



Monday November 07, 2022

**Challenges facing The Nigerian Capital Market.**

**Lack of collaboration between stakeholders.** Regulators and stakeholders have operated in silos, leading to over-regulation on the one hand and resentment on the part of the operators. The Capital market can only expand with effective cooperation between the exchange and the regulatory body. Operators must be assured of the SEC's interest in broadening and deepening the market. Operators and Investors become concerned when these financial institutions don't work together effectively.

**Trust Deficit in Fund Managers.** The genuineness of fund managers and their tendency to offer the wrong financial advice in a bid to create a market or sell securities and earn commission also features in the catalogue of the challenges facing the capital market. Necessarily, the regulation of operators must ensure a high level of integrity and compliance with the rules of due diligence. The Fund Managers' Association of Nigeria (FMAN) must engender good Fund management practice among practitioners.

**High cost of Transaction and Double taxation.** Market operators are burdened with several taxes, including the 10% withholding taxes paid to the government, Value Added Tax(VAT), and regulatory duties paid by operators. Economists note that the multiple charges can be disruptive and have led to a deadweight loss where the market is clearing at a sub-optimal equilibrium. To lower the high cost of transactions on the market and increase investor appeal, the federal government should offer a tax holiday on all stock market transactions.

**Outmoded set of guidelines in a Changing World.** With the rapid development of infrastructure and products, global capital markets are becoming more active. Older, more sophisticated exchanges use consolidation as a strategy to maintain their competitiveness. As a result, the growth of the capital market needs to be understood in the context of regional market integration. The bilateral MoU signed in 2002 has served as a vehicle for cooperation between the SECs of Ghana and Nigeria on various subjects. The Nigerian and Ghanaian Exchanges are the top stock exchanges in Anglophone West Africa. Other Exchanges trade securities, such as exchange-traded funds (ETFs) and futures contracts on commodities. Other tradable instruments that have plugged market gaps include asset-backed securities (ABS), mortgage-backed securities (MBS), real estate investment trusts (REITs), and ethical or halal capital markets instruments and hedge funds.

**Technology and Market Infrastructure.** A constant technological upgrade is pivotal to determining the time to market as it simplifies and accelerates the process. Capital market regulators need to bring in the technology that can transform operations and allows for innovation. Other Challenges facing the Capital Market include: Liquidity, Lack of Integration of Securities Settlement, Ownership and Operational Control, International Participation, Banking/Capital Market Financing, Operational Capacity, Regulatory Framework, Investor Protection. Legal Framework, Development of the Bond Market, Enhanced Corporate Governance, Market Research and Innovative Instruments and Ratings Culture

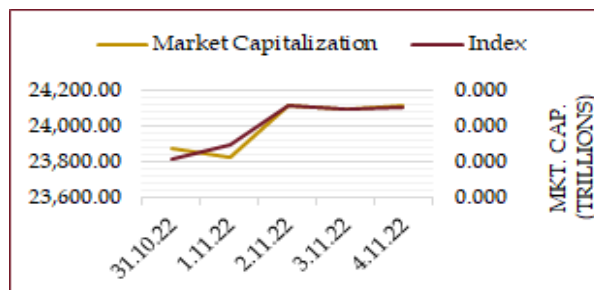
**Capital Market Summary .** Analysis of the market activity in the week ended November 04, 2022 shows that the Nigerian bourse ended the week on a positive note as market sentiment turned positive . The NGX All Share Index and market capitalization of listed equities thereby appreciated by 0.81% each from the opening figures of 43,912.64 and N23,918 trillion to close at 44,269.18 and N24,112 trillion respectively. Its year to date (YTD) return stands at +3.63%.

**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)	N16,186,615.62trn	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

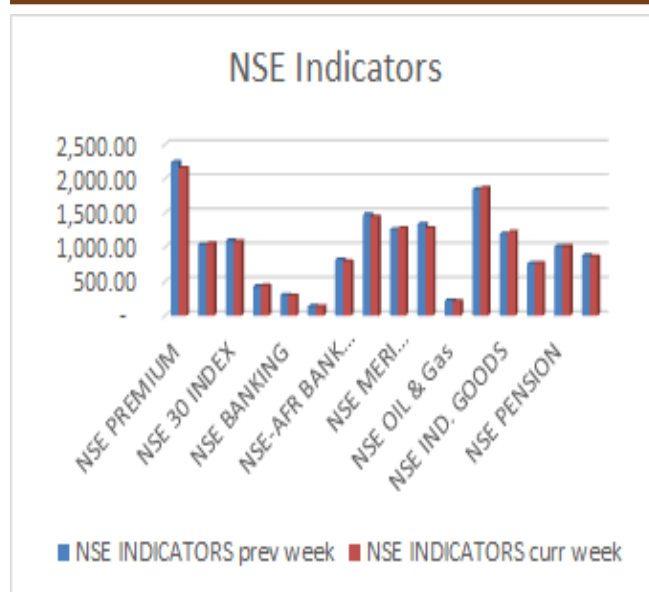
Source: Central Bank of Nigeria (CBN)

**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
VITAFOAM	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
TRANSORP	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**

**OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK**

**07/11/22-11/11/2022)**

The Nigerian bourse ended the week on a positive note as market sentiment turned positive. The NGXASI closed the week with a gain of **0.81%** as against a **-1.09%** loss recorded last week. The Nigerian Exchange recorded N194.2bn gain in naira terms. The Year-to-date, the NGXASI maintained its positive position to close the week with a gain of **+3.63%** as market capitalization settled at N24.112trn. **The appreciation may not be unconnected with attractive prices and impressive Q3 financial report, 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 continue with the 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.**

**GTCO, AFRIPRUD PLC, NB PLC, UBA PLC, ACCESS PLC. CADBURY, ZENITH, and LARFAGE WAPCO PLC.**

**RECOMMENDED STOCKS FOR THE WEEK**

Stocks	Current Price	Max. entry Price N=	Target price	% Change
AFRIPRUD	5.15	5.40	6.00	17.64
GTCO	17.90	19.00	25.00	42.05
ACCESS	7.95	8.30	12.00	50.94
UBA	7.00	7.00	10.00	42.86
ZENITH	19.85	21.00	30.00	51.13
CADBURY	11.35	12.00	17.00	49.78
NB PLC	39.00	40.00	50.00	28.21
WAPCO	22.25	23.00	30.00	34.83

**FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS**

Compa-ny	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 de-clared 2021 FY
GTCO MILLS	3RD QTER 30/09/2022	335.83	301.78	130.35	129.40	N4.55	N0.30 paid as in-terim 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 inter-im dividend
WAPCO	3rd qter 30/9/2022	269.85	219.20	44.90	40.40	N2.79	N1.00 PD IN YEAR 2021
ZENITH PLC	3RD QTER 30/9/2022	620.57	518.67	174.33	160.59	N5.55	N0.30 PD AS IN-TERIM DIVIDEND

So



**STOCK MARKET REPORT**

Domestic Market Review

**GAINERS FOR THE WEEK**

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

**LOSERS FOR THE WEEK**

Forty three stocks depreciated in price during the week as against thirty one stocks recorded in the preceding week. The top ten price losers during the week were:

**EXCHANGE TRADED PRODUCTS (ETP)**

A total of 4,577 units of Exchange Traded Products valued at N531,565.05 in 28 deals were traded during the week compared with 6,744 units of Exchange Traded Products valued at N1,724,698.47 traded last week in 26 deals.

**BOND MARKET**

A total of 121,712 units of FGN Bond valued at N10,219,807.59 in 16 deals were traded during the week compared with 1,983 units of FGN Bond valued at N1,735,929.68 traded last week in 6 deals

**MARKET SUMMARY**

	Curr. Week	Previous week	% Change
Volume	1,410 M	598.817 M	135.46
Value N=	N15,510 B	N14,234 B	-8.96
Total Gain	20	29	-31.03
Total Loss	43	31	-38.71
Deals	19.025	15.859	19.96
All Share Index	44,269.18	43,912.64	0.81
Market Cap.	N=24,112 Trillion	N=23,918 Trillion	0.81

**TOP TEN GAINERS**

Company	Op.Price	cl. Price	Gain	Gain in %
FTN COCOA	0.30	0.34	0.04	13.33
NAHCO	5.16	5.70	0.54	10.47
DANCEM	220.50	240.00	19.50	8.84
COURTVILLE	0.46	0.50	0.04	8.70
REGENCY	0.24	0.26	0.02	8.33
NEM	3.75	4.00	0.25	6.67
TRANSEXP	0.75	0.80	0.05	6.67
CHAMPION	3.30	3.45	0.15	4.55
GEREGU	115.00	120.00	5.00	4.35
LASACO	0.84	0.87	0.03	3.57

**TOP TEN LOSERS**

Company	Op.Price	Cl. Price	Loss	Loss in %
CHAMS	0.27	0.23	(0.04)	(14.81)
IKEJA HOTEL	1.08	0.94	(0.14)	(12.96)
CORNERSTON	0.50	0.44	(0.06)	(12.00)
SOV. TRUST	0.28	0.25	(0.03)	(10.71)
LIVESTOCK	1.13	1.01	(0.12)	(10.62)
CAVERTON	0.97	0.87	(0.10)	(10.31)
PRESTIGE	0.51	0.46	(0.05)	(9.80)
INT BREWERY	4.60	4.15	(0.45)	(9.78)
MRS	12.95	11.70	(1.25)	(9.65)
JBERGER	25.90	23.45	(2.45)	(9.46)

Source: Nigerian Stock Exchange (NSE) & Regency Research





## MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 04/11/2022												
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	7.00	10.67	343,645.75	45,000.00	388,645.75	- 21,904.25	- 5.34
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	19.85	33.35	974,481.16	139,500.00	1,113,981.16	- 168,668.84	- 13.15
1/1/2022	UCAP PLC	50,000	504,900.00	10.10	10.28	11.35	13.13	557,197.04	67,500.00	624,697.04	119,797.04	23.73
1/1/2022	GTCO PLC	50,000	1,326,000.00	26.52	27.01	17.60	34.48	864,023.60	135,000.00	999,023.60	- 326,976.40	- 24.66
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	240.00	340.78	11,782,140.00	990,000.00	12,772,140.00	- 334,860.00	- 2.55
1/1/2022	VITAFOAM	50,000	1,147,500.00	22.95	23.37	20.00	29.84	981,845.00	67,500.00	1,049,345.00	- 98,155.00	- 8.55
			21,458,250.00					19,084,612.19		20,709,112.19	- 749,137.81	- 3.49

The Equity Portfolio Model which closed the previous week at  $-7.63\%$  appreciated during the week, and closed at  $-3.49\%$  (YTD). This can be compared with NGX All Share Index which was  $2.80\%$  in the previous week appreciated and closed at  $3.49\%$  {YTD} during the week. The Equity Portfolio Model appreciated during the week but still 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

### 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 FAAC inflow improved system liquidity this week, pulling down the funding rate to a single digit. The Open Repo Rate (OPR) rate and Overnight rate (O/N) slumped to 8.50% and 8.83% on Friday with a week-on-week decline of -47.43% and -46.48% respectively

**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).**

Due to the CBN's redesigned policy, people with stashed naira notes rushed to exchange them for dollars this week, causing the naira to the dollar to spiral out of control at the parallel market. The naira reached a record low of 900/\$1 on Thursday and settled at N895/US\$1 on Friday. At the Investor and exporter FX window, the currency depreciated for most trading sessions and finally settled at N445.50 on Friday while at the NAFEX fixing, the naira settled at N443.75/\$1. On a weekly basis, the naira depreciated by +1.00% and +0.45% in both windows

**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			
	28-Oct-22	4-Nov-22	% Change
OPR (%)	16.17	8.5	-46.48%
O/N (%)	16.5	8.83	-47.43%

Source: Financial Markets Dealers Quotations (FMDQ)

**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			
	28-Oct-22	4-Nov-22	% Change
I&E FX	444.75	445.50	+1.00%
NAFEX (\$/N)	441.75	443.75	+0.45%

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.

This report is provided solely for the information of clients of RAML who are expected to make their own investment decisions. Regency Assets Management Limited accepts neither responsibility nor liability whatsoever for any loss arising from the use of this report. All opinions on this report constitute the authors best estimate judgment as of this date and are subject to change without notice. This report is for private circulation only. The report may not be reproduced distributed or published by any recipient for any