



Monday October 31, 2022

Entrepreneurship Opportunities in the Agricultural Sector

Agricultural entrepreneurship, sometimes known as agriprenurship, is the marketing and production of various agricultural goods and inputs. Agriprenurship aims to help farmers and agricultural companies by enhancing production methods and increasing market engagements. It can also help with social and economic development, poverty reduction, and ensuring excellent nutrition and food security. Furthermore, it can contribute to the diversification of the economy and income sources, as well as the creation of jobs and entrepreneurial prospects. According to the National Bureau of Statistics, agro-allied activities account for about 25% of the Nigerian economy's gross domestic product, while the agriculture sector employs roughly 70% of the Nigerian labor force. Some examples of underexploited agriprenurship opportunities in Nigeria, include: Snail Slime, Egg powder and Tomato paste.

Snail slime is a fluid produced from the locomotor system of a snail. It has the unique property of keeping the skin constantly hydrated and protected from harm. Significant profits can be earned by exporting it to manufacturing firms in other countries to foreign cosmetic manufacturing companies in countries like Switzerland and Korea.. Egg powder is highly useful for extending the shelf life and making storage and use easier. It is quite stable at room temperature and can be stored for an extended period of time. Egg powder is used in fast food, ice cream, cakes, cookies, noodles, and doughnuts, among other things. If properly harnessed, it can earn over \$1 billion in foreign exchange savings for the country, as well as improved revenue for poultry producers. Nigeria produces about 1.8 million metric tons worth of tomatoes in a year and about 40% is wasted due to poor storage and processing facilities. These losses can be reduced or eliminated entirely if greater investments are made in producing tomato paste in the north, close to where tomatoes are farmed. This is an opportunity for agriprenurs that would not only reduce waste but increase food security and reduce Nigeria's reliance on imports. Some other Innovative Agriprenurship Businesses in Nigeria are Kerekusk Rice in Nasarawa State, Thrive Agric which was founded in 2017 with the objective of assisting smallholder farmers in gaining access to products and services, Farmcrowdy a global agritech company focused on solving inefficiencies in the food value chain with simple access to aggregate farm outputs, inputs, and processed food.. To properly capitalize on the potential of agribusiness in Nigeria, the Nigerian government should launch an aggressive agribusiness development campaign to emphasize the benefits agribusiness investment with the ultimate objective of increasing agricultural outputs. Development of roads, markets, storage, processing facilities which will all bring about infrastructural development in Nigeria and increased participation in agriculture and agribusiness to reduce poverty and improve food security.

Capital Market Summary .

Analysis of the market activity in the week ended October 28, 2022 shows that the Nigerian bourse ended the week on a negative note as market sentiment turned negative . The NGX All Share Index and market capitalization of listed equities thereby depreciated by 1.09% each from the opening figures of 44,396.73 and N24,182 trillion to close at 43,912.64 and N23,918 trillion respectively. Its year to date (YTD) return stands at +2.80%.

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 trn | August 25, 2022 |
| Money Supply (M1) | N16,186,615.62rn | August 25, 2022 |
| Consumer Price Index (YOY) | 20.52% | September 15, 2022 |
| Monetary Policy Rate (MPR) | 15.50% | September 27, 2022 |
| Cash Reserve Ratio (CRR) | 32.50% | September 27, 2022 |
| Nigeria's Bonny Light Crude Oil | US\$102.56/Bar | October 07, 2022 |
| Nigeria's Gross External Reserves | US\$37.88bn | October 13, 2022 |

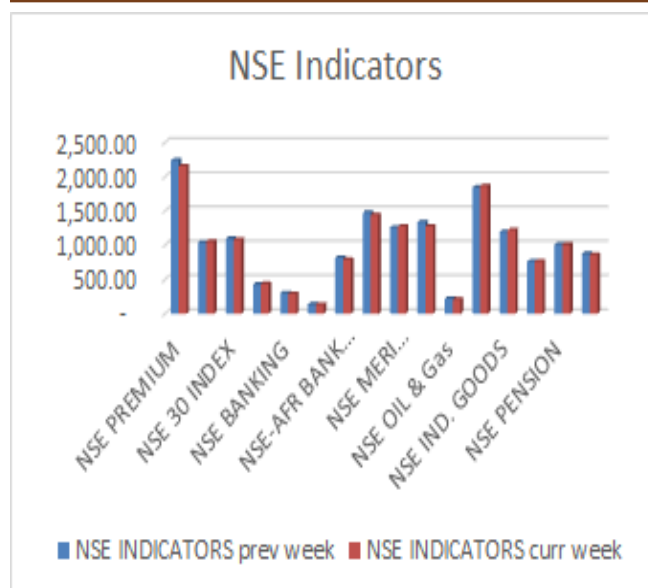
Source: Central Bank of Nigeria (CBN)

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 | 30/9/2022 | % | 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 | 7.00 | (13.04) | 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 | 20.00 | (16.49) | 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 | 17.75 | (31.73) | 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 | 8.05 | (13.44) | 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 | 10.20 | (10.53) | 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 | 3.69 | 44.71 | 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 | 16.05 | (7.76) | 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 | 11.00 | (16.67) | 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 | 11.15 | 12.63 | 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 | 5.00 | (21.26) | 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 | 13.60 | 54.55 | 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 | 12.30 | (15.17) | 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 | 9.25 | 51.64 | 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 | 5.50 | 47.06 | 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 | 30.30 | 6.88 | 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 | 245.00 | (4.67) | 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 | 24.50 | 2.30 | 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 | 5.60 | (5.88) | 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 | 4.10 | 1.99 | 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 | 9.05 | 45.50 | 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 | 48.40 | (3.20) | 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 | 82.90 | 112.56 | 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 |
| IBERGER | 22.35 | 25.90 | 15.88 | 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 |
| VITAFUAM | 22.50 | 20.95 | (6.89) | 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 | 10.25 | 7.89 | 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 | 13.75 | 5.77 | 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 | 26.50 | 20.45 | 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 | 211.30 | (4.78) | 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 | 6.32 | 25.15 | 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 | 188.30 | 32.61 | 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 | 142.60 | 62.41 | 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 | 6.50 | (17.72) | 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 | 4.91 | 9.11 | 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 | 199.8 | 1.42 | 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 |
| TRANSCORP | 0.96 | 1.1 | 14.58 | 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 | 20.00 | 0.50 | 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 | 3.29 | 10.03 | 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 | 1.02 | (52.56) | 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 | 2.27 | (33.24) | 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



STOCK MARKET REPORT

Domestic Market Review

RECOMMENDED STOCKS FOR THE WEEK

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK

31/10/22-04/11/2022).

The Nigerian bourse ended the week on a negative note as market sentiment turned negative. The NGXASI closed the week with a loss of **-1.09%** as against a **-6.67%** loss recorded last week. The Nigerian Exchange recorded N263.67 loss in naira terms. In Year-to-date, the NGXASI maintained its positive position to close the week with a gain of **+2.80%** as market capitalization settled at N23.918trn. The depreciation during the week coupled with impressive Q3 financial report have made the prices of some value stocks to be attractive, we expect positive earnings and the low prices to be a significant factors for investors in deciding which stock to buy. In the coming week, we expect the market to come up with positive note. 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 the under-listed stocks for purchase during the week.

| Stocks | Current Price | Max. entry Price N= | Target price | % Change |
|----------|---------------|------------------------|--------------|----------|
| AFRIPRUD | 5.10 | 5.40 | 6.00 | 17.64 |
| GTCO | 17.90 | 19.00 | 25.00 | 39.66 |
| ACCESS | 7.70 | 8.30 | 12.00 | 55.84 |
| UBA | 7.10 | 7.00 | 10.00 | 40.85 |
| ZENITH | 20.10 | 21.00 | 30.00 | 49.25 |
| GUINNESS | 82.90 | 90.00 | 120.00 | 44.75 |
| CADBURY | 11.60 | 12.00 | 17.00 | 46.55 |
| NB PLC | 41.85 | 45.00 | 60.00 | 43.37 |

FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS

| Compa- | Result | Turnover | | PAT | | | |
|-----------------|-------------------------|----------------|---------------|----------------|---------------|----------|--------------------------------|
| | | Current N=bill | Last yr N=bil | Current N=bill | Last yr N=bil | Curr EPS | Last Div. Paid |
| CADBURY | 3RD QTER 30/09/2022 | 42.54 | 30.05 | 2.82 | 1.51 | N1.49 | N0.50 div. paid in 2021 FY |
| AF-RIPRUD PLC | 3RD QTER 30/09/2022 | 1.150 | 0.838 | 1.29 | 1.15 | N0.64 | N0.5div. was declared 2021 FY |
| GTCO MILLS | 2nd QTER 30/06/2022 | 239.29 | 207.92 | 77.56 | 79.41 | N2.70 | N0.30 paid as interim dividend |
| UCAP PLC | 3RD qter 30/09/2022 | 14.55 | 11.39 | 7.72 | 5.96 | N1.71 | N1.50 DIV PD IN YEAR 2021 |
| ACCESS BANK PLC | 3RDt Qter 31/09/2022 | 906.93 | 606.57 | 137.01 | 121.89 | N3.85 | N0.20 pd as interim dividend |
| GUINNESS PLC | audited 30/6/2022 | 206.82 | 160.42 | 15.60 | 1.25 | N7.15 | N7.14 PD IN YEAR 2022 |
| ZENITH PLC | 3RD QTER 30/9/2022 | 620.57 | 518.67 | 174.33 | 160.59 | N5.55 | N0.30 PD AS INTERIM DIVIDEND |

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STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 6,744 units of Exchange Traded Products valued at N1,724,698.47 in 26 deals were traded during week compared with 1,192 units of Exchange Traded Products valued at N 2,086,963.74 traded last week in 28 deals.

BOND MARKET

A total of 1,983 units of FGN Bond valued at N1,735,929.68 in 6deals were traded during the week compared with 13,882 units of FGN Bond valued at N13,879,299.59 traded last week in 12 deals

MARKET SUMMARY

| | Curr. Week | Previous week | % Change |
|-----------------|-------------------|-------------------|----------|
| Volume | 598.817 M | 938.020 M | -36.16 |
| Value N= | N14,234 B | N16,701 B | -14.77 |
| Total Gain | 29 | 33 | -12.12 |
| Total Loss | 31 | 29 | -6.90 |
| Deals | 15.859 | 15.700 | 1.01 |
| All Share Index | 43,912.64 | 44,306.73 | -1.09 |
| Market Cap. | N=23,918 Trillion | N=24,182 Trillion | -1.09 |

TOP TEN GAINERS

| Company | Op.Price | cl. Price | Gain | Gain in % |
|------------|----------|-----------|------|-----------|
| RT BRISCOE | 0.28 | 0.33 | 0.05 | 17.86 |
| BUA | 62.00 | 70.00 | 8.00 | 12.90 |
| FTN COCOA | 0.27 | 0.30 | 0.03 | 11.11 |
| JAPPAUL | 0.28 | 0.31 | 0.03 | 10.71 |
| SUNU ASS | 0.32 | 0.35 | 0.03 | 9.38 |
| UPL | 1.64 | 1.79 | 0.15 | 9.15 |
| NEIMETH | 1.38 | 1.50 | 0.12 | 8.70 |
| RED STAR | 2.19 | 2.37 | 0.18 | 8.22 |
| FIDELITY | 3.80 | 4.10 | 0.30 | 7.89 |
| SOV. TRUST | 0.26 | 0.28 | 0.02 | 7.69 |

TOP TEN LOSERS

| Company | Op.Price | Cl. Price | Loss | Loss in % |
|-----------|----------|-----------|---------|-----------|
| NEM | 4.42 | 3.75 | (0.67) | (15.16) |
| HONYWELL | 2.40 | 2.13 | (0.27) | (11.25) |
| UNILEVER | 12.00 | 10.75 | (1.25) | (10.42) |
| DANCEM | 245.00 | 220.50 | (24.50) | (10.00) |
| PHAMADEKO | 2.05 | 1.85 | (0.20) | (9.76) |
| LEARNAFCA | 1.86 | 1.68 | (0.18) | (9.68) |
| ROYALEX | 0.83 | 0.75 | (0.08) | (9.64) |
| LINKAGE | 0.43 | 0.39 | (0.04) | (9.30) |
| STERLING | 1.58 | 1.46 | (0.12) | (7.59) |
| ACADEMY | 1.46 | 1.35 | (0.11) | (7.53) |

Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

| PORTFOLIO VALUATION AS AT 28/10/2022 | | | | | | | | | | | | |
|--------------------------------------|-------------|--------|---------------|-----------|-----------|---------------|----------------------|---------------|------------|---------------|----------------|---------|
| P/Date | Stock | Units | Tcost | Unit Cost | B-E Price | Current Price | Target price 30% App | NET VALUE | Dividend | TOTAL VALUE | Gain/Loss | G/L% |
| 1/1/2022 | WAPCO | 50,000 | 1,216,350.00 | 24.33 | 24.78 | 22.25 | 31.63 | 1,092,302.56 | 45,000.00 | 1,137,302.56 | - 79,047.44 | - 6.50 |
| 1/1/2022 | UBA | 50,000 | 410,550.00 | 8.21 | 8.36 | 7.10 | 10.67 | 348,554.98 | 45,000.00 | 393,554.98 | - 16,995.03 | - 4.14 |
| 1/1/2022 | FIDELITY | 50,000 | 130,050.00 | 2.60 | 2.65 | 4.10 | 3.38 | 201,278.23 | 15,750.00 | 217,028.23 | 86,978.23 | 66.88 |
| 1/1/2022 | DANGSUGAR | 50,000 | 887,400.00 | 17.75 | 18.08 | 16.30 | 23.07 | 800,203.68 | 45,000.00 | 845,203.68 | - 42,196.33 | - 4.76 |
| 1/1/2022 | ZENITH | 50,000 | 1,282,650.00 | 25.65 | 26.13 | 20.10 | 33.35 | 986,754.23 | 139,500.00 | 1,126,254.23 | - 156,395.78 | - 12.19 |
| 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 | 17.90 | 34.48 | 878,751.28 | 135,000.00 | 1,013,751.28 | - 312,248.73 | - 23.55 |
| 1/1/2022 | FLOUR MILLS | 50,000 | 1,445,850.00 | 28.92 | 29.45 | 30.30 | 37.59 | 1,487,495.18 | 74,250.00 | 1,561,745.18 | 115,895.18 | 8.02 |
| 1/1/2022 | DANCEM | 50,000 | 13,107,000.00 | 262.14 | 266.99 | 220.50 | 340.78 | 10,824,841.13 | 990,000.00 | 11,814,841.13 | - 1,292,158.88 | - 9.86 |
| 1/1/2022 | VITAFOAM | 50,000 | 1,147,500.00 | 22.95 | 23.37 | 20.15 | 29.84 | 989,208.84 | 67,500.00 | 1,056,708.84 | - 90,791.16 | - 7.91 |
| | | | 21,458,250.00 | | | | | 18,196,042.46 | | 19,820,542.46 | - 1,637,707.54 | - 7.63 |

The Equity Portfolio Model which closed the previous week at **-1.75%** depreciated during the week, and closed at **-7.63%** (YTD). This can be compared with NGX All Share Index which was **3.93%** in the previous week depreciated and closed at **2.80%** {YTD} during the week. The Equity Portfolio Model depreciated during the week and closed negative 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, VITAFOAM, DANCEM, UBA, and GTCO 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.

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

MARKET DEVELOPMENTS (LAST WEEK)

Union Bank of Nigeria Plc Receives Notification of Titan Trust Bank Limited's Mandatory Takeover Offer (MTO) to Union Bank Shareholders. **Union Bank of Nigeria Plc** ("Union Bank" or "the Bank") announces to Nigerian Exchange Limited and our esteemed stakeholders, that Titan Trust Bank Limited ("Titan Trust") has notified the Bank of a Mandatory Takeover Offer ("MTO") that will be made to shareholders of Union Bank. The Mandatory Takeover Offer for 1,927,532,558 (one billion, nine hundred and twenty seven million, five hundred and thirty-two thousand, five hundred and fifty-eight) ordinary shares of 50 (fifty) Kobo each in the Bank represents 6.59% of the shareholding of Union Bank of Nigeria Plc. Titan Trust has received the Securities and Exchange Commission's approval to launch the MTO. The MTO is priced at N7.00 (seven Naira) per ordinary share; being the price at which the Block Trade was executed. The Qualification Date for the MTO is 5.00pm on Monday 31st October, 2022 - which is the date on which the names of shareholders must be in the Register of Members and is the settlement date for trades that are executed on Wednesday 26th October, 2022. For clarity, all trades must be executed by Wednesday 26th October, 2022 in order to qualify to participate in the MTO, and only shareholders whose names are in the Register of Members on 31st October, 2022 will be able to participate in the MTO.

INVESTMENT BASICS

Diversification Business Growth Strategy

Growth is crucial for any business to survive in the long term as it helps expand and increase revenue. A business grows when it expands its customer base, increases revenue, or produces more products. Diversification – is a business growth strategy which entails entering a new market with new products. Organisations frequently use diversification to reduce risk by moderating risk exposure to the company during economic downturns. The primary aim is to grow into a company that does not suffer a decline from the recurring economic downturns.

Why Do Companies Diversify.

Diversification as a growth strategy may be considered for a variety of reasons. Diversification is primarily utilised to reduce risk in an industry slump. When a business or sector faces a recession, a conservative motive to diversify is to avoid substantial ramifications. Some single-business or single-product companies would not be able to sustain a prolonged downturn in their industry. Another reason to diversify is to gain a competitive advantage, especially with underserved locations and customers. If your company doesn't diversify and expand to fill the additional demand, competitors will likely do so. The likelihood of increasing your customer base or becoming the top provider can be on the high side if you get in first. Also, In the case of a cash cow in a slow-growing market, diversification allows the company to use surplus cash flows. *Cash cows are business units with a high market share in a slow-growing industry, such as real estate development.*

Factors to consider before Diversifying.

Do You Have the Capacity to Diversify?. How Will Your Brand Perception be Helped or Harmed? What Can You Do Better than Competitors in Your Current Market?, Identify methods to add value and set yourself apart from the competition and Market or Demand. Once you are confident in starting your business, your next step is researching the market or demand for your product or service. Start by answering the question of who your customer is. You may need to assess demand if you sell your products or services locally. To conduct business internationally, you may need to understand international trade rules and regulations. Market research should reveal all the details about a product or service market. Basically, what you are looking for: The current size of the market (the approximate number of potential buyers), Growth potential (whether the size or contract can grow), Expected market share, Target audience buying habits (and how to leverage them) Various market segments, Margins you should expect from the market. As important and valuable as diversification is, it comes with its own risks. As you grow, you may be unable to focus on the best products and products. It would help if you also diversified your business investment and costs. This may prevent you from investing enough money in the cash cow sector or products. To successfully diversify, you need experts to work or partner with you to succeed in newer, unproven areas.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

Interbank rates remained elevated this week despite the FGN bond coupon inflow of N69.48 billion during the week. The Open Repo Rate (OPR) rate fell by 98bps to 16.17%, while the Overnight (OVN) rate remained unchanged at 16.50% week-on-week

Treasury Bills.

Following the MPR hike, the Nigerian treasury bill rates soared at the primary auction during the week. The DMO raised N179.32bn as compared to the N141.34bn offered with the oversubscription skewed to the 364-day tenor. The rates on the 91-day, 182-day, and 364-day rose significantly by 99bps, 150bps, and 225bps to settle at 6.495, 7.50%, and 12% respectively. The bid-to-cover ratio for the three tenors stood at 0.20x, 0.17x, and 2.15x accordingly .

Foreign Currency (EXCHANGE RATE).

The naira continued its depreciation this week, dropping to N444.75 at the I & E FX fixing on Friday and N441.75 at the Nigerian Autonomous Foreign Exchange Fixing (NAFEX).

OIL PRICE.

The Nigeria’s oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$88.37 per barrel during the week, compared with \$85.04 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

| Money Market Rate | | | |
|-------------------|-----------|-----------|----------|
| | 21-Oct-22 | 28-Oct-22 | % Change |
| OPR (%) | 16.33 | 16.17 | -0.98% |
| O/N (%) | 16.5 | 16.5 | +0.00% |

Source:

TREASURY BILLS RATES

NTB AUCTION October 12, 2022

| Nigerian Treasury Bills Auction | | | | | |
|---------------------------------|-----------------------|---------------------------|--------------------|---------------|-------------------|
| Tenor | Amount offered (N'bn) | Total subscription (N'bn) | Amount sold (N'bn) | Stop Rate (%) | Previous rate (%) |
| 91-days | 14.27 | 1.65 | 1.55 | 6.47 | 6.49 |
| 182-days | 25.56 | 2.62 | 2.52 | 7.9 | 7.5 |
| 364-days | 151.06 | 107.67 | 30.76 | 13 | 12 |

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

| Average Benchmark Yields | | | |
|--------------------------|-----------|-----------|----------|
| | 21-Oct-22 | 28-Oct-22 | % Change |
| I&E FX | 440.33 | 444.75 | +1.00% |
| NAFEX (\$/N) | 440.76 | 441.75 | +0.22% |

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

This report was prepared, issued and approved by Regency Assets Management Limited (RAML). The report is based on information from various sources that we believe are reliable. While due care has been taken in preparing it, investors are reminded that the stock prices fluctuate based on stock market forces.

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