



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 Reserves	US\$35.53bn	March 30, 2023

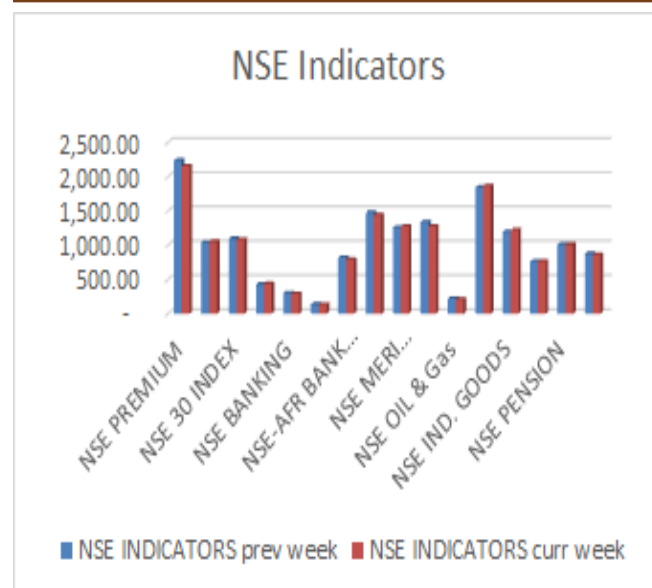
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NSE INDICES



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

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

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

RECOMMENDED STOCKS FOR THE WEEK

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

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

Source: Nigerian Stock Exchange (NSE) & Regency Research

**STOCK MARKET REPORT****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 15 deals 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 week	% Change
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 Trillion	N=29,903 Trillion	-1.20

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)	(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)

Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 31/03/2023												
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	1,200,000.00	24.00	24.44	26.00	31.20	1,276,398.50	90,000.00	1,366,398.50	166,398.50	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	198,609.75	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	1,104,907.50	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.

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

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 re-registered 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 to convene a Court-Ordered Meeting. If the conditions of the Transaction are satisfied and same is sanctioned by 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.

What this means for you: 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.

What this means for you: 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.

Source: Nigerian Stock Exchange (NSE) & Regency Research



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-on-week 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	31-Mar-23	W-o-W % 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 Treasury Bills Auction					
Tenor	Amount offered (N'bn)	Total Subscription (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	W-o-W% Change
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.

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