

TREASURY BILLS

Average Treasury Bills Discount Rates in Jan. 2024		Average FGN Bond Coupon Rates in Jan. 2024	
91-day - 3.72%	7.42% (Dec. '23) ▼	10Y - 15.50%	15.75% (Dec. '23) ▼
182-day - 5.69%	11.33% (Dec. '23) ▼	15Y - 16.50%	16.50% (Dec. '23) ▼
364-day - 9.97%	13.83% (Dec. '23) ▼	30Y - N/A	17.15% (Dec. '23)

SPOT MARKET

<b>FX Market</b>	<b>\$4.37bn</b>	<b>23.69%</b>
<i>\$7.34bn (Dec '23)</i>		
<b>Fixed Income Market</b>	<b>\$7.97bn</b>	<b>43.20%</b>
<i>\$18.39bn (Dec '23)</i>		
<b>Money Market</b>	<b>\$6.11bn</b>	<b>33.11%</b>
<i>\$8.05bn (Dec '23)</i>		

MACRO DATA

<b>Inflation Rate</b>	<b>31.7%</b>
<i>As at February, 2024</i>	
<b>Weighted Avg. Rate NFEM (USD)</b>	<b>₦1610.74</b>
<i>As at Thursday, March 14, 2024</i>	
<b>Monetary Policy Rate, MPR</b>	<b>22.75%</b>
<i>As at Friday, March 15, 2024</i>	
<b>Crude Oil Price in USD</b>	<b>\$88.84</b>
<i>As at Friday, March 15, 2024</i>	

# MarketForces

Monday 18 - Friday 22 March, 2024 [dmarketforces.com](https://dmarketforces.com) [Marketforces Africa](#) [marketforces](#) [MarketForcesA](#) [MarketForces Africa](#) **N500**

## MSCI Deletes Nigerian Indexes from Frontier Markets

By Ogochi Ndubuisi

MSCI Inc. has finally removed Nigerian securities from its

frontier markets indexes category, MarketForces Africa confirmed by the global investment service firm. Nigeria was not found among

28 countries listed on the index frontier markets, which harbours other smaller African countries' securities. It had opened a consultation

proposal to downgrade Nigeria Indexes to standalone status after previous warnings to investors about foreign currency scarcity in Africa's largest economy.

A check on its website confirmed that Nigerian securities have been removed. MarketForces

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## Interest Rate Hike Insufficient to Fight Difficult Inflation - Analysts

By Julius Alagbe

Nigeria needs to deploy other measures to combat ugly inflation conditions pushed by policy inconsistency of the past administration, analysts

said, noting that with a structural deficiency; it will be difficult to successfully achieve price stability. Some critics maintain a view that not so much has been achieved with interest rate hikes as a tool to combat Nigeria's headline inflation

despite monetary policy tightening. It is not clear at what point rate adjustment would be effective in curbing inflation from making further uptrend. MarketForces Africa's review of investment banking notes on

the consumer price index forecast indicates that analysts are negative on their inflation expectation for the first half of 2024. By consensus, investment firms see Nigeria's inflation rate climbing further as pressures on food remain.

"There has to be food security, the naira has to stabilise else, an interest rate hike may not be potent not as a matter of theoretical basis but for practical sake", research analysts at LSintelligence Associates said.

Nigeria's apex bank inflation fighting has caused sustained increases in interest but things have become worse with predictions showing the consumer price index would rise continually in 2024.

Inflation began to rise when the government closed its border in 2019 to wave off an influx of food and other goods from neighbouring countries. The reaction followed a decision to ban some items from accessing forex from the official window.

The protectionist stance of the

CONT'D ON PG 2

### Naira Outlook Uncertain as Illiquidity, Weak Usable FX Reserve Unsettles Reform

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### FX Losses Damages Companies Earnings, Balance Sheets

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### Foreign Investors Boost Interest in Nigeria US Dollar Bonds

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L-R: CEO, Airtel Nigeria, Mr. Carl Cruz; Group CEO Designate, Airtel Africa, Mr. Sunil Taldar; Audit and Risk Committee, Airtel Africa, Mrs. Awuneba Ajumogobia; Outgoing Group CEO of Airtel Africa, Mr. Segun Ogunsanya; Governor of Lagos State, Mr. Babajide Sanwo-Olu; Minister of Communications, Innovation & Digital Economy, Dr. Bosun Tijani; Representative of Ooni of Ife, Oba Adeyeye Enitan Ogunwusi; Chairman, Honeywell Group, Dr. Oba Otudeko and Co-founder, Chagoury Group, Mr. Ronald Chagoury during the groundbreaking ceremony of Airtel NXTRA Data Centre, at the Eko Atlantic, Victoria Island, Lagos

## Transcorp Power Hits N2.85trn as Investors Bet on Future Earnings Stream

By Olu Anisere

Transcorp Power Plc experienced a sustained increase in its market price in the local bourse after listing by introduction, settling at N2.85

trillion on Friday, according to details from the Nigerian bourse.

Ticker: TransPower was listed at N240 per share on the Nigerian Exchange's agreed market valuation of N1.8 trillion. Its market capitalisation increased by more

than 58% in two weeks of trading activities in the market.

The power generating company is known for delivering record growth before it came to the domestic bourse by introduction. The electric power generating

company's share price grew by more than 58% largest shareholders reduced their interest to provide liquidity for Transcorp Power plc.

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## NEWS

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# Interest Rate Hike Insufficient to Fight Difficult Inflation – Analysts

## CONT'D FROM COVER

former president, Muhammadu Buhari, triggered the border closure following large support for Agricultural produce. It then backfired as local farmers could not produce enough to meet aggregate needs.

Analysts believe that inflation-fighting policies have been inconsistent. Costs, rather than demand have been major drivers of increased consumer price levels. The core push is coming from an unstable exchange rate.

Hot red headline inflation is expected to hit 34% in March, according to a prediction made by Cowry Asset Management Limited following the pass-through effect of the naira devaluation and rising cost of living.

Nigeria's inflation has become ugly with a continued push from negative impacts of government policy measures. In February, inflation soared to a staggering 31.70%, marking a distressing 28-year high.

According to analysts, this upward trajectory, persisting for fourteen consecutive months, reflects a multifaceted confluence of challenges gripping the nation's economy.

The key underlying drivers of worrisome inflation conditions have been mounting insecurity disrupting vital food production

regions, coupled with the cascading impact of subsidy removal on petrol and upward adjustments in exchange rates.

The statistics office reported that inflation rose 180 basis points from 29.90% in January 2024, which was above market expectation of 31% and closer to Cowry Asset's forecast of 32%.

Analysts said the acceleration of headline inflation to levels not witnessed since April 1996 was expected to stay elevated as inflationary pressures continue to build up.

Cowry Asset said the faster speed of increase suggests that inflation has become difficult and is in doubt to reach an inflexion point in the near time. This is particularly so given the fact that the inflationary pressure is coming more from the food component which increased to 37.9%.

Analysts said particularly worrisome is the significant contribution of food and non-alcoholic beverages, comprising over half of the inflationary index at 51.80%, underscoring the acute vulnerability of Nigeria's food supply chain.

Other contributing factors include housing and utility items, clothing and footwear, transportation costs, and educational and health amenities costs, accounting for 16.72%, 7.63%, 6.50%, 3.94%, and 3.0%

respectively.

Details revealed the continued depreciation of the local currency exerts significant pressure on the core component of Nigeria's inflation basket due to the country's reliance on imported items.

The naira has depreciated by 60% between June 2023 when the foreign exchange market was liberalised and February 2024, according to an analysis of exchange rate movement.

This has escalated import costs, impacting Nigeria's economy significantly as it heavily relies on imports and also exerts immense pressure on Nigeria's inflation basket.

".. We can say the inflationary pressures stemming from a myriad of factors, including escalated transportation costs, adverse effects of climate change on agricultural output, domestic security instabilities, geopolitical tensions such as the Russia-Ukraine conflict, and the protracted devaluation of the Nigerian Naira against the US dollar.

"Furthermore, structural challenges within the food and agriculture sector have perpetuated supply constraints, exacerbating inflationary pressures", the investment firm stated.

Food inflation surged to 37.92% year-on-year in February 2024, the highest since August 2005, driven by increases in prices of staple



Cardoso

commodities such as bread, cereals, potatoes, and meat.

Core inflation, which excludes the prices of volatile agricultural produces and energy stood at 25.13% in February 2024 on a year-on-year basis, the highest since March 2004 (25.95%); up by 6.76% when compared to the 18.37% recorded in February 2023.

The highest increases were recorded in prices of Passenger Transport by Road, Actual and Imputed Rentals for Housing, Medical Services, Pharmaceutical products, etc.

Across states of the federation, inflation rate on a Year-on-Year

basis was highest in Kogi (37.98%), Oyo (36.60%), Bauchi (35.62%), while Borno (26.28%), Taraba (26.72%) and Benue (27.40%) recorded the slowest rise in Headline inflation.

On a Month-on-Month basis, however, February 2024 recorded the highest increases in Kwara (6.42%), Kebbi (4.64%), Adamawa (4.46%), while Katsina (1.93%), Cross River (1.98%) and Benue (2.33%) recorded the slowest rise on inflation in the period.

The continued uptick in inflationary pressures is expected to stay elevated for most of the year even as the country reels from the impact of insecurity challenges on food supply chain, Cowry Asset said in its commentary note.

This is further compounded by the increase in electricity tariffs, stamp duties, removal of subsidy on PMS and the upward exchange rates adjustment by the CBN to ease the pressure on the forex market.

Looking ahead, analysts said they expect the underlying drivers of inflation to continue exerting upward pressure on components of Nigeria's inflation basket.

As such, Cowry Asset Management Limited anticipates that Nigeria's headline inflation will continue its upward trend to 34% in March 2024 following the pass-through effect of the naira devaluation and rising cost of living.

## Market Wrap: Oil Rises 4% over Healthy Demand Outlook

Oil prices edged higher over five trading days in the just concluded week, helped by the release of healthy demand forecasts and supply concerns triggered by geopolitical tension between Israel and Palestine and the Russia-Ukraine war.

International benchmark Brent crude traded at \$84.98 per barrel on Friday, increasing by around 3.53% relative to the closing price of \$82.08 a barrel on Friday last week.

West Texas Intermediate (WTI), the American benchmark, traded at \$80.81 a barrel at the same time on Friday, for a rise of about 3.59% from last Friday's session that closed at \$78.01 per barrel.

Prices started the week on a negative note due to bearish Chinese data that signalled softer demand in the world's largest crude importer and second-biggest oil consumer.

Supply factors stemming from major producers reducing output and escalating geopolitical tensions over the Israel-Palestine conflict and the Russia-Ukraine war limited the fall



in prices.

OPEC's monthly oil market report, published on Tuesday, revealed that the global oil demand growth forecast for 2024 remains unchanged from last month's assessment of 2.2 million barrels per day (bpd) year on year. Markets interpreted this forecast positively in support of upward price movements.

Despite data released Tuesday indicating US inflation exceeded expectations, the market anticipation that the US Federal Reserve (Fed) will

begin rate cuts in June also boosted oil price rises.

The US Energy Information Administration (EIA), in its latest report released on Tuesday, forecasted that world oil demand will reach 102.43 million bpd in 2024, while global oil production will be 102.17 million bpd.

In addition, the EIA revised up the price of Brent crude for 2024 and 2025, citing a decrease in global oil inventory in the near term due to the tight supply triggered by OPEC+ cuts.

Meanwhile, the American Petroleum Institute (API) late Tuesday announced a decrease of 5.5 million barrels in US crude oil inventories, against the market expectation of a draw of 400,000 barrels. It reinforced the perception that domestic demand remains strong enough to drive up oil prices.

According to EIA data released late Wednesday, US commercial crude oil inventories declined by around 1.5 million barrels and gasoline inventories by about 5.7 million barrels, last week. A drop in both

crude and gasoline stocks signaled a rise in demand in the US in favor of higher prices.

Supply concerns triggered by the Israel-Palestine conflict and the Russia-Ukraine war led to more price increases.

Israeli forces bombarded Gaza during the start of the Muslim holy month of Ramadan, despite international efforts to establish a ceasefire.

In Russia, Vasily Golubev, the governor of the Rostov region, stated on Telegram on Wednesday that an attack by a Ukrainian drone had shut down the largest oil refinery in the southern part of the country.

The official said the drones fell on the territory of the Novoshakhtinsk refinery, which has an annual oil processing capacity of 7.5 million tons.

The International Energy Agency's (IEA) latest report on Thursday disclosed that global oil demand is projected to increase by 1.34 million bpd to 103.18 million bpd in 2024. The first quarter growth projections were revised up by 270,000 bpd,

and also for the full year of 2024 by 110,000 bpd compared with last month's report.

The IEA also predicts that global oil supply will increase by 800,000 bpd to 102.9 million bpd in 2024, including a downward adjustment to OPEC+ output.

Despite the weekly gains, oil prices edged lower on Friday as data released on Thursday showed a larger-than-expected increase in producer prices last month in the US.

Some signs of slowing economic activity in the country caused uncertainty over the timing of the expected US Federal Reserve's (Fed) interest rate cuts.

In June, rate reductions by the Fed were anticipated. Lower interest rates are set to reduce the cost of consumer borrowing and stoke expectations of increased economic growth and demand for oil.

The strong US dollar following higher-than-expected consumer price inflation data and investor profit-taking also helped downward price trends.



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## News

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# Nigeria's Reform Transfers Wealth to Government

Wealth is shifting from the private sector to the government due to ongoing reforms across the markets. Due to subsidy removal, the three tiers of government have been able to increase their revenue sharing.

The allocation was even increased further due to exchange rate gains, according to the latest report from the Federal Account Allocation Committee (FAAC) where some N1.5 trillion was shared among states and federal and local government councils.

On the other hand, private sector players are groaning with rising inflation, foreign exchange losses and higher energy costs, which have reduced production capabilities. Large numbers of small and medium-scale businesses are scaling back while governments increase budgets.

True reform should be holistic, experts said while reacting to changing market dynamics as the Nigerian government continue to make certain adjustments to drive the local economy albeit without consideration on how to reduce high governance costs.

Recall that in June 2023, President Bola Ahmed Tinubu launched twin reforms which in actual sense affected Nigerians without means more than the one percentile.

The decision to remove fuel subsidies has worsened the cost and standard of living of people. Then, the pain was garnished with a devaluation of the local currency, the naira.

Though a slew of experts across walks of life lauds the President's move, some critics believe the decision to devalue the naira has no economic relations with those without a need for the dollar.

Since then, the naira has not recovered, and the effects of reduced purchasing power have eclipsed the nation's economic strength. Key indicators have plunged to the worst level ever seen in the history of the country.

Like individuals, companies



are struggling with rising costs of production and low volume sales. Across the markets, inflation has sent price stability a great that such that Apex Bank is again expected to increase interest rates.

"Nigerian elites have ways to hedge their exposure than normal citizens who barely survive on \$2 per day", analysts said. Recently, the Nigerian senate demanded to buy land cruisers worth #160m each. They also claim to prefer foreign automobiles to local ones.

Speaking about this, a member

of the upper chamber justified the need for bullets Proof auto on the ground that Nigerian roads are bad.

To analysts, Tinubu's economic reform is one-sided until governance cost is brought into the forefront.

"There has been no economic reform really and truly...what we have is merely a selective approach to getting things right for the government", a research analyst at LSintelligence associates said.

The government must review

its spending to show seriousness about getting the economy on track.

The latest data from the statistics office showed that Nigeria's economic growth slowed down to 2.74%. In 2022, gross domestic product increased by 3.1%. A year later, it dropped behind despite a series of economic politics which analysts believe has not had effects

The outlook for Nigeria's economic prosperity has become dicey given low spending across the nation. Inflation and exchange

rates have tempered productive activities and could drive a hammer through the projected economic growth for 2024.

Post impacts of petroleum subsidies removal and naira devaluation hurt people on the street more than Nigerian elites, MarketForces Africa gathered. One side can still afford to live right. On the other hand, those in a multi-dimensionally poor category are finding living unbearable.

By consensus, experts believe a reduction in governance costs will do the nation good in terms of fiscal performance. In their respective outlook, investment banking firms are positive about government policies. However, this has driven the nail through the heart of individuals and companies operating in the country.

If the reform is anything to reckon with in good faith, it has to be holistic, a Lagos-based economist said in a chat with MarketForces Africa.

Government policies that reduce citizens' prosperity, and standard of living in exchange for higher allocation to states, FG and local government are noted to be a negative redistribution of wealth.

Analysts guide that the economy is unlikely to achieve target growth until there's improvement in key macros, especially job creation.

## Geregu Power Forecasts Ng.2bn Profit for Q2

Geregu Power Plc is expecting more than N9.2 billion as net profit in the second quarter of financial year 2024 versus N1.006 billion as net operating cash flow expected to be generated from its operating activities.

The company share price has steadied at N1000 with a total market capitalisation of N2.5 trillion. The company came to market at N100 in Oct 2022 and has seen a solid increase in the stock market price.

In a statement signed by its chief executive officer, Akin Akinfemiwa, the company expects revenue to print at N38.172 billion in the

period.

The electric power generating company said its cost of sales has been estimated at N17.373 billion, leaving Geregu Plc with N20.799 billion as gross profit.

The company stated that about N6.5 billion in projected administrative expenses are expected to reduce its operating profit to N14.306 billion in the second quarter.

For Geregu Power, net finance income is expected to be negative in the period, leaving the estimated pretax profit at N14.007 billion.

The power-generating company forecasted a tax provision of

about N4.8 billion. At the end of the period, Geregu Power said its operating cash flow before working capital change is expected to settle at about N15.7 billion.

In the stock market, Geregu Power Plc's market valuation

climbed to N2.5 trillion from N100 in Oct 2022, when the company listed 2.5 billion at N100 per share. Its share price closed at N1000 over the last seven trading sessions ahead of Q1 earnings release.



**GEREGU**  
POWER PLC



## RETURNS ON UTILIZATION OF FUNDS SOLD TO CUSTOMERS FOR THE WEEK ENDED FRIDAY 15<sup>th</sup>-MARCH 2024

This publication: Mandated by the Central Bank of Nigeria (CBN)  
**BANK: ECOBANK NIGERIA LIMITED**

SN	CUSTOMER	ITEM OF IMPORT	DATE OF FUND SALE	USD EX-CHANGE RATE	AMOUNT
1	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	11-Mar-24	1,568.38	469,863.77
2	P B DJEBAH AND COY LTD	370 MT HOT ROLLED STEEL CHANNELS IN COMMERCIAL QTY S235JR/235B LENGTH:118M	11-Mar-24	1,455.27	15,000.00
3	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	12-Mar-24	1,618.10	340,000.00
4	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	12-Mar-24	1,565.37	491,139.35
5	SHAKTI INDUSTRIES LIMITED	PURCHASE OF RAW MATERIALS	12-Mar-24	1,580.00	28,338.75
6	VISTA INTERNATIONAL LIMITED	INDUSTRIAL RAW MATERIAL FOR PRODUCTION OF EXERCISE BOOKS	12-Mar-24	1,580.00	26,996.12
7	EAGLE INDUSTRIES INTL CONCEPT LIMI	FULL CREAM MILK POWDER GAS FLUSHED 28.12 INS/VIT KG 25KG BAG..	12-Mar-24	1,580.00	250,000.00
8	SARO AGROSCIENCE LIMITED	IMPORTATION OF RAW MATERIALS	12-Mar-24	1,618.10	250,000.00
9	OLYMPIC INKS LIMITED	PIGMENT FOR TEXTILES INKS	12-Mar-24	1,580.00	14,483.75
10	EAGLE INDUSTRIES INTL CONCEPT LIMI	FULL CREAM MILK POWDER GAS FLUSHED 28.12 INS/VIT KG 25KG BAG..	12-Mar-24	1,618.10	300,000.00
11	SHAKTI INDUSTRIES LIMITED	IMPORTATION OF RAW MATERIALS	12-Mar-24	1,580.00	3,177.50
12	SARO AGROSCIENCE LIMITED	IMPORTATION OF RAW MATERIALS	12-Mar-24	1,618.10	110,000.00
13	VISTA INTERNATIONAL LIMITED	INDUSTRIAL RAW MATERIAL FOR PRODUCTION OF EXERCISE BOOKS	12-Mar-24	1,580.00	32,993.88
14	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	12-Mar-24	1,619.99	4,295,925.81
15	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	12-Mar-24	1,470.00	12,614,597.85
16	ECOBANK TRANSNATIONAL INCORPORATED	DIVIDEND AND CAPITAL REPATRIATION	12-Mar-24	1,470.00	13,543,965.76
17	BASE FLUID EXCHANGES LTD	BASE OIL	12-Mar-24	1,619.99	6,000.00
18	BASE FLUID EXCHANGES LTD	BASE OIL	12-Mar-24	1,619.99	2,375.94
19	BASE FLUID EXCHANGES LTD	BASE OIL	12-Mar-24	1,619.99	4,983.33
20	BASE FLUID EXCHANGES LTD	BASE OIL	12-Mar-24	1,619.99	1,277.33
21	BASE FLUID EXCHANGES LTD	BASE OIL	12-Mar-24	1,619.99	4,544.37
22	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC AIR-CONDITIONER	12-Mar-24	1,619.99	2,206.42
23	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	2.50
24	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,507.00
25	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	589.38
26	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,743.44
27	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC AIR-CONDITIONER	12-Mar-24	1,619.99	1,178.09
28	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	2.50
29	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	2.50
30	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR CONDITIONER FTN V60B V1/RN V60B V1; DAIKIN AIR CONDITIONER FFRN35CXV1/RN50CGXV19BC; DAIKIN AIR CONDITIONER FVRN125AXV1/RR125DX1	12-Mar-24	1,619.99	1,687.16
31	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	130.23
32	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,327.15
33	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	2.50
34	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,529.05
35	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,507.02
36	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	2.50
37	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC AIR CONDITIONER	12-Mar-24	1,619.99	2,076.54
38	FRANKENSTEIN INNOVATORS LIMITED	*PANASONIC SPLIT TYPE AIR CONDITIONER	12-Mar-24	1,619.99	1,178.76
39	BMS INTL RES.LTD.	OFFSHORE CHARGE	12-Mar-24	1,619.99	60.00
40	BMS INTL RES.LTD.	OFFSHORE CHARGE	12-Mar-24	1,619.99	100.00
41	CROWN FLOUR MILLS LIMITED	OFFSHORE CHARGE	12-Mar-24	1,619.99	150.00
42	CROWN FLOUR MILLS LIMITED	LITHUANIAN MILLING WHEAT	12-Mar-24	1,619.99	6,509.48
43	CROWN FLOUR MILLS LIMITED	OFFSHORE CHARGE	12-Mar-24	1,619.99	565.00
44	CROWN FLOUR MILLS LIMITED	LITHUANIAN MILLING WHEAT	12-Mar-24	1,619.99	2,136.17
45	CROWN FLOUR MILLS LIMITED	LITHUANIAN MILLING WHEAT	12-Mar-24	1,619.99	10,682.20
46	CROWN FLOUR MILLS LIMITED	OFFSHORE CHARGE	12-Mar-24	1,619.99	150.00
47	CROWN FLOUR MILLS LIMITED	LITHUANIAN MILLING WHEAT	12-Mar-24	1,619.99	4,669.37
48	CROWN FLOUR MILLS LIMITED	OFFSHORE CHARGES- RE-IMBURSEMENT CHR	12-Mar-24	1,619.99	131.29
49	DANGOTE SUGAR REFINERY PLC	16,000.00MT 10% +/- BRAZILIAN CANE RAW SUGAR	12-Mar-24	1,619.99	3,431.67
50	DANGOTE SUGAR REFINERY PLC	16,400MT BRAZILIAN CANE RAW SUGAR	12-Mar-24	1,619.99	243,190.33
51	DANGOTE SUGAR REFINERY PLC	16,400MT BRAZILIAN CANE RAW SUGAR	12-Mar-24	1,619.99	10,184.33
52	DANGOTE SUGAR REFINERY PLC	16,400MT BRAZILIAN CANE RAW SUGAR	12-Mar-24	1,619.99	65,000.00
53	DANGOTE CEMENT PLC	ALL RISK FEE	12-Mar-24	1,619.99	6,074.27
54	DANGOTE CEMENT PLC	OFFSHORE CHARGES	12-Mar-24	1,619.99	204.30
55	DANGOTE CEMENT PLC	INTEREST	12-Mar-24	1,619.99	6,765.89
56	AR PACKAGING NIGERIA LIMITED	OFFSHORE CHARGE	12-Mar-24	1,619.99	313.56
57	BASILAND DOMINIC INTEGRATED LTD	DAIKIN AIR CONDITIONER GTE50TV16UZZ/REG50TV16UJ; DAIKIN AIR CONDITIONER GTE50TV35UZZ/REG35TV1UJ	12-Mar-24	1,619.99	877.36
58	BASILAND DOMINIC INTEGRATED LTD	DAIKIN AIR CONDITIONER GTE50TV16UZZ/REG50TV16UJ; DAIKIN AIR CONDITIONER GTE50TV35UZZ/REG35TV1UJ	12-Mar-24	1,619.99	2.50
59	BASILAND DOMINIC INTEGRATED LTD	DAIKIN AIR CONDITIONER GTE50TV16UZZ/REG50TV16UJ; DAIKIN AIR CONDITIONER GTE50TV35UZZ/REG35TV1UJ	12-Mar-24	1,619.99	57.74
60	BUJA SUGAR REFINERY LIMITED	MACHINERY AND EQUIPMENT	12-Mar-24	1,619.99	30,555.56
61	DINCO INDUSTRIES LIMITED	IMPORT OF DRIED SEA PRODUCTS	12-Mar-24	1,619.99	2,729.31
62	AVATA INDUSTRIES LIMITED	AGRICULTURAL VALVE BRAND AVATA MODEL 001	12-Mar-24	1,619.99	1,432.10
63	CHAB INVESTMENT COMPANY LIMITED	IMPORTATION OF GYPSUM IN BAGS, ANHYDRITE (RAW MATERIALS)	12-Mar-24	1,619.99	8,589.78
64	DIAPER GOLDEN UNIC INDUSTRIAL CO LTD	IMPORTATION OF AGRICULTURAL MACHINE SPARE PARTS	12-Mar-24	1,619.99	240.00
65	CORMART NIGERIA LIMITED	LC CHARGES	12-Mar-24	1,619.99	458.29
66	CORMART NIGERIA LIMITED	LC CHARGES	12-Mar-24	1,619.99	60.00
67	CORMART NIGERIA LIMITED	CAUSTIC SODA FLAKES	12-Mar-24	1,619.99	60.00
68	CORMART NIGERIA LIMITED	CAUSTIC SODA FLAKES	12-Mar-24	1,619.99	698.13
69	CORMART NIGERIA LIMITED	CAUSTIC SODA FLAKES	12-Mar-24	1,619.99	600.39

SN	CUSTOMER	ITEM OF IMPORT	DATE OF FUND SALE	USD EX-CHANGE RATE	AMOUNT
70	CORMART NIGERIA LIMITED	STYRENE MONOMER	12-Mar-24	1,619.99	60.00
71	CORMART NIGERIA LIMITED	STYRENE MONOMER	12-Mar-24	1,619.99	60.00
72	CORMART NIGERIA LIMITED	LC CHARGES	12-Mar-24	1,619.99	175.00
73	DE UNITED FOODS INDUSTRIES LIMITED	FLAVOR ONION CHICKEN (ABD)	12-Mar-24	1,619.99	2,177.46
74	DE UNITED FOODS INDUSTRIES LIMITED	SEASONING FOR NOODLES	12-Mar-24	1,619.99	100.00
75	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	927.50
76	FLOUR MILLS OF NIGERIA PLC	CAPEX	12-Mar-24	1,619.99	120.00
77	FLOUR MILLS OF NIGERIA PLC	OFFSHORE CHARGE	12-Mar-24	1,619.99	170.00
78	FLOUR MILLS OF NIGERIA PLC	12,000 METRIC TONS OF BRAZILIAN CANE RAW SUGAR OF AN AVERAGE COLOR BETWEEN 200 AND 1500 ICUMSA IN BULK	12-Mar-24	1,619.99	694.89
79	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	255.00
80	FLOUR MILLS OF NIGERIA PLC	OFFSHORE CHARGE	12-Mar-24	1,619.99	405.00
81	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	750.00
82	FLOUR MILLS OF NIGERIA PLC	OFFSHORE CHARGE	12-Mar-24	1,619.99	3,451.26
83	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	4,676.33
84	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	170.00
85	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	405.00
86	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	255.00
87	FLOUR MILLS OF NIGERIA PLC	12,000 METRIC TONS OF BRAZILIAN CANE RAW SUGAR OF AN AVERAGE COLOR BETWEEN 200 AND 1500 ICUMSA IN BULK	12-Mar-24	1,619.99	680.10
88	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	255.00
89	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	367.21
90	FLOUR MILLS OF NIGERIA PLC	CAPEX	12-Mar-24	1,619.99	50.00
91	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	5,379.33
92	FLOUR MILLS OF NIGERIA PLC	MASTERBATCH & LAMINATION FILM	12-Mar-24	1,619.99	515.00
93	FLOUR MILLS OF NIGERIA PLC	NEW INDUSTRIAL SPARE PARTS FOR MANUFACTURING AND AGRICULTURAL PURPOSES	12-Mar-24	1,619.99	170.00
94	FLOUR MILLS OF NIGERIA PLC	36,000 Metric Tons of Milling Wheat in Bulk.	12-Mar-24	1,619.99	310.00
95	FLOUR MILLS OF NIGERIA PLC	CAPEX	12-Mar-24	1,619.99	90.00
96	FLOUR MILLS OF NIGERIA PLC	CAPEX	12-Mar-24	1,619.99	200.00
97	OBAJANA AGRO-SACKS LIMITED	P.P.HOMOPOLYMER HSV103	12-Mar-24	1,619.99	65,000.00
98	A A RANO NIGERIA LTD	5,000 METRIC TONES OF COMMERCIAL BUTANE	12-Mar-24	1,619.99	97,620.42
99	A A RANO NIGERIA LTD	AUTOMOTIVE GAS OIL (AGO)	12-Mar-24	1,619.99	56,280.00
100	EUNACO REFRACTORIES LIMITED	PURCHASE OF RAW MATEIRLAS	12-Mar-24	1,619.99	1,225.18
101	EUNACO REFRACTORIES LIMITED	PURCHASE OF RAW MATEIRLAS	12-Mar-24	1,619.99	1,586.49
102	EUNACO REFRACTORIES LIMITED	PURCHASE OF RAW MATEIRLAS	12-Mar-24	1,619.99	5,505.10
103	EUNACO REFRACTORIES LIMITED	RAW MATERIALS (REFRACTORY FIBER BLANKETS)	12-Mar-24	1,619.99	1,129.95
104	EUNACO REFRACTORIES LIMITED	OFFSHORE CHARGE	12-Mar-24	1,619.99	2,297.67
105	ENERGY SHIELD PETROCHEMICAL LIMITED	15,000 METRIC TONS GASOIL	12-Mar-24	1,619.99	112.44
106	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTORCYCLES IN CKD CONDITION	12-Mar-24	1,619.99	552.67
107	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTOR CYCLES	12-Mar-24	1,619.99	441.34
108	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTORCYCLE	12-Mar-24	1,619.99	552.67
109	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTOR CYCLES	12-Mar-24	1,619.99	120.00
110	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTORCYCLE	12-Mar-24	1,619.99	552.67
111	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF IMPORTATION OF MOTORCYCLE IN CKD CONDITION HJ110-5	12-Mar-24	1,619.99	4,208.80
112	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTOR CYCLES	12-Mar-24	1,619.99	321.34
113	EVAME MULTI NATIONAL COMPANY LTD	IMPORTATION OF HAOJUE BRAND OF MOTORCYCLE	12-Mar-24	1,619.99	562.67
114	CLEMSON (WEST AFRICA) LIMITED	PAYMENT FOR INDUSTRIAL RAW MATERIAL	12-Mar-24	1,619.99	592.97
115	CROWN FLOUR MILLS LIMITED	LATVIAN MILLING WHEAT	15-Mar-24	1,601.00	1,000,000.00
116	ABUJA STEEL MILLS LIMITED	INDUSTRIAL MACHINERY	15-Mar-24	1,600.50	184,341.97

### RETURNS ON SOURCES OF FUNDS PURCHASED FROM CUSTOMERS FOR THE WEEK ENDED FRIDAY 15<sup>th</sup> MARCH, 2024

SN	SOURCE	DATE OF FUND PURCHASE	USD EXCHANGE RATE	AMOUNT
1	OTHERS	11-Mar-24	1,510.00	1,324.50
2	OTHERS	11-Mar-24	1,567.38	28.54
3	OTHERS	11-Mar-24	1,567.38	370,025.86
4	OTHERS	11-Mar-24	1,567.38	70.29
5	OTHERS	11-Mar-24	1,567.38	125,031.35
6	OTHERS	11-Mar-24	1,567.38	271.72
7	OTHERS	11-Mar-24	1,567.38	121,442.53
8	OTHERS	11-Mar-24	1,610.00	500,000.00
9	DOMICILIARY ACCOUNTS	11-Mar-24	1,454.27	15,000.00
10	OTHERS	12-Mar-24	1,500.00	3,333.33
11	OTHERS	12-Mar-24	1,600.00	500,000.00
12	OTHERS	12-Mar-24	1,564.37	75.81
13	OTHERS	12-Mar-24	1,564.37	123,108.36
14	DOMICILIARY ACCOUNTS	12-Mar-24	1,530.00	349,990.00
15	DOMICILIARY ACCOUNTS	12-Mar-24	1,530.00	6,000.00
16	DOMICILIARY ACCOUNTS	12-Mar-24	1,618.00	1,000,000.00
17	INTERBANK	13-Mar-24	1,610.00	100,000.00
18	CAPITAL IMPRT/FDI	12-Mar-24	1,469.00	31,158,563.61
19	EXPORT PROCEEDS	15-Mar-24	1,600.00	180,094.57
20	EXPORT PROCEEDS	15-Mar-24	1,600.00	4,247.40
21	EXPORT PROCEEDS	15-Mar-24	1,600.00	1,000,000.00
	<b>TOTAL AMOUNT</b>			<b>35,558,607.87</b>
	<b>AVERAGE AMOUNT</b>			<b>1,693,267.04</b>

# News

<https://dmarketforces.com>

## Nigeria Has Become Hotspot of Uncertainties – Analysts

Nigeria's economy has become a hotspot for uncertainties due to worsening key indicators spooked by the authority's policy choices. Prices of goods and services have surged at a time when Nigeria's gross domestic product (GDP) growth record has slowed.

The headline inflation rate worsened to 31.7% in February, while the naira lost a great deal in 2024. The country's unemployment rate has been redesigned to look good in a country where 133 million people are multi-dimensionally poor.

Basics needs are no longer affordable for the masses as fuel subsidy removal cut into the heart of market prices of everything – including healthcare services and more. Some analysts predicted an increase in job losses in Nigeria as companies face multiple pressures that have reduced margins, volume sales and profitability.

Amidst high energy costs, the decision to hike interest rates to combat hot red inflation has added another layer of costs to the company's operations, analysts said at a meeting with MarketForces Africa.

Big companies are struggling with losses emanating from negative exchange rate movement. The devaluation of the Nigerian naira in June 2023 broke Nigerian companies' balance, and the pressures continued early this year when FMDQ adjusted the Naira's exchange rate pricing methodology.

"Companies operating in Nigeria markets are facing high interest rates in addition to unstable energy costs. Generally, a steep rise in headline inflation rate has put pressure on production costs.

"This forced businesses to hike prices. But then, there is a limit to stretching price without losing volume", LSintelligence Associates said in a chat with MarketForces Africa.

Some companies have been increasing prices without an end in sight as they adjust to market dynamics. Many listed companies made their results available on the Nigerian Exchange and reported broken balances.

Rising foreign exchange losses plunged their earnings downward, with negative effects on shareholders' funds. The pattern cut across all sectors, with minor impacts on the banking sector. The current economic situation in Nigeria is negative for inclusive economic growth,



noting that private sector is underperforming due to undue economic stress.

Nigeria's headline inflation rate advanced for the fourteenth consecutive month by 180 basis points year on year to 31.7% in February 2024 – a new record high in over three decades based on CBN and NBS data.

On a monthly comparison, the headline rate printed at 3.1% from 2.6% in January, reflecting continued price pressure on both the food and core inflation sub-baskets.

Diving deep, the food inflation index nudged higher to a record 37.9% versus 35.4% in January, while the month-on-month reading printed at 3.8% from 3.2% in January, making it the highest since the NBS began tracking the data in 2009.

In its debut money policy committee meeting, the central bank hiked the benchmark interest rate by 4% to 22.75%. The tightening of monetary policy becomes a tool to curtail liquidity and rein in stubbornly elevated inflation.

"There is an unintended consequence of the policy actions. Banks would raise lending rates, and the government might likely pay more on its borrowings. Companies would find expansion an expensive adventure due to the lower purchasing power of the naira," LSintelligence Associates told MarketForces Africa in reaction to an aggressive rate adjustment in February 2024.

Improved revenue from oil sales has not helped the masses. Analysts noted that

monthly allocations obtained by the federal government, states, and local government councils have increased. Increased oil production has raised gross external reserves above \$34.4 billion. Despite this, the exchange rate movement remains unimpressive across FX markets.

Nigeria recorded a total crude oil export revenue of N29 trillion in 2023, which was a 37% increase compared to N21.1 trillion recorded in the previous year, according to the statistics office. Nigeria's gross domestic product (GDP) expanded by 3.46% year over year in Q4-2023. This represents the best quarterly expansion of the year and can be attributed to the recovery in the oil sector.

For the record, the oil sector recorded its first positive

output growth since March 2020, thus recovering from a 3-year-long recession. Overall, this contributed to the full-year real output expansion of 2.74%, below 3.10% annual growth reported in 2022.

According to the National Upstream Petroleum Regulatory Commission, oil production (including condensates) improved to 1.64 million barrels per day in January. At this pace, the oil sector could record a strong rebound in 2024 and support the ailing non-oil sector.

In a note, Vetiva Capital Limited said key worries over the non-oil sector abound as high fuel prices and elevated FX volatility could pave the way for contractions in the manufacturing sector. Analysts said this weakness could spill over into the trade sector.

SIZES	CENTIMETERS	COLOUR	BLACK & WHITE (PUBLIC NOTICE)		BLACK & WHITE (PRODUCT)			
			Rate	Vat (7.5%)	Rate	Vat (7.5%)	Rate	Vat (7.5%)
FULL PAGE	36.83X26.67		725,400.00	54,405.00	548,145.00	41,110.88	403,065.00	30,229.88
HALF PAGE	18.41 X26.67		435,240.00	32,643.00	322,452.00	24,183.90	257,985.00	19,348.88
13X4	13.02X16.58		491,751.00	36,881.33	451,386.00	33,853.95	314,379.00	23,578.43
10X6	25.4X26.67		564,291.00	42,321.83	359,541.00	26,965.58	327,249.00	24,543.68
10X5	25.4X21.61		540,072.00	40,505.40	327,249.00	24,543.68	290,160.00	21,762.00
10X4	25.4X16.58		467,532.00	35,064.90	290,160.00	21,762.00	241,839.00	18,137.93
10X3	25.4X13.33		338,598.00	25,394.85	257,985.00	19,348.88	209,664.00	15,724.80
9X6	22.86X26.67		531,999.00	39,899.93	330,525.00	24,789.38	290,160.00	21,762.00
9X5	22.86X21.61		451,386.00	33,853.95	266,058.00	19,954.35	257,985.00	19,348.88
9X4	22.86X16.58		403,065.00	30,229.88	257,985.00	19,348.88	225,693.00	16,926.98
9X3	22.86X13.33		338,598.00	25,394.85	201,591.00	15,119.33	174,096.00	13,057.20
8X5	20.32X21.61		354,744.00	26,605.80	257,985.00	19,348.88	201,591.00	15,119.33
8X4	20.32X16.58		322,452.00	24,183.90	193,518.00	14,513.85	182,169.00	13,662.68
8X3	20.32X13.33		241,839.00	18,137.93	177,372.00	13,302.90	139,230.00	10,442.25
7X4	17.78X16.58		282,204.00	21,165.30	161,226.00	12,091.95	158,067.00	11,855.03
QUARTER PAGE	19.68X14.22		274,131.00	20,559.83	193,518.00	14,513.85	161,226.00	10,438.35
6X3	15.24X13.33		193,518.00	14,513.85	104,832.00	7,862.40	96,759.00	7,256.93
6X2	15.24X8.38		135,486.00	10,161.45	72,540.00	5,440.50	58,032.00	4,352.40
4X2	10X16X8.38		90,324.00	6,774.30	45,162.00	3,387.15	40,365.00	3,027.38
3X2	7.62X8.38		67,743.00	5,080.73	33,930.00	2,544.75	29,016.00	2,176.20
2X2	5.08X8.38		45,162.00	3,387.15	22,581.00	1,693.58	19,422.00	1,456.65
1X1	2.54X2.54		11,349.00	851.18	6,552.00	491.40	5,733.00	429.98
3X6 INSIDE STRIP	7.62X26.67		370,773.00	27,807.98	209,664.00	15,724.80	193,518.00	14,513.85
4X6 INSIDE STRIP	10.16X26.67		403,065.00	30,229.88	290,160.00	21,762.00	225,693.00	16,926.98
2X6 INSIDE STRIP	5.08X26.67		338,598.00	25,394.85	193,518.00	14,513.85	161,226.00	12,091.95

**SPECIAL POSITION**

POSITIONS	COLOUR		BLACK & WHITE	
	RATE	VAT (%)	RATE	VAT (%)
FRONT PAGE TOP STRIP 3X6	1,300,000.00	97,500.00		
FRONT PAGE TOP STRIP 2X6	1,200,000.00	90,000.00		
FRONTPAGE STRIP 2X6	702,000.00	52,650.00		
BACKPAGE STRIP 2X6	644,904.00	48,367.80	451,386.00	33,853.95
FRONTPAGE STRIP 3X6	971,100.00	72,832.50		
BACKPAGE STRIP 3X6	806,013.00	60,450.98	564,291.00	42,321.83
FRONTPAGE STRIP 4X6	1,612,026.00	120,901.95		
BACKPAGE STRIP 4X6	1,128,465.00	84,634.88	967,239.00	72,542.93
FRONTPAGE SOLUS 6X2	886,626.00	66,496.95		
BACKPAGE SOLUS 6X2	564,291.00	42,321.83	483,678.00	36,275.85
CENTRESPREAD	2,095,704.00	157,177.80	1,773,252.00	132,993.90
CENTRESPREAD HALFPAGE	1,531,413.00	114,855.98	1,370,304.00	102,772.80
DOUBLESREAD	1,934,478.00	145,085.85	1,289,691.00	96,726.83
FRONTPAGE EARPIECE	411,138.00	30,835.35		
BACKPAGE EARPIECE	322,452.00	24,183.90		
PAGE 2	1,289,691.00	96,726.83		
PAGE 3	1,289,691.00	96,726.83		
PAGE 5	1,128,465.00	84,634.88		
FULL WRAP AROUND	32,760,000.00	2,457,000.00		
HALF WRAP AROUND	19,890,000.00	1,491,750.00		
10X6 FRONT PAGE	14,040,000.00	1,053,000.00		
HALF PAGE FRONT	10,530,000.00	789,750.00		

**DISCOUNTED RATE FOR EDUCATION**

SIZE	COLOUR		BLACK & WHITE	
	RATE	Vat (%)	RATE	Vat (%)
FULL PAGE	549,900.00	41,242.50	371,124.00	27,834.30
HALF PAGE	362,700.00	27,202.50	292,500.00	21,937.50
10X5	327,600.00	24,570.00	222,300.00	16,672.50
QUARTER PAGE	229,320.00	17,199.00	155,610.00	11,670.75
6X2	78,624.00	5,896.80	53,352.00	4,001.40
1X1	6,552.00	491.40	4,446.00	333.45

**POLITICAL RATE**

SIZE	COLOUR		BLACK & WHITE	
	RATE	Vat (%)	RATE	Vat (%)
FULL PAGE	876,096.00	65,707.20	662,592.00	49,694.40
HALF PAGE	499,392.00	37,454.40	377,664.00	28,324.80
QUARTER PAGE	268,992.00	20,174.40	203,424.00	15,256.80
10X6	832,320.00	62,424.00	629,472.00	47,210.40
10X5	693,792.00	52,034.40	524,640.00	39,348.00
10X4	554,976.00	41,623.20	420,116.16	31,508.71
CENTRESPREAD	2,250,835.00	168,812.63	1,701,925.00	127,644.38
DOUBLESREAD	2,000,700.00	150,052.50	1,513,065.00	113,479.88
FRONTPAGE STRIP 2X6	1,300,000.00	97,500.00		
BACKPAGE STRIP 2X6	1,100,000.00	82,500.00		
FRONTPAGE STRIP 3X6	1,400,000.00	105,000.00		
BACKPAGE STRIP 3X6	1,200,000.00	90,000.00		
FRONTPAGE STRIP 4X6	1,500,000.00	112,500.00		
BACKPAGE STRIP 4X6	1,300,000.00	97,500.00		

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FULL PAGE	645,840.00	48,438.00	760,500.00	57,037.50
10X5	397,800.00	29,835.00	565,110.00	42,383.25
HALF PAGE	386,100.00	28,957.50	485,550.00	36,416.25
QUARTER PAGE	202,410.00	14,917.50	292,500.00	21,937.50

# News

<https://dmarketforces.com>

## Lagos, FHA to collaborate on building homes for residents



The Federal Housing Authority (FHA) said on Saturday that it would be collaborating with the Lagos State Government to build affordable housing for the residents.

Mr Oyetunde Ojo, Managing Director/Chief Executive, FHA,

said this when he led the FHA management on a courtesy visit to the Lagos State Governor, Mr Babajide Sanwo-Olu, in Lagos.

This was disclosed via a statement issued by the Public Affairs Officer of the FHA, Mr Kenneth Chigelu, on Saturday in Lagos. Ojo said, "Our visit is based on two purposes: a courtesy visit, and to deliver the Renewed Hope Agenda of the President on Housing."

According to him, affordable housing is a key point in the agenda of the government of President Bola Ahmed Tinubu. The MD said that the new 'end user driven' policy of the FHA management was to partner with the state on designs that suit local preferences.

This, he said, would enable them to have ownership of the projects, noting that the idea of imposing designs on people was over.

Ojo applauded the Lagos State governor's laudable

achievements, especially in the area of Housing, and declared the willingness of the FHA to collaborate with the state government.

He said, "We are here to ask for land, after the land we then talk about the kind of houses to deliver. "We don't want to impose any designs on you. We want to collaborate with you and share knowledge and experiences with you."

The FHA boss emphasised that the Authority intended to reduce costs, and proposed building studio and one-bedroom apartments for the young people. According to him, there will be a carcass with electricals and plumbing and a common exterior.

This, he said, would reduce the costs and allow individuals to finish their houses based on affordability. He also disclosed the Authority's planned Diaspora City project, aimed at catering for those in Diaspora.

The MD craved the indulgence of the state governor for President Tinubu to flag off and commission an FHA project in Lagos.

Responding, Sanwo-Olu acknowledged the housing shortage in the state and welcomed any initiative that would address it. He noted that his government had commissioned about 19 estates in the state.

He said that the FHA's vision and approach was compatible with his own government's goals. "Your vision tallies with ours, which is providing accommodation for the people.

"We can collaborate because there are a lot of housing needs in Lagos," Sanwo-Olu said.

He emphasised the need for Lagos to build high-density housing (going vertical) but stressed affordability. He assured the FHA of his commitment to finding land for development but insisted on a quick turnaround.

Sanwo-Olu congratulated the new FHA leadership, challenging them to make a significant impact on Lagos's skyline.

Recalls that the FHA management had embarked on a tour of South Western states as part of its efforts to get state governments' buy-in on its drive to make houses available to Nigerians of all classes. This, it had said, was in line with the President's Renewed Hope Agenda.

## Undersea cable cut: MainOne restores service to some customers

MainOne, a Digital Infrastructure Service Provider on Saturday said that it had restored service to some customers and was actively working on restoring all services through capacity acquired on available cable systems.

The organisation made this known via a statement on its website in response to news reports that it would take two weeks to five weeks for it to restore internet services.

The statement said that the estimated repair time that it had earlier declared was for its submarine cable fault to be fixed.

"The repair time is to enable our services to become fully restored and independently supply capacity to customers.

"We have already restored services to some customers and are actively working on restoring services to others via capacity acquired on available cable systems," the statement said.

Earlier, MainOne said that it recognised the impact of the outage and was working tirelessly to make available restoration of capacity for temporal relief where feasible.

"We are very optimistic that our cable will be repaired as planned

and services fully restored so that we can continue to operate with continued integrity of the submarine cable," it said.

The Nigerian Communication Commission (NCC) had said that the internet disruptions being experienced by organisations, banks, and individuals were a result of damage affecting major undersea cables near Abidjan in Côte d'Ivoire.

The NCC said that the damage was causing downtime across West and South African countries. It said that the cuts occurred somewhere in Cote d'Ivoire and Senegal, with an attendant disruption in Portugal.

It said that cable companies – West African Cable System (WACS) and African Coast to Europe (ACE) in the West Coast route from Europe – had experienced faults, while SAT3 and MainOne had downtime.

The regulatory body added that similar undersea cables providing traffic from Europe to the East Coast of Africa, like Seacom, Europe India Gateway (EIG), and Asia-Africa-Europe 1 (AAE1), were said to have been cut at some point around the Red Sea.

This, it said, resulted in the

degradation of services across these routes. In an earlier statement, MainOne had declared a force majeure on its contractual obligations while explaining steps to restore connectivity.

The force majeure is an unforeseeable circumstance that prevents someone from fulfilling a contract.

The unforeseen circumstances

may be natural disasters (fire, storms, floods), or governmental or societal actions (war, invasion, civil unrest, labour strikes), or infrastructure failures (transportation, energy).

MainOne, an Equinix company, is one of the leading data centre and connectivity solution provider with a presence in Nigeria, Ghana and Cote d'Ivoire.



## News

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# FX Losses Damages Companies Earnings, Balance Sheets

The local businesses are facing intense pressure as macroeconomic indicators continue to drop sharply. Companies' earnings are under threat as a result of the devaluation of the naira, and subsequent FX pricing methodology adjustments.

The removal of fuel subsidies and the exchange rate reform worsened private sector performance, and a growing number of companies are posting large losses.

Inflation has peaked near 32% and it is expected to rise further. Analysts see this as a downside for consumer goods volume sales in the first half of 2024.

Prices of goods have been adjusted multiple times to compensate for higher production costs incurred by manufacturers and other service providers.

The exchange rate pass-through effect on consumer prices has also exacerbated the inflation problem. Nigeria is an import-dependent country and hence imported inflation will continue to affect domestic prices through the exchange rate, Deloitte said in a note.

Details obtained from the Nigerian Exchange showed that listed companies are not finding this time funny due to the direct impacts of naira devaluation on their respective FX liabilities.

In 2023, MTN Nigeria Plc recorded a huge post-tax loss of N137 billion as devaluation cost the telecom company more than N740 billion. The large amount lost plunged the company shareholders' fund to negative, which put the company on a dividend payment holiday.

Also, in the fast-moving consumer goods sector, all operators saw an earnings downturn. Nestle Nigeria reported N93.1 billion annual loss.

The negative performance wiped out the company's shareholders' fund, which now stands at a negative balance of N78.0 billion.

The food producers rely on foreign-nominated loans. The same pattern was witnessed in other rivals with majority shareholding interests by foreign parents.

Nigerian Breweries Plc recorded a net loss of N106 billion for the year ended 2023 due to economic pressures and devaluation of the naira in last year June.

Guinness Nigeria Plc posted N5.23 billion as a loss after tax due to a strong spike in net finance costs, driven by large forex losses.

Cadbury Nigeria recorded a N26.3 billion net loss in 2023. The

total equity of the company was more than N15 billion negative from N13.3 billion posted in the comparable period in 2022.

Despite a huge tax credit in 2023, Dangote Sugar Refinery posted heart breaking results. With a tax credit of N35.16 billion, loss after tax came in at N73.76 billion in 2023 against net profit of N54.74 billion in 2022.

International Breweries Plc's loss widened by 175% in 2023 as the company's foreign currency liabilities on its balance sheet resulted in huge losses due to a rapid depreciation of Nigerian naira.

According to the company's unaudited financial statement for 2023, annual loss expanded to about N59.5 billion, a steep increase from N21.63 billion posted in 2022.

In 2024, the economy is forecasted to grow at a subdued rate again. The consensus projections hover around the range of 2.6% to 3.8%, with the Federal Government of Nigeria projecting an optimistic 3.88% in its 2024 Appropriation Act.

The projected sluggish pace of growth can be attributed to a



high inflation environment, which has stifled consumer demand and contributed to the ongoing naira weakness and dollar scarcity.

Other factors that will impact the country's growth trajectory include high-interest rates, limited credit growth, an elevated

debt-service burden, and a wide infrastructure gap.

In an update on the consumer sector, CardinalStone Partners said after the currency-induced plunge in the bottom line of Nigerian FMCG companies, the sector may be set for a slight recovery in 2024

despite projected tamer revenue growth and elevated borrowings.

Analysts' optimism is supported by debt restructuring campaigns, aggressive cost optimisation, and capacity expansion, all of which bode well for earnings.

## Foreign Investors Boost Interest in Nigeria US Dollar Bonds



Ahead of a plan to raise Eurobonds to support the Nigerian government budget deficit, foreign investors have raised their holdings of the sovereign US dollar bonds.

The buying momentum continues from last week's trade pattern amidst hope of economic resurgence in Africa's largest economy by the size of its gross domestic product.

Nigeria is currently offering higher rates to attract foreign

investors into the economy to reduce the scarcity of forex inflows, which has bedridden the local currency.

Rates on short-term Treasury bills remained above 21% despite high inflation conditions. In the sovereign Eurobonds market, there was mild positive trading activity on Nigeria's US dollar bonds, trimming the average yield to 9.91%, Cowry Asset Management Limited told investors via email.

Trades have been moving both sides of the international market for sovereign Eurobond assets amidst an unclear outlook about rates, and inflation conditions.

As the ongoing positive reforms send hope signals about an economic resurgence in the year, foreign investors rally on Nigeria's US dollar bonds.

The bullish trend resulted in a 0.01% decline in the average yield to close at 9.91%. The expected US Fed rate cut has been pointed out as one of the monetary actions that will reset market direction in the second half of 2024.

The yield on the US 10-year Treasury note steadied at 4.28% on Friday, after climbing by 19 basis points this week and holding at high levels not seen since late February.

Traders brace for the Fed's monetary policy decision next week, with the central bank expected to keep the Fed funds rate steady, although investors will scrutinize new economic projections and any further clues on when the Fed will start cutting

interest rates.

Currently, there is a 57% chance of a 25 basis point rate cut in June, but traders are growing more confident that any cuts will likely occur later in the year, especially after recent consumer price index (CPI) and producer price index (PPI) data exceeded expectations.

"We expect both the US Federal Reserve and ECB to cut rates three times, by a total of 75 basis points, by year-end," Fitch Ratings projected in a commentary note.

The firm said both central banks want to see more evidence that recent disinflation progress is durable before starting the policy-easing process.

"We have pushed back the date of the first Fed cut to July from our previous expectation of June. We have also pushed back the date of the first European Central Bank cut to June from April".

In the bond market, trading activity leaned towards bullish territory, resulting in a marginal decline in the average yield by 0.01% to 18.33%.

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# Stocks

## Closing Share Prices as at Sunday, 17th March, 2024

Ticker	Previous Close	Open Price	High Price	Low Price	Close Price	Absolute Change Price	Change Percent	Number of Trades	Daily Volume	Daily Value
ABBEYBDS	2.44	2.44	-	-	2.44	-	0.0%	7	9,893	21,776
ABCTRANS	0.73	0.73	0.71	0.71	0.71	(0.02)	-2.7%	11	276,193	197,704
ACADEMY	1.74	1.74	-	-	1.74	-	0.0%	4	4,640	7,310
ACCESSCORP	23.35	23.35	23.15	22.50	23.00	(0.35)	-1.5%	369	11,747,567	267,898,903
AFRIPRUD	7.55	7.55	-	-	7.55	-	0.0%	65	559,618	4,015,365
AIICO	1.00	1.00	1.00	0.95	0.99	(0.01)	-1.0%	118	7,805,773	7,652,261
AIRTELAfri	2,200.00	2,200.00	-	-	2,200.00	-	0.0%	13	3,388	6,708,240
ALEX	7.15	7.15	-	-	7.15	-	0.0%	1	10	70
AUSTINLAZ	2.03	2.03	-	-	2.03	-	0.0%	3	311	622
BERGER	17.35	17.35	-	-	17.35	-	0.0%	11	7,200	120,401
BETAGLAS	59.40	59.40	-	-	59.40	-	0.0%	7	22,148	1,194,292
BUACEMENT	141.00	141.00	-	-	141.00	-	0.0%	76	77,169	9,840,048
BUAFOODS	379.90	379.90	-	-	379.90	-	0.0%	18	1,282	443,703
CADBURY	18.30	18.30	19.00	19.00	19.00	0.70	3.8%	45	199,786	3,705,520
CAP	23.50	23.50	-	-	23.50	-	0.0%	9	200,832	4,478,404
CAVERTON	1.55	1.55	1.69	1.60	1.60	0.05	3.2%	35	746,943	1,190,099
CHAMPION	3.76	3.76	-	-	3.76	-	0.0%	20	118,440	444,586
CHAMS	2.30	2.30	2.35	2.21	2.21	(0.09)	-3.9%	28	1,499,337	3,360,497
CHELLARAM	4.10	4.10	-	-	4.10	-	0.0%	1	8	30
CILEASING	3.70	3.70	3.40	3.40	3.40	(0.30)	-8.1%	15	541,759	1,906,294
CONHALLPLC	1.35	1.35	1.48	1.23	1.33	(0.02)	-1.5%	57	7,013,800	9,016,240
CONOIL	90.90	90.90	-	-	90.90	-	0.0%	13	8,735	721,199
CORNERST	2.10	2.10	2.20	2.20	2.20	0.10	4.8%	14	309,438	674,455
CUSTODIAN	9.00	9.00	-	-	9.00	-	0.0%	24	78,290	740,128
CUTIX	2.60	2.60	2.62	2.60	2.60	-	0.0%	22	929,985	2,433,983
CWG	6.30	6.30	6.10	5.70	6.10	(0.20)	-3.2%	35	1,345,978	7,931,288
DAARCOMM	0.78	0.78	-	-	0.78	-	0.0%	7	17,887	12,700
DANGCEM	686.70	686.70	-	-	686.70	-	0.0%	33	17,322	10,706,728
DANGSUGAR	61.25	61.25	-	-	61.25	-	0.0%	171	910,940	54,677,033
DEAPCAP	0.75	0.75	0.82	0.72	0.72	(0.03)	-4.0%	40	1,022,422	765,086
ELLAHLAKES	3.25	3.25	3.19	3.01	3.19	(0.06)	-1.8%	23	1,241,605	3,921,221
ETERNA	15.15	15.15	-	-	15.15	-	0.0%	28	86,970	1,320,246
ETI	23.00	23.00	23.45	23.30	23.30	0.30	1.3%	72	3,631,741	84,575,059
ETRANZACT	5.70	5.70	-	-	5.70	-	0.0%	3	220	1,353
EUNISELL	3.20	3.20	-	-	3.20	-	0.0%	1	1	3
FBNH	35.00	35.00	37.00	34.90	37.00	2.00	5.7%	339	29,577,164	1,058,136,949
FCMB	8.40	8.40	8.45	8.15	8.45	0.05	0.6%	127	2,181,984	18,101,118
FIDELITYBK	10.40	10.40	10.65	10.00	10.00	(0.40)	-3.8%	165	4,770,739	48,292,493
FIDSON	16.00	16.00	-	-	16.00	-	0.0%	22	36,624	527,386
FLOURMILL	33.55	33.55	35.10	35.00	35.00	1.45	4.3%	98	2,410,669	84,518,506
FTNCOCOA	1.57	1.57	1.62	1.62	1.62	0.05	3.2%	31	320,954	519,969
GEREGU	1,000.00	1,000.00	-	-	1,000.00	-	0.0%	50	77,365	69,631,174
GTCO	44.05	44.05	48.45	44.00	48.45	4.40	10.0%	249	13,747,670	645,341,593
GUINEAINS	0.38	0.38	-	-	0.38	-	0.0%	9	102,600	39,591
GUINNESS	46.00	46.00	-	-	46.00	-	0.0%	66	159,416	7,510,059
HONYFLOUR	3.74	3.74	-	-	3.74	-	0.0%	37	181,871	677,788
IKEJAHOTEL	7.20	7.20	-	-	7.20	-	0.0%	20	368,690	2,389,147
IMG	13.75	13.75	-	-	13.75	-	0.0%	7	33,824	445,269
INFINITY	7.19	7.19	-	-	7.19	-	0.0%	1	20	130
INTBREW	4.00	4.00	4.39	4.39	4.39	0.39	9.7%	29	174,545	764,146
INTENEGINS	1.35	1.35	1.25	1.22	1.22	(0.13)	-9.6%	37	2,453,978	3,028,329
JAIZBANK	2.01	2.01	2.05	2.00	2.01	-	0.0%	97	3,563,183	7,198,325
JAPAUFGOLD	2.19	2.19	2.17	2.01	2.10	(0.09)	-4.1%	73	2,020,670	4,229,445
JBERGER	67.10	67.10	72.60	72.60	72.60	5.50	8.2%	61	366,661	24,404,656
JOHNHOLT	1.98	1.98	-	-	1.98	-	0.0%	5	50,930	95,615
JULI	5.38	5.38	-	-	5.38	-	0.0%	6	25,500	150,705
LASACO	2.00	2.00	-	-	2.00	-	0.0%	23	389,185	788,828
LEARNAFRCA	3.40	3.40	-	-	3.40	-	0.0%	8	39,132	133,029
LINKASSURE	0.78	0.78	0.78	0.78	0.78	-	0.0%	1	100,000	78,000
LIVESTOCK	1.55	1.55	-	-	1.55	-	0.0%	20	273,160	414,437

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# Stocks

## Closing Share Prices as at Sunday, 17th March, 2024

Ticker	Previous Close	Open Price	High Price	Low Price	Close Price	Absolute Change Price	Change Percent	Number of Trades	Daily Volume	Daily Value
MANSARD	5.29	5.29	5.10	5.10	5.10	(0.19)	-3.6%	30	433,373	2,256,554
MAYBAKER	5.10	5.10	-	-	5.10	-	0.0%	15	146,895	758,847
MBENEFIT	0.59	0.59	0.62	0.60	0.60	0.01	1.7%	21	1,925,760	1,178,560
MCNICHOLS	1.29	1.29	-	-	1.29	-	0.0%	5	122,278	143,170
MECURE	9.72	9.72	-	-	9.72	-	0.0%	5	2,717	23,774
MEYER	5.60	5.60	-	-	5.60	-	0.0%	3	1,650	8,316
MORISON	1.41	1.41	1.41	1.41	1.41	-	0.0%	1	5,000,000	7,050,000
MRS	135.00	135.00	-	-	135.00	-	0.0%	13	8,658	1,051,947
MTNN	248.00	248.00	267.80	267.80	267.80	19.80	8.0%	411	2,042,286	506,239,372
MULTIVERSE	15.30	15.30	-	-	15.30	-	0.0%	2	9,430	129,851
NAHCO	30.90	30.90	31.00	31.00	31.00	0.10	0.3%	42	420,268	12,734,591
NASCON	57.00	57.00	-	-	57.00	-	0.0%	60	300,867	16,972,441
NB	29.80	29.80	-	-	29.80	-	0.0%	122	754,628	22,367,189
NCR	4.32	4.32	-	-	4.32	-	0.0%	1	400	1,556
NEIMETH	1.70	1.70	-	-	1.70	-	0.0%	6	16,906	29,708
NEM	6.65	6.65	-	-	6.65	-	0.0%	20	448,959	2,877,291
NESTLE	901.00	901.00	-	-	901.00	-	0.0%	56	9,644	8,715,961
NGXGROUP	22.00	22.00	-	-	22.00	-	0.0%	26	333,750	7,848,985
NIDF	114.00	114.00	-	-	114.00	-	0.0%	4	1,219	137,747
NPFMCRFBK	1.95	1.95	-	-	1.95	-	0.0%	5	9,198	18,313
NSLTECH	0.60	0.60	-	-	0.60	-	0.0%	3	50,000	27,055
OANDO	11.10	11.10	11.50	11.00	11.50	0.40	3.6%	124	8,756,948	97,885,469
OKOMUOIL	243.00	243.00	-	-	243.00	-	0.0%	20	11,916	2,908,087
OMATEK	0.75	0.75	0.80	0.71	0.80	0.05	6.7%	31	1,979,804	1,533,870
PRESCO	231.50	231.50	-	-	231.50	-	0.0%	21	10,547	2,319,199
PRESTIGE	0.54	0.54	0.59	0.59	0.59	0.05	9.3%	12	335,568	197,048
PZ	40.00	40.00	-	-	40.00	-	0.0%	6	246	8,856
REGALINS	0.39	0.39	-	-	0.39	-	0.0%	7	76,104	28,342
ROYALEX	0.79	0.79	-	-	0.79	-	0.0%	15	134,406	108,339
RTBRISCOE	0.49	0.49	0.50	0.50	0.50	0.01	2.0%	7	372,171	186,910
SCOA	1.96	1.96	-	-	1.96	-	0.0%	4	8,450	16,478
SEPLAT	3,370.00	3,370.00	-	-	3,370.00	-	0.0%	10	1,340	4,064,220
SOVRENINS	0.43	0.43	0.43	0.43	0.43	-	0.0%	8	560,041	245,840
STANBIC	53.95	53.95	-	-	53.95	-	0.0%	29	57,442	3,121,578
STERLINGNG	5.10	5.10	5.10	5.00	5.00	(0.10)	-2.0%	64	1,345,167	6,772,485
SUNUASSUR	1.27	1.27	1.27	1.27	1.27	-	0.0%	12	755,015	958,872
TANTALIZER	0.38	0.38	0.39	0.39	0.39	0.01	2.6%	13	432,026	165,940
THOMASWY	1.82	1.82	-	-	1.82	-	0.0%	7	25,522	50,279
TIP	2.40	2.40	-	-	2.40	-	0.0%	5	150,040	346,096
TOTAL	346.50	346.50	-	-	346.50	-	0.0%	23	27,984	9,030,604
TRANSCOHOT	101.00	101.00	97.90	97.90	97.90	(3.10)	-3.1%	44	187,013	17,797,886
TRANSCORP	16.40	16.40	15.75	15.50	15.50	(0.90)	-5.5%	388	25,215,799	392,162,313
TRANSPower	380.00	380.00	-	-	380.00	-	0.0%	409	1,080,961	404,328,029
TRIPPLEG	4.13	4.13	-	-	4.13	-	0.0%	2	46	171
UACN	12.60	12.60	-	-	12.60	-	0.0%	45	315,475	3,956,859
UBA	24.90	24.90	25.00	24.30	24.30	(0.60)	-2.4%	321	9,108,022	222,562,669
UCAP	20.50	20.50	21.00	20.80	21.00	0.50	2.4%	164	12,162,794	254,962,588
UNILEVER	16.00	16.00	-	-	16.00	-	0.0%	39	113,642	1,872,391
UNIONDICON	8.10	8.10	-	-	8.10	-	0.0%	1	50	445
UNITYBNK	1.83	1.83	1.85	1.79	1.80	(0.03)	-1.6%	87	14,132,101	25,709,832
UNIVINSURE	0.37	0.37	0.38	0.36	0.38	0.01	2.7%	26	7,886,541	2,987,245
UPDC	1.50	1.50	1.52	1.50	1.52	0.02	1.3%	19	504,603	767,105
UPDCREIT	5.25	5.25	5.50	5.25	5.50	0.25	4.8%	43	997,752	5,050,683
UPL	2.40	2.40	-	-	2.40	-	0.0%	13	117,750	292,278
VERITASKAP	0.69	0.69	-	-	0.69	-	0.0%	21	213,268	147,840
VITAFOAM	22.50	22.50	21.25	20.25	21.25	(1.25)	-5.6%	61	1,017,720	20,708,907
WAPCO	35.50	35.50	35.80	35.00	35.80	0.30	0.8%	137	1,432,209	50,184,647
WAPIC	0.67	0.67	-	-	0.67	-	0.0%	38	230,642	152,956
WEMABANK	7.80	7.80	-	-	7.80	-	0.0%	46	1,106,918	8,313,607
ZENITHBANK	38.50	38.50	39.70	38.00	39.70	1.20	3.1%	304	10,441,791	405,521,679

MARKET

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# MTN Nigeria Rises 20.6% Despite Tight Earnings Projections

MTN Nigeria experienced strong buying interest as investors made fresh entries into the telecom stock after the company posted a huge loss in the financial year 2023: The telecommunication company share rallied as investors made fresh entries, which reversed large selloffs that followed its earnings downturn announcement.

Details from the stock market showed its share gained 20.6% over five trading sessions to settle at N267.80. This lifted its market capitalisation to N5.622 trillion. In a statement, MTN Nigeria revealed that the devaluation of the naira has had a material impact on its financial position, resulting in the reported loss and depleted reserves.

In its financial scorecard, the telecom company recorded a total of N137 billion loss after tax due to FX disadvantage. A negative exchange rate costs the telco more than N740 billion in loss. MTN Nigeria relies on foreign inputs to deliver cutting-edge service to its customers.

MTN Nigeria's operations are exposed to foreign currency volatility on its operating and capital expenditure, management said. The most significant of these exposures relate to the tower lease costs, which comprised the bulk of the 45-50% foreign currency exposure in its operating expenses in 2023.

"The majority of the lease costs are indexed to the US dollar but are invoiced and paid in



naira. Our tower lease costs are recognised in line with IFRS 16 and IAS 21, which has had several impacts on our financial performance", MTN Nigeria said.

The telecom company explained that the nature of payment for tower contracts requires quarterly payments at the beginning of each quarter using the applicable exchange rate based on the reference rate at the end of the preceding quarter for some of the contracts and the average rate in the same preceding quarter for others.

Due to FX pressures, MTN Nigeria said it has progressed constructive discussions with IHS

on changes to the existing tower lease contracts that could, if successful, result in improvements that help us mitigate macro risks, including currency.

"We believe this will go a long way in restoring stability in our operating and earnings profile and reserves. As we navigate the near-term headwinds to our business, we remain committed to delivering on our growth strategy through commercial execution and continued investment, guided by a disciplined focus on unlocking further efficiencies.

"We will drive the operating leverage in our business to restore growth in earnings and

sustain strong cash flow generation and returns over the medium term".

Outlook  
In its outlook statement, MTN Nigeria Plc said it expects 2024 to be a challenging year due to the rising inflation and devaluation of the naira. The telecom giant anticipated that inflation and unstable naira would put additional pressure on consumers, the cost of doing business and further potential forex losses.

On the regulatory front, the company said it has deployed additional resources at its service outlets and provided alternative channels to drive compliance with NCC's NIN-SIM directive. "Our disciplined focus on unlocking further expense efficiencies will help to drive the underlying operating leverage in the business to restore profit growth over time", MTN Nigeria said.

For MoMo payment service bank (PSB), the telecom company said it will continue to drive consumer education and awareness, leveraging our distribution network, which has enabled us to grow the active wallets and scale the agent and merchant ecosystem.

"We are expanding the bouquet of services from basic to advanced services, including cross-border remittances, to boost adoption and monetisation. We will leverage the momentum from Q4 to accelerate the growth of wallets and adoption of services as we expand our merchant ecosystem".

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NEWS

# Transcorp Power Hits N2.85trn as Investors Bet on Future Earnings Stream

CONT'D FROM COVER

The move was necessitated as part of efforts to boost incoming investors' confidence in the liquidity power of the electric power stock. As stockbrokers implement buy orders from clients, the share price rose.

Trading records reviewed by MarketForces Africa showed that demand has been strong since the company listed its shares. Last week, MarketForces Africa reported that Transcorp Power came to the Nigerian Exchange with 7.5 billion shares outstanding at N240 per unit.

After this, the company witnessed sporadic buying interest from Alpha seekers eyeing better future earnings and dividends. Details from regulatory filing revealed the chairman and other directors in Transcorp Power Plc have reduced shareholdings in the power generating company.

As of December 31, 2023, the company's register of members revealed a total of 7,500,000,000 outstanding shares.

A significant majority of these shares were held by the parent company, Transnational Corporation Plc (TRANSCORP). At the listing date, Transcorp Plc controlled 51.57% amounting to 3.87 billion shares of Transcorp Power Plc.

With its latest large share selloffs after listing, the investment company's interest would have reduced. Rich Point Limited, the second highest shareholder with 33.27%



holding, also sold some of its shares.

Further down the line in the shareholding hierarchy are: Woodrock Energy Resources Limited (7.46%), Seaforce Investments Limited (3.60%) and Thomassen Holding Limited (2.57) of the total shareholding, respectively, Meristem Securities Limited revealed in the initiation coverage note.

Investment analysts explained that the residual percentage of 0.20% is distributed among 7 shareholders with less than 1% each of the total shareholding.

After listing, its second largest single shareholder, Rich Point Limited, sold 16,010,000 shares at N319.40 per share on March 6, 2024, the company told the Nigerian Exchange.

It also sold an additional 120000 units in the open market at N351.3, according to a

regulatory filing reviewed by MarketForces Africa. On March 6, Dr Owen D. Omogiofa, a non-executive director at the company sold 195,006 shares at N319.40.

The same day, a shareholder named Christopher Ezeafulukwe offloaded 121,879 shares at the same price. Transcorp Power PLC Board chairman Mr Emmanuel Nnorom released 195,006 shares at N319.40.

Also, HH Capital Limited sold down 560,643 shares of Transcorp Power Plc at N290.40 per share on March 5. On this same day, Rich Point limited unloaded 73,052,664 shares at N290.40 per share.

Transcorp Power Plc majority shareholders, Transcorp Plc, offloaded or sold down more stakes totalling 42,972,933 at an average price of N265.83 between March 4 and 5 2024 in the stock market.

# Jaiz Bank Edges Higher After Healthy Earnings Expectation

Jaiz Bank Plc's market value was nudged higher after the non-interest financial institution released a healthy earnings projection for the second quarter of the year.

The bank's stock market valuation increased to N69.43 billion on Friday following mild buying interest from investors in the local bourse.

In its latest earnings forecast, Jaiz Bank Plc revealed an expectation to generate approximately N5 billion in net profit in the second quarter of the financial year 2024.

Nigeria's premier non-interest bank is expected to release an audited financial statement for 2023 shortly. Following today's earnings prediction, Jaiz Plc's share price saw a marginal gain.

The positive price movement lifted its market value as sources in the banking sector told MarketForces Africa that the Islamic lender would release results in March 2024.

In its earnings forecast, Jaiz Plc said gross earnings would print at N19.317 billion in the period. The bank forecasted that income from contract financing would settle at N17.99 billion in Q2-2024.

The Islamic financial institution's net revenue from funds used in operation is expected to reach N13.471 billion in the period after it has accounted for payments to providers of funds.

A detailed review of its earnings forecast showed that Jaiz plans to pay fund providers a total sum of N4.521 billion for parting with their funds during this period.

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# GTCO Gains 18% as Planned Public Offer Boosts Sentiment

Share price of Guaranty Trust Holding Company (GTCO) Plc accelerated by 18% over five trading sessions in the local bourse. The increase in market capitalisation of the financial services boutique comes ahead of anticipated earnings release and public offer.

Details from the Nigerian Exchange track revealed that the financial institution's share price increased to N48.45 on Friday. It opened the week at N41.1 before it was pushed up by significant transactions conducted on GTCO in the market.

In 2024, the banking sector experienced a material shift in its operating environment. Deposit money banks have seen several earnings dilutive directives. However, a relatively high interest rate condition is expected to keep lenders' net margins strong.

MarketForces Africa can confirm that the financial services group is planning to raise between N450 billion and N525 billion through a public offer to support the capital base of its banking subsidiary, Guaranty Trust Bank.

The decision to raise capital comes three months after Olayemi Cardoso, governor of the Central Bank of Nigeria (CBN), said banks will be directed to recapitalise. The apex bank chief said local lenders are not liquid enough to service \$1 trillion economy plan by the current administration.

The last recapitalisation in the banking industry was in 2004, when Charles Soludo,

former CBN governor, raised the capital base of deposit money banks from N2 billion to N25 billion.

There is a "strong indication the bank that will soon be in the market to raise N450 billion to N525 billion through a public offer is Guaranty Trust Holding Company Plc (GTCO Plc)".

The source said due to various macroeconomic factors, banks are considering a dilutive or non-dilutive approach to shore up their capital.

"The capital will facilitate the enhancement of the bank's ability to book large ticket transactions, as the effect of devaluation has impacted single obligor limits for most banks and thus their ability to book and participate in large ticket transactions," the source said.

GTCO's earnings outlook is positive as the industry's cost leader. The group banking subsidiary has the lowest funding profile, which has consistently translated to a strong net margin.

Due to the latest development in the economy, analysts said recent directives by the regulator pose a threat to the banking sector's earnings outlook in 2024.

These directives include the regulator's requirement that sets a limit on banks' net open position (NOP) on overall foreign currency assets and liabilities, which should not exceed 20.0% short or 0.0% long of shareholders' funds unimpaired by losses



The apex bank also discontinued its daily cash reserve ratio debits with the adoption of a structured weekly statutory debit on the increases in banks' weekly average adjusted deposits

There were also sharp increases in stop rates at auctions and the 400 basis points increase in the monetary policy rate to 22.75% could bode well for banks' interest-yielding assets.

Concerning the move to push the cash reserve ratio to 45.0%, Afrinvest said it understands that the CBN is considering refunds to banks with higher effective CRR while debiting those with

lower. Analysts estimate the cash reserve ratio for Tier-1 lenders at an average of 17.3% based on available information, which could signify debits over the near term.

Afrinvest said that given that nearly half of the deposits will be sterilized, banks would adjust lending rates to maintain net interest margin. Analysts suspect that banks would have to rely on trading and investment income to support 2024 performance given the heightened risky macroeconomic environment for pricey loans.

# VFD Group Expects N3.26bn as Profit in Q2-2024

VFD Group Plc forecasted profit for the second quarter of the financial year 2024 to settle at N3.26 billion, according to a regulatory filing.

The group's earnings expectation which appears strong was anchored on the hope of better performance in 2024.

In its latest financial statement, VFD Group posted underwhelming performance in 2023 as profit dropped by about 85% year on year to settle at N1.08 billion following a large decline in its other income line.

Its unmet earnings performance reduces buying interest, making VFD cheaper to access in the local bourse at N202.90, according to data from the Nigerian Exchange.

Its market valuation has remained steady at N38.556 billion in the last seven days. In Oct, VFD Group listed 190.027 million shares at N244.88 per share on the Nigerian Exchange.

The group said gross earnings would print at N24.929 billion in the period but noted that a cash flow forecast is not practically possible until the end of the first quarter of 2024 operations.

It projected cash flow at the end of the quarter to be more than N25 billion. The group that seeks to build a truly diverse business ecosystem told the regulator it expects more than N22.40 billion from investment and similar income.

The financial obligation to achieve this was

estimated at N16.718 billion. VFD would be left with N5.683 as net investment income accrued to the group in the second quarter of the year.

The company's other income line would come at N2.527 billion at the end of the second quarter of the year. In total, operating income is expected to settle at N8.211 billion in the period.

With estimated personnel expenses of more than N985 million, more than N540 million non-cash flow charges and n1.723 billion in other operating expenses, VFD group expects total operating expenses to settle at N3.249 billion.

This is expected to reduce the company's bottom line, as pre-tax profit is expected at N4.664 billion at the end of the second quarter of 2024. The group estimated tax provision came at about N1.4 billion, thus reducing profit expectation to N3.265 billion at the end of Q2-2024.

VFD Group seeks out viable opportunities that cater to the investment needs of Retail & Institutional Investors across all tiers for direct market gain. The group recorded N1 billion profit after tax in 2023, about 85% below the N7.092 billion posted in 2022.



## News

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# Economic Revival: Be focused, steadfast – Sanwo-Olu urges Nigerians

Gov. Babajide Sanwo-Olu of Lagos State, has enjoined Nigerians to be focused and steadfast in prayers for the nation to successfully overcome its current economic challenges.

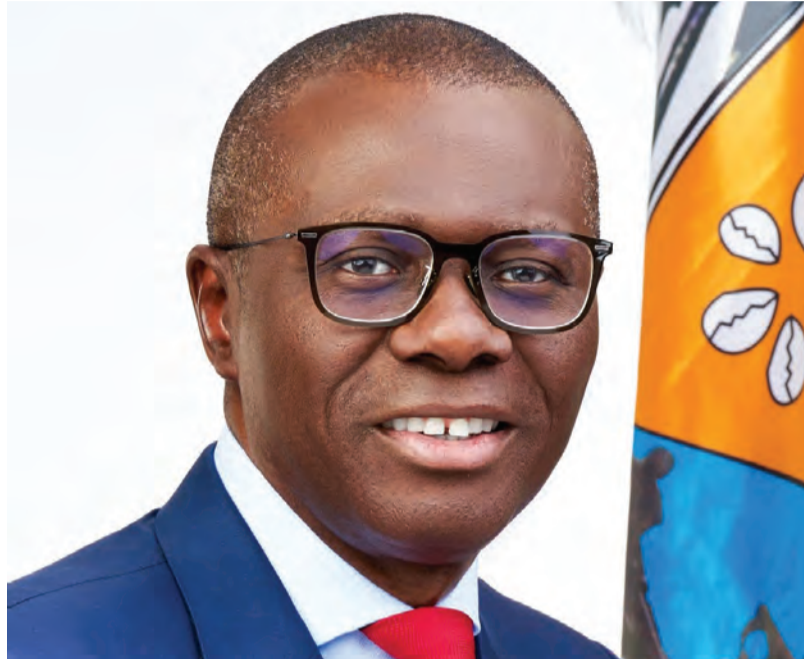
Sanwo-Olu gave this charge during the Annual Ramadan Public Lecture (1445 A.H) held at the Lagos Central Mosque, Lagos Island on Saturday.

The theme of the lecture was: “The Current Economic Situation: Solution from Islamic Perspective.”

Sanwo-Olu, who was represented by his deputy, Dr Obafemi Hamzat, advised leaders to come up with policies that would be beneficial for the nation’s economy.

He also urged the people to be patient with government, while stating that society could not afford to be toxic at this time.

According to Gov. Sanwo-Olu, the society cannot afford to be toxic as people go to social media to curse



Sanwo-Olu

which is not the solution.

“The solution is for us all to come together and pray so that things can

be better for our country.

“The reality of things is that the withdrawal of subsidy, which we

have been used to for decades, will come with challenges.

“So, my advice is that we sustain what we are doing, be prayerful, and be focused and I am sure that very soon things will change for the better,” the governor said.

He agreed that the direction of the present administration was good, saying that things would be tough before it got better.

“My prayer is that Almighty Allah grant our leaders, the strength and fortitude to keep pursuing the right path for the nation to come out of the present situation.

Earlier, the Guest Lecturer, Sheikh Mujitaba Giwa, urged Nigerians to be patient and be more prayerful as the present economic downturn being experienced was a test from Allah.

He noted that Allah tempted nations that were not truthful and harboured unbelievers who are always committing acts that are

considered “ungodly”.

The Islamic cleric cited vices such as men dressing as women, indiscriminate kidnappings, killings, among others.

According to him, the Federal Government must look at the decentralisation of the management of mineral resources in different parts of the country.

“Allah has blessed the 36 states and the Federal Capital Territory with different natural resources, so why can’t they permit the states to manage their resources instead of the central government allocating its licences to whoever it pleases?”

“Allah tests every nation with five things namely: fear, hunger, destruction of currency, death and bad harvest.

“But any nation that seeks the face of Allah and does his will, He is always ready to heal their land and remove hunger, poverty, and deprivations,” the cleric said.

# Maternal Mortality: Rotary International supports Nigeria with \$2m

Rotary International has allocated two million dollars to projects aimed at reducing child and maternal mortality in Nigeria over three years.

The president of the international group, Mr Gordon McNally, disclosed this during a community health engagement at LEA Primary School, Kuchingoro, Abuja, on Saturday.

Maternal mortality refers to the death of a woman during pregnancy, childbirth, or within 42 days after giving birth, a crucial indicator of the overall health and well-being of women.

McNally, who said that the funding, which included approximately one million dollars already committed, was aimed at raising awareness on child and maternal health, particularly in maternal and neonatal mortality.

He reiterated commitment to make the world a better place for his two grandchildren in Scotland, as well as children in Nigeria and across the globe where Rotary operates.

He said “this dedication involves improving healthcare systems, water and sanitation, education, and the environment.”

He explained that the project, operational in six states of the federation, is a multifaceted

initiative aimed at enhancing family well-being.

“It focuses on providing women with access to reproductive advice and contraception, while encouraging the involvement of men in decision-making processes.

“It also emphasises the importance of pregnant women taking good care of themselves during pregnancy and ensuring safe deliveries.

“Given that many women still give birth at home, where mortality rates are high, promoting safe deliveries in clinic environment is crucial in preventing unnecessary sufferings and loss of lives.

“There are numerous grants available for Nigeria. The Rotary Foundation, our charitable arm, operates by soliciting bids for grants.

“We consistently receive bids from Nigeria for various projects spanning our areas of focus, including education, healthcare, maternal and child care, water and sanitation, economic development—a vital aspect of Rotary’s work—and environmental initiatives.”

Mr Joshua Hassan, the Chairman of the National Polio Plus Committee for Nigeria, revealed that Rotary allocated 21 million dollars to its core partners in the global polio eradication initiative, including the

World Health Organization (WHO) and the United Nations Children’s Fund (UNICEF).

He explained that “we allocated 14 million dollars to WHO and seven million dollars to UNICEF.

“We provide support in the form of funds and grants for their operations, particularly in the procurement and transportation of vaccines and other logistics.

“We also support WHO in surveillance operations, as it is through surveillance that we identify cases of polio in communities.”

Hassan, also the End Polio Now Coordinator for West Africa, said that the purpose of the Rotary President’s visit is to brief him on Nigeria’s efforts in the fight against polio and provide evidence of progress.

Prof. Dolapo Owofadeju, the National Coordinator of Rotary Reproductive Maternal and Child Health Programme, highlighted the organisation’s shift from focusing solely on polio eradication to addressing maternal and child mortality caused by complications.

He attributed the complications to postpartum hemorrhage, high blood pressure, sepsis, and adolescent pregnancy.

Owofadeju, also the Chairman, Federal Ministry of Health Safe Motherhood Technical Working

Group, emphasised the need for capacity building for nurses and doctors.

He said “our outreach visit to homes is to identify children with malaria and any other health issues. We advocate for deliveries in facilities with medical attention, as 70 per cent of maternal deaths in our country occur during deliveries.

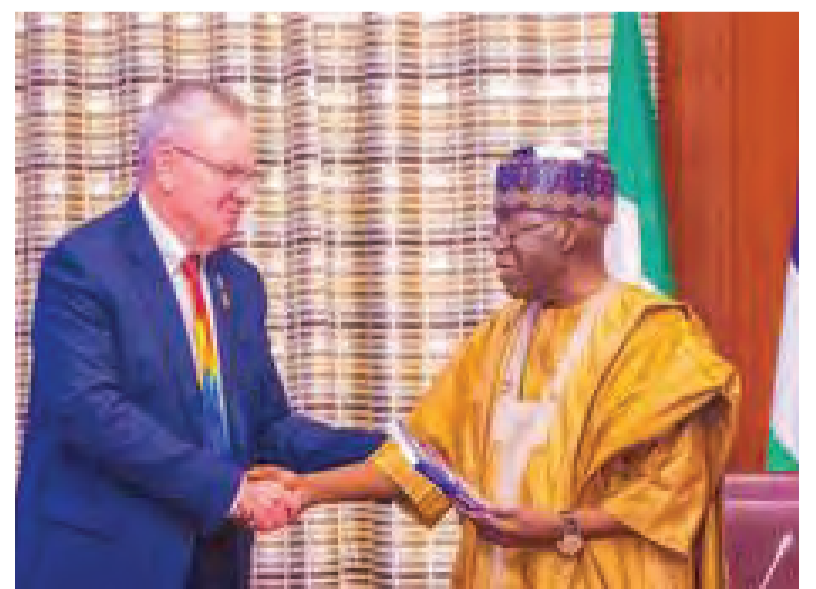
“We stress the importance of health workers’ behaviour. Pregnant women should feel comfortable when they visit clinics. Pregnancy is not a disease; it’s a physiological condition. Therefore, women, even those under 13, should be

counselled without being abused.

“Traditional birth attendants are encouraged to register pregnant women in healthcare facilities rather than conducting deliveries. This is why Rotary ensures that clinics have the necessary equipment for the programme.”

Earlier at the Primary Healthcare Clinic in Area 2, Abuja, approximately 10 children between the ages of zero and two years old received polio vaccination.

Rotary International had supported Nigeria on many projects, and this new project would run from 2023 to 2025.



## News

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# Ebonyi State Extends Retirement Age for Teachers

The Ebonyi State Governor, Francis Nwifuru, has approved the extension of retirement age and length of service for teachers in the state from 35 years to 40 years. This was disclosed in a statement signed by his Special Assistant on New Media, Leo Ekene-Oketa.

According to him, teachers in the state will now have the opportunity to serve until the age of 65 years and have a corresponding adjustment in the length of service to 40 with immediate effect.

He said the decision to extend the retirement age and length of service for teachers underscores the state government's unwavering commitment to investing in human capital development.

According to the governor's spokesman, by retaining experienced teachers in the workforce for a longer duration, the quality of education is expected to improve significantly, thereby enhancing the overall academic performance and future prospects of students across the state.

"This extension not only recognizes the invaluable experience and expertise that seasoned educators bring to the table but also acknowledges their dedication and commitment to shaping the minds of future generations," the statement read.

In a move set to redefine the landscape of education in Ebonyi State, His Excellency, the Governor, Rt. Hon. Francis Ogbonna Nwifuru, has approved a significant alteration to the retirement age and length of service for teachers in the state. This landmark decision marks a pivotal moment in the state's commitment to educational excellence and the welfare of its educators.

Effective immediately, teachers in Ebonyi State classrooms will now have the opportunity to serve until the age of Sixty-Five (65) years, with a corresponding adjustment in the length of service to Forty (40) years. This extension not only recognizes the invaluable experience and expertise that seasoned educators bring to the table but also acknowledges their dedication and commitment to shaping the minds of future generations.

The decision to extend the retirement age and length of service for teachers underscores the state government's unwavering commitment to



Nwifuru

investing in human capital development. By retaining experienced teachers in the workforce for a longer duration,

the quality of education is expected to improve significantly, thereby enhancing the overall academic performance and future

prospects of students across the state.

Furthermore, the government's proactive approach in implementing this policy speaks volumes about its responsiveness to the evolving needs of the education sector. Recognizing the challenges faced by educators and the critical role they play in nation-building, the Governor's approval of the new retirement age reflects a forward-thinking strategy aimed at empowering teachers and revitalizing the education system.

In light of this development, retired staff members who concluded their service from May 9, 2023, are encouraged to promptly proceed to the central payroll office at the Ministry of Finance and Economic Development, located at block 6, Ochudo Centenary City, Abakaliki, for recapturing and updating of their records. This administrative process ensures seamless integration into the revised retirement framework and guarantees the continued receipt of

benefits and entitlements.

The announcement of the extended retirement age for teachers in Ebonyi State has been met with widespread acclaim and appreciation from various stakeholders within the education community. Chief Monday Nkwuda Nnanna, the Permanent Secretary of the Ministry of Education, speaking on behalf of the Honorable Commissioner for Education, commended the Governor for his visionary leadership and commitment to educational reform.

In conclusion, the decision to extend the retirement age and length of service for teachers in Ebonyi State signifies a progressive step towards enhancing the quality and sustainability of the education sector. By prioritizing the welfare of educators and recognizing their invaluable contributions, the state government sets a precedent for other regions to emulate, ultimately paving the way for a brighter and more prosperous future for generations to come.

## FCTA ready to incentivise private investment in tourism sector – Wike

The Minister of the Federal Capital Territory (FCT), Mr Nyesom Wike, said FCT Administration is ready to provide incentives to investors interested in developing the territory's tourism sector.

Wike stated this at the inauguration of Sunrise Waterpark, a recreation centre developed by Nadeem Group in Abuja on Friday. The park is located at Sunrise Hill Estate, R1 Sunrise Blvd, Street, Kugbo, Abuja.

The minister said that the tourism sector had the potential to become one of the highest foreign exchange earners for the country.

He, however, pointed out that the sector had sadly remained largely untapped and undeveloped.

He said that the President Bola Tinubu-led administration, under the "Renewed Hope" agenda had made the development of the tourism sector one of its top priorities.

Wike added that the government had sent out a clarion call to private investors to look in the direction of tourism and harness its full potential for the benefit of the country.

"I am glad that the Nadeem Group had heeded to the call.



Wike

"The FCT has a lot of sites that have the potential of becoming great tourism sites, such as the fishing site in Yaba, the Ushafa Pottery Centre and the Millennium Tower project.

"It will be gratifying to see private investors coming to these areas and to give them a new breath of life.

"Our doors remained open for discussions and possible incentives

to see Abuja grow up to its full potential in the tourism sector," the minister said.

Wike said that he personally inaugurated the park, a private sector investment, because of its importance in developing Abuja tourism sector.

Describing the park as the biggest and most modern waterpark in the

West African sub-region, the minister expressed optimism that more tourism sites would be developed in Abuja.

"It is also important to note that commissioning of the park is a testament to the vibrancy and tourism potential of our beloved city, Abuja.

Earlier, the Chairperson of Nadeem Group, Nadia Nadeem, said that the groups' investment in the recreational facility was to foster bonds and friendship for family members of all ages.

Nadeem said that the Sunrise Waterpark came at a time when the Nigerian government was taking steps to create jobs and attract foreign investments.

According to her, the park has the potential to create hundreds of jobs for Nigerians in many sectors including tourism, hospitality, entertainment, transportation, trade and commerce, real estate, and construction.

"In the coming months, the waterpark is expected to attract many economic activities into Abuja. It will attract foreigners from within Africa and throughout the world, making us partners in progress in the development of our dear city, Abuja.

# News

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## Lagos residents storm Surulere centre for discounted food

Residents of Surulere and its environs on Sunday trooped out in large numbers to the centre of "Ounje Eko," Lagos Discounted Food programme, to purchase food items at cheaper prices.

Residents arrived as early as 6.00 a.m. at Lagos Progressive Junior Secondary School, Surulere, to benefit from the state government discounted food programme. The programme which was meant to start at 11.00 a.m., started one hour late due to unavailability of vouchers.

Dr Adewunmi Adeyemi, Market Leader for Lagos Progressive Junior Secondary school, Surulere, under the Ounje Eko project, said shoppers were only be allowed to purchase items using vouchers.

He said the target of Gov. Babajide Sanwo-Olu was for residents to get food at cheap and at discounted prices. He said the state government paid 25 per cent of the cost of the food items while the shoppers paid 75 per cent.

He said the items on sale included eggs, bread, pepper, onions, tomatoes, rice, garri and beans. "When you enter, you pay with your card and get your vouchers and you present it to the vendors and they will attend to you immediately.

"An individual is entitled to a 5kg of rice, beans and garri, two loaves of bread, one crate of egg, tomatoes, pepper and onions.

"Today, 1,200 loaves of bread, 650 crates of eggs, more than 40 crates of tomatoes, five bags of onions, 10 bags of pepper and other items were sold to residents at discounted prices," he said.

He explained that residents were not allowed to buy more than one item each of all the food on display.

"I want to appeal to our people to be patient and orderly. They should be considerate of others in buying the food items. This market will last four weeks so there is no need to overbuy," he said.

The head of security said residents arrived the venue as early as 6.00 a.m. as directed. "We got here around 9.00 a.m. as directed by the government to ensure safety of everyone.

"Security officials are on ground to make sure everything goes well. We moved people into the venue in batches to maintain orderliness," he said. Some residents, however, said they were not happy that the programme started more than one hour behind schedule, and that the discount was not enough.

Mrs Abimbola Kanwei, 70 year-old, urged the government to adopt a better approach going forward as residents queued under the sun for more than five hours before they could buy the food items.

"I got here 7.00 a.m. to be able to purchase food and I was given number 25. As at noon they had not started attending to us. I am old and I don't have strong legs.

"This was not properly coordinated because as at noon, we were told that they were still waiting for vouchers and the items were expensive.

"Government should try and address this shortfall. We appreciate what Sanwo-Olu is doing but we don't have to suffer before we buy the food," she said.

Alhaja Serifat Rasaq, a resident of Surulere, urged the governor to review the price of the food items to 50 per cent as is the case with some local government chairmen.

Rasaq said the prices of the all the food items, except bread, were too expensive compared with

the market organised by the council chairmen.

"This food items are too expensive, the governor should increase the discount to 50 per cent.

"Last week, we bought same items here at cheaper prices than today. The governor can do it for us because things are very hard now," she said.

Mrs Abimbola Agbor, a businesswoman and mother of two, also called for a review of the 25 per cent discount, saying the prices of items were high just like at the conventional markets.

"The governor should review the discount to 50 per cent to help the masses.

"We cannot feel any impact with 25 per cent discount, people are not buying the items because

they are too expensive," she said. Mr Hamed Layinde, a technician, urged the Lagos government to decentralise the market to benefit more people.

He also called for a review of the discount to 50 per cent to accommodate more people. Mrs Serah Dadson, a businesswoman, said the process of buying the food items was too stressful as it took more than six hours to make a purchase.

"This is like punishment. We stood under the sun for too long, if I had known it was going to be this way, I wouldn't have come. We want the government to review the entire process," she said.

Another resident, Mrs Abosede Obi, commended the government for bringing the

market to her neighbourhood. Obi said the discount was too minimal and urged the governor to use his good office to review the prices.

"I got here around 8.30 a.m. to take advantage of the discount. The process was seamless; I paid with my card and they gave me vouchers for all the things I wanted.

"It is a very good idea but the items are still expensive. I want government to give us at least, 50 per cent discount. Things are very hard now but we must eat.

"I want to appeal to the government to address the issue of delay or lateness in the next phase because we waited for too long," she said.

## Expert Offers Solutions to Nigeria's Agric Products Rejection

An Agricultural Expert, Sheriff Balogun, has identified measures to mitigate the rejection of Nigeria's agricultural products like sesame and cowpea in the international market.

Balogun, the National President of the Federation of Agricultural Commodity Associations of Nigeria (FACAN), said this in an interview with the news agency on Sunday in Abuja.

According to him, one of the measures for curbing the rejection is to critically monitor the production processes of commodities produced in the country.

"This is because whatever you do if you put control measures from a production point of view, you have reduced 80 per cent of the problem.

"You need to educate the farmers because a lot of them lack knowledge of extension services. There used to be extension services in those days where you have state governments, state ministry of agriculture, agric development projects and then they have extension offices.

"The extension officers educate the farmers on best practices, what to cultivate, how to cultivate the right seed, the right chemical and how to apply them, how to harvest and so on." Balogun reiterated need to adopt such old practices and also ensure training of the trainer.

"We need to train them on the way to plant, the way to harvest and store their products, and then expose them to good packaging materials.

"We need to let them know the hazards in using any type of packaging for their products."

According to the expert, the means of transportation is another factor that needs to be looked into.

"Like I mentioned, transportation is key. If you have done all the right things at the primary level, your means of transportation can contaminate your products if ignored.

"Imagine you want to move your rice, and then the truck has just discharged cement. If you do not clean or wash the truck, droplets from the cement can penetrate through your rice bags.

"So this will get into your product and contaminate it. You may not see it, but when



you get to your destination and the product is tested, you will have a problem.

"So the transportation logistics structure itself needs to be regulated."

Balogun called on the Federal Government to make concerted efforts towards regulating the logistics of agricultural products in the country.

"There must be a way to segment the logistic chain. By either having transports that will be used specifically for movement of goods, food, industrial products, chemical and all of that.

"In advanced countries, it is categorised, you cannot use the transport means that is used to carry hazardous chemicals to move food products.

"There is categorisation and specialisation in terms of logistics. And we have to be able to practice that to improve the standard of our products," he said.

Balogun said another aspect that contributed greatly to contamination of products was the warehouse system.

According to him, a lot of warehouses used by exporters are commercial warehouses, where inspections and supervision are done before shipping of the goods.

"But a lot of those warehouses operate these

different products. So they may take cashews, sesame seed and ginger.

"And sometimes, your product might be clean and don't have any pests or anything, but because other goods are stored in that warehouse, the pest from those other goods will infect your own.

"So there must be a control system put in place for the warehousing system that is well equipped to solve that problem," Balogun said.

World Trade Organisation (WTO) said Nigeria had lost its position in the agriculture export markets.

According to the WTO, the country suffers rejection of its agricultural commodities because it does not meet the sanitary and phytosanitary requirements of the foreign markets.

The organisation, thus, recently inaugurated some initiatives that would help the country mitigate some of these challenges in the foreign market.

Some of the initiatives include the Standards Trade Development Facility, Digital Trade Initiative support, Women Exporters Entrepreneurship support, National Trade Portal, and cotton development initiative.

## News

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# Equities Investors gain N2.1trn as NGX Approaches N60trn



Equities investors gained N2.1 trillion over the last five trading sessions on the Nigerian Exchange (NGX) as the local bourse races towards N60 trillion. The weekly gain was driven by renewed interest in banking stocks, with support from other sectors that closed positively.

Stockbrokers noted that dividend income investors are taking positions in anticipation of more corporate earnings without losing sight of the inflation rate, which printed at 31.70%.

At the end of trading sessions, the All-Share Index surged by an impressive 3.71% week on week, reaching 105,085.25 index points.

The market index spiked as a result of renewed interest in financial stocks amidst an expectation of corporate earnings releases.

In its market update, investment banking firm Cowry Asset Management said investors enjoyed a substantial year-to-date return of 40.54%, resulting in a collective wealth accretion of N2.12 trillion compared to the previous week's N3.26 trillion.

A total turnover of 1.773 billion shares worth N52.867 billion in 44,713 deals was

traded this week by investors on the floor of the Exchange, in contrast to a total of 2.157 billion shares valued at N108.824 billion that exchanged hands last week in 51,556 deals.

The Financial Services Industry (measured by volume) led the activity chart with 1.136 billion shares valued at N23.185 billion traded in 19,896 deals; thus contributing 64.04% and 43.86% to the total equity turnover volume and value respectively.

The conglomerate was followed with 339.390 million shares worth N5.874 billion in 3,650 deals. The third place was the Consumer Goods Industry, with a turnover of 82.645 million shares worth N6.724 billion in 6,155 deals.

Trading in the top three equities, namely Transnational Corporation Plc, Guaranty Trust Holding Company Plc and Access Holdings Plc (measured by volume) accounted for 677.439 million shares worth N17.287 billion in 7,789 deals, contributing 38.21% and 32.70% to the total equity turnover volume and value, respectively.

This performance underscores the dynamic interplay of market forces amid evolving economic conditions, Cowry Asset told investors in an email.

Additionally, the weekly average value declined by 51.42% week on week, reaching N52.87 billion, reflecting a downbeat in market participation amid rising investor interest.

Top gainers include JBERGER, NEM, MTNN, GTCO, ZENITHBANK, ETI, FBNH, DANGSUGAR and ROYALEX.

Individual stock performances showcased remarkable achievements among gainers, with JBERGER, OMATEK, NEM, MTNN, GTCO, and FTNCOCOA leading the charts with share price advances of +31%, +23%, +21%, +21%, and +18%, respectively.

Companies on the loser chart were: INTENEGINS (27%), SUNUASSUR (19%), LASACO (15%), TRANSCORP (9%), and OANDO (4%) – these stocks experienced notable price declines week-on-week.

Cowry Research anticipates the prevailing bullish sentiment to persist in the market during the coming week. This expectation is based on the market player's anticipation that more corporate releases with dividend announcements will hit the market.

Overall, the equities market capitalisation rose by more than N2.1 trillion in five days to close the week at N59.42 trillion on Friday.

# CBN Trims Interest Rates on Nigerian Treasury Bills



Cardoso

The Central Bank of Nigeria (CBN) slashed interest rates on Treasury bills during a midweek primary market auction (PMA) amidst high subscription levels from investors.

Authorised dealers and other market participants attempted to park large sums in Nigerian Treasury notes after spot rates soared across tenors at the previous auction.

However, the apex bank played down by making a low offer for sale to investors who expressed interest in the local borrowing instruments today.

Large rejected bids trickled through the secondary market, lowering the yield across the curve. At the auction, the Central Bank of Nigeria offered to sell N161 billion in conventional maturities of 91 days, 182 days, and 364 days.

Unlike previous auctions, both allotment and spot rates were reduced downward by the authority. Despite the higher subscription level received, the CBN allotted exactly what was on the offer list.

Investors submitted an N1.497 trillion bid at the auction. However, the apex bank sold bills worth N161 billion. Stop rates declined across maturities, with 91-day, 182-day and 364-day respectively.

Details from auction results showed that the rate on 91-day bills slid by 100 basis points to 16.24%. At the belly of the curve, the spot rate on 182-day bills declined by 100 basis points to 17%.

Also, the 364-day bill was slashed to 21.12%, down by 37 basis points from the previous auction. In the secondary market, investors' sentiment remained bullish.

# Global oil production increases in Feb, says IEA

The world's oil supply increased by almost 340,000 barrels per day (bpd) in February to reach 101.9 million bpd due to production increases in the US, Canada and Libya, according to the International Energy Agency's (IEA) latest report.

The production build came with a revival in production in the US and Canada after an Arctic cold snap and a rise in Libya's largest oil field, following unrest that forced its closure earlier this year.

The report said the combined US and Canadian output boost of 370,000 bpd drove an overall non-OPEC+ increase of 270,000 bpd last month. OPEC+ oil flows, meanwhile, edged 70,000 bpd higher over the same period.

OPEC+ crude oil output from all 22 member countries rose by 6,000 bpd to 49.87 million bpd in February.

Production from OPEC's 12 members rose by 140,000 bpd to 26.91 million bpd, while flows from the non-OPEC nations edged down by 50,000 bpd to 14.79 million bpd.

## - Global supply projection

Global oil supply is set to increase by 800,000 bpd to 102.9 million bpd in 2024, including a downward adjustment to OPEC+ output, the report noted.

It was predicted in the report that additional OPEC+ curbs would remain in place for those members that consistently adhere to voluntary quotas but will unwind only when the cuts are no longer in place.

Supply estimates for other countries with a target but that regularly over or under produce are assessed based on historical output levels.

As a result, the report said the 2024 production profile of some OPEC+ members that are taking part in the voluntary reductions has been adjusted lower.

World oil demand is projected to increase by 1.34 million bpd to 103.18 million bpd from last year's 101.84 million bpd.

After the extreme volatility of the pandemic years, the agency highlights that the global economic slowdown will act as an additional headwind to oil use, as will improving vehicle efficiencies and expanding EV fleets.

As the rebound in transport fuel demand reaches completion, petrochemical feedstocks, especially those derived from NGLs (natural gas liquids), are estimated to play a larger role in 2024 growth. Almost 50% of this year's rise will be in the form of LPG, ethane, or naphtha, with the majority of this in China or the US.

## News

<https://dmarketforces.com>

# MSCI Deletes Nigerian Indexes from Frontier Markets

CONT'D FROM COVER

Africa reported that MSCI planned to delete Nigerian securities from frontier markets indexes on February 29, 2024, despite ongoing forex market reforms.

The leading provider of critical decision support tools and services for the global investment community, announced the results of the February 2024 Index Review for the MSCI Equity Indexes.

MSCI announced a resolve to reclassify Nigeria from frontier market status to standalone market status in one step, coinciding with this index review. The platform is carrying out its decision to downgrade the Nigerian index after it complained about the inability of foreign investors to get the US dollar out of Nigeria.

"In light of currently observed market accessibility issues, MSCI will not implement changes as part of this Index Review for any securities classified in Bangladesh, Egypt, or Kenya for the MSCI Bangladesh, MSCI Egypt, and MSCI Kenya Indexes or impacted composite indexes".

MSCI said that since March 2020, accessibility issues have persisted in the Nigerian equity market. The repatriation of funds from investments in the market remains extremely difficult for foreign investors due to low liquidity in the Nigerian foreign exchange market.



As a result, market participants have continuously expressed concerns related to the instability and replicability of the MSCI Nigeria Indexes, according to the statement.

It said there will be nine additions to and eleven deletions from the MSCI Frontier Markets Index.

The three largest additions to the MSCI Frontier Markets Index measured by full company market capitalization include Casablanca Travaux Genéraux De Construction De SA (Morocco), Telekom Slovenije dd (Slovenia) and FPT Securities

JSC (Vietnam).

To facilitate index replicability at the time of the reclassification, the Nigerian securities will be deleted from the MSCI Frontier Markets Indexes at the lowest system prices of 0.00001 as of the close of February 29, 2024.

The investment services provider said twenty-nine securities will be added to and 31 securities will be deleted from the MSCI ACWI Islamic Index.

The three largest additions to the MSCI ACWI Islamic Index measured by full company market capitalization will be Servicenow

(USA), Mondelez International A (USA) and Acwa Power Company (Saudi Arabia).

It said there will be two additions to and one deletion from the MSCI Gulf Cooperation Council (GCC) Countries ex Saudi Arabia IMI Islamic Index.

In 2022, MSCI said there has been a continual and severe deterioration in the ability to repatriate funds from Nigeria. Given the prolonged nature of the issues affecting the market's accessibility, the global service provider said it put forth the consultation to reclassify the MSCI Nigeria

## Reopen border with Benin Republic, traditional ruler begs Tinubu

Oba Hameed Oyelude, the Olowu of Kuta in Ayedire Local Government of Osun, has appealed to President Bola Tinubu to reopen the nation's border with Benin Republic.

Oba Oyelude, who made the appeal in a chat with journalists on Sunday in his palace in Kuta, said the reopening of the border would ease the burden of Nigerians economically.

"At the time the Benin Republic border was closed, the Federal Government was protecting the economy of the country.

"But I want to urge the President to look at the possibility of reopening the border to ease the pain of Nigerians," he said.

Oba Oyelude also urged Nigerians to be patient with the President, noting that he meant well for the country by removing the subsidy on fuel.

"The gain of the removal of fuel subsidy is coming, but it may not be immediate. And that is why we need to be patient with the President.

"Let us give this administration time. We will surely get there," the traditional ruler pleaded. He urged the Federal Government not to completely take every advice and policy of the International Monetary Fund (IMF).

Oba Oyelude said although there was nothing wrong in domesticating IMF ideas and policies, but the same must be done in a way that will suit the country.

"There is economic downturn and it is a challenge that we are going through, but I believe we will overcome it as a country," he said.



Oyelude

## Nigeria Customs reopens Kamba border in Kebbi

The Nigeria Customs Service (NCS) has reopened the international border in Kamba town of Dandi LGA in Kebbi State to promote international trading between Nigeria and the neighbouring countries of Niger and Benin Republics.

This is contained in statement signed by SC Mohammed Tajuddeen-Salisu, spokesperson of the Kebbi Area Command of the service and made available to newsmen in Birnin Kebbi on Sunday.

He said, "The newly appointed Customs Area Comptroller (CAC), Kebbi Command, Mr. Iheanacho Ernest-Ojike, on Friday, reopened Border for international trade as directed by the Comptroller-General of the Customs, Mr. Bashir Adewale-Adeniyi.

The statement reported Ernest-Ojike saying that the border reopening was aimed at paving the way for legitimate trade that



would impact positively on nation building.

"This is not a permission for importation of prohibited items that would ransack the economy and compromise national security,"

he said.

"The officers and men of the command are ever ready to facilitate legitimate trade and act within the ambit of the law to simplify trade across Kamba Border."

This is "as long as stakeholders import what is permitted by Customs extant laws, make proper declaration and pay appropriate duties to the Federal Government coffers".

The spokesperson also reported the CAC as saying that food grains were still prohibited for exportation out of the country, considering the current scarcity of food in the nation.

The District Head of Kamba, Alhaji Mamuda Fana, commended the effort of the Federal Government, saying it was a new ray of hope to his people who had interest in cross-border businesses, and even small scale business owners domiciled in the area.

"I promise the Federal Government and NCS that my people will be cautioned on illegitimate trade and the advantage of reopening of the border to the country," he promised.

# Stocks

<https://dmarketforces.com>

## Analysts Upgrade Nigerian Breweries to Buy, Raise Target Price

Equities analysts have raised their expectations on Nigeria Breweries Plc stock with an upward adjustment to the brewer's 12-month price target.

In its equities report, Cordros Capital Limited told investors that the brewer's performance in 2023 was impacted by weakened consumer spending, rising inflation and naira devaluation, leading to pressure on margins and profitability.

The brewer posted more than N106 billion in 2023 as a result of headwinds in the Nigerian market. The devaluation of the naira damaged the company's performance as it booked large FX losses.

Nigerian Breweries has revealed a plan to hike prices of its products again. The company has been adjusting prices to compensate for higher production costs spooked by rising inflation rate and weak local currency.

Looking forward, analysts at Cordros Capital said they expect higher prices and moderate volume growth to support revenue growth amid constrained consumer spending.

"Additionally, we note that cost pressures, persistent FX illiquidity issues and elevated finance costs remain significant challenges to profitability".

Analysts said in their equities report that they anticipate gradual revenue recovery in 2024, driven by price increases and moderate volume growth.

On volumes, Cordros Capital Limited cite the company's expansion efforts in the Western and Northern regions, alongside an intensified presence in the Eastern part of the country.

Analysts said this, coupled with a focus on premium brands, is expected to yield a 13.3% year-on-year revenue growth for 2024 and a cumulative average growth rate (CAGR) of 9.3% over 2025-2028.

"We anticipate a slight 20 basis points year-on-year decline in gross margin to 35.1% in 2024 versus 35.5% in 2023 due to increased cost pressures from the high inflationary environment and currency devaluation.

Despite an anticipated 7.8% year-on-year increase in operating expenses, Cordros Capital analysts forecast a



241 basis points year-on-year increase in earnings before interest tax depreciation and amortisation (EBITDA) margin to 17.7% in 2024 from 15.3%. The projection is primarily attributed to the robust revenue growth of 13.3%.

Analysts stated that the prevailing FX challenges in the country are expected to continue exerting pressure on NB's bottom line. Specifically, analysts at the firm expect a 33.5% increase in FX loss to N204.77 billion, due to the company's foreign currency exposure and substantial debt burden.

Nigerian breweries' net finance costs is estimated to remain elevated at N251.80 billion, up by 33.1% year on year in 2024, primarily driven by higher FX losses and increased finance costs. Consequently, analysts forecast a net loss per share of N15.63 in 2024 vs a loss per share of N12.80 in 2023.

While acknowledging NB's strong market position, Cordros Capital analysts said they note that this strength is somewhat offset by increasing pressure from the higher working capital absorption and debt levels.

"In our assessment, the



brewer's liquidity position is considered weak due to its substantial short-term obligations".

Given no major projected capital expenditure in 2024, the investment firm forecasted the company's cash balance will settle at N50.43 billion versus N39.57 billion in 2023, which

is insufficient to cover the estimated maturing short-term liabilities of N648.14 billion, an increase from N584.47 billion in 2023.

Cordros Capital analysts said they Dec-24 target price of N41.05/s. In the medium term, analysts said they expect that the

integration of Distell's operations to open up new growth opportunities for Nigerian Breweries.

Given NB's recent profit challenges, this integration could enhance revenue and cost synergies while gaining exposure to the rapidly expanding spirits market.

# Inside Africa

<https://dmarketforces.com>

## Uganda Faces Difficulties Accessing External Funding Over Anti-Homosexuality Law

Fitch Ratings has affirmed Uganda's credit rating with an outlook accorded as negative following the country's inability to get external funding support or soft loans after it signed the Anti-Homosexuality Act in 2023.

The global ratings firm said Uganda's ratings are underpinned by favourable medium-term growth prospects and a record of relative macroeconomic stability aided by an independent central bank operating under an inflation-targeting framework.

This also reflects a Fitch Ratings expectation that real gross domestic product (GDP) growth and planned fiscal consolidation will contribute to stabilising government debt/GDP.

According to Fitch, the ratings are constrained by a low level of GDP per capita, weak governance, a low government revenue base and twin budget and current account deficits (CAD) higher than peers.

Meanwhile, Uganda's negative outlook reflects external financing and liquidity pressures related to the reduced availability of concessional external financing and grants.

"Downside risks to fiscal adjustment owing to public financial management shortfalls, notably in revenue collection, will exacerbate financing and liquidity pressures due to high government interest payments and rising external debt service amid tight financing conditions, and a weak reserve position".

Donor concerns over democracy, human rights and corruption reduced Uganda's access to external concessional funds, according to Fitch Ratings.

It said the introduction of the Anti-Homosexuality Act in 2023, further constrains Uganda's ability to secure concessional financing, evidenced by the World Bank's announcement that it will not grant new funding to Uganda until it ensures its principles of non-discrimination are satisfied.

The rating note explained that the World Bank is the most important source of external financing, accounting for 33% of government external debt. The authorities and the World Bank are negotiating about the potential to restart approvals for new projects.

Fitch stated that concessional financing shortcomings led the



Museveni

government to greater recourse to borrowing at higher costs from external commercial creditors and in the domestic market.

In the fiscal year ending June 2023, net domestic financing reached 3.4% of GDP against 2.7% of GDP budgeted. In the financial year 2024, additional spending has prompted the government to double its projection for net domestic financing to 1.8% of GDP.

However, Fitch analysts expect the domestic market to remain an important source of financing, averaging 2.4% of GDP in 2024-2025, raising interest costs and shortening maturities.

"We forecast external debt service at 1.9% of GDP in 2024 and 2.3% of GDP in 2025, after 1.9% of GDP in 2023. Negotiations are ongoing with commercial banks for a loan of 0.8% of GDP, and the IMF will disburse 0.4% of GDP in 2024".

Fitch revealed that the government does not plan to

receive commercial loans and budget support for 2025, while renewal of the IMF programme, scheduled to end in June 2024, has not yet been announced.

In case of a funding shortfall, Fitch analysts expect the authorities will forego or postpone non-critical expenditure.

It noted that the fiscal deficit was 5.5% of GDP in 2023, against 5.1% targeted. The shortfall in revenue collection and overspending on recurrent items were offset by the under-execution of capital spending, which fell by 16% compared with 2023.

"We forecast the fiscal deficit will narrow to 4.1% of GDP in FY24 and 4.0% in FY25, above the government's targets of 3.8% and 3.6% of GDP, as we assume continued revenue underperformance and overrun in interest payments and recurrent expenditures".

Uganda has a record of revenue underperformance

and weak budget planning, which have led to some arrears accumulation and a supplementary budget for additional spending, around 1.7% of GDP for 2024, funded through additional domestic borrowing and spending reallocation.

Despite continued efforts, Fitch analysts expect revenue below government's projections, due to grant shortfalls, slow removal of tax exemptions and lack of new revenue-raising measures. Uganda's narrow revenue base reduces the government's ability to respond to shocks.

It forecasted general government debt will decline from an estimated 47.1% of GDP at end-FY23 to 46.4% in 2025, supported by fiscal consolidation and robust GDP growth; below the 'B' median forecast of 55% of GDP.

Fitch said close to 65% of the debt is external, of which 13.6% is commercial debt in 2023, up

from 10.4% in 2022. Analysts projected the share to continue rising, further increasing external debt service.

Uganda's interest payments continue to increase, reaching 22.2% of domestic revenue in 2023 from 21.6% in 2022, the rating note said. Fitch analysts now expect interest payment to absorb 22.6% of revenue in 2025, reflecting low revenue mobilisation.

The ratings agency forecasted real GDP growth at 5.5% in 2024 and 6.0% in 2025 from an estimated 4.8% in 2023, on the back of the ramp-up of oil infrastructure development and increased agriculture production.

The country's growth will also be supported by the recovery in external demand and a pickup in domestic demand boosted by easing inflation, according to Fitch.

However, analysts said near-term risks are to the downside, amid a contractionary fiscal stance adverse weather conditions and regional instability. Oil production is expected to start at the end of 2025, but could be further delayed due to the failure to conclude financing for an oil pipeline to Tanzania and its subsequent building.

Fitch said oil production will not directly affect GDP growth or government revenues until 2026 in its forecast.

The current account deficit is forecasted to remain large at 8.0% of GDP in 2024 and 2025, well above 'B' median forecast of 2.6%, from an estimated 7.1% of GDP in 2023, as the import bill remains high with the development of the hydrocarbon sector.

Rising external debt service will lead to higher primary income outflows, the ratings note said, projecting that current account deficits will continue to be financed through FDI inflows, related to investments in infrastructure and hydrocarbon sector development.

At the end of 2023, Uganda's international foreign reserves increased slightly to USD3.7 billion, from USD3.6 billion in 2022, owing to the IMF disbursement in June 2023 and strong export receipts.

Nevertheless, Fitch analysts expect reserves to remain under pressure due to government imports, upcoming debt service obligations, and uncertainties over external financing.

# Inside Africa

<https://dmarketforces.com>

## Moody's Affirms Egypt Ratings, Outlook Now Positive



Moody's Ratings has changed the outlook on the Government of Egypt from negative to positive, reflecting significant official and bilateral support announced and marked policy steps taken in the past week.

According to Moody's, if these moves are maintained, they could support macroeconomic rebalancing. The investor services firm concurrently affirmed Egypt's foreign-currency senior unsecured ratings at Caa1.

The affirmation of the Caa1 rating reflects the Government of Egypt's high debt ratio and very weak debt affordability compared to peers that increase fiscal accounts' shock exposure and which Moody's expects will improve only gradually.

In addition, Moody's affirmed the backed senior unsecured ratings of the Egyptian Financial Corporation for Sovereign Taskeek sukuk company at Caa1 and its program rating at (P)Caa1 which are, in Moody's view, ultimately the obligation of the Government of Egypt.

Moody's has concurrently assigned a positive outlook to the Egyptian Financial Corporation for Sovereign Taskeek sukuk company, mirroring the positive outlook on the Government of Egypt.

The very large front-loaded foreign direct investment contribution by the Government of United Arab Emirates (Aa2 stable) significantly bolsters the economy's foreign exchange reserves to broadly cover Moody's estimated external financing gap until fiscal 2026.

As a result, the downside risks that prompted the change in outlook to negative in January are significantly reduced. In addition, the positive outlook captures the marked change in economic policy with a large devaluation of the currency and an increase in interest rates that, if maintained, will help Egypt maintain an upsized IMF program, reduce the risk of a renewed build-up of external imbalances and strengthen the economy's shock resilience over time.

The affirmation of the Caa1 rating reflects the Government of Egypt's high debt ratio and very weak debt affordability compared to peers that increase fiscal accounts' shock exposure and which Moody's expects will improve only gradually.

Moody's expects total interest payments will consume almost 65% of revenue at the end of fiscal 2024, a ratio that may temporarily deteriorate further in light of the observed official currency devaluation.

The agreed allocation of a large share of divestiture proceeds directly to the treasury to support debt sustainability will partly mitigate the highly adverse metrics.

The government's large gross financing needs at over 30% of GDP, especially in the local currency market drive government liquidity risk in light of large T-bill rollovers at higher rates.

Meanwhile, the repeated reliance on large external support packages since the November 2016 devaluation highlights persistent vulnerabilities related to the economy's shock exposure and diminishing reform perseverance observed in previous instances, especially with respect to currency reform.

The local-currency ceiling is unchanged at B1, and the foreign-currency ceiling at B3. The three notch gap between the local-currency ceiling and the sovereign rating reflects a large and diversified economy with a large public sector footprint that generates significant financing requirement that inhibits private sector development and credit allocation, notwithstanding recent reforms to level the playing field with public sector entities.

The two-notch gap between

the foreign currency and local currency ceiling reflects transfer and convertibility risks given persistent, albeit easing, foreign exchange shortages and weakening policy effectiveness.

The \$35 billion (8.8% of GDP) foreign investment commitment by the Government of United Arab Emirates (Aa2 stable) announced on 23 February includes \$24 billion in new cash transfers over two months for the acquisition of land development rights, and will broadly double Egypt's foreign exchange reserves (\$26.5 billion at the end of January) within a few weeks.

The injection of fresh FX liquidity is sufficient to help close the external financing gap until fiscal 2026 that Moody's estimates at about \$15 billion, in addition to a \$7 billion FX backlog that has accumulated since February 2022.

The conversion of \$11 billion in UAE deposits at the central bank to foreign investments will also reduce the monetary system's net foreign liability position by the same amount over the next few weeks.

This fresh capital injection forms the backdrop to the marked shift in economic policy that, if maintained, will strengthen the economy's macroeconomic rebalancing over time under the umbrella of an enhanced IMF

program.

On 6 March, the Central Bank of Egypt (CBE) floated the official exchange rate which converged to the parallel rate at about EGP51 per USD from EGP30.9 per USD, and hiked the policy rate by 600 basis points to 27.25%, broadly aligning the policy rate with the 91-day T-bill rate.

On the same day, the IMF confirmed staff-level agreement with the Egyptian authorities on a set of comprehensive policies and reforms needed to complete the first and second reviews under the Extended Fund Facility (EFF) arrangement, paving the way for an augmentation of the original IMF program from US\$3 billion to about US\$8 billion, subject to Board approval.

The CBE's policy rate hike brings monetary policy nearer to neutral after an extended period of negative real interest rates. The tightening of fiscal policy and slowdown in infrastructure spending agreed with the IMF should over time reduce inflation and support debt sustainability while fostering an environment that enables private sector activity and restore investor confidence.

Meanwhile, the removal of currency distortions by shifting to a managed float, and the shift to an inflation targeting regime, if maintained, should ease FX shortages and promote renewed remittance inflows through official channels, and incentivize foreign investment and portfolio inflows in the future.

The affirmation of the Caa1 rating reflects the Government of Egypt's high debt ratio and very weak debt affordability compared to peers that increase fiscal accounts' shock exposure and which Moody's expects will improve only gradually.

Moody's expects domestic borrowing costs will consume almost 65% of revenue at the end of fiscal 2024, a ratio that may temporarily deteriorate further in light of the observed official currency devaluation. The agreed allocation of a large share of divestiture proceeds directly to the treasury to support debt sustainability will partly mitigate the highly adverse metrics.

The government's large gross financing needs especially in the local currency market drive government liquidity risk in light of banks' already large government securities exposures.

Meanwhile, the repeated reliance on large external support packages since the November 2016 devaluation highlights persistent vulnerabilities related to the economy's shock exposure and diminishing reform perseverance observed in previous instances, especially concerning currency reform.

# Inside Africa

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## Double Shock Nearly Halts Angola Economic Recovery, IMF Says

Angola's economic recovery in 2021/22 was nearly halted in 2023 by a double shock in the first half of the year, as the oil sector weakened, and the debt moratorium ended, the Executive Board of the International Monetary Fund (IMF) said following the conclusion of the Article IV consultation with the country.

IMF said Angola's economic growth is estimated at 0.5 percent for 2023, with an estimated contraction in the oil sector of 6.1 percent and softened non-oil growth at 2.9 percent.

The country's headline inflation increased significantly in 2023, to 20.0 percent year on year at the end of December, driven by the depreciation of the kwanza and cuts in fuel subsidy in mid-2023.

In response to the shock, the IMF stated that the authorities tightened their fiscal stance in the second half of 2023, by cutting capital spending and related goods and services and implementing the first phase of their fuel subsidy reform in June 2023.

"These policy measures resulted in overall and non-oil primary fiscal balances of -0.1 percent of GDP and -6.3 percent of GDP, respectively", IMF said in a statement released.

Meanwhile, public debt-to-GDP is projected to have increased by 19 p.p. to about 84 percent of GDP in 2023, mainly driven by a significantly weaker exchange rate.

The depreciation of the kwanza in June 2023 helped the economy adjust to lower oil exports and preserve international reserves, which remained at about 7 months of import coverage.

The exchange rate has remained broadly stable since then.

Economic growth is projected to recover in the near-term, supported by improved oil production and the recovery in the non-oil sector. Inflation is expected to remain temporarily elevated in 2024 and to gradually decline thereafter, as the effects of the subsidy removal and the pass-through from nominal exchange rate depreciation diminish.

Meanwhile, the primary fiscal balance is expected to improve and remain positive given the expected continuation of fuel subsidy reform; lower debt service starting in 2024; and the expected recovery in growth.

IMF said downside risks to the near-term outlook include a larger-than-expected decline in global oil prices and/or domestic oil production as well as a delayed implementation of the fuel subsidy reform. Upside risks would mainly stem from higher-than-expected oil prices.

The multilateral lender recognized that Angola's economic recovery was nearly halted in 2023, as the oil sector weakened, and the debt moratorium ended. At the same time, risks to the outlook remain high, including heavy dependence on the oil sector, debt and banking sector vulnerabilities, and uncertain market access.

Against this background, IMF directors emphasized the need for continued fiscal consolidation and structural reforms, supported by technical assistance from the Fund and other development partners, to maintain macroeconomic stability

and foster diversified, resilient, and inclusive growth.

Directors agreed that continued fiscal consolidation and reforms are critical to strengthen fiscal and public debt sustainability. They welcomed the continued reduction of fuel subsidies in the 2024 budget and stressed the importance of sound implementation accompanied by timely and effective communication and well-targeted mitigation measures.

IMF also urged the authorities to accelerate the implementation of fiscal structural reforms to enhance budget credibility and contingency planning, as well as to strengthen revenue mobilization, expenditure prioritization, and debt management.

Directors agreed on the need to maintain a tight monetary policy stance to contain exchange rate and inflationary pressures. While welcoming that most of the recommendations from the safeguards assessment have been implemented, they stressed the need to further strengthen the monetary policy implementation framework to enhance monetary policy transmission, including by improving liquidity management, central bank communications, and coordination with the Ministry of Finance.

IMF also supported the continued efforts to transition towards an inflation-targeting framework, improve FX market functioning, develop rule-based FXI policy under the IMF's Integrated Policy Framework, and ensure exchange rate flexibility as a



Lourenço

key buffer against shocks.

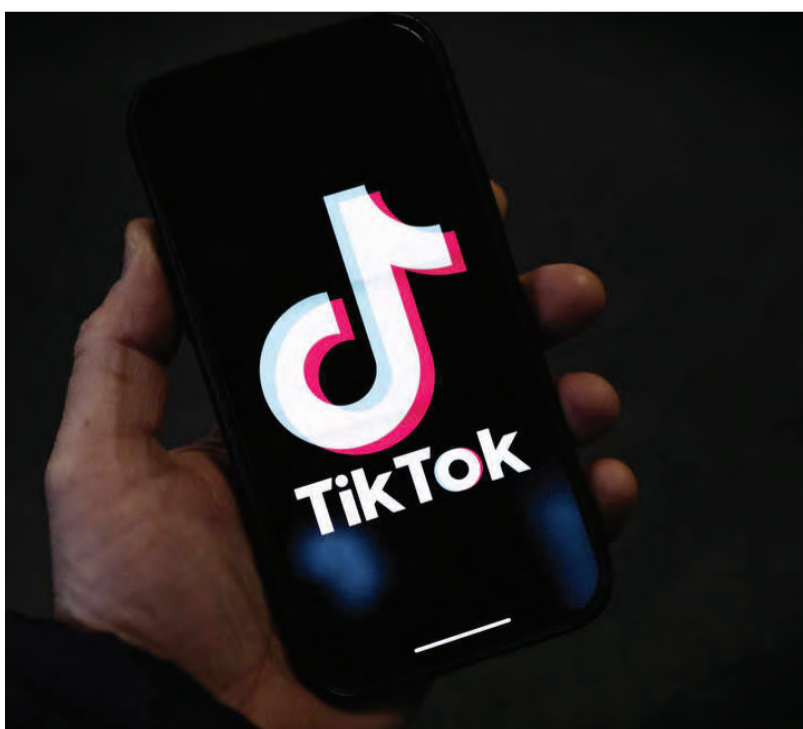
Directors urged the authorities to continue their efforts to strengthen financial stability, building on strong previous progress. They noted the importance of effectively implementing the new supervisory regulations and operationalizing the bank resolution framework. Efforts to increase financial intermediation and credit to the private sector should also continue.

They highlighted the need for successful implementation of the

National Development Plan to achieve more diversified and resilient growth.

IMF said priorities should focus on enhancing human capital through reductions in gender gaps, backed by effective social and public investment spending; improving the business environment and access to finance; strengthening climate adaptation and resilience; and sustaining efforts to address issues related to AML/CFT, governance, and corruption. Directors noted that efforts on all these fronts are macro-critical for Angola.

## US Senate Declines To Fast-Track TikTok Bill



A bill that would force the sale of TikTok from its Chinese owners or see it banned in the United States will move cautiously in the US Senate, key lawmakers said, after it sailed through the House.

The bill's whirlwind House passage on Wednesday, and its backing from US President Joe Biden, had raised alarm bells that the app, used by 170 million in the United States, could be shut down within months.

But hopes from TikTok's foes that the Senate could also move quickly were dashed, with key senators saying they would put the proposed law through the usual legislative process, which can take months.

"These fields are evolving and

changing so rapidly that you can do a lot of damage by moving too quickly or without the facts," Senator Ron Wyden, a Democrat who chairs the Senate Finance Committee, told the Washington Post.

Passing major legislation is especially difficult in an election year, and backers of the bill have bitterly predicted that the House's proposed law would die in the Senate.

"What we're likely to see happen in the Senate is people will nickel-and-dime it, a death by a thousand cuts," Republican Senator Josh Hawley told Axios.

"Nothing that Big Tech doesn't want moves across the Senate floor," he said. Senate leaders who would be in charge of shepherding the proposed law through a complicated amendment process and bringing it to a vote have been noncommittal on the bill.

After the House vote, Senator Maria Cantwell, a Democrat who chairs the Commerce

Committee, said that she would "try to find a path forward that is constitutional and protects civil liberties."

Republicans also expressed caution, and on Thursday former president Donald Trump reiterated his opposition to any ban of TikTok, asking his supporters to focus their anger on Facebook owner Meta instead.

Trump's position, which was surprisingly ignored by Republicans in Wednesday's vote, is a reversal from his efforts as president to force TikTok away from ByteDance, its Chinese owner, efforts which were ultimately blocked by the courts.

Some Western governments have voiced concern about TikTok's soaring popularity, alleging that the app's ownership makes it subservient to Beijing — and could be used as a conduit to spread propaganda — claims TikTok and Beijing deny. The White House has said Biden will sign the bill if it reaches his desk.

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## Africa Needs Welfarist Policies to Tackle Poverty- AfDB President

President of the African Development Bank Group Dr. Akinwumi Adesina has appealed to leaders in Nigeria and across Africa to make poverty history as he outlined a compelling case for welfarist policies and people-centred development.

"Given the high levels of poverty in Africa, and Nigeria, what is needed are welfarist policies that exponentially expand opportunities for all, reduce inequalities, improve the quality of life of people," Adesina said as he received the prestigious Awolowo prize for leadership at a colourful ceremony in Lagos.

Africa's present and former presidents were among hundreds of guests who attended the award ceremony where Adesina delivered the Awolowo Foundation's annual lecture on 'Making a New Nigeria: Welfarist Policies and People-Centred Development.'

Among visiting Presidents were Azali Assoumani of the Union of the Comoros; Samia Suluhu Hassan of the United Republic of Tanzania and Sahle-Work Zewde of the Federal Democratic Republic of Ethiopia. The Prime Minister of Togo Victoire Tomegah Dogbe represented her country's President Faure Gnassingbe.

Leaders from across Nigeria included Vice President Kashim Shettima who represented President Bola Tinubu, former Presidents Goodluck Ebele Jonathan, Olusegun Obasanjo and Yakubu Gowon and Ghana's former president John Dramani Mahama. Also attending were 19 State Governors and royal fathers including the Emir of Bichi Alhaji Nasiru Ado Bayero, the Obi of Onitsha Igwe Nnaemeka Alfred Achebe, the Ooni of Ife Oba Adeyeye Enitan Ogunwusi, the Olu of Warri Ogiame Atuwatse III and the Igwe of Orlu Dr. Patrick Acholonu. The event was moderated by Dr. Victor Oladokun, Senior Advisor for Communication and Stakeholder Relations to the President of the African Development Bank.

In his lecture, Adesina identified five critical areas that Nigerian and African leaders need to focus on to transform their economies and people's lives: The transformation of the rural economy and food security, health security for all, education for all, affordable housing for all and government accountability and fiscal decentralisation for a true federalism.

Transforming rural economies, ensure food security for all

Adesina said a better Africa must start with transforming rural economies, "that is because some 70% of the population lives there. Rural poverty is extremely high. At the heart of transforming rural economies is agriculture, the main source of livelihoods."



Adesina

"When rural economies falter, nations falter," Adesina warned, "this leads to the spread of anarchy and terrorists who take advantage of the economic misery to entrench themselves."

He highlighted how the African Development Bank Group is supporting a farm revolution at scale across the continent. "We have invested over \$8.5 billion in agriculture in the past seven years which has impacted 250 million people."

"The African Development Bank and development partners are providing \$1.4 billion for the development of 25 Special Agro-Industrial Processing Zones in eleven countries," he said.

In Nigeria alone, the Bank is developing these zones in eight of the country's 36 states with \$518 million. Another \$1 billion will go into the second phase of the program which will cover 23 more states.

Health care for all

"Nigeria needs health care for all," said Adesina, "smart governments provide universal basic health coverage for their citizens."

He spoke about how sicknesses and diseases cost Africa \$2.6 trillion in lost productivity.

Adesina also recounted how the Covid-19 pandemic caught Africa unprepared, unprotected and left at the bottom of the ladder when it came to the distribution of vaccines.

He explained the various initiatives the Bank Group introduced to address Africa's health needs including a \$10 billion facility to support countries to cope with the pandemic; a \$3 billion program to revamp Africa's pharmaceutical

industries and the recent launch of the African Pharmaceutical Technology Foundation to support access to proprietary technologies from global pharmaceutical companies.

Calling on Nigeria to secure the health of all its population, Adesina said, "This will require ensuring that no citizen travels more than a few kilometers to find a health care center. The widespread use of mobile health centers, e-health facilities, the digitalization of health systems, especially in all primary health care centers, health insurance policies for all, including innovative micro-health insurance pay-as-you-go systems, will capture the bulk of the population that is in the informal sector."

Education for all

Adesina wants Nigeria to provide education for all. According to the United Nations Children's Education Fund (UNICEF), Nigeria accounts for 15% of the total population of out-of-school children which includes over 10.2 million at the primary school level and 8.1 million at the Junior Secondary School.

"This is not a gold medal Nigeria should be proud of wearing," he said and expressed concern about "the poor funding of universities, lack of basic infrastructure, poor incentives for lecturers and incessant strikes due to wage disputes, have almost crippled the university system."

Adesina gave an example of the Bank Group's investment of \$614 million in Nigeria's IDICE program to support the development of digital and creative enterprises. The program is expected to create 6.3 million jobs and add an estimated \$6.4 billion to the economy

of Nigeria.

Housing for all

Adesina told guests that welfarist policies are urgently needed to ensure all Nigerians have access to basic and affordable housing. He noted that according to data by the UN Habitat, 49 percent of Nigeria's population which is equivalent to 102 million people, live in slums.

He said what people need is decent housing and not upgrading of slums. "There is nothing like a 5-star slum. A slum is a slum."

Government accountability and fiscal decentralisation for a true federalism

The Bank Group president said, "Citizen's accountability forums are needed for the people to have a say in how their nation's resources are being used and how their governments are performing."

To enhance transparency and accountability of governments to the people, the African Development Bank is developing a public service delivery index, which will rate governments on the quality-of-service delivery for citizens.

"If people pay taxes, governments must deliver services," said Adesina.

According to the African Development Bank's recently published Africa's Macroeconomic Performance and Outlook, Nigeria is currently experiencing slow growth. The end of the country's fuel subsidy regime and measures to unify the exchange rate have contributed to rapidly rising living and import costs, which have weighed on domestic demand and production, as well as investment, leading to an economic slowdown.

"To get out of the economic quagmire, there is a compelling need for the restructuring of Nigeria. Restructuring should not be driven by political expediency, but economic and financial viability," said Bank Group president.

He said for Nigeria to succeed with much needed welfarist and people-centered policies, it is necessary to change the governance system to decentralize greater autonomy to the states.

Saying it was time to pave way for a new Nigeria, Adesina said, "Instead of a Federal Government of Nigeria, we could think of the United States of Nigeria."

The award which promotes the legacy and democratic ideals of the late Nigerian nationalist and federalist leader Chief Obafemi Awolowo, also "recognises and celebrates excellence in leadership."

African leaders recognised the African Development Bank for its transformative impact on the continent under Adesina's leadership.

Tanzanian President Samia Suluhu Hassan, who chaired the 2023 Obafemi

Awolowo Prize for Leadership Award ceremony, described Adesina as a dynamic and visionary leader.

"He has a rare ability to turn vision into concrete transformational solutions that impact the lives of millions of people across Africa. Tanzania is one of many African states that have greatly benefited from his dynamic and astute leadership," she said.

"Through his leadership and support, we have been able to raise \$3.8 billion to support the construction of the regional standard gauge railway that will connect Tanzania to the Democratic Republic of Congo and the Republic of Burundi."

President Azali Assoumani of the Comoros said, "Dr. Adesina has an incredible ability to bring leaders together to engage and commit to initiatives that are transforming Africa every day. A great visionary, innovative, and pragmatic, Dr. Adesina has masterfully led transformative initiatives at the African Development Bank."

In a message read by Vice President Kashim Shettima, Nigeria's President Asiwaju Bola Ahmed Tinubu said Adesina's ability to navigate the complexities of his role at the African Development Bank demonstrates his competence and resilience in the face of challenges.

"Today, we gather to honour a man who has carved his path in one of the most challenging offices to lead—Dr. Akinwumi Adesina," he added.

Ethiopia's Sahle-Work Zewde highlighted how the African Development Bank has become a huge brand in her country and a long-standing, trusted partner of her country's development.

"Since Dr. Adesina took the presidency of the bank, the African Development Bank has provided us with access to heat-tolerant wheat varieties. Ethiopia, despite the many challenges, has become a lead producer of wheat, leading to self-sufficiency in only four years," she said.

"We need this hope and concrete action to showcase that Africa can become self-sufficient in food," the Ethiopian president added.

Speaking on behalf of President Gnassingbe of Togo, the country's Prime Minister Victoire Tomegah Dogbé pointed to the African Development Bank's support to help farmers increase their yield. "With the support of the Bank, Togo has become an exporter of organic soybeans to Europe," the Prime Minister said and praised Adesina for providing sound leadership that has transformed the Bank into a globally respected institution.

Adesina is the fourth recipient of the Award. Past winners include lawyer Afe Babalola, writer and Nobel Laureate Wole Soyinka, and former South African President Thabo Mbeki.

The Chairman of the Obafemi Awolowo Prize for Leadership Selection Committee, Chief Emeka Anyaoku said the Bank Group president was the unanimous choice of the Foundation's Selection Committee among many other eminent nominees.



## Naira Outlook Uncertain as Illiquidity, Weak Usable FX Reserve Unsettles Reform



The Naira witnessed FX market-wide gain amidst a claim that the local currency is currently undervalued. While staying on the upside, the naira is suffering from a lack of FX market intervention.

According to information obtained from the FMDQ platform, where daily exchange rates are quoted, the Naira appreciated by 0.39%, closing at ₦1,602.75 per US dollar at the official market on Friday. In the parallel market, the naira closed at ₦1,595 per greenback, according to a channel check.

The naira is estimated to be grossly undervalued. However, the market is currently suffering from forex liquidity strong enough to boost the local currency's strength against the dominant foreign currency.

The apex bank recently injected the US dollar into the market to support the supply side after a long holiday from the autonomous forex market. Its FX intervention has slowed due to a lack of a strong buffer to boost the supply side.

The Central Bank of Nigeria (CBN) faces a significant liquidity crisis in supporting the naira, as nearly \$20 billion of its \$33 billion in foreign reserves is tied up in various derivative deals, according to the Economist.

In February, Olayemi Cardoso, CBN Governor said the naira is grossly undervalued. Supporting this, Goldman Sachs estimated that the exchange rate

will appreciate to N1200 per US dollar within 12 months.

A naira bull, Financial Derivative Company, estimated N910.01 as the

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supply growth suggests a still-loose monetary context.

“Such a tightening will still face implementation challenges, partly due to the potential for countervailing political pressure. However, without further sizeable monetary tightening, it may be difficult to achieve macroeconomic stability – real interest rates remain negative, deterring inward portfolio investment,” it said.

Fitch projects the rate of inflation to rise further in 1H24, before moderating in 2H24. This partly reflects base effects as well as our assumption that the naira's depreciation will slow in 2024, compared with 2H23, before a stabilisation of the currency by year-end.

“We believe the currency's sharp depreciation since mid-2023, including the large loss of value in January, and slow monetary policy response has raised inflation expectations, with security challenges in the north-east of the country and higher transport costs also adding to price pressures.”

With limited dollar sources in the short term, the central bank will continue to struggle to meet its foreign exchange needs, Deloitte said in a macro update.

A member of the Big 4 accounting firm stated that other sources of foreign exchange supply, such as non-oil exports, external financing, and diaspora remittances are unlikely to satisfy demand in the short run.

Last week, Nigeria's FX reserves increased by USD209.89 million to close at USD34.42 billion. Also, the naira appreciated by 1.5% to N1,602.75 at the Nigerian Autonomous Foreign Exchange Market, with total turnover decreasing by 41.6% to USD743.54 million on Thursday, according to Cordros Capital Limited.

Analysts said naira trades were consummated within the N1,425.35 – N1,650 per US dollar. “We highlight the CBN's initiatives aimed at stabilising the naira, which encompasses addressing FX backlogs, increasing domestic interest rates to make naira-denominated assets attractive, and supplying dollars to BDCs.

“These efforts are beginning to manifest positive outcomes, as evidenced by the decreased naira volatility observed in the foreign exchange market. Although the apex bank has yet to fully clear the FX backlogs due to persistently low forex supply, we hold the view that the volatility of the naira will remain subdued in the short term.

“This expectation is underpinned by reduced currency speculation supported by the CBN's ongoing monetary tightening measures and improved liquidity resulting from the uptick in forex inflows from foreign portfolio investors”, analysts at Cordros Capital Limited stated.

Elsewhere, the price of oil declined over demand uncertainties. Brent crude dropped by 0.13% to settle at \$85.31 per barrel, and WTI crude also experienced a 0.01% decrease, reaching \$81.25 per barrel

real value of the local currency, though the exchange rate settled at an average of N1600 per greenback in the official window.

Naira's misfortune is attributed to a sustained scarcity of the US dollar and other foreign currency inflows into Nigeria. Nigeria was bullied to devalue the naira strongly in June 2023 in what some analysts call fast and furious for the prevailing market condition.

The authority had just removed fuel subsidies, which further worsened price instability. Despite devaluation, foreign investors stayed away from the economy, causing the naira to record its worst-ever loss of value in history.

The CBN intensified its effort to make the naira stable, but this has failed due to a weaker FX supply side. In a macro note, Fitch analysts highlighted low net reserves and weaknesses in the exchange-rate framework as constraints on the sovereign's credit profile in November 2023, when it affirmed Nigeria's rating at 'B-' with a stable outlook.

“We believe the large MPR increase on February 26–27 and accompanying moves to raise the cash reserve ratio for commercial banks to 45% from 32.5%, are steps towards containing inflation,” the global rating firm said.

Fitch expects the CBN to continue tightening policy in the near term, which seems necessary to more fully control inflation as rapid credit and money-