



Manufacturing

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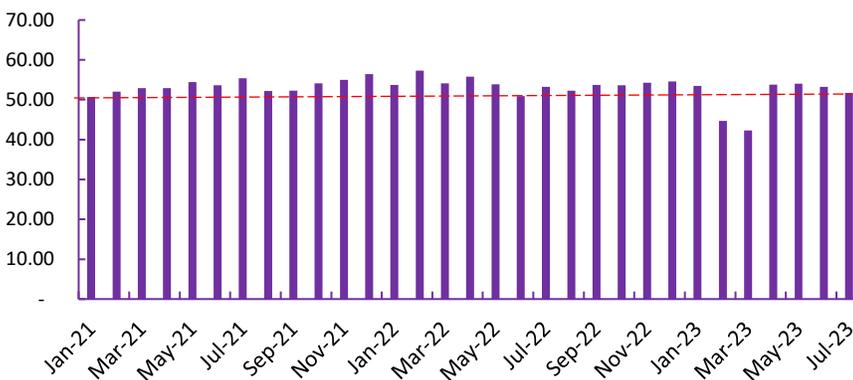
Weakened PMI performance

In a recent report, the nation's composite Purchasing Manager's Index (PMI) expanded moderately over the threshold of 50.0 to 51.70 for July 2023, 150 basis points (bps) below the performance of 53.2 for June 2023. This reflects a slowdown in business activities. The decline in the PMI numbers when compared to June was a result of low growth performance of the output and new orders segments, a reversal of the expectation of high performance after the cash crunch witnessed in Q1 2023.

Expansionary measures in the period were weakened by the effects of high inflation as the nation's headline Inflation reached 22.79% in June 2023. Amongst others, the hike in the price of petrol since its deregulation and currency weakness due to the FX unification policy have prompted firms to increase output prices. To counter the effect of the high cost of production, firms would typically transfer increased costs to the consumers and we expect price increases across the manufacturing and non-manufacturing sectors. However, considering the weakened consumer purchasing power, we expect volumes to be impacted except where such products are a necessity.

The manufacturing sector grew modestly by 2.4% in 2022, reflecting the negative impact of CBN's hawkish rendition, especially in the second half of the year. In fact, the sector contracted by 1.91% in Q3 2022, the first contraction since covid hit in 2020. Though at a slower pace, the CBN has maintained its hawkish stance and the fortunes of the sector appeared to have worsened with the latest reforms of the new administration such as the fuel subsidy removal and the unification of the exchange rates at the various windows. In Q1 2023, the growth rate reduced to 1.61% compared with 2.83% in Q4 2022 and believe conditions will worsen in H2.

Purchasing Manager's Index (Last two years)



Source: CSL Research,

MARKET UPDATE

Indicators	1 Year	30-Dec-22	1 Day
NSE-Index	53,086.86	51,251.06	64,267.36
Naira/US \$	415.63	461.50	741.17
Brent US\$/bbl	119.51	85.91	86.71
MPR	13.00	16.50	18.75

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

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News headlines:

IPMAN Extols Polaris Bank, Emadeb for PMS Import: The Independent Petroleum Marketers Association of Nigeria (IPMAN) has showered praise on Polaris Bank and Emadeb Energy Services Limited, a prominent indigenous player in Nigeria's oil and gas sector, for their remarkable collaboration and strategic partnership, culminating in the recent importation of 20,000 metric tonnes of premium motor spirit (petrol) into the country. The National Operations Controller of IPMAN, Mr. Mike Osatuyi, speaking exclusively to PLATFORMS AFRICA, described the pioneering feat by Polaris Bank and Emadeb Energy as unprecedented, noting that they have both made it possible for Nigeria to break the age-long monopoly in the downstream sector. "We are now in a free market for PMS, and I believe everyone will be better for it. As for us in IPMAN, we are ready to collaborate with financial stakeholders in making supply available across the country," he stated. Source: ThisDay.com
<https://www.thisdaylive.com/index.php/2023/08/03/ipman-extols-polaris-bank-emadeb-for-pms-import>

Shipowners operational cost drops by 87% – CBI: The Convention on Business Integrity has disclosed that shipowners' operational costs have dropped by 86.67 per cent from \$150,000 to \$20,000 since 2021. The anti-corruption group stated that the resolution timeline for cases had also dropped to one hour from eight hours. The Director of Programme, CBI Nigeria, Mr Emmanuel Bosah, said this on Tuesday at the sensitisation programme for stakeholders on consumer rights and responsibilities in the port and shipping sector organised by the Nigerian Shippers Council in partnership with the Federal Competition and Consumer Protection Commission. "Since 2021, however, case four resolution timelines have fallen to an average of one–eight hours. For a shipowner, this translates to a significant drop in the operational costs of delayed departure and processing paperwork from approximately \$150,000 to \$20,000 per port call." Source: Punch.com
<https://punchng.com/shipowners-operational-cost-drops-by-87-cbi/>

Port Harcourt Refinery To Resume Work By December, Tinubu Assures Labour Leaders: President Bola Tinubu has given his commitment to the leaders of Organised Labour that the Port Harcourt Refinery will start production by December 2023 after the completion of the ongoing rehabilitation contract on the facility between the Nigeria National Petroleum Company Limited (NNPCL) and Italian firm, Maire Tecnimont SpA. This was the fallout of the meeting between the President and the Labour leaders at the State House Wednesday evening hours after nationwide protests by the unionists over removal of petrol subsidy by the Tinubu government.. Source: Leadership .com
<https://leadership.ng/port-harcourt-refinery-to-resume-work-by-december-tinubu-assures-labour-leaders/>

FG delists 18 illegal loan apps: The Federal Government through the Federal Competition and Consumer Protection Commission has given digital money lenders five days to prove they are operating within its set guidelines. It also asked Google to remove 18 digital lenders from Playstore for violations of its guidelines. According to the FCCPC, compliance with its guidelines was now mandatory, and failure to do so was a violation of the law. According to the commission, the 18 digital money lenders that it delisted, and asked Google to delete, were either operating without regulatory approval or in violation of the Limited Interim Regulatory/Registration Framework and Guidelines for Digital Lending, 2022 (Guidelines). Source: Punch.ng

<https://punchng.com/fg-delists-18-illegal-loan-apps/>

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% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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