

## Local Economic Updates

Last week, President Muhammadu Buhari signed the 2022 Appropriation bill of N17.126 trillion into law, reflecting an increase of over N700 billion relative to the budget initially proposed by the President. However, the crude oil assumption was increased from US\$57 to US\$62 per barrel.

According to the financial market department of the Central Bank of Nigeria (CBN), the total amount of money raised by the Federal Government through bond issuances and allotment rose by N2trn in H1'21 to N13.7tn, from N11.7tn recorded in H1'20.

Elsewhere, the Federal Government declared that it requires N348.1tn to achieve the target set out in the 2021-2025 National Development Plan. The plan aims to generate 21mn full-time jobs and lift 35.0mn people out of poverty by 2025, setting the stage to achieve the government's commitment of raising 100.0m Nigerians out of poverty in 10 years.

Also, the World Bank has announced a \$93.0bn replenishment package of the International Development Association (IDA) to help low-income countries (Nigeria inclusive) respond to the COVID-19 crisis and build a greener, more resilient, and inclusive future.

## Global and Emerging Market Economic Updates

Emerging data from South Africa has revealed that people infected with Omicron develop an immune response that increases protection against the delta strain by over fourfold. While the new COVID-19 study from South Africa is yet to be peer-reviewed, it has contributed to the slight dousing of COVID-19 fears.

In Europe, coronavirus infections reached new daily highs over the holidays in France, Italy, the United Kingdom and Spain. As a result, France and Italy increased security measures to prevent the virus from spreading during the festive period.

Elsewhere, China's real estate giant, Evergrande, missed another coupon payment last week totaling US\$255 million. The company remains submerged in liabilities US\$19 billion in cross-default due to the failure to make coupon payments earlier this month.

Hence, concerns around the company's debt problems, alongside the possibility of a contagion effect across China's real estate industry, are closely weighted against the likelihood of some bailout support program from a reluctant Chinese government.

Brent Crude increased by 2.15% to \$77.78/barrel in the oil market as Omicron's fears continued to wane.

## Nigerian Equities Market

The NGX ASI closed the week in green by 1.07% as it closed positive in 2 of the 3 trading sessions during the week. It improved on the back of buy pressures in bellwether stocks such as NESTLE (+10.00%) and NEM (+85.95%). Consequently, at 42,716.44points, the equities market's Year-to-Date return improved to 6.07% as market capitalisation increased by 1.09% to close at N22.30trillion.

Market breadth (a measure of investor sentiment) strengthened in the previous week, increasing from 1.32x to 1.76x as 37 stocks appreciated against 21 stocks that declined. NEM and REGENCY topped the market gainers with 85.95% and 18.60% WoW respectively, while MAYBAKER and BUACEMENT were the top losers with declines of 10.86% and 10.00% respectively WoW.

The activity level strengthened as the trade volume and value improved by 3.15% and 6.05% respectively WoW. A total turnover of 995.061 million shares worth N13.209 billion in 10,264 deals were traded during the week by investors on the floor of the Exchange. Trading in the top three equities by volume were JAIZBANK, FBNH and ZENITHBANK. They accounted for 348.887 million shares worth N3.42 billion in 1,552 deals; contributing 35.05% and 25.88% to the total equity turnover volume and value respectively.

### Outlook for the week

We expect positive performance to persist in the coming week as the equities market still presents decent opportunities for investors chasing positive real returns on investments.

## NIGERIAN EQUITIES MARKET

NGX Indices	Close	WoW
NGX ASI	42,716.44	1.07%
NGX 30	1,722.30	1.28%
Market Cap (N'tn)	22.30	1.09%
Volume (N'bn)	1.00	3.15%
Value (N'bn)	13.21	6.05%
Deals	10264	-30.66%
Market Breadth	1.76x	33.48%

### NGX TOP MARKET GAINERS

Stocks	Price	WoW(%)
NEM	4.50	85.95
REGENCY	0.51	18.60
SOVRENINS	0.30	15.38
WAPIC	0.56	14.29
ROYALEX	0.88	14.29

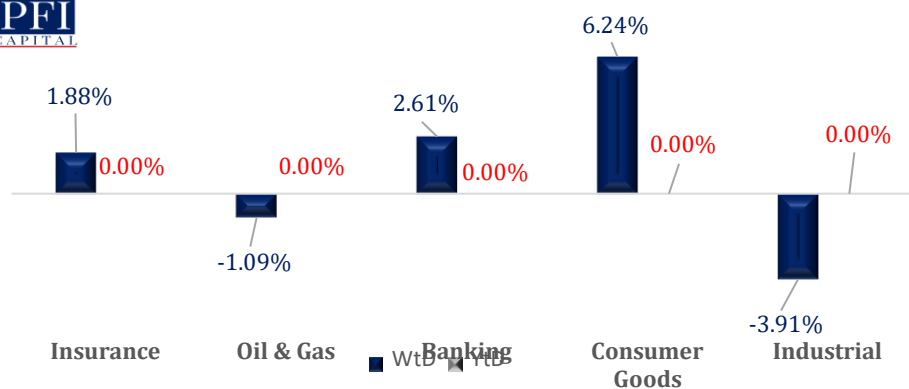
### NGX TOP MARKET LOSERS

Stocks	Price	WoW(%)
MAYBAKER	4.02	-10.86
BUACEMENT	67.05	-10.00
JAIZBANK	0.56	-9.68
PZ	6.10	-8.96
WEMABANK	0.72	-6.49

## NIGERIAN ECONOMY

Indicator	Current
GDP Growth (%)	▲ +4.03%
MPR (%)	11.50%
External Reserve (\$'bn)	40.53
Inflation (%)	▼ 15.40%

## Weekly Sectoral Performance



## NGX ASI Relative Share Index (RSI)



## Nigerian Fixed Income Market

There was relatively quiet activity across the bond yield curve last week as three (3) of the five (5) tenor yields under coverage closed flat while the yields on the 3 and 5-Year bond papers compressed by 4bps and 1bp respectively. The yields on the 1, 10 and 30-Year tenor bond papers closed flat at 3.89%, 12.60% and 13.28% respectively WoW.

Similarly, the activity in the Nigerian Treasury Bills Market was relatively quiet as the 91 and 364-day paper yields closed flat at 3.27% and 5.24% respectively WoW while the 182-day paper increased by 59bps.

In the Money Market space, the Open Buy Back (OBB) and Overnight (O/N) rates decreased to 10.00% and 10.50% from 12.00% and 12.50% 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 a positive sentiment in the global market as five of the six indices under coverage closed in green WoW while the NASDAQ index declined by 5bps.

Similarly, there was a positive performance in the African Market as 3 of the 4 indices under coverage closed in green WoW while the KENYA NSE, the only loser under coverage declined by 2.41% 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	3.89	0.00%
3 Years	9.14	-0.04%
5 Years	11.28	-0.01%
10 Years	12.60	0.00%
30 Years	13.28	0.00%

## TREASURY BILLS AND MONEY MARKET RATES

Tenor	Current	Change
91 Days	3.27%	0.00%
182 Days	4.32%	0.59%
364 Days	5.24%	0.00%
OPR	10.00%	-2.00%
O/N	10.50%	-2.00%

## CURRENCY

	Current	Change (N)
Parallel		
I&E	435.00	19.90
NAFEX	414.45	-0.14

## COMMODITIES

	Current	WoW (%)
Brent Crude	77.78	2.15%
Gold	1,828.60	1.02%
Silver	23.381	2.06%

## GLOBAL AND AFRICAN STOCK MARKET INDICES

Index	Close	WoW
S&P	4,766.18	0.85%
FTSE	7,384.54	0.17%
DAX	15,884.86	0.82%
NIKKEI	28,791.71	0.44%
DOW JONES	36,338.30	1.08%
NASDAQ	15,664.97	-0.05%
S'AFRICA JALSH	73,709.35	2.99%
EGX 30	11,909.72	0.45%
KENYA NSE	166.46	-2.41%