The NGX All-Share Index and Market Capitalization appreciated by 0.93% and 0.95% to close the week at 70,849.38 and N38.925 trillion respectively.

Similarly, all other indices finished higher with the exception of NGX Insurance, NGX AFR Bank Value, NGX MERI Growth and NGX Sovereign Bond which depreciated by 0.53%, 0.68%, 1.40% and 2.25% respectively while the NGX ASeM index closed flat.

## Top Gainers as at -10-NOV-2023

| Stock | Close ₦ | % Chg. |
|---|---|---|
| R.T BRISCOE PLC | 0.60 | 39.53 |
| JAPAUL GOLD &VENTURES PLC | 1.98 | 55.91 |

| Stock | Close ₦ | % Chg. |
|---|---|---|
| GLAXO SMITHKLINE NIG.PLC | 16.05 | 29.44 |
| P Z CUSSONS NIGERIA.PLC | 23.00 | 15.00 |
| DEAP CAPITAL MANAGEMENT & TRUST PLC | 0.31 | 14.81 |

A total turnover of 2.525 billion shares worth N45.297 billion in 32,815 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 2.451 billion shares valued at N40.570 billion that exchanged hands last week in 37,959 deals.

The Financial Services Industry (measured by volume) led the activity chart with 1.677 billion shares valued at N28.776 billion traded in 14,655 deals; thus contributing 66.44% and 63.53% to the total equity turnover volume and value respectively. The Oil and Gas Industry followed with 407.350 million shares worth N1.651 billion in 3,273 deals. The third place was the ICT Industry, with a turnover of 120.200 million shares worth N7.255 billion in 2,912 deals.

Trading in the top three equities namely Japaul Gold and Venture Plc, FBN Holdings and United Bank for Africa Plc (measured by volume) accounted for 1.030 billion shares worth N14.138 billion in 5,263 deals, contributing 40.80% and 31.21% to the total equity turnover volume and value respectively

## Notable Highlights

- The equities market recorded a mixed performance – the listed equities market, NGXASI, recorded an increase of 4.56% W-o-W, and the NASD OTC advanced by 0.78%.
- The NAFEM appreciated while the NAFEX rate depreciated.
- The BDC rates appreciated to 1,080.
- The price of Brent crude oil and Gold closed negatively at the end of the week.
- The FMDQ Debt Market Size was not available when reporting.
- The AFEX ACI and AEI were not available when reporting.

### Top Losers as at 10-NOV-2023

| Stock | Close ₦ | % Chg. |
|---|---|---|
| CAVERTON OFFSHORE SUPPORT GRP PLC | 1.33 | -13.64 |
| THE INITIATES PLC | 1.02 | -10.53 |
| N NIG FLOUR MILLS PLC | 18.00 | -10.00 |
| CADBURY NIGERIA PLC | 14.40 | -8.57 |
| TANTALIZERS PLC | 0.38 | -7.32 |

## WEEKLY STOCK RECOMMENDATION

1. Glaxosmith
2. MTNN
3. Japaul Gold

4. Access Holdings Plc
5. United Bank for Africa Plc
6. Guaranty Trust Holding Company Bank
7. Zenith Bank Plc
8. Dangote Sugar Refinery Plc
9. Nascon Allied Plc

## CAPITAL MARKET

**A decline in the FGN's Fiscal Deficit; Lower to N2.0trn in Q2 2023**

We see from the Central Bank of Nigeria's (CBN) Quarterly Statistical Bulletin for Q2 '23 that the fiscal operations of the Federal Government of Nigeria (FGN) resulted in a lower fiscal deficit of -NGN2.0trn, compared with -NGN3.9trn and -NGN2.2trn in the previous quarter and the corresponding quarter of 2022, respectively. The data is published by the CBN but sourced from the Office of the Accountant-General of the Federation. It is worth mentioning that the data is provisional and subject to revisions in subsequent publications. The primary source of the marked q/q reduction in the FGN's fiscal deficit was a -27% q/q decline in the government's total expenditure to NGN4.1trn.

However, on a y/y basis, total expenditure increased by +21%. Although recurrent expenditure fell by -15% q/q to NGN3.2trn, the q/q reduction in total expenditure was mostly driven by a -51% decrease in capital expenditure to NGN877.9bn. On a more positive note, the FGN's retained revenue for Q2 '23 rose by 22% y/y to NGN2.2trn. However, the q/q increase was modest compared to the y/y increase of 86%.The marked improvement in the government’s revenue can be attributed to higher revenue contribution from the Federation account.

Moving forward, we expect further expansion in the revenue allocation from the federation account due to the downward adjustment of the naira exchange rate. On a cumulative basis, the FGN’s fiscal operations between Jan-Jun ’23 resulted in total revenues and expenditures of NGN3.9trn and NGN9.7trn respectively, implying a deficit of NGN5.8trn.These figures track far behind the forecast revenue and expenditure of NGN5.6trn and NGN10.9trn, implied by the 2023 budget over the same period.

However, the fiscal deficit of -NGN5.8trn is only slightly higher than the -NGN5.4trn deficit projected by the budget for the 6M ’23 period.

**Oil Price Shock Would Hit 2024 Growth and Boost Inflation**

Higher-than-expected oil prices in a scenario where the Middle East conflict disrupts oil supply would cause lower economic growth and higher inflation, Fitch Ratings says. World GDP growth would be 0.4pp lower in 2024, but only 0.1pp lower in 2025, although the absence of a significant rebound suggests there could be a persistent moderate impact beyond the initial shock. Fitch’s September Global Economic Outlook (GEO) assumes average oil prices of USD75 a barrel (bbl) and USD70/bbl in 2024 and 2025, respectively. Using simulations from the Oxford Economics Global Economic Model, we estimated the impact of higher oil prices throughout 2024-2025 on our baseline GEO growth and inflation forecasts. Our scenario assumes that, due to supply restrictions, oil prices average USD120/bbl in 2024 and USD100/bbl in 2025. As a comparison, the price surpassed USD120/bbl at today's prices during the shock of 1979-1980. Oil prices averaged USD82/bbl (Haver Brent EIA series) in 2023 until the 7 October assault on Israel by Hamas, when prices increased to USD94/bbl before easing to USD87/bbl by early November. Higher oil prices would dampen GDP growth in almost all the GEO's 'Fitch 20' economies, although the impact would largely dissipate in 2025.

The absence of a significant growth rebound in 2025 implies a longer-lasting, if generally moderate, impact on GDP levels in most countries, which could affect assessments of potential growth.

**HAVE AN AWESOME WEEKEND AHEAD!!!**