



Monday August 07, 2023

Nigeria's Capital Importation.

According to the National Bureau of Statistics (NBS), total capital importation increased from US\$1.06bn in Q4 2022 to US\$1.13 bn in Q1 2023. This represents a 6.6% rise compared to the corresponding period in 2022. However, capital imports declined 28% on a year-on-year (Y-o-Y) basis due to uncertainties surrounding the February general elections. A closer examination of the figures reveals that Foreign Portfolio Investment (FPI) accounted for US\$650m (57%) of the overall capital importation during this period, while Foreign Direct Investment (FDI) contributed only US\$5m (4%). Over the past decade, we have observed that FPI tends to be highly sensitive to political uncertainties, resulting in cyclical fluctuations. Notably, FPI declined significantly between 2016 and 2020, which coincided with periods of economic recession. On the other hand, FDIs, which represent more stable and long-term capital, have been virtually absent due to several factors such as inadequate infrastructure, inconsistent economic policies, multiple taxation, and high business costs. We have also highlighted the challenges investors face in obtaining licenses and their difficulties in resolving court disputes.

We appreciate the decision made by the Tinubu Administration to streamline tax collection processes among intergovernmental agencies, aiming to improve efficiency and minimize disruptions. We, however, recommend that critical structural reforms are undertaken. Drawing inspiration from India's example, where 15,000 assets are being offered to attract US\$1.9trn in FDI annually, experts recommend that the Nigerian government explore similar opportunities by opening deals in various sectors through a national deals book. Likewise, after launching its 2030 National Transformation Plan in 2017 and aiming to attract US\$200 bn in FDI, Saudi Arabia created opportunities for deals in 16 different sectors. While we generally recommend listing a portion of idle assets for financialization purposes, they suggest that in the case of the outdated refineries and the Ajaokuta steel company, the Nigerian government should consider outright selling just as recently announced by the Egyptian government which looks to generate US\$1.9bn from selling its stake in petrochemical and steel companies and other government assets.

Capital Market Summary .

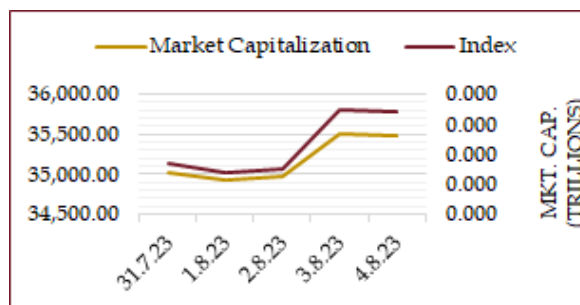
Analysis of the market activity in the week ended August 04, 2023 shows that the Nigerian equity market closed on a bullish note. The NGX All Share Index and market capitalization of listed equities appreciated by 0.22% each from the opening figures of 65,056.39 and N35,403 trillion to close at 65,198.08 and N35,480 trillion respectively. Its year to date (YTD) return stands at +27.21%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+2.31%	March 31, 2023
Un-employment Rate	33.30%	March 31, 2023
Broad Money Supply (M2)	N54,191,661.32	March , 2023
Money Supply (M1)	N21,352,527.87	March , 2023
Consumer Price Index (YOY)	22.79%	June , 2023
Monetary Policy Rate (MPR)	18.75%	July, 2023
Cash Reserve Ratio (CRR)	32.50%	July , 2023
Nigeria's Bonny Light Crude Oil	US\$789.71/Bar	August 04 2023
Nigeria's Gross External Reserves	US\$33.965bn	August 2, 2023

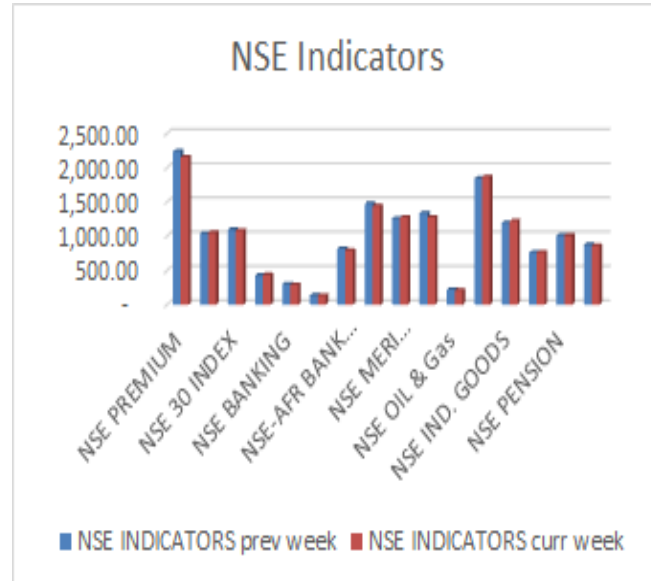
Source: Central Bank of Nigeria (CBN)

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 07/08/23-11/08/2023)

The Nigerian Stock Market closed on a bullish note during the week. The NGXASI, recorded a gain of 0.22% W-o-W as compared to a gain of 0.02% recorded last week. The Nigerian Exchange recorded N77.102billion gain in naira terms. In Year-to-date, the NGXASI closed positive at close of the week with a gain of 27.21% as market capitalization settled at N35.48 trillion. The market may likely continue with the bullish strength during the week. The upgrade of the nation’s rating from negative to stable, good economic policies, low & attractive prices of some blue chip stocks, and release of impressive half year results may continue to impact positively on the market. In the coming week, we expect the market to sustain the bullish trend and close positive because investors may continue to take position for half 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 recommend the underlisted stocks for purchase during the week. **DANGOTE CEMENT, UCAP PLC, UBA PLC, FBNH, MTNN PLC., ACCESS PLC, WAPCO PLC, FIDELITY, FCMB, AND TRANSCORP PLC, See the table below.**

RECOMMENDED STOCKS

STOCK ANALYSIS FOR INVESTMENT																				
COMPANY	Price N=	price N=	Cap. App	EPS	DPS	Total	PAT N=M	PAT N=m	Period	BK Value	52 wks	52 weeks	PER	6 Months	Net Assets N=	No of shares	Total Assets N=	Div. Yeild	ROCE	Remark
	31/12/22	4/8/2023	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	24.00	34.10	42.08	2.10	3.20	55.42	62,617	58,198	1st Qter	48.98	36.40	18.90	16.24	44.33	1,441,557	29,431	13,359,216	9.38	4.34	HOLD
GTCO	23.00	36.40	58.26	2.04	3.10	71.74	58,167	43,208	1st Qter	28.53	38.50	16.80	17.84	47.32	975,624	34,199	6,740,338	8.52	5.96	HOLD
ACCESS	8.50	17.10	101.18	2.06	1.50	118.82	71,656	57,825	1st Qter	39.28	19.80	7.50	8.30	22.23	1,396,236	35,545	15,742,015	8.77	5.13	BUY
UBA	7.60	14.20	86.84	1.49	1.10	101.32	53,589	41,496	1st Qter	28.46	15.60	6.55	9.53	18.46	973,136	34,199	11,360,779	7.75	5.51	BUY
FIDELITY	4.35	7.95	82.76	1.84	0.50	94.25	68,968	23,219	2nd Qter	13.27	9.82	2.87	4.32	10.34	384,446	28,975	5,052,206	6.29	17.94	BUY
WAPCO	24.00	28.00	16.67	2.20	2.00	25.00	35,479	37,410	2nd Qter	26.03	31.50	20.10	12.73	36.40	419,365	16,108	654,695	7.14	8.46	BUY
NAHCO	6.40	18.25	185.16	1.19	1.20	203.91	2,340	0.968	2nd Qter	4.66	20.00	5.12	15.34	23.73	9,082	1,949	18,218	6.58	25.77	HOLD
NASCON	11.10	41.00	269.37	4.39	1.00	278.38	5,822	1,535	2nd Qter	8.39	28.20	9.50	9.34	53.30	22,215	2,649	68,482	2.44	26.21	HOLD
FLOUR MILLS	28.40	29.50	3.87	2.87	2.15	11.44	10,018	17,040	3rd Qter	48.40	36.20	27.00	10.28	38.35	198,427	4,100	971,745	7.29	5.05	BUY
MTNN	215.00	277.00	28.84	6.33	15.64	36.11	128,688	181,629	2nd Qter	12.76	288.00	185.00	43.76	360.10	259,817	20,354	3,137,844	5.65	49.53	BUY
DANSUGAR	16.05	37.50	133.64	(2.30)	1.50	142.99	(27,987)	20,242	2nd Qter	10.29	32.80	15.00	(16.30)	48.75	125,035	12,146	565,999	4.00	(22.38)	HOLD
DANCEM	261.00	352.00	34.87	10.39	20.00	42.53	178,603	105,851	2nd Qter	77.01	360.00	220.00	33.88	457.60	1,312,377	17,041	3,188,074	5.68	13.61	BUY
NB	41.00	42.50	3.66	(5.73)	1.43	7.15	(47,599)	18,743	2nd Qter	11.86	48.80	28.80	(7.42)	55.25	121,839	10,276	677,980	3.36	(39.07)	BUY
UCAP	11.60	14.40	24.14	1.63	1.50	37.07	2,441	2,309	1st Qter	4.45	17.10	9.00	8.83	18.72	26,707	6,000	727,504	10.42	9.14	BUY
AFRIPRUD	6.00	6.20	3.33	0.21	0.50	11.67	0.415	0.936	2nd Qter	4.46	7.70	5.00	29.52	8.06	8,926	2,000	20,477	8.06	0.00	BUY
NEM INS.	4.50	6.00	33.33	0.28	0.30	40.00	2,853	1,545	1st Qter	2.99	6.99	3.13	21.43	7.80	29,980	10,032	54,604	5.00	9.52	BUY
CADBURY	11.90	13.95	17.23	(7.74)	0.40	20.59	(14,539)	3,345	2nd Qter	0.76	18.8	10.2	(1.80)	18.14	1,425	1,878	74,765	2.87	(1,020.28)	SELL/HOLD
FBNH	11.25	18.30	62.67	5.19	0.50	67.11	187,176	56,536	2nd Qter	38.40	23.5	8.2	3.53	23.79	1,378,316	35,895	14,176,772	2.73	13.58	SELL/HOLD
FCMB	3.51	6.07	72.93	3.58	0.25	80.06	35,410	13,663	2nd Qter	17.40	7.70	2.92	1.70	7.89	344,557	19,803	3,720,980	4.12	10.28	BUY
GLAXO	6.15	8.90	44.72	0.13	0.55	53.66	0.155	0.194	1st Qter	8.10	8.9	5.4	68.46	11.57	9,688	1,196	30,750	6.18	0.00	BUY
OKOMU	165.00	265.00	60.61	16.98	12.00	67.88	22,905	23,431	2nd Qter	40.66	250	157	15.61	344.50	38,786	954	89,516	4.53	59.05	SELL/HOLD
PRESCO	137.50	220.00	60.00	21.47	2.50	61.82	21,466	19,320	4th Qter	42.65	220	110	10.25	286.00	42,647	1,000	145,087	1.14	50.33	SELL/HOLD
PZ	12.10	18.00	48.76	2.82	1.01	57.11	11,214	5,641	3rd Qter	11.32	24	8.05	6.38	23.40	44,944	3,971	152,112	5.61	24.95	SELL/HOLD
VITAFUAM	20.45	20.90	2.20	2.66	1.52	9.63	3,698	4,541	3rd Qter	12.80	23.6	16.8	7.86	27.17	16,007	1,251	44,716	7.27	23.10	SELL/HOLD
STANBIC IBTC	33.45	65.00	94.32	2.16	2.00	100.30	28,861	15,068	1st Qter	33.76	70	27.5	30.09	84.50	437,417	12,957	3,212,273	3.08	6.60	BUY
TRANSCORP	1.13	3.75	231.86	0.27	0.05	236.28	16,104	12,011	2nd Qter	4.34	4.95	0.98	13.89	4.88	176,350	40,648	495,336	1.33	9.13	BUY

**STOCK MARKET REPORT**Domestic Market ReviewGAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

Fifty two stocks depreciated in price during the week as against Fifty four stocks recorded in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS (ETP)

A total of 27,073 units of Exchange Traded Products valued at N1,335,309.78 in 90 deals were traded during the week compared 14,270 units of Exchange Traded Products valued at N3,251,601.93 traded last week in 95 deals.

BOND MARKET

A total of 143,414 units of FGN Bond valued at N146,159,903.96 in 26 deals were traded during the week compared with 29,766 units of FGN Bond valued at N30,628,661.17 traded last week in 31 deals

MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	2,575 M	2,854 M	-9.78
Value N=	N29,615 B	N37,645 B	-21.33
Total Gain	42	39	7.69
Total Loss	52	54	3.70
Deals	37,713	41,547	-9.23
All Share Index	65,198.08	65,056.39	0.22
Market Cap.	N=35,480 Trillion	N=35,403 Trillion	0.22

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
SUNU ASS.	0.60	0.90	0.30	50.00
CHELLARAM	2.33	3.39	1.06	45.49
ABBEY	1.10	1.46	0.36	32.73
DANSUGAR	30.00	37.50	7.50	25.00
SKYWAY	23.30	28.15	4.85	20.82
GSK	7.40	8.90	1.50	20.27
LINKAGE	0.70	0.84	0.14	20.00
MULTIVERSE	2.98	3.50	0.52	17.45
MANSARD	3.40	3.98	0.58	17.06
NB	36.50	42.50	6.00	16.44

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
JOHN HOLT	2.20	1.47	(0.73)	(33.18)
OMATEK	0.49	0.34	(0.15)	(30.61)
SOV. TRUST	0.70	0.50	(0.20)	(28.57)
ETERNA	28.80	21.10	(7.70)	(26.74)
IKEJA HOT	2.97	2.42	(0.55)	(18.52)
UPL	2.76	2.26	(0.50)	(18.12)
THOMAS WYT	1.30	1.07	(0.23)	(17.69)
GUINNESS	66.60	55.00	(11.60)	(17.42)
RT BRISCOE	0.56	0.48	(0.08)	(14.29)
CWG	2.95	2.66	(0.29)	(9.83)

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	31st August 2023	31st August 2023
Nigerian Enamelware Plc	Nil	3 for 2	14th March 2023	N/A	Company cancelled the bonus
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 Special - 5 cents	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	14th April 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	18th 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 2923	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	14th June 2023	15th June 2023
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	28th July 2023	28th 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	4th July 2023	27th July 2023	31st July 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	5th May 2023	7th June 2023	8th June 2023
Access Holdings Plc	N1.30	Nil	10th May 2023	24th May 2023	24th 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	27th July 2023	28th July 2023
NPF Microfinance Bank Plc	N0.10	Nil	9th May 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
Airtel Africa Plc	3.27 cents	Nil	22nd June 2023	4th July 2023	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 ETF	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
Seplat Energy Plc	US 3 cents (N13.95k) Q1 Interim	Nil	19th May 2023	N/A	16th June 2023
Skyway Aviation Handling Company Plc	N0.16.5	Nil	5th June 2023	23rd June 2023	23rd June 2023
Skyway Aviation Handling Company Plc	N0.16.5	Nil	5th June 2023	23rd June 2023	23rd June 2023
Conoil Plc	N2.50	Nil	30th June 2023	TBA	TBA
Meristem Growth ETF	N0.40	Nil	24th May 2023	N/A	30th May 2023
Meristem Value ETF	N0.79	Nil	24th May 2023	N/A	30th May 2023
FBN Holdings Plc	N0.50	Nil	9th August 2023	15th August 2023	16th August 2023
Northern Nigeria Flour Mills Plc	N0.35	Nil	23rd August 2023	7th September 2023	8th September 2023
University Press Plc	N0.10	Nil	6th September 2023	21st September 2023	21st September 2023
Learn Africa Plc	N0.25	Nil	11th September 2023	26th September 2023	27th September 2023
Academy Press Plc	N0.10	Nil	12th September 2023	14th September 2023	21th September 2023
Smart Products Nigeria Plc	N0.10	Nil	17th July 2023	24th August 2023	4th September 2023
Red Star Express Plc	N0.20	Nil	21st August 2023	14th September 2023	15th September 2023
Tripple Gee and Company Plc	N0.10	Nil	7th August 2023	24th August 2023	25th August 2023
Nigerian Exchange Group Plc (Interim)	N0.25	Nil	10th August 2023	N/A	31st August 2023
MTN Nigeria Communcations Plc (Interim)	N5.60	Nil	17th August 2023	N/A	24th August 2023

Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 04/08/2023												
				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	28.00	31.20	1,374,583.00	90,000.00	1,464,583.00	264,583.00	22.05
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	14.20	9.88	697,109.95	9,000.00	706,109.95	326,109.95	85.82
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	7.95	5.66	390,283.39	9,000.00	399,283.39	181,783.39	83.58
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	37.50	20.87	1,840,959.38	67,500.00	1,908,459.38	1,105,959.38	137.81
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	34.10	31.20	1,674,045.73	13,500.00	1,687,545.73	487,545.73	40.63
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	14.40	18.20	706,928.40	67,500.00	774,428.40	74,428.40	10.63
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	36.40	29.90	1,786,957.90	13,500.00	1,800,457.90	650,457.90	56.56
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	29.50	36.92	1,448,221.38	96,750.00	1,544,971.38	124,971.38	8.80
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	352.00	339.30	17,280,472.00	900,000.00	18,180,472.00	5,130,472.00	39.31
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	20.90	26.59	1,026,028.03	68,400.00	1,094,428.03	71,928.02	7.03
			21,142,500.00					28,225,589.14		29,560,739.14	8,418,239.14	39.82

The Equity Portfolio Model which closed the previous week at 37.94% appreciated during the week, and closed the week at 39.82% (YTD). This can be compared with NGX All Share Index which closed at 26.94% in the previous week, appreciated during the week and closed at +27.21% {YTD}. The EPM appreciated during the week under review and out-performed the All Share Index of the market. Some of the stocks that contributed positively are WAPCO, GTCO, ZENITH, FIDELITY and DANGOTE SUGAR, 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)

NGX lifts suspension placed on trading in the shares of Presco Plc

The Nigerian Exchange Limited has notified the investing public that it has lifted the suspension placed on trading in the shares of Presco Plc for default in filing its financials as when due. According to the report, NGX stated: "We refer to our Market Bulletin dated 11 July 2023 with Reference Number: NGXREG/LRD/MB26/23/07/11 wherein we notified Trading License Holders and the investing public of the suspension in the trading on the securities of Presco Plc for non-compliance with the provisions of Rule 3.1: Rules for Filing of Accounts and Treatment of Default Filing, Rulebook of The Exchange (Issuers' Rules) (Default Filing Rules), which provides that: "If an Issuer fails to file the relevant accounts by the expiration of the Cure Period, The Exchange will: a. Send to the Issuer a "Second Filing Deficiency Notification" within two (2) business days after the end of the Cure Period; b. Suspend trading in the Issuer's securities; and c. Notify the Securities and Exchange Commission (SEC) and the Market within twenty-four (24) hours of the suspension." .it noted that Presco Plc, whose securities were suspended on 11 July 2023, has now filed its outstanding financial accounts. "In view of the Company's submission of the outstanding financial statements, and pursuant to Rule 3.3 of the Default Filing Rules, which states that; "The suspension of trading in the issuer's securities shall be lifted upon submission of the relevant accounts provided . The Exchange is satisfied that the accounts comply with all applicable rules of The Exchange. The Exchange shall thereafter also announce through the medium by which the public and the SEC were initially notified of the suspension, that the suspension has been lifted", Trading License Holders and the investing public are hereby notified that the suspension placed on trading on the shares of Presco Plc was lifted on August 3, 2023".

INVESTMENT BASICS

10 major implications of Naira exchange rates unification

With the Nigerian Naira now exchanging in the official forex market at market determined rates, a significant market distortion has been removed. Expectedly this will come with both positive and negative implications.

The major impacts will include:

1. Significant rise in government debt in naira terms by about N12 trillion to N90 trillion i.e. external debt of \$42bn will increase by the difference between the old and new rates.
 2. As a result of the above, debt to GDP ratio will increase by about 5%
 3. There will be a corresponding increase in debt service cost with respect to foreign debt service
 4. Government's revenue will increase in naira terms resulting in a higher tax/revenue to GDP ratio. Corporate tax collection may however decline as many businesses crystallize forex losses due to the higher exchange rate.
 5. Possible reduction in budget deficit if government's forex revenue exceeds foreign currency obligations, an increase in budget deficit will arise if otherwise
 6. Possible impact on the pump price of petrol which could inch closer to the current pump price of diesel
 7. There should be some cost savings as government discontinues with the various fx interventions e.g. Naira4Dollar, RT200 etc which cost tens of billions of naira
 8. The country will attract fx inflows especially from portfolio investors, FDI and exporters proceeds. Impact on diaspora remittances would be marginal.
 9. The capital market will benefit as it is likely to appreciate further as foreign investors take position
 10. There should be negligible impact on the general prices of goods and services as products already factored in parallel market rates to a large extent. Overall, this is a positive move. However, the government needs to manage the dynamics to restore confidence. The backlog of forex demands need to be addressed and government should be ready to supply forex to stabilise the exchange rate in the short term.
- Stop the demand for certain taxes and levies in foreign currency, it creates unnecessary fx demand without adding to supply. Also relax capital control and administrative bottlenecks including unbanning the list of items prohibited for fx (and complement with higher import duties), remove the need for certificate of capital importation etc to prevent the parallel market rate from simply moving further away from the official market rate. The aggregate demand for fx across markets should reduce as round-tripping incentive is removed, for instance people who fake foreign travels just to get fx at discounted rates. Also, Nigeria's sovereign credit rating should improve if this is complemented with the right fiscal and monetary policies thereby attracting more fx inflows and lowering the cost of borrowing.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

Funding rates experienced an upward swing this week while remaining within single digits. The Open Repo Rate (OPR) and Overnight Rate settled at 6.83bps and 5.83bps respectively, a weekly rise of 425% and 547%. respectively

Treasury Bills. The treasury bill stop rate responded to the Central Bank Monetary Policy Committee (MPC) Monetary Policy Rate (MPR) increase for the first time in months, in contrast to previous auctions in 2023. Despite the 200bps rate hike from January to May 2023, the NTB stop rate declined aggressively, with the 365-day falling below double digits due to robust liquidity driving subscriptions, thereby neutralizing stop rate increases. At the NTB auction held on July 26, 2023, the stop rate spiked to 6.00%, 8.00%, and 12.15% for the 91-day, 182-day, and 364-day from 2.86%, 3.50%, and 5.94% recorded at the previous auction (July 12, 2023). The subscription for the NTB auction came in higher at N398.17bn with a spread of N7.85bn, N6.44bn, and N383.88bn for the 91-day, 182-day and 364-day tenors contrary to N264.33bn offered by DMO. However, the DMO sold the exact amount offered of N264.33bn, but with a slight adjustment in the spread, 91-day and 182-day allotments settled at N2.85bn and N6.44bn higher than N1.74bn and N1.26bn offered while 364-day allotment dipped to N255.04bn from N383.88bn offered.

Foreign Currency (EXCHANGE RATE).

For the third consecutive week, the naira appreciated against the dollar, closing at N743.07/US\$1 at the Investor and Exporter FX Fixing (I&EFX).

OIL PRICE.

The Nigeria’s oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$82.53 per barrel during the week, compared with \$80.58 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate			
	28-Jul-23	04-Aug-23	W-o-W % Change
OPR (%)	1.3	6.83	+425.38%
O/N (%)	0.9	5.83	+547.78%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION JULY 26, 2023

Nigerian Treasury Bills Auction July 27, 2023					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	1.74	7.85	2.85	6	2.86
182-days	1.26	6.44	6.44	8	3.5
364-days	261.33	383.88	255.04	12.15	5.94

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

Average Benchmark Yields			
	28-Jul-23	4-Aug-23	W-o-W% Change
I&E FX	775.76	743.07	4.21%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

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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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