

# Weekly Market Update.

March 24, 2023



## Equities Report

### Commentary

#### NGX All-Share Index extends weekly losses, down 0.04% w/w

In the last trading session of the week, the domestic bourse extended losses as the All-Share Index declined by 0.06% to close at 54,892.53 points. Bearish sentiments in market heavyweight, BUACEMENT (-1.61%) alongside ZENITHBANK (-0.60%), and GTCO (-0.99%) were the sole drivers of the market plunge. Having lost in three (3) of five (5) trading sessions this week, the ASI closed 0.04% lower w/w, extending losses for the second consecutive week.

Over the course of the week, BUACEMENT (-1.61% w/w), NB (-4.52% w/w) and STANBIC (-5.76% w/w) were the major drivers of the week's loss outweighing gains in ZENITHBANK (+1.42% w/w), GTCO (+1.22% w/w), and WAPCO (+3.39% w/w). As a result, the ASI year-to-date (YTD) return fell to -7.11%, while the market capitalization shed ₦12.45bn w/w to close at ₦29.90trn.

Activity levels were mixed, as trading volumes increased by 97.8% w/w, while value traded declined by 6.5% w/w. Also, sector performances were mixed, as the Consumer Goods (-0.74%), Industrial Goods (-0.49%), and Insurance (-0.52%) indices declined while the Banking (+0.94%) index advanced. The Oil and Gas index closed flat, while the Pension and Premium index also advanced by 0.16% and 0.31% respectively

Looking into the new week, we expect the cautious trading that played out this week to persist in the week ahead; as investors continue in the market, will likely be swayed by corporate actions as more companies release results. However, we advise investors to seek trading opportunities in only fundamentally justified stocks as the weak macro story remains a significant headwind that could result in persistently weak sentiments.

### Key Market Statistics

Metrics	Outcome
NGX All-Share Index	54,892.53
Friday's return	-0.06%
WTD	-0.04%
MtD	-1.64%
YTD	-7.11%
52-week High	55,985.47
52-week Low	43,393.20
Market Capitalisation (N'Trillion)	29.903

### NGX-Key Sub-Index

Metrics	Outcome	w/w Chg. (%)	YTD (%)
NGX 30	1957.36	-0.16	6.25
NGXBNK	436.95	0.94	4.66
NGXCNSMRG	696.17	-0.74	18.21
NGXIND	2539.31	-0.49	5.66
NGXINS	174.70	-0.52	0.19
NGXOILG	521.34	0.00	12.73
NGXPENSION	1882.83	0.16	5.03
NGXPREMIUM	5134.19	0.31	8.88

### Top 5 Trades by Volume (24th March 2023)

Ticker	Volume	Market Volume
FIDELITYBK	21,478,432	15.61%
GTCO	14,888,637	10.82%
NEMEITH	14,033,290	10.20%
UBA	12,821,227	9.32%
TRANSCORP	8,918,510	6.48%

### Top 5 Gainers (24th March 2023)

Ticker	Pclose	Close (NGN)	Change
NPFMCRFBK	1.73	1.85	+6.94%
GEREGU	304.00	323.00	+6.25%
LASACO	1.00	1.05	+5.00%
CHAMS	0.24	0.25	+4.17%
JAPAULGOLD	0.28	0.29	+3.57%

### Top 5 Trades by Value

Ticker	Value NGN'000	Market Value
MTNN	980,098,778.80	25.30%
AIRTELAFRI	658,746,577.80	17.01%
GTCO	371,550,769.85	9.59%
NB	259,703,908.45	6.70%
GEREGU	244,593,109.80	6.31%

### Top 5 Losers

Ticker	Pclose	Close (NGN)	Change
AIICO	0.60	0.57	-5.00%
WAPIC	0.42	0.40	-4.75%
LINKASSURE	0.42	0.40	-4.76%
INTBREW	4.45	4.35	-2.25%
TRANSCORP	1.37	1.34	-2.19%

### 5-Days Market Summary

Date	Days	NSE ASI	% Change	Volume	%Change	Value (NGN)	%Change	Gainers	Losers
20-Mar-23	Monday	54,886.04	-0.05	1,171,806,882.00	646.50%	2,876,696,219.94	83.83%	19	14
21-Mar-23	Tuesday	54,904.68	0.03	127,744,567.00	-89.10%	1,586,686,912.90	-44.84%	12	12
22-Mar-23	Wednesday	54,936.11	0.06	134,150,558.00	5.01%	1,330,468,415.74	-16.15%	9	14
23-Mar-23	Thursday	54,924.08	-0.02	117,850,276.00	-12.15%	1,398,778,263.30	5.13%	14	17
24-Mar-23	Friday	54,892.53	-0.06	137,560,165.00	16.72%	3,873,422,900.15	176.91%	13	11

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## Money Market, Fixed Income

### Commentary

#### Money Market

This week, the overnight (OVN) rate expanded by 500bps w/w to 18.80%, following the lower liquidity in the financial system. For context, the settlements for the FGN bond (NGN563.36 billion) and FX auctions outweighed the inflow from FGN bond coupon payments (NGN80.56 billion) this week. As a result, the average system liquidity closed lower at a net short position of NGN40.72 billion (vs a net long position of NGN379.15 billion in the previous week).

**The OVN rate is expected to trend lower next week, as we believe the anticipated inflows from FAAC allocation (NGN453.61 billion), FGN bond coupon payments (NGN70.45 billion), and OMO maturities (NGN35.00 billion) will keep the system afloat with liquidity.**

#### Fixed Income Market

##### Bond

During the week, the treasury bonds secondary market traded with bullish sentiments, as the average yield contracted by 8bps to 13.19%. We attribute this market performance to the dual impact of increased liquidity from coupon payments, and investors' compensating for lost bids from Monday's PMA at the secondary market. Across the benchmark curve, the average yield contracted across the short (-5bps lower), mid (-8bps lower), and long (-15bps lower) segments due to the demand on the APR-2023 (-36bps), APR-2032 (-15bps), and APR-2037 (-57bps) bonds, respectively. At this month's bond PMA that held on the 20th of March 2023, the DMO offered instruments worth NGN360.00 billion to investors through re-openings of the 13.98% FGN FEB 2028 (Bid-to-offer: 0.8x; Stop rate: 14.00%), 12.50% FGN APR 2032 (Bid-to-offer: 0.3x; Stop rate: 14.75%), 16.25% FGN APR 2037 (Bid-to-offer: 4.0x; Stop rate: 15.20%), and 14.80% FGN APR 2049 (Bid-to-offer: 3.9x; Stop rate: 15.75%) bonds. Demand was lower across the four instruments as the total subscription level settled at NGN808.61 billion (vs NGN993.10 billion in the previous auction), with the DMO allotting bonds worth NGN563.36 billion (translating to a bid-to-cover ratio of 1.4x).

**We expect frontloading of significant borrowings for the year by the FG in the mid-term, which will result to an uptick in bond yields, as investors demand higher yields in the face of elevated supply.**

#### Treasury Bills

Activities in the Treasury bills secondary market continued on a bearish note this week, driven by the tight system liquidity. As a result, the average yield across the market expanded by 47bps to 5.7%. Across the market segments, the average yield inched higher by 101bps to 4.0% in the OMO secondary market and increased by 44bps to 5.8% in the NTB segment.

**In the new week, we envisage higher yields in the Treasury bills secondary market as we believe anticipated inflows into the financial system will drive demand for bills. Nonetheless, we expect market focus to be shifted to the NTB PMA holding on Wednesday (29 March), where the CBN is scheduled to roll over NGN145.47 billion worth of maturities.**

### Economic Indicators

	Current	Year Start
MPR	18.00%	16.50%
Inflation (As at February)	21.91%	21.34%
Gross External Reserves*	\$35.78bn	\$37.083bn

\* As at 23rd March 2023.

### Interbank Offered Rate

Ticker	17-Mar	24-Mar	Change
O/N	13.80%	18.80%	5.00%

### Benchmark Bonds – Secondary Market

Ticker	17-Mar	24-Mar	Change (%)
12.75 27-APR-2023	3.26	2.89	-0.37
14.20 14-MAR-2024	8.49	8.41	-0.08
13.53 23-MAR-2025	10.21	10.19	-0.02
12.50 22-JAN-2026	11.90	12.03	0.13
16.288 17-MAR-2027	12.45	12.51	0.06
13.98 23-FEB-2028	14.00	14.00	0.00
15.00 28-NOV-2028	14.07	14.07	0.00
14.55 26-APR-2029	14.10	14.10	0.00
12.49 22-MAY-2029	14.11	14.10	-0.01
8.50 20-NOV-2029	14.16	14.13	-0.03
10.00 23-JUL-2030	14.23	14.17	-0.06
12.50 27-APR-2032	14.42	14.27	-0.15
12.1493 18-JUL-2034	14.65	14.40	-0.25
12.50 27-MAR-2035	14.68	14.69	0.01
12.40 18-MAR-2036	14.68	14.68	0.00
16.2499 18-APR-2037	15.40	14.83	-0.57
13.00 21-JAN-2042	14.71	14.71	0.00
9.80 24-JUL-2045	15.21	15.05	-0.16
14.80 26-APR-2049	15.75	15.41	-0.34
12.98 27-MAR-2050	15.00	15.15	0.15

\*NB: A moderation in bond yields means price rose while an increase means prices dropped

### Auctions- T.Bills

Ticker	8-Mar-23	15-Mar-23
91 days	1.44%	2.55%
182 days	6.00%	5.00%
364 days	10.00%	9.49%
VOLUME(₦'bn)	324.5bn	161.87bn

March 24, 2023

## **Foreign Exchange**

Nigeria's green back reserve declined by \$163.67 million w/w compared to \$311.24 million w/w (last week) to USD35.78 billion (23rd March 2023). Across the FX windows, the Naira appreciated by 0.1% to close at ₦461.33/USD at the I&E window (IEW). At the I&E window, total turnover (as at 23rd March 2023) increased by 34.9% WTD to USD700.13 million, with trades consummated within the ₦406.00 – 551.00/USD band. In the Forwards market, the rate depreciated at the 1-month (-0.5% to ₦467.97/USD) contracts and also depreciated at the 3-month (-0.5% to ₦484.34/USD) while the 6-months depreciated by (-1.0% to ₦511.25/USD) contracts. The rate also depreciated at the 1-year (-2.3% to ₦561.79/USD) contracts.

**For our outlook for the year, we believe the FX liquidity issues will remain over the short-to-medium term as we do not see any positive signal that represents an improvement in FX supply relative to the pre-pandemic levels. Moreover, considering the tepid accretion to the reserves given (1) low crude oil production and (2) elevated PMS under-recovery costs, FPIs which have historically supported supply levels in the IEW will be needed to sustain FX liquidity levels in the medium to long-term. Hence, we think (1) further adjustments in the NGN/USD peg closer to its fair value and (2) flexibility in the exchange rate would significantly attract foreign inflows back to the market.**

## **News Commentary**

### **PUNCH**

#### **Order banks to revamp e-banking platforms, Reps tell CBN**

The House of Representatives has urged the Central Bank of Nigeria to direct banks to immediately revamp their electronic transaction platforms. According to the House, the move has become necessary in the aftermath of the recent CBN policies, which have put pressure on online and electronic banking. The CBN had set lower limits for cash withdrawal and redesigned the N1,000, N500 and N200 noted, policies that caused chaos in the country.

[Order banks to revamp e-banking platforms, Reps tell CBN \(punchng.com\)](https://punchng.com/order-banks-to-revamp-e-banking-platforms-reps-tell-cbn/)

#### **NGX promotes investment culture among youths**

Nigerian Exchange Limited says it has continued its advocacy of building saving and investing culture in young Nigerians as it celebrates the 2023 edition of 'Global Money Week'. It said the week was to raise awareness on the importance of ensuring that young people, from an early age, were financially aware, and gradually acquiring the knowledge, skills, attitudes, and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being and financial resilience. In a statement, it disclosed that NGX, Securities and Exchange Commission and NGX Regulation Limited partnered with the Central Bank of Nigeria to educate over 100 students on the theme, 'Plan your money, plant your future', to further enhance investor education and financial literacy.

[NGX promotes investment culture among youths \(punchng.com\)](https://punchng.com/ngx-promotes-investment-culture-among-youths/)

#### **FG, IPMAN disagree over Port Harcourt refinery completion date**

The Independent Petrol Marketers Association of Nigeria has faulted the Minister of State for Petroleum, Chief Timipre Sylva, over his assurance on the completion of the Port Harcourt refinery. Sylva had during a seminar recently in Abuja, said the refinery would be ready before the end of the second quarter of this year. But the IPMAN Chairman for Rivers State, Dr. Joseph Obele, said the assurances of the minister were one too many without result.

[FG, IPMAN disagree over Port Harcourt refinery completion date \(punchng.com\)](https://punchng.com/fg-ipman-disagree-over-port-harcourt-refinery-completion-date/)

### **THISDAY**

#### **Naira Scarcity: NECA Urges NLC to Shelve Planned Strike**

The Nigeria Employers Consultative Association (NECA) yesterday advised the Nigeria Labour Congress (NLC) to shelve its planned strike against the prevailing naira scarcity in order to avoid dragging the economy into a deeper crisis. The Director General of NECA, Mr. Adewale-Smatt Oyerinde, gave this warning yesterday, in a press statement titled, "Nigeria Labour Congress Nationwide Planned Strike: NECA Calls for Caution, Urges Social Dialogue." However, in a bid to stave off an impending protest by the NLC against the central bank, some officials of the apex bank, including its deputy governors, yesterday met with the leadership of the congress in Abuja. Speaking further, Oyerinde cautioned that embarking on the planned strike at this time would be counter-productive. Oyerinde said: "While we had expressed our deep concern as regards the mismanaged and dreadful implementation of the naira redesign policy, and in fact, some other policies of the Central Bank of Nigeria, it is our strong believe that the planned strike by the NLC could further drag the economy into a deeper hole, leading to rapid business closures, job losses and other socio-economic challenges.

[Naira Scarcity: NECA Urges NLC to Shelve Planned Strike – THISDAYLIVE](https://thisdaylive.com/naira-scarcity-neca-urges-nlc-to-shelve-planned-strike/)

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## News Commentary

### THISDAY

#### **InfraCredit's Anti-bribery Management System Certified ISO 37001 Compliant by Lloyd's Register**

InfraCredit, an 'AAA' rated specialised infrastructure credit guarantee institution, backed by the Nigeria Sovereign Investment Authority ("NSIA"), Private Infrastructure Development Group companies GuarantCo and InfraCo Africa, KfW Development Bank, Africa Finance Corporation ("AFC") and African Development Bank, has announced that its Anti-Bribery Management System has been certified as ISO 37001 compliant by Lloyd's Register. The company in a statement said securing the recognition reflects the robustness of its Compliance and Anti-bribery Program, "and further demonstrates InfraCredit commitment to upholding the highest international anti-bribery standards across our business and in a challenging frontier market in which we operate. The certification comes after a rigorous auditing process undertaken by the leading global assurance independent body, Lloyd's Register Quality Assurance (LRQA), the world's leading provider of independent assessment services. The audit involved examining our anti-bribery practices, including reporting procedures and transaction cycle, to ensure appropriate measures to prevent bribery have been implemented across our entire business.

[InfraCredit's Anti-bribery Management System Certified ISO 37001 Compliant by Lloyd's Register – THISDAYLIVE](#)

#### **SEC Task Youths on Investment, Savings Culture**

Securities and Exchange Commission (SEC) has urged young people to plan their future by engaging in savings and investments from an early age. Director, Market Development Department, SEC, Mr. Nestor Ikeagu stated this while speaking at the Global Money week organised by the commission yesterday in Abuja. He stated that the commission is on a drive to educate and enlighten the youths on money management as well as encourage them on investments opportunities available in the capital market. According to him, "We are proud to be part of this annual financial awareness campaign highlighting the importance of teaching children & youth about financial education & financial literacy. The sensitization to Gwagwalada and Nassarawa is aimed to directly speak to the children and youths and highlight how important this is to the SEC.

[SEC Task Youths on Investment, Savings Culture – THISDAYLIVE](#)

#### **ARCON Attributes Growth in Marketing Industry to FG's 75% Local Content Policy, Reduction in Capital Flight**

The Director General of the Advertising Regulatory Council of Nigeria (ARCON), Dr. Lekan Fadolapo, has stated that the advertising and marketing communications industry has fared well under the Buhari/Osinbajo administration. In an interview with THISDAY, Fadolapo, who hailed the administration for the recent ban on the use of foreign models and voice-over artists in Nigeria's advertising space and the use of a cumulative of 75 per cent local content in ambience, production, and post production activities, added that the industry has witnessed transformational reforms through progress-driven policies, regulatory frameworks, and legislations in the last two years.

[ARCON Attributes Growth in Marketing Industry to FG's 75% Local Content Policy, Reduction in Capital Flight – THISDAYLIVE](#)

### THE SUN

#### **Nigeria Air to fly before May 29**

Aviation Minister, Mr Hadi Sirika, has assured anxious Nigerian public that the long-awaited national carrier, Nigeria Air, would take to the skies before May 29. The Minister Sirika gave the assurance in Abuja at the National Aviation Stakeholders Forum on Thursday. The assurance comes amid an unvacated order of interim injunction instituted by local airlines, which restrained the Federal Government and other parties from executing the proposed national carrier. Justice A. Lewis-Allagoa, after consideration of the application and submission of counsel to the plaintiffs, (local airlines), ordered the Minister of Aviation, Hadi Sirika; Attorney General of the Federation, Abubakar Malami and other defendants, to halt all plans pending the determination of the motion of notice.

[Nigeria Air to fly before May 29 – The Sun Nigeria \(sunnewsonline.com\)](#)

#### **Naira crunch: Reps want overhaul of online banking systems**

Meanwhile the House of Representatives has urged the Central Bank of Nigeria (CBN) to direct commercial banks to overhaul the existing online/electronic banking platforms for efficient conduct of electronic banking operations. This was sequel to a unanimous adoption of a motion by Rep. Sergius Ogun (PDP-Edo) at plenary on Thursday. Moving the motion earlier, Ogun said that Section 88 (1) and (2) of the Constitution, empowered the National Assembly to conduct investigations into activities of any authority executing or administering laws made by the assembly like the CBN. He said the CBN was established under Section 1 of the CBN Act, to issue legal tender currencies in Nigeria. According to him, Section 2 of the Act saddles the CBN with the duty of promoting a sound financial system in Nigeria.

[Naira crunch: Reps want overhaul of online banking systems – The Sun Nigeria \(sunnewsonline.com\)](#)