

WHISPERS

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WHEN WE SPEAK, THE WORLD UNDERSTANDS



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WHISPERS OVERVIEW

Too little, too patchy

The naira has continued on a slippery slope, weakening further to N1,698/\$, despite efforts by the CBN. In September, the CBN sold \$543.5 million to banks and customers, following a retail Dutch auction of \$876.26 million, diaspora bond proceeds of \$900 million reflecting an 80% oversubscription, and forex sales to Bureau de Change operators. However, analysts argue that these interventions have been too little and irregular, limiting their impact on stabilizing the naira. A more structured and consistent approach is needed for long-term stability. To achieve lasting results, addressing the underlying weaknesses in the external sector to boost forex supply is crucial.

Petrol price hike heightens inflation risks

The naira crude sales to Dangote, which began early in October, is not a cure-all. With the exchange rate remaining a crucial determinant of petrol prices in Nigeria, a weaker naira is likely to trigger further petrol price increases. Recently, the NNPC raised petrol prices for the second time in two months to N1,030/litre, marking a 15% hike from the previous N897/litre. As petrol prices rise, so do inflation fears.

FDC projects inflation to rise to 32.37% in September, primarily driven by renewed price pressures from the petrol hike. This trend is expected to continue, as the latest increase will inevitably affect transportation

and logistics costs, further driving up food prices. For businesses, particularly those in manufacturing and logistics, this surge in operational costs could result in higher prices for consumers and tighter profit margins. Households already struggling with elevated inflation levels may face even greater difficulties as disposable income shrinks due to rising living expenses.

Zooming in on Nigeria's hidden treasures

Beyond the challenges lie opportunities! Artisanal and small-scale mining (ASM) employs over two million Nigerians, providing vital livelihoods in rural areas. While currently informal and fraught with risks, properly managed ASM could become a cornerstone of Nigeria's economic diversification. By learning from Tanzania's successes, Nigeria can transform this sector into a sustainable engine for job creation and foreign investment.

In this latest edition of Whispers, the FDC Think Tank takes a deep dive into recent economic developments and their impact on your business and corporate strategy.

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FROM BARE HANDS TO BOOM: CAN ARTISANAL MINING FUEL NIGERIA'S ECONOMY?

Artisanal and small-scale mining (ASM) is a crucial component of Nigeria's mining sector, directly employing over two million people and indirectly supporting more than 10 million.¹ High gold prices, the lack of alternative livelihoods, and economic factors have fuelled the growth of ASM in Nigeria.² As a result, ASM is a major source of employment in rural areas where formal jobs are scarce, providing income for local communities and reducing rural-urban migration.

ASM is characterized by highly labour-intensive, informal mining activities that are conducted by individuals or small groups using basic tools and techniques to extract minerals, often from marginal deposits. The miners, usually operate in rural areas and focus primarily on gold, lead, zinc, and other minerals.³ According to the International Council on Mining and Metals, ASM can be categorized into five distinct types:⁴

Traditional: This category refers to ASM activities that have been practiced for generations in a specific area and are often integral to traditional livelihoods.

Seasonal: ASM activities that serve as a supplementary income source to other seasonal livelihoods, such as agriculture or livestock rearing.

Permanent Co-habitation: This involves ASM operations occurring in proximity to larger-scale mining activities, including miners working in abandoned sites, tailings dams, or downstream of major mining operations.

Shock: This category emerges when individuals are driven to ASM due to unforeseen events like droughts, economic downturns, commodity price volatility, conflicts, layoffs from state-owned mining enterprises, or the sudden closure of commercial mines.

Influx: This type is characterized by the opportunistic migration of ASM miners to areas where new mineral deposits have been discovered.

Properly managed, ASM can significantly boost internal revenue, enhance foreign exchange earnings, create jobs, reduce poverty, and attract foreign direct investment.⁵

In Nigeria, about 70% of the mining landscape is dominated by ASM with about 1,273 ASM operators

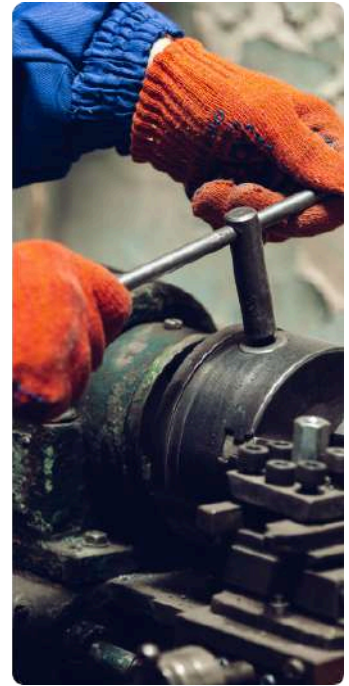
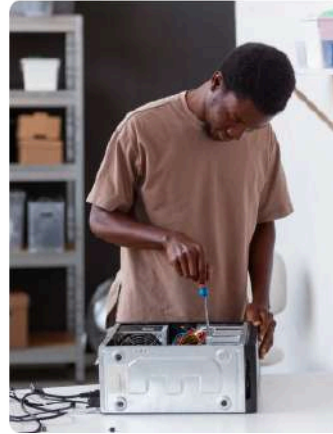
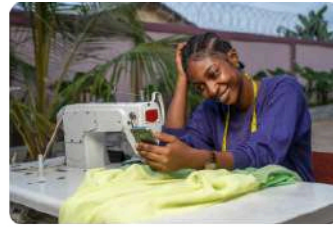
¹ Oramah, I. T., Richards, J. P., Summers, R., Garvin, T., & McGee, T. 2015. "Artisanal and small-scale mining in Nigeria: Experiences from Niger, Nasarawa and Plateau states". *The Extractive Industries and Society*, 2(4), 694-703. <https://www.sciencedirect.com/science/article/pii/S2214790X1500129X>

² Nigerian Extractive Industries Transparency Initiative – NEITI. 2022. "Solid minerals industry report 2020". https://eiti.org/sites/default/files/attachments/final_neiti_2020_sma_report_-_03-01-2022.pdf

³ United Nations Development Programme. 2023. "Beaming the light on a hidden sector: Artisanal and small-scale mining (ASM) as a vital sector for sustainable development in Nigeria". Nigeria. <https://www.undp.org/nigeria/blog/beaming-light-hidden-sector-artisanal-and-small-scale-mining-asm-vital-sector-sustainable-development-nigeria>

⁴ International Council on Mining and Metals. 2009. "Working together – how large-scale miners can engage with artisanal and small-scale miners". Communities and Small-scale Mining and IFC Oil, Gas and Mining Sustainable Community Development Fund. <https://commdev.org/wp-content/uploads/pdf/publications/Working-together-How-large-scale-mining-can-engage-with-artisanal-and-small-scale-miners.pdf>

⁵ Nigerian Extractive Industries Transparency Initiative – NEITI. 2022. "Solid Minerals Industry Report 2020". Nigeria. https://eiti.org/sites/default/files/attachments/final_neiti_2020_sma_report_-_03-01-2022.pdf



conducting mining operations across the country.^{6,7} Accordingly, Nigeria's ASM sector has the potential to become a significant revenue earner and path to diversification. Specifically, ASM could mitigate the country's vulnerability to oil price fluctuations, as the export of minerals extracted by artisanal miners contributes to Nigeria's foreign exchange reserves. For instance, gold mining has become increasingly important, with small-scale miners contributing a substantial share of the country's gold exports. ASM also supplies raw materials to various industries, fostering local industrial development and stimulating broader economic activities.⁸

However, ASM activities in Nigeria pose environmental and health risks due to the use of basic tools, lack of occupational health and safety practices, and oversight. Addressing these challenges requires comprehensive legal, policy, and institutional frameworks to regulate ASM activities and promote safer mining practices.

Transforming ASM from an informal to a structured and efficient sector can maximize its economic benefits. Formalizing ASM can address issues related to illegal mining, environmental degradation, and

unsafe working conditions, ensuring that miners' rights are protected and operations are conducted sustainably.⁹ In addition, providing training and capacity-building programs for artisanal miners can enhance productivity and safety. Knowledge of modern mining techniques, environmental management, and business skills can significantly improve output and economic gains.

Artisanal miners often lack access to formal financial systems, hindering their ability to invest in better equipment and expand operations. Support in the form of microloans and financial inclusion can enable miners to scale up their activities. Also, improved access to markets can ensure fair prices for minerals. Establishing cooperatives or marketing boards can help miners sell their products directly, reducing exploitation by middlemen.¹⁰

What can we learn from ASM in Tanzania?

Between the early 2000s and around mid-2010s, the government of Tanzania with foreign stakeholders decided to address the challenges in the ASM activities.¹¹

The goal was to formalize and support the ASM sector to enhance its sustainability and productivity.¹²

⁶ Ibid., United Nations Development Programme (UNDP) (December 30, 2023), 1.

⁷ Uduu, O. 2022. "Solid minerals artisanal small-scale miners in Nigeria hit 1273 in 2020". Dataphyte. <https://www.dataphyte.com/latest-reports/extractive/solid-minerals-artisanal-small-scale-miners-hit-1273-in-2020/>

⁸ Laig, T. & Pito, A.N. 2022. "Artisanal and small-scale mining and the low-carbon transition: Challenges and opportunities". *Environmental Science & Policy*, 149, p. 103563.

⁹ Oramah, I. T., Richards, J. P., Summers, R., Garvin, T., & McGee, T. 2019. "Artisanal and small-scale mining in Nigeria: Experiences from Niger, Nasarawa and Plateau states". *The Extractive Industries and Society*, 2(4), 694-703.

¹⁰ de Dieu Izerimaha, J., & Godwin, L. S. 2024. "Opportunity and side effects of artisanal and small-scale mining in Nigeria". *Modern Economy*, 15(3), 233-250.

¹¹ Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development. 2017. "Global trends in artisanal and small-scale mining (ASM): A review of key numbers and issues". Working Paper: IISD. <https://www.iisd.org/publications/report/global-trends-artisanal-and-small-scale-mining-asm-review-key-numbers-and>

In 2009, the Ministry of Energy and Mining (MEM) took decisive steps to promote and formalize the activities of ASM. Following the Mining Policy of 1997, the MEM has decentralized the licensing of ASM operations, exclusive areas have been designated for ASM activities, provisions of training programs and government grants.

Hence, all primary mining licenses are issued from the zonal mines offices (ZMO) and ASM mineral rights applicants are applied through the resident mines offices (RMO). Following the initiatives of the government, the number of primary mining licenses rose astronomically from 35 to 9,829 between 1999 and 2013. This development suggests the relevance of ASM as a recognized economic activity in the rural settlements.¹³

Further, before any operation is commenced, all primary mining licenses must present an environmental protection plan (EPP) to indicate the measures put in place to protect the environment. To streamline the procedures, the MEM established the Sustainable Management of Mineral Resources Project (SMMRP). This brought about collaborations between MEM and National Environment Management Council (NEMC) to develop simplified guidelines to assist ASM operators in preparing their EPP.

To improve the working conditions and health of ASM miners, the Tanzania government in 2006 engaged UNIDO to produce a “Manual for Training Artisanal Miners” and create training programs in selected artisanal and small-scale gold mining (ASGM) areas in Geita District.¹⁴ The partnership was based on a “train-the-trainer” protocol that a group of indigenous mining engineers, nurses and environmental management specialists worked together to implement. The central themes of the training included “Mercury and health”, “How to use and re-use mercury”, “How to protect your water”, and “How to get more gold”. This initiative

by the government brought about visible expansions in gold extraction practices, such as the uptake of retort, the construction of safely protected amalgamation ponds, and related environmental management safeguards.¹⁵

In terms of finance, the government of Tanzania through the SMMRP supported by the World Bank developed an initiative to provide grants to recognized ASM projects. The scheme is managed by the MEM through the Tanzania Investment Bank. The program demands mineral rights owners to prepare a business plan to be submitted to the bank for consideration. The sum of \$3mn was shared to 111 ASM projects between 2015 and 2016, while \$3.3mn was distributed in 2016 and 2017. Each ASM operator is limited to a maximum of \$50,000. The grant has assisted several ASM operators to advance their operations. To ensure that the funds are deployed properly, the government conducts audits to determine how the grants are being utilized.¹⁶

“*To improve the working conditions and health of ASM miners, the Tanzania government in 2006 engaged UNIDO to produce a “Manual for Training Artisanal Miners” and create training programs in selected artisanal and small-scale gold mining (ASGM) areas in Geita District.*”

¹³ Rwiza, M. J., Bayuo, J., Kimaro, J. M., Kleiwe, M., Lyasega, T. J., Mosses, J. T., & Marwa, J. 2023. “Artisanal and small-scale mining in Tanzania and health implications: A policy perspective”. *Heliyon*, 9(4). [https://www.cell.com/heliyon/fulltext/S2405-8440\(23\)11822-6](https://www.cell.com/heliyon/fulltext/S2405-8440(23)11822-6)

¹⁴ Kirk, R., Hoffmann, B. D., Lyimo, B. P., Soprano, C., Arenas, G. C., Atoci, M. A., Hartmann, O., Keyser, J. C., Maeumling, N., Mutagwaba, W., Wayne, S., Mam, S., Kweka, J. P., & Maliszewska, M. 2017. “Tanzania DTIS 2017 (English)”. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/527091529931828251/Tanzania-DTIS-2017>

¹⁵ Veiga, M.M., Metcalf, S., Baker, R.F., Klein, B., Davis, G., Bamber, A., Siegel, S., Sigo, P. & Investments, G.L. 2008. “Manual for training artisanal and small-scale gold miners.” Global Mercury Project. UNIDO, Vienna, Austria. <https://www.sds.org/sites/default/files/pdfs/migrate/166411IED.pdf>

¹⁶ Mutagwaba, W., Tidyebwa, J. B., Makata, V., Kaballega, D., & Maeda, G. 2018. “Artisanal and small-scale mining in Tanzania: evidence to inform an ‘action Dialogue’”. International Institute for Environment and Development. <https://www.ied.org/sites/default/files/pdfs/migrate/166411IED.pdf>

¹⁷ Chouinard, R., & Veiga, M. M. 2008. “Results of the awareness campaign and technology demonstration for artisanal gold miners summary report, Brazil – Indonesia

– Laos – Sudan – Tanzania – Zimbabwe, mercury reduction research and initiatives.

Recommendations for Nigeria

Drawing from the insights and successes of Tanzania's ASM operations, we provide some recommendations for the authorities in Nigeria to boost its ASM industry.

The Nigerian government should prioritize formalizing ASM activities by simplifying the licensing processes. This includes reducing the bureaucratic hurdles and costs associated with obtaining mining permits. Formalizing the sector will not only improve regulatory oversight but also provide miners with legal recognition, making it easier for them to access financial services and government support. Similar to Tanzania, primary mining licenses should be issued from the ZMO and ASM mineral rights applicants could apply through the RMO.

To ensure sustainability and protect the environment, the ministries of environment and solid minerals in Nigeria must mandate all operators in the ASM to present an environmental protection plan (EPP) to indicate the measures put in place to protect the environment during the mining operations.

We further recommend the Nigerian government partner with local and foreign organizations to establish programs that train ASM operators on the health implications of their activities. This would help improve the working conditions of the operators.

After the formalization of the ASM activities into the core economy, the government of Nigeria can provide funding in the form of grants through the World Bank and other financial institutions. To ensure the judicious use of the grants, the appropriate government agency can collaborate with the Development Bank of Nigeria (DBN).

Conclusion

ASM holds significant potential to fuel Nigeria's economy, offering employment, economic diversification, and industrial development. To unlock this potential, it is essential to support and transform the sector through formalization, capacity building, financial inclusion, and market access. By learning from a successful case study in Tanzania, Nigeria can adopt best practices to ensure ASM contributes to sustainable economic growth. With the right policies and support mechanisms, ASM can transition from bare hands to boom, becoming a robust pillar of Nigeria's economy.



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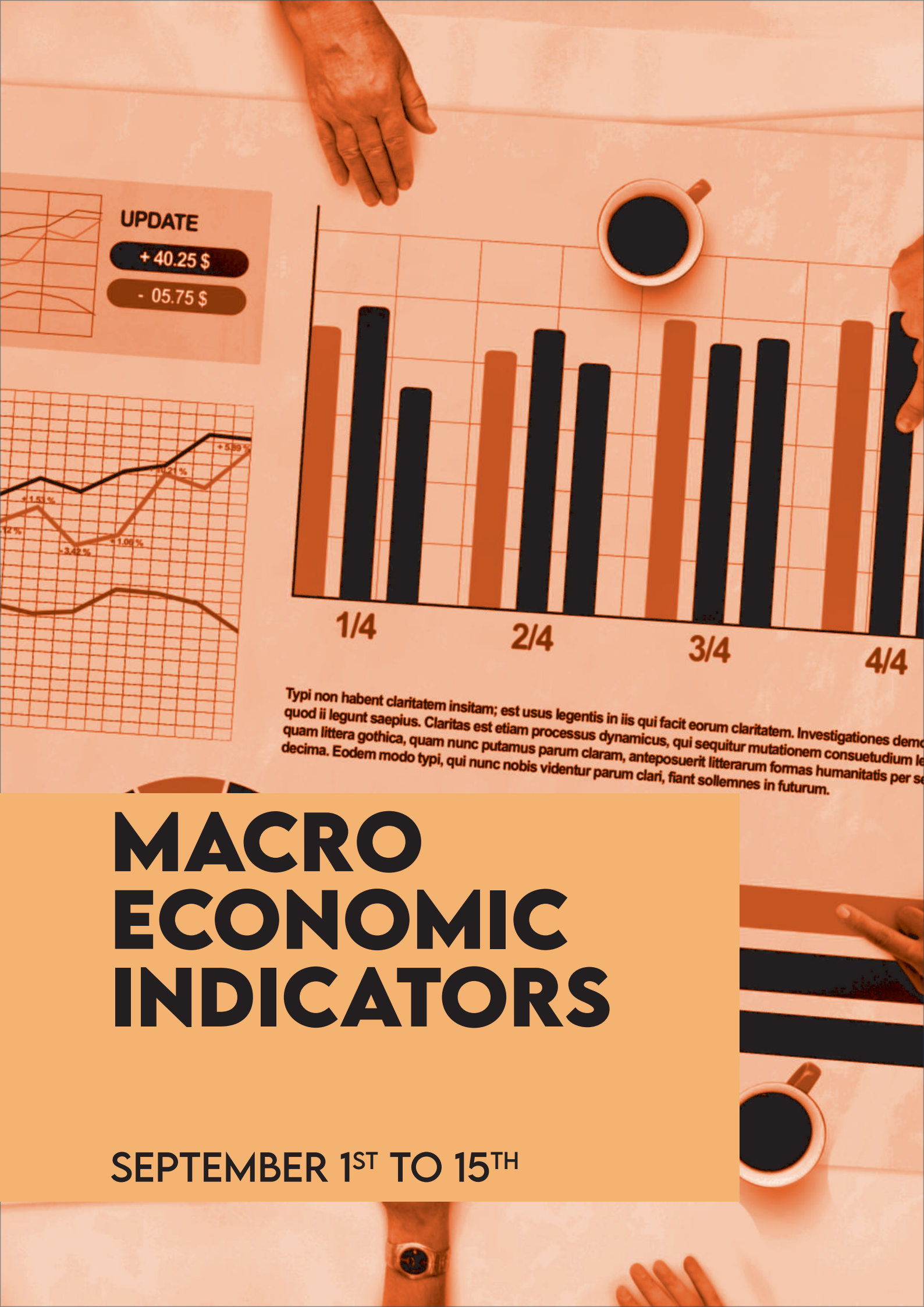
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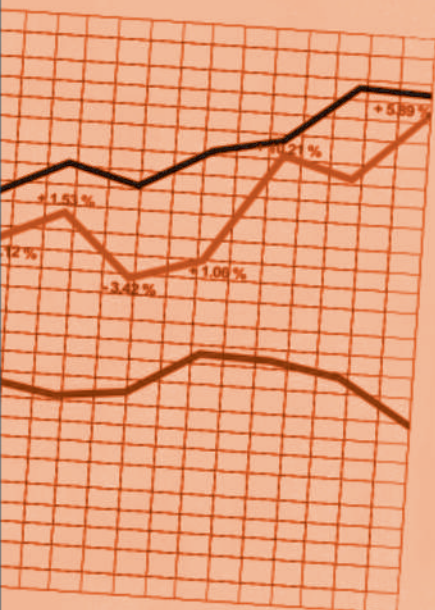
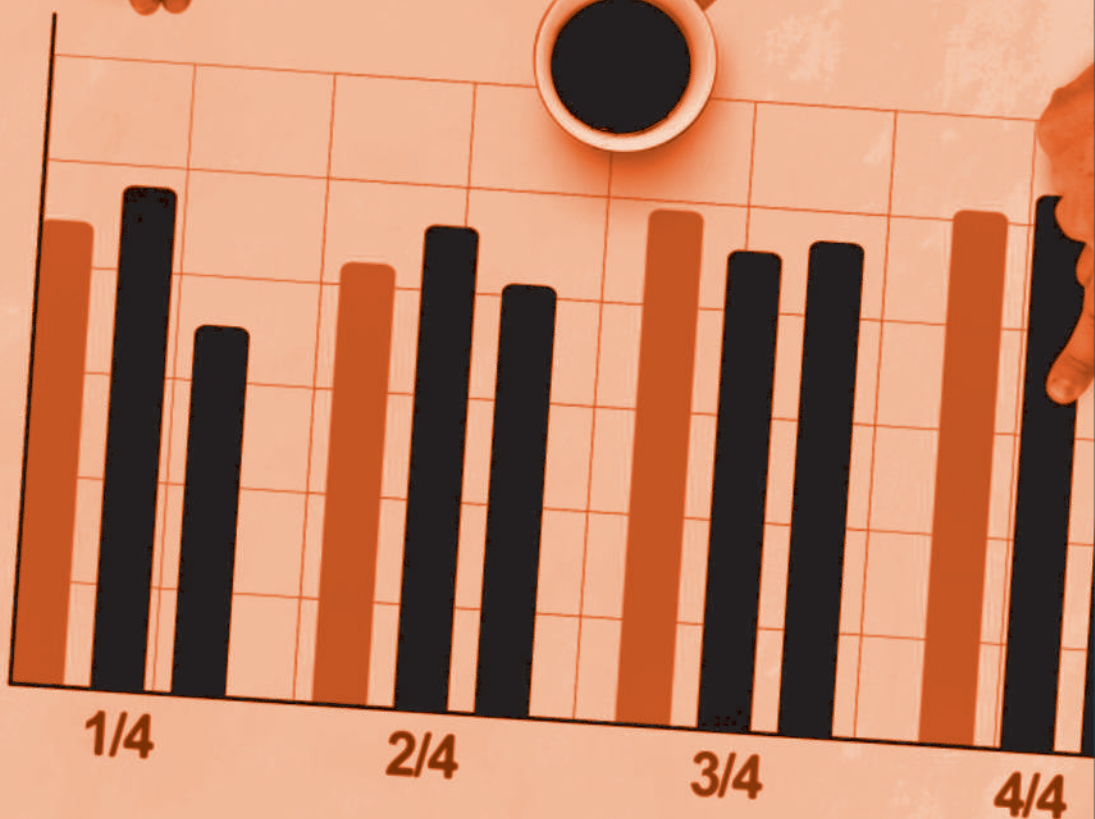
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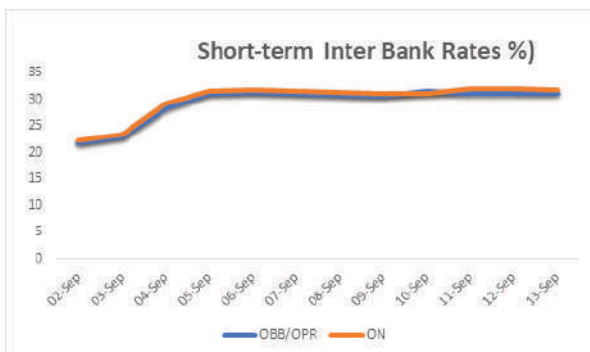
MACRO ECONOMIC INDICATORS

SEPTEMBER 1ST TO 15TH

MONEY MARKET

The bank's average position was negative in the first half of September at N177.23bn short, compared to N226.83bn long in the first half of August. There was no OMO repayment, but there was one OMO sales on September 3. Short-term interbank rates (OPR, O/N) averaged 29.34% p.a. in the first half of September, down 101bps from 30.35% p.a. in the first half of August.

One primary market auction was conducted in the first half of September. A sum of N459.60bn was allotted. No allotment was made in the corresponding period in August. On the other hand, there was no primary market repayment during the first half of September. Primary market rates decreased at all tenors. At the secondary market, yields increased at the 90 days and 180 days tenor but decreased at the 360 days tenors in the first half of September.



Source: FDC Think Tank

Tenor	Primary market (Sep 4 2024) (%)	Primary market (Sep 11 2024) (%)	Secondary market (Sep 3 2024) (%)	Secondary market (Sep 13 2024) (%)
91-day	17.00	16.63 ▼	17.70	17.75 ▲
182-day	17.50	17.00 ▼	18.13	18.95 ▲
364-day	18.94	19.30 ▲	19.30	18.25 ▼

Source: FMDQ, FDC Think Tank

Outlook and Implication

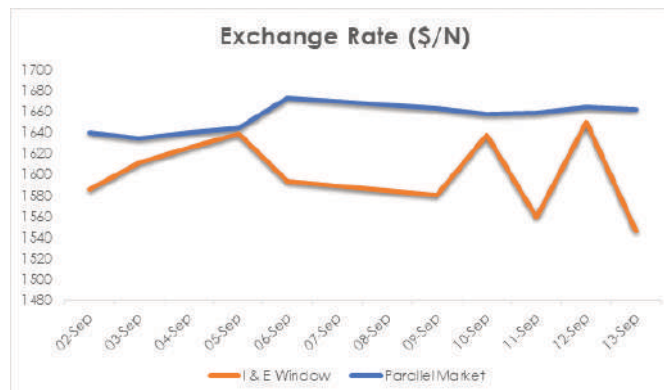
Short-term interbank rates are expected to rise following the Monetary Policy Committee's (MPC) decision to increase the interest rate by 50 basis points, raising it from 26.75% to 27.25%. This hike is likely to result in tighter liquidity conditions and higher lending rates.

FOREX MARKET

The forex market is undergoing reforms with the adoption of a "willing-buyer-willing-seller" model by the CBN, allowing the exchange rate to be influenced by demand and supply dynamics. Key factors affecting the exchange rate include balance of payments, capital inflows, and trade balance.

EXCHANGE RATE

At the Investors' and Exporters' Foreign Exchange window, the naira appreciated by 2.55% against the dollar closing at N1546.41/\$ on September 13, from N1585.77/\$ on September 2. This naira was strengthened due to the supply of dollars through the Retail Dutch Auction program conducted on August 6. Conversely, in the parallel market, the naira lost 1.32% to close at N1,662.00/\$ on September 13, from N1,640.00/\$ on September 2. This was driven by increased demand for forex as factors such as summer travelling; making payments for school fees overseas and likely increase in imports of grains boosted the demand for dollars.



Source: FDC Think Tank

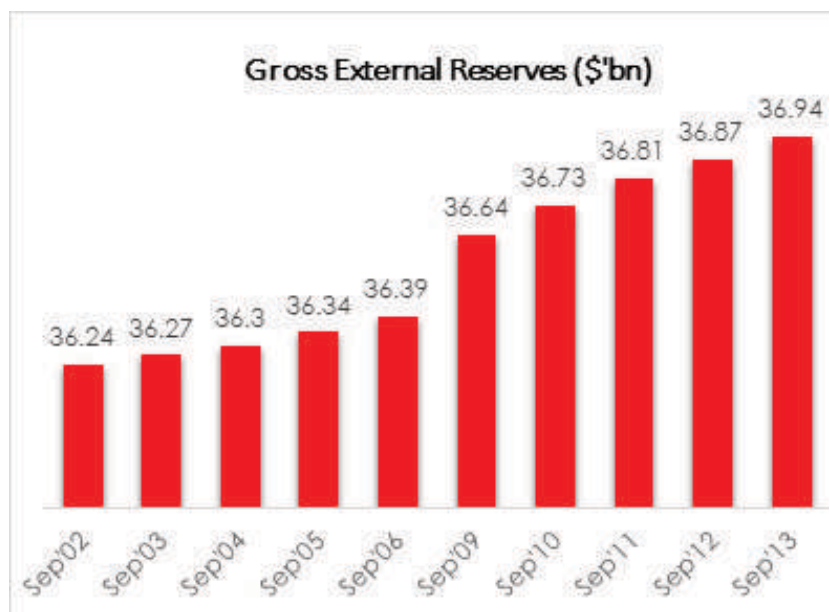
Outlook and Impact

The naira is expected to appreciate in the near term as the interest rate hike of 50bps to 27.25% will attract foreign investors seeking higher returns on Nigerian bonds and other assets, which could boost demand for the currency and strengthen its value.



EXTERNAL RESERVES

The country's external reserves rose by 1.93% to close at \$36.94bn on September 13, up from \$36.24bn on September 2. The external reserve improved as the Federal government raised \$900m from investors after issuing \$500m in the first series of the \$2bn domestic dollar bond. Also supporting the rise in external reserves is the diaspora remittance, oil revenue and non-oil revenue. On average, gross external reserves declined by 0.44% to \$36.59bn from \$36.75bn in the same corresponding period.



Source: CBN, FDC Think Tank

Outlook and Impact

In the near term, we expect the external reserve to maintain its upward trend, supported by FX inflows from foreign investors as CBN hike interest rate by 50bps to 27.25%. This will lure investors to invest in fixed income assets in expectation of higher returns. Also, loans from international organisations will further bolster external reserves, such as the approval of a \$1.5bn loan from the World Bank.

An increase in external reserves will result in naira appreciation as the CBN will be able to intervene in the forex market through the sales of dollars to BDCs, thereby curbing inflationary pressures. Also, it will boost investor confidence and attract foreign investments.



COMMODITY EXPORTS

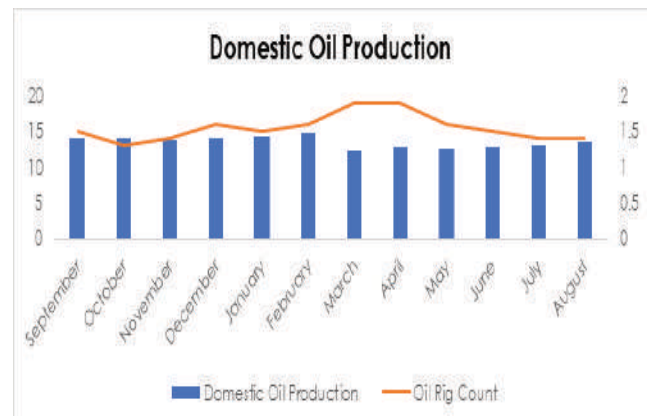
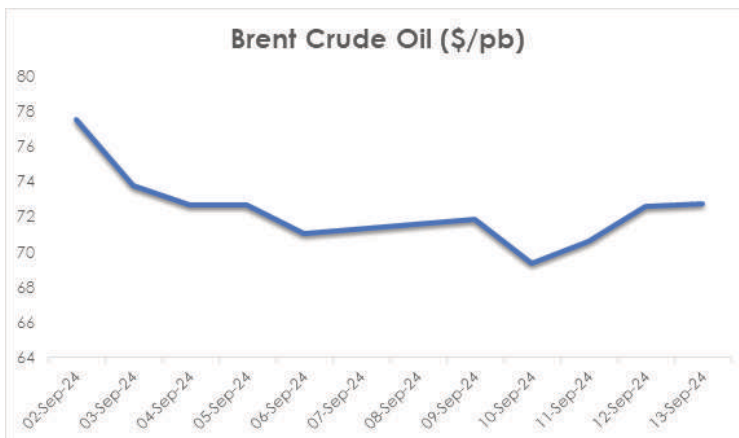
Nigeria is an export-dependent economy. It derives over 80%–90% of its export revenue from crude petroleum and LNG.

OIL PRICES

During the first half of September, Brent's price fell by 1.36% to close at \$72.75 per barrel on September 13, from \$73.75 per barrel on September 2. The decrease was primarily driven by weak Chinese demand and on expectation of OPEC+ boosting oil supply in October.

OIL PRODUCTION

In August, domestic oil production increased by 3.05% to 1.35 million barrels per day, up from 1.31 million barrels per day in July. Additionally, the number of oil rigs in the country remained flat at 14 units in August. OPEC's average production in August was 26.59 million barrels per day, a decrease of about 197,000 barrels per day compared to July 2024. Specifically, output increased in Nigeria, Congo and Venezuela while it decreased in Libya, Iraq, and Saudi Arabia.



Source: Bloomberg, FDC Think Tank

Outlook

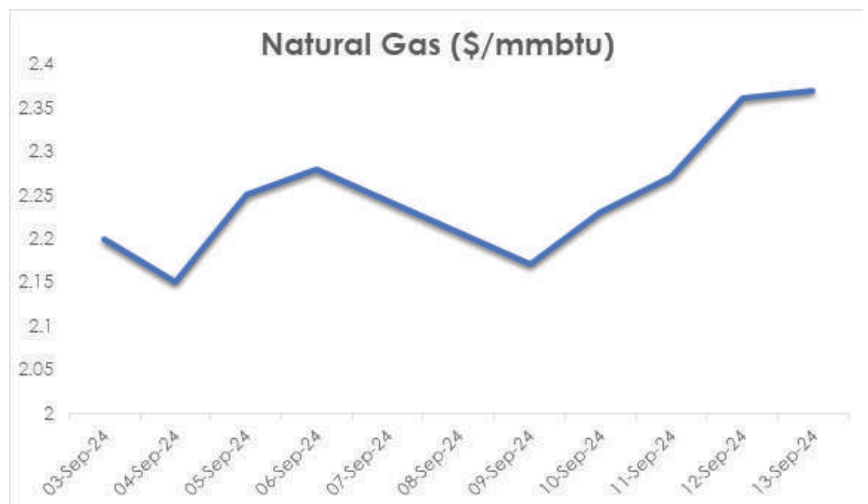
We anticipate that oil prices may fall in the near term as peace efforts between Israel and Iran gain momentum. Also a sluggish demand growth from China will further decrease oil prices. Additionally, China's deflationary pressure which worsened in September, signalling weaker domestic consumption and low oil demand will further cause a decline in oil prices.

Implication

The fall in oil prices is expected to lower Nigeria's foreign earnings inflows and deplete external reserves, which could help exacerbate inflationary pressures. Additionally, lower oil prices will reduce government revenue. However, an increase in Nigeria's oil production will compensate for the decline in oil prices.

NATURAL GAS

During the first half of September, the price of natural gas rose sharply by 7.73% from \$2.2/MMBtu on September 2 to \$2.37/MMBtu on September 13. This price increase was due to lower LNG exports from the U.S., as U.S. Gulf coast producers halt production ahead of Hurricane Francine.



Source: Bloomberg, FDC Think Tank

Outlook

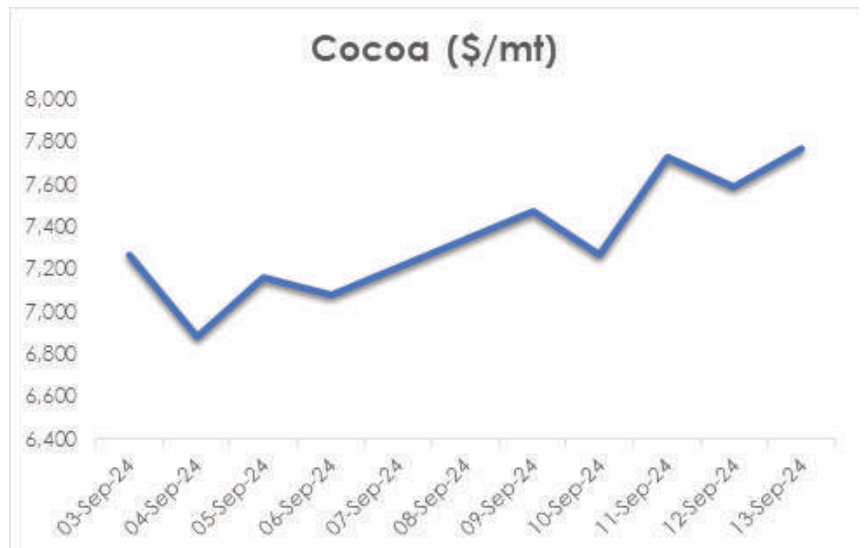
LNG prices are expected to rise in the near term due to heightened winter demand in Europe on anticipated colder-than-normal winter, which will reduce residential and commercial demand for natural gas.

Implication

A rise in LNG prices will increase Nigeria's export earnings which was 7.44% of total export in Q2'24. This will help in expanding the economy, as a 1% rise in LNG export would result in a 0.72% gain in GDP.

COCOA

The price of cocoa jumped 6.86% in the first half of September to \$7,767/mt on September 13, from \$7,270/mt on September 3. The sharp increase in cocoa price is mainly due to a 45% price boost in Ghana's cocoa farmgate in 2024/25 season. Price was further supported as Ghana revised their 2024/25 production downwards to 600,000MT due to destruction of cocoa plantations as a result of illegal mining.



Source: Bloomberg, FDC Think Tank

Outlook

The price of cocoa is expected to rise in the short term as supply concerns linger. Additionally, a shrinking cocoa stockpile supported prices, as cocoa inventories in port have been trending lower for the past 15 months.

Implication

An increase in cocoa price will boost export earnings and stimulate growth in Nigeria's Agricultural sector through expansion of cocoa farms. However, the Nigerian government needs to support cocoa farmers to increase output in the next season which begins in September.

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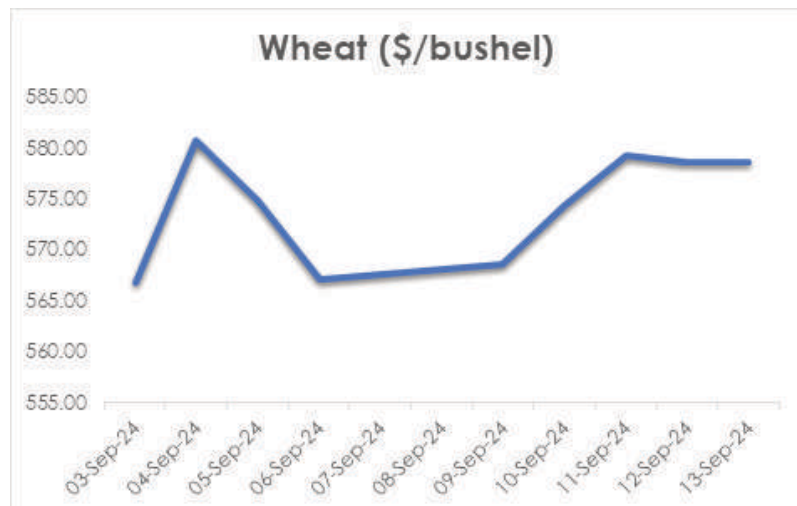
• Paris



COMMODITY IMPORTS

WHEAT

The price of wheat climbed 2.07% to \$578.5/bushel on September 13 from \$566.75/bushel on September 3. The rise in price is triggered by supply disruptions from Russia's attack on Ukraine grains shipment. Also supporting price, is poor harvest in Europe.



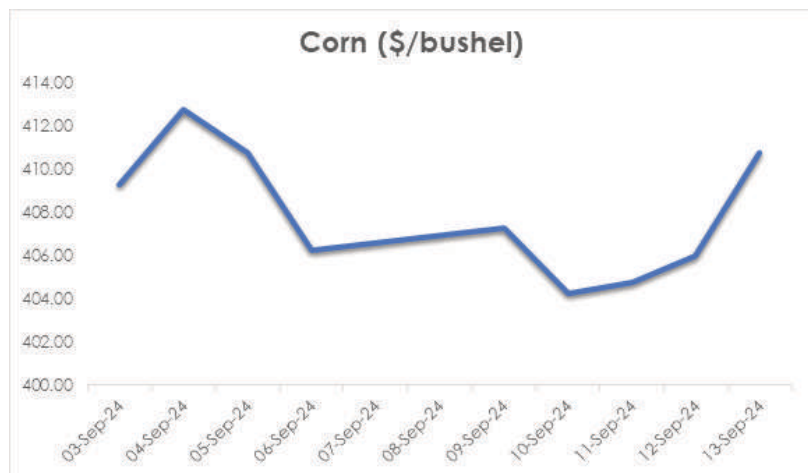
Source: Bloomberg, FDC Think Tank

Grains- Outlook

Grain prices are expected to rise in the near term, driven by global imports from Algeria, Thailand, the United Kingdom, and Nigeria. Also, the USDA projects that US and EU wheat stocks will drop due to feed and residual use.

CORN

In the first half of September, the price of corn rose by 0.37% from \$409.25/bushel on September 3 to \$410.75/bushel on September 13. This increase in corn price was in expectation of a dip in Argentine's 2024/25 crop production. The price was further supported by dry weather in the U.S Midwest crop, which lowers corn production.



Source: Bloomberg, FDC Think Tank

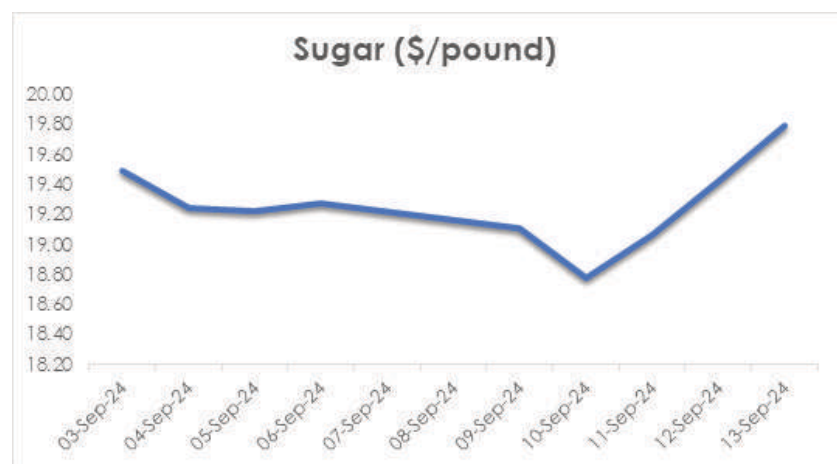
Grains-Impact

Increasing grain prices is expected to increase the production cost for grain derivatives such as noodles, bread, flakes, etc. This will push up food prices and exacerbate the cost of living. However, the planned duty-free window for food imports, including grains, will likely impact grain supply positively, reducing derivatives' prices.



SUGAR

During the first half of September, the price of sugar increased by 1.54% to \$19.79/pound on September 13 from \$19.49/pound on September 3. This increase was due to falling Brazil output after a fire outrage that damaged about 80,000 of sugar fields. Additionally, extension of ban for sugar export in India also supported price.



Source: Bloomberg, FDC Think Tank

Outlook

The price of sugar is expected to rise in the near term due to lower sugar output in Brazil as drought and excessive heat damaged sugar crops in Brazil.

Implication

The increase in sugar price will increase import cost, potentially leading to higher prices for confectionary products. This could diminish the trade balance and help exacerbate inflationary pressures.

Terms of Trade

In Q2'24, the country's terms of trade decreased by 0.06% and are expected to remain negative in the near term. In the review period, the country's import increased by 0.15% compared to its export value of 0.06%. Nigeria's oil production increased by 3.4% in August to 1.37mbpd, but it is still below OPEC's quota of 1.5mbpd. Similarly, cocoa prices falling below \$8,000/mt amid low output will further deteriorate the trade balance.



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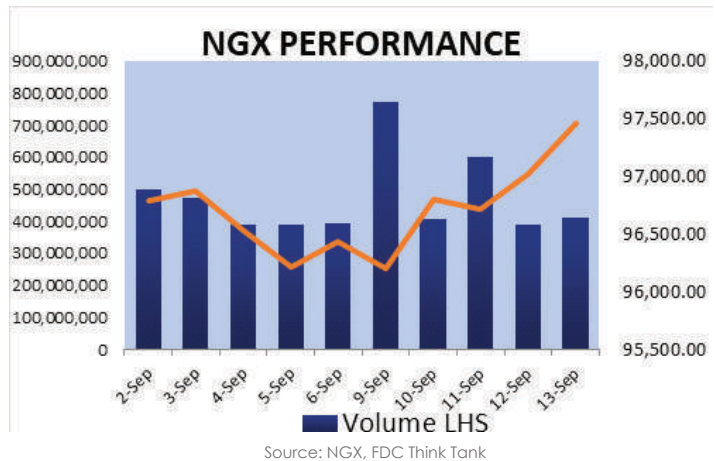


STOCK MARKET REVIEW

SEPTEMBER 1ST TO 15TH

The Nigerian Stock Exchange closed positively in the first half of September. It gained 0.68% to close at 97,456.62 points on September 13, up from 96,793.62 points on September 2. Similarly, the market capitalization increased by 0.72% to N56.00 trillion relative to its close of N55.60 trillion on September 2.

The market YTD return was 30.34% in the first half of September. The market breadth was positive at 1.29x, as 49 stocks gained, 64 remained unchanged, and 38 lost. The NGX's poor performance can be attributed to investor's sentiments driven by strong buying interest particularly in the financial and consumer goods sector.



The market activity level was positive in the review period. The average volume traded decreased by 41.01% to 472.55mn units from 801.05mn units. Conversely, the average value of trades rose by 20.33% to N10.24bn from N8.51bn in the first half of September.

The performance of the sectors was positive, as three sectors gained while two lost. The Banking sector recorded a gain of 3.87%. This was followed by the Oil & Gas sector (1.79%), and the Consumer goods sector (0.63%). The Insurance sector lost by 0.75%, followed by the Industrial sector (0.05%).

SECTOR PERFORMANCE



Banking

3.87%



Oil & Gas

1.79%



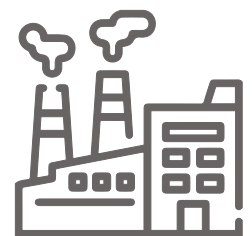
FMCG

0.63%



Insurance

0.75%



Industrial

0.05%

TOP 5 GAINERS

Caverton Offshore Support Group Plc, a company that engages in the marine and aviation logistics services, led the gainers' list with a 92.42% increase in its share price. This was followed by Julius Berger Nigeria Plc (67.48%), E transact International Plc (42.86%), UPDC Plc (39.06%) and FBN Holdings Plc (29.46%).

TOP 5 LOSERS

The laggards were led by PZ Cussons Nigeria Plc, a company that engages in manufacturing and distributing consumer products led the top losers with -25.48%. This was followed by Julius Berger Nigeria Plc (-17.89%), Learn Africa Plc (-14.62%), Omatek Ventures Plc (-13.75%) and Sovereign Trust Insurance Plc (-12.33%).

TOP 5 GAINERS				
Company	Sep-02 (N)	Sep-13 (N)	Absolute Change	Change (%)
CAVERTON	1.32	2.54	1.22	92.42%
BERGER	14.30	23.95	9.65	67.48%
ETRANZACT [BLS]	5.60	8.00	2.40	42.86%
UPDC [BLS]	1.28	1.78	0.50	39.06%
FBNH	22.40	29.00	6.60	29.46%

TOP 5 LOSERS				
Company	Sep-02 (N)	Sep-13 (N)	Absolute Change	Change (%)
PZ	21.00	15.65	-5.35	-25.48%
JBERGER	170.50	140.00	-30.50	-17.89%
LEARNAFRCA	4.24	3.62	-0.62	-14.62%
OMATEK [RST]	0.80	0.69	-0.11	-13.75%
SOVRENINS	0.73	0.64	-0.09	-12.33%

Outlook

We expect the market to trend downward in the near term as investors shift towards fixed-income assets, attracted by higher returns following the 50 basis point interest rate increase to 27.25%.

WHISPERS OUTLOOK

- ★ We expect price pressures to persist in the near term, fuelled by the petrol price hike. However, the pace of increase will be limited by the harvest season and impact of the import duty waiver on food commodities. FDC expects September inflation to rise to 32.37% and could stay elevated towards through the remainder of 2024
- ★ However, the monetary policy committee was aggressive and preemptive in its tightening in September by 50 basis points. We expect it to maintain the status quo at the next MPC meeting in November. This is to prevent the economy from going into a hard landing and a possible recession.
- ★ On the flip side, forex demand pressures resulting from the demand for imports, coupled with the uncoordinated and programmed interventions by the CBN will continue to inhibit stability of the exchange rate. As a result, the naira is expected to remain weak in the coming weeks.
- ★ This will be worsened by lower forex earnings, as oil prices are expected to sustain trade below \$80 per barrel. The decline in oil prices is largely due to weak Chinese demand and the expectations of a supply boost by OPEC+ before the end of October.

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