

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

According to the National Bureau of Statistics (NBS), collections from Company Income Tax (CIT) increased by 116.8% y/y to NGN753.88 billion in Q4-22 (Q3-22: NGN810.19 billion). Due to the improvement in business activities, local payments rose by 36.7% y/y to NGN353.90 billion. Likewise, foreign CIT payments grew by 349.6% y/y to NGN399.98 billion, due to the effect of the 2021 Finance Act provision, which includes a 6.0% tax on the revenue generated by non-resident enterprises' e-commerce businesses.

On the other hand, Information and communication activities had the lowest growth rate with - 65.75%, followed by Arts, entertainment and recreation activities with -64.09%. In respect of sectoral contributions, the top three largest shares in Q4 2022 were Manufacturing (31.20%), Financial & insurance activities (12.96%), and Information and communication activities (12.77%).

We anticipate that the CIT collections gradually improve over the short term, more so than the foreign collections, which are expected to remain steady.

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.48% week-on-week to settle at 55,794.51 basis points with buying interest seen in stocks such as JBERGER (+10.00%), TRANSEXPR (+9.88%), INTENEGINS (+8.33%) and NGXGROUP (+6.27%).

Consequently, the Month-To-Date (MTD) return depreciated by -0.02 % as the Year-To-Date (YTD) return remained positive settling at 8.87% for the week with Market Capitalization settling at 30.39trn Naira at the close of the trading session.

Sector performance showed negative performance for the week as the NGX-Oil/Gas Index recorded the highest decline (-3.82%), followed by NGX-Banking Index (-1.82%), and NGX-Consumer Goods Index (-0.26%). While the NGX-Industrial Index increased by (1.71%).

GLOBAL ECONOMY

The British economy grew by 0.3% month on month in January 2023, partially recovering from a 0.5% contraction in December due to strikes, and beating market expectations of a 0.1% rise. The services sector grew by 0.5% in January, rebounding from a 0.8% drop in December, and was the main driver of growth, led by education (2.5%), as school attendance levels returned to normal levels; transportation and storage (1.6%); human health activities (0.7%), and arts, entertainment, and recreation activities (3.4%), in a month when Premier League football returned to a full schedule.

Consumer-facing service output increased by 0.3% after falling by 1.2%. Production output, on the other hand, fell by 0.3% after increasing by 0.3% in December, led by a 0.4% drop in manufacturing, namely basic pharmaceutical products and pharmaceutical preparations (-4.7%). The building was also down (-1.7%). GDP was flat in the three months leading up to January.

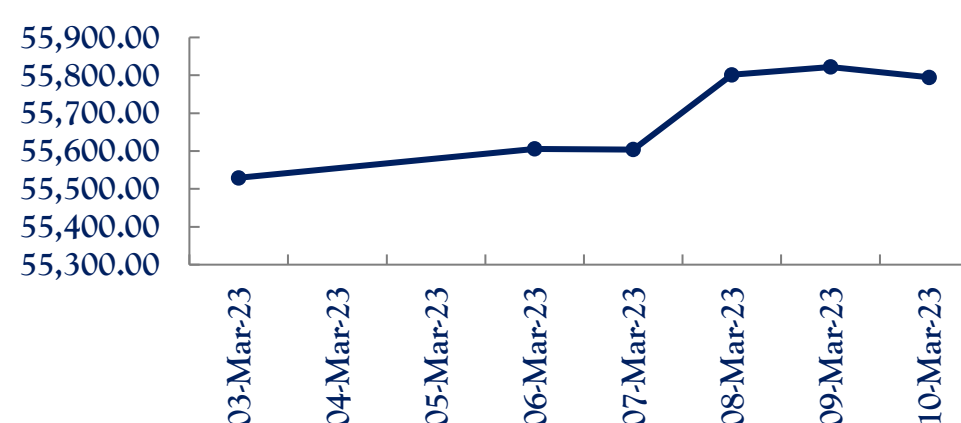
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.52%	2.25%
Unemployment	33.3%	33.3%
MPR	17.5%	16.5%
External Reserve	\$36.44 billion	\$36.65 billion
Inflation	21.82%	21.34%

KEY METRICS

Metrics	Outcome
All-Share Index	55,794.51
WTD	0.48%
MTD	-0.02%
YTD	8.87%
52-week High	54,085.30
52-week Low	24,026.05
Market Capitalization (N'trn)	30.39

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 03-Mar-2023	Wk. Close 10-Mar-2023	% WTD	% YTD
NGX-Banking	462.14	453.73	-1.82	8.68
NGX-Industrial	2,515.77	2,558.73	1.71	6.47
NGX Oil/Gas	542.03	521.34	-3.82	12.73
NGX-Consumer Goods	695.47	693.67	-0.26	17.78

GLOBAL MARKET

Global markets closed negative as investors were monitoring the situation around the collapse of Silicon Valley Bank and digested the latest job numbers.

In the US market, the Nasdaq declined by (+4.71%) week-on-week. Likewise, the Dow Jones and S&P 500 declined by (-4.43%) and (-4.55%) respectively.

The European market showed a bearish performance, FTSE 100 decreased by (-2.50%), Likewise CAC 40 increased (-1.73%), and Euro STOXX (-1.52%).

The Asian market showed a negative performance, the Nikkei 225 increased by (+0.78%), While Hang Seng decreased by (-6.07%) followed by China A50 (-4.46%).

MONEY MARKET AND FIXED INCOME

MONEY MARKET

Despite the completion of the treasury bill auction last week, interbank rates are falling for the majority of trading sessions.

On Friday, The Open repo rate (OPR) and Overnight rate fell week-on-week by -1344bps and -1303bps to 10.50% and 10.81% respectively

FGN BONDS AND TREASURY BILLS

The Treasury Bill secondary market was relatively quiet last week, as investors focused on the NTB primary auction.

On Friday, the average benchmark yield declined to 3.67%. While the average benchmark yield for the OMO bills stayed flat at 3.01%.

CBN purchased N324.50 billion in treasury bills, as opposed to the N224.50 billion offered at the NTB Primary auction on March 9th, 2023. Demand was strong, as it had been in the previous issuance, with subscriptions totaling N906.21 billion. The 182-day and 364-day rates increased by 85bps and 1bps, respectively, to 6% and 10%, while the 91-day rate decreased by 52bps to 1.44%.

The Treasury Bond market saw buying interest at both the short and long ends of the yield curve last week, with few selloffs.

The average benchmark yield dropped by 178bps (W-o-W) to 13.28%.

We expect a negative market performance this week, following the release of February inflation figures.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
JBERGER	24.50	26.95	2.45	▲ +10.00
TRANSEXP	0.81	0.89	0.08	▲ +9.88
INTENEGINS	1.20	1.30	0.10	▲ +8.33

TOP LOSERS

COMPANY	OPEN	CLOSE	LOSS (N)	% CHANGE
MRS	34.50	27.95	-6.55	▼ -18.99
CONOIL	46.85	38.00	-8.85	▼ -18.89
FTNCOCOA	0.30	0.26	-0.04	▼ -13.33

FIG 2: T-BILLS YIELD CURVE (%)

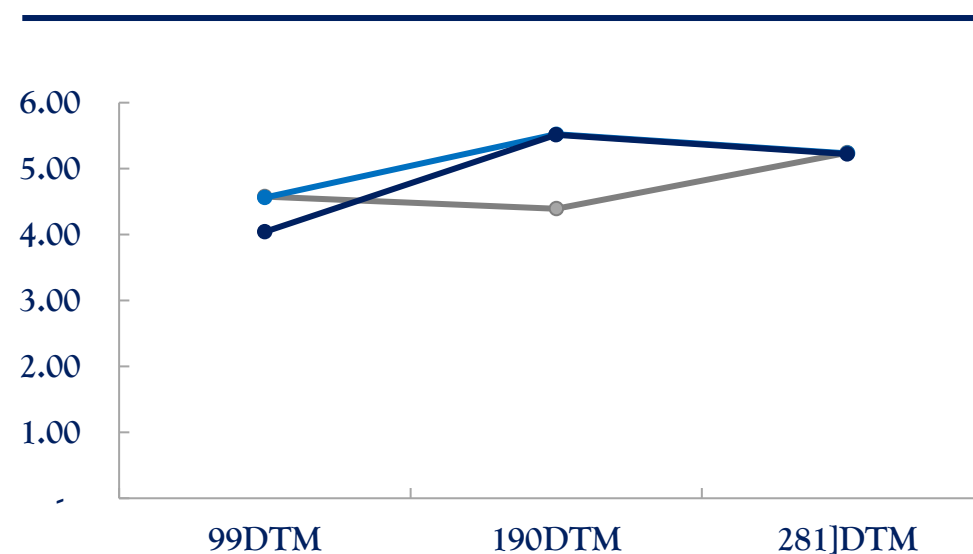
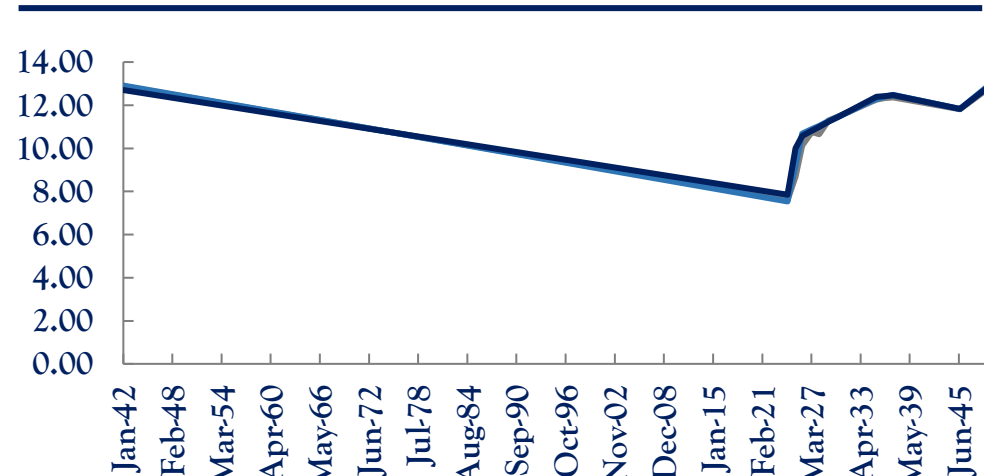


FIG 3: FGN BOND YIELD CURVE (%)



FOREIGN EXCHANGE

Last week, at the Investor and Exporter FX Window (I&E), Naira appreciated to N 461.50/USD from N461.75/USD indicating a weekly gain of 0.05%.

While the parallel market, Naira closed flat at N750/USD week-on-week loss.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by 3.97% w/w to close at 76.68 per barrel. While Gold appreciated by 0.53% to close at \$1,872.70 from \$1,862.80.

Accordingly, the OPEC Basket price closed at \$82.64 per barrel for the week indicating a 3.49% weekly gain.

TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria's Crude Oil Production Records Fifth Consecutive Growth, up 3.57% in February 2023.
- FG's Revenue from VAT, CIT Up 33% to N4.92trn.
- Exporters Get N308.45bn Export Expansion Grant.
- Manufacturers account for 28.76 percent of FIRS collections in Q3 2022.
- Nigeria's 2023 Population and Housing Census Will Require N869bn to Execute - FG.

INTERBANK OFFERED RATE

	03-Nar-2023	10-Nar-2023	Change(%)
OPR	12.13	10.50	-13.44%
OVN	12.43	10.81	-13.03%

OIL & COMMODITIES PRICES

Instrument	03-Nar-2023	10-Nar-2023	Change (%)
Brent Crude	\$79.85	\$82.64	3.49
WTI Oil	\$79.85	\$76.68	-3.97
Gold	\$1,862.80	\$1,872.70	0.53

FOREIGN EXCHANGE (Spot & Forward rate)

Tenor	Closing Rate (\$/N)
I&E FX Window	461.50
1M	418.51
3M	421.64
6M	434.08
1Y	448.82

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