

# Weekly Market Summary



## Highlights

- ***Nigeria's Oil Production Gains Momentum to Grow in June 2024***
- ***Nigerian Stock Market Sheds -0.35% to Close the Week.***
- ***System Liquidity Marginally Increases***
- ***US Inflation Dips to 3% in June 2024***

Economic Data	12-07-24	05-07-24	WoW	YTD
NGXASI	99,671.28	100,022.03	-0.35%	33.30%
NGXLII	6,278.86	6,252.22	0.43%	35.91%
Market Cap (₦'tn)	56.441	56.581	-0.25%	38.09%
Official Exchange Rate (₦/\$)	1,563.80	1,509.67	-3.46%	-33.30%
Oil Prices (\$'pb)	85.03	86.54	-1.74%	10.37%
External Reserves (\$'bn)	35.28	34.77	1.46%	7.19%
LC Managed Funds				
Halal Investment Fund (₦)	2.01	2.01	0.09%	10.35%
Halal Fixed Income Fund (₦)	1,209.20	1,205.48	0.31%	7.76%
Lotus Halal Equity ETF (₦)	30.74	30.64	0.34%	36.25%

## NIGERIAN MARKET UPDATE

### ***Nigeria's Oil Production Gains Momentum to Grow in June 2024***

Nigeria's oil production recorded an improvement in June 2024, reaching 1.276 million barrels per day (mbpd), as reported by the Organisation of Petroleum Exporting Countries (OPEC). This positive development comes amidst ongoing efforts by the Federal Government to enhance security in key oil-producing regions, thereby fostering a conducive environment for production activities. Although the June production figures represent progress, they still fall short of the Federal Government's target output of 1.78 mbpd outlined in the 2024 budget. Nonetheless, it marks an improvement from the 1.251 mbpd recorded in May 2024, indicating a positive trajectory in production levels.

The potential economic benefits of increased production were somewhat tempered by a slight decline of -1.02% in the price of Bonny Light, the benchmark crude oil for Nigerian crude. By the end of June, Bonny Light was priced at \$83.30 per barrel, down from \$84.16 per barrel in May 2024. This price movement underscores the influence of global market dynamics on Nigeria's oil revenue projections.

Looking ahead, sustained efforts to bolster security and infrastructure in oil-producing areas will be crucial in achieving and possibly exceeding production targets for the year. Enhanced production levels not only contribute to national revenue streams but also play a pivotal role in advancing economic stability and growth.

### ***Nigerian Stock Market Sheds -0.35% to Close the Week***

In the local equities market, profit taking persisted to push the NGX All Share Index lower by -0.35%. This moderated the index's year-to-date return to 33.30%. The market capitalization of the NGX also inched lower to settle at ₦56.44 trillion at the end of the week (previous week: ₦56.58 trillion).

Conversely, the NGX Lotus Islamic gained in the week, with the index inching higher by 0.43% to close the week at 6,278.86 points. This brought the Islamic index's year-to-date return to 35.91%.

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## *System Liquidity Marginally Increases*

Although the Central Bank of Nigeria (CBN) issued ₦207.27 billion in Treasury Bills in the week, there was a marginal increase in system liquidity. This pushed both the overnight rate (ON) and the overnight policy rate lower in the week, with the ON rate slowing to 32.45% (previous week: 32.53%), while the OPR declined to 31.61% at the end of the week (previous week: 32.06%).

The Naira weakened by -3.46% at the official window to trade at ₦1,563.80/\$ (previous week: ₦1,509.67/\$). Similarly, at the parallel market, the Naira weakened to trade at c.₦1,550 at the end of the week (previous week: ₦1,507.00/\$).

## *GLOBAL MARKETS*

### *US Inflation Dips to 3% in June 2024*

The annual inflation rate in the US continued its downward trend for the third consecutive month. It reached 3.00% in June 2024, marking its lowest level since June 2023 (May'2024: 3.30%). The decline was primarily driven by a deceleration in energy costs, with energy prices rising by only 1.00% in June, compared to a 3.70% increase in May.

## *Lotus Capital, Creating Wealth the Halal Way*

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