



Monday May 22, 2023

**April 2023 Headline inflation Jump to 22.22%**

The National Bureau of Statistics (NBS) released the April CPI report today (May 15) as scheduled. In line with our forecast, headline inflation increased again by 0.18% to 22.22% from 22.04% in March. This is the fourth consecutive monthly increase and the highest inflation rate in 18 years. The last time inflation spiralled to this level was in 2005 (24.3%). At that time the monetary policy rate (MPR) was 13%p.a. and Nigeria had just completed its debt forgiveness and rescheduling. The sustained uptick in the general price level was mainly due to a surge in the food basket to 24.61% from 24.45% in March. This is not surprising as the second quarter is typically the peak of the planting season. Some of the commodities that witnessed the highest spikes are tomatoes, yam and other tubers. The price of a basket of tomatoes jumped by 100% to 70,000 from N35,000.

Month-on-month inflation rose by 0.05% to 1.91% (25.5% annualized) in April from 1.86% (24.69% annualized) in March. This largely reflects the combined effects of supply shortfalls and a boost in aggregate demand.

The Nigerian food basket has consistently increased since the beginning of the year. While the uptick in the first three months of the year has been largely attributed to the disruptive impact of the Naira cash crunch, the increase this time is largely due to the planting season effect. Q2 is typically the peak of the planting season, and the resulting impact is a reduction in food supply and ultimately higher prices. The annual food index rose by 0.16% to 24.61% in April from 24.45% in March while the monthly food index was up 0.06% to 2.13%. The commodities that recorded the highest price increases were oil and fat, bread and cereals, fish, potatoes, yam and other tubers, fruits, meat, vegetable, and spirits. Core inflation (inflation less seasonalities) rose by 0.28% to 20.14% in April, the 2nd consecutive monthly increase. This was despite the relatively stable exchange rate and moderating logistics costs (lower diesel prices). Diesel, which accounts for over 30% of firms' logistics costs declined by 35% to N640/litre in April while the exchange rate appreciated by 1.33% to N740/\$ in the same period. The highest increases were recorded in the prices of gas, passenger transport by air, liquid fuel, vehicle spare parts, fuels, and lubricants for personal transport equipment, medical services, passenger transport by road. On an annual basis, rural inflation increased by 0.05% to 21.14% whilst urban inflation rose sharply by 0.32% to 23.39% in April. On a monthly basis, both indices climbed to 1.72% and 2.00% in April from 1.78% and 2.05% in March respectively. The urban-rural inflation gap rose to 2.25% in April from 1.98% in March. This suggests the lingering impact of storage and logistics challenges.

**Outlook** Headline inflation is expected to continue its upward trend due to the planting season effect. This will be one of the major considerations at the MPC meeting later this month (May 22/23). The committee will most likely increase the MPR by 25bps, in line with global trend.

**Capital Market Summary.**

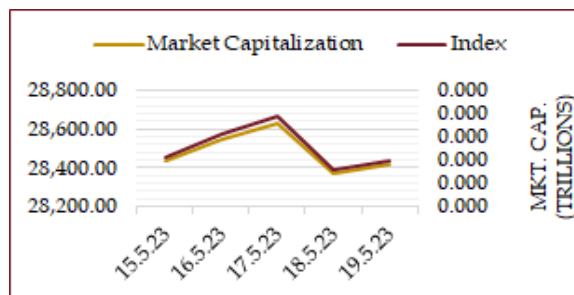
Analysis of the market activity in the week ended May 19, 2023 shows that the Nigerian equity market closed on a negative note. The NGX All Share Index and market capitalization of listed equities depreciated by 0.05% each from the opening figures of 52,214.62 and N28,431 trillion to close at 52,187.93 and N28,417 trillion respectively. Its year to date (YTD) return stands at +1.83%.

**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)	22.22%	April , 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\$76.66/Bar	May 17, 2023
Nigeria's Gross External Reserves	US\$35.107bn	May 18, 2023

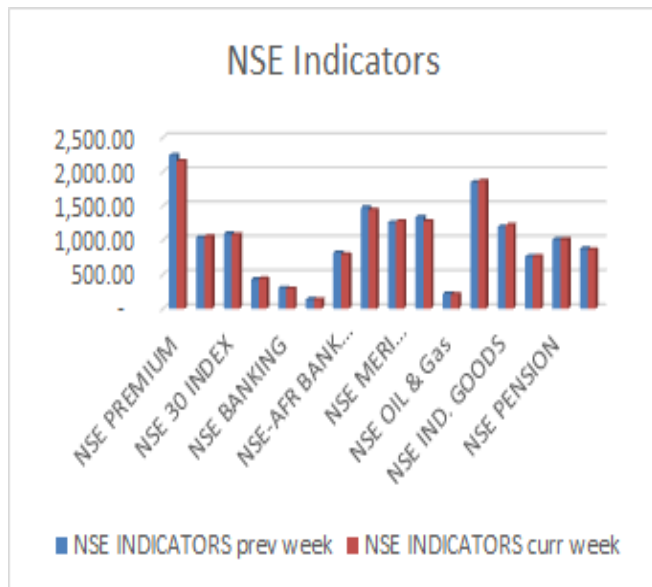
Source: Central Bank of Nigeria (CBN)

**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**  
22/05/23-26/05/2023)

The NGXASI, recorded a loss of 0.05% W-o-W as compared to a loss of 0.46% recorded last week. The Nigerian Exchange recorded N23b loss in naira terms. In Year-to-date, the NGXASI closed positive at close of the week with a gain of 1.83% as market capitalization settled at N28.43trillion. The market may continue to gain strength and move upward during the week as investors take position on stocks that have declared impressive first quarter 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 first quarter results. 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 uphold our previous week recommendation for purchase during the week. **UCAP PLC, UBA PLC, MTNN PLC., ACCESS PLC, DANGOTE CEMENT PLC., WAPCO PLC , and NASCON PLC .**

**RECOMMENDED STOCKS FOR THE WEEK**

Stocks	Current Price	DPS	Dividend Yield %	Entry Price	Target price	% Change
UCAP PLC	13.00	1.50	11.54	13.00	15.00	15.38
MTNN	229	15.60	6.81	230.00	280.00	22.27
UBA	8.35	1.10	13.17	9.00	10.00	19.76
ACCESS	10.20	1.50	14.70	10.00	15.00	47.06
WAPCO	24.45	2.00	8.18	26.00	30.00	22.70
DANCEM	270.00	20.00	7.41	300.00	350.00	29.63
NASCON	14.00	1.00	7.14	15.00	17.50	25.00

**FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS**

Company	Result	Turnover		PAT		Curr EPS	Last Div. Paid
		Current N=b	Last yr N=bil	Current N=	Last yr N=b		
UCAP PLC	1ST QTER 31/03/2023	5.34	4.21	2.44	2.31	N1.63	N1.50 pd as dividend inFY 2022
MTNN PLC	1ST QTER 31/3/2023	568.14	470.95	100.49	95.82	N4.94	N15.60 div. declared in 2022 FY (interim & final)
WAPCO PLC	1ST QTER 31/12/2022	91.82	90.61	14.93	17.56	N0.93	N2.00 paid as final dividend in 2022 FY
DANCEM	1ST QTER 31/3/2023	407	413	109.5	105.85	N6.44	N20 PD AS DIVIDEND IN 2022 FY
UBA PLC	1ST QTER 31/12/2022	271.18	184.9	53.59	41.5	N1.47	N1.10 Pd as Int and final div. in 2022 FY.
NASCON	1ST QTER 31/03/2023	16.9	10.76	1.64	0.386	N2.48	N1.00 total dividend for 2022 FY
ACCESS	1ST QTER 31/03/2023	424.42	295.74	71.66	57.83	N2.06	N1.50 paid as total dividend in 2022 FY

Source: Nigerian Stock Exchange (NSE) & Regency Research



**STOCK MARKET REPORT**

Domestic Market Review

**GAINERS FOR THE WEEK**

Forty four stocks appreciated in price during the week, as against Forty eight stocks in preceding week. The top ten price gainers during the week were:

**LOSERS FOR THE WEEK**

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

**EXCHANGE TRADED PRODUCTS (ETP)**

A total of 2,909,068 units of Exchange Traded Products valued at N55,710,097.68 in 44 deals were traded during the week compared with 31,234 units of Exchange Traded Products valued at N2,874,850 traded last week in 68 deals.

**BOND MARKET**

A total units of 126,110 units of FGN Bond valued at N130,952,633.48 in 18deals were traded during the week compared with 22,604 units of FGN Bond valued at N21,806,727.27 traded last week in 20 deals

**MARKET SUMMARY**

	Curr. Week	Previous week	% Change
Volume	3,029 M	3,602 M	-15.91
Value N=	N33,626 B	N36,451 B	-7.75
Total Gain	44	48	-8.33
Total Loss	27	30	10.00
Deals	29,505	27,801	6.13
All Share Index	52,187.93	52,214.62	-0.05
Market Cap.	N=28,417 Trillion	N=28,431 Trillion	-0.05

**TOP TEN GAINERS**

Company	Op.Price	cl. Price	Gain	Gain in %
FTN COCOA	0.32	0.44	0.12	37.50
IKEJA	1.56	2.03	0.47	30.13
PZ	12.50	16.00	3.50	28.00
LIVESTOCK	1.02	1.30	0.28	27.45
CORNERSTON	0.65	0.80	0.15	23.08
CADBURY	13.60	16.50	2.90	21.32
MRS	33.75	40.80	7.05	20.89
NCR	2.56	3.09	0.53	20.70
NB	32.10	38.00	5.90	18.38
MANSARD	2.51	2.94	0.43	17.13

**TOP TEN LOSERS**

Company	Op.Price	Cl. Price	Loss	Loss in %
CWG	2.07	1.54	(0.53)	(25.60)
ARDOVA	26.40	20.15	(6.25)	(23.67)
MAYBAKER	4.45	4.00	(0.45)	(10.11)
HONYWELL	3.00	2.71	(0.29)	(9.67)
MCNICHOLS	0.75	0.68	(0.07)	(9.33)
CHIPLC	0.68	0.62	(0.06)	(8.82)
ACADEMY	1.67	1.53	(0.14)	(8.38)
FIDELITY	5.88	5.50	(0.38)	(6.46)
CHAPION	4.20	3.93	(0.27)	(6.43)
AIRTEL	1,250.00	1,175.00	(75.00)	(6.00)

Source: Nigerian Stock Exchange (NSE) & Regency Research



**STOCK MARKET REPORT**

Closure of Register - Dividends and Bonuses					
Company	Dividend/Share	Bonus	Closure of Register	AGM Date	Payment Date
PZ Cussons Nigeria Plc	N1.01	Nil	9th - 13th January 2023	25th January 2023	26th January 2023
Vitafoam Nigeria Plc	N1.52	Nil	13th -17th February 2023	2nd March 2023	2nd March 2022
Geregu Power Plc	N8.00	Nil	28th February 2023	28th March 2023	29th March 2023
MTN Nigeria Communcations Plc	N10.00	Nil	28th March 2023	18th April 2023	20th April 2023
Nigerian Breweries Plc	N1.03	Nil	17th March 2023	26th April 2023	26th April 2023
BUA Cement Plc	N2.80	Nil	14th August 2023	24th August 2023	24th August 2023
Nigerian Enamelware Plc	Nil	3 for 2	14th March 2023	N/A	Company cancelled t
United Captial Plc	N1.50	Nil	15th March 2023	27th March 2023	28th March 2023
Transcorp Hotels Plc	N0.13	Nil	20th March 2023	3rd April 2023	3rd April 2023
Dangote Sugar Refinery Plc	N1.50	Nil	27th March 2023	14th April 2023	15th April 2023
Lafarge Africa Plc	N2.00	Nil	11th April 2023	28th April 2023	28th April 2023
Seplat Energy Plc	Final - 2.5 cents Sp	Nil	19th April 2023	10th May 2023	16th May 2023
Nestle Nigeria Plc	N36.5	Nil	24th April 2023	17th May 2023	18th May 2023
NASCON Allied Industries Plc	N1.00	Nil	2nd May 2023	26th May 2023	26th May 2023
Africa Prudential Plc	N0.50	Nil	17th April 2023	2nd May 2023	2nd May 2023
Custodian Investment Plc	N0.55	Nil	3rd April 2023	13th April 2023	13th April 2023
Transnational Corporation Plc	N0.05	Nil	12th April 2023	26th April 2023	27th April 2023
Consolidated Hallmark Insurance Plc	N0.03	Nil	14th April 2023	24th May 2023	24th May 2023
Infinity Trust Mortgage Bank Plc	N0.06	Nil	17th April 2023	11th May 2023	15th May 2023
FCMB Group Plc	N0.25	Nil	14th April 2023	28th April 2023	28th April 2023
Zenith Bank Plc	N2.90	Nil	17th April 2023	2nd May 2023	2nd May 2023
United Bank for Africa Plc	N0.90	Nil	17th April 2023	27th April 2023	27th April 2023
Unilever Nigeria Plc	N0.25	Nil	18h April 2023	4th May 2023	5th May 2023
CWG Plc	N0.04	Nil	18th April 2023	28th April 2023	28th April 2023
SFS Real Estate Investment Trust	N8.45	Nil	20th April 2023	N/A	19th May 2023
Eterna Plc	N0.15	Nil	24th April 2023	11th May 2023	12th May 2023
Okomu Oil Palm Company Plc	N12.00	Nil	25th April 2023	25th May 2023	25th May 2023
TotalEnergies Marketing Nigeria Plc	N21.00	Nil	26th April 2023	1st June 2023	2nd June 2023
NEM Insurance Plc	N0.30	Nil	1st May 2023	18th May 2023	18th May 2023
Nigerian Aviation Handling Company Plc	N1.20	Nil	15th My 2023	26th May 2023	26th May 2023
May & Baker Nigeria Plc	N0.30	Nil	17th May 2023	1st June 2023	2nd June 2023
Berger Paints Nigeria Plc	N0.70	Nil	27th April 2023	24th May 2023	24th May 2023
Ecobank Transnational Incorporated	0.11 cents	Nil	26th May 2023	17th May 2023	6th June 2023
ABC Transport Plc	N0.015	Nil	29th May 2023	TBA	TBA
Julius Berger Nigeria Plc	N2.50	Nil	29th May 2023	15th June 2023	16th June 2023
Sunu Assurances Nigeria Plc	N0.03	Nil	31st May 2023	To be advised	To be advised
AIICO Insurance Plc	N0.03	Nil	1st June 2023	8th June 2023	15th June 2023
McNichols Consolidated Plc	N0.01	Nil	1st June 2023	27th July 2023	3rd August 2023
Cadbury Nigeria Plc	N0.40	Nil	5th June 2023	26th June 2023	27th June 2023
Skyway Aviation Handling Company Plc	N0.16.5	Nil	5th June 2023	30th June 2023	30th June 2023
Chemical and Allied Products Plc	N1.55	Nil	2nd June 2023	15th June 2023	16th June 2023
UAC of Nigeria Plc	N0.22	Nil	7th June 2023	21st June 2023	22nd June 2023
Trans-Nation Wide Express Plc	N0.02	Nil	12th June 2023	21st June 2023	26th June 2023
Beta Glass Plc	N1.17	Nil	19th June 2023	6th July 2023	7th July 2023
AXA Mansard Insurance Plc	N0.30	Nil	22nd June 2023	4th July 2023	4th July 2023
Ikeja Hotel Plc	N0.075	1 for 3	5th July 2023	26th July 2023	31st July 2023
LivingTrust Mortgage Bank Plc	N0.01	Nil	7th July 2023	25th July 2023	27th July 2023
LivingTrust Mortgage Bank Plc	N0.012	Nil	7th July 2023	25th July 2023	27th July 2023
LASACO Assurance Plc	N0.15	Nil	14th August 2023	24th August 2023	31st August 2023
BUA Foods Plc	N4.50	Nil	4th September 2023	21st September 2023	21st September 2023
Guaranty Trust Holding Company Plc	N2.80	Nil	2nd May 2023	11th May 2023	11th May 2023
Glaxo SmithKline Consumer Nigeria Plc	N0.55	Nil	Nil	7th June 2023	8th June 2023
Access Holdings Plc	N1.30	Nil	10th May 2023	24th May 2023	24h May 2023
Wema Bank Plc	N0.30	Nil	10th May 2023	24th May 2023	24th May 2023
Jaiz Bank Plc	N0.05	Nil	2nd June 2023	14th June 2023	14th June 2023
NPF Microfinance Bank Plc	N0.10	Nil	9th June 2023	22nd June 2023	22nd June 2023
Industrial and Medical Gases Nigeria Plc	N0.40	Nil	7th July 2023	21st July 2023	25th July 2023
Fidelity Bank Plc	N0.40	Nil	15th May 2023	23rd May 2023	23rd May 2023
UH Real Estate Investment Trust	N2.10	Nil	16th May 2023	N/A	26th May 2023
Multiverse Mining and Exploration Plc	(Interim Q1) N0.05	Nil	25th May 2023	N/A	14th June 2023
Cornerstone Insurance Plc	(Interim Q1) N0.06	Nil	6th June 2023	N/A	21st June 2023
Dangote Cement plc	N20	Nil	31st March, 2023	13th April 2023	14th April 2023
Airtel Africa Plc	3.27 cents	Nil	22nd June 2023	TBA	26th July 2023
Vetiva Griffin 30 Exchange Traded Fund	N0.28	Nil	11th May 2023	N/A	19th May 2023
Vetiva S&P Nigerian Sovereign Bond ET	N7.60	Nil	11th May 2023	N/A	19th May 2023
Vetiva Banking ETF	N0.40	Nil	11th May 2023	N/A	19th May 2023

Source: Nigerian Stock Exchange (NSE) & Regency Research



## MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 19/05/2023												
				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	24.45	31.20	1,200,305.51	90,000.00	1,290,305.51	90,305.51	7.53
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	5.50	5.66	270,007.38	9,000.00	279,007.38	61,507.38	28.28
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	18.70	20.87	918,025.08	67,500.00	985,525.08	183,025.08	22.81
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	26.00	31.20	1,276,398.50	13,500.00	1,289,898.50	89,898.50	7.49
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	13.00	18.20	638,199.25	67,500.00	705,699.25	5,699.25	0.81
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	26.60	29.90	1,305,853.85	13,500.00	1,319,353.85	169,353.85	14.73
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	20.15	26.59	989,208.84	68,400.00	1,057,608.84	35,108.84	3.43
			21,142,500.00					21,784,685.94		23,119,835.94	1,977,335.94	9.35

The Equity Portfolio Model which closed the previous week at 8.12% appreciated during the week, and closed the week at 9.35% (YTD). This can be compared with NGX All Share Index which closed at 1.88% in the previous week, but depreciated during the week and closed at +1.83% {YTD}. The EPM appreciated during the week under review and over performed the All Share Index of the market. Some of the stocks that contributed positively are ZENITH, UBA, WAPCO, FLOUR MILLS VITAFOAM 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

Source: Nigerian Stock Exchange (NSE) & Regency Research



## STOCK MARKET REPORT

### MARKET DEVELOPMENTS (LAST WEEK )

Union Bank to Hold Court Ordered Meeting on June 13 2023 to Consider Scheme of Arrangement

1. That the Scheme of Arrangement dated the 10th day of May 2023 be and is hereby approved and that the Directors be and are hereby authorized to consent to any modification of the Scheme of Arrangement that the Federal High Court shall deem fit to impose or approve. 2. For the purpose of giving effect to the Scheme subject to such modification, addition and condition agreed between the Bank and Holders of its Ordinary Shares and/or approved or imposed by the Court: The Scheme Shares (as defined in this Scheme Document) be transferred to Titan Trust Bank Limited. The holders of the Scheme Shares be paid the Scheme Consideration (as defined in this Scheme Document) by Titan Trust Bank Limited for the transfer of the said Scheme Shares. 3. That as consideration for the transfer of the Scheme Shares, each holder of the Scheme Shares shall receive N7.00 (Seven Naira) per share transferred. 4. That Nigerian Exchange Limited ("NGX") and Central Securities Clearing System Plc ("CSCS") shall be notified and requested to terminate trading in the shares with effect from the Eligibility Date and no trading or transfer of the Bank's shares shall be registered after that date. 5. That conditional upon the Scheme becoming effective, the Bank's shares shall be de-listed from NGX on the Eligibility Date and following that date, all the share certificates representing the interests of the Scheme Shareholders (as defined in the Scheme Document) shall be deemed to be dematerialized and in the case of dematerialised shares, all the shares of the Bank that were lodged with the CSCS shall be transferred to Titan Trust. 6. That the Board of Directors of the Bank be and is hereby authorised to take all necessary steps and to consent to any modifications of the Scheme of Arrangement that the Federal High Court or the Central Bank of Nigeria or the Securities and Exchange Commission may deem fit to impose or approve, or that may otherwise be required.

### 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 21.34%. 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.**

System liquidity depressed this week due to the FGN bond auction settlement of N368bn pushing the funding rates up. The Open Repo Rate (OPR) and Overnight Rate (O/N) rose by 14.88 bps and 15.63 bps week-on-week to 22.67% and 23.72% respectively .

**Treasury Bills.**

The inaugural NT-bills auction in May further pushed down stop rates as buoyant liquidity strengthened demand. Higher inflation expectations have nudged investors’ interest in short-dated treasuries, ferrying subscriptions at the NTB auction to N820.85bn against the N143.98bn placed on offer. The DMO opted for the initial offer with a spread of N4.52bn for 91-day, N5.44bn for 182-day and N134.02bn for 364-day. Compared to the previous auction, the stop rates dropped by 80bps, 156bps, and 118bps for 91-day, 182-day, and 364-day to 4.5%, 6.44%, and 8.99% respectively

**Foreign Currency (EXCHANGE RATE).**

The naira was down for most trading sessions this week, reaching the record low of N465.13/US\$1 on Wednesday at the Investor and Exporter FX window. The currency regained on Thursday and finally settled at N463/US\$1 on Friday, losing 14bps week-on-week. For the NAFEX window, the naira depreciated week-on-week by 6bps to settle at N464.80/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 \$71.55 per barrel during the week, compared with \$70.09 recorded in the previous week .

**NIGERIAN INTER BANK OFFER RATE NIBOR**

**Money Market Rate**

	12-May-23	19-May-23	W-o-W % Change
OPR (%)	12.38	14.88	+22.67%
O/N (%)	13.12	15.63	+23.75%

Source: Financial Markets Dealers Quotations (FMDQ)

**TREASURY BILLS RATES**

**NTB AUCTION APRIL 26, 2023**

Nigerian Treasury Bills Auction Result May 10, 2023					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	4.52	23.19	4.52	4.50	5.30
182-days	5.44	41.94	5.44	6.44	8.00
364-days	134.02	755.72	134.02	8.99	10.17

Source: Central Bank of Nigeria (CBN)

**MONEY MARKET RATES**

**Average Benchmark Yields**

	12-May-23	19-May-23	W-o-W% Change
I&E FX	462.33	463	0.14%
NAFEX (\$/N)	463.42	464.8	0.06%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

**Disclaimer**

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