



Monday August 29, 2022

Nigeria's Real GDP Grows by 3.54% in Q2 2022

Nigeria's Gross Domestic Product (GDP) grew by 3.54% (year-on-year) in real terms in the second quarter of 2022. This growth rate declined from 5.01% in the second quarter of 2021 when rapid growth was recorded following the toll the COVID-19 pandemic exacted on the economy in Q2 2020. In addition, the recent rising prices have adversely impacted on the second quarter 2022 performance. The Q2 2022 growth rate decreased by 1.47% points from 5.01% growth rate recorded in Q2 2021 and increased by 0.44% points relative to 3.11% in Q1 2022. However, quarter-on-quarter, real GDP grew at -0.37% in Q2 2022, reflecting lower economic activity in Q2 2022 than in the preceding quarter. In the quarter under review, aggregate GDP stood at N45,004,520.89 million in nominal terms. This performance is higher when compared to the second quarter of 2021 which recorded aggregate GDP of N39,123,713.32 million, indicating a year-on-year nominal growth rate of 15.03%. The nominal GDP growth rate in Q2 2022 was higher relative to the 14.99% growth recorded in the second quarter of 2021 and higher compared to the 13.25% growth recorded in the preceding quarter. For better clarity, the Nigerian economy has been classified broadly into the oil and nonoil sectors

The Oil Sector. The nation in the second quarter of 2022 recorded an average daily oil production of 1.43 million barrels per day (mbpd), lower than the daily average production of 1.61mbpd recorded in the same quarter of 2021 by 0.18 mbpd and lower than the first quarter 2022 production volume of 1.49 mbpd by 0.06mbpd. Real growth of the oil sector was -11.77% (year-on-year) in Q2 2022 indicating an increase of 0.89% points relative to the rate recorded in the corresponding quarter of 2021. Growth increased by 14.27% points when compared to Q1 2022 which was -26.04%. Quarter-on-Quarter, the oil sector recorded a growth rate of -4.97% in Q2 2022. The Oil sector contributed 6.33% to the total real GDP in Q2 2022, down from the figures recorded in the corresponding period of 2021 and the preceding quarter, where it contributed 7.42% and 6.63% respectively.

The Non-Oil Sector. The non-oil sector grew by 4.77% in real terms during the reference quarter (Q2 2022). This rate was lower by 1.97% points compared to the rate recorded same quarter of 2021 and 1.31% points lower than the first quarter of 2022. This sector was driven in the second quarter of 2022 mainly by Information and Communication (Telecommunication); Trade; Financial and Insurance (Financial Institutions); Transportation (Road Transport); Agriculture (Crop Production) and Manufacturing (Food, Beverage & Tobacco), accounting for positive GDP growth. In real terms, the non-oil sector contributed 93.67% to the nation's GDP in the second quarter of 2022, higher than the share recorded in the second quarter of 2021 which was 92.58% and higher than the first quarter of 2022 recorded as 93.37%

Capital Market Summary .

Analysis of the market activity in the week ended August 26, 2022 shows that the market gained strength as investors continued to take position in valued stocks during the week. The NGX All Share Index and market capitalization of listed equities thereby appreciated by 0.63% each from the opening figures of 49,370.62 and N26,629 trillion to close at 49,682.15 and N26,797 trillion respectively. Its year to date (YTD) return stands at +16.31%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+3.54%	August 25. , 2022
Un-employment Rate	33.30%	August 25, 2022
Broad Money Supply (M2)	N38,026,970.00 rn	August 25, 2022
Money Supply (M1)	N16,186,615.62rn	August 25, 2022
Consumer Price Index (YOY)	19.64%	August 17, 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\$112.25/Bar	August 12, 2022
Nigeria's Gross External Reserves	US\$38.68bn	August 12, 2022

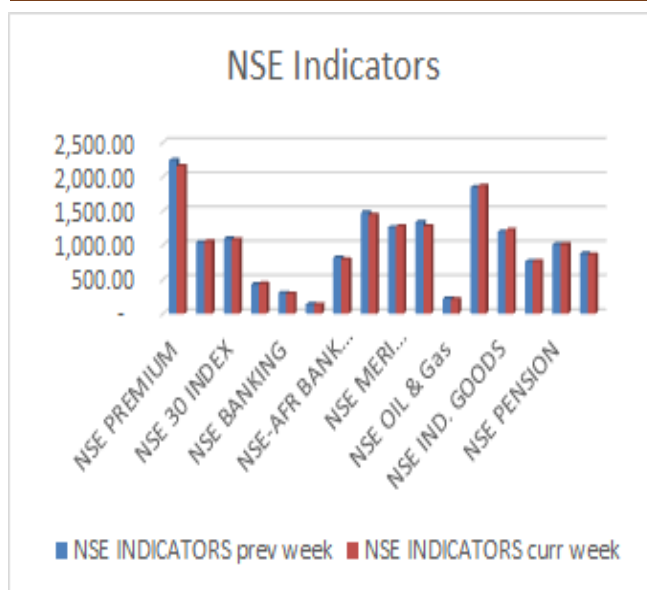
Source: Central Bank of Nigeria (CBN)

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

The Nigerian bourse ended the week on a positive note as market sentiment turned positive. The NGXASI closed the week with **+0.63%** gain as against **-0.59%** loss recorded last week. The Nigerian Exchange Recorded N168.02bn gain in naira terms. Year-to-date, the NGSAXI maintained its positive position to close the week with **+16.31%** gain as the market capitalization settled at N26.8trn. As companies continued to release their Q2 financial report, we expect positive earnings to be a significant factor for investors in deciding which stock to buy. In the coming week, we expect the market to continue with bullish note as prices of some valued stocks are attractive. 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 uphold the the previous week recommendation for purchase during the week. 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: **GTCO, FLOUR MILLS PLC, UBA PLC, ACCESS PLC, ZENITH, GUINNESS PLC, AND NGX PLC**

RECOMMENDED STOCKS FOR THE WEEK

Stocks	Current Price	Max. entry Price N=	Target price	% Change
GTCO	20.00	21.00	30.00	50.00
ACCESS	8.20	10.00	12.00	46.34
UBA	7.15	8.00	10.00	33.33
ZENITH	21.90	24.00	30.00	36.99
GUINNESS	84.00	90.00	120.00	42.86
FLOUR MILLS PLC	27.00	28.00	35.00	29.63
NGX	20.55	21.00	25.00	21.65

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
NGX PLC	2nd QTER 30/06/2022	3.82	1.59	0.820	0.449	N0.44	NO div. paid in 2021 FY
LARFAGE WAPCO	2nd QTER 30/06/2022	186.59	145.02	37.41	28.32	N2.32	N2 div. was declared 2021 FY
GTCO MILLS	1st QTER 31/03/2022	112.76	100.96	43.21	45.55	N1.51	N3.00 paid in year 2021 FY
UCAP PLC	2nd qter 30/06/2022	9.110	6.85	4.44	3.14	N1.48	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	audited 30/6/2022	206.82	160.42	15.60	1.25	N7.15	N7.14 PD IN YEAR 2022
ZENITH PLC	2nd QTER 30/6/2022	404.76	345.36	111.41	106.03	N3.55	N0.30 PD AS INTERIM DIVIDEND

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**STOCK MARKET REPORT****Domestic Market Review****GAINERS FOR THE WEEK**

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

LOSERS FOR THE WEEK

Thirty eight depreciated in price during the week as against Twenty one stocks recorded in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS (ETP)

A total of 6,968 units of Exchange Traded Products valued at N894,205.74 in 17 deals were traded during the week compared with 2,378 units of Exchange Traded Products valued at N1,531,377.94 traded last week in 22 deals.

BOND MARKET

A total of 17,470 units of FGN Bond valued at N18,191,997.06 in 15 deals were traded during the week compared with 78,821 units of FBN Bond valued at N82,637,701.32 traded last week in 19 deals

MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	914.443 M	823.005 M	11.11
Value N=	N15,263 B	N12,228 B	24.85
Total Gain	27	21	28.57
Total Loss	38	41	7.32
Deals	18,021	17,482	3.08
All Share Index	49,682.15	49,370.62	0.63
Market Cap.	N=26,797 Trillion	N=26,629 Trillion	0.63

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
NEM	3.82	5.00	1.18	30.89
MBENEFIT	0.25	0.30	0.05	20.00
JAPPAUL	0.29	0.34	0.05	17.24
MULTIVERSE	2.10	2.40	0.30	14.29
HONYWELL	2.42	2.72	0.30	12.40
CWG	0.90	0.99	0.09	10.00
UPL	1.72	1.89	0.17	9.88
LEARNAFCA	2.25	2.47	0.22	9.78
CARVETON	1.05	1.15	0.10	9.52
COURVILLE	0.44	0.48	0.04	9.09

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
NNFM	8.60	7.50	(1.10)	(12.79)
FTN COCOA	0.33	0.29	(0.04)	(12.12)
ELLAH LAKE	4.00	3.60	(0.40)	(10.00)
FIDSON	10.10	9.11	(0.99)	(9.80)
VITAFOAM	22.50	20.30	(2.20)	(9.78)
NPF	1.65	1.50	(0.15)	(9.09)
SEPLAT	1,419.90	1,300.00	(119.90)	(8.44)
ETERNA	6.60	6.05	(0.55)	(8.33)
LASACO	1.04	0.96	(0.08)	(7.69)
CORONATION	0.41	0.38	(0.03)	(7.32)

Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 26/08/2022												
				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	23.90	31.63	1,173,304.78	45,000.00	1,218,304.78	1,954.77	0.16
1/1/2022	UBA	50,000	410,550.00	8.21	8.36	7.15	10.67	351,009.59	45,000.00	396,009.59	14,540.41	3.54
1/1/2022	FIDELITY	50,000	130,050.00	2.60	2.65	3.06	3.38	150,222.29	15,750.00	165,972.29	35,922.29	27.62
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	21.90	33.35	1,075,120.28	139,500.00	1,214,620.28	68,029.73	5.30
1/1/2022	UCAP PLC	50,000	504,900.00	10.10	10.28	11.95	13.13	586,652.39	67,500.00	654,152.39	149,252.39	29.56
1/1/2022	GTCO PLC	50,000	1,326,000.00	26.52	27.01	20.00	34.48	981,845.00	135,000.00	1,116,845.00	209,155.00	15.77
1/1/2022	FLOUR MILLS	50,000	1,445,850.00	28.92	29.45	27.00	37.59	1,325,490.75	74,250.00	1,399,740.75	46,109.25	3.19
1/1/2022	DANCEM	50,000	13,107,000.00	262.14	266.99	245.00	340.78	12,027,601.25	990,000.00	13,017,601.25	89,398.75	0.68
1/1/2022	VITAFOAM	50,000	1,147,500.00	22.95	23.37	20.30	29.84	996,572.68	67,500.00	1,064,072.68	83,427.33	7.27
			21,458,250.00					19,453,294.99		21,077,794.99	380,455.02	1.77

The Equity Portfolio Model which closed the previous week at 2.47% depreciated during the week, turn negative and closed at -1.77% (YTD). This can be compared with NGX All Share Index which was 15.58% in the previous week and closed at 16.31% {YTD} during the week. The Equity Portfolio Model depreciated during the week as investors sold some valued stocks. 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, 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)

Neimeth International Pharmaceuticals Plc Obtains SEC Approval to Extend Its Rights Issue by Fifteen (15) Working Days . We refer to our market bulletin of 3 August 2022 with reference number: NGXREG/LRD/MB48/22/08/03 whereby the market was notified that trading in Neimeth International Pharmaceuticals Plc's Rights Issue of 2,373,947,500 ordinary shares of 50 Kobo each at N1.55 per share on the basis of five (5) new ordinary shares for every four (4) ordinary shares held as at the close of business on Friday, 22 April 2022 (Neimeth's Rights) opened on Wednesday, 3 August 2022 and will continue until Thursday 25 August 2022. Neimeth International Pharmaceuticals Plc has obtained the approval of the Securities and Exchange Commission's (SEC) to extend Neimeth's Rights by fifteen (15) working days. Consequently, trading in Neimeth's Rights will now close on Thursday, 15 September 2022.

INVESTMENT BASICS

Learn about Long-Term Investments

What is the meaning of long-term investments?

If in short-term investments, the characteristics include a small level of risk, not too high, liquid capital and a short period of time to achieve profits, then long-term investments are the opposite. In long-term investments, the invested funds will be managed sustainably and can only be disbursed when they mature. Long-term investments generally have a minimum period of one year. The average long-term investment is more than five years. According to the Indonesian Stock Exchange, it can be said that investing for the long term is the same as investing in the wealth or capital of a person or company to obtain a stable income. One of the benefits for people who carry out long-term investment activities is personal financial savings that can be used in old age, so they do not have to worry about working hard while enjoying their golden years. On a larger scale, long-term investments may aim to act as the controlling party of a particular company or person through the capital invested, as well as earn passive income at certain times, such as interest, dividends, and rent. If you are one of those who think a lot about your future, then you need to know which long-term investments are the most appropriate.

Types of Long-Term Investments

1. **Stocks:** Stocks are securities that are proof of the investor's ownership in a partnership or limited liability company. You will benefit from dividends and have the opportunity to earn money by buying and selling shares on the stock market. Today you can easily invest in stocks. You just need to choose the right broker to help you.
2. **Gold:** It is an example of a profitable long-term investment, and its value is relatively stable compared to the value of a currency. Buying gold is quite easy, but you still must be careful when carrying out such transactions. Always use reliable services for investment activities.
3. **Bonds:** Bonds are debt securities presented by the borrower to the lender. In securities, your name is recorded along with the loan's due date and interest. The investment period of the bonds is valid from 1 to 10 years. From a business standpoint, bonds serve as an opportunity to raise funds to move the business forward. While on the lender's (investor's) side, bonds can be an investment that can make a profit.
4. **Properties:** Real estate investments are considered a profitable way of long-term investments. One of the reasons is that the price of land increases every year. However, real estate investments require a large amount of capital with the possibility of obtaining great profits.
5. **Mutual Funds:** Mutual or mutual funds can also be included as long-term investments. The upside is that there are many options, including money markets, stocks, and bonds that can be adjusted based on funds and risk. For those still looking for investment experience, mutual funds are ideal because these activities are performed by investment managers.

How to Make Long-Term Investments

1. **Know the instrument:** As you dive into the world you're about to enter, make sure you've learned how it works. This is useful so that you can know the risks you will take.
2. **Study:** Investments is a field that can be studied. As long as there is a will, you can do it. You will not achieve success if you do not have a strong will.
3. **Starts:** When you feel that all supplies and capital are ready, begin. By starting an investment as soon as possible, the opportunity to enjoy the value of the asset will be greater with sufficient knowledge and capital.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market

The funding rate hovered around double-digit all week in the absence of any major inflows. At the close of trading on Friday, the interbank rates fell slightly. The Open Repo rate (OPR) declined to 13.50 by **-7.98%** (W-o-W) and the overnight rate (O/N) fell to 13.67 by **-8.87%**.

Treasury Bills. At the primary auction yesterday, the Debt management office sold an exact amount of N295.53 billion worth of notes offered; where the 364-day bill was oversubscribed by **+6.14%** while the 91-day and 182-day had less subscription of **-30.34%** and **-5.08%** respectively. The rates for the 91-day, 182-day, and 364 maturities rose by 50bps, 50bps, and 105bps to settle at 4.00%, 5.00%, and 8.50% respectively. The bid-to-cover across the three maturities were 1.76x, 0.93x, and 1.25x accordingly/

Foreign Currency (EXCHANGE RATE).

After dropping to a record low of 710/\$1 in July at the parallel market, the intermittent supply fluctuations helped sustain the naira in early August. However, the depreciating trend resurfaced this week as demand for FX worsens with Airline’s inability to repatriate their earnings. As of Friday, it fell to 700/\$1 at the parallel market. Analysts noticed that the official rate has begun to mildly reflect the FX pressure as the naira depreciated for most trading sessions this week despite the CBN interventions. As at Friday, the currency fell at the Investors and Exporter FX fixing by **+0.30%** week-on-week basis to settle at N430.33/\$, and on Thursday at the NAFEX fixing (spot market), it depreciated by **+0.13%** to N428.44/\$ week-on-week basis

OIL PRICE.

The Nigeria’s oil price (WTI) depreciated during the week under review. According to the latest data, the oil price closed at \$92.90 per barrel during the week, compared with \$90.77 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate			
	19-Aug-22	26-Aug-22	% Change
OPR (%)	14.67	13.5	7.98%
O/N (%)	15	13.67	8.87%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NIGERIAN TREASURY BILL AUCTION AUGUST 25, 2022

Nigerian Treasury Bills Auction					
Tenor	Amount offered (N'bn)	Total subscription (N'bn)	Amount sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	3.56	2.48	2.28	4	3.5
182-days	11.03	10.47	10.21	5	4.5
364-days	280.93	298.18	283.04	8.5	7.45

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

Average Benchmark Yields			
	19-Aug-22	26-Aug-22	% Change
I&E FX	429.05	430.33	0.30%
NAFEX (\$/N)	427.88	428.44	+0.13%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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