



Global Economy

China's private Caixin Manufacturing Purchasing Managers' Index (PMI) reached 50.8 in December 2023, its highest level in four months, earlier this week, suggesting a steady rebound in the country's medium- and small-sized firms. According to the report, firms experienced a more robust rise in output and new orders from the market. The fastest gain in overall sales since February 2023 occurred in December 2023, and the most recent boost in new production was bolstered by favorable market circumstances and strong customer spending. In December 2023, the decline in new export business also subsided, with the marginal rate of decline being the lowest in six months. In other news, German MoM retail sales for November 2023 dropped from 1.1% in October 2023 to -2.5%. This was the worst decline since April 2022, primarily due to a 2.8% decline in mail order and online sales. Sales of non-food items decreased by 3.6%, while sales of food items decreased by 0.5%. Sales of leather goods, shoes, textiles, and apparel did, however, increase by 2%. November 2023 YoY retail sales decreased by -2.4% from October 2023 YoY retail sales of -0.1%. As of November 2023, retail activity had decreased 3.3% year over year.

Domestic Economy

Earlier this week, the National Bureau of Statistics released its Capital Importation data for the Q3:2023. On a YoY basis, the total amount of Capital Imported witnessed a substantial decline of 43.55%, dropping to USD654.65 million in Q3:2023 from the USD1.16bn recorded in Q3:2022. This decline is notably evident in two major components: Foreign Direct Investment, which decreased by 26.86%YoY to USD59.77mn, and Foreign Portfolio Investment, which experienced an 80.30%YoY decrease to USD87.11mn. Additionally, the Nigerian National Petroleum Company (NNPC) Ltd. has reassured the public that there are no immediate plans to raise the petrol price, they have dispelled baseless rumors and emphasized to Nigerians that there are no intentions to hike the price of Premium Motor Spirit (PMS), the public is encouraged not to engage in panic buying, as there is currently an abundant supply of PMS nationwide.



Equities

The Nigerian Equities market sustained its bullish run from last year and began 2024 on a strong foot, as the NGX All Share Index advanced by 654bps WoW to 79,664.66 points (Market YtD:6.54%). The Insurance (+14.08% WoW), Banking (+10.23% WoW), Consumer Goods (+4.40% WoW), Industrial Goods (+3.58% WoW) and Oil and Gas (+3.00% WoW) sectors all started the year in the green zone. This week, IKEJAHOTEL (+46.2% WoW to NGN8.77), AIICO (+43.8% WoW to NGN1.15) and DAARCOMM (+43.3% WoW to NGN1.29) gained the highest while CILEASING (-39.6% WoW to NGN3.38), SCOA (-11.7% WoW to NGN1.63) and CHAMPION (-11.8% to NGN3.66) lost the most in the first trading week of 2024. In the coming week, we expect buying interest to persist in the market as investors try to position themselves in high dividend-paying tickers ahead of the release of 2023FY earnings report.

Fixed Income

The Nigerian Treasury Bills market closed the week bullish as the average yield dipped by 34bps WoW to 5.95%. Similarly, the FGN Bond market concluded positively as the average yield went down by 33bps WoW to close at 13.81%. This is on the back of buying interest across the yield curve. Overall, the Naira Fixed Income market closed the week on a bullish note as the average yield reduced by 33bps WoW to settle at 9.88%. In the coming week, we expect a bullish sentiment to pervade the market, barring any CBN interventions.



	This Week	Prior Week	WoW (%)	YTD (%)	Report released this week (Click Link below for Full report)
External Reserve (\$'bn)	33.0	32.9	0.58%	-10.35%	
USD/NGN (₦/\$)					
NAFEM	895.2	907.1	1.33%	63.66%	
Parallel	1220.4	1195.0	-2.08%	35.99%	
Economic Snapshot					
	Latest (%)	Prior	CHG (pps)	2 month Avg.	
Inflation YoY (November 2023)					
	November	October	CHG (pps)		
Headline	28.20	27.33	0.87	27.77	
Core	22.38	22.58	-0.20	22.48	
Food	32.54	31.52	1.02	32.03	
GDP (%) - YoY					
	Q3 23	Q2 23	Q4 22	2022FY	News Headline for the week (click news for link)
Real GDP	2.54	2.51	3.52	3.1	
Oil	-0.85	-13.43	-13.38	-19.22	
Agriculture	1.30	1.50	2.05	1.88	
Manufacturing	0.48	2.20	2.83	2.45	Oil prices higher on Fed comments on inflation, Middle East tensions
Information and Communication	6.69	8.60	10.35	9.76	Naira battles fresh threat, falls below N1,200/\$ at parallel market
Labor Data (%)					
			Q2 23	Q1 23	OPEC links Nigeria's economic growth to non-oil sector
Unemployment Rate			4.2	4.1	Foreign investments in manufacturing sector drop by 54% — NBS
Underemployment			11.8	12.2	Customs implement duty waiver on LPG, CNG, others
Capital Importation (\$'mn)					
	Q3 23	Q2 23	QoQ (%)	YoY (%)	Oil extends gains on Middle East supply worries
Foreign Portfolio Investment - Equities	8.37	8.52	-1.8%	16.10%	Nigeria spends N2.7tr to import PMS, diesel in three months
Bonds	20.56	85.29	-75.89%	-89.91%	Seplat Energy completes ANOH gas plant
Money Market	58.19	13.04	346.24%	-74.82%	Amid Economic Challenges, Banks Borrowed N17.85tn from Central Bank in 2023
Foreign Direct Investment	59.77	86.03	-30.52%	-26.86%	External reserves shed \$77m in December
Monetary Policy Rates (%) (July 2023)					
	Latest	Prior		CHG (%)	NNPCL, marketers clash over subsidy, operators peg petrol at N1,200/litre
MPR	18.75	18.50		25.0%	PMI hit 52.7 in December – Report
Cash Reserve Ratio (CRR)	32.5	32.5		0.0%	China factory activity growth accelerates in Dec - Caixin PMI
Liquidity Ratio	30.0	30.0		0.0%	Investors inject N198tn in fixed income market
Source: CBN, NBS, FMDQ, ARM Research					
					Dangote refinery gets another one million crude barrels

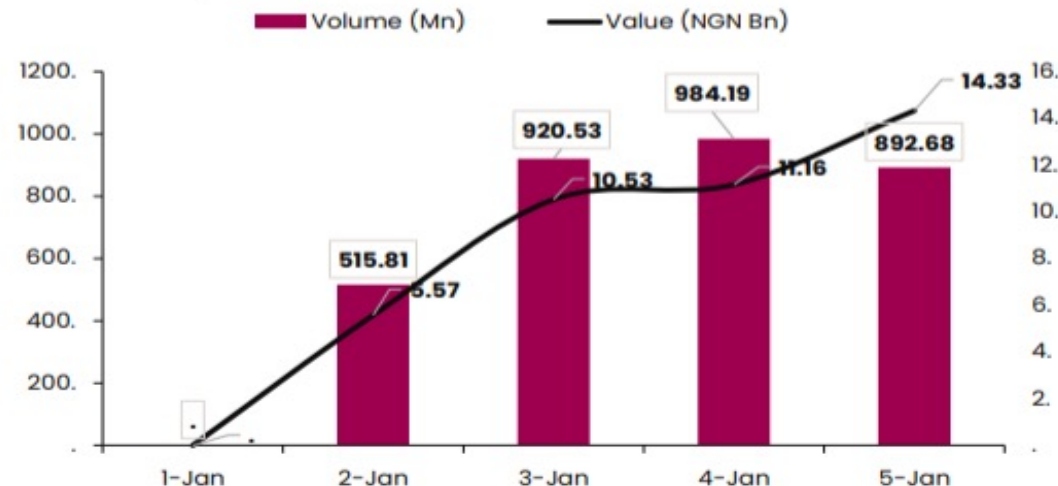


Weekly Equities Market Snapshot

05 January 2024

Top Gainers						Top Losers					
Ticker	Price	Δ (%)	Yr High	Yr Low	YTD	Ticker	Price	Δ (%)	Yr High	Yr Low	YTD
IKEJAHOTEL	8.77	46.2%	8.77	0.74	17.9%	CILEASING	3.38	-39.6%	3.61	1.87	-39.6%
AIICO	1.15	43.8%	1.15	0.53	6.8%	SCOA	1.63	-17.7%	2.05	0.90	77.2%
DAARCOMM	1.29	43.3%	1.29	0.20	-10.9%	CHAMPION	3.66	-11.8%	5.77	2.85	-11.8%
DEAPCAP	0.81	39.7%	0.82	0.20	5.9%	MEYER	3.24	-9.7%	3.59	2.19	-9.7%
STERLINGNG	5.77	34.5%	5.77	1.38	5.0%	JOHNHOLT	2.12	-8.6%	3.14	0.88	-8.6%
SOVRENINS	0.56	33.3%	0.70	0.26	-9.1%	GUINNESS	61.00	-7.6%	80.00	55.00	-7.6%
INFINITY	7.98	33.0%	7.98	1.26	84.7%	STANBIC	65.50	-6.0%	83.05	32.00	95.8%
FCMB	9.75	31.8%	9.75	3.45	9.9%	INTBREW	4.69	-2.3%	5.70	4.00	-2.3%
FIDELITYBK	14.20	30.9%	14.40	4.50	5.6%	MULTIVERSE	18.20	-2.0%	24.70	2.20	-2.0%
DEAPCAP	0.81	28.6%	0.82	0.20	5.9%	GTCO	42.50	-1.2%	43.35	22.05	4.9%

Tickers	Pts/N	WoW	MTD	QTD	YTD
NGXASI	79,664.66	6.54%	6.54%	6.54%	6.54%
Market Cap	43.59trn	6.54%	6.54%	6.54%	6.54%
NGX Banking	989.53	10.29%	10.29%	10.29%	10.29%
NGX Industrial	1,170.64	3.58%	3.58%	3.58%	3.58%
NGX Consumer	989.53	4.40%	4.40%	4.40%	4.40%
NGX Oil & Gas	1,074.37	3.00%	3.00%	3.00%	3.00%
NGX Insurance	1,170.64	14.08%	14.08%	14.08%	14.08%



Source: NGX, ARM Research

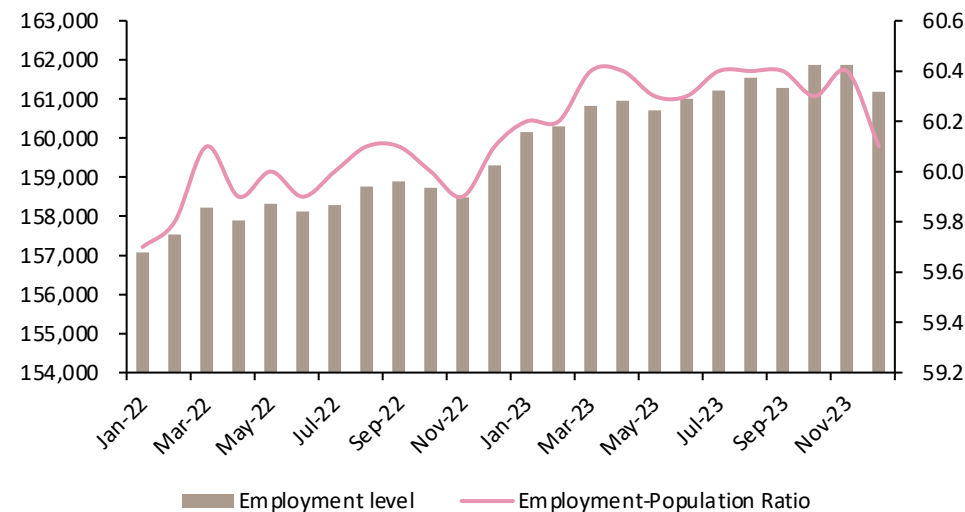
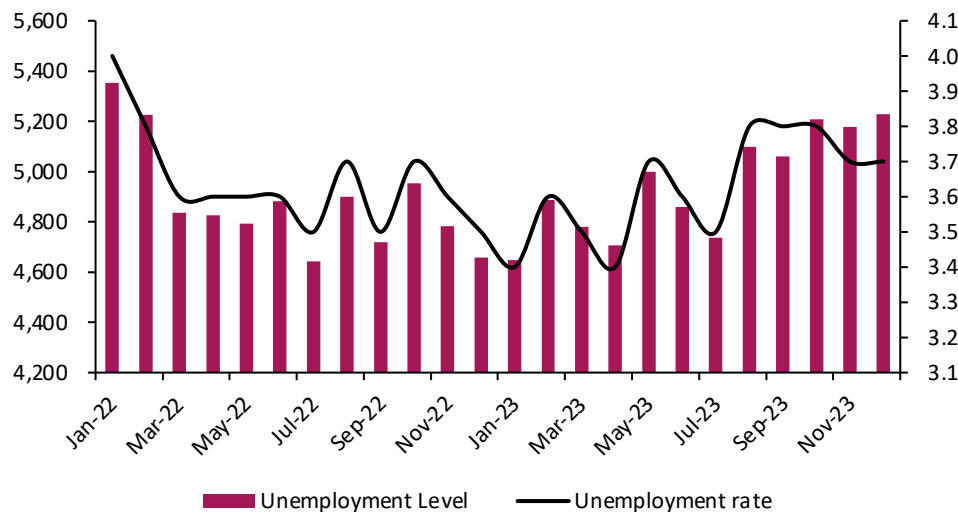


	This Week	Prior Week	WoW change	Primary Market Auction (Rates)	96 Day	187 Day	267 Day	362 Day	Issuance (N'billion)	96 Day	187 Day	267 Day	362 Day
Money Market				OMO					OMO				
Overnight (O/N)	16.00%	15.06%	0.94%	22-Dec-23	N/A	N/A	N/A	N/A	22-Dec-23	50	N/A	100	150
Open Repo Rate (OPR)	15.47%	15.47%	0.00%	20-Dec-23	N/A	12.00%	N/A	15.00%	20-Dec-23	25	N/A	25	50
NIBOR - 1M	16.60%	16.30%	0.30%	01-Nov-23	13.98%	14.48%	14.99%	17.98%	01-Nov-23	50	50	50	100
NIBOR - 3M	17.30%	17.00%	0.30%	30-Oct-23	13.99%	14.49%	15.00%	17.50%	30-Oct-23	75	75	100	150
NIBOR - 6M	17.62%	17.75%	-0.13%	10-Aug-23	10.00%	12.98%	N/A	14.49%	10-Aug-23	30	40	N/A	80
Treasury Bills				Treasury Bills					Treasury Bills				
					91 Day	182 Day	364 Day			91 Day	182 Day	364 Day	
1-month	3.28%	3.33%	-0.05%	27-Dec-23	9.00%	13.00%	15.75%	27-Dec-23	14.42	26.82	563.12		
3-month	4.92%	6.00%	-1.08%	13-Dec-23	6.25%	11.00%	13.50%	13-Dec-23	0.73	6.35	256.51		
6-month	7.79%	7.79%	0.00%	06-Dec-23	9.00%	13.00%	15.75%	6-Dec-23	1.03	1.94	101.39		
9-month	11.03%	11.05%	-0.02%	22-Nov-23	8.00%	12.00%	16.75%	22-Nov-23	9.96	1.82	199.93		
12-month	12.78%	13.84%	-1.06%	8-Nov-23	7.00%	11.00%	16.75%	08-Nov-23	4.52	5.43	300.16		
FGN Bonds (Local)				FGN Bonds					FGN Bonds				
					Apr-29	Jun-33	Jun-38	Jun-53		Apr-29	Jun-33	Jun-38	Jun-53
14.20% 14-MAR-2024	3.17%	3.17%	0.00%	11-Dec-23	15.50%	16.00%	16.50%	17.15%	11-Dec-23	28.61	9.15	24.34	211.52
13.53% 23-MAR-2025	12.13%	12.15%	-0.02%	13-Nov-23	16.00%	17.00%	17.50%	18.00%	13-Nov-23	31.47	33.19	47.07	322.77
12.50% 22-JAN-2026	13.31%	13.30%	0.01%	16-Oct-23	14.90%	15.75%	15.80%	16.60%	16-Oct-23	20.53	22.26	54.86	237.09
16.2884% 17-MAR-2027	13.03%	13.04%	-0.01%	11-Sep-23	14.50%	15.45%	15.55%	16.25%	11-Sep-23	43.65	10.45	25.69	171.71
12.1493% 18-JUL-2034	14.33%	14.86%	-0.53%	14-Aug-23	12.50%	13.60%	14.10%	14.30%	14-Aug-23	10.43	4.07	25.53	187.73
16.2499% 18-APR-2037	13.28%	15.40%	-2.12%	Corporate Bonds									
14.8% 26-APR-2049	25.30%	15.75%	9.55%		This Week	Prior Week	WoW (%)						
				ACCESS 15.50% 23-JUL-2026	15.90%	15.90%	0.00%						
				VIATHAN 16.00% 14-DEC-2027	14.21%	14.20%	0.01%						
				UNION 16.20% 27-JUN-2029	16.93%	17.83%	-0.90%						
				FIDELITY 8.50% 7-JAN-2031	14.89%	15.33%	-0.44%						
				MTN COM PLC 12.75 14-NOV-2031	14.87%	15.34%	-0.47%						
FGN Eurobonds													
7.625 21-NOV-2025	7.63%	8.43%	-0.81%										
6.50% 28-Nov-2027	6.25%	9.24%	-2.99%										
7.875% 16-FEB-2032	7.88%	9.72%	-1.84%										
7.625% 28-Nov-2047	7.63%	9.90%	-2.28%										
Source: DMO, CBN, FMDQ, ARM Research													



US Job Market Stays Strong in December

The US Bureau of Labor Statistics released its employment situation report for December 2023 earlier today, painting a picture of a resilient economy. Unemployment remained stable at 3.7% year-over-year, defying expectations and demonstrating the economy's continued strength. Adding to the positive news, total nonfarm payroll employment saw a healthy increase of 216,000 compared to 199,000 in November. However, there were some mixed signals with the total number of unemployed people rising slightly by 514,000 to 5.7 million. Labor force participation and the employment-population ratio both dipped slightly on a month-over-month basis. The labor force participation rate fell 3 basis points to 62.5% in December, ending a flat trend since March. Similarly, the employment-population ratio declined 3 basis points to 60.1. Looking at specific sectors, the strongest job growth was observed in government (+52,000), leisure and hospitality (+38,000), social assistance (+21,000), and construction (+17,000). Additionally, average hourly earnings for all employees on private non-farm payrolls continued their upward trajectory, increasing 4 basis points to USD34.27. Overall, the December employment situation report offers a reassuring perspective on the US economy. While there are some areas of concern like the uptick in unemployment, the robust job creation and stable unemployment rate are positive indicators for future growth.



Source: Bloomberg, ARM Research



Thank You





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