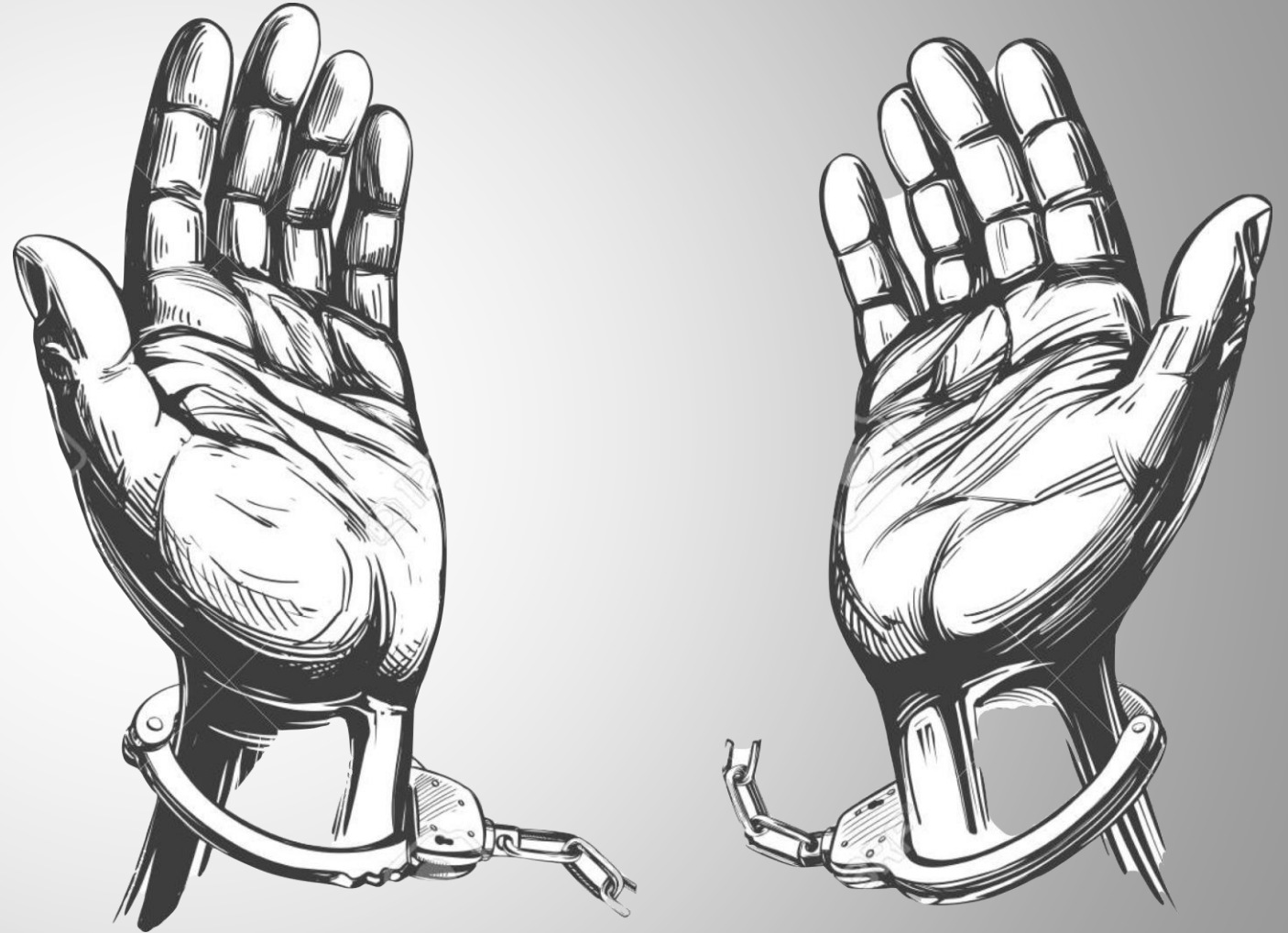


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**NEW DEBT IS THE  
WAY OUT OF BAD  
DEBT**

---

**YOU HAVE  
NOTHING TO LOSE  
BUT YOUR CHAINS**



# Outline



01

**Global Updates – The New Global Economic order**

02

**Nigeria & Global Economy - The Interconnectedness**

03

**Domestic Developments & Implications**

04

**Policy Outlook – Scenario Analysis & Impact**

05

**Outlook for the Month of October**

## **The New Global Economic Order**

**World Bank Meetings  
Holding in Morocco After  
An Earthquake**



# REDEFINING THE GEOPOLITICAL LEVERS OF CONTROL

- More geopolitical fragmentation than consolidation
- Possible decline in global trade, with exchanges occurring more within regional blocs
- Dollar hegemony to be threatened, but dethroning the dollar remains an uphill task

## China-Taiwan Relations



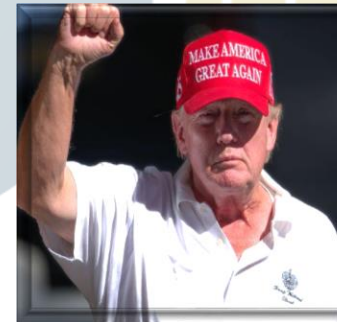
- Will the U.S. choose the defense of Taiwan's independence over its commitment to China?

## US-China rift



- Apple and Huawei as victims of trade wars

## Donald Trump's presidential race



- Prison or White House?

## Economic Blocs



- Plurilateral relations to dominate multilateral affiliations



# ECONOMIC TRENDS TO WATCH



- Global economy faces a quadrilemma in 2024

## High Inflation

- Global inflation to moderate to 5.6% in 2024
- Will remain high in Africa (15.8%) and Nigeria (22%)
- A return to target inflation rate will be a tall order in 2024



## Tightening Monetary Policy & Elevated Interest Rates

- Possible halt in interest rate hikes as inflation slows
- Interest rates to be **“higher for a longer period”**



**QUADRILEMMA**



## Soft Landing & Moderate Growth

- Slow global growth but no recession
- China's growth will remain constrained
- Emerging markets to drive global growth

## Oil Prices Higher & Output Constrained (OPEC+)

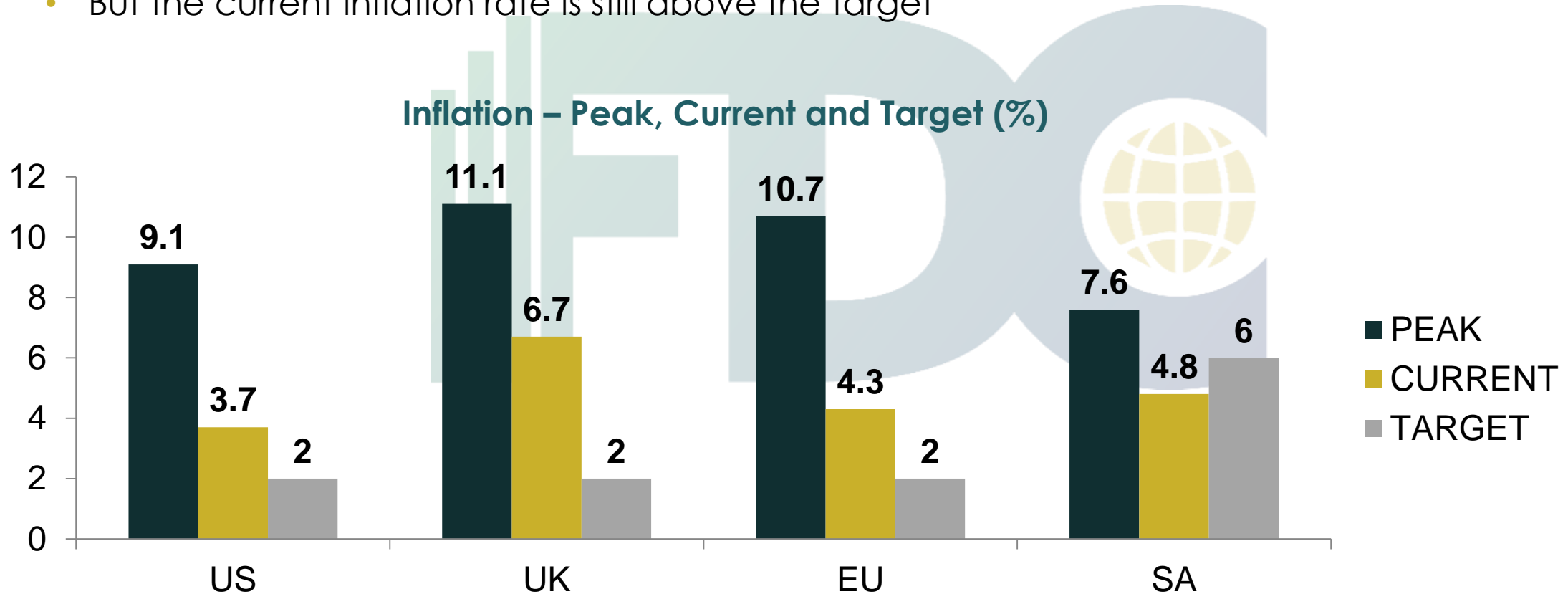
- Oil prices expected to average \$93pb in Q4'23, \$91pb in Q1'24 (EIA)
- Could moderate to \$86pb in the second half of 2024
- Petrol politics will keep energy costs elevated over the horizon





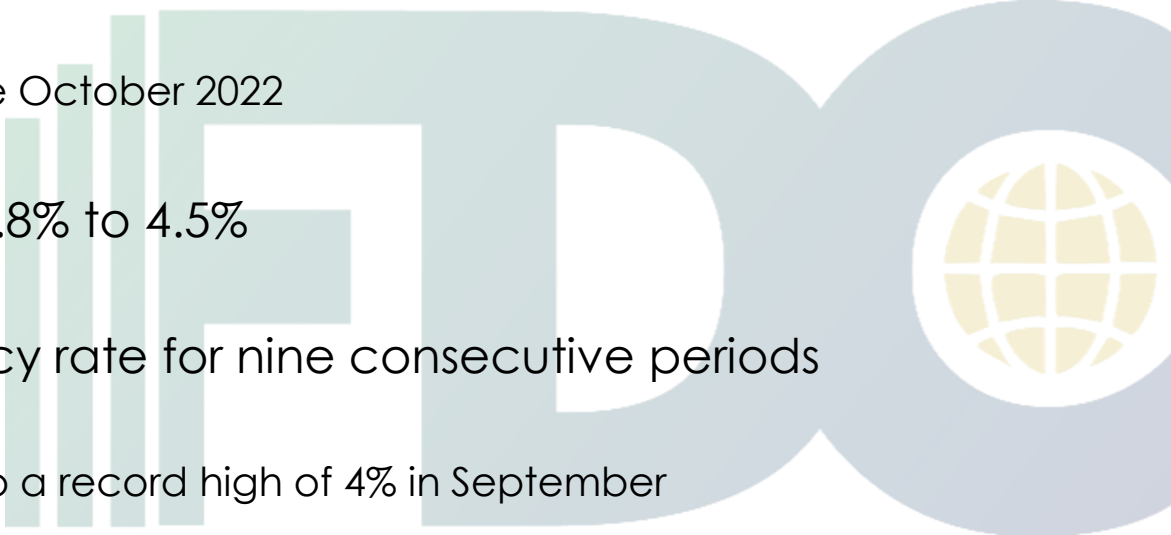
# GLOBAL INFLATION IS SLOWING BUT THE WAR IS FAR FROM OVER

- Substantial progress has been made in containing inflation
- But the current inflation rate is still above the target



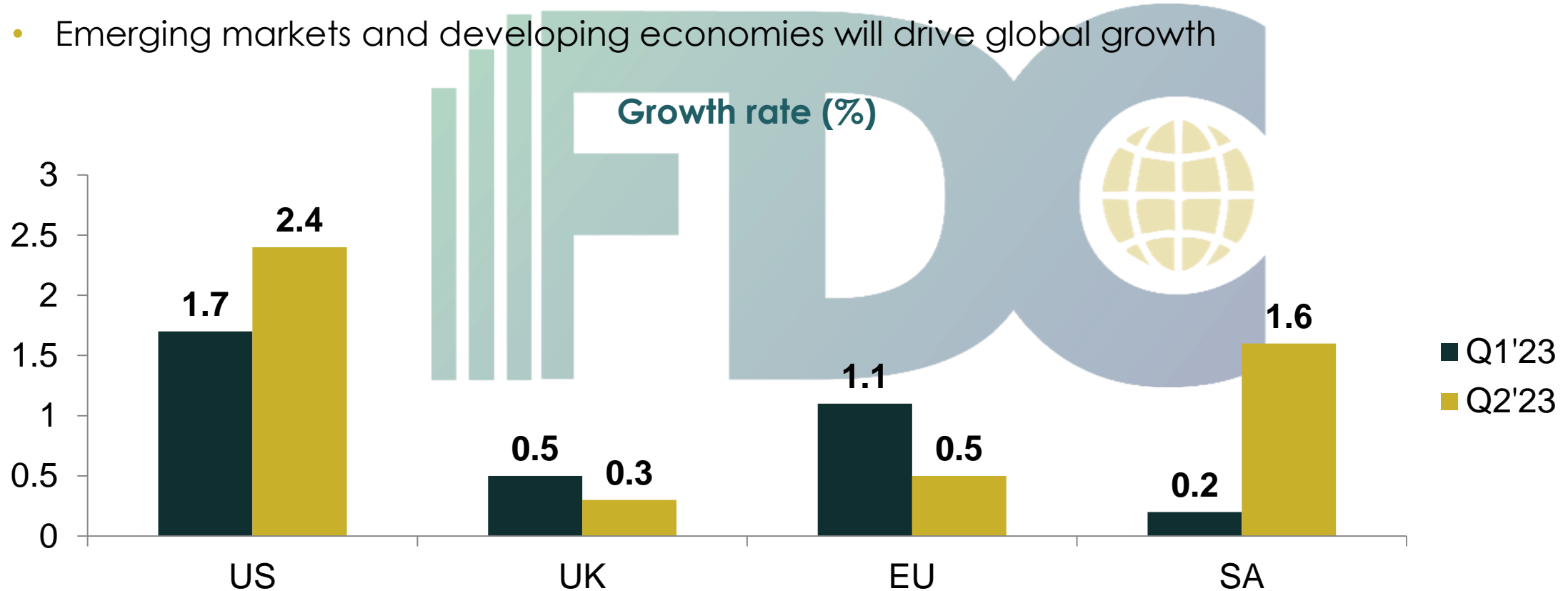


# EURO AREA INFLATION EBBS TO 4.3% IN SEPTEMBER

- Price inflation fell by 0.9% to 4.3% in September in the Euro area
    - After staying flat at 5.2% in August
    - The lowest level since October 2022
  - Core inflation fell by 0.8% to 4.5%
  - ECB has raised its policy rate for nine consecutive periods
    - Hiked interest rates to a record high of 4% in September
  - The significant decline in the level of inflation in Europe could prompt the ECB to halt its interest rate hikes
  - The US Fed & BOE held rates at their last meeting in September
- 

# GROWTH IN ADVANCED ECONOMIES WILL REMAIN TEPID BUT POSITIVE

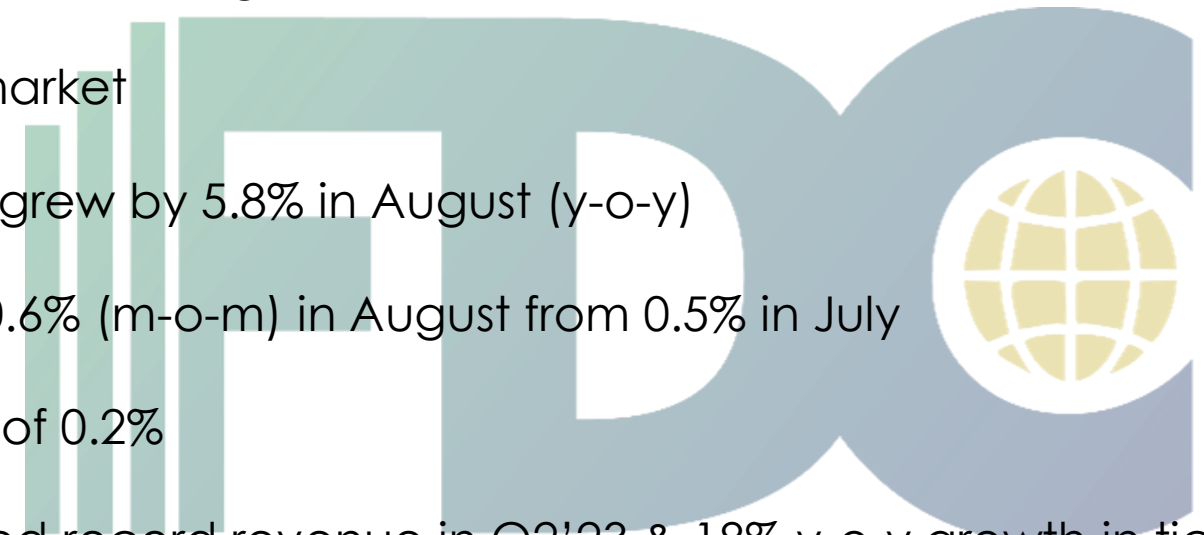
- Most advanced economies dodged a recession in 2023
- Monetary tightening to slow the pace of growth in advanced economies in 2024
- Emerging markets and developing economies will drive global growth







# RESILIENT CONSUMER SPENDING IN THE US

- Robust household spending in the US despite:
    - High inflation and borrowing costs
    - Cooling labour market
  - Household spending grew by 5.8% in August (y-o-y)
  - Retail sales grew by 0.6% (m-o-m) in August from 0.5% in July
    - Beating forecast of 0.2%
  - Delta Air Lines reported record revenue in Q2'23 & 18% y-o-y growth in ticket sales
  - Consumers are putting short-term needs above long-term goals
  - US fed to keep interest rates high as consumer spending remains strong
- 



# CHINA'S ECONOMY IMPROVING BUT ONLY SLOWLY

- China's economy gradually picking up after months of sluggish growth
    - Growth in China's manufacturing PMI in September to 50.2 points from 49.7 points in August
    - First growth since March and the fastest rate in six months
    - Due to stimulus from Beijing to boost economic recovery
  - Offering support to global demand as higher interest rates squeeze consumers and businesses in the US and Europe
  - China's real estate sector remains fragile
    - Faltering consumer confidence as property giants (Evergrande & Country Garden) stay mired in debt woes
    - Evergrande defaults on another debt payment
  - More stimulus from the government is needed to support a stronger & durable recovery
  - HSBC lowers forecast for 2023 GDP growth to 4.9% from 5.3%
- 



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**Abuja Branch**

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Plot 83 Ralph Shodeinde Street, CBD, Abuja.  
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# GLOBAL OUTLOOK - EIU

- Restrained global growth but no recession
- Forecast growth rate of 2.3% in 2024
  - Faster growth in Europe (led by Germany) counteracting softer US expansion
  - Moderate stimulus will stabilize China's economy
- Global growth is forecast to strengthen to 2.7% a year on average in 2025-28
  - Supported by clean energy and technology investment and AI productivity enhancements
- Inflation in advanced economies to moderate to 2.2% in 2024, from 4.3% in 2023 due to:
  - Progress in addressing supply-chain problems & lower commodity prices
  - Indicating no wage-price spiral
- Inflation in several emerging and frontier markets will remain rapid
  - Due to Nino weather conditions placing upward pressure on food prices



# GLOBAL OUTLOOK - EIU

- US Fed and ECB unlikely to cut interest rates until mid-2024
- To keep demand-pull inflation in check
- Central banks in emerging markets could lower policy rates primarily due to a halt in interest rate hikes
- Higher levels of investment and tighter labour markets indicate that interest rates globally may not return to 2010 levels
- End of Fed's monetary tightening to reduce support for the dollar
- However, its safe-haven status will keep it from weakening
- Structural changes in the euro zone's terms of trade point to a weaker euro
- De-dollarization initiatives will struggle to advance globally owing to a lack of alternatives



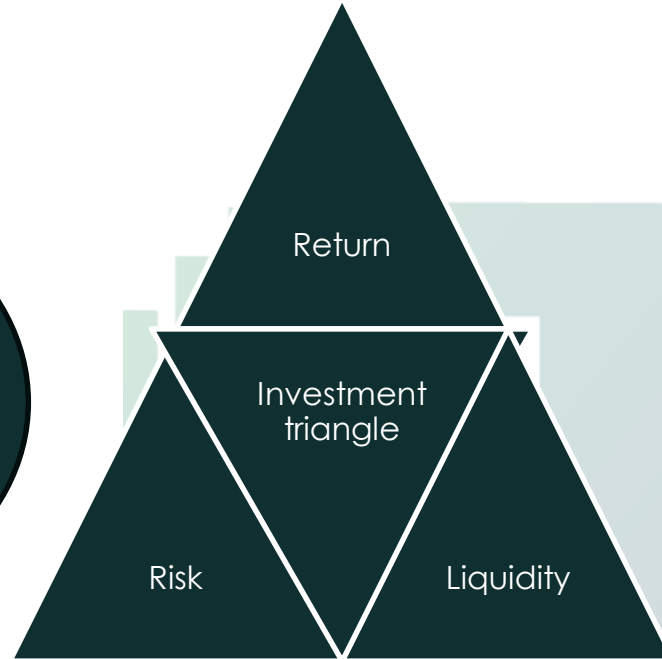


# TRENDS TO WATCH IN THE INVESTMENT SPACE



## De-dollarization & Competitive Devaluation

- Less dependence on the US dollar



- Investors to focus on **squaring** the investment triangle

## ESG

- “Green” investment to become commonplace
- Accusation of “Greenwashing” to be on the rise

## UNICORNS & FINTECHS

- Fintechs are introducing robot investing
- Do-it-yourself investment platforms will cannibalize traditional fund managers

# GLOBAL ASSET PERFORMANCE – POSITIVE REAL RATE OF RETURN

ASSETS	YTD Performance (%)	Real Rate of Return (%)	Rationale
US 500	14.71	11.16	Moderation in interest rate hike and slowing inflation
GB100	7.89	1.19	Sticky inflation in the UK continues to support constant rate hikes by the BOE
Bitcoin	44.44	8.84	<ul style="list-style-type: none"> <li>• Moderation of US interest rates increases</li> <li>• US court of appeal to vacate rejection of grayscale investments</li> </ul>
Gold	16.24	12.54	<ul style="list-style-type: none"> <li>• Reduced pace of increase in interest rate</li> <li>• Global financial instability</li> </ul>
US Treasury 6-months 1-year	5.537 5.45	1.84 1.75	<ul style="list-style-type: none"> <li>• US Fed interest rate hikes</li> </ul>

# GLOBAL FINANCIAL MARKETS - OUTLOOK

- US Fed halt in interest rate hikes will put bonds and cash investments in focus
- High inflation & slowing growth rate will put corporate profitability under pressure
- Quality in equities will be key in the search for resilience
- Investors to benefit from emerging markets in Asia due to its accelerated growth rate
  - Asia is expected to contribute about 70% to global growth
- Robust opportunities for dynamic asset allocation approach due to
  - High uncertainty on growth, inflation & valuation mispricing
- Increased focus on ESG investments





# 100 YEARS AFTER – THE DARK CONTINENT IS JOLTED INTO ACTION



## Coup Flu



- Coup contagion likely to extend to the Anglophones

## Continental Scramble 2.0



- China diplomatic activism in Africa to gain momentum
- Russia to seek new frontiers in Africa
- The West will be in the defensive

## Digital Revolution



- Africa to boost digital economy

## Resource Nationalism



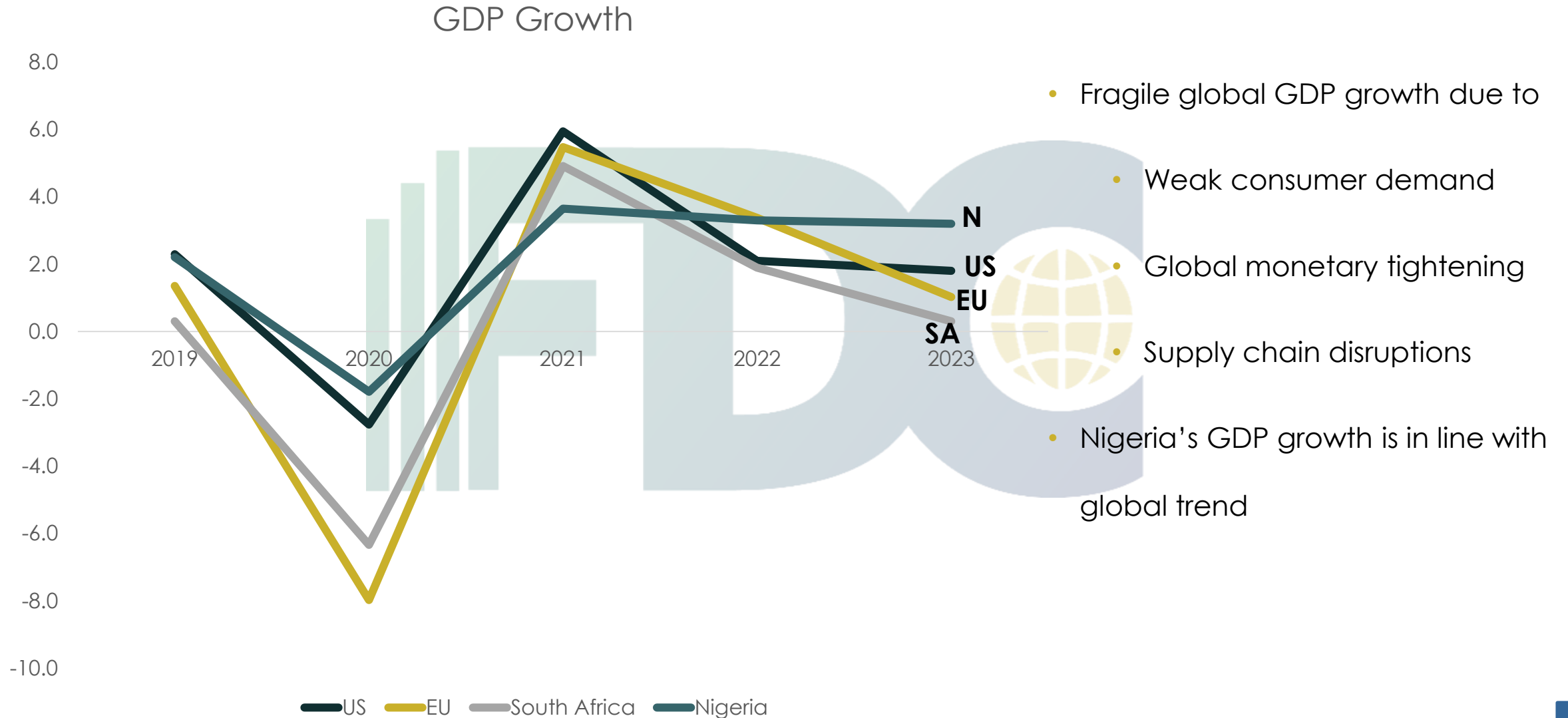
- From diamond/gold to new sources of energy
- Ghana Lithium
- Green revolution

**Nigeria & Global  
Economy – The  
Interconnectedness**

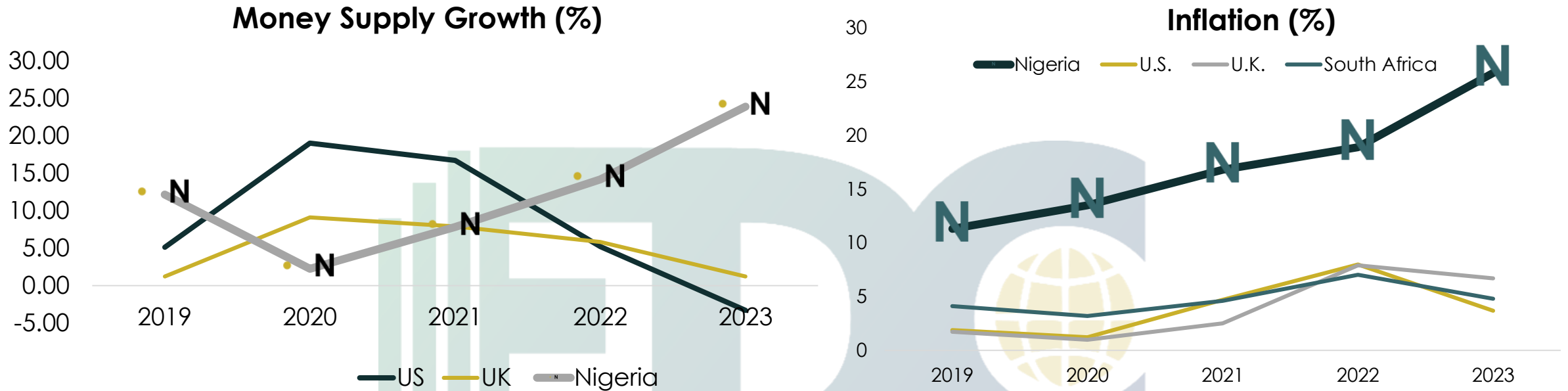




# NIGERIA'S GDP GROWTH CONSISTENT WITH GLOBAL TREND



# NIGERIAN INFLATION DEFIES GLOBAL TREND



- Inflationary pressures were exacerbated by the Russia-Ukraine war in 2022
- Gradually easing in most countries but yet to peak in Nigeria
- Tight monetary conditions in most countries but loose monetary conditions in Nigeria

# NIGERIA VS THE GLOBAL ECONOMY

- Nigeria is in a reluctant and imminent integration with the global economy
- Policymakers are confronted with deteriorating macroeconomic performance
- Nigeria is still a bank-based economy but transitioning to a market-based economy
- It puts severe limitation on the effectiveness of monetary policy to fight inflation

KEY INDICATORS	NIGERIA	UNITED STATES	UNITED KINGDOM	SOUTH AFRICA
Stock Market Capitalization (% of GDP)	16.5	153.4	91.1	307.8
Bank Deposits (% of GDP)	22.06	101%	138.74	47.45
Net Foreign Inflow (% of GDP)	-0.04	1.38	1.44	2.17
GROWTH (%)	2.51	2.6	0.4	1.6



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## Domestic Developments & Implications

# NEW CBN LEADERSHIP – HARD TO CATCH A FALLEN KNIFE



**Dr. Yemi Cardoso**



Emem Nnana Usoro



Muhammed Sani



Philip Ikeazor



Bala Bello

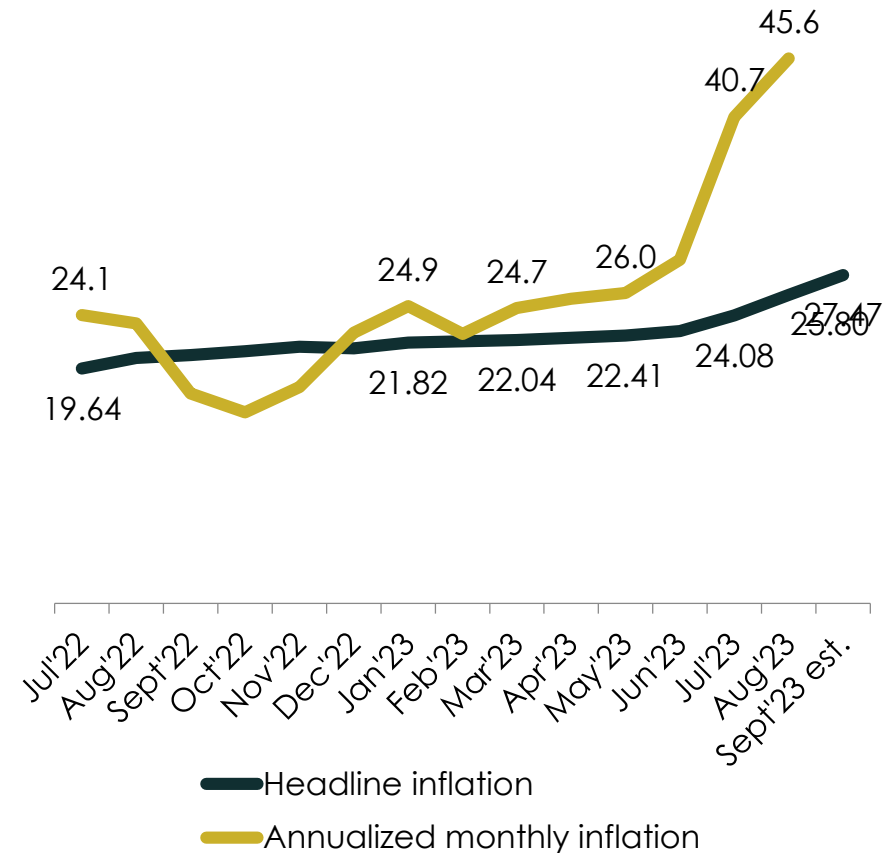
- **No more dumb decisions**
- Nigerian Senate approves appointment of new CBN leadership
- New CBN Governor – Dr Yemi Cardoso
- Four new CBN deputy governors
- **Suspended all intervention programs** initiated by the former CBN governor
- Indicating a full shift to **orthodox monetary policy**
- Will support a reduction in the total money supply



## NIGERIAN HEADLINE INFLATION CLIMBS TO 25.80% IN AUGUST

- Price pressures remain elevated in Nigeria
  - Reflecting the consequence of policy changes
- Headline inflation climbed by 1.27% to 25.80% in August from 24.08% in July
- Monthly inflation (reflection of current price changes) increased to 3.18% (annualized at 45.6%)
  - Indicates inflation may be much higher than reported
- Headline inflation is projected to increase further to 27.57% in September

### Inflation Rate



# FOOD BASKET & NON-FOOD ITEMS



Prices of the items in the food basket rising faster than non-food items



Despite the harvest period



Primarily due to

*Post-harvest losses  
Insecurity in food-producing regions  
High logistics costs*



**Food Inflation**

Y-o-Y

July 2023

26.98%

Aug 2023

29.34%



2.35%

M-o-m

3.45%

3.87%



0.42%



**Core Inflation**

Y-o-Y

July 2023

26.98%

Aug 2023

29.34%



0.67%

M-o-m

2.11%

2.18%



0.07%

# INFLATION DATA MORE RELIABLE

- Inflation data is more reliable
- The synthetic basket still shows a rate higher than 50%



Official basket

**25.8%**

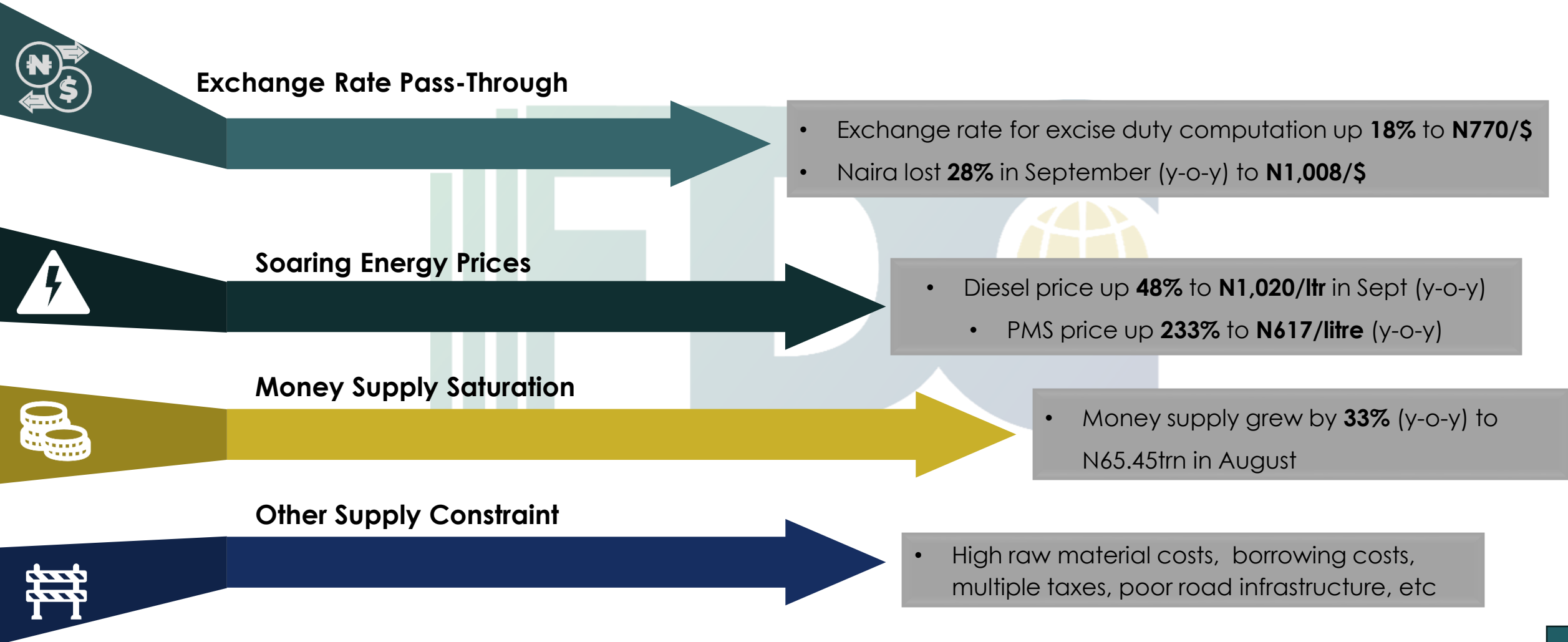


Synthetic basket

**52.3%**



# MAIN DRIVERS OF INFLATION



# CBN MONETARY TIGHTENING LOWERS SYSTEM LIQUIDITY

Banks' opening position averaged N30.17bn in September 2023

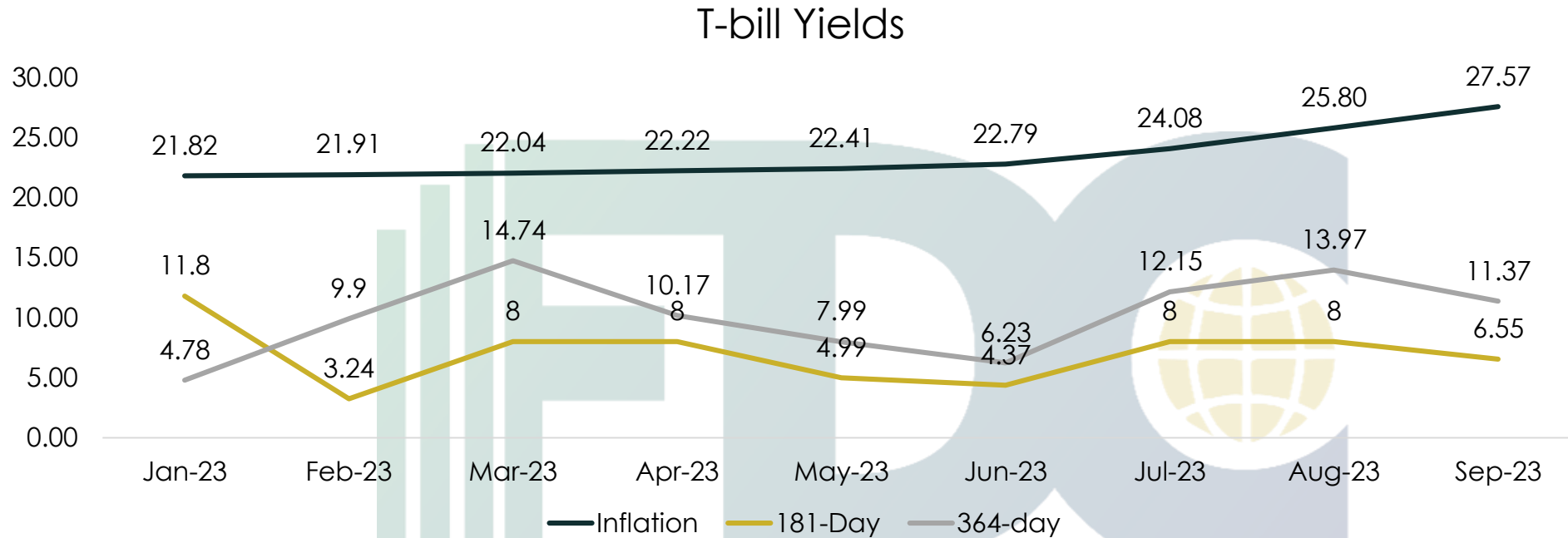
An 89.2% decline from the average position of N280.57bn in August

Indicating tight liquidity conditions due to the CBN's monetary tightening

The liquidity squeeze pushed up inter-bank rates to an average of 12.13%p.a from 11.55%p.a

- IBTC PMI has expanded from 50.2 points to 51.1 points in September

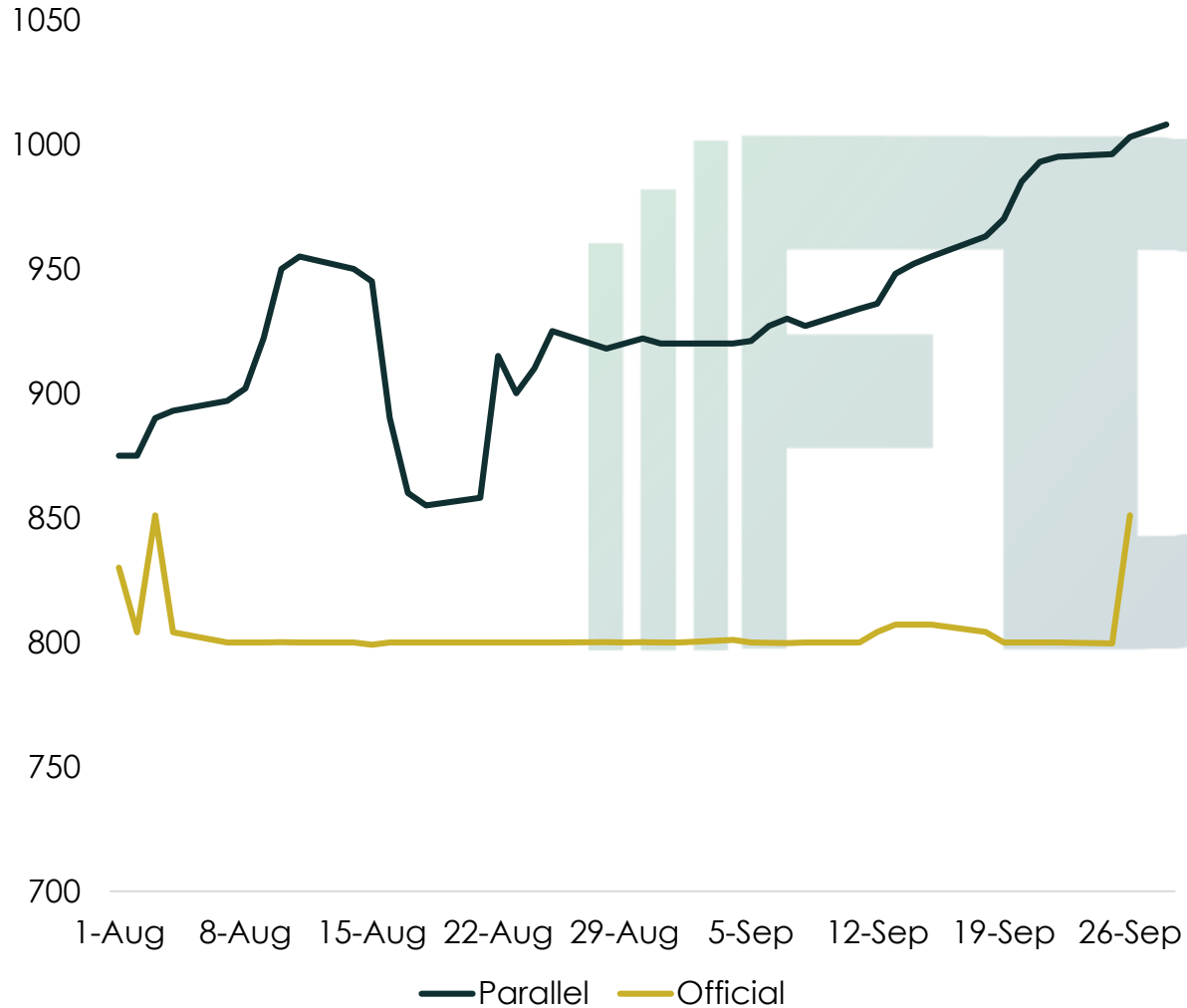
# NEGATIVE REAL RATES OF RETURN ON NIGERIAN GOVT SECURITIES



- Real interest rates remain in the negative territory
  - Interest rate-inflation gap estimated at -14.43%
- Supporting flight to safe havens (dollar investment) and disincentivizing savings

# NAIRA WOBLING...WOBLING...GONE??

Exchange Rate (N/\$)



- Naira maintained a depreciation path in September
- Lost 8.73% in September
- Closing the month at N1,008/\$ from N920/\$ in August 31st
- Official-parallel gap widened to N208 from N120
- As the CBN fix the exchange rate at N800/\$ at the official window

# WHY IS THE NAIRA DEPRECIATING?



High naira speculation



Flight to safe havens due to negative real return on government securities



Low forex liquidity – Gross external reserves down **13%** to **\$33.24bn** in September (y-o-y) despite higher oil prices

Oil production < OPEC quota (1.6mbpd)

Average forex turnover down **8.85%** to \$84.60mn

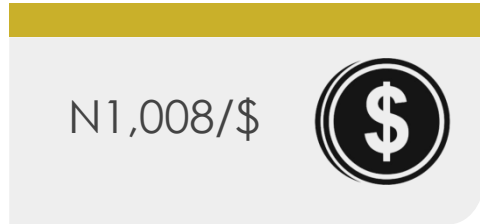


CBN FX forward backlogs: \$6.8bn – increasing demand pressure in the parallel market

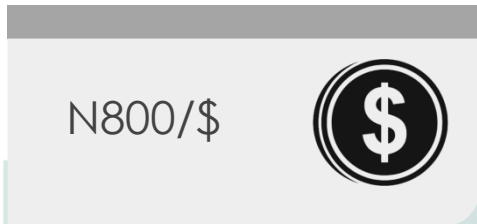


# WHAT IS THE FAIR VALUE OF THE NAIRA?

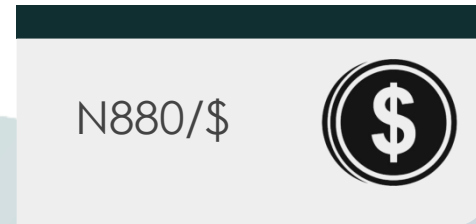
## Parallel Market Rate



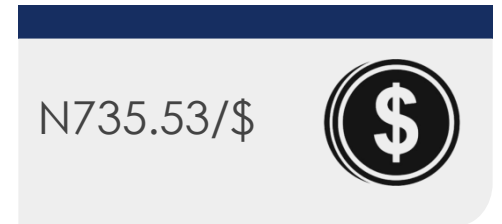
## Official Rate



## Big Mac



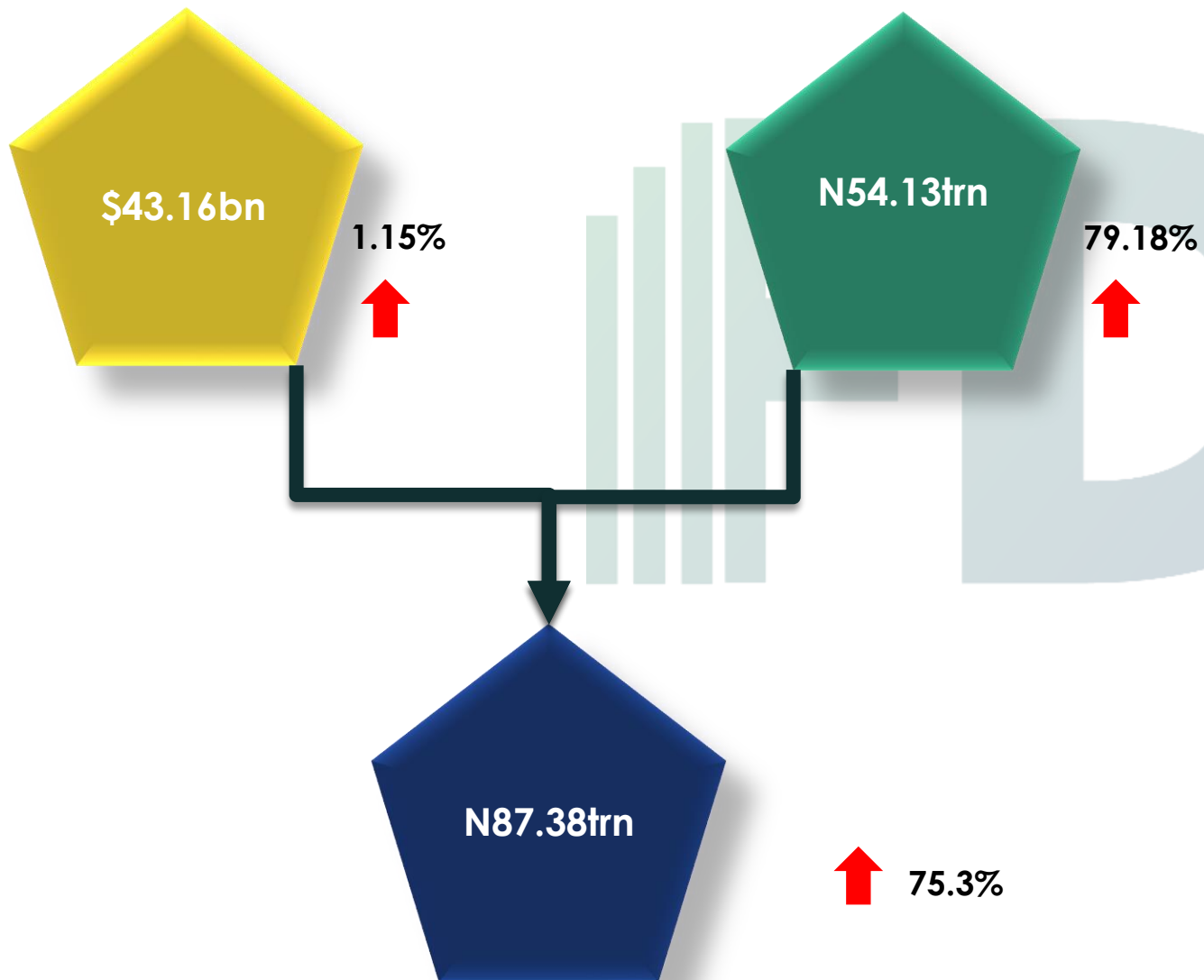
## PPP



- Naira is undervalued by 1.3%
- Primary due to
  - Market speculation
  - CBN forex controls
- Naira will recover in 2024 – No short cuts

Purchasing Power Parity			
	=N=	US \$	PPP ('=N=/US\$)
Bottle of Pepsi (50cl)	200	0.76	263.16
Beer (60cl)	650	2.17	299.54
Hamburger (Burger King)	7,500	5.38	1394.05
Indomie (1 unit)	250	0.50	500.00
Nestle Bottled Water (60cl 1 unit)	150	0.32	468.75
Big Loaf Bread	1,200	1.78	674.16
Corrola (2023 Model)	22,500,000	25000.00	900.00
Irish Spring Soap (1 cake)	900	1.16	775.86
Chicken Breasts ( 1 kg)	3,650	3.48	1048.85
Trolley	5,500	5.00	1100.00
Peak evaporated milk (pack of 12)	9,000	12.96	694.44
Uncle Ben's rice (5.44kg 1 pack)	15,550	24.66	630.58
Eggs (30 large eggs)	2,600	3.20	812.50
Average PPP			<b>735.53</b>
Naira Price at IEFX			745.19
PPP (%)			
Decision: Naira is		Undervalued	<b>-1.30%</b>
Spot Rate (Parallel)			1,005
Outcome: Compared to IEFX rate of N799.90/\$1, the Naira is Undervalued by 1.3%			

# NIGERIAN PUBLIC DEBT HITS N87.38TRN – WILL INCREASE FURTHER



- The significant increase in public debt stock is primarily due to:
  - Naira depreciation
  - External debt in Q3 was calculated using N770/\$ compared to N460.35/\$ last quarter
  - Inclusion of CBN's ways & means advances (N22.7trn)
- Debt-to-GDP ratio climbed to 44% in Q2'23 from 25% in Q1'23
- After an IMF policy support & and instrument program
- New money will be judiciously deployed

\*770

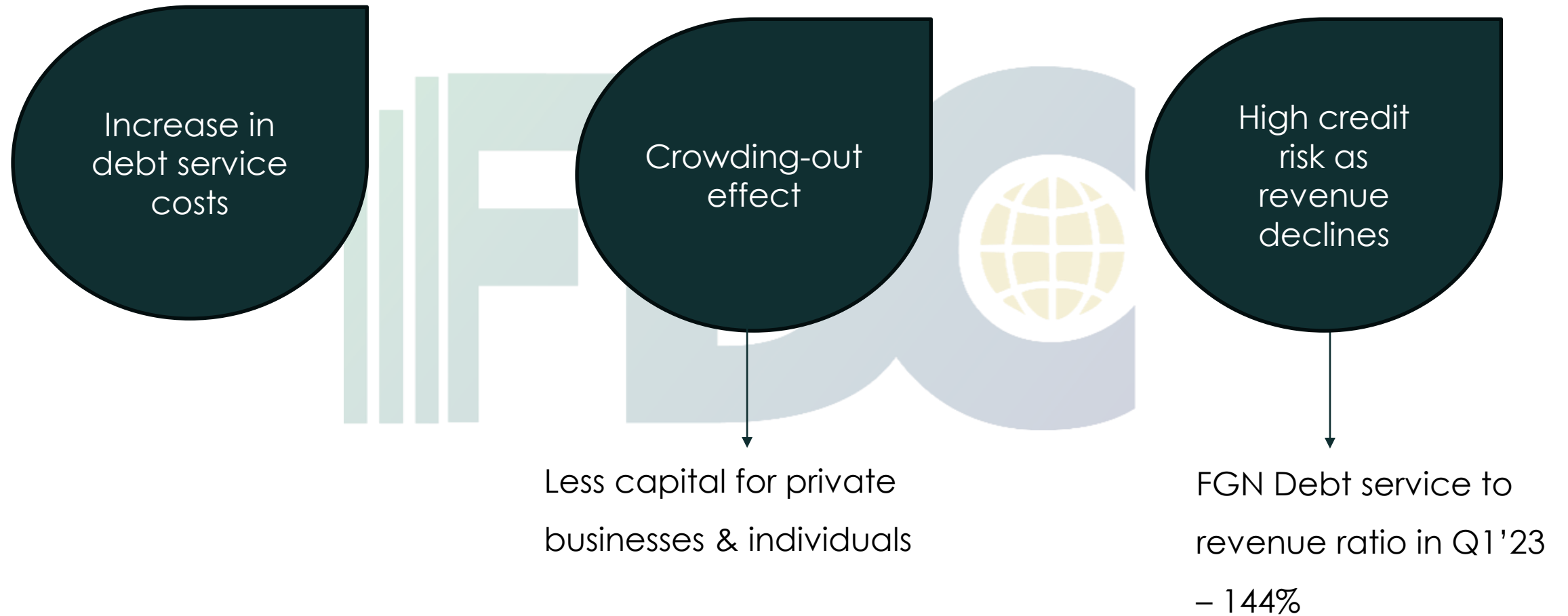
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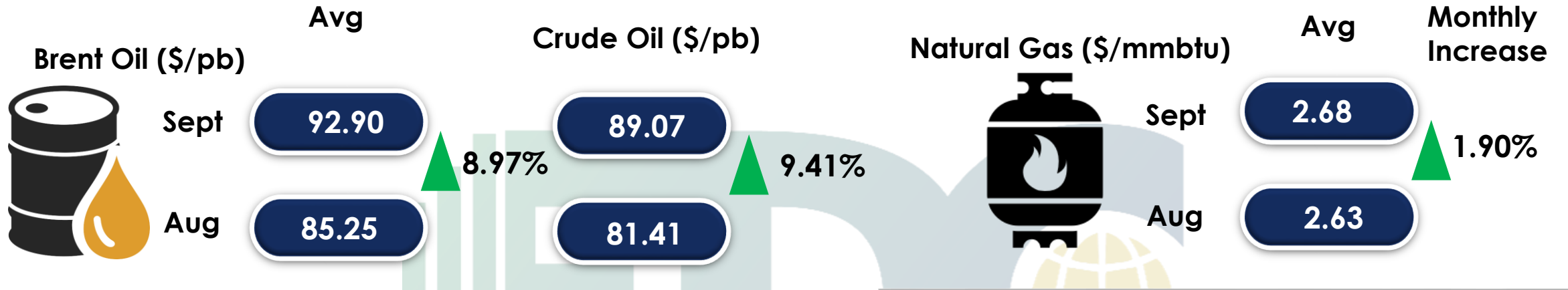
Fidelity Bank Plc

# NIGERIA IN A DEBT TRAP



- ***You need new debt to free yourself from bad debt***

# GLOBAL ENERGY PRICES INCREASING AGAIN IN NOMINAL TERMS



- Tight oil market due to Saudi Arabia's and Russia's production cuts – 1.3mbpd
- Improved global demand –
  - Constant depletion of US crude oil inventories
  - Marginal increase in consumer spending in China

- Reached 9-month high of \$3.06/MMBtu
- Outages at three major Norwegian facilities limited Europe from stocking up gas for winter period
- High gas price is despite warmer weather forecasts for October in Europe

- In 1999 terms, the price of oil has fallen by over 10%



# IMPACT OF RISING GLOBAL ENERGY PRICES

Increase in Nigeria's external earnings

% of total exports



**Oil**  
80%



**Gas**  
11%

FG fuel subsidy payments to increase to avoid a hike in petrol pump price

# SUBSIDY STILL LINGERING - FG PAYS N169.4BN IN AUGUST

- FG disbursed N169.4trn for fuel subsidy payment in August
- After 217% cumulative increase in fuel price to N617/ltr
- And President's announcement of no further increase in fuel price
- Higher oil prices and exchange rate depreciation are pushing up landing cost of PMS
- FG reverts to fuel subsidy payment in order not to further exacerbate inflationary pressures



**Policy Outlook –  
Scenario Analysis  
& Impact**





# NIGERIA AT CROSSROADS

## Continue Reforms

Appealing to the Creditors

- Becoming an integral part of the global financial system
- Being in line with our creditors, lenders & international investors

## Pause Reforms/Muddle through

Appealing to the People

- Pause reforms due to high inflationary impact

## Economic Patriotic Agenda

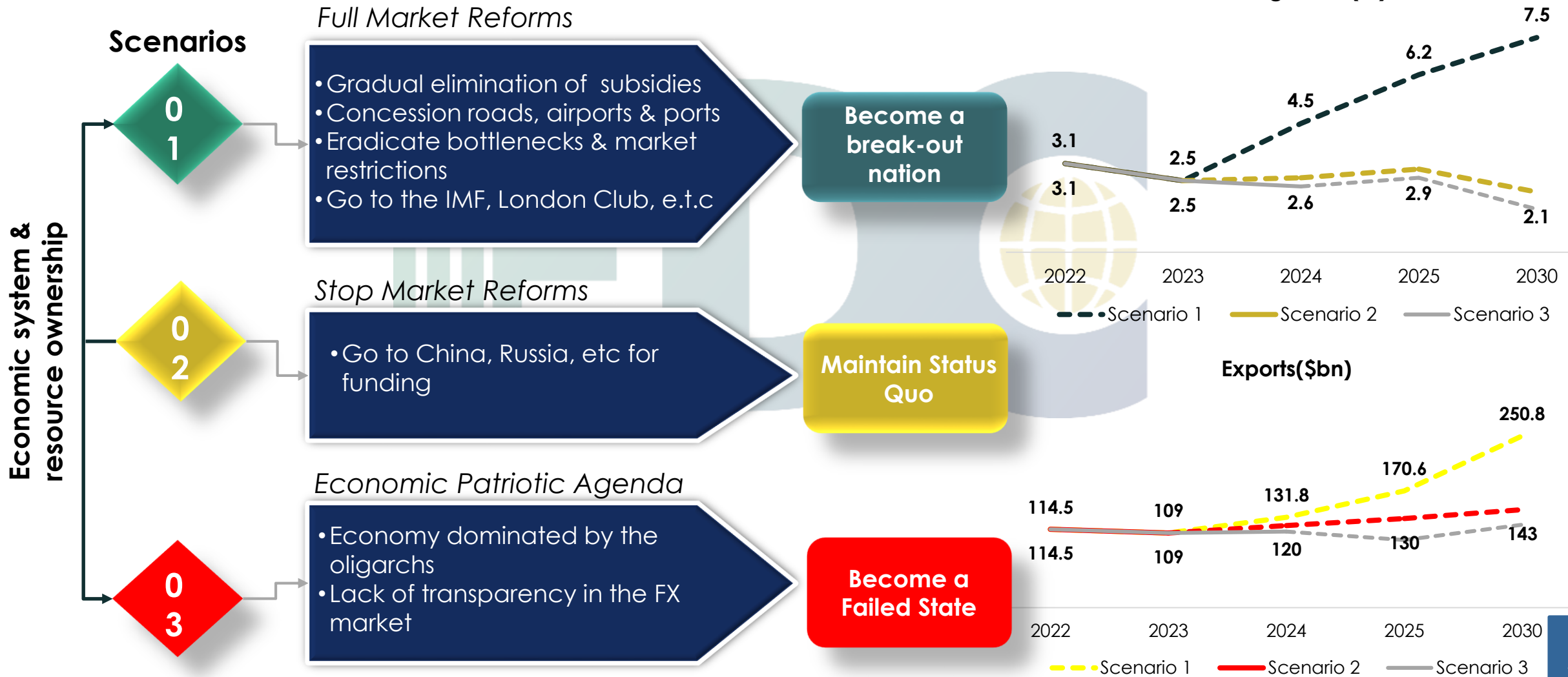
Appealing to the Oligarchs

- Open the economy to only few
- Market inefficiencies

**Crunch time**

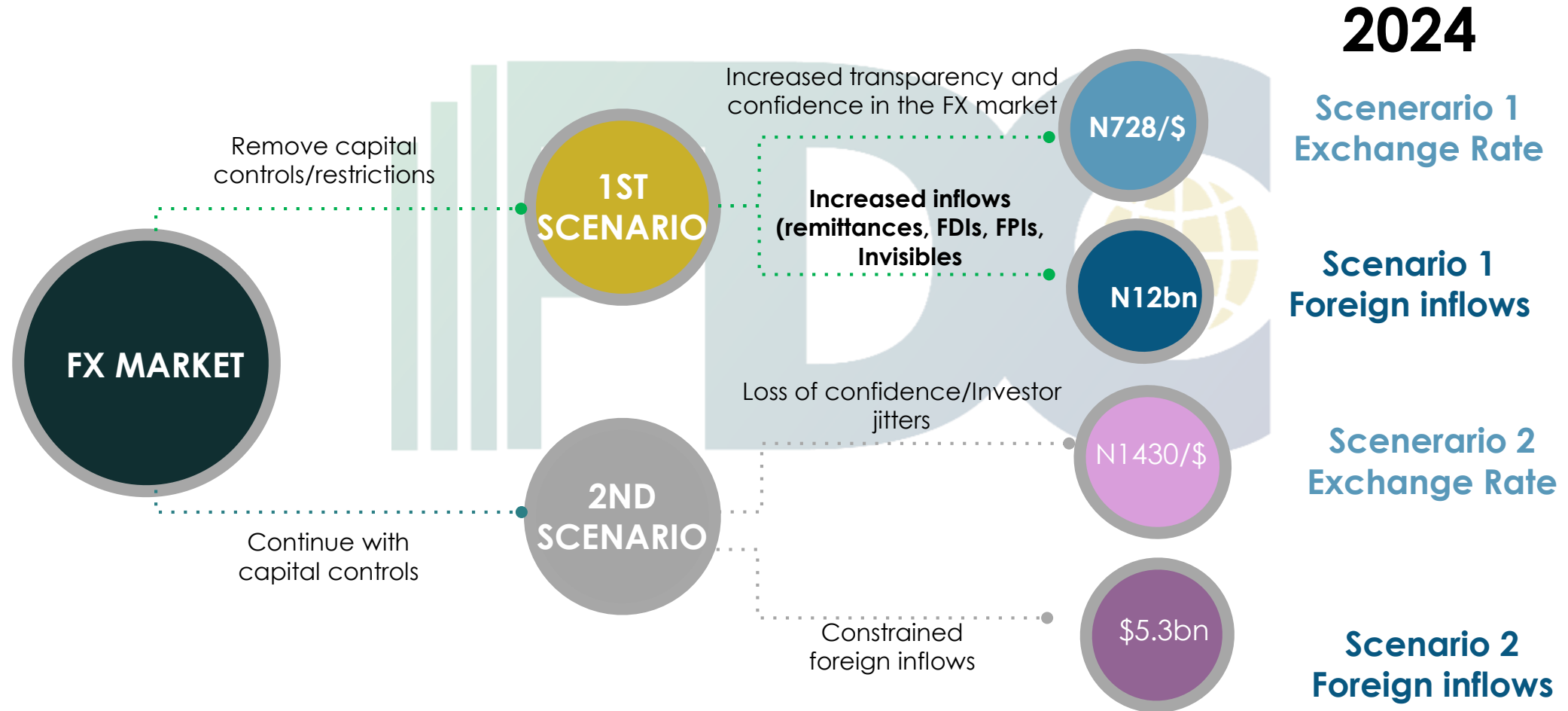
# THE CHOICE OF ECONOMIC SYSTEM

- What happens if Nigeria opens up its economy or allows for state capture?



# FX MARKET – DETHRONE THE RACKETEERS OR CONTINUE BUSINESS AS USUAL


- Removal of capital control and increased transparency in the FX market will strengthen the naira




# REFORM COCKTAIL



**Debt Rescheduling**  
Rescheduling of debt for new monies



**Privitization & Divestment**  
Sale of key government assets especially in the oil sector



**Fiscal Consolidation**  
Revenue diversification, widening the tax net & reduction in budget deficit



**Institutional Reforms**  
Reforms of institutions like CBN, FIRS, NNPC e.t.c



**Monetary policy & FX market reform**  
Transparent & efficient forex market



**Public-Private Partnership to increase**  
More road/airport concessioning

# NIGERIA NEEDS TO COME CLEAN

- Official data are either inaccurate or incomplete
- Inaccurate data will lead to incorrect policies & worse outcomes

	Official Position		Actual/Anecdotal
EXTERNAL RESERVES	\$33bn	<ul style="list-style-type: none"> <li>• Audited financial statement differs with hitherto reported position</li> <li>• Unpaid forwards (backlogs) estimated at \$6.8bn</li> </ul>	< \$4bn
EXCHANGE RATE	N773/\$	<ul style="list-style-type: none"> <li>• Government claims “willing buyer willing seller” model</li> <li>• Available evidence shows that regulatory control returned in late July</li> </ul>	N1003/\$
FUEL SUBSIDY	Subsidy gone!!!	<ul style="list-style-type: none"> <li>• Diesel at N1000 and PMS at N617 shows that someone is paying for the difference</li> <li>• It’s beginning to crystalize that subsidy was never removed in the first place</li> </ul>	Subsidy reduced
INFLATION	25.8%	<ul style="list-style-type: none"> <li>• Inflation basket last constituted in 2009</li> <li>• NBS estimates do not reflect market reality</li> </ul>	52.3%

# CBN HOUSECLEANING – NEXT POLICY STEPS



Discontinuation Of  
Unorthodox Monetary  
Measures



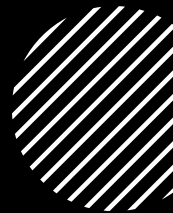
Clear Separation of Monetary  
Policy From Banking  
Regulations



Increased Focus Of The CBN  
To Maintain Price Stability &  
Exchange Rate Management



# FISCAL POLICY OUTLOOK (SHORT TO MEDIUM-TERM)



Preparation of 2024 budget



Increase oil production towards the OPEC quota (1.6mbpd)



External debt rescheduling - \$43.16bn



Meeting with the Multilaterals for long-term funding



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# MACROECONOMIC FORECAST – 2024/25






- Sustained policy changes will have short-term pains (FY'23 & Q1'24)
  - High inflation (year-end: 28%) and lower pace of economic growth (2.2%)
- The efficient utilization of revenue gains will boost GDP growth, increase investments & reduce fiscal pressures
  - GDP to grow by 4.5%
  - Fiscal deficit to decline to less than 4.5%
  - Foreign investment to spike to \$12bn
  - Exchange rate to appreciate

Key indicators				
	2022	2023*	2024*	2025*
Real GDP growth (%)	3.3	2.5	4.5	6.5
Consumer price inflation (av; %)	18.8	24.4	17.10	13.5
Government balance (% of GDP)	-3.3 <sup>c</sup>	-4.8	-4.5	-4.2
Current-account balance (% of GDP)	0.2	2.1	2.2	1.8
Exchange rate (avg; N/\$) Official/Parallel	423.3/ 655.30	650/ 850	780.3/ 800	825.9/ 875



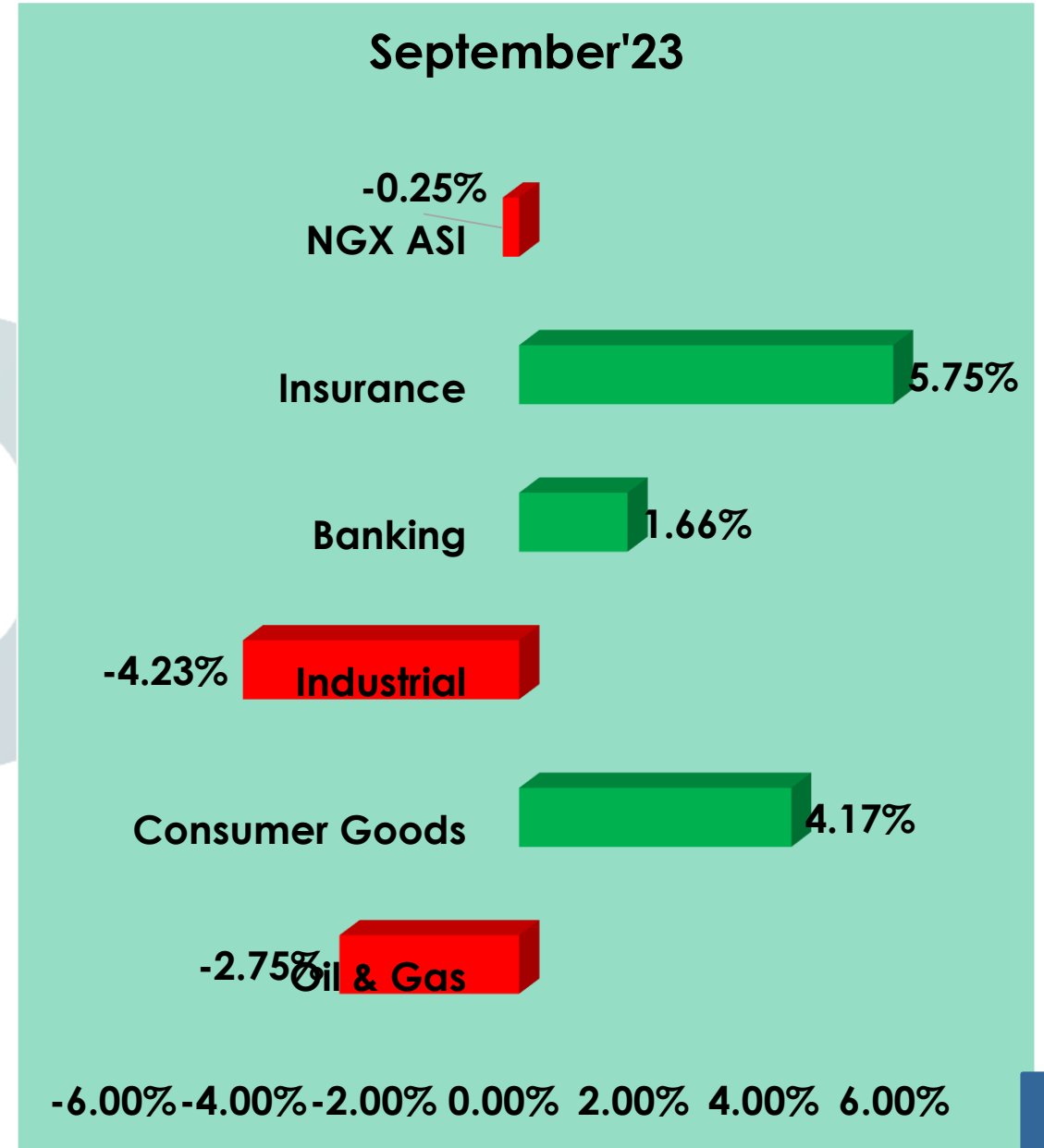
## Stock Market

# NGX OUTPERFORMS OTHER MARKETS IN SEPTEMBER 2023

Market	YTD Return	Driver
SSE	 0.30%	<ul style="list-style-type: none"> <li>• Slowing economic growth momentum</li> <li>• Central Bank to keep interest rate high to curb inflation</li> </ul>
JSE	 3.27%	<ul style="list-style-type: none"> <li>• Elevated inflation</li> <li>• Currency volatility</li> </ul>
GSE	 2.84%	<ul style="list-style-type: none"> <li>• Resilient corporate earnings</li> <li>• Attractive dividend stocks</li> </ul>
NGX	 0.25%	<ul style="list-style-type: none"> <li>• Profit Taking activities</li> <li>• Volatility in exchange rate and FTSE downgrade</li> </ul>
S&P 500	 4.61%	<ul style="list-style-type: none"> <li>• Hike in Treasury yields rate</li> <li>• Fed's higher-for-longer stance on interest rates.</li> </ul>

# NGX IN SEPTEMBER 2023

- NGX closed the month on a bearish level (-0.25%)
- The All Share Index (ASI) inched to 66,382.14 during the month
- Market Capitalisation declined to ₦36.37trn
- Loss was driven by profit-taking activities witnessed in blue-chip companies.
- Market dwindled due to a mix of volatility and stability in the economy and the naira devaluation
- Volatility of effective interest rates



# STOCK MARKET OUTLOOK

- Low performance of -0.25% in September 2023
- Driven by scarce liquidity in the money market (volatility of exchange rate and stability in the economy)
- Devaluation of the naira and the indefinite postponement of the CBN's Monetary Policy Committee (MPC) meeting.
- Profit Taking activities



# STOCK MARKET OUTLOOK

- Expect the equities market mixed performance in October.
- Attractive fixed income yield
- Expect stability in the economy





## SECTORS THAT WILL THRIVE

---

- Telecommunications & PSB's
- Agriculture
- Food processing & storage
- Hotels & Hospitality
- Insurance
- Distilleries & spirits
- Airport handling companies
- Infrastructure & road concessioning
- Construction

## SECTORS THAT WILL STRUGGLE

- Retail Banking
- Carbonated soft drinks
- Aviation
- Flour milling
- Consumer retail
- Road transportation





## Market Proxies



# VALUE OF TRANSACTIONS

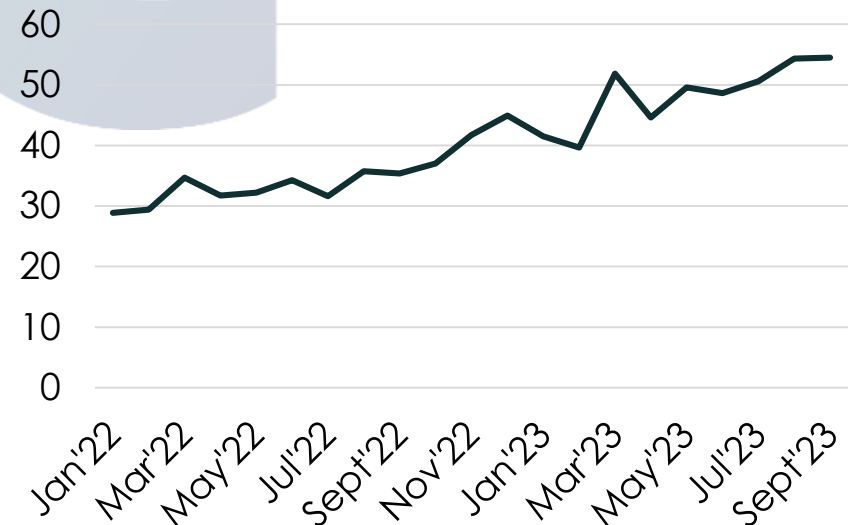
In September, the total value of transaction rose to an all-time high of

N54.51trn

- Compared to the previous month's total (N54.36trn), it rose 0.28%
- The direction of the e-payment platforms was mixed
- With the POS transactions declining for the 6<sup>th</sup> consecutive month
  - Due to increased appetite for bank transactions as network issues wanes
  - And the increase in POS charges by the operators
- We expect the value of transactions to sustain upward trend in the coming month due to the increased adoption of digital mode of payments

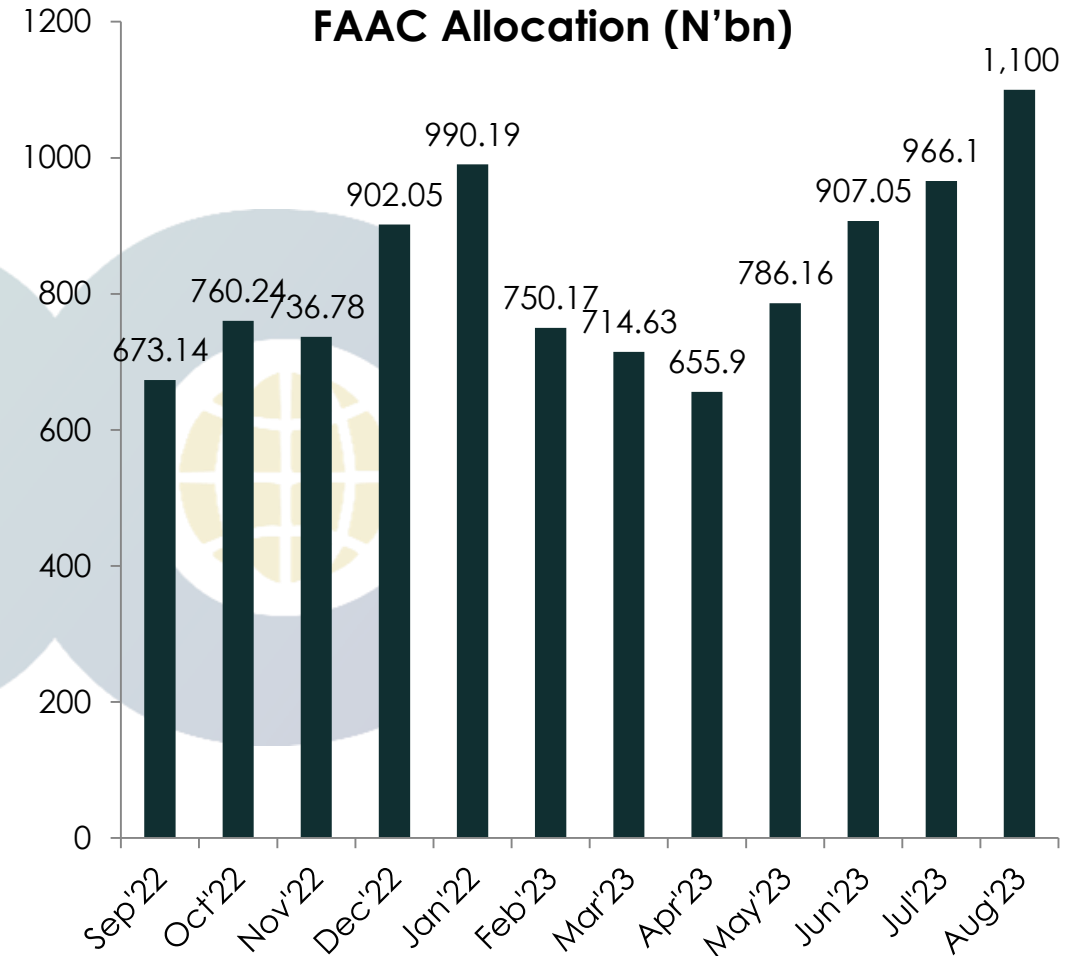
Channels	Aug'23 (N'bn)	Aug'23 (N'bn)	% Change
Cheques	269.53	260.63	-3.30 ↓
POS	864.62	728.66	-15.72 ↓
NEFT	2,324.31	2,454.55	5.60 ↑
NIP	50,898.91	51,066.46	0.33 ↑
<b>Total</b>	<b>54,357.36</b>	<b>54,510.30</b>	<b>0.28</b> ↑

Value of Transactions (N'trn)



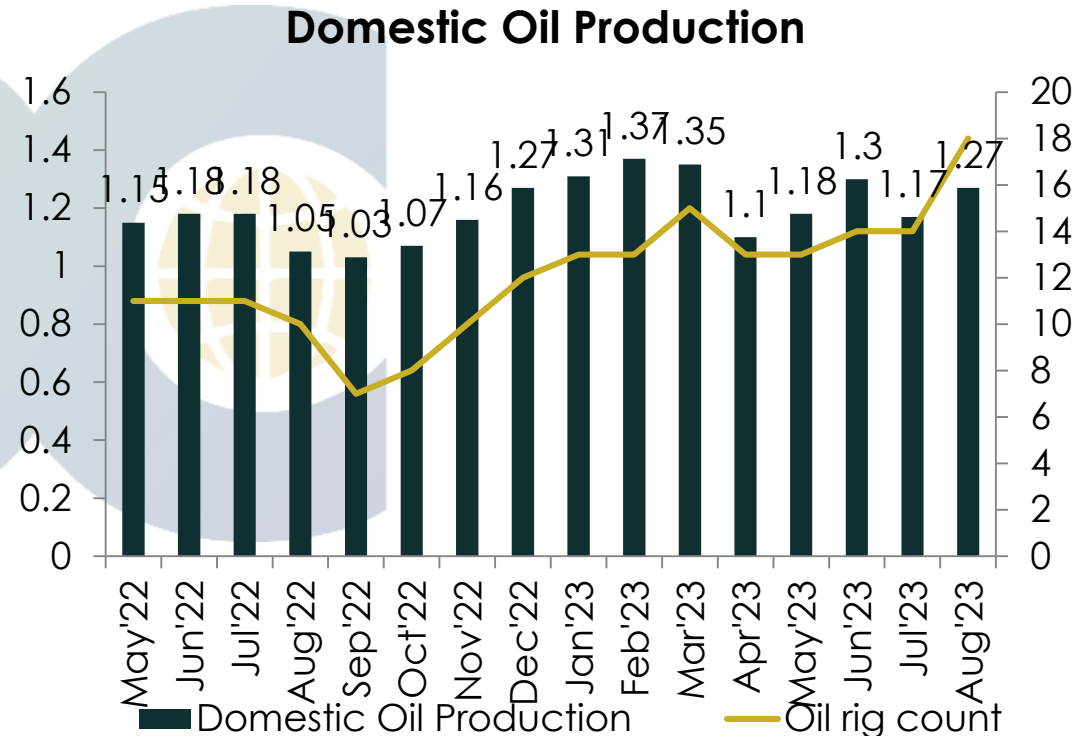
# MONEY ILLUSION OR HIGHER FAAC OR BOTH??

- FAAC shared a sum of N1.1trn to the three tiers of government is September
  - An increase of 13.86% when compared to N966.11bn in the previous month
- The spike in FAAC allocation was majorly due to significant increases in VAT, Import and Excise Duties, and EMTL
- The total FAAC comprised statutory revenue of N357.398 billion, VAT revenue of N321.941 billion, EMTL revenue of N14.102 billion, Exchange Difference revenue of N 229.568 billion, and Augmentation of N177.092 billion
- Higher oil prices are expected to boost FAAC allocation in the coming month



# DOMESTIC OIL PRODUCTION

- Oil production increased by 8.55% to 1.27mbpd in August from 1.17mbpd in July
  - As the oil rig count climbed to the highest level (18) in over three years.
- This represents a 28.57% increase compared to the previous month (14)
  - And a year-on-year increase of 80%
- The rise in oil production was supported by the sustained efforts by the government to curb oil theft and pipeline vandalism



# SHIPS AWAITING BERTH

Ships Awaiting Berth	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23
Apapa	2	7	2	4	7	6	1	2
Lekki Deep Sea	-	-	-	-	-	-	-	1
Tincan	3	0	1	3	2	1	2	0
Rivers	0	3	2	2	2	1	1	1
Calabar	0	3	0	0	0	0	0	0
Warri	3	6	3	2	1	1	8	5
Onne	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>19</b>	<b>8</b>	<b>11</b>	<b>12</b>	<b>9</b>	<b>12</b>	<b>9</b>

- The total number of ships awaiting berth in September declined to 9 from 12 in the previous month
  - Due to efforts by the FG to decongest major ports in the country
- The FG has begun the first-ever train cargo trip carrying containers from Apapa Port to Ibadan
  - Aimed at reducing congestion at the port and enhancing efficiency in Nigeria's water transportation sector
- Onne port remains underutilized

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## AVIATION & TOURISM

# GLOBAL AVIATION UPDATE - IATA



Robust growth in domestic RPKs bolsters global recovery



Domestic passenger traffic reached an all-time high and rose 8.3% over 2019 levels

Driven by the surge in PR China, where domestic RPKs grew by 22.5% relative to 2019 figures



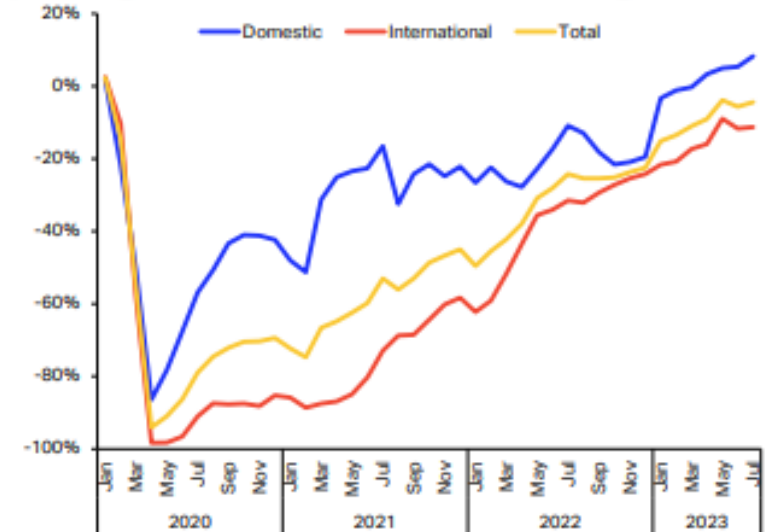
Airlines record strong passenger demand during summer travel

Total traffic during the summer travel period rose 26.2% from 2022, bringing global traffic to 95.6% of pre-COVID levels



In Q2 2023, global origin-destination (O-D) passenger traffic grew 28.9% compared to Q2 2022 levels

**Chart 2 – Global domestic and international revenue passenger-kilometers (RPKs), YoY% change vs. 2019**



Sources: IATA Sustainability and Economics, IATA Monthly Statistics





# GLOBAL AVIATION UPDATE - IATA

- Air cargo maintains recovery momentum despite headwinds
- Industry air cargo demand decreased by 0.8% reflecting the sustained improvement in cargo tonne-kilometers (CTKs) and the low base of CTKs in 2022.
- Asia Pacific airlines experienced their first year-on-year growth in cargo traffic since March 2022,
  - driven by increased trade with other regions and significant market improvements within Asia
- Airline IATA exchange rate remained at N800/\$
- IATA embarks on quest to achieve net zero carbon emissions by 2050
- Value of trapped funds of foreign airlines operating in Nigeria reduced to \$783 million.



# DOMESTIC TRAVEL HIGHLIGHTS

- Ibom Air To commence international flights in October
  - Air Peace to commence Jeddah operations in October
  - United Nigeria Airlines to wet-lease an Airbus from Bulgaria to boost domestic capacity during the IATA winter season
  - Ethiopian Airlines pledges to support Nigerian travel industry
- 



## TOURISM UPDATE

- The global travel and tourism sector forecasted to reach \$9.5 trillion in 2023, 5% short of its gross domestic product contribution in 2019 -**WTTC**
- Nigeria's tourism industry is expected to grow significantly in the coming years, with a projected revenue total of \$2.95 billion in 2023
  - Expected to create 2.6 million new jobs over the next decade, doubling the number of those employed within the sector by 2032

# AFRICAN TOURISM UPDATE

- The Moroccan tourism sector generated \$4.187 billion in foreign currency in the first five months of 2023
- International tourist arrivals in Kenya grew by 32% in the first half of 2023
- Number of tourists in Egypt increased to 7 million
  - Due to the drop in the Egyptian pound exchange rates to foreign currencies
- Akwa Ibom declared as the “new spirit of tourism” in Nigeria by the Federation of Tourism Association in Nigeria (FTAN)



## Political Update



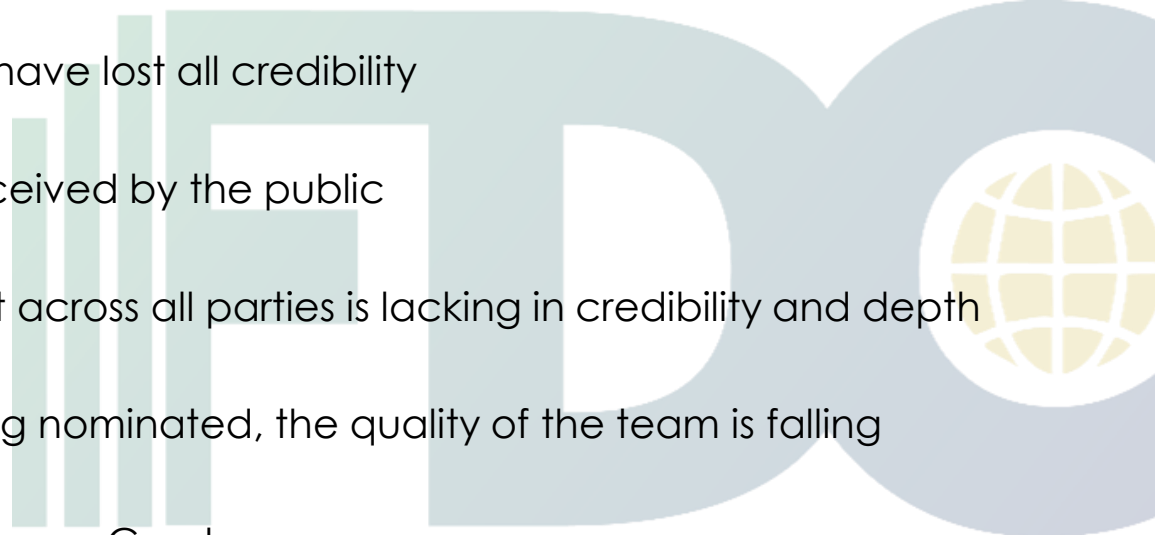


# POLITICAL UPDATE

- Not everything that shines is a star
- APC tries to consolidate its hold on power
- Forgetting the primary rule of power politics
- It is easier to lead than to dominate
- The transition from being a regional (S.W) leadership to being a national franchise is proving to be very difficult
- The other federating units (regions) are untrusting of the power dynamics
- INEC will have difficulty in conducting the November elections in Imo, Bayelsa & Kogi



# POLITICAL UPDATE

- The police and judiciary are not trusted by the people
  - A scenario of Haiti-style elections of Papa Doc will spell doom to Nigerian democracy
  - Election petition tribunals have lost all credibility
  - Just as the judiciary is perceived by the public
  - The political establishment across all parties is lacking in credibility and depth
  - As more ministers are being nominated, the quality of the team is falling
  - All eyes will be on the Supreme Court
  - But no surprises are expected
  - Status quo will be the ritual just like at the MPC
  - You cannot soar like an eagle if you fly with turkeys
- 



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## Outlook for October/November



# OUTLOOK FOR OCTOBER/NOVEMBER



- Headline inflation will increase to 27.57% in September
- Month-on-month inflation to fall marginally to 2.78% from 3.18% in August
- The stock market performance will depend more on exchange rate gains by banks and translation losses by manufacturers
- The MPC will hold its first meeting under the new team in November
- Will increase interest rates (MPR) by 25 basis points
- The CBN will have to move from publishing gross external reserves to the net external reserves as widely practiced



# OUTLOOK FOR OCTOBER/NOVEMBER



- The CBN will clear approximately 20-25% of the backlog of forward contracts
- Oil production will increase to 1.35mbpd
- Oil price will trade between \$90-95pb as China continues to prime the pump of growth
- The Naira will appreciate towards N990/\$ from the current N1,008/\$
- Price of diesel will fall to N900 per litre
- Petrol PMS price will remain unchanged
- The price of cement will stay at **N6,500** in the market and **N4,000** on **television**



## CORPORATE HUMOUR

People who are late are Jollier than those waiting for them

– *E. V. Lucas*



Etiquette is the noise you don't make when you are eating soup

- *Unknown Author*

If you are afraid of loneliness don't get married

- *Anton Chekhov*



## CORPORATE HUMOUR

Parliamentarians (NASS) only meet two types of people, people with problems and people who are right

- *Unknown Author*



Maternity is a matter of fact, paternity is a matter of opinion

- *Walter Bagheot*

An optimist is a girl who mistakes a bulge for a curve

- *Ring Lardner*



## CORPORATE HUMOUR

The future is that period time in which our affairs prosper, our friends are true and our happiness is assured

- *Ambrose Bierce*



Middle age is when your broad mind and your narrow waist begin to change places

- *Joseph Cossmann*

Youth is when you are allowed to stay up late on New Year's eve. Middle age is when you are forced to

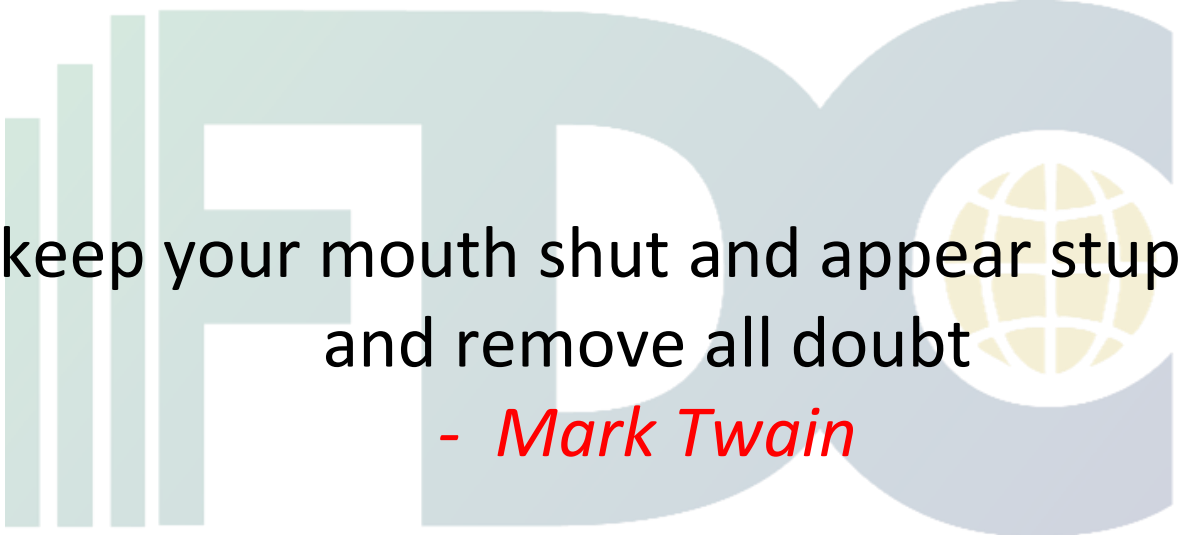
- *Bill Vaughan*



## CORPORATE HUMOUR

Face book is for people who cannot face books

- *Madeleine Beard*



It is better to keep your mouth shut and appear stupid than to open it  
and remove all doubt

- *Mark Twain*

Statistics is like a bikini, what they reveal is  
suggestive, but what they conceal is vital

- *Aaron Levenstein*



## CORPORATE HUMOUR

Don't cry because its over, just smile because it happened

– *Dr. Seuss*



Gratitude is a currency, we can spend without fear of Bankruptcy

– *Anonymous*

Earth provides enough to satisfy every man's needs but not every man's greed

– *Mahatma Gandhi*





## CORPORATE HUMOUR

What we do for ourselves dies with us what we do for others and the world remains and is immortal

– *Albert Pike*



Our vanity is the constant enemy of our dignity

– *Anne Sophie Swetchine*

Success is not a doorway it is a staircase

– *Dottie Walters*



## CORPORATE HUMOUR

There are 3 types of people, those who make things happen, those who watch things happen and those who wondered what happened

- *Tommy Lasonda*



Fortune favours the bold

- *Terrence*

Fortune reveres the brave and  
overwhelms the cowardly

- *Marcus Seneca*



## CORPORATE HUMOUR

If the risk-reward ratio is right, you can make big money buying trouble

*- Anon*



Results are what you expect, consequences are what you get

*- Anon*

Life is the art of drawing sufficient  
conclusions from insufficient premises

*- Anonymous*



## CORPORATE HUMOUR

Many persons of high intelligence have notoriously poor judgement –  
*Sydney Harris*



It is better to be a failure at something you LOVE than to be a success at  
something you hate

– *George Burns*



**THANK  
YOU**

Bismarck J. Rewane, MD/CEO  
Financial Derivatives Company Ltd.  
Lagos, Nigeria  
01-6320213