

# Weekly Market Summary



## Highlights

- **Economic Activity Slows in Nigeria's Private Sector**
- **Nigerian Equities Market Remains Depressed Amidst Earnings Release**
- **System Liquidity Marginally Increases**
- **Bank of England Mirrors Sentiment Across Eurozone to Cut Interest Rates**

Economic Data	02-08-24	26-07-24	WoW	YTD
NGXASI	97,745.73	98,201.49	-0.46%	30.72%
NGXLII	6,059.93	6,155.14	-1.55%	31.17%
Market Cap (₦'tn)	55.497	55.605	-0.19%	35.63%
Official Exchange Rate (₦/\$)	1,617.08	1,609.29	-0.48%	-35.50%
Oil Prices (\$'pb)	76.81	81.13	-5.32%	-0.30%
External Reserves (\$'bn)	36.84	36.51	0.90%	11.92%
LC Managed Funds				
Halal Investment Fund (₦)	2.03	2.02	0.79%	11.37%
Halal Fixed Income Fund (₦)	1,218.37	1,215.13	0.27%	8.51%
Lotus Halal Equity ETF (₦)	29.59	29.76	-0.55%	31.15%

## NIGERIAN MARKET UPDATE

### **Economic Activity Slows in Nigeria's Private Sector**

For the first time since December 2023, Nigeria's private sector has experienced a contraction in economic activity. The country's purchasing managers' index (PMI) fell below the 50-point threshold, reaching an eight-month low of 49.20 in July 2024. This decline reflects a temporary downturn in overall business conditions within the private sector, marking a shift from the previously observed growth.

The contraction is occurring amidst a sharp rise in consumer prices, with inflation escalating to 34.19%. This surge in inflation has exerted considerable pressure on consumer purchasing power, resulting in diminished demand for goods and services. The escalation in prices has consequently led to a decrease in both business activity and new orders, further compounding the challenges faced by businesses in maintaining operational momentum.

### **Nigerian Equities Market Remains Depressed Amidst Earnings Release**

Profit-taking persisted on the Nigerian equities market, as earnings release lead to mixed investor-sentiment across various listed companies. The NGX All Share Index closed the week lower, shedding -0.46% in the week. This further moderated the year-to-date return of the local equities market to 30.72%. As a result of this outing, the market capitalization of the NGX was pegged at ₦55.50 trillion at the end of the week, down from ₦55.61 trillion at the end of the previous week.

The NGX Lotus Islamic (NGXLII) followed suit to shed -1.55% in the week. This moderated the NGXLII's year-to-date return to 31.17%.

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## *System Liquidity Marginally Increases*

System liquidity continued to record marginal improvement, leading both the overnight rate (ON) and the overnight policy rate (OPR) to decline further in the week. The ON rate slowed to 26.06% (previous week: 26.66%) at the end of the week, while the OPR declined to 25.61% to close the week (previous week: 26.13%).

The Naira weakened by -0.48% at the official window to trade at ₦1,617.08/\$ (previous week: ₦1,609.29/\$). Similarly, at the parallel market, the Naira marginally weakened to trade at c.₦1,598.00/\$ at the end of the week (previous week: ₦1,586.00/\$).

## *GLOBAL MARKETS*

### *Bank of England Mirrors Sentiment Across Eurozone to Cut Interest Rates*

In its August 2024 meeting, the Bank of England reduced its benchmark lending rate by 25 basis points to 5.00% (previously at 5.25%). This adjustment effectively lowered the policy rate from its 16-years high, having remained at that level for a full year. In its meeting however, the Bank of England emphasized that it would proceed cautiously with further monetary policy adjustments until there is greater certainty that inflation will remain subdued.

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

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