**Market Analysis and Outlook: March 8th – March 15th, 2019**

**Global Economy**
China recorded the third consecutive month of contraction in its manufacturing sector as the manufacturing purchasing managers’ index (PMI) fell to 49.2 in February from 49.5 in January, according to the National Bureau of Statistics (NBS). This marked the third consecutive month of contraction in the manufacturing sector. The PMI index of 49.2 in February was slightly higher than the January reading of 49.1 but below the 50.0 threshold that separates expansion from contraction. The reading is higher than the level of 49.0 recorded in January but below the level of 49.5 recorded in December. The PMI index is a forward-looking indicator of economic conditions and is widely used as an economic barometer. The PMI reading is an indicator of economic growth and is widely used as a forecast for economic growth. It is based on a survey of purchasing managers and is widely considered to be an accurate indicator of economic activity.

**Money Market**
On average, rates in the money market headed southwards in the week ended March 8, 2019. Market liquid inflows flooded the market due to demand for government treasury bills by international investors. Accordingly, short-term placements such as Open Buy Back (OBB) and Over Night (ON) rates fell by 9.11% to 17.42% and 16.33% respectively compared to 20.56% and 19.34% the previous week. The parallel market remained unchanged at N506.85/$ from the previous week. The reform in the money market continues to be supported by the apex bank in its fight to keep the currency exchange rate stable. This week, we envisage the naira remaining at prevailing levels.

**Bond Market**
The previous week saw an uptick in pubic bond yields as counterparties closed their open positions which were in profit. Demand also slowed during the week leading to a rise in yields. Yields on the five-, seven-, ten- and twenty-year debt were evident in the range of 14.77%, 14.29%, 14.30% and 14.26% respectively compared to 14.77% in the previous week. The parallel market remained unchanged at N506.85/$ from the previous week. The reform in the money market continues to be supported by the apex bank in its fight to keep the currency exchange rate stable. This week, we envisage the naira remaining at prevailing levels.

**Stock Market**
Performance gauges on the local bourse experienced a turnaround as bullish sentiments persisted throughout the week. Bargain-hunting pushed prices higher in financial services, oil & gas and consumer goods sectors. The All share index (ASI) increased slightly by 0.31% to 31,924.51 points from 31,873.24 points the previous week.