



Trade

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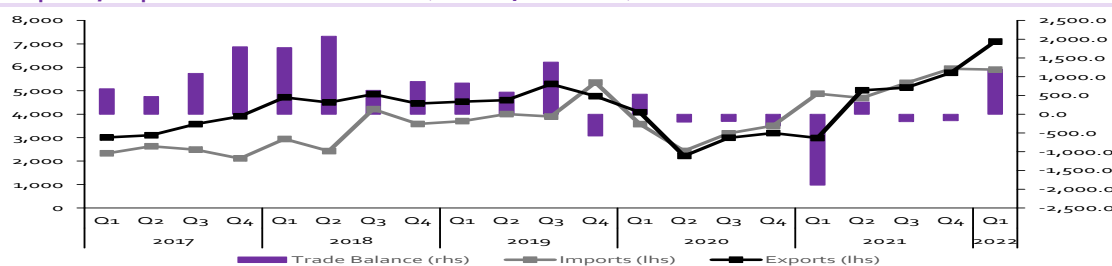
Foreign trade surges in Q1 2022

The recently released Foreign Trade data by the Nigerian Bureau of Statistics for Q1 2022 showed that Nigeria's total trade stood at N13trn, up 65.41% y/y over N7.86trn recorded in Q1 2021 and up 11% q/q compared with N11.71trn recorded in Q4 2021. Total Exports amounted to N7.10trn of which Re-exports stood at N115.8bn, while total imports stood at N5.90trn. The data further showed that total exports increased by 23.13% when compared with Q4 of 2021 (N5.77 trillion) and by 137.88% compared with the value recorded in Q1 2021 (N2.98 trillion). On the other hand, total imports increased by 21.04% compared to the value recorded in Q1 2021 (N4.86trn) but decreased by 0.67% compared to the value recorded in Q4 2021 (N5.94 trillion).

As usual, crude oil dominated the export earnings with a total value of N5.62trn representing 79.16% of total exports, followed by 'Natural gas liquefied' worth N655.94 billion accounting for 9.24%, and 'Urea, whether or not in aqueous solution' accounting for 2.93% (N208.39bn) of total exports. The top ten export destinations in the first quarter of 2022 were India with a share of 16.57%, followed by Spain (9.54%), Netherlands (9.30%), Indonesia (6.68%), the United States (5.25%), Italy (5.16%), France (4.77%), Gibraltar (4.27%), Saudi Arabia (3.88%) and Canada (3.68%), altogether, the top ten countries accounted for 69.11% (N4.91 trillion) of the total value of exports (N7.1 trillion). On the other hand, China, The Netherlands, Belgium, India, the United States, Norway, France, South Korea, United Kingdom, and Brazil were the top ten countries of origin of imports to Nigeria. The values of imports from the top ten countries amounted to N4.36trn, representing 58.34% of the total value of imports.

We note that the trade values were partly influenced by the 9.47% official devaluation from N380/US\$ in Q1 2021 to N416/US\$ in Q1 2022. However, export earnings from manufactured goods in the review period remained low at N219.08bn, accounting for only 3% of total export earnings (N7.10 trillion). This buttresses our concern that the recent "Race to USD200 Billion in FX Repatriation (RT200 FX)" Programme, introduced by the Central Bank of Nigeria may fail to achieve its aim if efforts are not made to solve the structural problems limiting production as the policy is specifically targeted at manufactured (finished and semi-finished) goods). Meanwhile, the external reserve is up to US\$38.84bn as of June 28, 2022. We believe the reduction in imports may be connected to the build in external reserve level.

Imports, Exports and Trade Balance (Q1 2017-Q1 2022)



Source: NBS, CSL Research

MARKET UPDATE

	1 year	31-Dec-21	1 day
NSE - Index*	37,612.72	42,716.44	51,802.48
Naira / US\$	410.83	435.00	421.50
Brent, US\$/bbl	74.76	77.78	116.26
MPR %	11.50	11.50	13.00

Source: Nigerian Stock Exchange, Central Bank of Nigeria, Bloomberg. *Nigerian Stock Exchange All-Share Index.

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Today's news headlines:

Nigeria, European business leaders seek improved business environment: Business Leaders and government officials from Nigeria and Europe will seek to identify new opportunities to unlock the Nigerian economy towards win-win outcomes for Nigeria and Europe at the 8th EU-Nigeria Business Forum taking place in Lagos this week. According to a statement by organisers, the EU-Nigeria Business Forum has served as a strong platform for European and Nigerian businesses to engage with the Nigerian authorities towards improving the business environment. The event is jointly organised by the EU delegation to Nigeria and ECOWAS, in collaboration with EU member states in Nigeria. 720,000.

Source: punchng.com

<https://punchng.com/nigeria-european-business-leaders-seek-improved-business-environment/>

Firms collaborate to empower 6,000 youths: An e-commerce and direct selling platform, Qnet, has partnered Transblue Nigeria Limited, a customer service compliance and logistics company, to empower 6000 Nigerian youths through a new initiative known as FinGreen. Speaking during the launch of FinGreen in Lagos, the Africa Regional Manager, Sub-Saharan for QNET, Biram Fall, explained that the initiative employed a train-the-trainer's model, ensuring that the information impacted was transmitted to the community for a more sustainable outcome. He said, "Being financially literate today allows an individual to be better poised for certain financial roadblocks which, in turn, reduces the chances of personal economic distress. Source: punchng.com

<https://punchng.com/firms-collaborate-to-empower-6000-youths/>

CBN Sets January 2023 Deadline for Financial Institutions to Tighten Noose on Cybercrimes: The Central Bank of Nigeria (CBN) yesterday released the Risk-Based Cybersecurity Framework and Guidelines for Other Financial Institutions (OFIs), following the recent increase in the number and sophistication of cybersecurity threats against financial institutions. The central bank also set January 1, 2023 as the effective date for full compliance with the provisions of the guidelines. The bank said the directive became mandatory for institutions to strengthen their cyber defenses if they were to remain safe and sound. The circular dated June 29, 2022, and signed by the CBN Director, OFIs Department, Nkiru Asiegbu was addressed to all OFIs under the regulation of the banking sector regulator. Source: [Thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/06/30/cbn-sets-january-2023-deadline-for-financial-institutions-to-tighten-noose-on-cybercrimes/>

Irabor: Nigeria's Security Problem Requires Political Solution: Chief of Defence Staff, General Lucky Irabor, says Nigeria's security challenge needs sound political solution. Irabor said this on the Morning Show of ARISE NEWS Channel. He assured that with Nigerians working alongside the security agencies, the 2023 elections would be peaceful. Irabor stated, "I like to assure Nigerians that the election in 2023 will be conducted under a secure atmosphere. That's a guarantee that I want to leave with Nigerians on this interview. That, certainly, is what we are working very closely with. "We've mapped out our plans along with the police and other security agencies, and we are escalating all personal engagements to ensure that we provide security that will enable the Independent National Electoral Commission (INEC) and, of course, all stakeholders). Source: [Thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/06/30/irabor-nigerias-security-problem-requires-political-solution/>



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	Buy	Hold	Sell	Not Rated	Total
Coverage universe	17	10	5	3	35
% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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- Asset allocation:** Asset allocation is the responsibility of the strategy team. The recommended weight (Buy, Hold and Sell) for equities, cash and fixed income instruments is based on a number of metrics and does not relate to a particular size change in one variable.



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