

## WEEKLY ECONOMIC AND MARKET RECAP

### NIGERIAN ECONOMY

According to the recently released GDP report by the NBS, the domestic economy continued its growth path, with real GDP increasing by 3.19% year-on-year in Q2-24 (Q1-24: 2.31% y/y). Upon reviewing the details, it is noteworthy that the oil sector remained positive for the third straight quarter, growing by 10.15% y/y (Q1-24: +5.70% y/y), mainly due to a lower base in the same quarter last year when shut-ins and force majeure on Exxon Mobil's operations reduced crude oil output. Specifically, average crude oil production reached 1.41 mb/d in Q2-24, up from 1.22 mb/d in Q2-23. Meanwhile, the non-oil sector remained stable, growing at 2.8% y/y (Q1-24: 2.8% y/y), as gains in the agriculture subsector helped offset declines in manufacturing (+1.28% y/y vs. Q1-24: +1.49% y/y) and services (+3.79% y/y vs. Q1-24: +4.32%) subsectors.

According to data from the Central Bank of Nigeria (CBN), Credit to the Private Sector (CPS) rose by 33.7% year-on-year to NGN75.48 trillion in July (compared to NGN56.46 trillion in July 2023). This sustained growth in CPS can be attributed to the combined impact of (1) the CBN's enforcement of the 50.0% loan-to-deposit ratio and (2) the effect of currency depreciation on naira-denominated assets. On a month-on-month basis, CPS increased by 3.1% in July (June: -1.5% m/m to NGN73.19 trillion). Broad money supply grew by 62.7% y/y to NGN106.27 trillion, driven by increases in quasi-money (73.3% y/y) and narrow money (44.8% y/y) supply.

### EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.6% week-on-week to settle at 96,579.54 basis points with buying interest seen in stocks such as OANDO (+60.7%), DEAPCAP (+57.1%), MCNICHOLS (+56.6%) and DAARCOMM (+55.3%).

Consequently, the Month-To-Date (MTD) return depreciated by -1.2% as the Year-To-Date (YTD) return remained positive settling at 29.2% for the week with Market Capitalization settling at 55.12trn Naira at the close of the trading session.

Sector performance was positive for last week as the NGX- Oil/Gas Index (+8.5%), Consumer Goods Index (3.5%), NGX-Banking Index (+2.0%) and NGX-Industrial goods Index (+0.1%).

### GLOBAL ECONOMY

According to the U.S. Department of Labor, initial jobless claims in the U.S. fell slightly by 2,000 to 231,000 for the week ending August 24 (compared to 233,000 for the week ending August 17), below the market expectation of 231,000. Although claims declined, they remain above the H1-24 average of 226,000, indicating a softer labor market as re-employment opportunities for laid-off workers become scarcer. On a non-seasonally adjusted basis, significant declines were noted in Florida (-1,496), Texas (-1,394), and California (-635), while notable increases were seen in New York (+2,695), Michigan (+1,333), and North Dakota (+1,007).

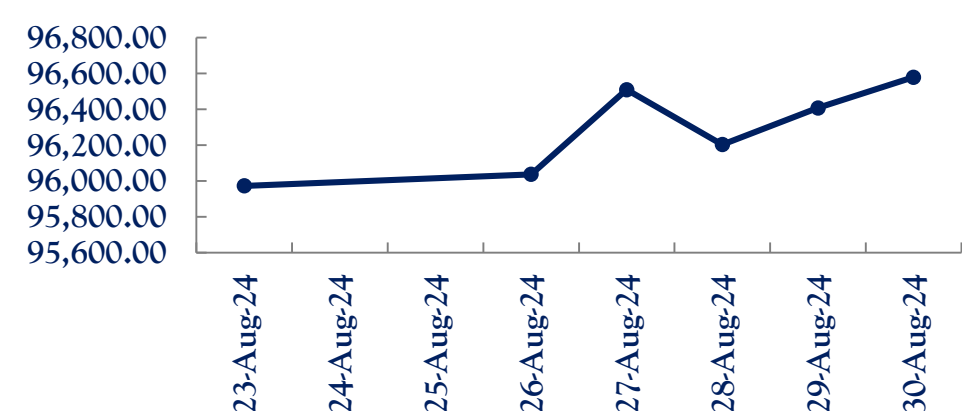
### ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.19%	2.98%
Unemployment	33.3%	33.3%
MPR	26.75%	26.25%
External Reserve	\$36.80 billion	\$36.44billion
Inflation	33.4%	34.19%

### KEY METRICS

Metrics	Outcome
All-Share Index	96,579.54
WTD	0.6%
MTD	-1.2%
YTD	29.2%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	55.12

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



### SECTOR PERFORMANCE

Index	Wk. Close 23-08-2024	Wk. Close 30-08-2024	% WTD
NGX-Banking	840.77	857.21	-1.92
NGX-Industrial	3,851.60	3854.57	-0.08
NGX Oil/Gas	1,715.21	1861.08	-7.84
NGX-Consumer Goods	1,522.07	1574.97	-3.36

Meanwhile, the 4-week moving average of initial jobless claims fell by 4,750 to 231,500 compared to 236,250 for the week ending August 17.

### GLOBAL MARKET

Optimism about possible interest rate reduction boosted gains in key global market indices earlier last week. However, market sentiment fell as attention shifted to the imminent release of the Personal Consumption Expenditure (PCE) price index data, which investors are eagerly monitoring for clues about the future path of rate hikes.

The Dow Jones and S&P 500 increased by (+0.78%) and (+0.56%) respectively. Nasdaq declined by (-0.07%).

European market, the FTSE 100 appreciated by (-0.52%). The Euro STOXX and CAC 40 appreciated by (+1.20%) and (+0.32%) respectively.

In the Asian market, the Nikkei 225 appreciated by (+1.48%). The China A50 and Hang Seng declined by (-1.78%) and (-0.60%) respectively.

### MONEY MARKET AND FIXED INCOME

#### MONEY MARKET

There was a substantial improvement in System liquidity last week, leading to a sharp decline in interbank rates.

The Open Repo Rate (OPR) and the Overnight rate (O/N) fell by 2,975 basis points and 2,335 basis points week-on-week to 18.11% and 20.06%, respectively.

**We expect rates will rise due to CRR debits and the FGN Savings Bond Auction.**

#### FGN BONDS AND TREASURY BILLS

the Nigerian Treasury Bill market saw continued demand, with bids observed across all tenors, bringing the average benchmark yield down to 21.45% on Friday from 22.32% the previous week.

Similarly, demand extended into the OMO Bills market, where the average benchmark yield fell to 22.52% on Friday from 25.12% last week.

**We expect the positive Q2 GDP figures and July inflation data to maintain this demand momentum.**

### TOP GAINERS

COMPANY	CP(NGN)	WTD	YTD
OANDO	76.90	60.7	632.4
DEAPCAP	0.88	57.1	51.7
MCNICHOLS	1.55	56.6	87.9

### TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)
MTNN	180.00	-9.9	-31.8
UPL	2.30	-9.5	-4.2
UCAP	18.20	-7.9	165.7

### FGN BOND

Maturity	Bid Yield	Offer Yield
NIGB 12.500% JAN 26	19.80%	19.50%
NIGB 16.2884% MAR 27	19.60%	19.30%
NIGB 19.94% MAR 27	19.80%	19.30%
NIGB 13.98% FEB 28	19.85%	19.30%
NIGB 14.55% APR 29	21.05%	20.45%
NIGB 19.30% APR 29	19.95%	19.50%
NIGB 18.50% FEB 31	20.05%	19.80%
NIGB 12.50% APR 32	18.00%	17.35%
NIGB 14.70% JUN 33	18.95%	17.50%
NIGB 19.89% MAY 33	20.20%	19.95%
NIGB 12.149% JUL 34	19.80%	18.35%
NIGB 19.00 FEB 34	19.80%	19.45%
NIGB 12.5000% MAR 35	19.00%	18.25%
NIGB 12.40% MAR 36	19.00%	18.25%
NIGB 16.25% APR 37	19.05%	17.65%
NIGB 15.45% JUN 38	18.50%	17.50%
NIGB 13.00% JAN 42	18.00%	17.45%
NIGB 14.80% APR 49	17.60%	17.20%
NIGB 12.98% MAR 50	17.50%	17.25%
NIGB 15.70% JUN 53	17.15%	16.75%

## FOREIGN EXCHANGE

Nigeria's FX reserves declined for the fourth consecutive week as gross reserves level weakened by USD122.95 million w/w to USD36.32 billion (August 29). As a result, the naira depreciated by 1.8% to USD/NGN1,598.56 at the Nigerian Autonomous Foreign Exchange Market (NAFEM). The total turnover at the NAFEM as of August 29 decreased by 28.3% WTD to USD608.43 billion, with trades completed within the USD/NGN1,499.00 - USD/NGN1,615.00 range.

## OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by -0.83% w/w to close at 74.09 per barrel. Gold declined by -0.28% to close at \$2,536.60 from 2,543.80

Accordingly, the OPEC Basket price closed at \$78.85 per barrel for the week indicating a 0.03% weekly loss.

## TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria's Exports Reach \$2.7bn in H1'24, with Malaysia, Brazil Leading Destinations.
- Nigeria's GDP Growth in Q2 2024 Rises to 3.14%.
- CBN: Currency in Circulation Peaked at N4.05tn in July.
- FG saves N31.1bn via ERPP in 6 months.
- N4.56 trn oil subsidy: CNPP demands explanation from NNPC.
- Nigeria: Elon Musk Acquires Land In Nigeria To Construct Starlink Ground Stations.

## INTERBANK OFFERED RATE

	23-Aug-2024	30-Aug-2024	Change(%)
OPR	25.78	18.11	-29.75
OVN	26.17	20.06	-23.35

## OIL & COMMODITIES PRICES

Instrument	23-Aug-2024	30-Aug-2024	Change (%)
Brent Crude	\$78.87	\$78.85	-0.03
WTI Oil	\$74.71	\$74.09	-0.83
Gold	\$2,543.80	\$2,536.60	-0.28

## FOREIGN EXCHANGE (Spot & Forward rate)

Currency	Closing Rate (\$/N)
NAFEM Window	1,598.56
GBP	2089.93
EUR	1800.80
CAD	1174.08

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