bonds increased by 21bps and 1bp WoW respectively. The yields on the 3, 5 and 10-Year tenor bonds compressed by 1bp, 4bps and 8bps respectively WoW.

On the other hand, the activity in the Nigerian Treasury Bills Market was relatively quiet as the 91 and 182-day papers closed flat at 2.46% and 3.35% respectively WoW while the 364-day paper compressed by 1.20% WoW.

In the Money Market space, the Open Buy Back (OBB) and Overnight (O/N) rates increased to 15.50% and 15.75% from 15.00% and 15.67% respectively WoW.

### Outlook for the week

We expect market activity in the fixed income market to be influenced by liquidity levels and foreign investor participation.

## The Global and African Market

There was negative sentiment in the global market as five of the six indices under coverage closed in red WoW while the FTSE index closed positive WoW by 1.11%.

On the other hand, there was mixed performance in the African Market as 2 of the 4 indices under coverage closed in red WoW while the JALSH and EGX 30 improved by 3.20% and 1.10% WoW.

### Outlook for the week

Market activity would likely be dictated by bargain hunting sentiment in the near term.

## FGN BOND

Tenor	Current	Change
1 Year	3.36	0.21%
3 Years	9.34	-0.01%
5 Years	11.64	-0.04%
10 Years	12.72	-0.08%
30 Years	11.04	0.01%

## TREASURY BILLS AND MONEY MARKET RATES

Tenor	Current	Change
91 Days	2.46%	0.00%
182 Days	3.35%	0.00%
364 Days	5.36%	-1.20%
OPR	15.50%	0.50%
O/N	15.75%	0.08%

## CURRENCY

	Current	Change (₦)
Parallel		
I&E	414.73	-0.34
NAFEX	413.56	0.19

## COMMODITIES

	Current	WoW (%)
Brent Crude	69.88	-3.91%
Gold	1,784.15	-0.22%
Silver	22.562	-2.48%

## GLOBAL AND AFRICAN STOCK MARKET INDICES

Index	Close	WoW
S&P	4,538.43	-1.22%
FTSE	7,122.32	1.11%
DAX	15,085.47	-1.12%
NIKKEI	28,029.57	-2.51%
DOW JONES	34,580.08	-0.91%
NASDAQ	15,085.47	-2.62%
S'AFRICA JALSH	70,807.60	3.20%
EGX 30	11,401.33	1.10%
KENYA NSE	160.03	-2.88%