

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

Nigeria experienced a significant increase in earnings from crude oil exports, with a growth of \$11 billion between January and May 2023, according to the OPEC Revenue Factsheet released by the EIA. The fact sheet also projects that Nigeria's revenue from crude oil sales in 2024 is expected to reach approximately \$29 billion. This projection is linked to a forecasted increase in global crude oil prices for 2024. OPEC members collectively earned around \$888 billion in net oil export revenue in 2022, representing a rise of nearly 43% compared to the previous year.

The fact sheet further indicates that the net oil export revenue of the top five OPEC countries will likely remain similar to the figures in 2022 and 2021, albeit with some slight variations. Additionally, OPEC's total oil output increased by 2.5 million barrels yearly, reaching nearly 34.2 million barrels daily. However, recent decisions by OPEC and OPEC+ members to voluntarily cut production have affected revenue figures for 2023, indicating a significant drop compared to the previous year.

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 3.40% week-on-week to settle at 63,040.41 basis points with buying interest seen in stocks such as JAPAUFGOLD (+58.57%), CHAMS (+56.76%), TRANSCOHOT (+39.53%) and UNITYBNK (+37.29%).

Consequently, the Month-To-Date (MTD) return appreciated by +3.40% as the Year-To-Date (YTD) return remained positive settling at 23.00% for the week with Market Capitalization settling at 34.32trn Naira at the close of the trading session.

Sector performance showed positive performance for the week as the NGX-Banking Index recorded the highest gain (+9.82%), followed by NGX-Oil/Gas Index (+7.18%) and NGX-Industrial Index increased by (+2.22%). While NGX-Consumer Goods Index declined by (-0.22%)

GLOBAL ECONOMY

The US added 209,000 jobs in June 2023, which was lower than the revised figure of 306,000 jobs added in May and fell below market expectations of 225,000 jobs. Despite being the lowest reading since December 2020, the job growth still exceeded the required monthly growth of 70,000 to 100,000 jobs necessary to keep up with the expanding working-age population. Employment primarily increased in sectors such as government, health care, social assistance, construction, professional and business services, and leisure and hospitality.

However, employment in the leisure and hospitality industry remained below its February 2020 level by 369,000 jobs. On the other hand, employment declined in retail trade and transportation, and warehousing, while remaining relatively stable in mining, quarrying, oil and gas extraction, and manufacturing. The average monthly nonfarm employment growth in the first half of 2023 was 278,000 jobs, which was lower than the average of 399,000 jobs per month in 2022.

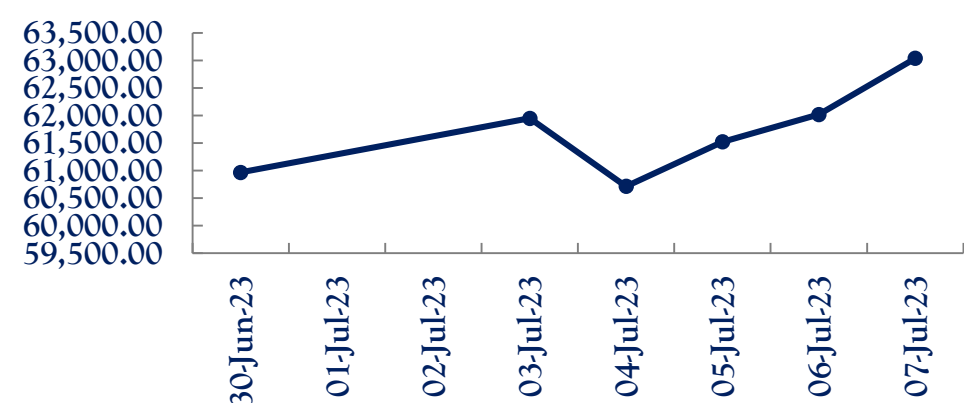
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	2.31%	3.52%
Unemployment	33.3%	33.3%
MPR	18.50%	18.00%
External Reserve	\$34.22 billion	\$34.35 billion
Inflation	22.41%	22.22%

KEY METRICS

Metrics	Outcome
All-Share Index	63,040.41
WTD	3.40%
MTD	3.40%
YTD	23.00%
52-week High	54,085.30
52-week Low	24,026.05
Market Capitalization (N'trn)	34.32

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 30-06-2023	Wk. Close 07-07-2023	% WTD	% YTD
NGX-Banking	645.42	708.77	9.82	69.77
NGX-Industrial	2,491.31	2,546.73	2.22	5.97
NGX Oil/Gas	775.85	831.59	7.18	79.81
NGX-Consumer Goods	894.76	892.77	-0.22	51.59

GLOBAL MARKET

Global markets closed negative as Investors prepared for an important monthly jobs report that could potentially impact the Federal Reserve's monetary policy outlook.

In the US market, the S&P 500 declined by (-1.16%) week-on-week. Likewise, the Nasdaq and Dow Jones declined by (-0.92%) and (-1.95%) respectively.

The European market showed a bearish performance, FTSE 100 declined by (-3.65%), Likewise CAC 40 declined (-3.89%), and Euro STOXX (-3.69%).

The Asian market showed a negative performance, the Hang Seng declined by (-2.91%), followed by Nikkei 225 (-2,41%) and China A50 (-0.38%).

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
JAPAUFGOLD	0.70	1.11	0.41	▲ 58.57
CHIPLC	0.82	1.29	0.47	▲ 57.32
CHAMS	0.74	1.16	0.42	▲ 56.76

TOP LOSERS

COMPANY	OPEN	CLOSE	LOSS (N)	% CHANGE
WAPIC	0.83	0.61	-0.22	▼ -26.51
TRIPPLEG	3.75	2.76	-0.99	▼ -26.40
IKEJAHOTEL	3.99	3.15	-0.84	▼ -21.05

MONEY MARKET AND FIXED INCOME

MONEY MARKET

Last week, strong liquidity sustained the interbank rates at low levels, driving the Open Repo and Overnight rates down to 0.86% and 1.25%, respectively.

FGN BONDS AND TREASURY BILLS

The bond market saw substantial selloffs at the start of last week, particularly at the short-dated papers. Mid-week to the end, buying interests improved slightly at the long-dated tenors.

However, the market still closed bearish, with the average yield rising by 76bps to 13.26%.

The Treasury Bill secondary market witnessed mild demand last week, as investors' willingness to take risks increased.

On Friday, the average yield declined 145bps to 6.12% week-on-week.

FIG 2: T-BILLS YIELD CURVE (%)

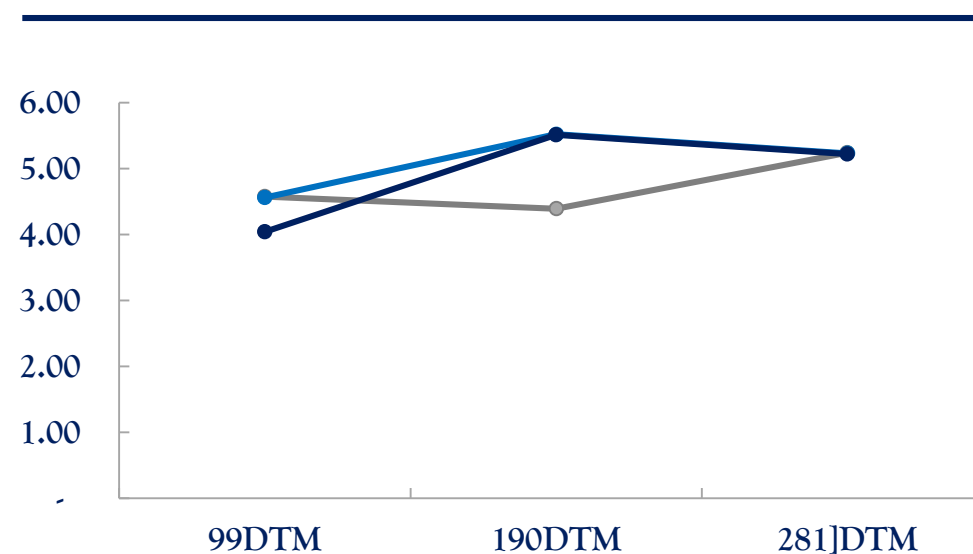
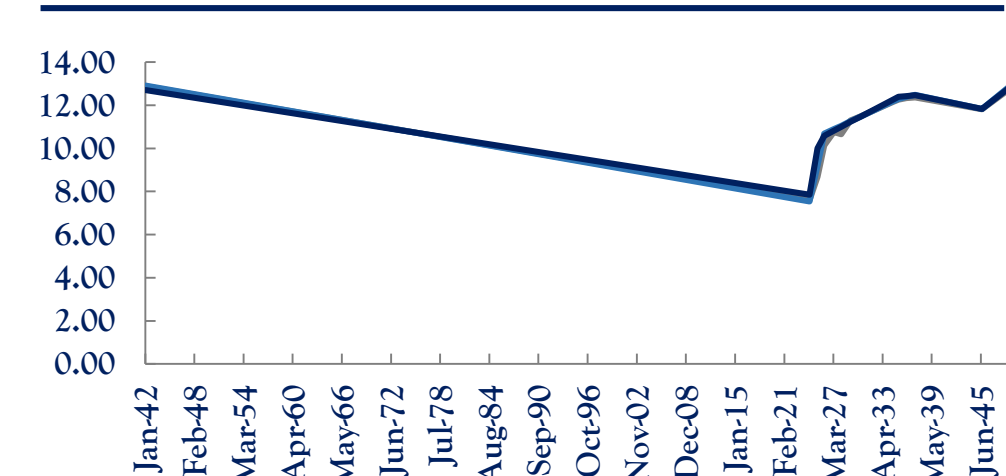


FIG 3: FGN BOND YIELD CURVE (%)



FOREIGN EXCHANGE

Last week, at the Investor and Exporter FX Window (I&E), Naira appreciated to N776.90/USD from N769.25/USD indicating a weekly gain of 0.12%.

Likewise, at the Nigerian Autonomous Foreign Exchange Fixing (NAFEX), Naira appreciated to N749.64/USD from N752.19/USD indicating a weekly gain of 0.34%.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by 2.69% w/w to close at 72.6 per barrel. Likewise, Gold appreciated by 0.35% to close at \$1,932.4 from \$ 1,925.7.

Accordingly, the OPEC Basket price closed at \$77.33 per barrel for the week indicating a 3.27% weekly gain.

TOP BUSINESS HEADLINES FOR THE WEEK

- FG's 241% Recurrent Budget Bump Exposes Bloated Bureaucracy.
- Banks' Borrowing From CBN Intensifies, Rises 140% to N10.35trn.
- Nigeria Passenger Traffic Grew 60% in Four Years - Report.
- Banks' Total Assets Up N16.65tn as Industry Credit Increased by N4.54tn in 1 Year

INTERBANK OFFERED RATE

	30-Jun-2023	07-Jul-2023	Change(%)
OPR	1.36	0.86	-36.76
OVN	2.00	1.25	-37.50

OIL & COMMODITIES PRICES

Instrument	30-Jun-2023	07-Jul-2023	Change (%)
Brent Crude	\$74.88	\$77.33	3.27
WTI Oil	\$70.7	\$72.6	2.69
Gold	\$1925.7	\$1932.4	0.35

FOREIGN EXCHANGE (Spot & Forward rate)

Tenor	Closing Rate (\$/N)
I&E FX Window	776.90
1M	418.51
3M	421.64
6M	434.08
1Y	448.82

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