



### Global Economy

- ◆ Earlier this week, US Inflation figures was released, showing a 41-year record high consumer price movement at 8.50% YoY in March 2022 compared to February when it stood at 7.90%. The march figure exceeded the forecasted 8.40% for the month. The increase in the inflation figure can be largely traced to the Russia-Ukraine conflict which has further amplified energy and food cost (especially wheat) globally. Furthermore, in the week, after acquiring 9.1% stake in Twitter, Elon musk offered a \$43bn take over bid for twitter shares at \$54.20 per share, a 38% premium to the company's closing price as of the 1st of April 2022. The move which appears like an "hostile takeover" has attracted mixed reactions from the general public.

### Domestic Economy

- ◆ Earlier this week, news broke of the highly anticipated approval of the Payment Service Bank (PSB) license of MTN Nigeria by the Central Bank of Nigeria (CBN) to begin operating Momo Payment Service Bank Ltd. Previously, the firm had received an approval in principle towards the launching of the PSB business in Nigeria. Much have been said about the successes recorded in other markets where MTN have received such approvals to carry out PSB services. We do not expect this to be different in the Nigerian market, seeing as the legroom for growth is copious and there are already existing agent network, and subscriber base, and infrastructure to leverage in its quest to capture market share.
- ◆ Elsewhere and in what seem like an effort aimed at dollarizing the Nigerian economy, news is emerging that airline agents in Nigeria might begin to receive airfare in United States' dollars, as they sought to mitigate the scarcity of foreign exchange in the country. According to Punch, the Airline operators have continued to record encumbrances in the repatriation of their previous earnings, following the difficulties encountered in the process of converting Naira to the Dollar. This had led to unremitted ticket sale proceeds in Nigeria of c. \$283m (about N116.87bn). In a report quoted by the daily, the airline operators intend to pursue this policy until improvement is posted in the intervention in the foreign exchange space.

### Equities and stock recommendation

- ◆ This week, the Nigerian Equities Market dusted itself up from weeks of consecutive losses to record a 1.88% WoW rise in NGX ASI to 47,510.38pts. We reckon the improved traction towards the space as a backdrop of bargain hunting activities and the positive reactions to a market moving development within the telecommunication space in the week. Our observation of sectoral performance showed an overarching positive sentiment, as all sectors under our coverage reported improvement on their respective indices in the week. MEYER (Up 41.6% WoW), SCOA (Up 35.2% WoW), and LEARNAFRICA (Up 20.2% WoW) led the gainers, while ACADEMY (Down 18.6% WoW), PRESTIGE (Down 11.1% WoW), and PHARMDEKO (Down 8.5%WoW) led the laggards. **We expect the theme to persist in the coming week, given there are still significant legroom for bargain hunting activities on the bourse.**
- ◆ **ZENITHBANK-OVERWEIGHT (FVE: N29.82), GTCO-OVERWEIGHT (FVE:N33.22), FLOURMILL-BUY (TP: N45.00) Click [here](#) for our Weekly Stock Recommendation.**

### Fixed Income

- ◆ At the Treasury Bills auction on Wednesday, we saw further uptick in average marginal rate to 3.11% from 3.07% at the last auction. Specifically, the rate on the 364-day bill rose 15bps to 4.60% due to relatively low demand compared to the remaining two bills. Bid to cover ratio at the auction was 1.84x with demand of ₦260.4bn compared to offer of ₦141.3bn. We noted that secondary NT-bills market failed to respond to the mood at the auction, as average yields remained flat at 3.35% for the week. On the flip side, we saw bearish outing in the secondary bonds market this week, a development which inched average yields higher by 8bps WoW to 10.52%. We traced this largely to the selloffs reported on the MARCH 2025 and JAN 2026, which pushed yields up by 39bps and 55bps to 9.07% and 10.69%, respectively.

Currency	This Week	Prior Week	WoW (%)	YTD (%)	Report released this week (Click Link below for Full report)
External Reserve (\$'bn)	39.71	39.63	0.21%	-1.99%	
<b>USD/NGN (₦/\$)</b>					
NAFEX	417.5	416.7	0.20%	-4.02%	
Parallel	583.5	583.0	0.09%	3.27%	
<b>Economic Snapshot</b>	<b>Latest (%)</b>	<b>Prior</b>	<b>CHG (pps)</b>	<b>2021 Avg.</b>	
<b>Inflation YoY (February 2022)</b>		<b>Jan</b>	<b>CHG (pps)</b>		
Headline	15.7	15.6	0.10	15.60	
Core	14.01	13.87	0.14	13.87	
Food	17.11	17.13	-0.02	17.13	
<b>GDP (%) - YoY</b>	<b>Q4 21</b>	<b>Q3 21</b>	<b>Q2 21</b>	<b>FY21</b>	
Real GDP	3.98	4.03	5.01	<b>3.4</b>	
Oil	-8.06	-10.73	-12.65	<b>-8.3</b>	<b>News Headline for the week (click news for link)</b>
Agriculture	3.6	1.2	1.3	<b>2.13</b>	<a href="#">*U.S. consumers, low-income households included, still spending, BofA research says</a>
Manufacturing	2.28	4.29	3.49	<b>3.35</b>	<a href="#">*Exclusive: China's oil champion prepares Western retreat over sanctions fear</a>
Services	5.6	8.4	9.3	<b>5.6</b>	<a href="#">*IMF, World Bank, WTO seek action on food security</a>
<b>Labor Data (%) - Q4 20</b>			<b>Latest</b>	<b>Prior</b>	<a href="#">*MTN launches Nigeria's first nationwide VoLTE call service</a>
Unemployment Rate			33.3	27.1	<a href="#">*Grid collapse: FG approves N1.4bn for power transmission projects</a>
Underemployment			22.8	28.8	<a href="https://punchng.com/expert-seeks-decentralisation-of-tcn-to-attract-investors/">*https://punchng.com/expert-seeks-decentralisation-of-tcn-to-attract-investors/</a>
<b>Capital Importation (\$'mn)</b>	<b>Q4 21</b>	<b>Q3 21</b>	<b>QoQ (%)</b>	<b>YoY (%)</b>	<a href="#">*Oil prices settle up 4% despite big U.S. crude inventory build</a>
Foreign Portfolio Investment - Equities	38.00	56.50	-32.7%	-72.25%	<a href="#">*LCCI Predicts Nigeria's Debts May Hit N45tn in Q4 2022</a>
Bonds	45.91	364.97	-87.42%	143.97%	<a href="#">*Budget Support: CBN TBs Auctions Up 56% to N2.1trn in Q1</a>
Money Market	558.96	795.74	-29.8%	-37.00%	<a href="#">*Global stocks pare gains, bond yields slip on inflation data</a>
Foreign Direct Investment	358.23	107.81	232.28%	-32.00%	<a href="#">*Again, IMF raises concern about debt distress</a>
<b>Monetary Policy Rates (%) (March 2022)</b>	<b>Latest</b>	<b>Prior</b>		<b>CHG (%)</b>	<a href="#">*National grid collapsed twice to 10MW, 33MW last week – FG report</a>
MPR	11.5	11.5		0.0%	<a href="#">*Elon Musk drops Twitter board seat in new U-turn</a>
Cash Reserve Ratio (CRR)	27.5	27.5		0.0%	<a href="#">*Nigeria's non-oil exports fall by 39%, dollar shortage may worsen</a>
Liquidity Ratio	30.0	30.0		0.0%	<a href="#">*FG targets 500mw from mini-grids, blames collapse on sabotage</a>

Source: CBN, NBS, FMDQ, ARM Research

### Weekly Equities Market Snapshot

Thursday, April 14, 2022

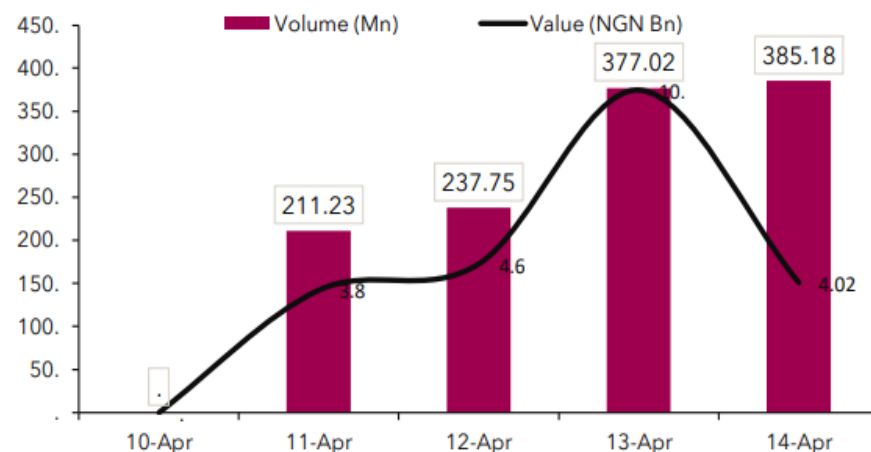


Top Gainers						Top Losers					
Ticker	Price	Δ (%)	Yr High	Yr Low	YtD	Ticker	Price	Δ (%)	Yr High	Yr Low	YtD
MEYER	1.60	41.6%	1.60	0.20	247.8%	ACADEMY	1.44	-18.6%	2.00	0.32	188.0%
SCOA	2.15	35.2%	2.83	0.79	106.7%	PRESTIGE	0.40	-11.1%	0.53	0.40	-21.6%
LEARNAFRCA	2.08	20.2%	2.66	0.91	77.8%	PHARMDEKO	1.73	-8.5%	2.85	1.09	-21.4%
JOHNHOLT	0.86	19.4%	0.86	0.51	19.4%	SUNUASSUR	0.36	-7.7%	0.66	0.29	-20.0%
BERGER	7.25	16.9%	9.85	6.05	-15.2%	IKEJAHOTEL	1.30	-7.1%	1.76	0.90	6.6%
NAHCO	5.70	14.0%	5.70	2.01	52.4%	STANBIC	32.15	-5.9%	45.43	32.15	-10.7%
UACN	11.50	13.9%	12.20	7.45	21.1%	REGALINS	0.35	-5.4%	0.55	0.24	-31.4%
NB	44.95	11.8%	60.00	40.45	-7.8%	RTBRISCOE	0.57	-5.0%	1.03	0.20	185.0%
NEIMETH	1.58	11.3%	2.25	1.42	-6.0%	STERLNBANK	1.40	-4.8%	1.85	1.40	-7.3%
LIVESTOCK	1.75	10.1%	2.50	1.53	-18.6%	UNILEVER	12.70	-4.5%	17.00	11.40	-12.4%

	14-Apr	7-Apr	% Δ	P/E	P/B
Kenya	158.22	157.28	0.6%	9.00x	1.50x
Ghana	2,697.70	2,694.00	0.1%	6.90x	1.30x
South Africa	73,382.81	74,779.74	-1.9%	18.4x	1.9x
Egypt	2,071.48	2,154.33	-3.8%	7.20x	1.40x
Nigeria	47,510.38	46,631.46	1.9%	10.10x	2.10x

Tickers	Pts/H	WoW	MtD	QtD	YtD
NGXASI	47,510.38	1.88%	1.16%	1.16%	11.22%
Market Cap	25.61trn	1.88%	1.19%	1.19%	14.87%
NGX Banking	438.78	5.59%	7.21%	7.21%	8.06%
NGX Industrial	562.60	1.55%	1.06%	1.06%	6.50%
NGX Consumer	438.78	1.89%	1.52%	1.52%	-4.53%
NGX Oil & Gas	447.37	1.59%	1.57%	1.57%	29.67%
NGX Insurance	562.60	1.14%	0.32%	0.32%	-5.73%



Source: NGX, ARM Research

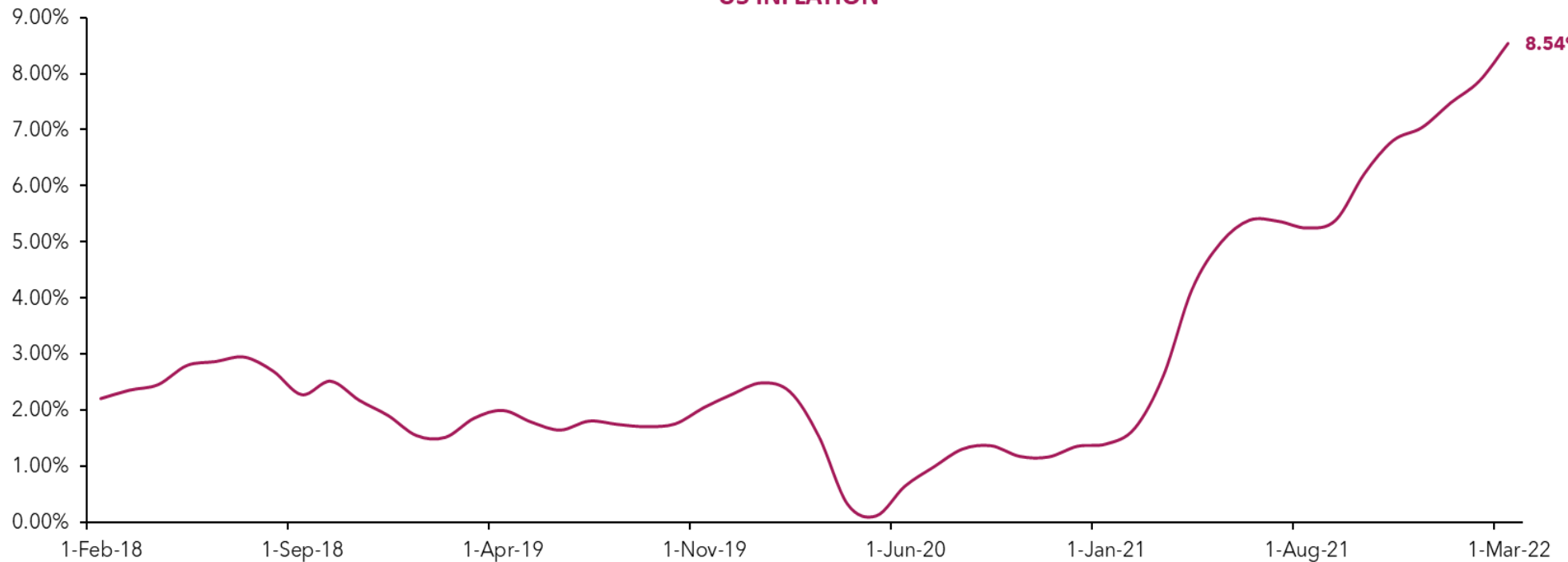
	This Week	Prior Week	WoW change	Primary Market Auction (Rates)	90 Days	180 Days	1 Year	Issuance (N'billion)	90 Days	180 Days	1 Year
<b>Money Market</b>				<b>OMO</b>				<b>OMO</b>			
Overnight (O/N)	6.25%	10.17%	-3.92%	31-Mar-22	7.00%	8.50%	10.10%	31-Mar-22	10.00	10.00	30.00
Open Repo Rate (OPR)	5.75%	10.17%	-4.42%	17-Mar-22	7.00%	8.50%	10.10%	17-Mar-22	10.00	10.00	30.00
NIBOR - 1M	7.59%	6.92%	0.68%	10-Mar-22	7.00%	8.50%	10.10%	10-Mar-22	10.00	10.00	20.00
NIBOR - 3M	7.62%	7.36%	0.26%	03-Mar-22	7.00%	8.50%	10.10%	03-Mar-22	5.00	5.00	20.00
NIBOR - 6M	8.19%	7.95%	0.24%	24-Feb-22	7.00%	8.50%	-	24-Feb-22	15.00	15.00	-
<b>Treasury Bills</b>				<b>Treasury Bills</b>	<b>91 Day</b>	<b>182 Day</b>	<b>364 Day</b>	<b>Treasury Bills</b>	<b>91 Day</b>	<b>182 Day</b>	<b>364 Day</b>
1-month	2.46%	2.25%	0.20%	30-Mar-22	1.75%	3.00%	4.45%	30-Mar-22	13.88	20.35	139.96
3-month	3.01%	2.68%	0.33%	16-Mar-22	1.74%	3.00%	4.00%	16-Mar-22	5.91	6.85	159.85
6-month	3.61%	3.33%	0.28%	09-Mar-22	1.75%	3.28%	-	09-Mar-22	2.32	21.29	-
9-month	4.12%	3.89%	0.23%	23-Feb-22	2.24%	3.30%	4.35%	23-Feb-22	5.36	11.03	241.61
12-month	4.55%	4.47%	0.08%	09-Feb-22	2.48%	3.30%	5.20%	09-Feb-22	1.91	1.82	211.23
<b>FGN Bonds (Local)</b>				<b>FGN Bonds</b>	<b>Jan-26</b>	<b>Jan-42</b>		<b>FGN Bonds</b>	<b>Jan-26</b>	<b>Jan-42</b>	
12.75% 27-APR-2023	4.92%	5.05%	-0.13%								
14.20% 14-MAR-2024	7.60%	7.38%	0.22%								
13.53% 23-MAR-2025	8.68%	8.90%	-0.22%	21-Mar-22	10.15%	12.70%		21-Mar-22	127.0	169.4	
12.50% 22-JAN-2026	10.14%	10.15%	-0.01%	16-Feb-22	10.95%	13.00%		16-Feb-22	103.5	193.9	
16.2884% 17-MAR-2027	10.76%	10.32%	0.44%	19-Jan-22	11.50%	13.00%		19-Jan-22	81.7	88.9	
12.1493% 18-JUL-2034	12.15%	11.52%	0.63%	<b>Corporate Bonds</b>	<b>This Week</b>	<b>Prior Week</b>	<b>WoW (%)</b>	<b>Corporate Eurobond</b>	<b>This Week</b>	<b>Prior Week</b>	<b>WoW (%)</b>
16.2499% 18-APR-2037	12.36%	11.97%	0.39%	MIXTA 17.00% 16-JAN-2022	5.08%	5.08%	0.00%	ZENITH 7.375% 30-MAY-2022	1.77%	1.77%	0.00%
14.8% 26-APR-2049	12.84%	12.64%	0.20%	DUFIL 18.25% 1-SEP-2022	6.57%	6.57%	0.00%	UBA 7.75% 08-JUN-2022	5.39%	5.39%	0.00%
				LAPO MFB 17.75% 19-DEC-2022	9.40%	9.40%	0.00%				
				STERLING 16.50% 3-AUG-2023	8.91%	8.91%	0.00%				
<b>FGN Eurobonds</b>				FCMB 17.25% 8-DEC-2023	9.93%	9.93%	0.00%				
5.625% 27-JUN-2022	5.45%	5.49%	-0.04%	ACCESS 15.50% 23-JUL-2026	14.00%	14.00%	0.00%				
6.50% 28-Nov-2027	7.83%	7.73%	0.10%	VIATHAN 16.00% 14-DEC-2027	11.92%	11.92%	0.00%				
7.875% 16-FEB-2032	8.96%	8.79%	0.17%	UNION 16.20% 27-JUN-2029	15.86%	15.86%	0.00%				
7.625% 28-Nov-2047	9.69%	9.49%	0.20%	FIDELITY 8.50% 27-JAN-2031	13.59%	13.59%	0.00%				

Source: DMO, CBN, FMDQ, Bloomberg, ARM Research

## US Inflation at 41yr record high

US Inflation data for March was released on Tuesday, with inflation standing at 8.5% (a 40yr record high) vs. the expected figure 8.4%. Although the market had gone ahead to shape this as a probable peak, we have reason to believe it is yet to peak for as long as the Russia-Ukraine conflict continue, and the mitigation of the energy supply.

### US INFLATION



Source: Bloomberg, ARM Research

Thank You



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