

WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

EQUITY MARKET

market update	
Total Deals for the Week	15,418
Total Turnover Volume for the Week (Million)	694.38
Total Turnover Value for the week (Million)	8,666.74
Total Traded stocks	157
Total Advanced stocks (w/w)	31
Total Declined Stocks (w/w)	33
Total Unchanged stocks (w/w)	93

Sector Indices

Sector	(28/10/2022) Open	(04/11/2022) Close	Change	% Change
ASI	43969	44492.73	523.98	1.19
NGX30	1587	1608.33	21.03	1.32
NGXBNK	372	387.31	15.70	4.22
CNSMRGDS	546	550.89	4.99	0.91
NGXINDUSTR	1984	1976.36	-7.40	-0.37
NGXINS	154	155.07	1.43	0.93
NGXOILGAS	455	448.56	-6.10	-1.34

Top 5 Gainers for the Week

Security	Open	Close Price	Change	% Change
MANSARD	1.53	1.77	0.24	15.69
UBN	5.75	6.50	0.75	13.04
GTCO	17.55	19.45	1.90	10.83
NB	37.40	41.25	3.85	10.29
UNILEVER	10.00	11.00	1.00	10.00

Top 5 Losers for the Week

Security	Open	Close Price	Change	% Change
SCOA	1.75	1.29	-0.46	-26.29
GUINNESS	74.65	60.50	-14.15	-18.96
REGALINS	0.27	0.23	-0.04	-14.81
UNITYBNK	0.57	0.50	-0.07	-12.28
ROYALEX	0.88	0.78	-0.10	-11.36

Local Bourse Surges by +1.19%w/w, Amidst Sell-Off; Naira mixed in the FX market, as Black Oil Price dips

The Nigerian equity market closed trading activities for the week in the green, although sell-off was dominant in three, out of the five-trading days. Buying interest in the Financial and Consumer goods sector can be attributed to the market positive performance for the week, especially the Banking sector, which expanded by 4.22% w/w. The market YTD returns stood at 4.16%.

Resultantly, the Market All-Share Index added 523.98 basis points, representing an increase of 1.19% to close at 44,492.73 from 43,968.75 the previous week, while the Market Capitalization also gained ₦285.39 billion, representing a rise of 1.19%, to close above ₦24 trillion.

The market positive outcome was also a result of investors buying interest in some medium and large capitalized stocks such as; MANSARD, which emerged as the top gainer for the week, advanced by +15.69%, followed by UBN, grew by +13.04%. While GTCO, NB, UNILEVER, STANBIC, FBNH, ZENITHBANK and MTNN also increased by +10.83%w/w, +10.29%w/w, +10.00%w/w, +9.09%w/w, +7.32%w/w, +7.02%w/w and +2.60%w/w respectively, to be among the 31 appreciated stocks for the week.

Meanwhile, SCOA declined by -26.29%w/w to led the losers' chart, trailed by GUINNESS (-18.96%w/w), REGALINS (-14.81%w/w), ETERNA (-10.00%w/w), WAPCO (-5.62%w/w), OANDO (-4.87%), and FTNCOCOA (-3.23%w/w), as 33 stocks depreciated during the week.

Furthermore, three out of the five major sectors closed bullish, led by the Banking sector (+4.22%w/w), followed by the Insurance Sector (+0.93%w/w), and the Consumer goods sector (+0.91%w/w). The Oil & Gas and Industrial sectors declined up by -1.34% w/w and -0.37%w/w accordingly.

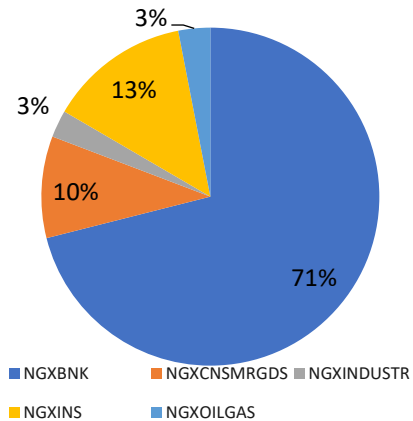
Outlook

We expect mixed sentiment in the coming week, as investors awaits the Apex bank decision in their last MPC meeting for the year.

WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

Distribution of Quantity Traded w/w across Major Sectors



Interim Dividend Update

Company – Presco Plc (₦2.00)

Qualification date – 21st Nov 2022

Payment date – 25th Nov 2022

Company – NB Plc (₦4.00)

Qualification date – 23rd Nov 2022

Payment date – 1st Dec 2022

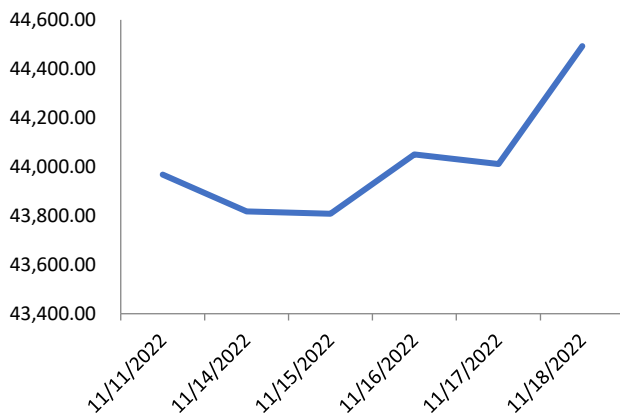
Bonus Update

Company – NB Plc (1 for 4)

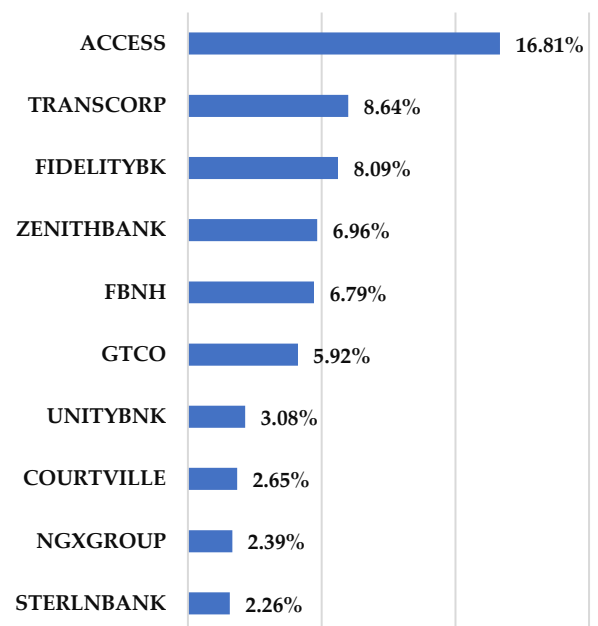
Qualification date – 6th Dec 2022

Closure date – 7th Dec 2022

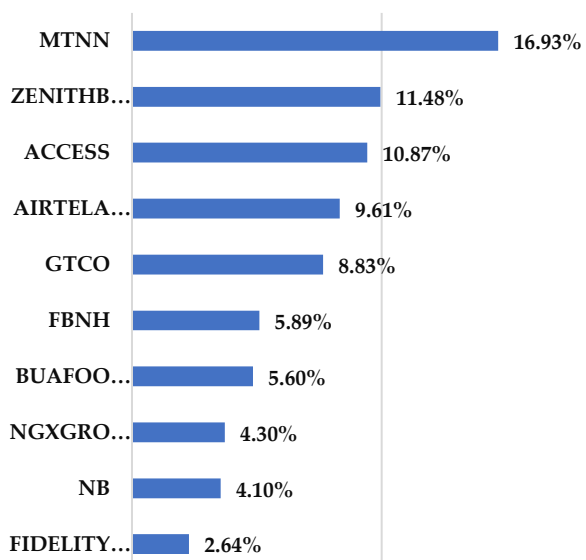
Index Movement for the Week



Top 10 Traded By Volume



Top 10 Traded By Value



WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

FIXED INCOME MARKET

NITTY

Tenor	Open		Close	Change (%)
	10/11/2022	17/11/2022		
1M	9.20	9.96	↑	8.20
3M	9.70	10.03	↑	3.44
6M	11.78	11.44	↓	-2.89
9M	14.23	15.31	↑	7.61
12M	15.49	17.27	↑	11.50

Source: FMDQ, Atlasportfolio

Increased buying interest was seen across the Treasury bills this week, with the exception of the long-term tenor bill. Trading activities was relatively calm in the bond market, as mixed sentiment was seen across the bills.

The Nitty bills rate for this week was mixed, as buying interest was seen majorly on the 6M bills, with an increase in its value and a decrease of 2.89% in rate, while sell-off was witnessed on the 1M, 9M, and 12M tenor bills, that saw their rates grew by 8.20%, 7.61%, and 11.50% accordingly this week. The average benchmark yield was up by 0.72 percent points.

The OMO Bills market rates declined week-on-week, for the eight consecutive week, as increased buying was seen across the bills. The OMO 21 Feb 23 rate was down by 0.24%, and the OMO 7 Mar 23 bills rate was also down by 0.18%. The average yield reduced by 0.42 percent points to 9.75% from 10.17%.

The secondary Treasury bill market traded on an active note this week as Increased buying interest was witnessed across the bills, expect the NTB 26 Oct 2023 bill, with a rate increase of +0.91%, while active buying was seen on other segments, especially the NTB 7 Sep 23, with a rate drop of -0.27%. However, the average benchmark yield increased by 1.05 percent points to 11.72%

On the FGN Bonds secondary market transaction for the week, trades were minimal with mixed sentiment seen across the yield curve. Increase demand and sell-off was witnessed on both ends of the yield curve. However, buying interest was dominant on the long-term bonds, especially on the 27 MAR 2050, as the average yield decreased marginally by 3bps to 14.76%.

OMO BILL

Maturity	Open		Close	Change (%)
	10/11/2022	17/11/2022		
OMO 21-Feb-23	8.24	8.22	↓	-0.24
OMO 7-Mar-23	11.29	11.27	↓	-0.18

Source: FMDQ, Atlasportfolio

TREASURY BILL

Maturity	Open		Close	Change (%)
	10/11/2022	17/11/2022		
NTB 26-Jan-23	11.86	11.84	↓	-0.17
NTB 27-Apr-23	8.36	8.35	↓	-0.12
NTB 11-May-23	8.39	8.37	↓	-0.24
NTB 8-Jun-23	11.77	11.75	↓	-0.17
NTB 7-Sep-23	14.56	14.52	↓	-0.27
NTB 26-Oct-23	15.32	15.46	↑	0.91

Source: FMDQ, Atlasportfolio

FGN BOND

Description	Open		Close	Change (%)
	10/11/2022	17/11/2022		
14.20 14-MAR-2024	15.15	15.16	↑	0.07
13.53 23-MAR-2025	14.30	14.27	↓	-0.21
12.50 22-JAN-2026	14.50	14.55	↑	0.34
16.2884 17-MAR2027	14.59	14.59	⇒	0.00
13.98 23-FEB-2028	14.62	14.70	↑	0.55
14.55 26-APR-2029	14.67	14.59	↓	-0.55
12.1493 18-JUL-2034	14.63	14.65	↑	0.14
12.50 27-MAR-2035	14.65	14.75	↑	0.68
12.40 18-MAR-2036	14.67	14.67	⇒	0.00
16.2499 18-APR-2037	15.90	15.93	↑	0.19
13.00 21-JAN-2042	14.75	14.75	⇒	0.00
14.80 26-APR-2049	14.93	14.68	↓	-1.67
12.98 27-MAR-2050	14.95	14.65	↓	-2.01

Source: FMDQ, Atlasportfolio

EUROBOND

Bond Name	Open		Close	Change (%)
	10/11/2022	17/11/2022		
6.38% US\$ 500Mn JUL 23	6.20	6.24	↑	0.60
7.63% US\$ 1.118 Bn NOV	11.06	10.15	↓	-8.21
6.50% US \$ 1.5 Bn NOV 27	13.06	11.33	↓	-13.22
6.13% US 1.25 Bn SEPT 28	12.92	11.39	↓	-11.84
8.38% US 1.25 Bn MAR 29	12.65	11.77	↓	-6.93
7.14% US \$ 1.25 Bn FEB 30	12.50	11.60	↓	-7.16
8.75% US\$1.0 Bn JAN 31	12.40	11.67	↓	-5.86
7.88% US \$ 1.5 Bn FEB 32	12.42	11.68	↓	-5.96
7.38% US \$ 1.5 Bn SEPT 33	12.06	11.52	↓	-4.52
7.69% US \$ 1.25 Bn FEB 38	12.00	11.74	↓	-2.13
7.63% US \$ 1.5 Bn NOV 47	11.47	11.52	↑	0.51
9.25% US \$ 750 Mn JAN 49	12.14	11.98	↓	-1.33
8.25% US \$ 1.25 Bn SEPT	11.90	11.87	↓	-0.31

WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

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

Naira mixed in the FX market

The Naira this week appreciated in the I & E window by 0.10% to ₦445.67/USD from ₦446.1/USD, as it depreciated in the parallel market. It depreciated in the parallel market by 10.42% to close on Friday at ₦795/USD.

FOREIGN EXCHANGE				
Date	18/11/2022	11/11/2022	Change	% Change
I&E rate	445.67	446.1	-0.43	↓ -0.096
Parallel rate	795	720	75.00	↑ 10.417

Source: FMDQ, Atlasportfolio

Oil Records Lowest Price Since 2021

The Brent crude oil was down by almost 10% this week, against the backdrop of increasingly gloomy economic prospects, and surging covid cases in China, which risk further restrictions and lockdowns, threatening demand in the world's second-largest economy. Recession concern have dominated this week even with a tightening of supply by the Organization of the Petroleum Exporting Countries and its allies. China is battling coronavirus outbreaks in numerous major cities, while it takes steps to try to ease the burden of its strict zero covid policy, which has caused severe economic damage. However, OPEC meets December 4 to review its production policy, just before the start of the December 5 price cap on Russian oil, which is widely expected to be a market boosting event for crude. Thus, the Brent decreased by 2.74% w/w to close at \$95.87pb, while the WTI declined by 4.04% to close at \$88.87pb.

CRUDE OIL				
Date	18/11/2022	11/11/2022	Change	% Change
Brent Crude (\$)	87.88	95.99	-8.11	↓ -8.45
WTI Crude (\$)	80.21	88.96	-8.75	↓ -9.84

Source: Oilprice.com, Atlasportfolio

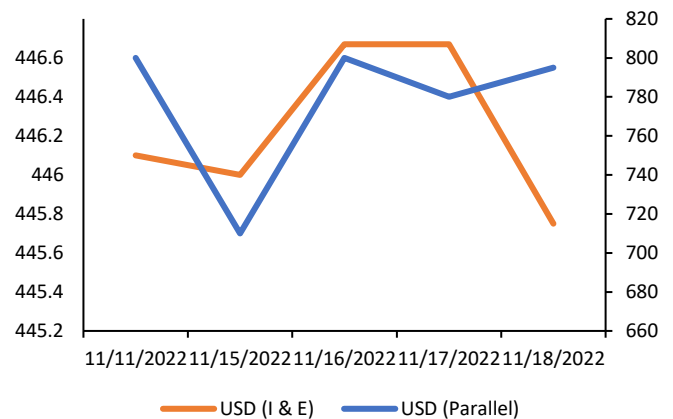
Foreign Reserve

The Nigeria Foreign Reserve continues to decline as it was down again last week by 0.16% from the closing position of \$37.25 billion (Wednesday, 9th November 2022) to \$37.19 billion on Wednesday 16th November 2022.

Date	16/11/2022	9/11/2022	Change	% Change
Foreign Reserve (\$) (\$) million	37.19	37.25	-0.06	↓ -0.158

Source: CBN, Atlasportfolio

Currency Movement for the Week

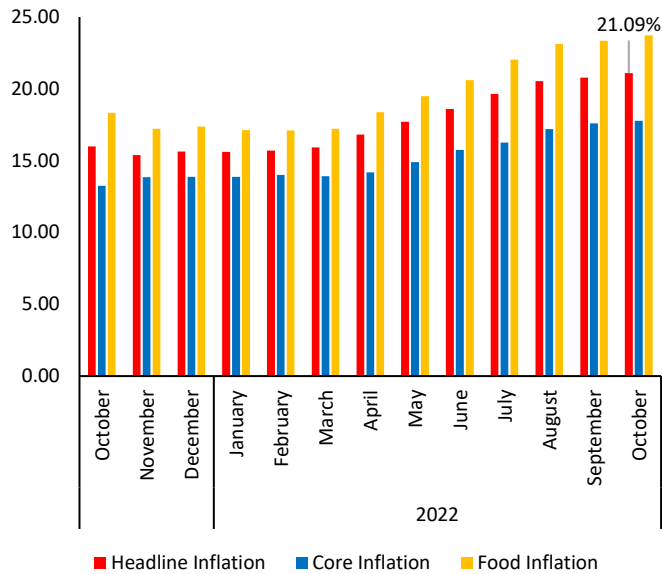


WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

OCTOBER 2022 INFLATION REPORT

Headline, Core and Food Inflation Movement (y/y)



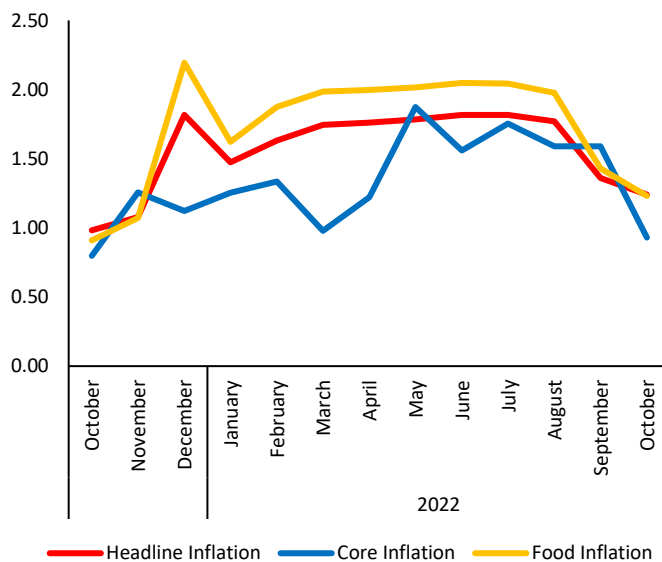
Highest Headline Inflation Since September 2005; (Third successive month-on-month decline)

According to the official data released by the National Bureau of Statistics (NBS) on Tuesday, November 15th, 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 October hits **21.09%** (17-years high) year-on-year, from 20.77% in September 2022, representing an increase of 0.32%, and also rose by 5.10% when compared to the 15.99% recorded in October 2021. However, on a month-on-month basis, the headline inflation declined by 1.24%, which is 0.12% lower than the 1.36% recorded in September 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 23.72% y/y, which was 5.38% higher when compared to 18.34% recorded in October 2021. However, on a month-on-month basis, Food inflation declined by 1.23% in October 2022, which is 0.20% lower than 1.43% recorded in September 2022. It is important to note that the month-on-month Food inflation index has declined for the third consecutive months, which can be attributed to the present harvest season, however, food prices continue to soar. The Core Inflation rate (Non-Food price inflation sub-component) increased by 17.76% y/y in October 2022, which was up by 4.52% in comparison to 13.24% recorded in October 2021. On a month-on-month basis, it declined by 0.93%, which was -0.66% lower than 1.59% recorded in September 2022.

Headline, Core, and Food Inflation Trend (m/m)



WEEKLY ECONOMIC & MARKET REPORT

19 November 2022

Likewise, the Urban inflation rate stood at 21.63% y/y, which denotes 5.11% higher than 16.52% computed in October 2021, and on a month-on-month basis, it stood at 1.33%, which represents a 0.12% decline compared to 1.46 recorded in September 2022. The rural inflation rate in September 2022 also was slated at 20.57%, which was 5.09% higher compared to 15.48% recorded in October 2021. On a month-on-month basis, the rural inflation rate in October 2022 was 1.16%, down by 0.11% compared to 1.27% recorded in September 2022.

Headline Inflation continues to increase year-on-year, as adverse weather (flooding), overpowers the benefit of the harvest season, coupled with other underlying factors. It was expected that the current harvest period would bring down the food prices, but rather, prices continue to accelerate, due to shortage in the supply of agricultural products as a result of flood. Other factors that contributed to the increase in the inflation rate are; Increase in Fuel Price, Foreign Exchange Scarcity, Increase in Importation Cost, Increase in Energy Cost, and Increase in the Cost of Production.

The burden of taming the run-away inflation rate sits at the doorstep of the Nigerian Apex bank in their last meeting for the year this month. The Nigerian Central bank has already increased its benchmark rate three times this year in other to make borrowing and spending money more expensive to cool off consumer's demand, and we predict a fourth straight hike, although food inflation moderated month-on-month.

Finally, it is recommended that the Nigerian Monetary authority should target the major drivers of inflation with necessary policies, and this would encompass strategies that would encourage investors to participate actively in the economy, while also improving the ease of doing business and other socio-economic factors in the country.

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