# REGENCY RESEARCH

WEEKLY MARKET REPORT

Monday December 02, 2022

# Entrepreneurship Opportunities in the Agricultural Sector

Agricultural entrepreneurship, sometimes known as agripreneurship, is the marketing and production of various agricultural goods and inputs. Agripreneurship 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 agripreneurship 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 agripreneurs that would not only reduce waste but increase food security and reduce Nigeria's reliance on imports. Some other Innovative Agripreneurship 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 December 02, 2022 shows that the Nigerian bourse ended the week on another positive note as market sentiment turned positive. The NGX All Share Index and market capitalization of listed equities thereby appreciated by 1.26% each from the opening figures of 47,554.34 and N25,902 trillion to close at 48,154.65 and N26,229 trillion respectively. Its year to date (YTD) return stands at +12.73%.

## MACROECONOMIC INDICATORS

GDP Growth Rate	+2.25%	November 25., 2022
Un-employment Rate	33.30%	November 25, 2022
Broad Money Supply (M2)	N38,026,970.00 rn	November 25, 2022
Money Supply (M1)	N16,186,615.62rn	November 25, 2022
Consumer Price Index (YOY)	21.09%	November 18, 2022
Monetary Policy Rate (MPR)	16.50%	November 22, 2022
Cash Reserve Ratio (CRR)	32.50%	November 22, 2022
Nigeria's Bonny Light Crude Oil	US\$96.21/Bar	November 10, 2022
Nigeria's Gross External Reserves	US\$37.40bn	November 10, 2022

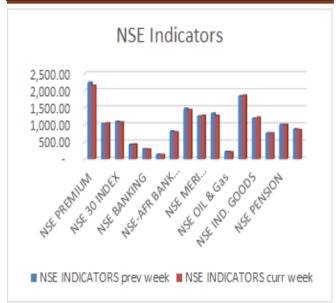
Source: Central Bank of Nigeria (CBN)

## ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

#### PERFORMANCE OF THE NSE INDICES





					STOCK	RECOMM	ENDE	D FO	R TRA	DING										
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
JBERGER	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
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	gter 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		27.9	15.3	0.1483	0.8032	0.07	<del>                                     </del>	gter 1			34,262,654,000	3.98		3.98	20.00
FCMB	2.99	3.29	10.03	12.57	3.588		3.88	_		<del> </del>			qter 1	0.15	5.02	248,968,936,000	0.60	0.15	0.75	25.02
LIVESTOCK	2.15		(52.56)	0.84	2.58	2,999,999,418	2.5	_	<u> </u>				qter 1			2,520,597,000	0.43		0.43	20.00
HONYWELL	3.40	2.27	(33.24)	7.34	4.08		4.45	_		<del>                                     </del>	<del>                                     </del>		qter 3	0.07	2.06	58,232,000,000	0.68	0.07	0.75	22.06
WE RECON	/MEND	THE ABO	/E STOC	KS WITH	THE CO	MPUTED TOTA	AL RET	URN II	N THE N	EXT 6 MO	NTHS									
Reasons fo	or select	ion																		
Strong fund	amentals	and consis	tent good	l dividen	d paymen	t in the last five	years													
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## **Domestic Market Review**

LARFAGE WAPCO PLC.

#### RECOMMENDED STOCKS FOR THE WEEK

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK 02/12/22-06/12/2022). The Nigerian bourse ended the week on a positive note as market sentiment continued with the positive trend. The NGXASI closed the week with a gain of 1.26% as against a 6.8% gain recorded last week. The Nigerian Exchange recorded N326.977bn gain in naira terms. The Year-to-date, the NGXASI maintained its positive position to close the week with a gain of +12.73% as market capitalization settled at N26.23trn. We expect the 3rd quarter positive earnings and the low prices to be a significant factor 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 underlisted stocks for purchase during the week. AFRIPRUD PLC,

NB PLC, UBA PLC, ACCESS PLC. FLOUR MILLS, CADBURY, and

Stocks	Current	Max. entry	Target	%
	Price	Price	price	Change
		N=		
AFRIPRUD	5.30	5.40	6.00	13.21
ACCESS	8.70	9.00	12.00	37.93
UBA	7.30	7.00	10.00	36.99
FLOUR	28.10	28.00	35.00	24.56
MILLS				
CADBURY	11.20	12.00	17.00	51.79
NB PLC	45.00	50.00	60.00	33.33
WAPCO	22.05	23.00	30.00	36.05

## FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS

Company	Result	Tur	nover		F	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
AFRIPRUD 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 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
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



# **Domestic Market Review**

# **GAINERS FOR THE WEEK**

Thirty seven stocks appreciated in price during the week, as against Forty nine stocks in preceding week. The top ten price gainers during the week were:

# LOSERS FOR THE WEEK

Twenty five stocks depreciated in price during the week as against Nineteen stocks recorded in the preceding week. The top ten price losers during the week were:

# **EXCHANGE TRADED PRODUCTS (ETP)**

A total of 2,400 units of Exchange Traded Product valued at N1,256,232.83 in 36 deals were traded during the week compared with 7,712 units of Exchange Traded Products Valued at N980,634.80 traded last week in 31 deals.

# **BOND MARKET**

A total of 9,687 units FGN Bond valued at N6,330,196.52 in 18 deals were traded during the week compared with 21,215 units of FGN Bond valued at N22,462,453.02 traded last week in 10 deals

## MARKET SUMMARY

	Curr. Week	Previous	% Change
		week	
Volume	839.978 M	711.618 M	18.04
Value N=	N12,418 B	N15,338 B	-19.04
Total Gain	37	49	-24.49
Total Loss	25	19	-31.58
Deals	16.183	16.662	-2.87
All Share Index	48,154.65	47,554.34	1.26
Market Cap.	N=26,229	N=25,902	1.26
	Trillion	Trillion	

## **TOP TEN GAINERS**

Company	Op.Price	cl. Price	Gain	Gain in %
THOMAS WY	0.36	0.44	0.08	22.22
PZ	9.50	10.90	1.40	14.74
NPF	1.50	1.71	0.21	14.00
WEMA	3.07	3.43	0.36	11.73
UACN	9.50	10.50	1.00	10.53
ARDOVA	13.90	15.25	1.35	9.71
NEM	4.12	4.50	0.38	9.22
UPDC REAL ES	2.75	3.00	0.25	9.09
CHAM	0.22	0.24	0.02	9.09
COURTVILLE	0.46	0.50	0.04	8.70

## **TOP TEN LOSERS**

Company	Op.Price	Cl. Price	Loss	Loss in %
BETA GLASS	43.95	39.60	(4.35)	(9.90)
SCOA	1.17	1.06	(0.11)	(9.40)
RED STAR	2.27	2.06	(0.21)	(9.25)
NB	48.95	45.00	(3.95)	(8.07)
HONYWELL	2.28	2.11	(0.17)	(7.46)
JAPAUL	0.29	0.27	(0.02)	(6.90)
RT BRISCOE	0.29	0.27	(0.02)	(6.90)
CORNERSTON	0.51	0.48	(0.03)	(5.88)
GEREGU	130.20	122.80	(7.40)	(5.68)
CAVERTON	0.88	0.83	(0.05)	(5.68)



# **MODEL EQUITY PORTFOLIO**

	PORTFOLIO VALUATION AS AT 02/12/2022											
				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	22.05	31.63	1,082,484.11	45,000.00	1,127,484.11	- 88,865.89	- 7.31
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	4.15	3.38	203,732.84	15,750.00	219,482.84	89,432.84	68.77
1/1/2022	DANGSUGAR	50,000	887,400.00	17.75	18.08	16.20	23.07	795,294.45	45,000.00	840,294.45	- 47,105.55	- 5.31
1/1/2022	ZENITH	50,000	1,282,650.00	25.65	26.13	22.75	33.35	1,116,848.69	139,500.00	1,256,348.69	- 26,301.31	- 2.05
1/1/2022	UCAP PLC	50,000	504,900.00	10.10	10.28	13.25	13.13	650,472.31	67,500.00	717,972.31	213,072.31	42.20
1/1/2022	GTCO PLC	50,000	1,326,000.00	26.52	27.01	21.40	34.48	1,050,574.15	135,000.00	1,185,574.15	- 140,425.85	- 10.59
1/1/2022	FLOUR MILLS	50,000	1,445,850.00	28.92	29.45	28.10	37.59	1,379,492.23	74,250.00	1,453,742.23	7,892.22	0.55
1/1/2022	DANCEM	50,000	13,107,000.00	262.14	266.99	262.30	340.78	12,876,897.18	990,000.00	13,866,897.18	759,897.17	5.80
1/1/2022	VITAFOAM	50,000	1,147,500.00	22.95	23.37	21.50	29.84	1,055,483.38	67,500.00	1,122,983.38	- 24,516.63	- 2.14
			21,458,250.00					20,569,652.75		22,194,152.75	735,902.75	3.43

The Equity Portfolio Model which closed the previous week at 2.67% appreciated during the week, and closed at 3.43% (YTD). This can be compared with NGX All Share Index which was 11.33% in the previous week appreciated and closed at 12.73% {YTD} during the week. The Equity Portfolio Model appreciated during the week but still closed lower than the market. 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. Target price is the price we want to sell.



## MARKET DEVELOPMENTS (LAST WEEK)

CBN Spends US\$11.42bn to Defend Naira between January and July

CBN has spent a total of US\$11.42bn in ensuring exchange rate stability at the authorized currency windows between January and July 2022, a +6.23% rise from \$10.75bn in the corresponding period of 2021. This year's substantial gains in the dollar have lessened the currency's value, pulling the naira down to a record low at the parallel market. The CBN spent US\$4.86bn in Q1 2022 and a lower amount of \$4.81bn in Q2 2022. The amount of forex sold for this period has been on a downtrend, monthly, -15.4% decline to US\$1.750bn in July from US\$2.07bn in June. Reviewing the windows, the interbank/invisible market and matured Swaps fell by -22.0% and -59.1%, respectively, in July, to US\$0.13 billion and US\$0.27 billion, below their respective levels in June. However, the Investors and Exporters (I&E), Secondary market Intervention Sales (SMIS), and Small and Medium Enterprises (SME) windows rose by 5.8%, 0.6%, and 65.7% to US\$0.44bn, US\$0.72bn, and US\$0.19bn in July. The CBN intervention has depleted the external reserves to US\$37.12bn from US\$40bn in 2021 despite ending forex sales to Bureaux De change in July 2021. Analysts expect the forex sales for the remaining months to be higher as the naira's depreciation worsened recently, with N444.62 at the NAFEX fixing and N445.30 at the I&E fixings as of November 30, 2022, compared to N418.45 and N419.50 as of June 30, 2022.

## **INVESTMENT BASICS**

#### Investments to hedge Inflation.

Inflation is a general increase in the price of goods and services in an economy and causes money saved today to be worth even less when it is needed tomorrow. It could sometimes be caused by a rise in the cost of production of goods and services or by excessive money in the economy amongst other reasons. According to the National Bureau of statistics (NBS), the inflation rate in Nigeria currently stands at 21.09%. This means every investment made in Nigeria has to beat this rate to be profitable.

Investments to hedge Inflation. We have seen in the above points that inflation has a negative real rate effect on investments. Money market/fixed-income securities such as FGN bonds, Treasury bills and fixed deposits are not enough to beat inflation. Investing in the capital market can offer diversification. This is not to say that inflation doesn't affect the capital market. The beauty of the capital market is that there are ways to invest in it that help you beat inflation.

- 1. Investment in Equity. Investment in stock is more risky than fixed income investments but also offers potential for higher returns. You need to buy stock of a company that is able to transfer its additional production cost due to inflation to its customers without affecting its profitability. You also need to carry out a fundamental analysis of the company to analyze its balance sheets, cash flow and income statements to determine the intrinsic value of the stock before making your decision. To invest in stocks, you can contact any dealing member listed on NGX or you can download their trading apps online.
- 2. Investment in Exchange Traded Funds (ETFs). Buying individual stock could be time consuming for busy investors so buying into exchange traded funds (ETFs) that track the performance of a benchmark index, basket of securities or commodities could be ideal. ETFs also make for diversification of your investment portfolio. The NGX currently has 12 listed ETFs. These ETFs invest in Equities, Bonds and Gold.
- 3. Invest in Mutual funds. Mutual funds pool resources from different investors and invest them in various securities like Bonds, stock, etc. They are managed by licensed professional fund managers who assign units of shares to each contributor to the fund and pay dividend periodically. The price of a mutual fund is called the Net Asset Value (NAV). Mutual funds also diversify a portfolio by exposing the investor to different company stock.
- 4. Invest in Gold. Historically, Gold has always weathered inflation. It is an important member of an inflation-proof investment portfolio. This is because gold prices don't drop easily even when other security prices fall. Gold is also a tangible asset that can be stored for long periods. Buying Gold can be very expensive for you as a retail investor so you can buy into an ETF that tracks gold prices. An example is the NEWGOLD ETF. You could also invest in shares of mining companies that extract Gold and get paid dividend periodically. You can even trade gold prices in global markets through CFDs through CFD brokers.
- 5. Invest in Commodities. Commodities include oil, grains, coffee etc. and since inflation is synonymous with an increase in prices of goods and services, companies that produce these commodities could easily pass the increased cost of production to their customers. However, commodities are affected by various factors including natural disasters, wars, sanctions etc. so they carry a potential risk. To invest in commodities, you could either trade them on commodities & futures market, or buy shares of companies that produce them or buy into ETFs that track commodity indices and shares. The commodity shares/ETFs of Nigerian Companies can be bought from the NGX exchange. Or you can trade spot, futures on the commodity exchanges like AFEX commodity exchange, NCX (Nigeria Commodity Exchange), LCFE (Lagos Commodities and Futures Exchange) where agricultural commodities such as Maize, Cocoa, Sesame, Soybean, Rice, cashew, Sorghum, etc. are traded. On LCFE, you can also trade on agriculture commodities, energy and solid minerals with various instruments like Asset back Notes, commercial papers, ETNs.
- 6. Invest in Real Estate Investment Trusts (REITs). REITs are a collective investment scheme where the fund manager gathers investor funds and invests in real estate property development and rentals. Each investor is allocated units of shares according to how much he contributed and is paid dividends periodically no matter how the shares perform. Nigeria has 3 REITs registered namely Skye shelter fund, Union Homes and UPDC and they are traded on the NGX. Since building a house in Nigeria is very expensive REITs are a cheaper way to gain exposure to the real estate market. There are 3 types of REIT in Nigeria namely: Equity REIT- the REIT company purchases and manages properties, Mortgage REIT- company invests in mortgages on properties, Hybrid REIT- a combination of Equity and mortgage REIT. Real estate withstands inflation since house rents can be increased by landlords to reflect the current economic reality. Real estate carries its own risk as the houses can get burnt, vandalized and require maintenance frequently.



## FIXED INCOME MARKET REPORT

## Money Market.

Interbank rates stayed elevated for most of the week, then fell to a single digit on Thursday with OMO maturities. On Friday, the rates settled at 11.38% and 13.00% respectively. The Open Repo Rate (OPR) rate declined by 7.10% weekly while the Overnight rate (O/N) increased by 2.93%

## **Treasury Bills.**

Despite the MPR hike preceding the primary auction, the DMO sold exactly N213.43bn worth of notes offered, indicating a substantial investor's risk appetite. The 364-day tenor had an oversubscription of 147%, while the 91-day and 182-day were undersubscribed by -63% and -93%, respectively. The rates on the 91-day and 182-day stayed unchanged at 6.50% and 8.05%, while the 364-day rose by 85bps to 14.84%

# **Foreign Currency (EXCHANGE RATE).**

Naira appreciated against the US dollar by 22bps to N445.33 at Investor and Exporter FX windows this week At the NAFEX window, the naira also appreciated by 9bps to N444.10, week-on-week

## **OIL PRICE.**

The Nigeria's oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$79.98 per barrel during the week, compared with \$76.31 recorded in the previous week.

#### NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate								
25-Nov-22 2-Dec-22 % Change								
OPR (%)	OPR (%) 12.25 11.38 -7.10%							
O/N (%) 12.63 13 +2.93%								

Source: Financial Markets Dealers Quotations (FMDQ)

## TREASURY BILLS RATES

#### NTB AUCTION November 22, 2022

Nigerian Treas	sury Bills Aud				
Tenor	Amount offered (N'bn)	Total subscriptio n (N'bn)	Amount sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	32.28	11.97	11.68	6.5	6.5
182-days	41.25	3.05	1.82	8.05	8.05
364-days	139.89	345.23	199.93	14.84	13.99

Source: Central Bank of Nigeria (CBN)

#### MONEY MARKET RATES

Average Benchmark Yields								
25-Nov-22 2-Dec-22 % Change								
I&E FX	I&E FX 446.33 445.33 -0.22%							
NAFEX (\$/N) 444.5 444.1 -0.09%								

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

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