

REGENCY RESEARCH

Monday April 03, 2023

Nigeria's Total Public Debt Stock Grows to N46.25trn.

According to Debt Management Office, Nigeria's total debt stock rose to N46.25trn in 2022, a 7trn increase from N39.5trn recorded in 2021. A breakdown of the debt stock shows N27trn accounted for domestic debt stock and N18.7trn for external debt stock. To cover the 2022 budget deficit and project execution, new borrowings were made that raised the total debt stock. The total public debt to Gross Domestic Product (GDP) grew slightly to 23.20% on December 31, 2022, from 22.47% in 2021. However, the ratio of 23.20% is still within the 40% limit self-imposed by the country and the 55% limit recommended by the World Bank/IMF. The domestic debt excluding the sub-nationals rose to 22trn with the FGN bond being the highest at 16.4trn while others account for N5.6trn. For external debt, Eurobond has the highest at \$15.6bn, followed by World Bank with 13.4bn, International Monetary Fund at US\$3.2bn, and Bilateral loans have US\$5bn. The report included debt servicing, N2.5trn was spent on domestic debt and US\$2.41bn on external debt servicing, higher than N2.05trn and US\$2.12bn spent in 2021 respectively. There is growing worry about Nigeria's debt sustainability, especially with the possible securitization of N23trn Ways and Means that would bring the total public debt above N77trn and debt servicing taking a large proportion of revenue. Although the securitization is yet to be approved as it violates section 38 of the CBN Act, some analysts have proposed a different approach, CFG proposed the creation of a resolution trust vehicle SPV that will absorb the ways and means like AMCON instead of crowding out the private sector with the N23trn issuance. Analysts believe the resolution of the trust vehicle is more plausible as it prevents the sudden spike in total public debt that would have affected credit rating and eroded a large portion of revenue.

Capital Market Summary.

Analysis of the market activity in the week ended March 31, 2023 shows that the Nigerian equity market closed the week on a negative note for the third consecutive weeks. The NGX All Share Index and market capitalization of listed equities depreciated by 1.20% each from the opening figures of 54,892.53 and N29,903 trillion to close at 54,232.34 and N29,544 trillion respectively. Its year to date (YTD) return stands at +5.82%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+3.10%	December 31, 2022
Un-employment Rate	33.30%	December 31, 2022
Broad Money Supply (M2)	N52,921,785.20	February , 2023
Money Supply (M1)	N20,958,760.95	February, 2023
Consumer Price Index (YOY)	21.91%	February 2023
Monetary Policy Rate (MPR)	18.00%	March 20, 2023
Cash Reserve Ratio (CRR)	32.50%	March 20, 2023
Nigeria's Bonny Light Crude Oil	US\$79.57/Bar	March 30, 2023
Nigeria's Gross External Re-	US\$35.53bn	March 30, 2023

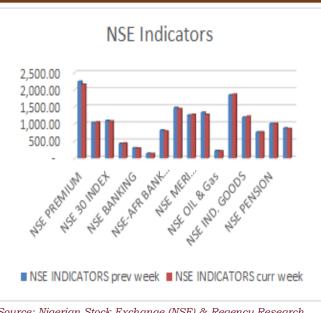
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NSE INDICES





Domestic Market Review

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK 03/04/23-07/04/2023)

RECOMMENDED STOCKS FOR THE WEEK

The Nigerian equity market ended the week on a negative note as market sentiment remained negative. The NGXASI closed the week with a loss of 1.54% as against a 0.08% loss recorded last week due majorly to profit taking. The Nigerian Exchange recorded N359.65b loss in naira terms. In Year-to-date, the NGXASI closed positive at close of the week with a gain of 5.82% as market capitalization settled at N29.54trn. The impressive end of year results released so far by some companies and the attractive prices of some blue chip companies are impacting positively on the market. The market will likely move upward during the week as investors may take position on stocks that declared good results and pay good dividend to investors. In the coming week, we expect the market to return to positive note as we expect more impressive end of year returns. We will continue to advise investors to trade only on fundamentally justified stocks as the weak macro economic environment remains a significant challenge for listed companies. In the light of the above we want to recommend the under listed stocks for purchase during the week.

UCAP PLC, UBA PLC, ACCESS BANK PLC. NAHCO, NB PLC, FIDELITY BANK plc, NESTLE PLC, DANGOTE CEMENT PLC, AND WAPCO PLC

Stocks	Current Price	Max. entry Price N=	Target price	% Change
UCAP PLC	11.20	12.00	15.00	33.93
ACCESS	9.00	10.00	12.00	33.33
UBA	8.35	9.00	10.00	19.76
NAHCO PLC	8.10	8.50	10.00	23.46
NB PLC	37.00	40.00	60.00	62.16
NESTLE PLC	1,080.30	1,100	1,500	38.85
FIDELITY	5.35	5.20	6.00	12.15
WAPCO PLC	26.00	26.00	30.00	15.38
DANCEM	270.00	300.00	350.00	29.63

Company	Result	Tur	nover		PAT					
		Current		Current						
		N=bill	Last yr N=bil	N=bill	Last yr N=bil	Curr EPS	Last Div. Paid			
UCAP PLC	Audited						N1.50 pd as divider			
	31/12/2022	26.90	18.07	9.65	11.26	N1.61	inFY 2022			
NAHCO PLC	Audited						N1.20 div. declared			
	31/12/2022	16.71	10.23	2.67	0.772	N1.36	2021 FY			
WAPCO PLC	Audited						N2.00 paid as fina			
	31/12/2022	373.25	293.09	53.65	51.00	N3.33	dividend in 2022 FY			
NESTLE PLC	Audited						N36.50 FINAL DIV P			
	31/12/2022	446.82	351.82	48.97	40.04	N61.77	IN 2022 FY			
ACCESS	3RD Qter						N1.00 pd as both inte			
BANK PLC	31/09/2022	906.93	606.57	137.01	121.89	N3.85	im and final dividend			
DANCEM	Audited						N20 PD AS DIVIDEN			
	31/12/2022	1,618	1,384	382.31	364.44	N22.27	IN 2021 FY			
FIDELITY	4TH qter						N0.35 DIVIDEND PD I			
BANK PLC	31/12/2022	335.89	250.77	47.16	35.58	N0.35	2021 FY			
UBA PLC	3RD QTER						N1.00 Pd as Int ar			
	30/9/2022	607.98	461.86	116.04	104.60	N3.27	final div. in 2021 FY.			
NB PLC							N1.43 total divider			
	Audited	550.64	437.29	13.17	12.67	N1.68	for 2022 FY			

FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS

Committed to grow your wealth



Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 15,217 units of Exchange Traded Product valued at N4,565,211.92 in 47 deals were traded during the week compared with 6,141 units of Exchange Traded Products valued at N1,838,196.76 traded last week in 47 deals.

BOND MARKET

A total of 8,506 units of FGN Bond valued at N8,125,729.97 in 15deals were traded during the week compared with 20,336 units of FGN bond valued at N20,464,541.83 traded last week in 20 deals

MARKET SUMMARY

	Curr. Week	Previous	% Change
		week	
Volume	2,071 M	1,689 M	22.61
Value N=	N17,562 B	N11,066 B	58.70
Total Gain	37	28	32.14
Total Loss	30	27	-11.11
Deals	17,917	14,019	27.81
All Share Index	54,232.34	54,892.53	-1.20
Market Cap.	N=29,544	N=29,903	-1.20
	Trillion	Trillion	

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
OANDO	4.25	5.70	1.45	34.12
IKEJAHOT	1.03	1.22	0.19	18.45
CHAMPION	4.90	5.55	0.65	13.27
ROYALEX	0.69	0.78	0.09	13.04
UPDC	0.96	1.07	0.11	11.46
CHIPLC	0.62	0.68	0.06	9.68
NNFM	11.00	11.95	0.95	8.64
SUNU	0.48	0.52	0.04	8.33
LINKAGE	0.40	0.43	0.03	7.50
STERLING	1.50	1.60	0.10	6.67

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
PRESTIGE	0.45	0.40	(0.05)	(11.11)
NCR	2.35	2.12	(0.23)	(9.79)
CWG	0.96	0.87	(0.09)	<mark>(</mark> 9.38)
DANSUGAR	18.30	17.00	(1.30)	(7.10)
UCAP	12.00	11.20	(0.80)	(6.67)
DANCEM	288.00	270.00	(18.00)	(6.25)
CAP	19.00	17.90	(1.10)	(5.79)
AIRTEL	1,545.70	1,479.00	(66.70)	(4.32)
SEPLAT	1,200.00	1,150.00	(50.00)	(4.17)
CHAM	0.25	0.24	(0.01)	(4.00)





					STOC	RECOMME	NDE	D FOF	<u>r trad</u>	ING										
STOCKS	Mkt price		Cap. App		6 mths	No of Shares in	52wks	52 wks	PAT N'b	PAT N'b	EPS N=	EPS N=	Period	Div. pd		NET ASSETS	Exp. Retur	Exp return	Total	Total
	31/12/21	30/12/2022		N=	Exp Price	lssue	high	low	Current	Last year	Current	Last year		N=	%	N=bill.	cap. Appr	Div. N=	Ret. N=	Ret. %
UBA	8.05	7.60	(5.59)	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	24.00	0.21	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	23.00	(11.54)	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	8.50	(8.60)	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	10.90	(4.39)	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	4.35	70.59	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 13.20	16.05 11.10	(7.76) (15.91)	11.32 6.08	20.88 15.84	12,146,878,241	18.75 16.00	15.00	8,870 0.38637	8,302 0.72320	0.73	0.68	qter 1	1.00	5.75 3.03	137,500,909,000	3.48	1.00 0.40	4.48 3.04	25.75
NASCON UCAP	9.90	14.00	41.41	3.97	15.84	2,469,438,378 6,000,000	16.00	11.70 5.85	2,309	1,659	0.58 1.54	1.09 1.11	qter 1 qter 1	0.40	15.15	23,849,201,000	2.64 1.98	1.50	3.48	23.03 35.15
AFRIPRUD	6.35	6.00	(5.51)	4.08	7.62	2,000,000,000	8.15	5.75	0.43147	0.38135	0.20	0.19	ater 1	0.50	7.87	8,164,549,000	1.56	0.50	1.77	27.87
CADBURY	8.80	11.90	35.23	8.08	10.56	1,878,202,000	17.85	7.65	1,542	0.24158	0.20	0.13	qter 1	0.50	5.68	15,177,904,000	1.27	0.50	2.26	25.68
UNILEVER	14.50	11.50	(20.00)	11.76	10.30	5,745,006,000	17.00	11.00	1,796	(0.49196)	0.32	(0.09)	qter 1	0.50	3.45	67,557,964,000	2.90	0.50	3.40	23.08
PZ	6.10	11.35	86.07	9.87	7.32	3,970,476,000	13.70	5.25	5,641	1,017	1.42	0.26	gter 3	0.25	4.10	39,204,100,000	1.22	0.50	1.72	28.20
NAHCO	3.74	6.40	71.12	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	28.40	0.18	40.40	34.02	4,100,379,605	41.45	27.50	15,592	8,161	3.85	1.84	gter 3	2.15	7.58	165,658,000,000	5.67	1.65	7.32	25.82
DANCEM	257.00	261.00	1.56	60.76	269.85	17,040,507,405	300	27.30	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	24.00	0.21	24.59	28.74	16,107,795,496	33.20	20.05	17,558	9,136	1.09	0.57	gter 1	2.00	8.35	396,118,753,000	4.79	2.00	6.79	28.35
GSK	5.95	6.15	3.36	7.94	7.14	1,195,878,488	8.50	5.35	0.19437	0.65881	0.16	0.55	ater 1	0.45	7.56	9,493,815,000	1.19	0.40	1.59	26.72
MAY BAKER	4.02	4.30	6.97	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	9.00	44.69	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	41.00	(18.00)	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	69.30	77.69	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	24.50	9.62	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	20.45	(9.11)	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	18.40	41.54	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	193.00	(13.02)	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	6.69	32.48	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	165.00	16.20	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	137.50	56.61	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	5.95	(24.68)	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	4.50	•	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	215	9.14	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	1.13	17.71	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	25.05	25.88	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	3.85	28.76	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	1.09	(49.30)	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	2.34	(31.18)	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
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			STUCK	. МІТЦ Т		PUTED TOTAL R	FTIIDM		E NEYT C	ΜΟΝΙΤΙΙς										
			JIUCKS			TUILD IUIALK														
Reasons fo		-	المحمر ا	الرياما مع ا																
-			-			n the last five year		1.J			_									
	ne EPS are good showing that they can pay dividend they paid last year while some of them are performing better.																			
	he Current PAT show they are performing well and they may pay better dividend than the previous year																			
	he Book value are good showing that some of the stocks are underpriced, hence, there is room for capital appreciation.																			
	ne wide variance between the 52weeks low and 52 weeks high for some of the stocks show high potential for capital appreciation																			
	I the stocks have good investors sentiment																			
				-	-	easy entry and ex														
The speculat	tive stocks	may not m	eet all th	e above c	onditions	, however, the re	cent per	forman	ce and so	und invest	ors percept	tion may s	park cap	ital appro	eciation					
Stocks select	cks selected are over 50.00% of of the total market capitalisation																			
											Sour	e. Nic	erian	Stock	Exch	ange (NSE)	& Rea	encu R	eseara	^h



	MODEL EQUITY PORTFOLIO											
		Portfoli	O VALUATION A	S AT 31/03/	2023							
				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	1,200,000.00	24.00	24.44	26.00	31.20	1,276,398.50	90,000.00	1,366,398.50	<mark>1</mark> 66,398.50	13.87
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	8.35	9.88	409,920.29	9,000.00	418,920.29	38,920.29	10.24
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	5.35	5.66	262,643.54	9,000.00	271,643.54	54,143.54	24.89
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	17.00	20.87	834,568.25	67,500.00	902,068.25	99,568.25	12.41
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	25.85	31.20	1,269,034.66	13,500.00	1,282,534.66	82,534.66	6.88
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	11.20	18.20	549,833.20	67,500.00	617,333.20	- 82,666.80	- 11.81
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	25.50	29.90	1,251,852.38	13,500.00	1,265,352.38	115,352.38	10.03
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	31.00	36.92	1,521,859.75	96,750.00	1,618,609.75	<mark>198,609.75</mark>	13.99
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	270.00	339.30	13,254,907.50	900,000.00	14,154,907.50	1, <mark>104,907.5</mark> 0	8.47
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	18.00	26.59	883,660.50	68,400.00	952,060.50	- 70,439.50	- 6.89
			21,142,500.00					21,514,678.56		22,849,828.56	1,707,328.56	8.08

The Equity Portfolio Model which closed the previous week at 12.41% depreciated during the week, and closed the week at 8.08% (YTD). This can be compared with NGX All Share Index which closed at 7.11% in the previous week, but depreciated during the week and closed at +5.82% {YTD}. The EPM depreciated during the week under review and still over performed the All Share Index of the market. Some of the stocks that contributed positively are ZENITH, WAPCO and GTCO. 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)

Oando Plc Announces Proposed Scheme of Arrangement; Receives Offer to Acquire Shares of Minority Shareholders

Oando Plc said that it has received an offer from its core shareholder - Ocean and Oil Development Partners Limited ("OODP") - to acquire the shares of all minority shareholders in Oando. The Company will subsequently be delisted from NGX and JSE and reregistered as a private company. It is intended that the Transaction will be executed through a Scheme of Arrangement, in accordance with Section 715 of the Companies and Allied Matters Act, 2020 (as amended), and other applicable laws, rules, and regulations. Under the Scheme, each Scheme Shareholder shall be entitled to receive the sum of N7.07 in cash or its equivalent in South African Rand (ZAR) for every ordinary share held by the qualified Scheme Shareholders at the Effective Date of the Scheme . The proposed Scheme Consideration represents a 58% premium to the last traded share price of Oando on 28 March 2023, being the day prior to the date of submission of the Scheme application to the Securities and Exchange Commission ("SEC"). Consequently, we confirm that Oando has applied for the SEC's 'No Objection' to the Scheme. Please note that the effectiveness of the Scheme is subject to the approval of the shareholders of Oando at the Court-Ordered Meeting of the Company, as well as the sanction of the Federal High Court. The terms and conditions of the Transaction will be provided in the Scheme Document which will be dispatched to all shareholders following the receipt of an order from the Federal High Court, the Company will be delisted from NGX and JSE and re-registered as a private company. Further details will be communicated to the market upon receipt of requisite approvals from shareholders and regulators. Shareholders of Oando are advised to exercise caution when dealing in the shares of Oando until a further announcement is made.

INVESTMENT BASICS

Mutual funds and ETFs share some common features, including:

SEC-registered investment companies. Offer investors a way to pool their money in a professionally-managed fund that invests in stocks, bonds, or other assets. Can help investors achieve diversification of their investments.

Mutual funds and ETFs also differ in some important ways, including:

How they are bought and sold, intermediary (like a broker). Shares are "redeemable", meaning that investors can sell shares back to the fund. ETFs - Retail investors can buy and sell ETF shares only in market transactions (i.e., on a national stock exchange). That is, unlike mutual funds, ETFs do not sell shares directly to, or redeem their shares directly from, retail investors.

<u>What this means for you</u>: The way you buy and sell shares will be different depending on whether you invest in a mutual fund or ETF. While it may be possible to hold mutual fund shares directly with the fund, you will need a brokerage account to buy, sell and hold ETF shares. A broker may be able to help you buy and sell both types of funds.

How they are priced

Mutual funds - Investors buy or sell mutual fund shares at the net asset value (NAV) per share, minus any applicable fees and charges. NAV is calculated at the end of each trading day. ETFs - Retail investors buy and sell ETF shares at market prices, minus any applicable fees and charges. An ETF's market price may be higher or lower than the ETF's NAV per share (known as buying or selling at a premium or a discount). An ETF's market price also fluctuates during the trading day. While an ETF's market price generally stays close to the ETF's end-of-day NAV, it may vary significantly.

<u>What this means for you</u>: While you can submit a purchase or sale order for mutual fund shares at any point during the trading day, you will not know the exact price per share that you will pay or receive until the end of the trading day. You can buy and sell ETF shares on a national stock exchange at the prevailing market price throughout the trading day.

Certain fees and expenses, for example:

Mutual funds - Fees may be charged directly to mutual fund investors in connection with transactions such as buying, selling, or exchanging shares, or on a periodic basis with respect to account fees. ETFs - ETFs generally do not charge fees directly to investors in connection with purchase or sales of ETF shares, but there may be other types of transaction fees and costs, such as commissions paid to a broker in connection with each purchase or sale of ETF shares. *What this means for you:* Both mutual funds and ETFs charge management fees and bear other expenses associated with their operation. You pay these indirect fees and expenses that are deducted from fund assets, but you may also pay some direct fees and expenses in different ways depending on which fund type you choose. All fees and expenses reduce the return on your investment. It is always important to consider the total fees and expenses you will be charged in connection with any investment.



FIXED INCOME MARKET REPORT

Money Market.

The FAAC inflow slightly eased liquidity this week but the NTB settlement on Wednesday pumped up rates. Weekly, the overnight rate stayed flat at 18.88% while the Open Repo Rate rose by 137bps to 18.50%.

Treasury Bills.

Stop rates adjusted upward at the NTB primary auction on 29th March 2023, as the 50bps rate hike made investors bid for higher interest rates. The 91-day, 182-day, and 365-day rose to 6.0%, 8.0%, and 14.74% from 2.55%, 5.0%, and 9.49% at the last auction. Despite the tight liquidity, the auction still experienced a large subscription of N168.53bn as against the N145.47bn offered

Foreign Currency (EXCHANGE RATE).

The value of the Naira depreciated at the Investor and Exporter fixing to N461.38/US\$1 week-onweek and gained at the NAFEX fixing by 3bps (W-o -W) to N461.15/US\$1

OIL PRICE.

The Nigeria's oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$73.97 per barrel during the week, compared with \$69.26 recorded in the previous week.

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate						
	23-Mar-23	21 Mar 22	W-o-W %			
	20-11101-20	51-War-25	Change			
OPR (%)	18.25	18.50	+1.37%			
O/N (%)	18.88	18.88	0.00%			

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION MARCH 29, 2023

Nigerian T	reasury Bill	s Auction			
Tenor	Amount offered (N'bn)	Total Subscripti on (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	2.16	1.75	1.75	6.00	2.55
182-days	3.34	1.56	1.56	8.00	5.00
364-days	139.96	165.28	142.16	14.74	9.49

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

Average Benchmark Yields							
	23-Mar-23 31-Mar-23						
I&E FX	461.33	461.38	0.01%				
NAFEX (\$/N)	461.30	461.15	0.03%				

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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