



## GDP

**Comment on recent news** – this page

Today's headlines – page two

**Recommendations and valuations** – page three

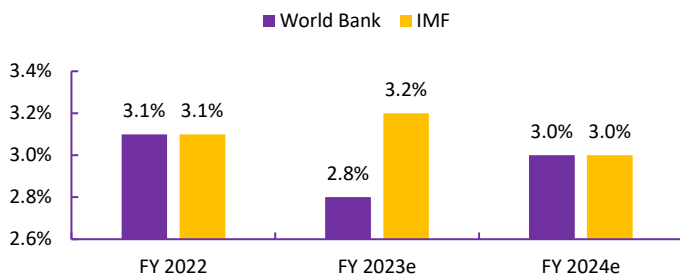
### World Bank downgrades Nigeria's GDP forecast

The World Bank in its Global Economic Prospects: "Weakening Growth, Financial Risks" revised its Gross Domestic Product (GDP) projection down to 2.8%/y/y from 2.9% previously projected. The World Bank notes that the growth in Nigeria is dampened by the failure of oil production to rebound to pre-pandemic levels. Also, it was cited that the recovery in the non-oil sector has been plagued by high inflation, the cash crunch due to the redesign on the nation's currency and illiquidity in foreign exchange market. The International Monetary Fund (IMF) in its World Economic Outlook for July 2023 also noted that the growth in Nigeria is expected to decline with the current insecurity issues surrounding the country's oil and gas sector.

Noteworthy, that the Nigerian Bureau of Statistics (NBS) reported that the nation's GDP advanced by 2.5% y/y in Real terms which is lower than the 3.54% recorded in Q2'2022 but higher than the recorded growth rate of 2.31% recorded in Q1 2023. The overall performance of the nation's GDP performance has been reflecting the downward trend in comparison to their counterparts in the prior year (+3.11% y/y in Q1 2022 and 3.54% y/y in Q2 2022). This has been a response to the policies implemented in the macroeconomic space. Some multinational agencies, have a consensus that the nation's FY 2023 GDP forecast may come in at to 2.65% y/y which is 45bps lower than its 3.10% y/y growth estimated as at FY 2022.

It was further stated in the report that the combined policies of FX unification, fuel subsidy removal and other policies made simultaneously in H2 2023 has adversely affected components of the GDP such as the household consumption and demand and has also increased firm's operating cost and reduced private investments in firms. This has compelled companies to take on a "wait and see" approach to business. Companies have also begun to consider new strategies that will address rising cost of operations and reduced demand for goods and services. The non-oil sector is expected to take the brunt of these new policies as the household consumption and private investment constitute the largest share of the nation's GDP.

### World Bank and IMF GDP Projections for Nigeria



Source: CSL Research, World Bank, IMF

### MARKET UPDATE

Indicators	1 Year	30-Dec-22	1 Day
NSE-Index	53,086.86	51,251.06	66,439.52
Naira/US \$	415.63	461.50	811.35
Brent US\$/bbl	119.51	85.91	90.05
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:

**Gabon coup: Rwanda, Cameroon carry out major changes in military:** Rwanda and Cameroon have carried out some major changes in reaction to the military coup that sacked President Ali Bongo from power in Gabon. The coup which took place on Tuesday night shocked the world and forced many nations, including the United Nations and the African Union, to condemn the actions of the military. The coup in Gabon was the latest in a series of military coups that have seen democratically elected leaders removed from the seat of power in Niger Republic, Mali, Sudan, Burkina Faso, and Guinea-Bissau. Source: Businessday

<https://businessday.ng/africa/article/gabon-coup-rwanda-cameroon-carry-out-major-changes-in-military/>

**Harahap: Nigeria, Indonesia Trade Volume Reached \$5bn in 2022:** The Indonesia Ambassador to Nigeria, Usra Harahap, has stated that the trade volume between Nigeria and Indonesia has hit \$4.78 billion in 2022. Addressing a press briefing to announce the Trade Expo Indonesia (TEI) 2023 scheduled to hold in BSD City in Indonesia, Harahap said Indonesia's import from Nigeria stood at \$4.32 billion while export from Nigeria to Indonesia hit \$459 million last year. He said the current trade volume reflects the high untapped potential of Indonesia and Nigeria trade which he said could be further improved going forward into 2023. Source: ThisDay

<https://www.thisdaylive.com/index.php/2023/08/31/harahap-nigeria-indonesia-trade-volume-reached-5bn-in-2022>

**Seplat Energy Signs MoU With MTN Nigeria On 5G:** Nigeria's leading oil and gas company Seplat Energy has signed a 5G2Business Memorandum of Understanding (MoU) with MTN Nigeria to deploy 5G services to enhance their overall business efficiency. This co-operation will see both Seplat and MTN strengthen their respective industry, market and sectoral leadership in Nigeria. The 5G2Business MoU proves unprecedented advancements in business digital transformation as the 5G technology will pave the way for an array of use cases that will unlock the full potential for industries. 5G will enable businesses to unlock new efficiencies, automate processes, optimize operations, and drive innovation and productivity to new heights. An elated Charles Gbandi, Director, Corporate Services at Seplat Energy said, "We are excited to embark on this transformative journey with MTN Nigeria as this collaboration is a game-changer for our industry. Source: Sun.com

<https://sunnewsonline.com/seplat-energy-signs-mou-with-mtn-nigeria-on-5g/>

**Operators want improved non-oil exports amid forex reform setbacks:** Since the Central Bank of Nigeria announced the unification of the exchange rate in June, the local currency has been struggling against major currencies. While financial analysts have praised the central bank for lifting the peg on the naira, the subsequent unintended consequences of this policy have had detrimental effects on the economy. In mid-August, the local currency weakened to an all-time low against the dollar at the parallel market, also known as the black market, trading at 950/\$. This further widened the gap between the official and unofficial rates of the naira, defeating the essence of CBN's unification of the rates. Source: Punch

<https://punchng.com/operators-want-improved-non-oil-exports-amid-forex-reform-setbacks/>

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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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