



Monday December 09, 2022

**Implications of MPC's Rate Hike**

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) recently unanimously voted to raise the Monetary Policy Rate (MPR) by 100bp from 15.5% to 16.5% while leaving holding all other policy parameters. The Monetary Policy Rate, the reference rate that guides, has been raised by 500bp since May. The MPC considered the persistence of elevated inflation, the expected pre-election spending, and spending associated with the festive season.

We believe the decision would reduce the growth forecast for Q4 2022, with higher lending costs threatening private-sector productivity, especially in interest rate-sensitive sectors. Along with the planned ad-valorem tax on sweetened beverage products, the elevated interest rate regime could force many businesses in that sector to downsize.

This could affect unemployment and poverty levels in the country. On the flip side, commercial banks will benefit from the higher interest rate decision as they are expected to adjust lending rates to reflect the new interest rate while also grossing up for CRR debits. The banks being institutional investors, would also increase their margins by taking advantage of the high-yield environment. Retail investors are expected to undertake further portfolio adjustments, which could spur another round of selloffs in the equity market. The Monetary Policy Committee's decision suggests that incoming inflation numbers would be the primary determinant of the size of future rate hikes.

**Capital Market Summary.**

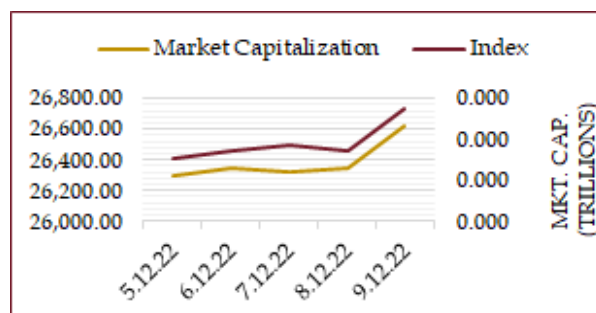
Analysis of the market activity in the week ended December 02, 2022 shows that the Nigerian bourse ended the week on another positive note as market sentiment remained positive. The NGX All Share Index and market capitalization of listed equities thereby appreciated by 1.51% each from the opening figures of 48,154.65 and N26,229 trillion to close at 48,881.93 and N26,625 trillion respectively. Its year to date (YTD) return stands at +14.43%.

**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 trn	November 25, 2022
Money Supply (M1)	N16,186,615.62trn	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\$88.18/Bar	December 09, 2022
Nigeria's Gross External Reserves	US\$36.90bn	December 09, 2022

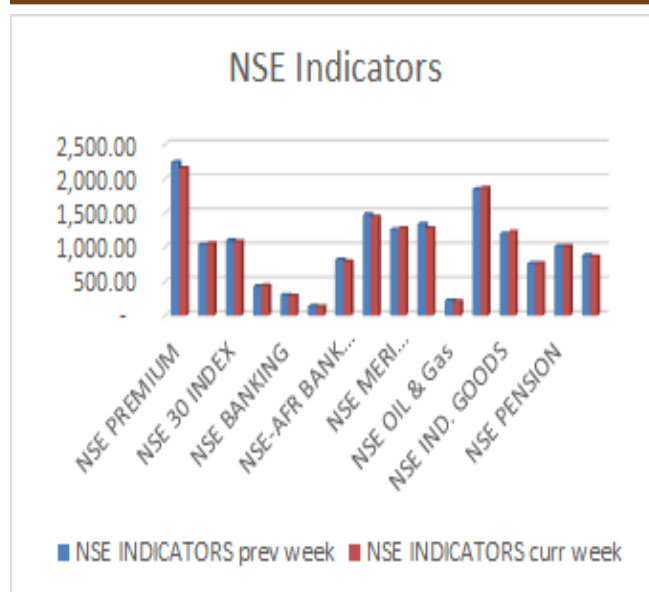
Source: Central Bank of Nigeria (CBN)

**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
GTCCO	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
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
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

**RECOMMENDED STOCKS FOR THE WEEK**

**OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK**

**09/12/22-16/12/2022).**

For the third consecutive weeks, the Nigerian bourse ended the week on another positive note as market sentiment turned positive. The NGXASI closed the week with a gain of **1.51%** as against a **1.26%** gain recorded last week. The Nigerian Exchange recorded N396.13bn gain in naira terms. The Year-to-date, the NGXASI maintained its positive position to close the week with a gain of **+14.43%** as market capitalization settled at N26.624trn. We expect the impressive 3rd quarter earnings, the low and attractive 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 as we are getting closer to the end of the financial year. 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
ACCESS	8.55	9.00	12.00	40.35
UBA	7.40	7.50	10.00	35.14
FLOUR MILLS	27.60	28.00	35.00	26.81
CADBURY	10.70	12.00	17.00	58.88
NB PLC	38.50	50.00	60.00	55.84
WAPCO	21.80	23.00	30.00	37.61
NAHCO	5.80	6.00	8.00	37.93

**NB PLC, UBA PLC, ACCESS BANK PLC. FLOUR MILLS, CAD-BURY, NAHCO, and LARFAGE WAPCO PLC.**

**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
CADBURY	3RD QTER 30/09/2022	42.54	30.05	2.82	1.51	N1.49	N0.50 div. paid in 2021 FY
NAHCO PLC	3RD QTER 30/09/2022	11.28	7.45	2.11	0.725	N1.29	N0.41div. was declared 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 INTERIM DIVIDEND

Source: Nigerian Stock Exchange (NSE) & Regency Research

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

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

**LOSERS FOR THE WEEK**

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

**EXCHANGE TRADED PRODUCTS (ETP)**

A total of 1,169 Exchange Traded Products valued at N500,331.26 in 26 deals were traded during the week compared with 2,400 units of Exchange Traded Product valued at N1,256,232.83 traded last week in 36 deals.

**BOND MARKET**

A total of 20,863 units of FGN Bond valued at N22,123,683.56 in 32 deals were traded during the week compared with 9,687 units FGN Bond valued at N6,330,196.52 traded last week in 18 deals

**MARKET SUMMARY**

	Curr. Week	Previous week	% Change
Volume	1,225 M	839.978 M	45.84
Value N=	N15,243 B	N12,418 B	22.75
Total Gain	31	37	-16.22
Total Loss	26	25	-4.00
Deals	15.317	16.183	-5.35
All Share Index	48,881.93	48,154.65	1.51
Market Cap.	N=26,625 Trillion	N=26,229 Trillion	1.51

**TOP TEN GAINERS**

Company	Op.Price	cl. Price	Gain	Gain in %
BUA	77.00	91.70	14.70	19.09
ROYALEX	0.72	0.81	0.09	12.50
ETI	10.05	11.20	1.15	11.44
GUINNESS	63.00	69.30	6.30	10.00
PRESTIGE	0.42	0.46	0.04	9.52
THOM. WTA	0.44	0.48	0.04	9.09
ETERNA	5.92	6.44	0.52	8.78
PHARM, DEK	1.85	2.00	0.15	8.11
LINKAGE	0.40	0.43	0.03	7.50
CHAMPION	3.50	3.75	0.25	7.14

**TOP TEN LOSERS**

Company	Op.Price	Cl. Price	Loss	Loss in %
SCOA	1.06	0.79	(0.27)	(25.47)
NB	45.00	38.50	(6.50)	(14.44)
UNITY	0.57	0.49	(0.08)	(14.04)
CAPITALHOT	3.06	2.76	(0.30)	(9.80)
GEREGU	122.80	111.00	(11.80)	(9.61)
COURTVILLE	0.50	0.46	(0.04)	(8.00)
ABC	0.27	0.25	(0.02)	(7.41)
WEMA	3.43	3.26	(0.17)	(4.96)
CADBURY	11.20	10.70	(0.50)	(4.46)
CHAM	0.24	0.23	(0.01)	(4.17)

Source: Nigerian Stock Exchange (NSE) & Regency Research





## MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 09/12/2022												
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	21.80	31.63	1,070,211.05	45,000.00	1,115,211.05	- 101,138.95	- 8.31
1/1/2022	UBA	50,000	410,550.00	8.21	8.36	7.40	10.67	363,282.65	45,000.00	408,282.65	- 2,267.35	- 0.55
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	22.10	33.35	1,084,938.73	139,500.00	1,224,438.73	- 58,211.28	- 4.54
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	21.00	34.48	1,030,937.25	135,000.00	1,165,937.25	- 160,062.75	- 12.07
1/1/2022	FLOUR MILLS	50,000	1,445,850.00	28.92	29.45	27.60	37.59	1,354,946.10	74,250.00	1,429,196.10	- 16,653.90	- 1.15
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					20,486,195.93		22,110,695.93	652,445.92	3.04

The Equity Portfolio Model which closed the previous week at 3.43% depreciated during the week, and closed at 3.04% (YTD). This can be compared with NGX All Share Index which was 12.73% in the previous week appreciated and closed at 14.43% {YTD} during the week. The Equity Portfolio Model depreciated during the week and 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.

Source: Nigerian Stock Exchange (NSE) & Regency Research



## STOCK MARKET REPORT

### 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

### Building an Investment Portfolio

An investment portfolio, simply defined, is a collection of all the assets an investor owns. It can be likened to a roof under which you house all your investments. A good investment portfolio will be diversified and contain a wide variety of assets such as Stocks, Bonds, Mutual Funds, Real Estate, etc.

#### Types of Investment Portfolios

There are different types of investment portfolios and they are built by taking the financial goals and risk appetite of the investor into consideration.

1. **The Aggressive Portfolio** - This type of portfolio is specially designed for investors with a high tolerance for risk. Investments that fall under this category are high risk but also have the potential to yield high returns. High beta stocks are an example of this kind of asset. They are more volatile and experience a greater fluctuation in price when compared to the overall market.
2. **The Defensive Portfolio** - This category is for people who have a low-risk appetite. Building a defensive portfolio usually involves investing in stocks of companies that will stay in business no matter what. These are companies that make products that are important for everyday survival.
3. **The Income Portfolio** - The goal of an income portfolio is to generate positive cash flow. This includes stocks that pay regular dividends and provide a steady source of income for the investor. An income portfolio can serve as a great supplement to an investor's salary or retirement income.
4. **The Speculative Portfolio** - This portfolio is also tailored to an investor with a high-risk tolerance. It basically involves pre-empting which stocks are likely to do well. An example of a speculative investment is an initial public offering (IPO) of a new tech company. Financial advisors usually advise investors against putting more than 10% of their investment funds into such assets.
5. **The Hybrid Portfolio** - The hybrid portfolio, as the name implies, is a combination of different assets. This portfolio encourages diversification and provides the investor with a diversified portfolio which can include stocks, mutual funds, bonds, commodities, and real estate. This portfolio category comes with the advantage of flexibility for the investor; it also reduces the negative impact of losses from one asset class.

#### How to start building an investment portfolio

Building an investment portfolio can seem like an uphill task, but it does not have to be. The first step is to identify your financial goals.

1. **Identifying your unique goals** will determine if your money should go into short-term or long-term investments. It will also predict what kind of portfolio would be best suited to your needs. A portfolio tailored towards retirement will be different from one that is intended to provide income within the next five years.
2. **Assess your risk tolerance** - It is also important to assess your risk tolerance. If you are risk-averse, this means you are careful about putting your money at risk for promising rewards. Therefore, your money should be invested as safely and predictably as possible. However, if you have a high tolerance for risk, you are open to taking risks for the possibility of making greater returns.
3. **Examine your investing Skills** - Once you have assessed your risks, you would need to honestly examine your investing skills, to establish whether you can build a portfolio yourself or would require the support of a Financial Adviser.
4. **Decide on asset allocation** - How much of your money will go into each investment? How do you plan to balance your portfolio and continue to diversify as time goes on? These are all questions that must be answered. In conclusion, the major keys to keep in mind when building an investment portfolio are **to identify your goals, assess your risk appetite and talk to an expert.**

Source: Nigerian Stock Exchange (NSE) & Regency Research



**FIXED INCOME MARKET REPORT**

**Money Market.**

The robust liquidity made the funding rates trend lower this week. The Open Repo Rate (OPR) rate and Overnight rate (O/N) rose on Friday to 13.63% and 14.13%, a weekly rise of +19.77% and +8.69% respectively

**Treasury Bills.**

Robust liquidity favoured the NTB Primary Auction during the week, generating an oversubscription of N104.36bn against N54.36bn offered, a +92% increase. Investor's interest in the NTB primary auctions rose in November, reversing the low subscription in the previous months. Rates on the 91-day, 182-day, and 364-day notes fell by 1bp, 5bps, and 179bps to settle at 6.49%, 8%, and 13.05%, respectively. The bid-to-cover ratio across the three papers stood at 3.38x, 1.47x, and 14.05x

**Foreign Currency (EXCHANGE RATE).**

The Naira depreciated at both windows this week, settling at N446.50/ US\$1 at the I&E window and N444.72/US\$1 at the NAFEX window. A week-on-week loss of 0.26% and 0.14% respectively

**OIL PRICE.**

The Nigeria's oil price (WTI) depreciated during the week under review. According to the latest data, the oil price closed at \$72.02 per barrel during the week, compared with \$79.98 recorded in the previous week .

**NIGERIAN INTER BANK OFFER RATE NIBOR**

Money Market Rate			
	2-Dec-22	9-Dec-22	% Change
OPR (%)	11.38	13.63	19.77%
O/N (%)	13	14.13	+8.69%

Source: Financial Markets Dealers Quotations (FMDQ)

**TREASURY BILLS RATES**

**NTB AUCTION December 10, 2022**

Nigerian Treasury Bills Auction					
Tenor	Amount offered (N'bn)	Total subscription (N'bn)	Amount sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	1.03	3.48	1.03	6.49	6.5
182-days	1.94	2.85	1.94	8	8.05
364-days	51.39	722.23	101.39	13.5	14.84

**MONEY MARKET RATES**

Average Benchmark Yields			
	2-Dec-22	9-Dec-22	% Change
I&E FX	445.33	446.5	0.26%
NAFEX (\$/N)	444.1	444.72	0.14%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

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