

Nigeria Economy Review

June's Inflation Print Comes in at 18.6%, Analysts expect a Hawkish Tone from the MPC.

Despite the Monetary Policy Committee's (MPC's) decision to raise rates in its last meeting, which was held in May 2022, the inflation figure for June came in at 18.6%. The June headline inflation figure, which is the highest since January 2017, can be chalked up to a combination of factors. It can be noted that the geopolitical tension in Ukraine has continued to send prices of food and energy soaring since February while the nationwide scarcity of fuel that started months back also impacted on Transport fares.

The food price index surged on a yearly basis to breach the 20% mark for the first time since July last year, a situation this can be attribute to early shopping for the 'Eid celebrations. The Monetary Policy Committee meets at the end of the month and despite the composite PMI figures for June inching closer to the contraction zone.

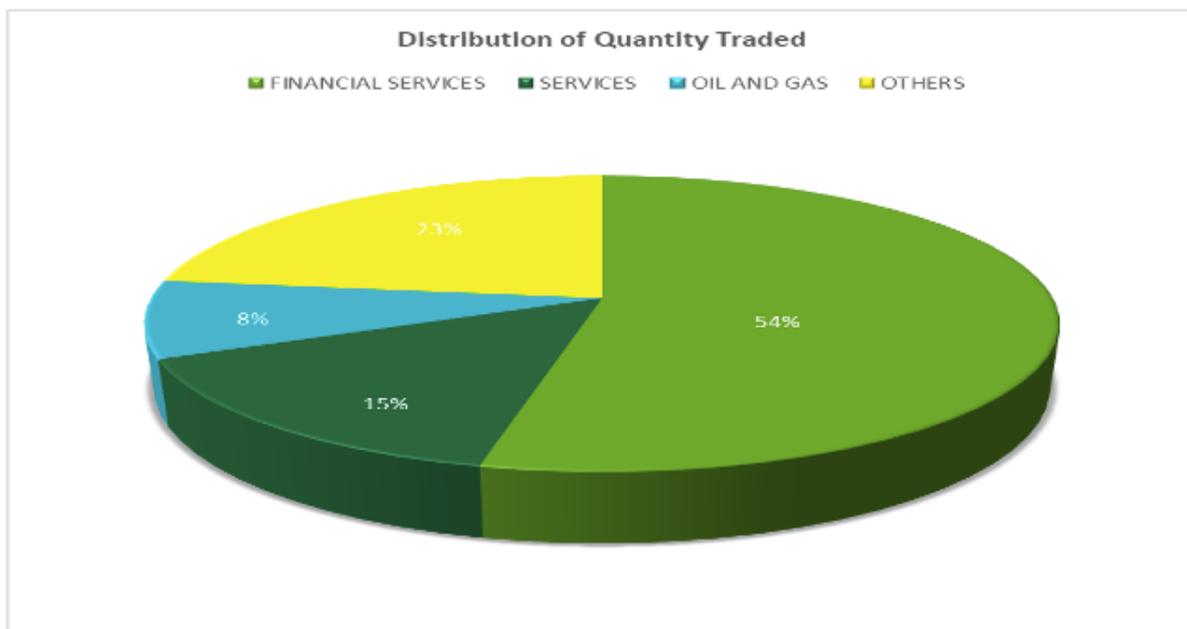
Nigerian Equities Market Review

For the three-day trading week, the Nigerian equities market closed on a positive note with the All-Share Index gaining 1.28% Week on Week to settle at 52,215.12pts. Thus, the Year-to-Date return increased to 22.24%.

On top gainer and loser sector indices, NSE Main Board closed positive with +3.38% while NSE-IND closed negative with -3.38% W-o-W.

Equity Turnover - Last 3 days

| Date | Deals | Turnover Volume | Turnover Value (N) | Traded Stocks | Advanced Stocks | Declined Stocks | Unchanged Stocks |
|-----------|-------|-----------------|--------------------|---------------|-----------------|-----------------|------------------|
| 13-Jul-22 | 4,769 | 198,816,000 | 2,181,622,961.21 | 105 | 11 | 25 | 69 |
| 14-Jul-22 | 3,731 | 115,410,147 | 1,205,920,685.30 | 108 | 15 | 10 | 83 |
| 15-Jul-22 | 3,893 | 190,095,383 | 4,129,440,350.34 | 102 | 20 | 22 | 60 |

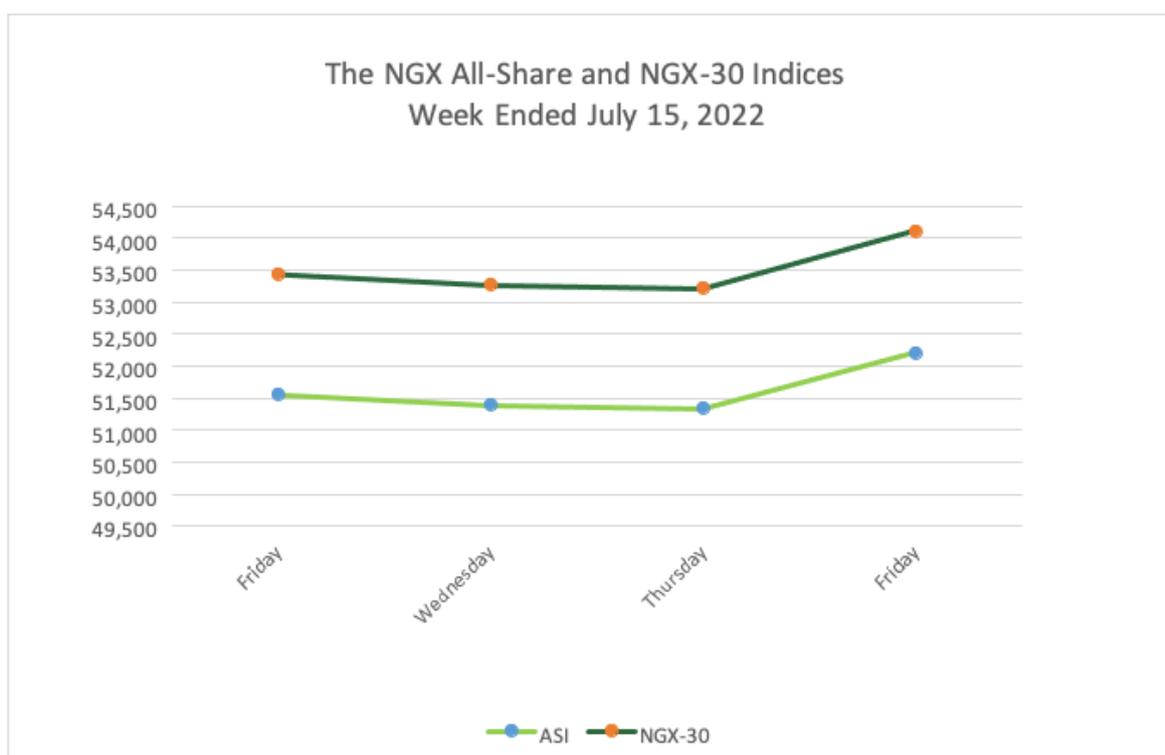


INDEX MOVEMENT

The NGX All-Share Index and Market Capitalization appreciated by 1.27% and 1.28% to close the week at 52,215.12 and N28.158 trillion respectively.

However, all other indices finished lower with the exception of the NGX-Main Board, NGX 30, NGX MERI Growth, NGX Oil/Gas, NGX Lotus II Indices which appreciated at 3.38%, 0.91%, 0.30%, 0.02% and 0.60% while, the NGX ASeM, NGX Growth and NGX Sovereign Bond Indices closed flat. (See a summary of index movements in the table below):

| INDEX | WEEK CLOSE | WEEK CLOSE | WEEKLY CHANGE | WtD | MtD | QtD | YtD |
|----------------------------|------------|------------|---------------|----------|-------|-------|--------|
| | 08/07/2022 | 15/07/2022 | | | | | |
| | | | | % Change | | | |
| NGX All-Share Index (ASI) | 51,557.41 | 52,215.12 | 657.71 | 1.28 | 0.77 | 0.77 | 22.24 |
| NGX-Main Board Index | 2,256.50 | 2,332.80 | 76.30 | 3.38 | 2.55 | 2.55 | 33.43 |
| NGX 30 Index | 1,878.56 | 1,895.62 | 17.06 | 0.91 | 0.42 | 0.42 | 10.06 |
| NGX CG Index | 1,309.79 | 1,306.76 | -3.03 | -0.23 | -0.98 | -0.98 | 2.25 |
| NGX Premium Index | 4,918.41 | 4,849.38 | -69.03 | -1.40 | -1.52 | -1.52 | 16.35 |
| NGX Banking Index | 397.99 | 395.91 | -2.08 | -0.52 | -0.47 | -0.47 | -2.50 |
| NGX Pension Index | 1,808.03 | 1,802.48 | -5.55 | -0.31 | -1.16 | -1.16 | 10.98 |
| NGX Insurance Index | 175.96 | 172.63 | -3.33 | -1.89 | -3.20 | -3.20 | -12.86 |
| NGX ASeM Index | 658.99 | 658.99 | 0.00 | 0.00 | 0.00 | 0.00 | -1.74 |
| NGX-AFR Bank Value Index | 930.66 | 928.86 | -1.80 | -0.19 | 0.31 | 0.31 | -10.59 |
| NGX AFR Div Yield Index | 3,183.92 | 3,163.71 | -20.21 | -0.63 | -0.86 | -0.86 | 23.61 |
| NGX MERI Growth Index | 2,316.90 | 2,323.89 | 6.99 | 0.30 | -1.74 | -1.74 | 28.75 |
| NGX MERI Value Index | 2,145.16 | 2,133.36 | -11.80 | -0.55 | -1.56 | -1.56 | -0.07 |
| NGX Consumer Goods Index | 615.08 | 613.26 | -1.82 | -0.30 | -1.72 | -1.72 | 4.07 |
| NGX Oil/Gas Index | 540.95 | 541.08 | 0.13 | 0.02 | -0.78 | -0.78 | 56.83 |
| NGX Lotus II | 3,236.48 | 3,255.83 | 19.35 | 0.60 | 0.14 | 0.14 | 8.18 |
| NGX Industrial Goods Index | 2,149.77 | 2,077.08 | -72.69 | -3.38 | -3.49 | -3.49 | 3.42 |
| NGX Growth Index | 1,492.06 | 1,492.06 | 0.00 | 0.00 | 0.33 | 0.33 | 17.52 |
| NGX Sovereign Bond Index | 852.25 | 852.25 | 0.00 | 0.00 | -0.23 | -0.23 | -1.01 |



SUMMARY OF PRICE CHANGES

Twenty (20) equities appreciated in price during the week, lower than Thirty-one (31) in the previous week. Thirty-two (32) equities depreciated in price higher than Twenty-six (26) in the previous week, while one hundred and four (104) equities remained unchanged higher than ninety-nine (99) equities recorded in the previous week.

Top 10 Price Gainers

| Company | Open | Close | Gain (N) | % Change |
|-----------------------------------|---------|---------|----------|----------|
| ACADEMY PRESS PLC. | 1.89 | 2.21 | 0.32 | ↑ 16.93 |
| CWG PLC | 0.80 | 0.90 | 0.10 | ↑ 12.50 |
| CAVERTON OFFSHORE SUPPORT GRP PLC | 1.22 | 1.37 | 0.15 | ↑ 12.30 |
| WEMA BANK PLC. | 3.40 | 3.74 | 0.34 | ↑ 10.00 |
| AIRTEL AFRICA PLC | 1732.20 | 1905.40 | 173.20 | ↑ 10.00 |
| R T BRISCOE PLC. | 0.34 | 0.37 | 0.03 | ↑ 8.82 |
| REGENCY ASSURANCE PLC | 0.25 | 0.27 | 0.02 | ↑ 8.00 |
| PRESTIGE ASSURANCE PLC | 0.38 | 0.41 | 0.03 | ↑ 7.89 |
| INTERNATIONAL BREWERIES PLC. | 5.40 | 5.80 | 0.40 | ↑ 7.41 |
| FBN HOLDINGS PLC | 10.60 | 10.90 | 0.30 | ↑ 2.83 |

Top 10 Price Decliners

| Company | Open | Close | Loss (N) | % Change |
|---------------------------------------|-------|-------|----------|----------|
| FIDSON HEALTHCARE PLC | 12.00 | 9.41 | -2.59 | ↓ -21.58 |
| CORNERSTONE INSURANCE PLC | 0.69 | 0.57 | -0.12 | ↓ -17.39 |
| MULTIVERSE MINING AND EXPLORATION PLC | 2.10 | 1.82 | -0.28 | ↓ -13.33 |
| IKEJA HOTEL PLC | 1.32 | 1.17 | -0.15 | ↓ -11.36 |
| N NIG. FLOUR MILLS PLC. | 9.55 | 8.60 | -0.95 | ↓ -9.95 |
| LINKAGE ASSURANCE PLC | 0.58 | 0.53 | -0.05 | ↓ -8.62 |
| UNITY BANK PLC | 0.49 | 0.45 | -0.04 | ↓ -8.16 |
| HONEYWELL FLOUR MILL PLC | 2.97 | 2.75 | -0.22 | ↓ -7.41 |
| FCMB GROUP PLC. | 3.20 | 3.00 | -0.20 | ↓ -6.25 |
| CUTIX PLC. | 2.40 | 2.25 | -0.15 | ↓ -6.25 |

PRICE ADJUSTMENTS

| S/N | Security | Closure Date | Last Close Price | Dividend | Bonus | Ex-div Price |
|-----|---------------------------|--------------|------------------|----------|----------|--------------|
| 1 | Cornerstone Insurance Plc | 13/07/2022 | N0.69 | N0.05 | Nil | N0.64 |
| 2 | BUA Cement Plc | 13/07/2022 | N71.90 | N2.60 | Nil | N69.30 |
| 3 | Presco Plc | 13/07/2022 | N165.00 | N6.60 | Nil | N158.40 |
| 4 | Fidson Healthcare Plc | 13/07/2022 | N10.91 | N0.50 | 1 for 10 | N10.45 |
| 4 | BUA Foods Plc | 14/07/2022 | N52.00 | N3.50 | Nil | N48.50 |

Fixed Income Market

Currency Market

At the close of trading on Friday, Naira depreciated by +0.60% to N430.33 at the Investors and Exporter FX fixings.

Likewise, the exchange rate at the Nigerian Autonomous Foreign Exchange Fixing (NAFEX) fell, depreciating by +0.58% week-on-week basis to N426.50 at the close of the trading session on Thursday

Naira/Dollar at the I&E FX Window and NAFEX Market

| Average Benchmark Yields | | | |
|--------------------------|------------|------------|----------|
| | 08-July-22 | 15-July-22 | % Change |
| I&E FX | 427.75 | 430.33 | +0.60% |
| | 07-July-22 | 14-July-22 | |
| NAFEX (\$/N) | 424.05 | 426.50 | +0.58% |

Money Market

Festivities at the beginning of the week worsened the market liquidity with the funding rates hovering around 14.00 for most trading sessions.

On Friday, the interbank rates remained unchanged week-on-week basis at 13.83 for the Open Repo rate (OPR) and 14.00 at the overnight rate (O/N) .

Money Market

| Money Market Rate | | | |
|-------------------|------------|------------|----------|
| | 08-July-22 | 15-July-22 | % Change |
| OPR (%) | 13.83 | 13.83 | +0.00% |
| O/N (%) | 14.00 | 14.00 | +0.00% |

Treasury Bills Market

The bears dominated the market during the trading sessions this week despite the increased yields from the primary auction on Wednesday.

As of Friday, the market closed with multiple selloffs at both the treasury Bills and OMO bills. The average benchmark yield ticked up to 7.15 for both markets, the treasury bill market grew by +2.44% (W-o-W) and OMO bills expanded by +9.49% (W-o-W).

Treasury Bills Market

| Average Benchmark Yields | | | |
|--------------------------|------------|------------|----------|
| | 08-July-22 | 15-July-22 | % Change |
| T. Bills (%) | 6.98 | 7.15 | +2.44% |
| OMO Bills (%) | 6.35 | 7.15 | +9.49% |

Nigerian Treasury Bill Auction Result

The DMO offered N142.97 billion at the Nigerian Treasury bill auction on Wednesday 13th, July, which was slightly oversubscribed by 20bps to N143.26. the rate for the 91days, 182 days, and 364days rose by 35bps, 21bps, and 93bps to 2.75%, 4.00%, and 7.00% respectively. The bid-to-cover dropped to 1.02x vs 1.66x at the last auction due to the lower amount offered at this auction.

Nigerian Treasury Bills Auction Result

| Nigerian Treasury Bills Auction | | | | | |
|---------------------------------|-----------------------|---------------------------|--------------------|---------------|-------------------|
| Tenor | Amount offered (N'bn) | Total subscription (N'bn) | Amount sold (N'bn) | Stop Rate (%) | Previous rate (%) |
| 91-days | 4.51 | 4.61 | 4.27 | 2.75 | 2.40 |
| 182-days | 1.46 | 1.94 | 1.49 | 4.00 | 3.79 |
| 364-days | 137.00 | 138.91 | 137.50 | 7.00 | 6.07 |

FGN Bond Market

Trading sessions maintained a similar outcome all through the week, with multiple selloffs dominating all the tenors. The average benchmark yield curve edged higher by +1.49% to settle at 11.79

FGN Bonds Market

| Average Benchmark Yields | | | |
|--------------------------|------------|------------|----------|
| | 08-July-22 | 15-July-22 | % Change |
| Short Tenor | 9.70 | 10.12 | +4.33% |
| Mid Tenor | 11.21 | 11.44 | +2.05% |
| Long Tenor | 12.73 | 12.77 | +0.31% |