



Monday July 25, 2022

The Nigerian Pension Industry Report For May 2022

The latest monthly report from the National Pension Commission (PenCom) shows that total assets under management (AUM) for the regulated pension industry increased by 14% y/y to NGN14.2trn as at end-May 2022. On a m/m basis, the overall AUM increased marginally by 1% m/m from NGN14.1trn in April. FGN bonds were the primary driver of the m/m gain, as their value increased by almost NGN250bn (+3% m/m) to NGN8.5trn, while their share of total AUM expanded by 120bps m/m to 59.7%. If we include treasury bills, sukuk bonds and other agency bonds, FGN securities share increased to around 62.1% of total AUM, up from 60.9% in April.

By way of comparison, Kenya's Retirement Benefits Authority puts the share of government securities at 45.7% at end-Dec '21. The value of pension AUM held in domestic equities increased by 23% y/y (1% m//m) to almost NGN1.1trn, taking its share to c.7.1% from 6.6% in May 2021.

Linked to this is the NGX ASI's outstanding performance this year, which is one of the best globally. Its 22% year-to-date return contrasts with negative returns delivered by many equity markets around the world. According to the report, the total number of pension accounts increased to almost 9.7 million compared with c.9.4 million in May 2021. This implies an average value of NGN1.47m per RSA account holder, slightly higher than the NGN1.33m in the year-earlier period. Although Nigeria's pension sector has grown remarkably since 2004 when the Pension Reform Act was passed, there is still some ground to cover. Similar to credit access, Nigeria's pension savings penetration rate (assets/GDP ratio) is still quite low at around 8.2%. This compares with a global average estimate of c.60%, and closer home, 54% for South Africa. Going forward, we expect fixed income yields to expand by close to 50bps across the curve over the next couple of weeks, due to the tight market liquidity.

Capital Market Summary .

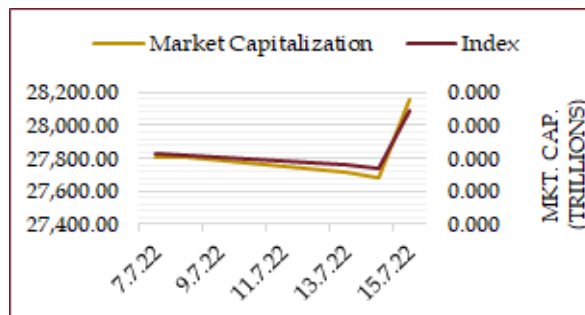
Analysis of the market activity in the week ended July 22, 2022 shows investors selling their stocks again to take profit . The NGX All Share Index and market capitalization of listed equities thereby depreciated by 0.45% each from the opening figures of 52,215.12 and N28,158 trillion to close at 51,979.92 and N28,031 trillion respectively. Its year to date (YTD) return stands at +21.69%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+3.11%	May 24. , 2022
Un-employment Rate	33.30%	May 24, 2022
Broad Money Supply (M2)	N38,026,970.00 rn	May 24, 2022
Money Supply (M1)	N16,186,615.62rn	May 24, 2022
Consumer Price Index (YOY)	18.60%	July 15, 2022
Monetary Policy Rate (MPR)	14.00%	July 19, 2022
Cash Reserve Ratio (CRR)	27.50%	May 24, 2022
Nigeria's Bonny Light Crude Oil	US\$129.87/Bar	June 29, 2022
Nigeria's Gross External Reserves	US\$38.68bn	June 16, 2022

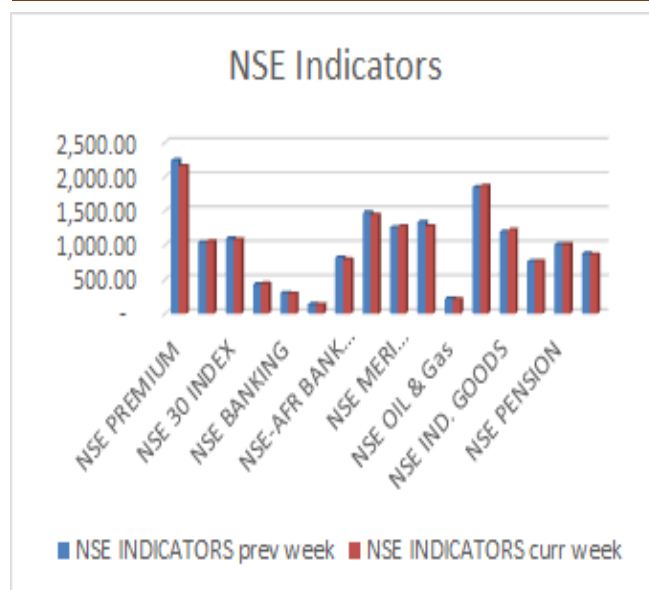
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NSE INDICES



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

STOCK RECOMMENDED FOR TRADING

STOCKS	Mkt price	curr price	Cap. App	Bk Value	6 mths	No of Shares in	52wks	52 wks	PAT N'b	PAT N'b	EPS N=	EPS N=	Period	Div. pd	Div. Yield	NET ASSETS	Exp. Retu	Exp return	Total	Total
	31/12/21	30/6/2022	%	N=	Exp Price	Issue	high	low	Current	Last year	Current	Last year		N=	%	N=bill.	cap. Appr	Div. N=	Ret. N=	Ret. %
UBA	8.05	7.45	(7.45)	24.15	9.66	34,199,421,368	8.05	7.00	41,496	38,155	1.14	1.04	qter 1	1.00	12.42	825,753,000,000	1.61	1.00	2.61	32.42
ZENITH	23.95	21.70	(9.39)	42.37	28.74	31,396,493,786	27.50	22.00	58,198	53,080	1.85	1.69	qter 1	3.10	12.94	1,330,397,000,000	4.79	3.10	7.89	32.94
GTCO	26.00	20.50	(21.15)	30.88	31.20	29,431,179,224	30.25	21.45	43,208	45,546	1.51	1.60	qter 1	3.00	11.54	908,758,731,000	5.20	3.00	8.20	31.54
ACCESS	9.30	9.25	(0.54)	30.84	11.16	35,545,225,622	10.00	8.00	57,399	52,549	1.63	1.49	qter 1	1.00	10.75	1,096,318,000,000	1.86	0.60	2.46	26.45
FBNH	11.40	11.60	1.75	21.51	13.14	35,895,292,792	12.90	7.05	32,401	15,599	0.89	0.43	qter 1	0.35	3.07	907,678,000,000	2.19	0.35	2.54	22.28
FIDELITY	2.55	3.42	34.12	10.65	3.06	28,974,797,023	4.05	2.19	9,515	9,590	0.33	0.33	qter 1	0.35	13.73	308,486,000,000	0.51	0.22	0.73	28.63
DANSUGAR	17.40	16.30	(6.32)	11.32	20.88	12,146,878,241	18.75	15.00	8,870	8,302	0.73	0.68	qter 1	1.00	5.75	137,500,909,000	3.48	1.00	4.48	25.75
NASCON	13.20	11.75	(10.98)	6.08	15.84	2,469,438,378	16.00	11.70	0.38637	0.72320	0.58	1.09	qter 1	0.40	3.03	15,017,053,000	2.64	0.40	3.04	23.03
UCAP	9.90	12.75	28.79	3.97	11.88	6,000,000,000	14.15	5.85	2,309	1,659	1.54	1.11	qter 1	1.50	15.15	23,849,201,000	1.98	1.50	3.48	35.15
AFRIPRUD	6.35	5.65	(11.02)	4.08	7.62	2,000,000,000	8.15	5.75	0.43147	0.38135	0.20	0.19	qter 1	0.50	7.87	8,164,549,000	1.27	0.50	1.77	27.87
CADBURY	8.80	17.25	96.02	8.08	10.56	1,878,202,000	17.85	7.65	1,542	0.24158	0.82	0.13	qter 1	0.50	5.68	15,177,904,000	1.76	0.50	2.26	25.68
UNILEVER	14.50	14.80	2.07	11.76	17.40	5,745,006,000	17.00	11.00	1,796	(0.49196)	0.31	(0.09)	qter 1	0.50	3.45	67,557,964,000	2.90	0.50	3.40	23.45
PZ	6.10	9.60	57.38	9.87	7.32	3,970,476,000	13.70	5.25	5,641	1,017	1.42	0.26	qter 3	0.25	4.10	39,204,100,000	1.22	0.50	1.72	28.20
NAHCO	3.74	8.50	127.27	4.52	4.49	1,624,218,750	7.25	2.15	0.324	0.170	0.20	0.10	qter 1	0.41	10.96	7,342,538,000	0.75	0.41	1.16	30.96
FLOUR MILL	28.35	32.50	14.64	40.40	34.02	4,100,379,605	41.45	27.50	15,592	8,161	3.85	1.84	qter 3	2.15	7.58	165,658,000,000	5.67	1.65	7.32	25.82
DANCEM	257.00	275.00	7.00	60.76	269.85	17,040,507,405	300	204	105,851	89,710	6.18	5.29	qter 1	20.00	7.78	1,035,308,000,000	12.85	20.00	32.85	12.78
LARFAGE	23.95	26.40	10.23	24.59	28.74	16,107,795,496	33.20	20.05	17,558	9,136	1.09	0.57	qter 1	2.00	8.35	396,118,753,000	4.79	2.00	6.79	28.35
GSK	5.95	6.50	9.24	7.94	7.14	1,195,878,488	8.50	5.35	0.19437	0.65881	0.16	0.55	qter 1	0.45	7.56	9,493,815,000	1.19	0.40	1.59	26.72
MAY BAKER	4.02	3.97	(1.24)	4.33	4.82	1,725,234,000	5.45	3.91	0.19429	1,050	0.11	0.61	qter 1	0.30	7.46	7,466,409,000	0.80	0.30	1.10	27.46
FIDSON	6.22	11.20	80.06	7.14	7.46	2,086,260,000	12.05	4.60	1,150	0.57955	0.55	0.28	qter 1	0.50	8.04	14,901,503,000	1.24	0.25	1.49	24.02
NB	50.00	58.80	17.60	23.26	60.00	7,996,902,051	78.50	39.90	13,614	7,660	1.69	0.96	qter 1	1.60	3.20	185,976,547,000	10.00	1.60	11.60	23.20
GUINNESS	39.00	90.50	132.05	41.12	46.80	2,190,382,000	110	28.50	15,278	1,838	6.98	0.84	qter 3	0.46	1.18	90,065,026,000	7.80	0.46	8.26	21.18
JBERGER	22.35	26.50	18.57	34.28	26.82	1,600,000,000	30.50	18.91	1,734	2,364	1.08	1.52	qter 1	2.50	11.19	54,846,326,000	4.47	0.40	4.87	21.79
VITAFOAM	22.50	22.50	-	11.61	27.00	1,250,844,064	25.00	8.70	3,613	2,487	3.20	2.17	qter 2	1.50	6.67	14,518,926,000	4.50	1.50	6.00	26.67
UACN	9.50	11.10	16.84	17.87	11.40	2,881,296,580	15.00	8.90	0.6387	0.66815	0.18	0.12	qter 1	0.65	6.84	51,477,943,000	1.90	1.20	3.10	32.63
ARDOVA	13.00	13.05	0.38	12.30	15.60	1,310,628,000	18.00	11.55	(1,649)	1,858	(1.26)	1.44	qter 4	0.19	1.46	16,124,000,000	2.60	0.19	2.79	21.46
CONOIL	22.00	28.80	30.91	32.20	26.40	693,952,117	31.50	20.00	0.55722	0.42393	0.80	0.61	qter 1	2.50	11.36	22,346,589,000	4.40	1.50	5.90	26.82
TOTAL	221.90	234.50	5.68	135.71	266.28	339,521,837	265	145	4,366	2,970	12.86	8.75	qter 1	18.20	8.20	46,077,873,000	44.38	6.08	50.46	22.74
ETERNA	5.05	7.10	40.59	9.97	6.06	1,304,144,000	8.80	4.86	0.87746	0.25445	0.67	0.20	qter 1	0.10	1.98	12,995,801,000	1.01	0.10	1.11	21.98
OKOMU	142.00	215.00	51.41	45.65	149.10	953,910,000	215	104	9,498	5,271	9.96	5.53	qter 1	8.00	5.63	43,550,072,000	7.10	7.00	14.10	9.93
PRESCO	87.80	165.00	87.93	42.83	92.19	1,000,000,000	200	70.00	13,775	5,030	13.78	5.03	qter 3	6.60	7.52	42,826,810,000	4.39	2.00	6.39	7.28
CUSTODIAN	7.90	7.00	(11.39)	11.27	9.48	5,881,864,195	8.45	5.85	2,186	1,329	0.35	0.24	qter 1	0.40	5.06	66,310,651,000	1.58	0.45	2.03	25.70
NEM	4.50	3.80	(15.56)	2.40	5.40	10,032,955,535	5.00	1.86	1,545	1,092	0.15	0.11	qter 1	0.22	4.89	24,048,082,000	0.90	0.09	0.99	22.00
MTN	197.00	230	16.75	17.54	236.40	20,354,513,050	270	160	96,820	73,748	4.76	3.62	qter 1	8.57	4.35	356,984,000,000	39.40	8.57	47.97	24.35
TRANSORP	0.96	1.23	28.13	3.72	1.152	40,647,990,293	1.52	0.84	5,035	2,041	0.05	0.0179	qter 1	0.02	2.08	151,040,841,000	0.19	0.01	0.20	21.04
NGX	19.9	23	15.58	17.44	23.88	1,964,115,918	27.9	15.3	0.1483	0.8032	0.07	0.41	qter 1			34,262,654,000	3.98		3.98	20.00
FCMB	2.99	3.46	15.72	12.57	3.588	19,802,710,754	3.88	2.71	5,168	3,572	0.28	0.18	qter 1	0.15	5.02	248,968,936,000	0.60	0.15	0.75	25.02
LIVESTOCK	2.15	1.3	(39.53)	0.84	2.58	2,999,999,418	2.5	1.42	0.018121	0.176539	0.06	0.0588	qter 1	-	-	2,520,597,000	0.43	-	0.43	20.00
HONYWELL	3.40	2.76	(18.82)	7.34	4.08	7,930,197,858	4.45	1.1	0.0209	0.323	0.03	0.041	qter 3	0.07	2.06	58,232,000,000	0.68	0.07	0.75	22.06

WE RECOMMEND THE ABOVE STOCKS WITH THE COMPUTED TOTAL RETURN IN THE NEXT 6 MONTHS

Reasons for selection

- Strong fundamentals and consistent good dividend payment in the last five years
- The EPS are good showing that they can pay dividend they paid last year while some of them are performing better.
- The Current PAT show they are performing well and they may pay better dividend than the previous year
- The Book value are good showing that some of the stocks are underpriced, hence, there is room for capital appreciation.
- The wide variance between the 52weeks low and 52 weeks high for some of the stocks show high potential for capital appreciation
- All the stocks have good investors sentiment
- The liquidity of the recommended stocks are high, indicating easy entry and exit
- The speculative stocks may not meet all the above conditions, however, the recent performance and sound investors perception may spark capital appreciation
- Stocks selected are over 50.00% of the total market capitalisation

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK

25/07/22-29/07/2022)

Activities on the Nigerian Stock Market closed on bearish note during the week as investors started selling stocks to take during the week. The NGX ASI thereby depreciated by 0.45% during the week compared with 1.27% appreciation in the previous week. In the coming week, we expect the market to regain strength as prices of some valued stocks are attractive due to profit taking. We will continue to advise investors to trade only in fundamentally justified stocks as the weak macro environment remains a significant headwind for listed companies. In the light of the above we recommend for purchase during the week the under-listed stocks mostly interim dividend paying stocks. The companies recommended are good dividend paying stocks with strong fundamentals. Their prices are very attractive due to profit taking in the last trading week. The stocks are: **UCAP PLC, LARFAGE AFRICA PLC. GTCO, NB PLC, UBA PLC, ACCESS PLC. ZENITH, AND GUINNESS PLC**

RECOMMENDED STOCKS FOR THE WEEK

Stocks	Current Price	Max. entry Price N=	Target price	% Change
NB	49.75	60.00	80.00	60.80
GTCO	20.75	21.00	30.00	44.58
UCAP PLC	12.70	14.00	20.00	57.48
LARFAGE	24.10	35.00	40.00	65.98
ACCESS	9.10	10.00	15.00	66.67
UBA	7.30	8.00	10.00	36.99
ZENITH	20.75	24.00	30.00	44.58
GUINNESS	90.50	90.00	120.00	32.60

FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS

Company	Result	Turnover		PAT			
		Current N=bill	Last yr N=bil	Current N=bill	Last yr N=bil	Curr EPS	Last Div. Paid
DANSUGAR PLC	1ST QTER 31/03/2022	94.45	67.37	8.87	8.31	N0.73	N1.00 div. paid in 2021 FY
LARFAGE WAPCO	1st QTER 31/03/2022	90.61	71.47	17.56	9.14	N1.09	N2 div. was declared 2021 FY
FLOUR MILLS	Audited 31/03/2022	1,163,802	771.607	27.98	24.48	N6.26	N2.15k paid in year 2022 FY
UCAP PLC	1ST qter 31/03/2022	4.212	3.120	2.302	1.452	N1.54	N1.50 DIV PD IN YEAR 2021
UBA PLC	1st Qter 31/03/2022	184.12	155.55	41.50	38.16	N1.14	N1.00 Paid in year 2021 Financial year
ACCESS BANK PLC	1st Qter 31/03/2022	295.74	222.14	57.40	52.55	N1.64	N1.00 pd as dividend in year 2021
GUINNESS PLC	3RD QTER 31/3/2022	159.44	111.96	15.28	1.84	N6.98	N46K PD IN YEAR 2021
ZENITH PLC	1STBQTER 31/3/2022	191.52	157.31	58.20	53.06	N1.85	M3.10 PD IN YEAR 2021

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

Nineteen stocks appreciated in price during the week, as against Twenty stocks in preceding week. The top ten price gainers during the week were:

LOSERS FOR THE WEEK

Thirty six stocks depreciated in price during the week as against Thirty two stocks recorded in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS (ETP)

A total of 196,303 units of Exchange Traded Products valued at N6,346,285.15 in 34 deals were traded during the week compared with 2,414 units of Exchange Traded Products valued at N962,254 traded last week in 10 deals.

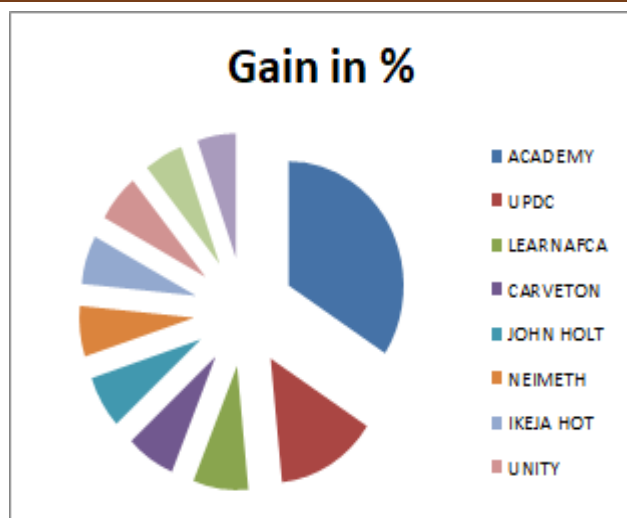
BOND MARKET

A total of 79,914 units of FGN Bond valued at N83,072,371.34 in 31 deals were traded during the week compared with 747,022 units of FBN Bond valued at N775,089,262.07 traded last week in 23 deals

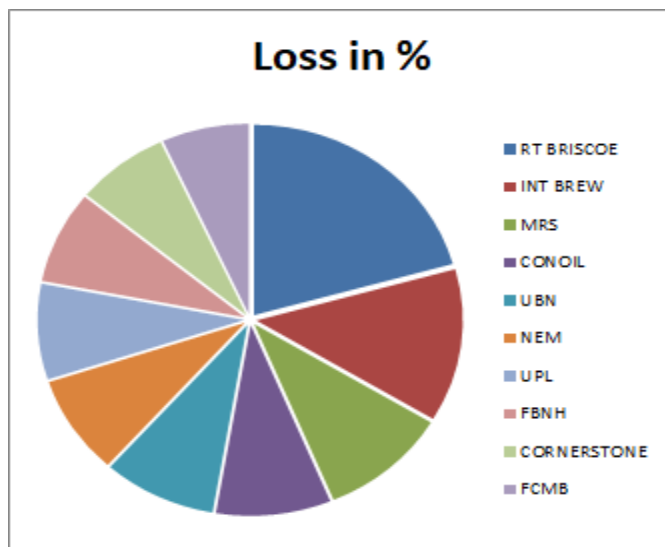
MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	917.190M	504.322M	81.87
Value N=	N14,803 B	N7,517 B	96.93
Total Gain	19	20	-5.00
Total Loss	36	32	-12.50
Deals	19,513	12,393	57.45
All Share Index	51,979.92	52,215.12	-0.45
Market Cap.	N=28,031 Trillion	N=28,158 Trillion	-0.45

TOP TEN GAINERS



TOP TEN LOSERS



Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 22/07/2022												
				Unit	B-E	Current	Target price		Dividend	TOTAL	Gain/Loss	
P/Date	Stock	Units	Tcost	Cost	Price	Price	30% App	NET VALUE	Dividend	TOTAL VALUE		G/L%
1/1/2022	WAPCO	50,000	1,216,350.00	24.33	24.78	24.10	31.63	1,183,123.23	45,000.00	1,228,123.23	11,773.22	0.97
1/1/2022	UBA	50,000	410,550.00	8.21	8.36	7.30	10.67	358,373.43	45,000.00	403,373.43	7,176.58	1.75
1/1/2022	FIDELITY	50,000	130,050.00	2.60	2.65	3.10	3.38	152,185.98	15,750.00	167,935.98	37,885.98	29.13
1/1/2022	DANGSUGAR	50,000	887,400.00	17.75	18.08	16.00	23.07	785,476.00	45,000.00	830,476.00	56,924.00	6.41
1/1/2022	ZENITH	50,000	1,282,650.00	25.65	26.13	20.75	33.35	1,018,664.19	139,500.00	1,158,164.19	124,485.81	9.71
1/1/2022	UCAP PLC	50,000	504,900.00	10.10	10.28	12.70	13.13	623,471.58	67,500.00	690,971.58	186,071.58	36.85
1/1/2022	GTCO PLC	50,000	1,326,000.00	26.52	27.01	20.75	34.48	1,018,664.19	135,000.00	1,153,664.19	172,335.81	13.00
1/1/2022	FLOUR MILLS	50,000	1,445,850.00	28.92	29.45	33.00	37.59	1,620,044.25	74,250.00	1,694,294.25	248,444.25	17.18
1/1/2022	DANCEM	50,000	13,107,000.00	262.14	266.99	265.00	340.78	13,009,446.25	990,000.00	13,999,446.25	892,446.25	6.81
1/1/2022	VITAFOAM	50,000	1,147,500.00	22.95	23.37	22.50	29.84	1,104,575.63	67,500.00	1,172,075.63	24,575.63	2.14
			21,458,250.00					20,874,024.70		22,498,524.70	1,040,274.70	4.85

The Equity Portfolio Model which closed the previous week at 5.70% depreciated further during the week and closed at 4.85% (YTD). This can be compared with NGX All Share Index which was 22.24% in the previous week and closed at 21.69% {YTD} during the week. The Equity Portfolio Model depreciated during the week as investors continued to take profit on some value stocks in the portfolio. The EPM continued to perform lower compared with the All Share Index of the market. Some of the stocks responsible for the lower performance in EPM are: Zenith bank, DANCEM, WAPCO, UBA, GTCO, and DANGSUGAR Plc . Investors are thereby advised to take into consideration selection of stocks in diversified sectors to minimize risk, good dividend paying stocks and strong fundamentals to enhance the value of the portfolio. Key. Tcost means total cost of the transactions including charges (market price*units plus charges). Unit cost is total cost per unit of the stocks. B-E Price is break-even price i.e the price the portfolio will not record any gain or loss. Target price is the price we want to sell.

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

MARKET DEVELOPMENTS (LAST WEEK)

Access Holdings Plc to Acquire Majority Equity Stake in First Guarantee Pension Limited

Access Holdings Plc- trading as Access Corporation ('the Corporation') today announces that it has entered into a definitive agreement with First Guarantee Pension Limited ('the Company') regarding the potential acquisition of majority equity stake in the Company ('the Transaction'). The Transaction is a consequential step in the Corporation's evolution from a narrow banking business into a financial service holding company positioned to gain relevant scale across Africa, global monetary centres, and beyond-banking verticals. Speaking on this landmark transaction, Dr. Herbert Wigwe, Group Chief Executive Officer, Access Corporation, said: This transaction is a natural evolution for us. Over the last 20 years, we set our sights on and delivered ambitious plans to transform the African financial services landscape focusing on banking and have created the African leading Bank and largest bank by customer base. This large customer base both on the whole-sale and retail segments makes the pension business a natural fit for the Corporation given its objective of ecosystem optimisation. We will leverage our well-established culture of strong corporate governance, risk Management, cutting-edge technology, and digital capabilities to deliver high standards of professionalism in the management of pension assets to the benefit of our stakeholders.' The National Pension Commission and the Central Bank of Nigeria have given their "no objection" to the Transaction, the completion of which is subject to the receipt of all required regulatory approvals. The Corporation will update the market as appropriate and in accordance with its ' disclosure obligations.

INVESTMENT BASICS

Why Investment is Not A Gambling Game

Investment in any asset class is a tradeoff of risk and return. It is settled in portfolio management that there are four major asset classes- cash and cash equivalents, equities, fixed income, and real estate. Apart from what is called systematic or undiversifiable risk, which is inherent to the entire market or market segment, each asset class has its peculiar risk. Risk appetite largely determines whether one is an investor, speculator, or a gambler.

An investor can be an individual or a corporate entity that commits money into a business with expectation of good return on in form of capital gains, interest, dividend, premium, other pension benefits etc on consistent basis. A smart investor works closely with a professional adviser to minimize risk and maximize return. A speculator invests in risky assets with eyes on a huge profit. But he does this with calculated risk.

A gambler puts money on a highly risky investment with the expectation of extraordinary profit. A gambler is ready to lose his entire money or other asset in expectation of unrealistic returns. Investments that fall under gambling include casino, lotteries, race horse betting, card games and bingo. Some people, either for lack of knowledge or deliberate mischief classify investment in stocks as gambling. This is incorrect. Many investors have gotten their fingers burnt for different reasons, including failure to seek investment advice from a stockbroker, buying shares without investment objectives, a lack of knowledge of investment time horizons, poor knowledge of a company's operations, weak corporate governance structure and competitive edge, failure to understand risk profiles, investing short-term in long-term assets, called a mismatch. Problems also arise because of investments based on herd instinct, just because several people buy a specific stock does not mean that such a stock is a good investment. Another challenge is the misplaced ambition to get rich quick, investment assets are not quickly prepared plates of noodles.

There are questions that an investor cannot ignore when investing in shares. Those that bet on casino games and ponzi schemes rely on ambitious expectations, designed to attract the unsuspecting and naive individual. Why would an investor want to be a shareholder in a bluechip quoted company without information on its size, and fundamentals such as its price-to-earnings ratio, debt-to-equity ratio and book-to-market value? Investors need to know a company's stock performance compared to its peers, shareholder pattern, any mutual fund holding, dividend history, revenue growth, volatility record and the extent to which external shocks such as political unrest, economic dislocation, unfavourable government policy, a pandemic, energy crisis and a host of other situations could have adverse consequences for the company's net sales and profit. Market knowledge depository is where securities professionals commonly called stockbrokers become gatekeepers. These professionals keep tab on all the sectors of the economy. They do many analyses before recommending buy, sell or hold to an investor. Stockbrokers are not God. A sudden occurrence can negate their analysis, but they encourage their clients to diversify holdings as a hedge against unforeseen risks. The processes and procedures for investment in shares show that it is not gambling. It is an investment with calculated risks and there are mitigants. Anyone who loses his life savings to investment in shares must have breached the due process of investing or duped by a con man.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market

All through this week, the funding rate had an upward trajectory, reaching a peak of 15.00% after the MPR 100bps hike. As of Friday, the interbank rate rose at both the Open Repo rate (OPR) and overnight rate (O/N), it grew by **+7.23%** (W-o-W) and **+7.14%** (W-o-W) to settle at 14.83 and 15.00 respectively

Treasury Bills.

The bears dominated Treasury market during the trading sessions this week despite the increased yields from the primary Wednesday. As at Friday, the market closed with multiple selloffs at both the treasury Bills and OMO bills. The average benchmark yield ticked up to 7.15 for both markets, the treasury bill market grew by **+2.44%** (W-o-W) The DMO offered N142.97 billion at the Nigerian Treasury bill auction on Wednesday 13th, July, which was slightly oversubscribed by 20bps to N143.26. the rate for the 91days, 182 days, and 364days rose by 35bps, 21bps, and 93bps to 2.75%, 4.00%, and 7.00% respectively.

Foreign Currency (EXCHANGE RATE).

Naira depreciated mostly this week as FX scarcity worsens. As of Friday, the naira appreciated by **0.08%** (W-o-W) to N430.00 at the Investor and Exporter FX fixings (I&E). The Naira against the dollar appreciated on a week-on-week basis. As at Friday trading session in the Nigerian Autonomous Foreign Exchange Fixing (NAFEX), declining

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate			
	15-Jul-22	22-Jul-22	% Change
OPR (%)	13.83	14.83	7.23%
O/N (%)	14	15	7.14%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NIGERIAN TREASURY BILL AUCTION JULY 13, 2022

Nigerian Treasury Bills Auction					
Tenor	Amount offered (N'bn)	Total subscription (N'bn)	Amount sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	4.51	4.61	4.27	2.75	2.4
182-days	1.46	1.94	1.49	4	3.79
364-days	137.00	138.91	137.5	7	6.07

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

Average Benchmark Yields			
	15-Jul-22	22-Jul-22	% Change
I&E FX	430.33	430	-0.08%
NAFEX (\$/N)	426.5	423.83	-0.63%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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