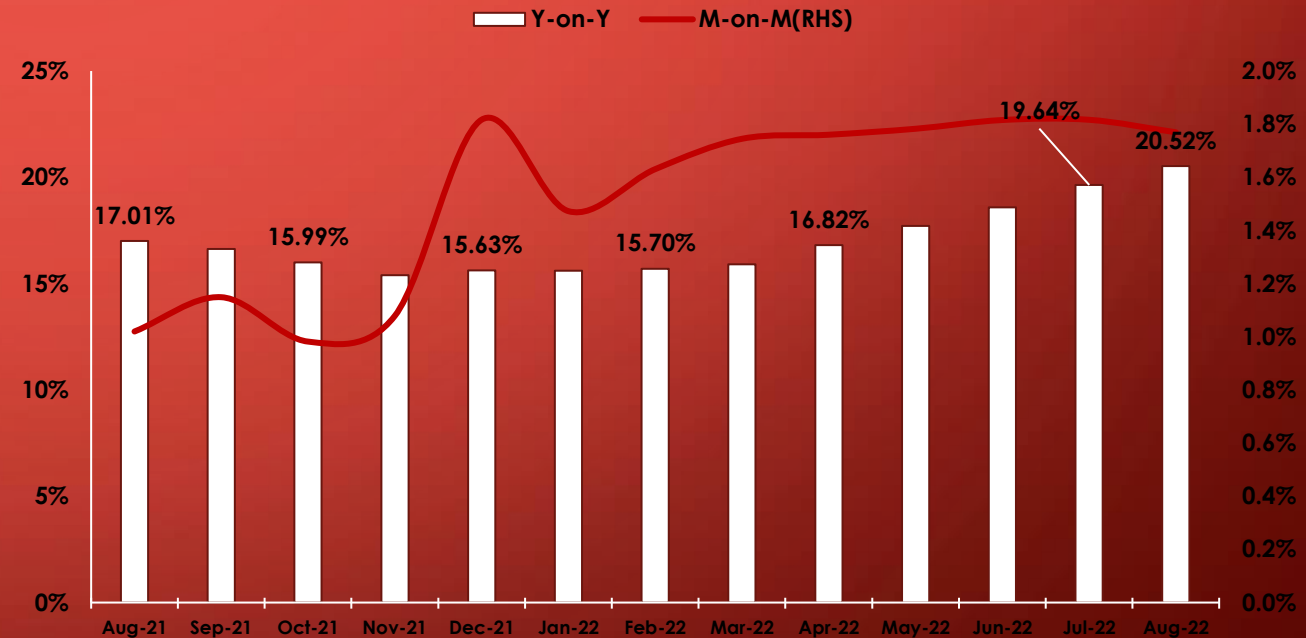


SAMTL Economic & Financial Markets Outlook Q4-2022

**Inflationary Pressure
Continues to Drive
Market Direction**



October 2022

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Disclaimer

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Global Macroeconomic overview

Global Macroeconomic Indicators

Country	Q2' GDP Rate (%)Q/Q	August Inflation Rate (%)	Current Intrest Rate (%)
U.S	-0.6	8.3	3.25
Euro Area	4.1	10	1.25
U.K	0.8	9.9	2.25
China	-2.6	2.5	3.65
Russia	-0.8	14.3	7.5
Japan	0.9	3	-0.1

Russian Ukraine War at a stalemate

- Ukraine's counter offensives reclaim dozens of settlements.
- Russian President Vladimir Putin signed laws formally annexing four Ukrainian regions and has ordered a partial mobilization, 300,000 reservists
- Three of Ukraine's ports were reopened to exports under the U.N.-backed Black Sea Grain Initiative, a deal between Ukraine, Russia, the United Nations and Turkey.
- Ukraine applied for NATO membership
- Outlook- The conflict will persist for a longer period than anticipated as no settlement in sight

Areas of Russian military control in Ukraine



Source: Institute for the Study of War (21:00 GMT, 3 October)

Major Changes In United Kingdom Leadership

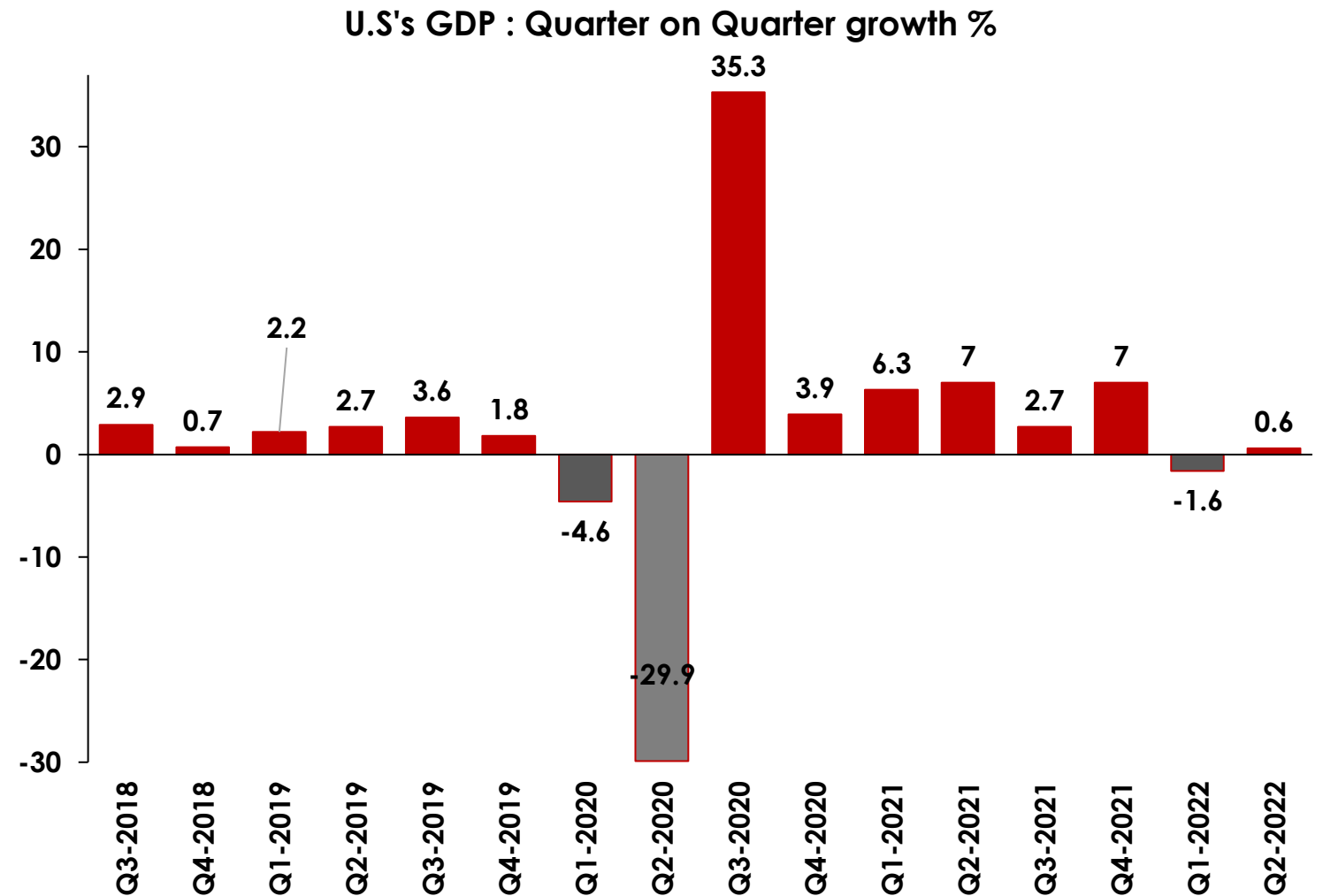
- The death of Queen Elizabeth II of England has caused an outpouring of condolences set into motion an elaborate schedule of events with her state funeral held on September 19, 2022.
- Liz Truss Emerges Third Female British Prime Minister, Promises Bold Reforms to cut taxes and build economic growth, and, “deliver on the energy crisis, dealing with people’s energy bills but also dealing with the long-term issues we have on energy supply.



Global Economic Growth

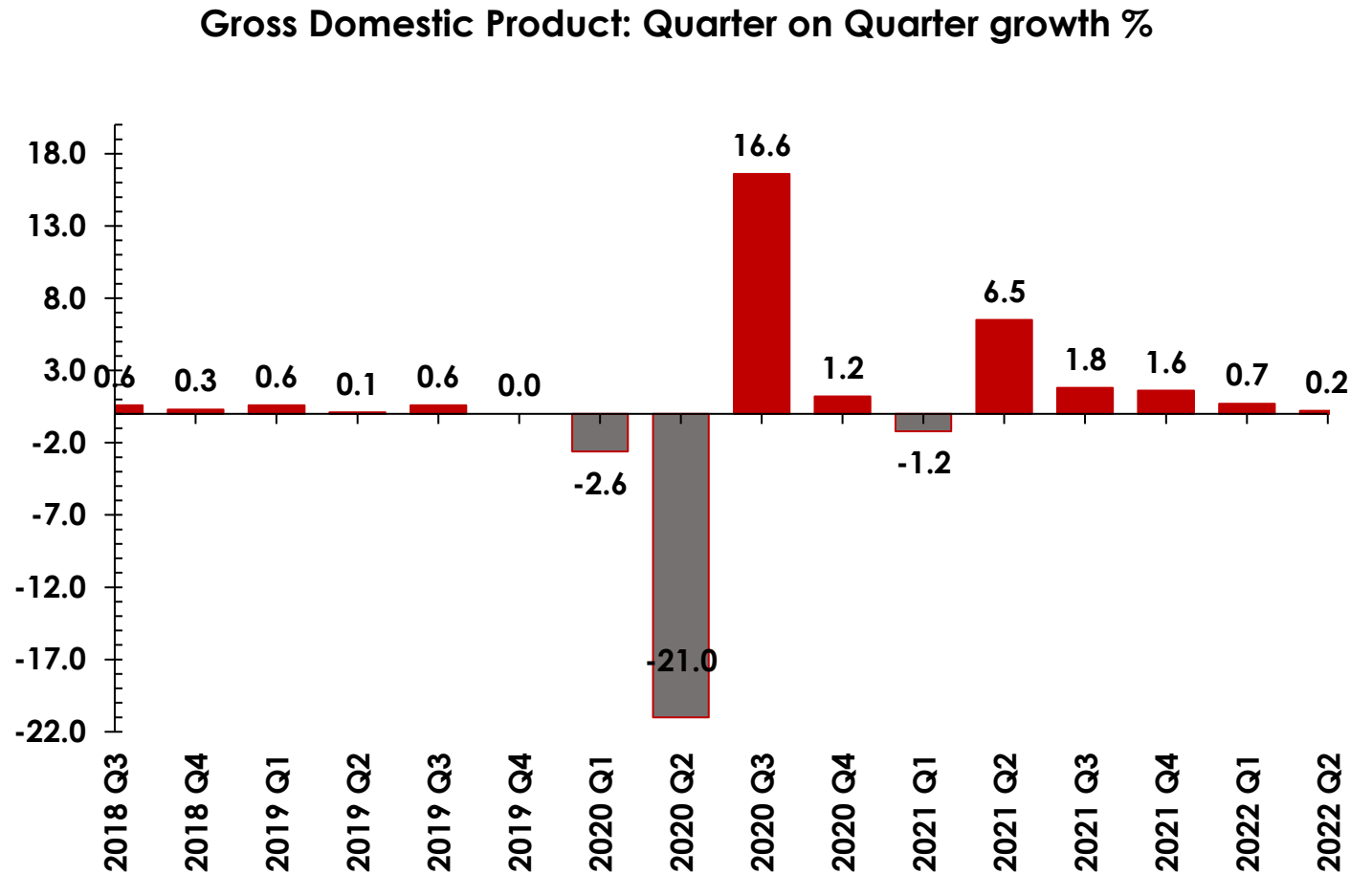
U.S 's GDP declined for the Second time in a row

- U.S Real GDP declined at an annual rate of 0.6% in the second quarter of 2022, following a 1.6% decrease in the first quarter.
- Real GDP declined due to losses in private inventory investment, residential fixed investment, federal government spending, and state and local government spending, which were somewhat offset by gains in exports and consumer spending. Imports, which are deducted from GDP calculations, increased.



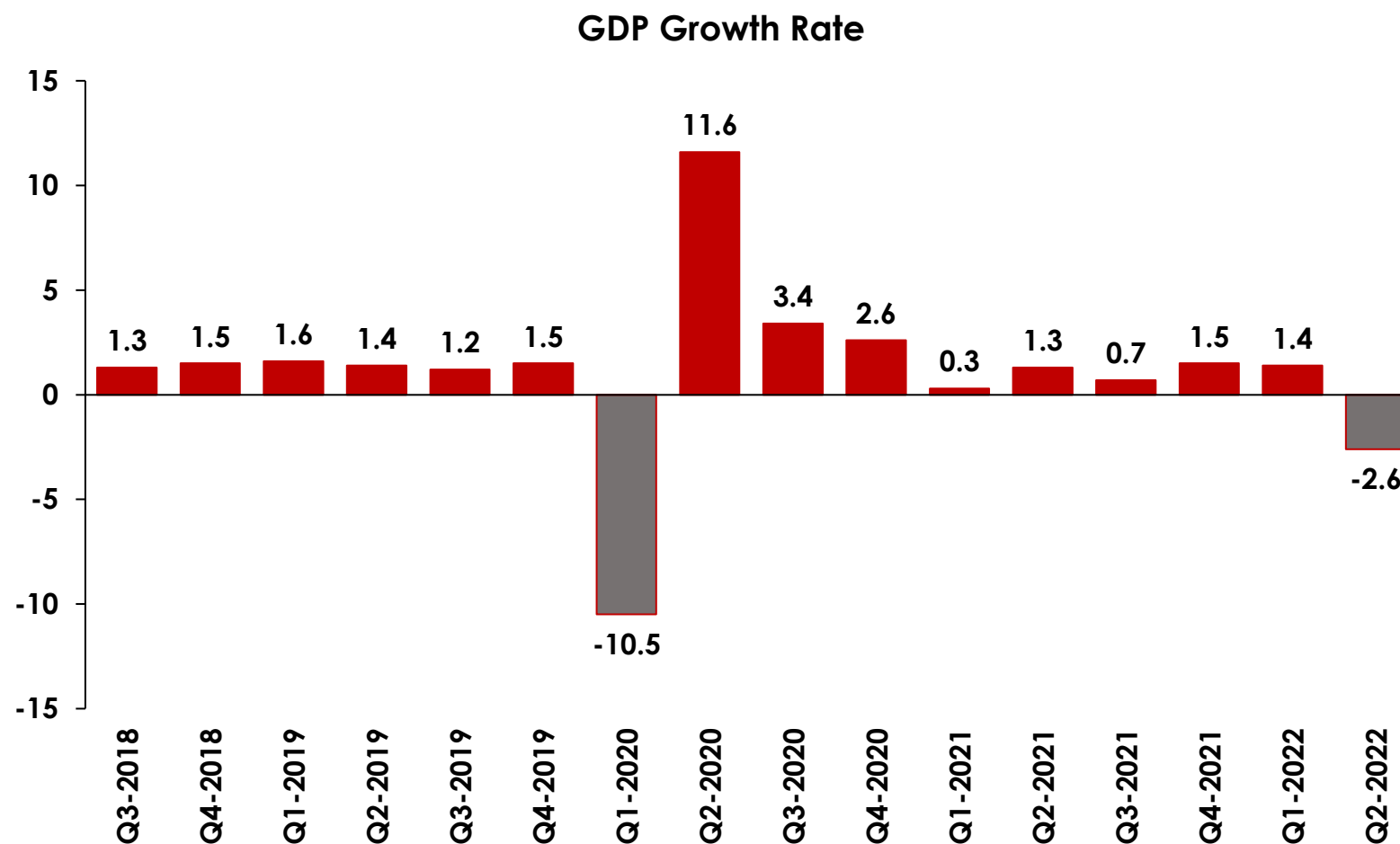
U.K GDP grew in Q2-22 than Expected

- The UK real GDP grew by 0.2% q/q in Q2-22 (vs 0.1% q/q in Q1-2022). However, the economy continues to slow
- Services output rose by 0.2% in Q2-22, reflecting a slowing in information and communication and professional, scientific, and technical activity output; nevertheless, the wholesale and retail trade and health industries remained weak.



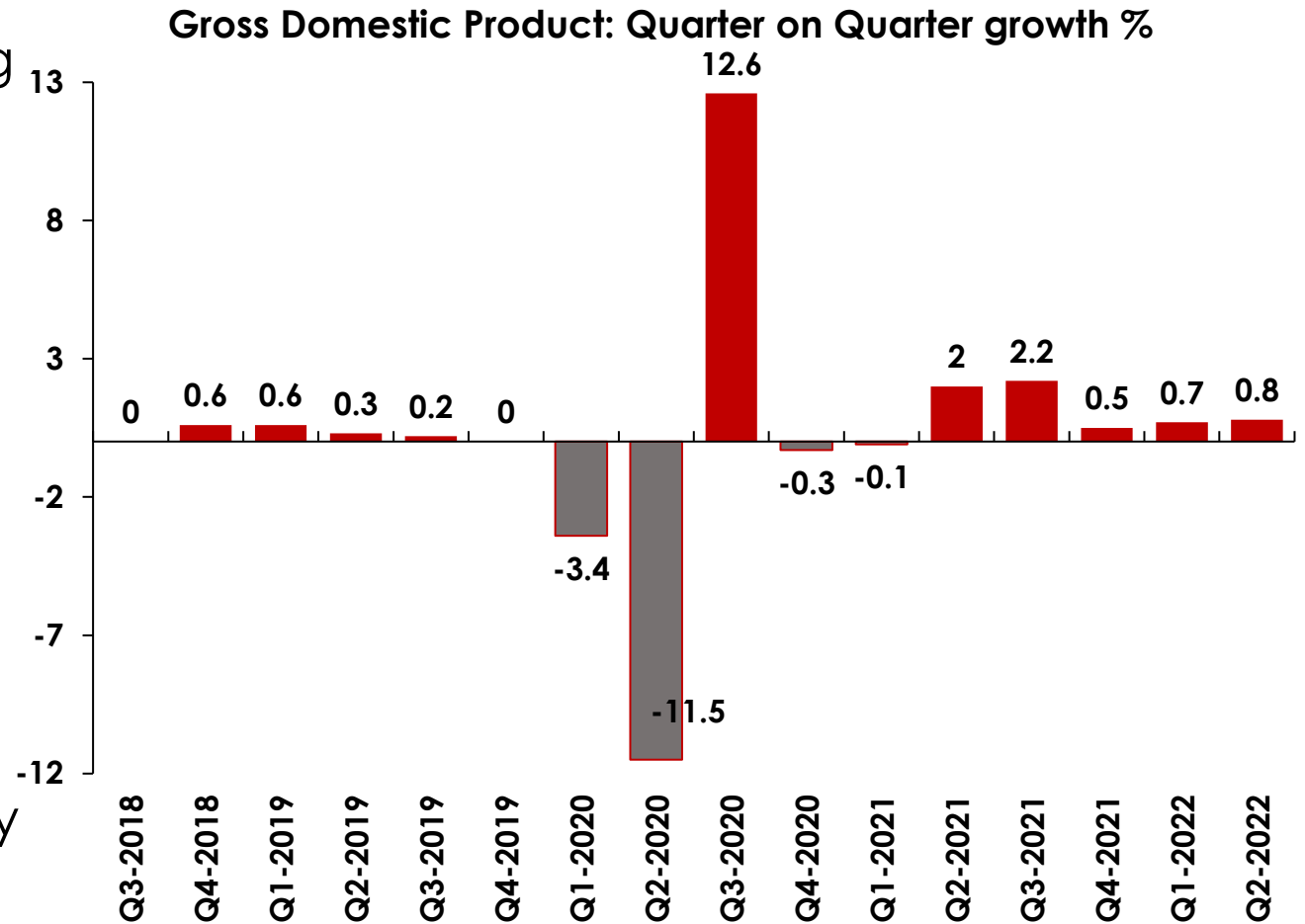
China's GDP depleted in Q2-2022

- The Chinese economy shrunk by a seasonally adjusted 2.6% q/q in Q2, (vs +1.4% in Q1).
- Reason for the decline, includes-rising global inflation threats, tightening monetary policies in major economies, and the impact of local virus outbreaks.



Euro Zone GDP Expanded by 0.8% q/q in Q2-22

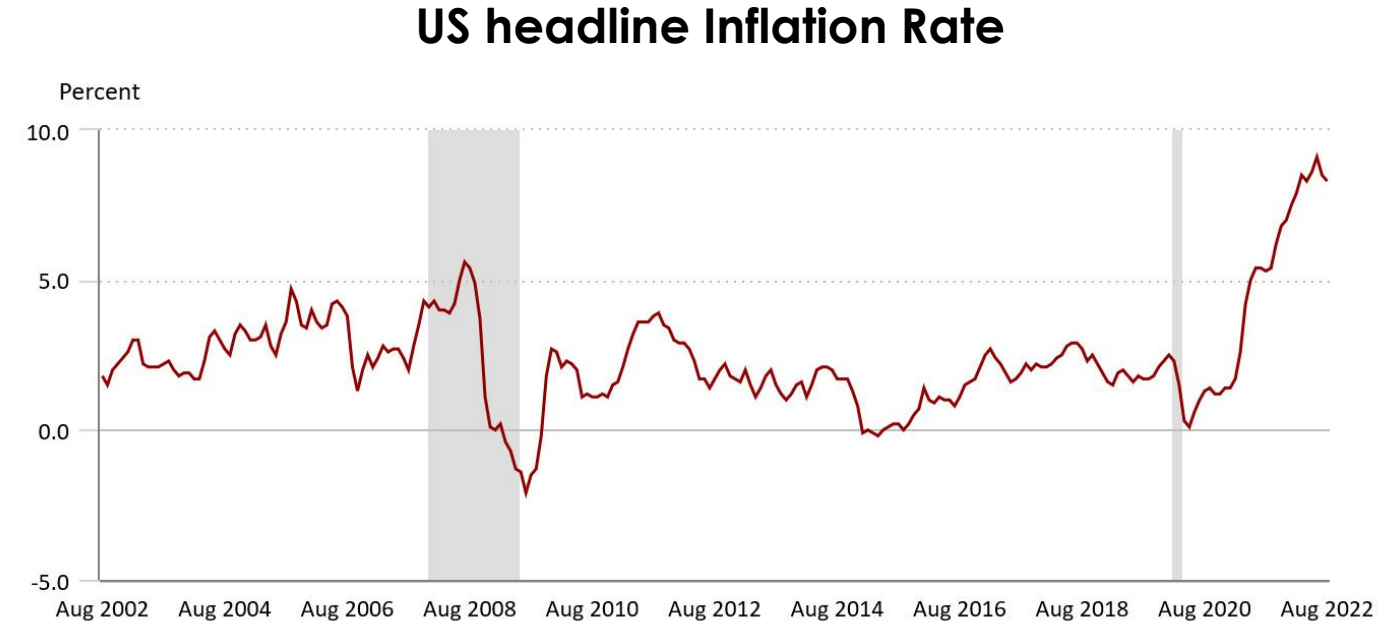
- The Eurozone economy grew by 0.8% q/q in Q2-22,(vs +0.7 in Q1-22) marking the best growth rate in three quarters.
- Household expenditure (1.3%) was the primary driver of the expansion, owing to the relaxation of credit restrictions and the summer tourism season, particularly in southern countries.
- In terms of the EU's largest economies, Germany increased by 0.1%, France by 0.5%, and Italy and Spain by 1.1% each.



Global Inflation

U.S Inflation Rate moderated for the 2nd Time in Row

- The annual inflation rate in the U.S declined to 8.3% in August 2022, (vs 8.5% in July).
- The energy index increased by 23.8% in August, vs 32.9% in July.
- Food inflation increased by 11.4%,
- Likewise, core CPI, which excludes volatile energy and food prices, climbed 6.3% y/y, (vs 5.9% in July).
- On a month to month basis Consumer prices rose by 0.1%



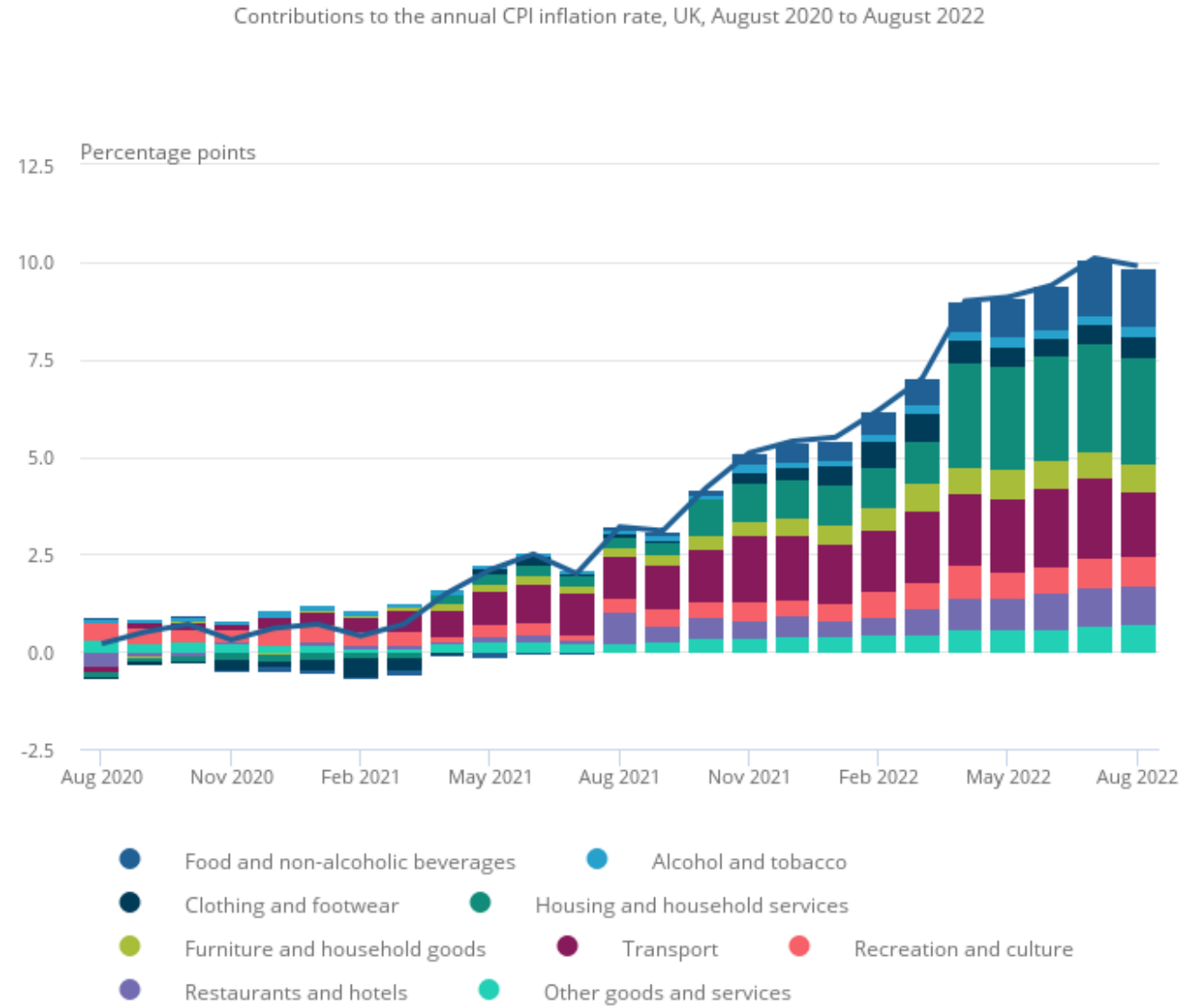
Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.

U.K Inflation declined to 9.9% in August 2022

- Annual inflation rate in the UK moderated to 9.9% y/y in August (vs 10.1% in July) while on a month-on-month basis decreased to 0.5% in August (vs 0.6% in July).
- Core inflation, was up 6.3% y/y while on a month-on-month basis was 0.8%.
- Food and non-alcoholic beverages rose to 13.1% (vs 12.7% in July 2022) which made the largest upward contribution to the monthly rates in August 2022.
- Transport (principally motor fuels) made the largest downward contribution to the change in the annual inflation rate.
- Inflation rate for transport was 12.4% in August 2022, (vs 15.1% in July).



Source: Office for National Statistics – Consumer price inflation

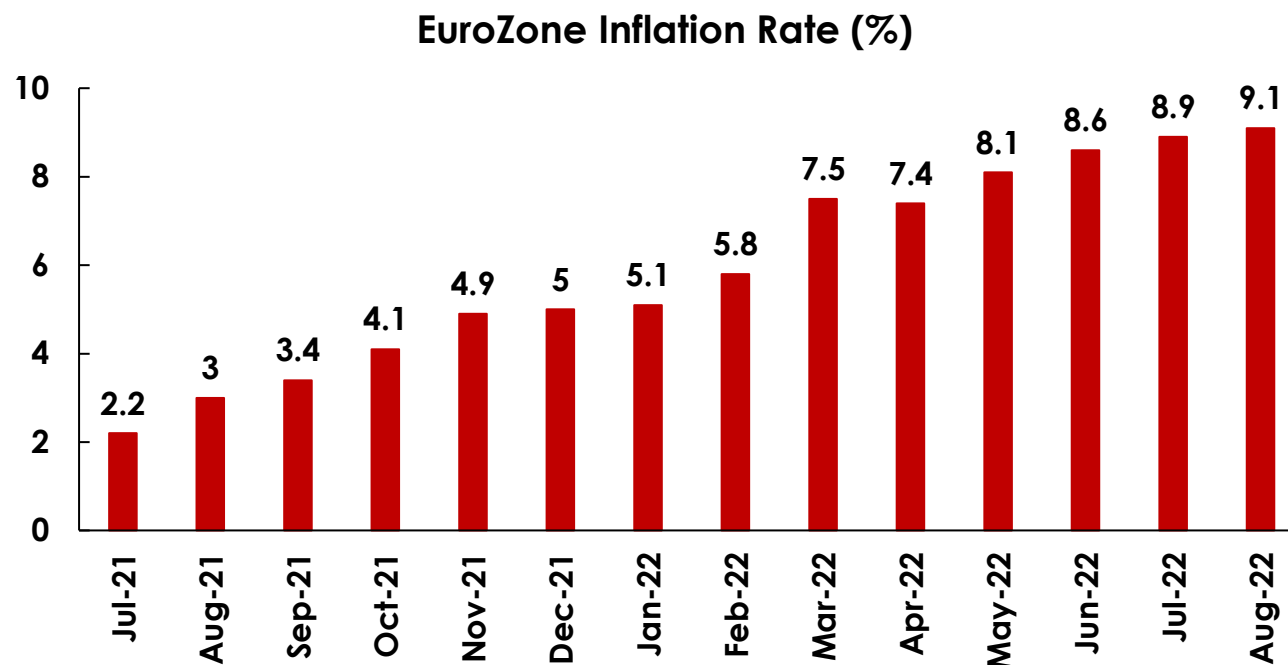
China's annual inflation declined to 2.5% y/y.

- According to the National Bureau of Statistics (NBS) of China, China's headline inflation dropped to 2.5% y/y in August, (vs 2.7% in July).
- As a result, inflationary pressures moderated throughout the food by 6.1% y/y (vs. 6.3% y/y in July) and non-food by 1.7% y/y (vs. 1.9% y/y in July) baskets.
- We believe that the moderation in consumer prices reflects poor local consumer demand as a result of the government's zero-COVID strategy, and a slowing in global crude oil prices.
- On a monthly basis, headline inflation fell by 0.1% (vs 0.5% m/m in July).



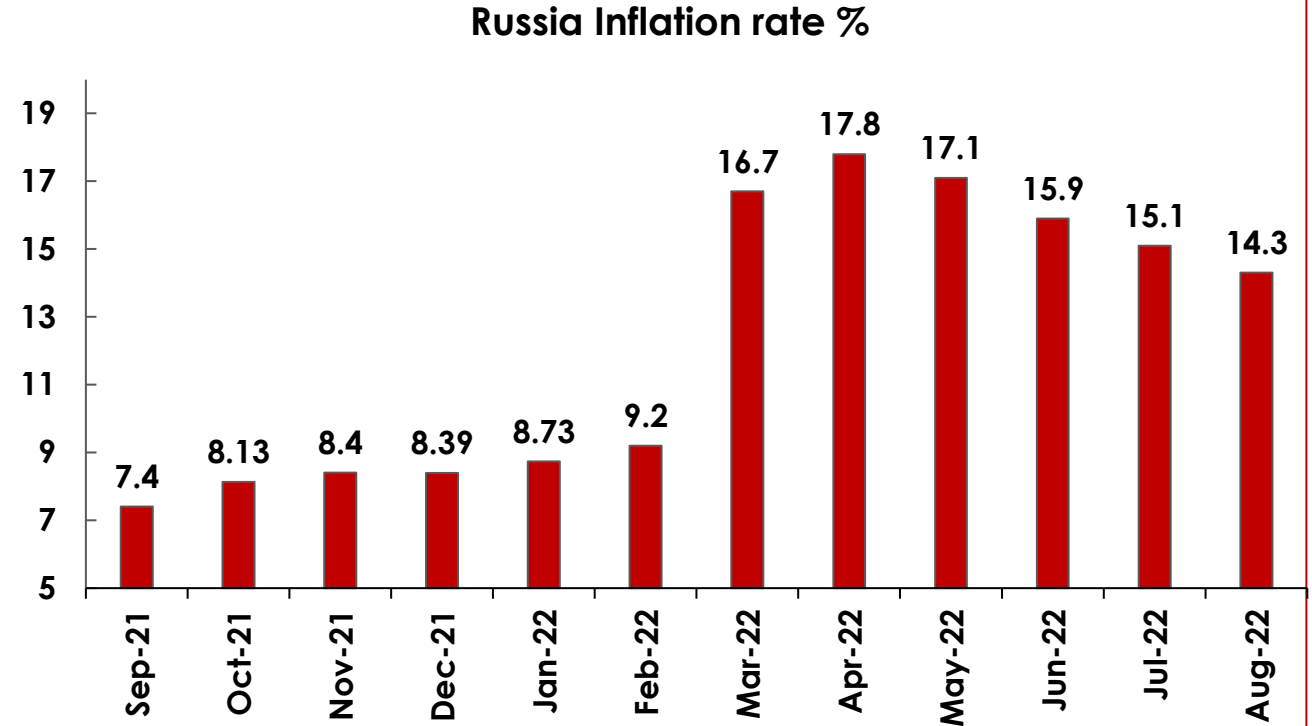
The Eurozone inflation rate reached 9.1%.

- The European Central Bank's (ECB) dilemma about potential recession risks is made worse by the fact that rising food and energy costs continue to drive consumer prices in the Euro Area to all-time highs.
- According to Eurostat's flash estimates, headline inflation in the Euro Area reached a new all-time high in August, rising to 9.1% y/y (vs 8.9% y/y in July).
- Price pressures in energy increase to 38.3% y/y (vs. 39.6% y/y in July), and non-energy industrial products increase to 5.0% y/y (vs. 4.5% y/y in y/y) remain strong.
- Food prices continue to accelerate (10.6% vs 9.8% in July)
- Headline inflation increased by 0.5% month on month (vs 0.1% m/m in July).
- The pressure on the ECB to continue raising interest rates significantly is likely to remain high



Russia Inflation Rate dropped to 14.3%

- Russia's annual inflation rate moderated to 14.3% in August 2022, (vs 15.1% in July),
- Food prices (15.8%) were the most volatile, followed by non-food products (15.1%) and services (10.5%).
- In addition, core consumer prices rose 17.7% y/y, (vs 18.4% in July)
- Consumer prices fell by 0.5% on a monthly basis, the third straight monthly loss, and followed a 0.45 drop in July.



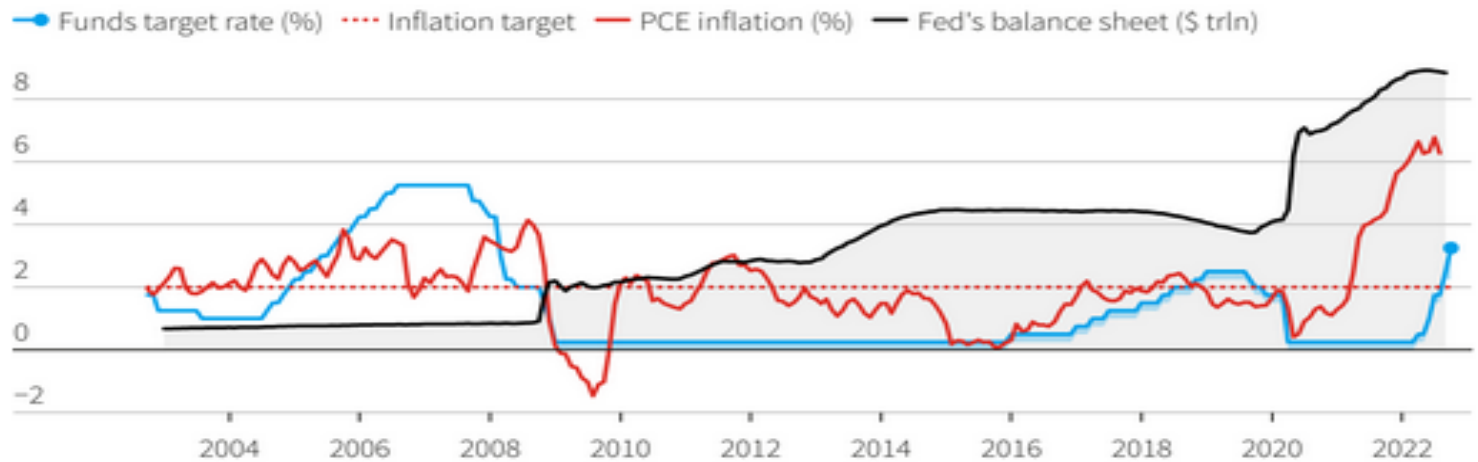
Global Interest Rate

Fed raised Key interest by 75 bps to Combat Inflation

- Fed lifts target interest rate to 3.00%-3.25% range.
- Although harsh measures to slow the economy will unavoidably cause pain to individuals and businesses countrywide, the Federal Reserve will not give up on its fight against inflation, according to the head of the central bank.
- The federal fund rate projected for the end of this year signals another 1.25% raise in the Fed's two remaining policy meetings in 2022, implying another 75-basis-point increase.
- Rates are also expected to rise slightly next year before falling in 2024, according to forecasts.

Fed delivers another big hike

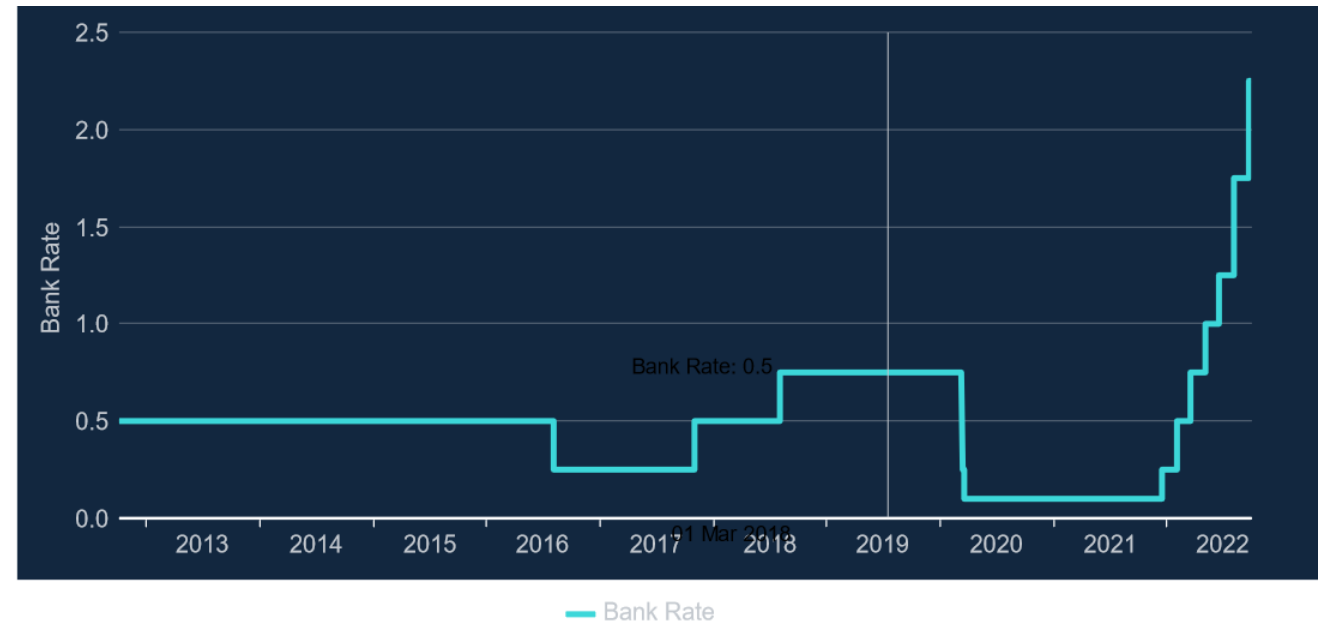
The Federal Reserve raised its target interest rate by 75 bps and signaled more large increases to come.



Source: Refinitiv Datastream | Reuters, Sept. 21, 2022 | By Vincent Flasseur

Bank of England raises Key rates to 2.25%

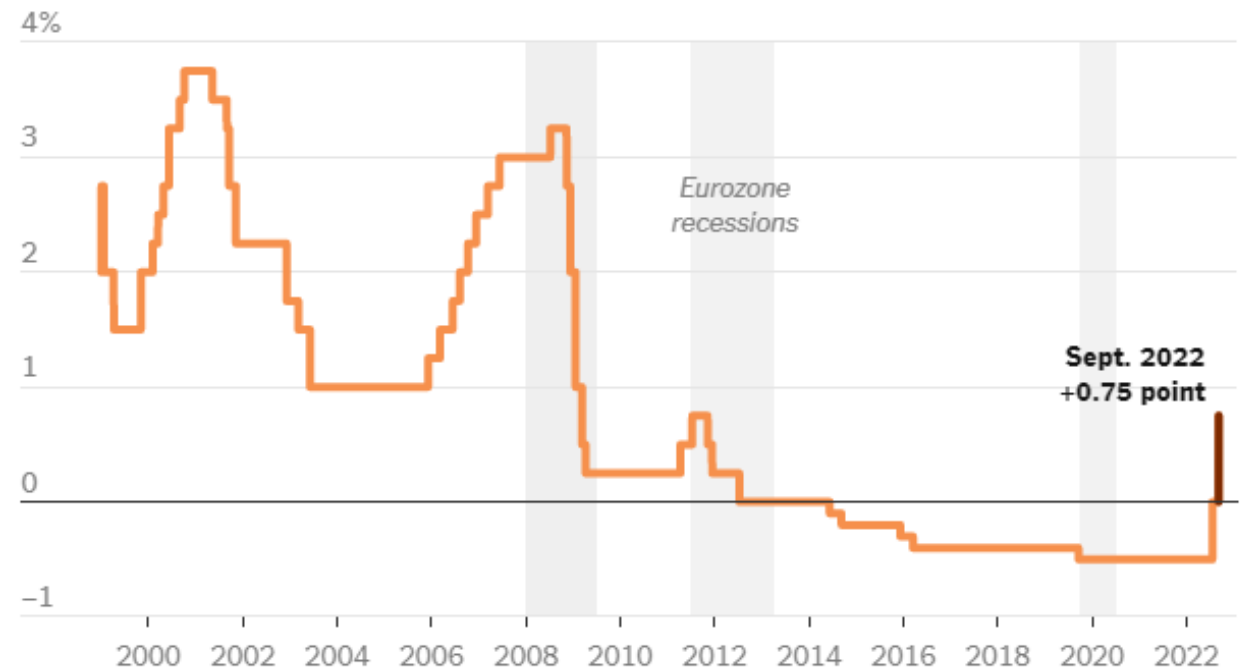
- Bank of England raised its key interest rate by 50bps to 2.25% from 1.75% during its September 2022.
- The bank's decision comes against a backdrop of an
 - increasingly weak British pound
 - Recession forecasts
 - The European energy crisis
 - New economic policies set to be introduced by new Prime Minister Liz Truss
- The bank noted volatility in wholesale gas prices which is due to disruption Supply chain
- The central bank voted to reduce the stock of purchased UK government bonds,, by £80 billion over the next twelve months
- Bank of England stated that there will be an assessment of the impact on demand and inflation from both the energy plan and an additional Growth Plan



European Central Bank raised interest rate by 75 basis point

- The European Central Bank (ECB) Governing Council proceeded to raise the three key policy rates by 75 basis points (bps)
- The main refinancing rate to 1.25% from 0.5% in September 2022 meeting
- Marginal lending facility is at 1.5%
- Marginal deposit facility at 0.75%
- Aiming to dampen demand and guard against the risk of a persistent upward shift in inflation expectations
- European households and companies are facing a severe energy crises as Russia's decision to halt natural gas deliveries to Europe

E.C.B.'s deposit facility rate since 1999

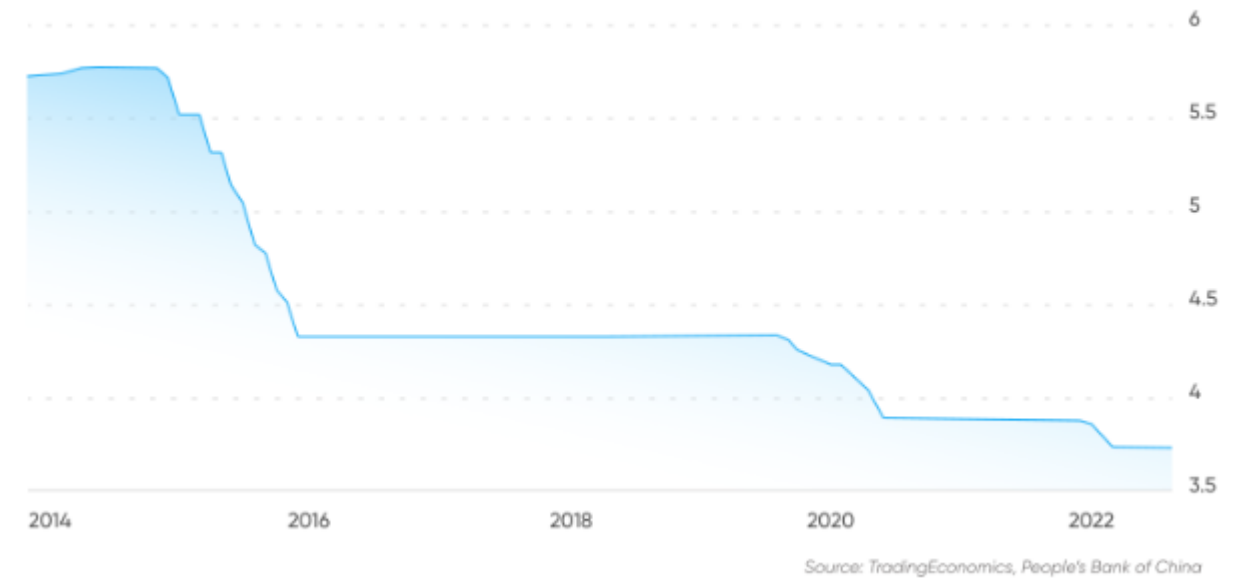


Source: European Central Bank • By The New York Times

People's Bank of China lowered its key rate

- The People's Bank of China cut its 1-year loan prime rate to 3.65% from 3.7% in August Meeting
- And 5-year loan prime rate to 4.30% from 4.45%,
- In the face of repeated COVID-19 outbreaks and a persistent property downturn, the board increased its attempts to stimulate borrowing demand.
- The move came after July data showed the Chinese economy was losing momentum amid slowing global growth.
- Though the LPR cut may provide near-term relief, easing liquidity alone is unlikely to lead to a turnaround to the property market

China loan prime rate chart



Bank of Russia cuts key rate by 50 bp to 7.50% p.a.

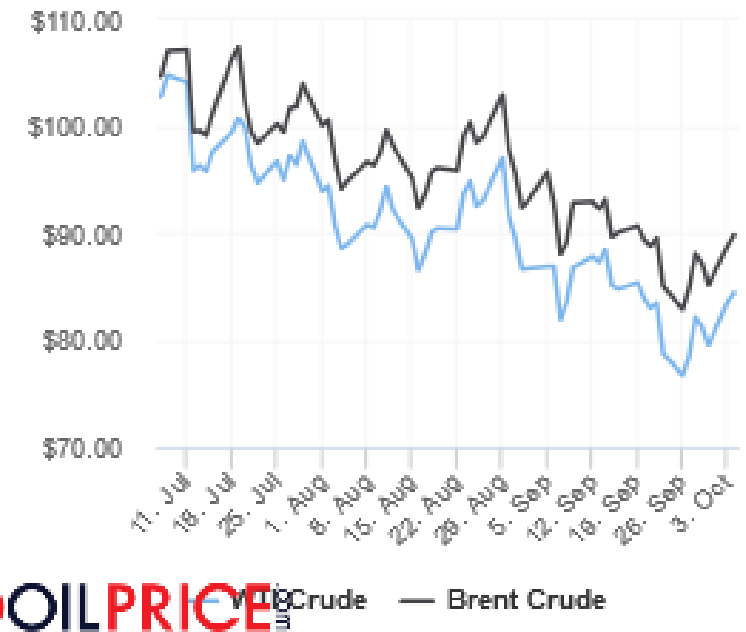
- During its September 2022 meeting, the Central Bank of Russia cut its benchmark interest rate by 50 basis points to 7.5%.
- The rate drop was the sixth in a row, as current consumer price growth rates remain moderate.
- Nonetheless, household inflation expectations and business price expectations remain elevated.
- Annual inflation will be 11.0-13.0% in 2022, dropping to 5.0-7.0% in 2023 and reverting to 4% in 2024, according to the Bank of Russia's prediction.
- Business activity is growing faster than the Bank of Russia predicted in July.
- However, the Russian economy's external environment remains tough, putting major constraints on economic growth.



Energy, Commodities & Metals

OPEC+ output cut likely to happen

- Oil prices recorded its first quarterly loss since 2020, with recession fears driving prices down to an eight-month low last week.
- There is some upside potential for oil prices heading into the fourth quarter, with OPEC+ considering a significant production cut to support prices.
- The producers of the OPEC+ alliance that are already discussing a possible cut next week have reportedly agreed to a range of 500,000 bpd to 1 million bpd.
- While the cut itself would have a limited impact on the fundamentals of oil markets due to OPEC+ underproduction, it would signal the group's intent to push prices higher.
- The EU embargo on maritime Russian oil imports will enter into effect in December, adding to supply tightness and potentially countering demand destruction.



OIL AND NATURAL GAS PRICES (as of 09:30 AM CT 30/09/2022)

	Price	Change	%Change	Contract
WTI	80.68	-0.55	-0.68%	NOV 2022
Brent	88.40	-0.09	-0.1%	NOV 2022
Natural Gas (Nymex)	6.864	-0.010	-0.15%	NOV 2022

WEEKLY U.S. OIL PRODUCTION (million barrels per day)

	Change from previous week	09/23/22	09/16/22	09/09/22	09/02/22	08/26/22	08/19/22
U.S. production	-0.100	12.000	12.100	12.100	12.100	12.100	12.000

SOURCE: OIL PRICE, OPEC

Commodity market closed mixed

- The Crude Oil (WTI) lost 10.63% m/m
- Also, Brent declined by 10.20% m/m
- Natural Gas price declined by 24.86% to \$6.8mmbtu, as the European gas market, where prices remain volatile,
- The commodities with the biggest monthly gains are wheat, Silver, Rice, and Platinum, with 13.37%, 5.90%, 3.45%, and 1.82% respectively.
- The commodities with the biggest monthly loss are Natural Gas, Palm Oil, Zinc, and Tin with -24.86%, -14.47%, -14.11%, and -13.23%, respectively.

Energy	Price	Weekly	Monthly	YTD
Crude Oil(WTI) (USD/BBL)	79.57	1.05%	-10.63%	4.85%
Brent (USD/BBL)	85.96	-0.30%	-10.20%	8.34%
NATURAL GAS (USD/MMBTU)	677.67	-2.38%	-24.86%	22.89%
Metals	Price	Weekly	Monthly	YTD
GOLD (USD/ T. OZ)	1,646.66	1.35%	-2.66%	-5.40%
SILVER (USD/ T. OZ)	19.032	1.02%	5.90%	-15.50%
PLATINUM (USD/ T. OZ)	861.69	0.88%	1.82%	-11.36%
LEAD (USD/MT)	1,877	2.16%	-5.37%	-11.46%
ALUMINUM (USD/TONNE)	2,154	-0.51%	-8.69%	-24.95%
TIN (USD/MT)	20,523	-5.21%	-13.23%	-38.33%
ZINC (USD/MT)	2,972	-1.21%	-14.11%	-1.11%
Agricultural	Price	Weekly	Monthly	YTD
WHEAT (USD/BU)	938.38	7.06%	13.37%	24.82%
PALM OIL (MYR/MT)	3,416	-8.57%	-14.47%	-24.17%
RICE (USD/CWT)	17.2	-0.89%	3.45%	26.51%
RUBBER (USD Cents/KG)	134.9	1.20%	-0.95%	-18.98%
SUGAR (USD CENTS/LB)	18.24	1.85%	0.94%	-4.66%
COCOA (USD/MT)	2,251.00	-4.87%	-6.54%	-13.35%

Global Market

Stocks Drop as Worry Over Fed Snuffs Out Optimism

- Global markets had another turbulent week as fresh concerns about monetary policy tightening conditions, financial dislocations in Europe, and geopolitical risks fueled risk-off emotions.
- Based on the previous, the US stocks are on track for their worst monthly rout since April, as markets were repeatedly pummeled by the Federal Reserve's resolve to keep raising interest rates until inflation eases.
- US stocks (DJIA: -8.27% and S&P 500: -8.56%) fell to fresh lows as investors analyzed Federal Reserve policy decisions on the expected pace of future interest-rate hikes.
- Similarly, European shares (STOXX 600: -5.09% and FTSE 100: -5.36%) extended their losing trend to a fifth week due to concerns about global economic growth.
- Likewise, Asian markets (Nikkei 225: -6.20% and SSE: -5.09%) tracked Wall Street's decline, as investors fled riskier assets due to recession fears.

Selected Global Market Indexes Return				
US	Value	Weekly	Monthly	YoY
DOW JONES	28,904	-1.90%	-8.27%	-14.60%
S&P 500	3,645	-0.82%	-8.56%	-16.04%
NASDAQ	10,661	-1.25%	-9.78%	-26.21%
Europe	Value	Weekly	Monthly	YoY
FTSE 100	6,894	-1.78%	-5.36%	-2.72%
DAX	12,114	-1.38%	-5.61%	-20.62%
CAC 40	5,762	-0.36%	-5.92%	-11.62%
IBEX 35	7,367	-2.86%	-6.59%	-16.25%
Europe STOXX 5	3,318	-0.91%	-5.66%	-18.03%
STOXX 600	388	-0.65%	-5.09%	-11.61%
Asia	Value	Weekly	Monthly	YoY
Nikkei 225	7,367	-4.48%	-6.20%	-9.85%
Shanghai	3,024	-2.07%	-5.09%	-15.24%
Hang Sang	17,223	-3.96%	-11.46%	-29.92%
CSI 300	3,805	-1.33%	-5.44%	-21.81%
Sensex	57,427	-1.16%	-2.34%	-2.28%
ASX 200	6,474	-1.53%	-5.19%	-9.90%

Equities Market – African Comparisons

Stock Exchange	Level	Weekly Change(%)	YTD(%)	CURRENT GDP RATE (%)	CURRENT INFLATION RATE (%)	CURRENT INTEREST RATE(%)
NSE ASI (Nigeria)	47,351.43	-3.41	10.85	3.54	20.52	14.00
GSE (Ghana)	2,461.53	0.06	-11.75	4.8	37.2	24.5
EGX 30 (Egypt)	10,010.78	3.18	-16.82	5.40	15	11.25
JSE (South Africa)	65675.50	3.06	-10.90	0.2	7.60	6.25
Nairobi (Kenya)	126.32	-1.63	-24.11	5.2	9.20	7.50
TUN (Tunisia)	8,109.48	-2.56	+15.09	2.80	9.10	7.25
ZSI (Zimbabwe)	13068.97	-11.53	+20.76	5.80	280	200.00
USE ASI (Uganda)	1,221.10	-3.34	-14.05	4.9	10	10
Gaborone (Botswana)	7,431.43	0.40	6.02	5.6	14.60	2.65
NSX Overall (Namibia)	1,503	1.16	-6.87	5.6	7.1	5.50

SOURCE: NGX,SAMTL RESEARCH , TRADING ECONOMIC

Nigeria Economy Overview

Nigeria Macroeconomics Indicators



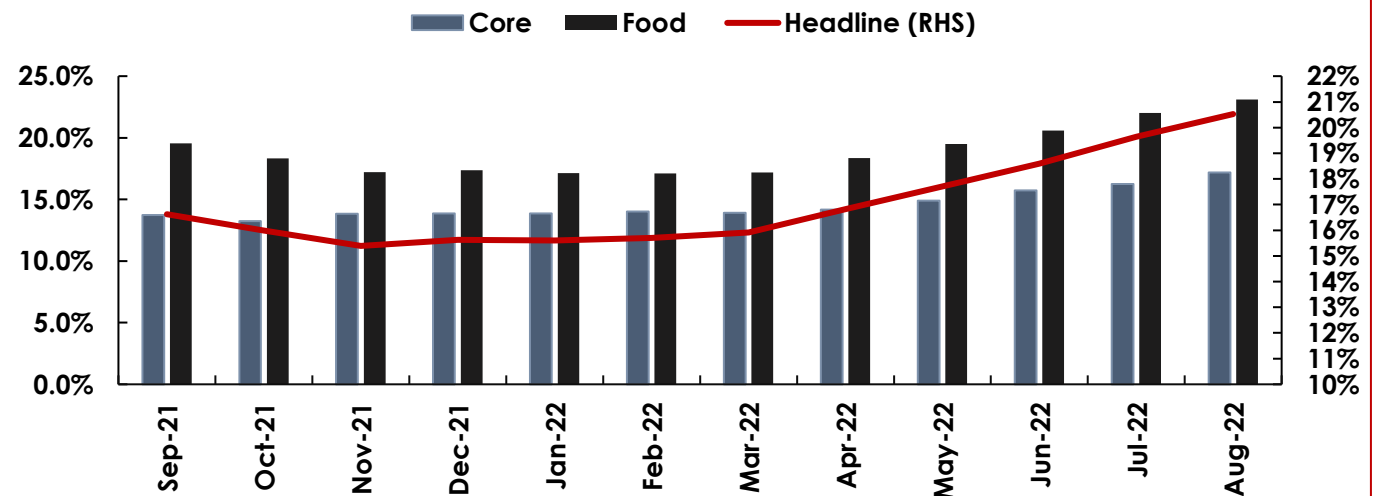
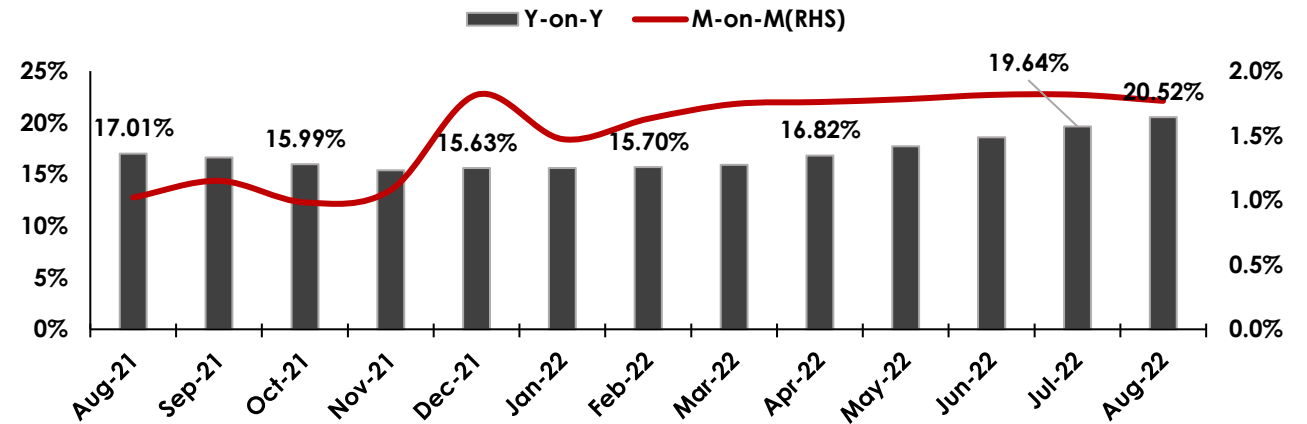
Marco Indicators	Current	Previous	% Change
Real GDP Growth(%)	3.54%	3.11%	0.43%
CPI(Inflation Rate)%	20.52%	19.64%	0.88%
MPR	15.50%	14.00%	1.50%
Unemployment	33.28%	27.3%	0.00%
Exchange rate (N/USD)	432.87	431.09	0.41%
I&E FX Window (N/USD)	437.03	436.33	0.16%
Foreign reserve (USD billion)	38.92	38.69	0.59%
Brent crude oil price (USD)	85.96	86.16	-0.23%
FAAC(NGN billion)	673.14	954.09	-29.45%

Nigeria's Inflation rate maintained its upward trend



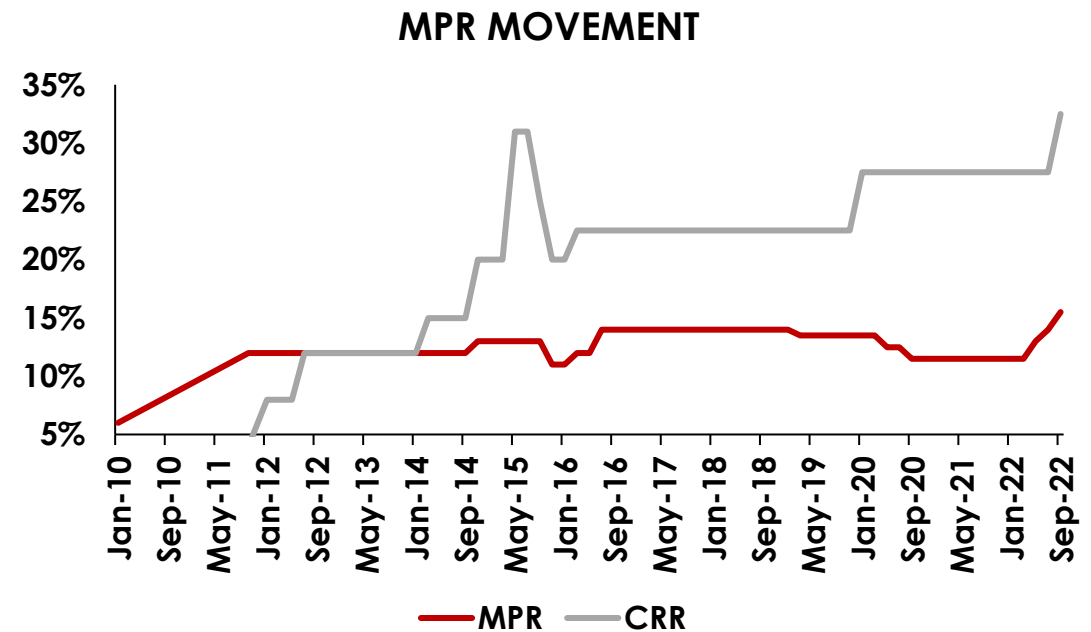
- According to the National Bureau of Statistics (NBS), Nigeria's Inflation rate increased to 20.52% in the month of August 2022 from 19.64% in July y/y
- While it declined m/m to 1.77% In August from 1.86% in July 2022
- Core Inflation Increased to 17.20% (Vs 13.41% in July 2022)
- Food Inflation Increased to 23.12% (Vs 20.12% in July 2022)
- Factors Responsible For The Increase In Annual Inflation Rate
 - Disruption in the supply of food products
 - Increase in import cost due to the persistent currency depreciation
 - General increase in the cost of production
 - The Month-On –Month moderated due to
 - Decline in the monthly food index due to harvest season
 - Stability in the cost of transportation especially fuel and diesel

Nigeria's Headline Inflation Rate Trend



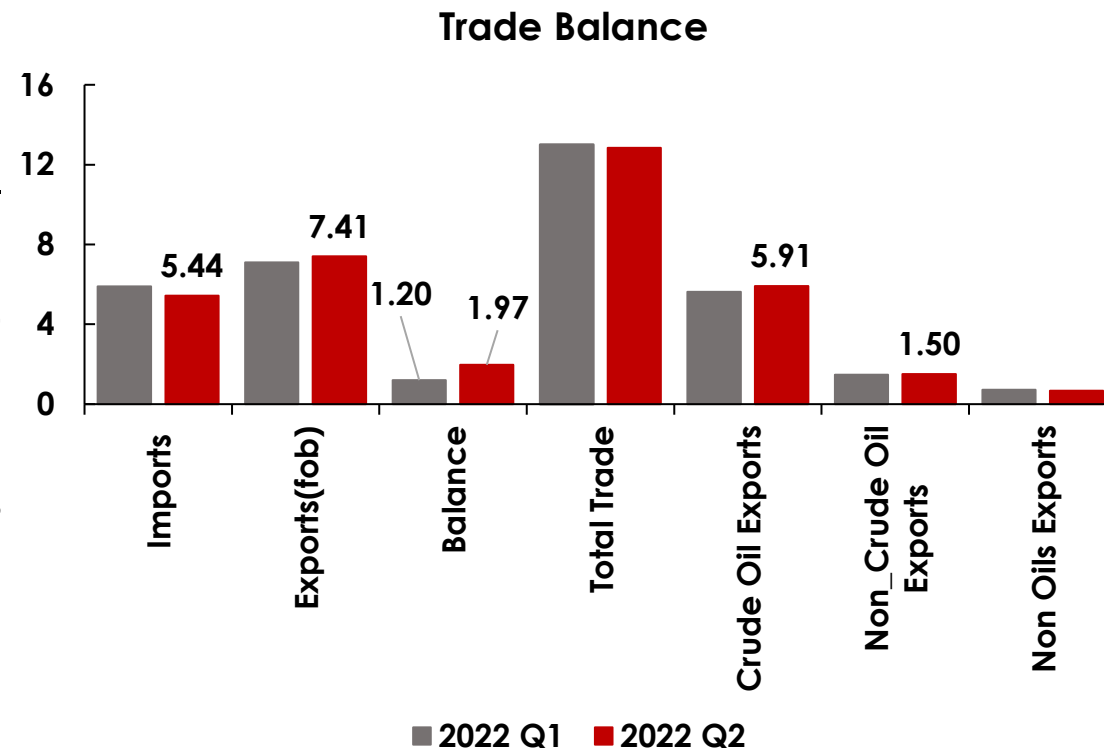
MPC hike rate by 150bps to 15.5%

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted at its penultimate meeting of the year to raise the Monetary Policy Rate (MPR) by 150 basis points to 15.5%, the third consecutive rate hike and the highest since 2006.
- Furthermore, the Committee resolved to raise the Cash Reserve Requirement (CRR) by 500bps to a minimum of 32.5%.
- Retain the asymmetric corridor around the MPR and the liquidity ratio at +100bps/-700bps and 30.0%, respectively.



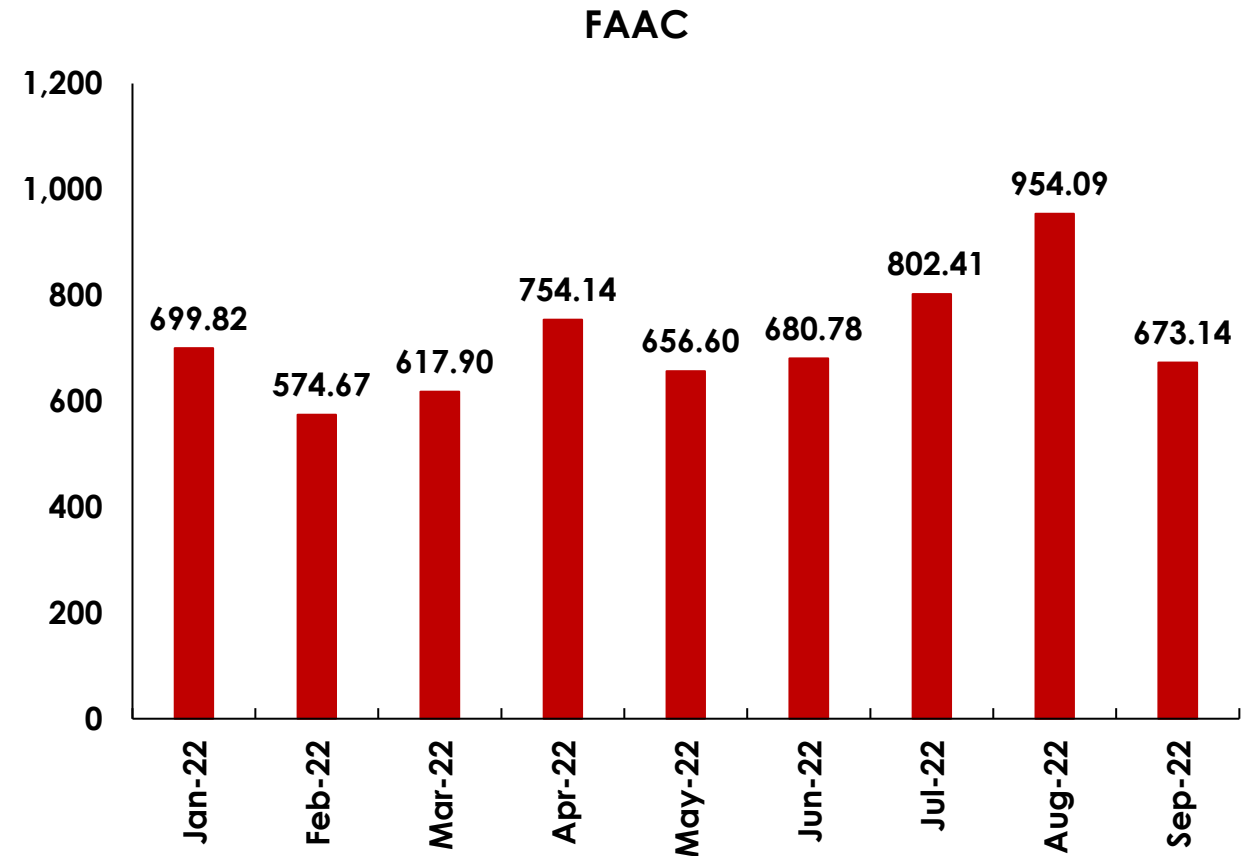
Nigeria's trade balance improved further in Q2:2022

- ❑ Nigeria's trade balance maintained in surplus for the second month in a row as exports increased more quickly than imports.
- ❑ According to the recently released trade report by the NBS, the trade report, shows that the trade balance surplus for Q2-22 was NGN1.97 trillion (+502.3% y/y vs NGN327.35 billion in Q2-21).
- ❑ Due to higher total exports (up 4.3% q/q to N7.4 trillion), high crude oil prices, even though crude oil production was still below expectations, and the decrease in import expenses (down 7.9% q/q to N5.4 trillion) a trade surplus was recorded.
- ❑ we attribute the reduction in import value to the damaging effects of the high domestic inflation rate on the level of demand, as well as the decreased activities of importers and manufacturers as a result of the lingering FX problem.



FACC decreased by 29.4% in September

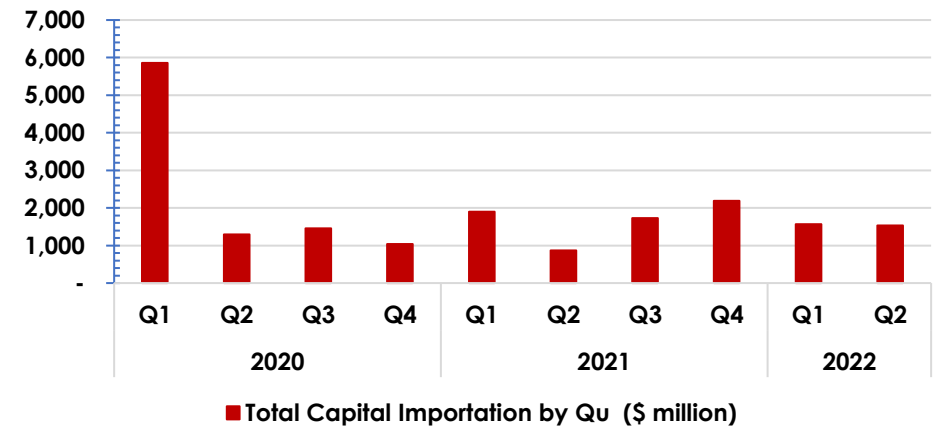
- The amount disbursed to the three levels of government by the Federation Accounts Allocation Committee (FAAC) in September decreased by 29.4% m/m to NGN673.14 billion (vs NGN954.09 billion in August).
- We understand that the decrease was caused by lower inflows from Companies' Income Tax (CIT), Petroleum Profit Tax (PPT), and oil & gas royalties, offset by gains from Value-Added Tax (VAT), import and excise taxes.
- As a result, the Federal Government received 38.6% or NGN259.64 billion (NGN406.61 billion in August), State Governments received NGN249.25 billion (NGN336.86 billion in August), and Local Governments earned NGN164.25 billion (NGN210.62 billion in August).



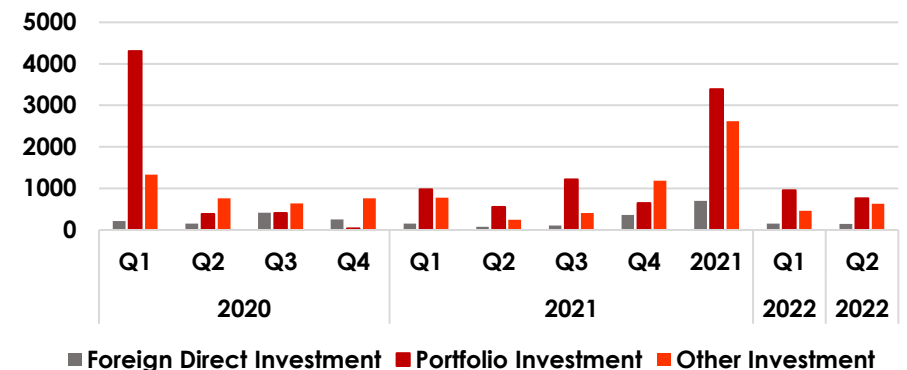
Capital Importation declined to \$1.53 billion Q/Q

- According to the National Bureau of Statistics (NBS) capital importation data, Nigeria received a total of \$1.53 billion in capital inflows in Q2 2022.
- The report shows that on quarterly basis capital imports dropped marginally by 2.4%.
- Compared to the corresponding period of 2021, capital importation grew by +75.34%.
- Breakdown by type of investment, shows that Portfolio Investment got the most capital imports, accounting for 49.33% (US\$757.32 million).
- This was followed by Other Investment (41.09% (US\$630.87 million) and Foreign Direct Investment (FDI) (9.58% (US\$147.16 million) of total capital imported in Q2 2022).
- We believe, the +75.34% y/y increase was owing to a low base effect, as capital imports dipped below the trend in Q2 2021 due to inconsistent FX policies.

Total Capital Importation on Quarterly basis (\$ million)



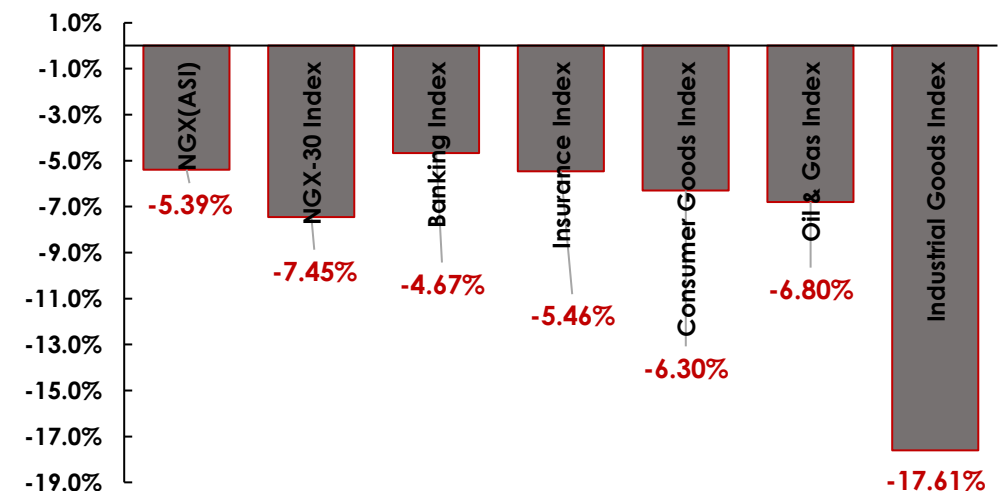
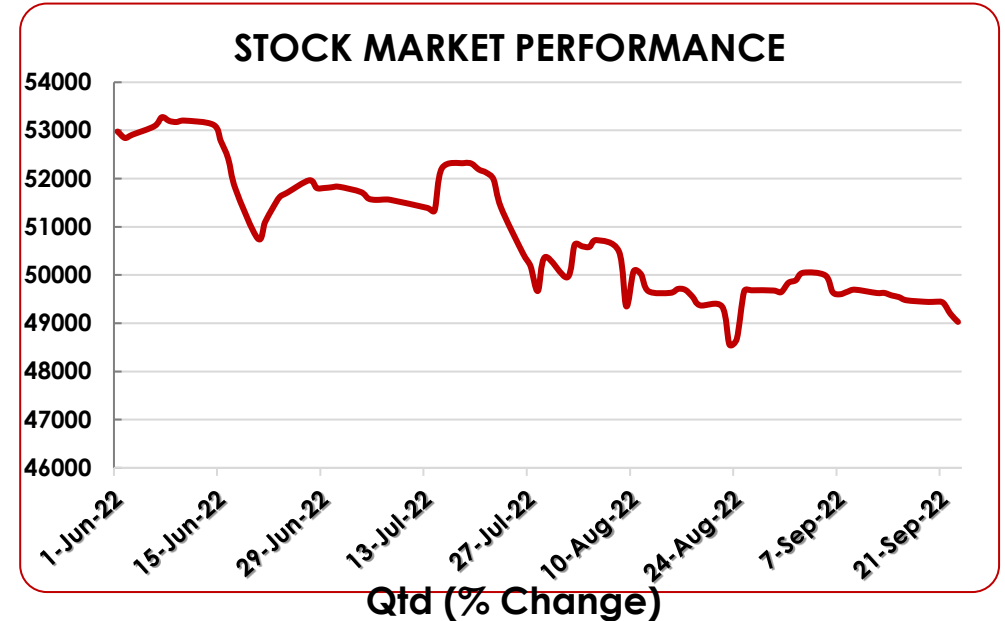
Capital Importation by Type of Investment (\$ million)



Domestic Market Ended Q3 Bearish



- As anticipated, cautious trade dominated the local bourse during the week and Quarter, as the All-Share Index depreciated by 0.01% at 49,024.16 points. The gloomy market sentiment was based on deteriorating economic fundamentals, an Increase in the interest rate, and rising inflation. The benchmark index decreased 1.6% m/m(vs -1.1% m/m) to 49,024.16 points.
- As a result, the QTD, and YTD returns declined to -5.39% and +14.77%.
- On Sectoral Performance: All five sectors under our Coverage were bearish in Q3 with Industrial Goods the worst performer (-17.61%) followed by Oil & Gas (-6.80%), Consumer Goods (-6.30%), Insurance (-5.46%), and Banking (-4.67%) indices fell.



SOURCE: NGX, SAMTL Research Estimate

Fixed Market update

- **Treasury Bill:** Trading in the Treasury bills secondary market was optimistic, as market participants took positions in the short and mid spectrum to cover for failed bids at the NTB PMA.
- The yield in the NTB category increased by 4.09% to 6.49% q/q for the 91-day, 3.71% to 7.5% q/q for the 182-day, and Increased by 5.93% q/q to 12% for the 364-days.
- **Bond:** Trade in the secondary market for Treasury bonds concluded on a gloomy note as investors re-priced bonds after the MPC meeting. s
- As a result the Yields increase by 3.4% to 13.5% q/q for the MAR-2025 bond, by 1.35% to 13.85% q/q, and 14.5%q/q for the APR-2032 bond and APR 2037 bond respectively.
- But yields remain unchanged the in the OMO secondary market.

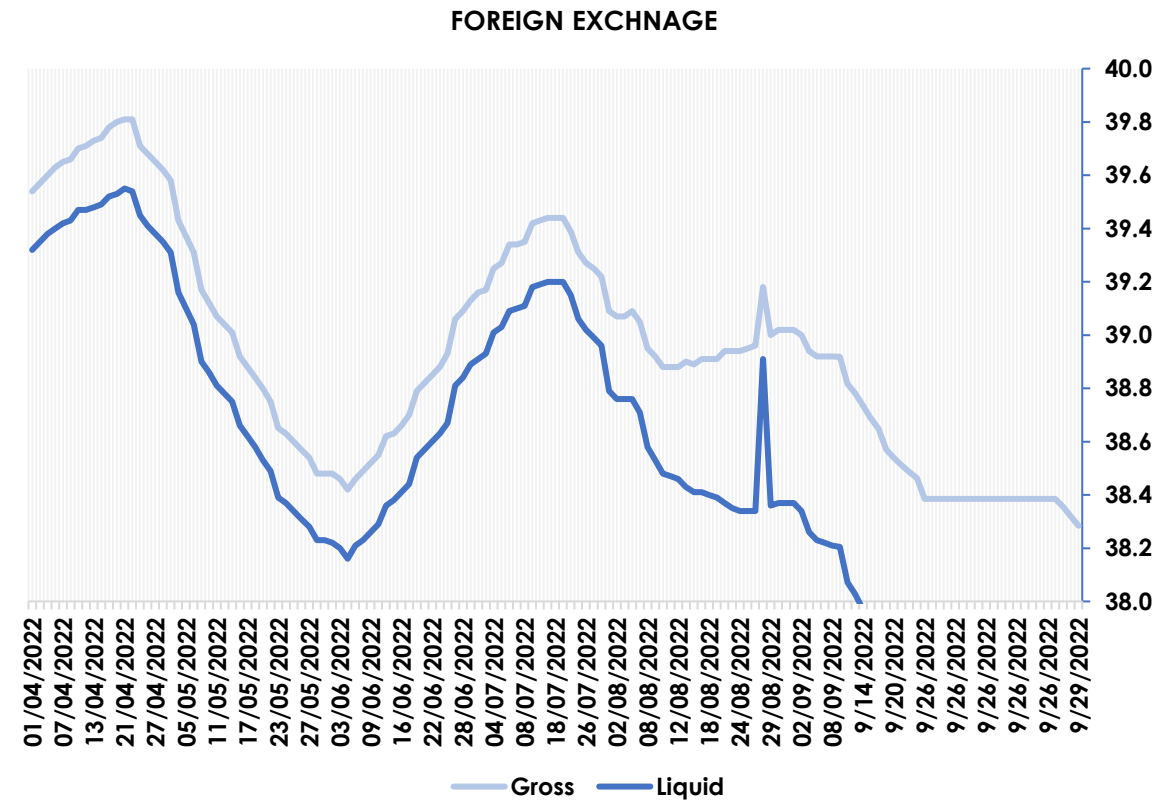
NTB	September 28th 2022				29-Jun-22	Q-0n-Q
Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sales (N'bn)	Rate (%)	Change (%)
91 days	6.49	12.28	2.418	2.163	2.4	4.09
182 days	7.5	20.35	3.547	3.343	3.79	3.71
364 days	12	108.71	233.318	173.815	6.07	5.93
FGN Bonds	September 19th, 2022				20-Jun-22	Q-0n-Q
Maturity	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sales (N'bn)	Rate (%)	Change (%)
Mar-25	13.5	75	43.86	42.36	10.1	3.4
Apr-32	13.85	75	56.94	47.44	12.5	1.35
Apr-37	14.5	75	145.64	139.4	13.15	1.35
FGN Saving Bonds	September 05 th 2022				10-Jun-22	Q-0n-Q
Maturity	Rate (%)	Offer (N'bn)	Successful Sub	Sales (N'bn)	Rate (%)	Change (%)
Sep-24	11.04	0.53	484	530.72	8.21	2.83
Sep-25	12.04	1.6	50	1.6	9.21	2.83
OMO	September 15th 2022				02-Jun-22	Q-0n-Q
Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sales (N'bn)	Rate (%)	Change (%)
96 DAYS	7	5000	17000	5000	7	0
194 DAYS	8.5	5000	24500	5000	8.5	0
362 DAYS	10.1	10000	121168	10000	10.1	0

SOURCE: FMDQCBN, DMO, SAMTL Research

External reserve dipped in Q3

- Nigeria's foreign exchange reserves continued its decline, falling by USD178.56 million w/w to USD38.28 billion (29 September)
- The naira depreciated by 0.5% YTD to NGN437.03/USD at the I&E window (IEW) and by 31% YTD at NGN740.00/USD at the parallel market.
- *Although the CBN has enough liquidity to maintain the FX market in the short term, we emphasize that foreign inflows are critical for long-term FX liquidity.*
- *Given the modest reserve additions due to (1) low crude oil output and (2) elevated PMS under-recovery costs.*

Foreign Exchange	Jan 1st	Current	Change
I&E window	435	437.03	↑ 0.5%
Parallel market	565	740	↑ 31.0%
External Reserves	40.52	38.25	↓ -5.6%



Outlook For Q4-2022



OUTLOOK	Comment
Global Economy Growth	With the inflation and interest rate hike scenario, we believe global economic growth is expected to decline.
Global Inflation	As a result of the recent decline in Energy prices, the inflation rate rise is expected to moderate.
Global Interest Rate	Central banks throughout the world are anticipated to keep raising interest rates in order to battle inflationary pressures but at a slower pace.
Nigeria Economic Growth	We expect the economy to maintain its upward trend but moderate growth is expected, In Q3-22, .
Inflation rate	Inflation is expected to reach a new high but at a moderated pace.
Interest Rate	We expect a general interest rate hike as a result of the increase in CRR
Exchange rate	The exchange rate will continue to widen.
Foreign Reserve	We predict the foreign reserve to test lower grounds.

Thank you

Find out more about our work at



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