

Telecoms

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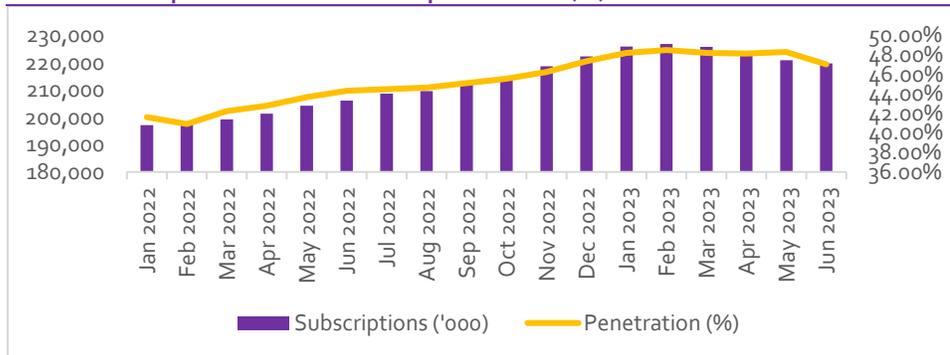
Another marginal decline in mobile subscriptions in June.

Based on new industry data from the Nigerian Communications Commission (NCC), Nigeria's active mobile subscriptions declined marginally by 0.5% to 219.7 million in June 2023, compared to 220.9 million, recorded in May 2023. This indicates that the country's mobile subscriptions database was down by 1.2 million in June. This decline comes after mobile subscriptions reached an all-time high of 227.17 million in February 2023. Since then, we have seen four consecutive declines, having recorded a 1% decline in subscriptions in May and April, and a 0.4% decline in March. This is a concerning trend for the nation's mobile operators.

MTN, which is the largest operator by subscribers number, pulled down the total industry database with a 925,925 decline in its subscriptions. This brought its total active subscriptions down to 84.6 million from 85.6 million it recorded in May 2023. Airtel also recorded a 337,036 decline in its subscriptions database, with its active subscriptions declining to 60.2 million in June from 60.5 million in May. gmobile lost 82,234 in June, with active subscriptions declining to 13.7 million in June from 13.6 million in May. Glo, on the other hand, saw a 179,851 gain in subscriptions in the month of June. With this, the operator was able to maintain its position as the second-largest operator by subscriber number in June 2023. The new activations on the network brought Glo's total subscriptions to 61.3 million from 61.1 million recorded in May.

The country's teledensity, which measures the number of active telephone connections per 100 inhabitants living within an area was down to 115.30% from 115.91% recorded in May. We attribute the decline in active mobile subscription numbers to the abandonment of SIMs that have not been linked with the National Identification Number (NIN) as mandated by the government. Given the recent directive of the NCC as contained in its new quality of service business rules, telcos were instructed to deactivate any line that has not been used for any revenue-generating activity for 6 months. We expect to continue to see marginal declines in active mobile subscribers in the coming months.

Mobile subscriptions and broadband penetration (%)



Source: CSL Research, NCC

MARKET UPDATE

	1 year	30-Dec-22	1 day
NSE - Index*	49,661.87	51,251.06	65,492.81
Naira / US\$	428.00	461.50	771.69
Brent, US\$/bbl	98.46	85.91	83.36
MPR %	14.00	16.50	18.75

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

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News headlines:

Naira crumbles to 920/\$, fuel marketers push for fresh price hike: Oil marketers, on Thursday, insisted on a possible hike in the pump price of Premium Motor Spirit, popularly called petrol, following a further plunge in the value of the naira against the United States dollar. The local currency weakened against the greenback at the black market from 900/dollar on Wednesday to 920/dollar on Thursday, raising further concerns about whether the pump price of petrol could be sold at the current price. The naira which had hit 945/dollar at the parallel market about two weeks ago, rebounded last week. However, the local currency began a move southward this week, a situation that has unsettled economic managers and stakeholders in the oil and gas sector. Source: Punchng.com
<https://punchng.com/naira-crumbles-to-920-fuel-marketers-push-for-fresh-price-hike/>

Concerns as NBS Revised Methodology Puts Nigeria's Unemployment Rate at 4.1%: The National Bureau of Statistics (NBS) revised methodology released yesterday, which put the country's present unemployment rate at 4.1 per cent in the first quarter of the year (Q1 2023), compared to 5.3 per cent in the preceding quarter, has attracted criticism. Analysts faulted the methodology, arguing that it does not allow for a better understanding of the actual level of unemployment in the country, which remains a major socio-economic challenge. This, according to them could mislead the governments, policymakers and other users of the NBS figures. The new figures followed the review and unveiling of a new methodology for the calculation of unemployment which according to the NBS, was consistent with the International Labour Organisation (ILO) standard methodology adopted in several jurisdictions. Source: thisdaylive.com
<https://www.thisdaylive.com/index.php/2023/08/25/concerns-as-nbs-revised-methodology-puts-nigerias-unemployment-rate-at-4-1>

Nigeria rated 11th in global Internet penetration – NCC: The Nigerian Telecommunications Commission on Thursday disclosed that Nigeria was rated eleventh in terms of Internet penetration and seventh in terms of mobile phone usage worldwide. The Executive Vice Chairman of the Nigerian Communications Commission, Prof Umar Danbatta, said this at the opening ceremony of the two-day Emerging Technology Forum for the Telecommunications Industry in Abuja. The EVC, who spoke through the Head, Spectrum Database Management, NCC, Abraham Oshadami, stated that the worldwide data gathered by the NRI team demonstrated that digital transformation was a global need in order to optimise the social and economic effects of the digital era. Source: punchng.com
<https://punchng.com/nigeria-rated-11th-in-global-internet-penetration-ncc-2/>

24 banks lose N9.75b in Q2 2023 as fraud rises 277%: Deposit money banks in Nigeria have reported a sharp rise in fraud cases and the amount of money lost in the second quarter of 2023, Q2'23. The latest report also shows that the number of insider involvement rose astronomically. The total amount involved in the fraud cases during the period rose to N9.75 billion, up by a whopping 276.98 per cent from N2.58 billion in the preceding quarter, Q1'23. The total losses to the incident amounted to N5.79 billion during the period, representing a staggering 1,125 per cent rise compared with N472 million lost in the first quarter (Q1'23). This was revealed in the new report released yesterday by the Financial Institutions Training Centre, FITC, on Fraud and Forgeries in Nigerian banks for Q2'23. Source: vanguardngr.com
<https://www.vanguardngr.com/2023/08/24-banks-lose-ng-75b-in-q2-2023-as-fraud-rises-277/>

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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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