

Q3 2024 NEWSLETTER



Dear Esteemed Client,

We would like to welcome you to another edition of our periodic newsletter. In this edition, you will find updates on the Macroeconomic Environment, Financial Markets, Pension Industry, and VGP Pensions update.

If you have any questions, kindly send an email to info@vgpensions.com, contactcenter@vgpensions.com, or call us on 02012803550. You can also reach us through any of our social media platforms.

We would love to hear from you.

GDP grew Marginally by +2.98%



The Nigerian economy sustained its growth trajectory for the sixth consecutive quarter. According to the recently published GDP report by the National Bureau of Statistics (NBS), the domestic economy grew by +3.19% YoY in Q3 2024 (compared to +2.51% YoY in Q2,2023) and higher than the +2.98% recorded in Q1, 2024.

The non-oil sector remains the primary driver of economic growth, contributing 94%. Notably, the oil sector has also strengthened, recording YoY growth for the third consecutive period, with a +10.15% YoY increase in Q2-24, surpassing the +5.70% YoY growth reported in Q1-24.

Inflation Rates

Nigeria's headline inflation decreased for the second consecutive month, falling from 33.40% in July to 32.15% in August. Although core inflation remains elevated, the substantial drop in food inflation by -201 basis points to 37.52% played a key role in the overall decline in August inflation. Additionally, the Monetary Policy Committee in September unanimously voted for a 50bps increase in the Monetary Policy Rate (MPR), bringing it to 27.25%.

Equities Market Update

Despite closing the month of September 2024 on a positive note with a return of +2.05%, the Nigerian stock market ended Q3:2024 in the red, as reflected by the NGX All-Share Index (ASI) declining by -1.50% to close at 98,558.79 points.

External Reserves

Nigeria's external reserves saw an increase of US\$2.05bn MoM to reach US\$38.35bn in September. The increase in FX reserves can be attributed to Nigeria's recent domestic bond and OMO issuances, aimed at attracting foreign capital and improving reserve levels.



Money Market Update

- In the Money Market space, rates within the fixed deposit segment have continued to show moderate stability, with rates hovering between 20.00% and 25.00% for banks rated A and BBB.
- At the end of September 2024, the overnight (O/N) and Overnight Policy Rate (OPR) rates settled at 28.72% and 28.03% respectively.
- Several commercial papers are also being offered at attractive yields in the market.

Update on the Bonds & Treasury Bills



- Activities in the fixed-income market were mixed as investors responded to the increase in the MPR from 26.75% to 27.25% during the September meeting. Significant buying activities were observed in the FGN bond market as well as in the Treasury and OMO bills markets, with investors looking to capitalize on the higher yields.

PENSION INDUSTRY NEWS

- According to data released by PENCOM, total national pension assets grew from N18.35 trillion at the end of December 31, 2023, to N20.86 trillion by July 31, 2024, representing a growth of 10.89%.
- RSA membership stood at 10,419,520 by the same end of July 2024.
- President Bola Tinubu in July appointed Ms. Omolola Bridget Oloworaran as the new Director-General of the National Pension Commission (PenCom) subject to the confirmation of the Nigerian Senate.

VG PENSIONS BRAND NEWS

Link: <https://guardian.ng/business-services/how-vg-pensions-is-bridging-nigerias-housing-deficit-through-pension-mortgage-scheme/>

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The Company partnered and participated at the first Covenant University Conference on Leadership and Development (CUCLeD) 2024 during the quarter

Picture Highlights from our Retiree Forum organized at Isiokolo, Delta State on August 27, 2024 & CUCLeD



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