

WEEKLY ECONOMIC & MARKET REPORT

22 October 2022

EQUITY MARKET

market update

Total Deals for the Week	15,606
Total Turnover Volume for the Week (Million)	935.43
Total Turnover Value for the week (Million)	16,667.53
Total Traded stocks	157
Total Advanced stocks (w/w)	33
Total Declined Stocks (w/w)	29
Total Unchanged stocks (w/w)	95

Sector Indices

Sector	(14/10/2022) Open	(21/10/2022) Close	Change	% Change
ASI	47569	44396.73	-3172.31	-6.67
NGX30	1698	1601.22	-96.47	-5.68
NGXBNK	373	377.79	4.31	1.15
CNSMRGDS	577	572.02	-5.10	-0.88
NGXINDUSTR	1823	1882.17	58.69	3.22
NGXINS	170	163.20	-6.31	-3.72
NGXOILGAS	492	485.21	-7.16	-1.45

Top 5 Gainers for the Week

Security	Open	Close Price	Change	% Change
ACADEMY	1.31	1.46	0.15	11.45
FIDELITYBK	3.45	3.80	0.35	10.14
UCAP	11.35	12.50	1.15	10.13
BUACEMENT	56.50	62.00	5.50	9.73
PZ	8.40	9.20	0.80	9.52

Top 5 Losers for the Week

Security	Open	Close Price	Change	% Change
AIRTELAFRI	1800.00	1312.20	-487.80	-27.10
NEM	4.91	4.42	-0.49	-9.98
BETAGLAS	46.10	41.50	-4.60	-9.98
ROYALEX	0.92	0.83	-0.09	-9.78
MRS	14.35	12.95	-1.40	-9.76

Equity Market Declines by 6.67% w/w as inflation Hits 20.77%; Naira Depreciated Further in the FX Market

The Nigerian equity market sank this week, recording its highest week-on-week decline in the year 2022, as investors bearish sentiment was dominant in three, out of the five-trading day of the week. Sell-off in some blue-chip stocks, especially AIRTELAFRI, can be attributed to last week market downturn as investors remain jittery of the macro-economic challenges assailing the country.

Resultantly, the Market All-Share Index dipped by 3,172.31 basis points, representing a decline of 6.67% to close at 44,396.73 from 47,569.04 the previous week, while the Market Capitalization lost ₦1,727.88 million, representing a decrease of 6.67%, to close at ₦24.18 trillion.

The bearish performance was a result of investors sell-off in some medium and large capitalized stocks such as; AIRTELAFRI, which emerged as the top loser for the week, declined by -27.10%, followed by NEM with -9.98% fall. While ROYALEX, NB, CHAMPION, TOTAL, WAPCO, UCAN and MTNN also recedes by -9.78%w/w, -9.58%w/w, -6.85%w/w, -6.68%w/w, -6.60%w/w, -4.44%w/w and -2.01%w/w respectively, to be among the 29 depreciated stocks for the week.

Meanwhile, ACADEMY grew by 11.45%w/w to led the gainers' chart, trailed by FIDELITYBK (10.14%w/w), UCAP (10.13%w/w), BUACEMENT (9.73%w/w), UPDCREIT (8.93%w/w), JAPAUFGOLD (7.69%), and GTCO (3.35%w/w), as 33 stocks appreciated during the week.

Furthermore, three out of the five major sectors closed bearish, led by the Insurance sector (-3.72%w/w), followed by the Oil & Gas Sector (-1.45%w/w), and the Consumer goods sector (-0.88%w/w). The Industrial and Banking sectors expanded by 3.22% and 1.15% w/w respectively.

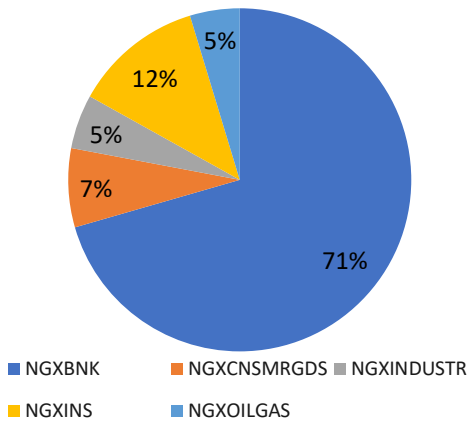
Outlook

We expect the equity market to moderate in the coming week, as Q3 financial statement of quoted companies roll out, and bargain hunters also hunts for recently depreciated stocks with good fundamentals.

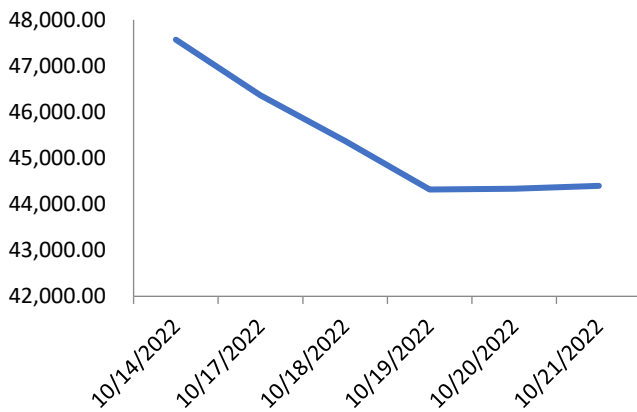
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Distribution of Quantity Traded w/w across Major Sectors



Index Movement for the Week



Interim Dividend Update

Payment for next week

- Company – UPDC REIT – 27th Oct 2022

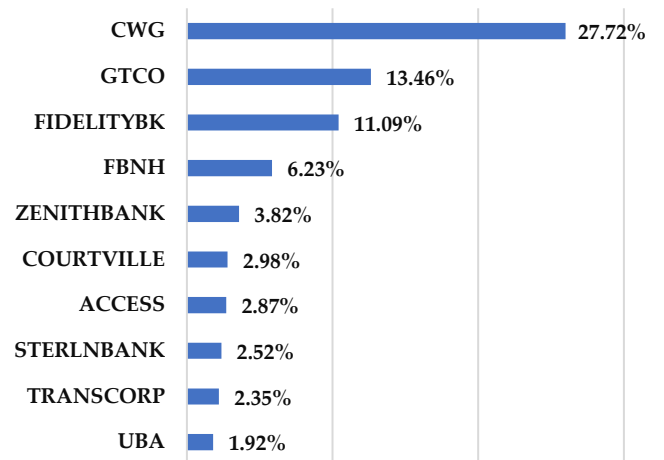
Full-year Dividend Update

Company – PZ Cussons Plc (₦1.01 per share)

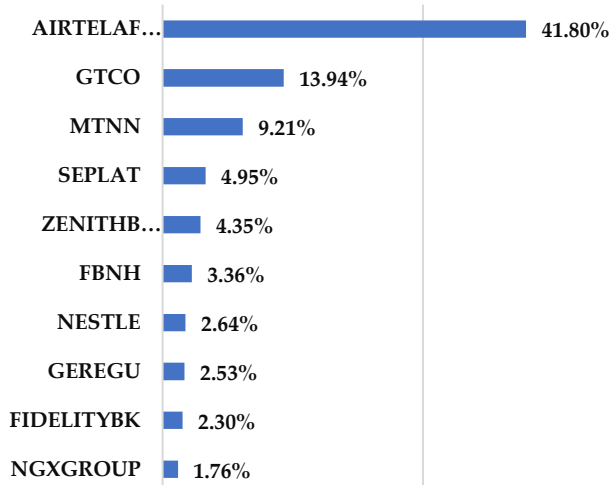
Qualification date – 6th Jan 2023

Payment date – 26th Jan 2023

Top 10 Traded By Volume



Top 10 Traded By Value



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FIXED INCOME MARKET

NITTY

Tenor	Open	Close	Change (%)
	13/10/2022	20/10/2022	
1M	6.90	9.45	↑ 36.99
3M	8.90	10.88	↑ 22.19
6M	10.50	12.83	↑ 22.15
9M	12.26	13.94	↑ 13.72
12M	14.79	16.01	↑ 8.24

Source: FMDQ, Atlasportfolio

The Nitty bills rate for this week were bullish as sell-off sentiment was witnessed across the short and long tenor bills. Transactions were active round the bills, especially on the 1M, and 3M bills, which saw their rates grow by 36.99% and 22.19% respectively this week. Furthermore, the average yield was up by 1.95 percent points.

The OMO Bills market rates declined week-on-week, for the fourth consecutive week, as increased buying was seen across the bills, especially on the OMO 7 Mar 23 and OMO 2 May 23 bills. Also, the average yield was down by 0.02 percent points to 10.23% from 10.25%.

The secondary Treasury bill market was relatively active this week as sell-off was seen across the bills, expect the 10 Nov 2022 bill. Increased sell-off was however witnessed on both the mid-term and long-term tenor bills, especially the 7 Sep 2023, and 26 Jan 2023 bills as the average yield surged by 3.16 percent points to 10.46%

On the FGN Bonds secondary market transaction for the week, trades were quiet with mixed sentiment seen across the yield curve. Activities were predominant on the 26 Apr 2029, 18 Apr 2037, 14 Mar 2024, and 17 Mar 2027, as the average yield increased by 28bps to 14.33%.

OMO BILL

Maturity	Open	Close	Change (%)
	13/10/2022	20/10/2022	
OMO 21-Feb-23	8.29	8.28	↓ -0.12
OMO 7-Mar-23	11.39	11.37	↓ -0.18
OMO 2-May-23	11.06	11.04	↓ -0.18

Source: FMDQ, Atlasportfolio

TREASURY BILL

Maturity	Open	Close	Change (%)
	13/10/2022	20/10/2022	
NTB 10-Nov-22	5.94	5.93	↓ -0.17
NTB 26-Jan-23	6.63	11.18	↑ 68.63
NTB 9-Feb-23	6.76	8.54	↑ 26.33
NTB 9-Mar-23	7.03	9.27	↑ 31.86
NTB 27-Apr-23	7.51	10.62	↑ 41.41
NTB 11-May-23	7.65	11.03	↑ 44.18
NTB 8-Jun-23	7.94	11.85	↑ 49.24
NTB 7-Sep-23	8.92	15.26	↑ 71.08

Source: FMDQ, Atlasportfolio

FGN BOND

Description	Open	Close	Change (%)
	13/10/2022	20/10/2022	
14.20 14-MAR-2024	14.25	14.10	↓ -1.05
13.53 23-MAR-2025	13.75	13.75	⇒ 0.00
12.50 22-JAN-2026	13.71	14.10	↑ 2.84
16.2884 17-MAR2027	13.72	14.35	↑ 4.59
13.98 23-FEB-2028	13.90	14.26	↑ 2.59
14.55 26-APR-2029	13.25	14.35	↑ 8.30
12.1493 18-JUL-2034	14.34	14.34	⇒ 0.00
12.50 27-MAR-2035	13.98	14.10	↑ 0.86
12.40 18-MAR-2036	14.00	14.00	⇒ 0.00
16.2499 18-APR-2037	15.33	15.99	↑ 4.31
13.00 21-JAN-2042	14.05	14.60	↑ 3.91
14.80 26-APR-2049	13.73	13.73	⇒ 0.00
12.98 27-MAR-2050	14.60	14.60	⇒ 0.00

Source: FMDQ, Atlasportfolio

EUROBOND

Bond Name	Open	Close	Change (%)
	12/10/2022	17/10/2022	
6.38% US\$ 500Mn JUL 23	7.01	8.23	↑ 17.53
7.63% US\$ 1.118 Bn NOV	11.40	12.16	↑ 6.74
6.50% US \$ 1.5 Bn NOV 27	13.47	14.22	↑ 5.58
6.13% US 1.25 Bn SEPT 28	13.75	14.27	↑ 3.78
8.38% US 1.25 Bn MAR 29	14.28	14.73	↑ 3.16
7.14% US \$ 1.25 Bn FEB 30	14.27	14.53	↑ 1.84
8.75% US\$1.0 Bn JAN 31	14.34	14.66	↑ 2.20
7.88% US \$ 1.5 Bn FEB 32	14.42	14.74	↑ 2.21
7.38% US \$ 1.5 Bn SEPT 33	14.08	14.18	↑ 0.75
7.69% US \$ 1.25 Bn FEB 38	13.64	13.90	↑ 1.92
7.63% US \$ 1.5 Bn NOV 47	13.30	13.56	↑ 1.96
9.25% US \$ 750 Mn JAN 49	13.82	14.05	↑ 1.72
8.25% US \$ 1.25 Bn SEPT	13.89	14.08	↑ 1.41

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FOREIGN RESERVE, FOREIGN EXCHANGE, AND OIL PRICE MOVEMENT FOR THE WEEK

Naira depreciated further in the FX market

The Naira this week depreciated in the I & E window by 0.07% to ₦441.67/USD from ₦441.38/USD, as it also depreciated in the parallel market. It depreciated in the parallel market by 0.94% to close on Friday at ₦750/USD, from ₦743/USD the previous week.

FOREIGN EXCHANGE				
Date	21/10/2022	14/10/2022	Change	% Change
I&E rate	441.67	441.38	0.29	↑ 0.066
Parallel rate	750	743	7.00	↑ 0.942

Source: FMDQ, Atlasportfolio

Oil prices Mixed as China Demand Hopes Outweighed Recession Worry

The Brent crude oil settled up this week as hopes of stronger Chinese demand and a weakening dollar outweighed impact of interest rate hike and global economic recession on fuel use. The Black oil is gaining support from a looming European Union ban on Russian oil, and also a production cut by OPEC and its allies.

The US. WTI was down for the week as Biden plans to continue releasing the Strategic Petroleum Reserves, in other to bring down the retail rates from the current crude price levels.

Thus, the Brent increased by 2.04% w/w to close at \$93.5pb, while the WTI declined by 0.83% to close at \$83.95pb.

CRUDE OIL				
Date	21/10/2022	14/10/2022	Change	% Change
Brent Crude (\$)	93.5	91.63	1.87	↑ 2.04
WTI Crude (\$)	83.95	84.65	-0.7	↓ -0.83

Source: Oilprice.com, Atlasportfolio

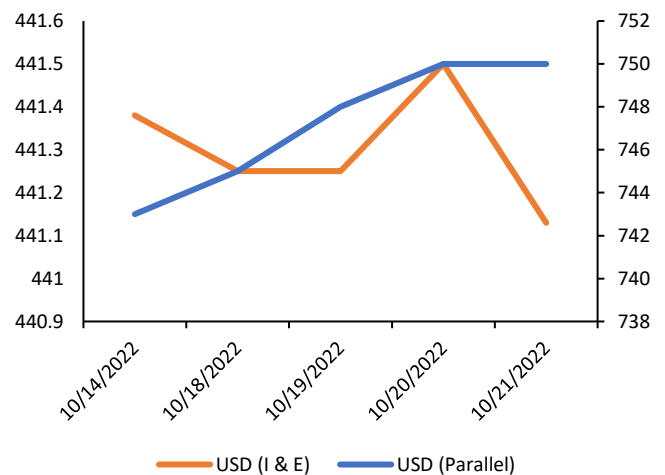
Foreign Reserve

The Nigeria Foreign Reserve continues to decline as it was down again last week by 0.60% from the closing position of \$37.91 billion (Thursday, 13th October 2022) to \$37.68 billion on Thursday 20th October 2022.

Date	20/10/2022	13/10/2022	Change	% Change
Foreign Reserve (\$million)	37.68	37.91	-0.23	↓ -0.604

Source: CBN, Atlasportfolio

Currency Movement for the Week



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INFLATION REPORT (SEPT'2022)

Following the official data released by the National Bureau of Statistics (NBS) on Monday, October 17th, 2022, the Headline inflation rate (a measure of how quickly the prices consumers pay for a broad range of goods and services in the economy) for September stood at **20.77%** year-on-year, from 20.52% in August 2022, representing an increase of 0.25%, and also rose by 4.14% when compared to the 16.63% recorded in September 2021. However, on a month-on-month basis, the headline inflation declined by 1.36%, which is 0.41% lower than the 1.177% recorded in August 2022.

The growth in the Headline rate was influenced by increase in the y/y Food Price and Core inflation rate (a sub-component of the Headline index).

The Food inflation stood at 23.34% y/y, which was 3.77% higher when compared to 19.57% recorded in September 2021. However, on a month-on-month basis, Food inflation declined by 1.43% in September 2022, which is 0.54% lower than 1.98% recorded in August 2022. It is important to note that the month-on-month Food inflation index has declined for two consecutive months due to the present harvest season. The Core Inflation rate (Non-Food price inflation sub-component) increased by 17.60% y/y in September 2022, which was up by 3.86% in comparison to 13.74% recorded in September 2021. On a month-on-month

Read more:

<https://atlassportfolios.com/wp-content/uploads/2022/10/Inflation-September-2022.pdf>

Contact Information

Investment Research

aadabale@atlassportfolios.com

info@atlassportfolios.com

