



Monday, 26th August - Friday, 30th August 2024

GLOBAL ECONOMY

General Overview

According to a flash estimate from *Eurostat*, the annual inflation rate in the Eurozone decreased to 2.2% in August 2024, down from 2.6% in July. This marks the softest increase in consumer prices since July 2021, reflecting some progress towards the European Central Bank's (ECB) 2% inflation target. The decline in inflation was primarily driven by a significant reduction in energy costs, which dropped by 3% in August compared to a 1.2% increase in July. Inflation also slowed for non-energy industrial goods, which rose by 0.4%, down from 0.7%. However, inflation increased for services, rising to 4.2%, and for food, alcohol, and tobacco, which saw a 2.4% increase. When excluding energy and unprocessed food, core inflation remained steady at 2.8%.

Kenya's year-on-year inflation rate, as measured by the Consumer Price Index (CPI), stood at 4.4% in August 2024, indicating that prices were 4.4% higher than in August 2023. This increase was largely driven by rising costs in key sectors, particularly Food and Non-Alcoholic Beverages, which saw a 5.3% rise, Housing, Water, Electricity, Gas, and other fuels, which increased by 4.2%, and Transport, with a 3.9% increase. Together, these three categories represent more than 57% of the total weight in the CPI. Additionally, the year-on-year index for Alcoholic Beverages, Tobacco, and Narcotics saw a significant rise of 8.2% during this period.

According to *Statistics South Africa*, the annual inflation rate declined for the second consecutive month, reaching 4.6% in July 2024, the lowest in three years and nearing the central bank's target of 4.5%. The slowdown was primarily driven by lower inflation rates in key sectors, including food and non-alcoholic beverages (4.5%), transport (4.2%), and housing and utilities (5.3%). Additionally, the annual core inflation rate, which excludes volatile items such as food, non-alcoholic beverages, fuels, and energy, eased to 4.3% in July, marking a more than two-year low.

Consumer prices in the Tokyo area of Japan, often viewed as a predictor for national trends, rose by 2.5% year-on-year in August, according to the *Ministry of Internal Affairs and Communications*. This surpassed expectations of a 2.3% increase, higher than the 2.2% rise in July. The core Consumer Price Index (CPI), which excludes the more volatile food prices, climbed by 2.4% annually, beating the projected 2.2% increase, which had been expected to remain unchanged.

According to the *Ministry of Internal Affairs and Communications*, the unemployment rate in Japan for July was 2.7%, seasonally adjusted. This figure was higher than the expected 2.5%, which remained steady from June. The jobs-to-applicant ratio was 1.24, slightly surpassing the forecast of 1.23, which was also unchanged. Meanwhile, the participation rate decreased to 63.5%, down from 63.7% in the previous month.

Global Equity Indices

Region/Country	Index	Value ¹	DoD	WoW	MTD	YTD
AFRICA						
NIGERIA	NGXASI	96,579.54	0.18%	0.63%	-3.44%	27.09%
EGYPT	EGX 30	30,774.19	0.21%	0.00%	4.82%	20.42%
SOUTH AFRICA	JSE	83,749.86	-0.58%	0.48%	4.88%	11.27%
KENYA	NSEASI	103.67	0.32%	-1.20%	-5.32%	12.36%
GHANA	GSE-CI	4,359.85	0.14%	0.15%	13.85%	39.09%
EMERGING						
CHINA	SSE INDEX	2,842.21	0.68%	-0.43%	-5.09%	-4.70%
HONG KONG	HANG SENG INDEX	17,989.07	1.14%	2.14%	1.53%	5.94%
INDIA	BSE SENSEX	82,365.77	0.28%	1.58%	3.64%	14.25%
BRAZIL	IBOVESPA	136,004.00	-0.03%	0.29%	9.05%	2.52%
RUSSIA	IMOEX	2,650.32	-2.14%	-0.46%	-16.82%	-13.48%
ADVANCED						
UNITED STATES	DJIA	41,563.08	0.59%	0.94%	6.29%	9.56%
UNITED KINGDOM	FTSE 100	8,376.63	-0.04%	0.59%	2.34%	8.52%
JAPAN	NIKKEI 225	38,647.75	0.74%	0.74%	-2.48%	15.24%
GERMANY	DAX	18,906.92	-0.03%	1.47%	3.22%	12.78%
SPAIN	IBEX 35	11,401.90	0.38%	1.10%	2.94%	11.55%
FRANCE	CAC 40	7,630.95	-0.13%	0.71%	0.67%	1.46%

¹ as of Friday, August 30, 2024 | *Source:* Yahoo Finance, Kwayisi, AVA Research

Macroeconomic Snapshot

Country	Inflation Rate (%)			Interest Rate (%)			GDP Growth Rate, YoY (%)		
	Current	Previous	Ref ²	Current	Previous	Ref	Current	Previous	Ref
KENYA	4.4	4.3	Aug-24	12.75	13	Aug-24	5	5.1	Mar-24
SOUTH AFRICA	4.6	5.1	Jul-24	8.25	8.25	Jul-24	0.5	1.4	Mar-24
NIGERIA	33.04	34.19	Jul-24	26.75	26.25	Jul-24	3.19	2.98	Jun-24
EGYPT	25.7	27.5	Jul-24	27.25	27.25	Jul-24	2.22	2.3	Mar-24
UNITED KINGDOM	2.2	2	Jul-24	5	5.25	Aug-24	0.9	0.3	Jun-24
CHINA	0.5	0.2	Jul-24	3.35	3.45	Aug-24	4.7	5.3	Jun-24
RUSSIA	9.1	8.6	Jul-24	18	16	Jul-24	4	5.4	Jun-24
UNITED STATES	2.9	3	Jul-24	5.5	5.5	Jul-24	2.9	3.1	Jun-24
GERMANY	1.9	2.3	Aug-24	4.25	4.25	Jul-24	-0.1	-0.1	Jun-24
FRANCE	1.9	2.3	Aug-24	4.25	4.25	Jul-24	1.1	1.5	Jun-24
ITALY	1.1	1.3	Aug-24	4.25	4.25	Jul-24	0.9	0.6	Jun-24
EURO AREA	2.2	2.6	Aug-24	4.25	4.25	Jul-24	0.6	0.5	Jun-24

² Ref = Reference date; Bolded, *Italicised and underlined* text indicates the latest figures. | *Source:* Trading Economics, AVA Research



Commodities

Crude oil prices fell during the week after a strong gain in the previous session. October delivery crude fell by \$2.36, or 3.1%, to \$73.55 a barrel, after rising \$1.39 the day before. For the week, crude oil prices declined by 1.7% and fell 3.6% in August. Brent Oil fell by \$2.09; while WTI decreased by \$1.31 to close at \$73.65 per barrel from \$74.96 the previous week.

Gold prices closed lower, bringing a week-on-week loss despite a strong monthly gain. A firm dollar and positive economic data pressured the yellow metal. The dollar index rose to 101.78, gaining over 0.4%. Gold prices fell by \$18.70 to close at \$2,527.60 from \$2,546.30 the previous week.

DOMESTIC ECONOMY

General Overview

In Q2 2024, Nigeria's economy expanded by 3.19%, driven by the Services sector and a resurgence in Industry, particularly manufacturing. This growth reflects a more resilient and diversified economy. However, persistent challenges like high unemployment (5%), inflation (33.40%), and elevated interest rates (26.75%) raise concerns about "immiserating growth," where economic gains do not lead to better living standards. The oil sector remains crucial, although volatility continues. Significant contributions also came from the non-oil sector, including Financial Services, Information, Agriculture, Trade, and Manufacturing. To ensure sustainable growth, future policy efforts should emphasize diversification, increasing industrial output, and stabilizing oil production to reduce vulnerabilities.

In July, Nigeria's foreign exchange turnover reached ₦11.48trn (\$7.39bn) at the official trading window, up from ₦10.01trn in June. This reflects a 10.02% increase in dollar terms from \$6.72bn the previous month, according to the FMDQ's financial markets report. The naira depreciated, with the spot exchange rate averaging ₦1,560.32/\$ in July, a 4.88% increase from June's ₦1,487.74/\$. Exchange rate volatility also rose, with the naira trading between ₦1,500.32/\$ and ₦1,621.12/\$. By the end of the week, the naira appreciated slightly to ₦1,570.14/\$, with a trading range between ₦1,496/\$ and ₦1,606/\$, and turnover at \$120.81mn.

The **Central Bank of Nigeria (CBN)** has lifted the suspension on banks borrowing from its Standing Lending Facility (SLF) and set the lending rate at 31.75%, following the decisions made at the bank's 296th Monetary Policy Committee (MPC) meeting. The MPC adjusted the upper corridor of the

Nigerian Equity Market

The local bourse concluded the trading week in the green zone, mainly influenced by gains observed in several large-cap stocks throughout most of the trading days. The **NGXASI** gained 606.09 index points (+0.63%) week-on-week (WoW), closing at 96,579.54. Investors' wealth also grew by ₦349bn WoW, pushing the total market capitalization to ₦55.48tn. Additionally, the market's year-to-date return increased to 29.16%, up from 28.35% in the prior week.

Trading activity was mixed this week; the total volume of shares traded plunged to 2.82 billion units from 5.64 billion units the previous week. However, the value of shares traded rose to ₦53.05bn, up from ₦33.05bn the prior week. The number of deals executed also increased to 50,488 (*prev. week: 42,006*).

Sectoral performance was bullish; **NGXOILGAS** led with a gain of +8.50%, followed by **NGXINS** (+5.76%), **NGXCNSMRGDS** (+3.48%), **NGXBNK** (+1.96%) and **NGXINDUSTR** (+0.08%).

On a month-to-date basis, the NGX All Share Index returned a decrease of 0.80%.

Commodities Futures	30-Aug-24	23-Aug-24	Change
Brent Oil (\$/bl)	76.93	79.02	-2.09
WTI Oil (\$/bl)	73.65	74.96	-1.31
Natural Gas (\$/Mmbtu)	2.15	2.03	0.12
Gold (\$/oz)	2,527.60	2,546.30	-18.70
Silver (\$/oz)	29.14	29.82	-0.68
Wheat (\$/bu)	551.50	528.00	23.50
Cotton No. 2 (\$/lbs)	69.99	70.91	-0.92

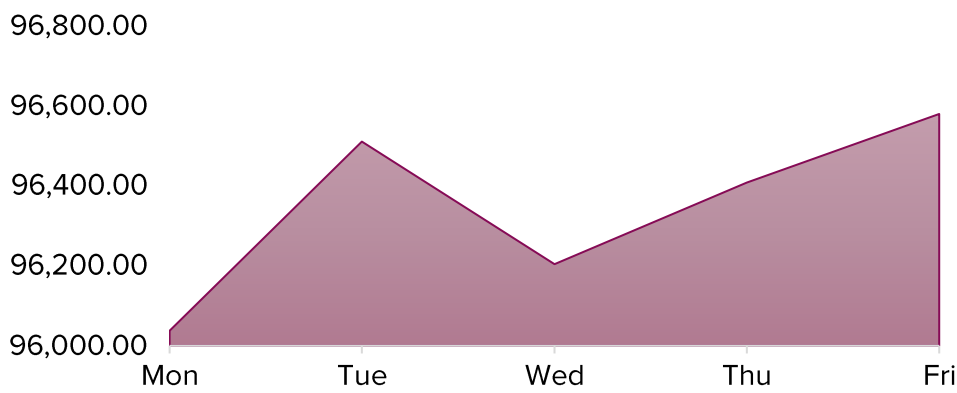
Source: Investing.com, AVA Research

standing facilities to 5% from 1% around the Monetary Policy Rate (MPR). Authorized dealers can now access the SLF within specified operating hours, with a 5% penalty for unsettled Intra-Day Liquidity Facility (ILF) transactions, which will be converted to SLF at 36.75%. Collateral execution will also be reintroduced as outlined in the repo guidelines.

Nigeria's daily oil production dropped by 160,000 barrels per day (bpd) in Q2 2024, averaging 1.41 million bpd, according to the **National Bureau of Statistics (NBS)**. This is below Q1's 1.57 million bpd but higher than Q2 2023's 1.22 million bpd. Despite efforts to increase output, Nigeria continues to fall short of its 1.5 million bpd OPEC quota due to oil theft and vandalism. The oil sector's real growth was 10.15% year-on-year, significantly improving from -13.43% in Q2 2023, contributing 5.70% to Nigeria's real GDP. The electricity, gas, steam, and air conditioning supply sector grew 7.65% year-on-year, contributing 1.56% to nominal GDP, down from 2023's 1.70% but higher than the previous quarter.

Domestic airfares in Nigeria increased by 25% year-on-year in July 2024, according to the **NBS**. The average fare for a one-way trip rose to ₦98,561.74, up from ₦78,775.74 in July 2023. The NBS also reported a 9.65% month-on-month increase from June 2024. This price hike follows the federal government's announcement of additional tax charges, despite ongoing concerns from the Airline Operators of Nigeria about multiple taxation. The Transport Fare Watch Report highlighted the rising cost of air travel, reflecting the ongoing challenges in the aviation sector.

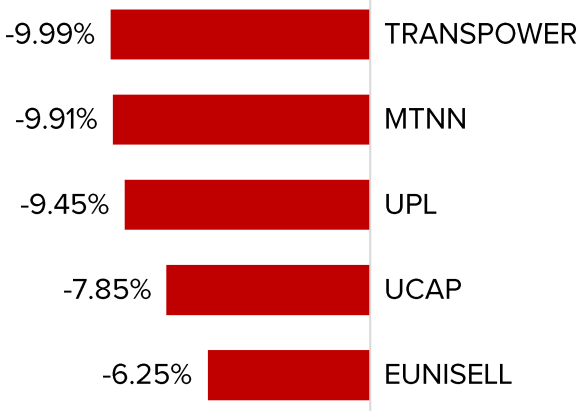
NGX All Share Index



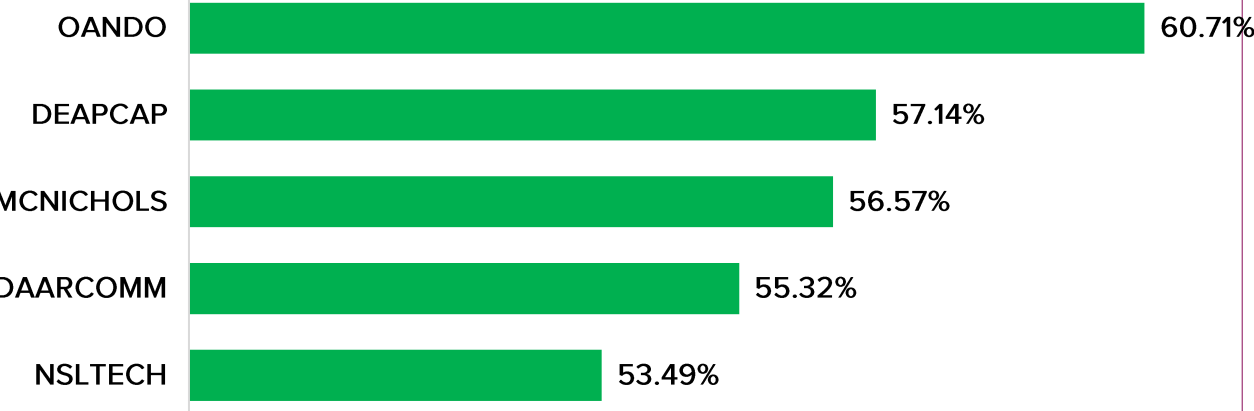
Trading Statistics

	This Week	Prev. Week	Δ
NGXASI	96,579.54	95,973.45	0.63%
Volume (billion units)	2.82	5.64	-50.00%
Value (₦'billion)	53.05	33.05	60.51%
Mkt Cap (₦'trillion)	55.48	55.13	0.63%

Top Losers



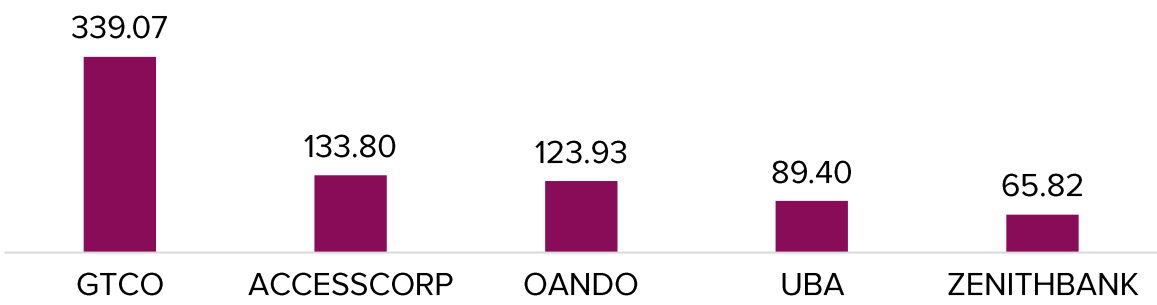
Top Gainers



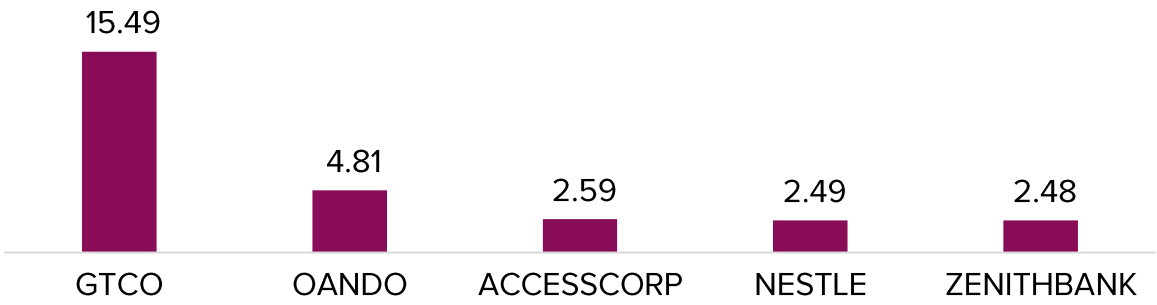


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Top Volume (‘mn units)



Top Value (N‘bn)



Weekly Stock Performance

Sector/Stock	Price ¹ (N)	DoD	WoW	MtD	YTD	52-wk Hi (N)	52-wk Lo (N)
NGXASI	96,579.54	0.18%	0.63%	-1.22%	29.16%	-	-
BANKING & FINANCIALS / NGXBNK	857.21	1.05%	1.96%	6.96%	-4.46%	-	-
ZENITHBANK	38.25	-0.26%	0.92%	15.56%	-1.03%	47.35	29.70
ACCESSCORP	19.00	0.00%	-4.76%	3.83%	-17.93%	30.70	14.45
UBA	22.95	4.79%	2.46%	13.05%	-10.53%	34.00	12.90
GTCO	45.50	-0.87%	-0.22%	3.41%	12.35%	53.95	31.95
FBNH	22.50	2.27%	10.57%	7.40%	-4.46%	43.95	15.90
ETI	21.80	0.00%	6.60%	-0.91%	4.31%	28.80	14.40
INDUSTRIAL / NGXINDUSTR	3,854.57	0.05%	0.08%	-13.06%	42.12%	-	-
DANGCEM	532.00	0.00%	0.00%	-10.00%	66.30%	763.00	310.10
BUACEMENT	113.90	0.00%	0.00%	-20.46%	17.42%	185.00	85.50
WAPCO	37.60	0.80%	1.35%	2.17%	19.37%	51.00	27.20
CONSUMER GOODS / NGXCNSMRGDS	1,574.97	-0.25%	3.48%	4.30%	40.46%	-	-
BUAFOODS	394.90	0.00%	4.20%	3.95%	104.19%	394.90	179.20
NESTLE	805.00	0.00%	0.00%	-3.01%	-26.82%	1,196.00	795.30
NB	28.30	0.00%	-1.22%	12.08%	-21.39%	43.00	22.60
DANGSUGAR	37.90	-2.82%	-1.56%	2.02%	-33.51%	89.50	34.00
OIL AND GAS / NGXOILGAS	1,861.08	2.50%	8.50%	22.39%	78.43%	-	-
SEPLAT	3,730.10	0.00%	0.00%	0.00%	61.48%	3,794.90	1,837.00
TOTAL	673.90	8.82%	19.70%	73.28%	75.04%	563.00	346.50
INSURANCE / NGXINS	424.16	-0.55%	5.76%	11.46%	31.87%	-	-
AIICO	1.20	0.00%	7.14%	18.81%	50.00%	1.69	0.65
NEM	7.75	0.00%	0.65%	-2.52%	23.02%	10.60	4.59
MANSARD	5.33	-3.09%	-2.38%	5.54%	-3.09%	6.80	3.56

¹ as of Friday, August 30, 2024, | *Source: NGX, AVA Research*

Nigerian Fixed Income Market

FGN Bonds

The last week of August saw the FGN Bonds market maintain its bullish streak for a successive week, propelled by an optimistic sentiment from investors and fund managers, resulting in a positive week close.

The trading week witnessed demand dominate the week’s trading session, as buy-ins in the short, medium and long tenor bonds caused yields to depress further. The week began on a positive note with price gains recorded in the Feb-2031 outweighed sell-offs. Yields continued to decline consecutively for the five-trading day to close positively. Thus, the average FGN Bonds yield dipped to 18.66% against 19.321% the prior week.

FGN Bond Description	Yield (%) 30-August-24	Yield (%) 23-August-24	Change
12.50 22-JAN-2026	19.35	20.24	0.89
21.00 20-MAR-2026	19.36	19.59	0.23
16.2884 17-MAR-2027	19.41	20.03	0.63
13.98 23-FEB-2028	19.45	20.40	0.95
14.55 26-APR-2029	19.55	19.51	-0.05
12.50 27-APR-2032	18.00	18.52	0.51
12.1493 18-JUL-2034	18.76	18.76	0.00
12.50 27-MAR-2035	18.75	18.74	-0.01
12.40 18-MAR-2036	18.61	18.61	-0.01
16.2499 18-APR-2037	18.66	18.65	0.00
15.45 21-JUN-2038	17.70	18.95	1.25
13.00 21-JAN-2042	17.49	17.50	0.02
14.80 26-APR-2049	17.50	18.00	0.50
12.98 27-MAR-2050	16.99	18.62	1.63
15.70 21-JUN-2053	16.80	18.10	1.30

FGN Eurobonds

Similarly, the FGN Eurobonds market sustained its positive run as heavy demand from investors and fund managers swung upwards, resulting in record price gains across all Eurobonds issued in the yield curve.

The week’s trading session began on a strong note, with yields scaling downwards on the first day. Sustained investor’s confidence in the dollar-denominated instrument caused price gains to extend for the rest of the trading week, accompanied by consecutive drops in yields. The week recorded an upbeat on the back of increased activity in the short end of the curve, particularly on Nov 21, 2025, and Mar 24, 2029. As a result, the FGN Eurobonds market yield fell to 9.52% relative to 9.94% the week before.

FGN Eurobond Description	Yield (%) 30-August-24	Yield (%) 23-August-24	Change
7.625 NOV 21, 2025	7.58	8.14	0.56
6.50 NOV 28, 2027	9.04	9.53	0.49
8.375 MAR 24, 2029	9.27	9.79	0.52
8.747 JAN 21, 2031	9.76	10.17	0.41
7.875 FEB 16, 2032	10.04	10.43	0.39
7.625 NOV 28, 2047	10.49	10.78	0.29
9.248 JAN 21, 2049	10.48	10.76	0.28



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Nigerian Treasury Bills

The Nigerian T-bills market maintained a bullish performance extending its winning streak from the previous week, to conclude the week under review on a positive note. Market participants held to the buy-side of the counter which saw yields trend downwards, but increased monetarily on Friday due to the exclusion of the Sep-24 bill.

The week’s trading session began on a strong note with price gains recorded across the yield curve particularly in the long end of the curve. As such, the NTB market closed in the green zone, as the average NTB yields fell to 21.45% relative to 22.33% in the previous week.

DTM	Maturity Date	Yield (%)		Change
		30-August-24	23-August-24	
6	5-Sep-24	#N/A	19.42	#N/A
41	10-Oct-24	18.83	20.02	1.19
69	7-Nov-24	19.36	20.53	1.17
97	5-Dec-24	19.92	20.18	0.26
132	9-Jan-25	20.66	21.50	0.84
160	6-Feb-25	24.10	24.22	0.11
188	6-Mar-25	21.86	23.82	1.95
223	10-Apr-25	21.50	24.04	2.55
251	8-May-25	22.31	24.01	1.71
279	5-Jun-25	22.74	23.96	1.21
314	10-Jul-25	23.26	23.87	0.61

Fund Prices

	Bid Price	Offer Price	YTD Return
AVA GAM Dollar Fund	\$106.67	\$106.67	7.75%
AVA GAM Naira Fund	₦1,076.61	₦1,076.61	15.83%

As of Thursday, August 29, 2024 | Source: AVA Global Asset Managers

Money Market

The money market continued on a bearish note, despite the upbeat recorded in the fixed-income market. The demand for liquidity, from banks and other financial institutions declined, which resulted in both the open repurchase and overnight market facilities recording a decline in their respective rates.

	30-August-24	23-August-24	Change
Open Repo	18.11%	25.78%	-7.67%
Overnight Rate	20.06%	26.17%	-6.11%

Exchange Rate and Foreign Reserves

The local currency remained under pressure against the US dollar in the NAFEM window, posting a loss for the week under review. The naira depreciated against the greenback as market confidence waned during the trading sessions. The trading week witnessed losses for three days out of five. The week began on a negative note before shifting grounds the following day. However, Wednesday recorded a bearish posture, which was momentary as Thursday closed bullish. Friday reverted to a negative close to conclude the week in the red zone.

The country’s foreign reserves saw a slight decline, ending the week negatively for the second consecutive week. Data from the CBN indicated that external reserves decreased steadily over four consecutive trading days during the week. The recent downtrend in the reserves can be attributed to the CBN’s appropriations, with limited inflows replenishing the reserves.

	30-August-24	23-August-24	Change
NAFEM (₦/\$) ²	1,598.56	1,570.14	-28.42
Foreign Reserves (\$' billions) ¹	36.32	36.44	-0.12

¹ Based on a 30-day moving average as of August 29, 2024 | Source: CBN, AVA Research

² NAFEM - Nigerian Autonomous Foreign Exchange Market

OUTLOOK FOR THE NEW WEEK

- In the new week, the bullish momentum in the Nigerian stock market is expected to persist as investors expand their positions in choice stocks. However, it is equally possible that profit-taking activities will occur, limiting the market’s positive trend.
- We anticipate that the FGN Bonds, FGN Eurobonds, and T-bills market will remain bullish due to sustained demand from investors and fund managers.
- We expect the money market to rebound to a bullish close following sustained demand for liquidity from market participants.



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