



Monday September 18, 2023

Inflation Rate and Public Debt Climbs to New Highs

In addition to the legacy incidence of imported inflation occasioned by the weakness of the naira, recent fuel subsidy removal and the liberalization of the foreign exchange rates in Nigeria, with their consequential effects on consumer goods and business operating costs, have continued to cause a rise in Nigeria's inflation rate. According to the latest CPI July report by the National Bureau of Statistics (NBS), Nigeria's headline inflation rose from 24.08% in July to 25.80% in August, a 172-basis point higher, marking the eight consecutive monthly rise and the highest inflation rate experienced in 18 years. In month-on-month (M-o-M) numbers, inflation rose to 3.18% in August from 2.89% reported in July, suggesting that yearly inflation expectations would have been above 30% when annualized. We believe the number continues to reflect the impact of the recent policy reforms and the prevailing high-cost pressure across all products and services.

The average food price climbed 29.34% year-on-year (Y-o-Y) in August 2023 from 26.98% in July due to high mobility costs and seasonal variations associated with the planting season. Imported food prices also reacted to the combined impact of the continuous closure of land borders, naira free fall, and adjustments in customs duty exchange rates. On a monthly basis, food inflation rose to 3.87%, the highest in the series. Meanwhile, even with the exclusion of volatile energy and agricultural produce prices (the core inflation), prices were still up by 68basis points to 21.15% in August from 20.47% in July due to the naira depreciation, money supply growth, mounting logistics costs, and other cost-push factors (see chart 1 below).

Nigeria's Total Debt Stock Jumps to N87.38trn

According to the Debt Management Office, Nigeria's total public debt increased to N87.38trn for Q2 2023 from N49.85trn in Q1 2023. This reflects a 75% growth compared to Q1 2023 and 103.92% growth compared to Q2 2022, when debt stock stood at N49.85trn and N42.85trn, respectively. A breakdown shows that domestic debt amounted to N54.13trn, higher than N30.21trn in Q1 2023, due mainly to the inclusion of the N22.7trn securitized Ways and Means, while external debt amounted to N33.25trn in Q2 2023 from N19.64trn in Q1 2023. The external debt grew by 69.30% compared to Q1 2023 and doubled when compared to Q2 2022, with external debt stock at N16.62trn. The sudden spike in external debt can be attributed to the naira devaluation after the exchange rate aggregation adopted on June 14th. Hence, the external debt was computed using N770.38, the exchange rate on June 30th, 2023, compared to N460.15/US\$ used in Q1 2023. Domestic debt constituted a large percentage of the total debt at 61.95% against 38.05% from external debt, while Federal government debt dominated by 89.5% and States & FCT accounted for 10.5%. The report included debt service for Q2 2023, with domestic debt servicing amounting to N565.88bn and external debt service at N283.70bn or US\$368.26m. The domestic debt and external debt servicing in Q2 2023 came in lower than Q1 2023 despite the naira devaluation; this can be attributed to the absence of any domestic principal repayment and lower Eurobond interest payment. For a country underperforming in revenue and reserves growth, the current debt position raises concerns about debt sustainability, as debt repayment can entirely wipe out revenue, leaving little or nothing for capital expenditure needed to grow the economy. This implies that debt-servicing-to-revenue and GDP will continue to rise, higher than 80.6% and 23.4% recorded in 2022. The DMO had earlier in the year hinted that the debt-to-GDP ratio would rise to 37%, close to the 40% self-imposed limit and 55% global limit. However, the current administration has signalled a deviation from the previous borrowing strategy, suggesting debt accumulation might slow down.

Capital Market Summary.

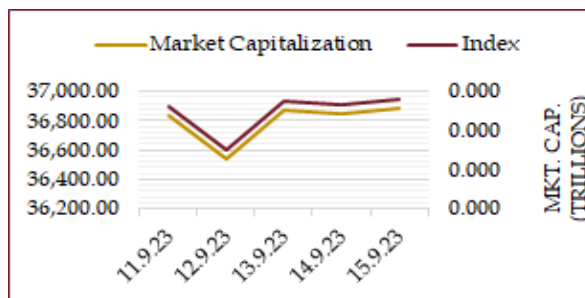
Analysis of the market activity in the week ended September 15, 2023 shows that the Nigerian equity market end the week on a bearish note. The NGX All Share Index and market capitalization of listed equities depreciated by 1.10% each from the opening figures of 68,143.34 and N37,295trillion to close at 67,395.74 and N36,886 trillion respectively. Its year to date (YTD) return stands at +31.50%.

MACROECONOMIC INDICATORS

| | | |
|-----------------------------------|----------------|--------------------|
| GDP Growth Rate | +2.51% | June 30, 2023 |
| Un-employment Rate | 4.10% | 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) | 25.80% | August, 2023 |
| Monetary Policy Rate (MPR) | 18.75% | July, 2023 |
| Cash Reserve Ratio (CRR) | 32.50% | July , 2023 |
| Nigeria's Bonny Light Crude Oil | US\$98.19/Bar | September 13 2023 |
| Nigeria's Gross External Reserves | US\$33.29bn | September 13, 2023 |

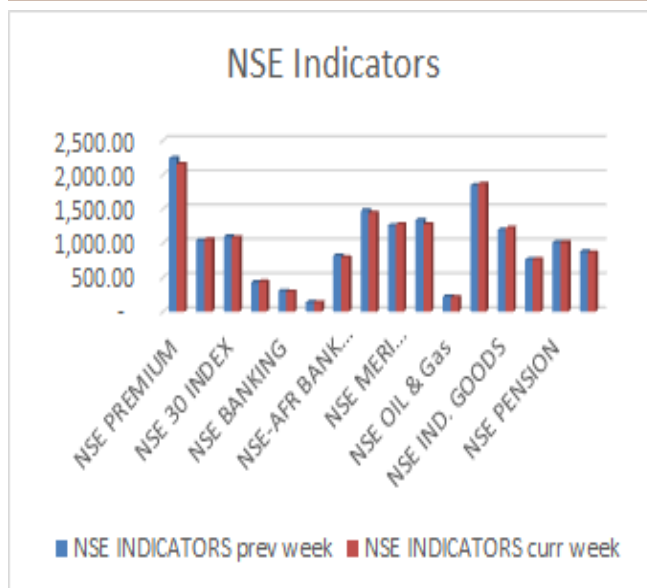
Source: Central Bank of Nigeria (CBN)

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 11/09/23-15/09/2023)

The profit taking by investors pushed the NGXASI into the negative territory, sliding by -1.10% to close the week at 67,395.74 index point, down from 68,143.34 recorded in the previous week as investors lost N409.17bn given the drop in market capitalisation from N37.30trn the last week to N36.89trn. The year-to-date (YTD) returns fell to +31.50% from +32.96% in the previous week. Unlike the equity market, the bulls dominated the NASD OTC Securities Exchange for the week, lifting the NSI by +1.21% to close at 796.04 index point while the market capitalisation settled at N1115.47bn an increase of 2.05%. The market may likely experienced mixed trading during the week as increase in inflation coupled with profit taking may impact negatively on the market. 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, NEM INSURANCE, TRANSCORP, UBA PLC, MTNN PLC., FBNH, ACCESS PLC, WAPCO PLC , AND FCMB 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=M | No of shares | Total Assets N=M | Div. Yield | ROCE | Remark |
| | 31/12/22 | 15/9/2023 | % | N= | N= | Return % | N=M current | Last YR | | N= | High | Low | | Target price | N=M | mill | N=m | % | per Qter | Decision |
| ZENITH | 24.00 | 33.20 | 38.33 | 2.10 | 3.20 | 51.67 | 62,617 | 58,198 | 1st Qter | 48.98 | 36.40 | 18.90 | 15.81 | 43.16 | 1,441,557 | 29,431 | 13,359,216 | 9.64 | 4.34 | BUY |
| GTCO | 23.00 | 35.20 | 53.04 | 9.94 | 0.50 | 55.22 | 280,482 | 77,557 | 2nd Qter | 35.10 | 38.50 | 16.80 | 3.54 | 45.76 | 1,200,507 | 34,199 | 8,509,893 | 1.42 | 23.36 | HOLD |
| ACCESS | 8.50 | 17.20 | 102.35 | 2.06 | 1.50 | 120.00 | 71,656 | 57,825 | 1st Qter | 39.28 | 19.80 | 7.50 | 8.35 | 22.36 | 1,396,236 | 35,545 | 15,742,015 | 8.72 | 5.13 | BUY |
| UBA | 7.60 | 16.45 | 116.45 | 1.49 | 1.10 | 130.92 | 53,589 | 41,496 | 1st Qter | 28.46 | 15.60 | 6.55 | 11.04 | 21.39 | 973,136 | 34,199 | 11,360,779 | 6.69 | 5.51 | BUY |
| FIDELITY | 4.35 | 8.30 | 90.80 | 1.84 | 0.50 | 102.30 | 68,968 | 23,219 | 2nd Qter | 13.27 | 9.82 | 2.87 | 4.51 | 10.79 | 384,446 | 28,975 | 5,052,206 | 6.02 | 17.94 | BUY |
| WAPCO | 24.00 | 29.00 | 20.83 | 2.20 | 2.00 | 29.17 | 35,479 | 37,410 | 2nd Qter | 26.03 | 31.50 | 20.10 | 13.18 | 37.70 | 419,365 | 16,108 | 654,695 | 6.90 | 8.46 | BUY |
| NAHCO | 6.40 | 23.85 | 272.66 | 1.19 | 1.20 | 291.41 | 2,340 | 0.968 | 2nd Qter | 4.66 | 23.00 | 5.12 | 20.04 | 31.01 | 9,082 | 1,949 | 18,218 | 5.03 | 25.77 | HOLD |
| NASCON | 11.10 | 51.80 | 366.67 | 4.39 | 1.00 | 375.68 | 5,822 | 1,535 | 2nd Qter | 8.39 | 59.50 | 9.50 | 11.80 | 67.34 | 22,215 | 2,649 | 68,482 | 1.93 | 26.21 | HOLD |
| FLOUR MILLS | 28.40 | 32.70 | 15.14 | 7.25 | 2.25 | 23.06 | 29,504 | 28,015 | audited | 54.93 | 36.20 | 27.00 | 4.51 | 42.51 | 225,225 | 4,100 | 1,097,396 | 6.88 | 13.10 | HOLD |
| MTNN | 215.00 | 270.10 | 25.63 | 6.33 | 15.64 | 32.90 | 128,688 | 181,629 | 2nd Qter | 12.76 | 288.00 | 185.00 | 42.67 | 351.13 | 259,817 | 20,354 | 3,137,844 | 5.79 | 49.53 | BUY |
| DANSUGAR | 16.05 | 57.20 | 256.39 | (2.30) | 1.50 | 265.73 | (27,987) | 20,242 | 2nd Qter | 10.29 | 63.10 | 15.00 | (24.87) | 74.36 | 125,035 | 12,146 | 565,999 | 2.62 | (22.38) | HOLD |
| DANCEM | 261.00 | 365.00 | 39.85 | 10.39 | 20.00 | 47.51 | 178,603 | 105,851 | 2nd Qter | 77.01 | 360.00 | 220.00 | 35.13 | 474.50 | 1,312,337 | 17,041 | 3,188,074 | 5.48 | 13.61 | BUY |
| NB | 41.00 | 40.95 | (0.12) | (5.73) | 1.43 | 3.37 | (47,599) | 18,743 | 2nd Qter | 11.86 | 48.80 | 28.80 | (7.15) | 53.24 | 121,839 | 10,276 | 677,980 | 3.49 | (39.07) | BUY |
| UCAP | 11.60 | 17.30 | 49.14 | 1.63 | 1.50 | 62.07 | 2,441 | 2,309 | 1st Qter | 4.45 | 17.10 | 9.00 | 10.61 | 22.49 | 26,707 | 6,000 | 727,504 | 8.67 | 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 | 5.04 | 12.00 | 0.28 | 0.30 | 18.67 | 2,853 | 1,545 | 1st Qter | 2.99 | 6.99 | 3.13 | 18.00 | 6.55 | 29,980 | 10,032 | 54,604 | 5.95 | 9.52 | BUY |
| CADBURY | 11.90 | 16.10 | 35.29 | (7.74) | 0.40 | 38.66 | (14,539) | 3,345 | 2nd Qter | 0.76 | 18.8 | 10.2 | (2.08) | 20.93 | 1,425 | 1,878 | 74,765 | 2.48 | (1,020.28) | SELL/HOLD |
| FBNH | 11.25 | 17.80 | 58.22 | 5.19 | 0.50 | 62.67 | 187,176 | 56,536 | 2nd Qter | 38.40 | 23.5 | 8.2 | 3.43 | 23.14 | 1,378,316 | 35,895 | 14,176,772 | 2.81 | 13.58 | SELL/HOLD |
| FCMB | 3.51 | 6.15 | 75.21 | 3.58 | 0.25 | 82.34 | 35,410 | 13,663 | 2nd Qter | 17.40 | 7.70 | 2.92 | 1.72 | 8.00 | 344,557 | 19,803 | 3,720,980 | 4.07 | 10.28 | BUY |
| GLAXO | 6.15 | 12.20 | 98.37 | 0.13 | 0.55 | 107.32 | 0.155 | 0.194 | 1st Qter | 8.10 | 13.9 | 5.4 | 93.85 | 15.86 | 9,688 | 1,196 | 30,750 | 4.51 | 0.00 | BUY |
| OKOMU | 165.00 | 263.00 | 59.39 | 16.98 | 12.00 | 66.67 | 22,905 | 23,431 | 2nd Qter | 40.66 | 250 | 157 | 15.49 | 341.90 | 38,786 | 954 | 89,516 | 4.56 | 59.05 | SELL/HOLD |
| PRESCO | 137.50 | 201.20 | 46.33 | 21.47 | 2.50 | 48.15 | 21,466 | 19,320 | 4th Qter | 42.65 | 220 | 110 | 9.37 | 261.56 | 42,647 | 1,000 | 145,087 | 1.24 | 50.33 | SELL/HOLD |
| PZ | 12.10 | 19.60 | 61.98 | 2.82 | 1.01 | 70.33 | 11,214 | 5,641 | 3rd Qter | 11.32 | 24 | 8.05 | 6.95 | 25.48 | 44,944 | 3,971 | 152,112 | 5.15 | 24.95 | SELL/HOLD |
| VITAFOAM | 20.45 | 24.70 | 20.78 | 2.66 | 1.52 | 28.22 | 3,698 | 4,541 | 3rd Qter | 12.80 | 24 | 16.8 | 9.29 | 32.11 | 16,007 | 1,251 | 44,716 | 6.15 | 23.10 | SELL/HOLD |
| STANBIC IBTC | 33.45 | 68.90 | 105.98 | 2.16 | 2.00 | 111.96 | 28,861 | 15,068 | 1st Qter | 33.76 | 70 | 27.5 | 31.90 | 89.57 | 437,417 | 12,957 | 3,212,273 | 2.90 | 6.60 | BUY |
| TRANSCORP | 1.13 | 6.20 | 448.67 | 0.27 | 0.05 | 453.10 | 16,104 | 12,011 | 2nd Qter | 4.34 | 7.01 | 0.98 | 22.96 | 8.06 | 176,350 | 40,648 | 495,336 | 0.81 | 9.13 | BUY |

Source: Nigerian Stock Exchange (NSE) & Regency Research

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

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

LOSERS FOR THE WEEK

Fifty three stocks depreciated in price during the week as against Thirty five in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS (ETP)

A total of 16,562 units of Exchange Traded Product valued at N2,657,745.39 in 73deals were traded during the week compared with 5,826,187 units of Exchange Traded Products valued at N65,961,084.41 traded last week in 101 deals.

BOND MARKET

A total of 94,257 units of FGN Bond valued at N103,269,555.58 in 33deals were traded in 33deals during the week compared with 138,031 units of FGN Bond valued at N148,300,501.71 traded last week in 25 deals

MARKET SUMMARY

| | Curr. Week | Previous week | % Change |
|-----------------|-------------------|-------------------|----------|
| Volume | 2,933 M | 2,644 M | 10.93 |
| Value N= | N47,449 B | N45,450 B | 4.40 |
| Total Gain | 32 | 52 | -38.46 |
| Total Loss | 53 | 35 | -51.43 |
| Deals | 44,654 | 44,189 | 1.05 |
| All Share Index | 67,395.74 | 68,143.34 | 1.10 |
| Market Cap. | N=36,886 Trillion | N=37,295 Trillion | 1.10 |

TOP TEN GAINERS

| Company | Op.Price | cl. Price | Gain | Gain in % |
|------------|----------|-----------|------|-----------|
| OANDO | 7.70 | 11.00 | 3.30 | 42.86 |
| CHELLARAM | 2.90 | 3.85 | 0.95 | 32.76 |
| CWG | 5.78 | 7.50 | 1.72 | 29.76 |
| CORNERSTON | 1.24 | 1.40 | 0.16 | 12.90 |
| NNFM | 12.05 | 13.50 | 1.45 | 12.03 |
| VITAFOAM | 22.50 | 24.70 | 2.20 | 9.78 |
| CARVETON | 1.29 | 1.41 | 0.12 | 9.30 |
| JOHN HOLT | 1.31 | 1.43 | 0.12 | 9.16 |
| UCAP | 15.90 | 17.30 | 1.40 | 8.81 |
| TRANS HOT | 41.50 | 44.90 | 3.40 | 8.19 |

TOP TEN LOSERS

| Company | Op.Price | Cl. Price | Loss | Loss in % |
|------------|----------|-----------|--------|-----------|
| ABC | 1.13 | 0.75 | (0.38) | (33.63) |
| OMATEK | 0.58 | 0.40 | (0.18) | (31.03) |
| E-TRANZACT | 10.00 | 7.35 | (2.65) | (26.50) |
| GUINEA | 0.36 | 0.29 | (0.07) | (19.44) |
| TANTALIZER | 0.46 | 0.38 | (0.08) | (17.39) |
| ACADEMY | 2.24 | 1.88 | (0.36) | (16.07) |
| LEARN AFCA | 3.90 | 3.31 | (0.59) | (15.13) |
| REGENCY | 0.40 | 0.35 | (0.05) | (12.50) |
| LASACO | 2.16 | 1.92 | (0.24) | (11.11) |
| DANSUGAR | 64.15 | 57.20 | (6.95) | (10.83) |

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 15/09/2023 | | | | | | | | | | | | |
|--------------------------------------|-------------|--------|---------------|--------|--------|---------|--------------|---------------|------------|---------------|---------------|--------|
| | | | | 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 | 29.00 | 31.20 | 1,423,675.25 | 90,000.00 | 1,513,675.25 | 313,675.25 | 26.14 |
| 1/1/2022 | UBA | 50,000 | 380,000.00 | 7.60 | 7.74 | 16.45 | 9.88 | 807,567.51 | 9,000.00 | 816,567.51 | 436,567.51 | 114.89 |
| 1/1/2022 | FIDELITY | 50,000 | 217,500.00 | 4.35 | 4.43 | 8.30 | 5.66 | 407,465.68 | 9,000.00 | 416,465.68 | 198,965.68 | 91.48 |
| 1/1/2022 | DANGSUGAR | 50,000 | 802,500.00 | 16.05 | 16.35 | 57.20 | 20.87 | 2,808,076.70 | 67,500.00 | 2,875,576.70 | 2,073,076.70 | 258.33 |
| 1/1/2022 | ZENITH | 50,000 | 1,200,000.00 | 24.00 | 24.44 | 33.25 | 31.20 | 1,632,317.31 | 13,500.00 | 1,645,817.31 | 445,817.31 | 37.15 |
| 1/1/2022 | UCAP PLC | 50,000 | 700,000.00 | 14.00 | 14.26 | 17.30 | 18.20 | 849,295.93 | 67,500.00 | 916,795.93 | 216,795.93 | 30.97 |
| 1/1/2022 | GTCO PLC | 50,000 | 1,150,000.00 | 23.00 | 23.43 | 35.20 | 29.90 | 1,728,047.20 | 13,500.00 | 1,741,547.20 | 591,547.20 | 51.44 |
| 1/1/2022 | FLOUR MILLS | 50,000 | 1,420,000.00 | 28.40 | 28.93 | 32.70 | 36.92 | 1,605,316.58 | 96,750.00 | 1,702,066.58 | 282,066.58 | 19.86 |
| 1/1/2022 | DANCEM | 50,000 | 13,050,000.00 | 261.00 | 265.83 | 365.00 | 339.30 | 17,918,671.25 | 900,000.00 | 18,818,671.25 | 5,768,671.25 | 44.20 |
| 1/1/2022 | VITAFOAM | 50,000 | 1,022,500.00 | 20.45 | 20.83 | 24.70 | 26.59 | 1,212,578.58 | 68,400.00 | 1,280,978.58 | 258,478.58 | 25.28 |
| | | | 21,142,500.00 | | | | | 30,393,011.98 | | 31,728,161.98 | 10,585,661.98 | 50.07 |

The Equity Portfolio Model which closed the previous week at 52.68% depreciated during the week, and closed the week at 50.07% (YTD). This can be compared with NGX All Share Index which closed at 32.96% in the previous week, depreciated during the week and closed at +31.15% {YTD}. The EPM depreciated during the week under review and but still out-performed the All Share Index of the market. Some of the stocks that contributed positively are DANCEM, DANGOTE SUGAR, GTCO, VITAFOAM, and UCAP PLC, Investors are thereby advised to take into consideration selection of stocks in diversified sectors to minimize risk, good dividend paying stocks and strong fundamentals to enhance the value of the portfolio. Key. Tcost means total cost of the transactions including charges (market price*units plus charges). Unit cost is total cost per unit of the stocks. B-E Price is break-even price i.e the price the portfolio will not record any gain or loss. Target price is the price we want to sell.

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

MARKET DEVELOPMENTS (LAST WEEK)

President Bola Tinubu has approved the nomination of Dr. Olayemi Michael Cardoso to serve as the new Governor of the Central Bank of Nigeria (CBN), for a term of five (5) years at the first instance, pending his confirmation by the Nigerian Senate. This directive is in conformity with Section 8 (1) of the Central Bank of Nigeria Act, 2007, which vests in the President of the Federal Republic of Nigeria, the authority to appoint the Governor and Four (4) Deputy Governors for the Central Bank of Nigeria (CBN), subject to confirmation by the Senate of the Federal Republic of Nigeria. Furthermore, President Bola Tinubu has approved the nomination of four new Deputy Governors of the Central Bank of Nigeria (CBN), for a term of five (5) years at the first instance, pending their confirmation by the Nigerian Senate, as listed below: (1) Mrs. Emem Nnana Usoro, (2) Mr. Muhammad Sani Abdullahi Dattijo, (3) Mr. Philip Ikeazor and (4) Dr. Bala M. Bello. In line with President Bola Tinubu's Renewed Hope agenda, the President expects the above-listed nominees to successfully implement critical reforms at the Central Bank of Nigeria, which will enhance the confidence of Nigerians and international partners in the restructuring of the Nigerian economy toward sustainable growth and prosperity for all.

INVESTMENT BASICS

Share Buyback/Share Repurchase. A share buyback is an action where a company buys its own shares in the open market at the prevailing market price. It's a kind of corporate financial management where, if a company has a lot of free cash flow, which it does not want to pay out as dividends, or does not have a more profitable avenue to invest in, it could decide to use the cash flow to buy back its own shares.

Reasons for Share Buy Back. Market signal of undervaluation. One major reason for share buyback is to give signal to the market that the shares of the company are undervalued. It is often believed that the Board of Directors know more than the shareholders about the financial and other conditions of the organization, such that the board knows when the company is undervalued, properly valued, or even overvalued.

Reduction in dividend expense. Another reason is to reduce dividend expense burden on its income statement. After the buyback, the stock bought becomes "treasury stocks", with the effect that the outstanding shares become reduced by the amount which the company bought back. By so doing, the company now has less shares on which to pay dividends.

Financial window dressing. The share repurchase reduces the number of existing shares, making each worth a greater percentage of the corporation. The stock's [earnings per share](#) (EPS) thus increases while the [price-to-earnings ratio](#) (P/E) decreases or the stock price increases. A share repurchase demonstrates to investors that the business has sufficient cash set aside for emergencies and a low probability of economic troubles

For Compensation. Another [reason for a buyback](#) is for compensation purposes. Companies often award their employees and management with stock rewards and stock options. To offer rewards and options, companies buy back shares and issue them to employees and management. This helps to avoid the [dilution](#) of existing shareholders. Because share buybacks are carried out using a firm's retained earnings, the net economic effect to investors would be the same as if those retained earnings were paid out as shareholder dividends.

How Companies Perform a Buyback. Shareholders might be presented with a [tender offer](#), where they have the option to submit, or tender, all or a portion of their shares within a given time frame at a premium to the current market price. This premium compensates investors for tendering their shares rather than holding onto them. Companies buy back shares on the open market over an extended period of time and may even have an outlined share repurchase program that purchases shares at certain times or at regular intervals. A company can fund its buyback by taking on debt, with cash on hand, or with its cash flow from operations.

Criticism of Buybacks'A share buyback can give investors the impression that the corporation does not have other profitable opportunities for growth, which is an issue for [growth investors](#) looking for revenue and profit increases. Repurchasing shares puts a business in a precarious situation if [the economy takes a downturn](#) or the corporation faces financial issues it cannot cover. Others allege that sometimes buybacks are used to inflate share price artificially in the market, which can also lead to higher executive bonuses

Examples of a Buyback Custodian and Allied Insurance Plc. Through its shareholders approved buy-back of up to 5 percent of issued shares from the open market in 2008. The Managing Director said that by returning cash to shareholders, it would ensure long term investor confidence. Custodian Plc had 4.6 billion naira in its share premium account at the end of 2008 and those funds were used for the buy-back.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

The FGN bond and NTB primary auction drained system liquidity this week, fueling the upward trajectory of interbank rates. The Open Repo Rate (OPR) and Overnight Rate increased by 32.59% and 30.24% week-on-week to settle at 23.64bps and 24.42bps respectively .

Treasury Bills.

In this week’s NTB primary auction, demand fell to N643.87bn from N875.75bn recorded at the previous session. The fall suggests waning interest in fixed-rate instruments as inflation rises and negative real return worsens. Nonetheless, total subscriptions (N643.87bn) were higher than the N150.18bn offered and sold by the Debt Management Office (DMO), with investors bidding for higher coupon rates. The stop rate attached to the 91-day and 364-day increased by 200bps and 43bps to 6.50% and 12.98%, respectively, while the 182-day stop rate stayed unchanged at 7.00%. Like previous auctions, the 364-day had the highest subscription, taking roughly 99% of the total subscription due to the double-digit rate, with lesser interest for the 91-day and 182-day.

Foreign Currency (EXCHANGE RATE).

The demand pressure worsened at the parallel market this week, with the naira falling to a record low of N960 to a dollar At the official window, the naira lost 478bps week-on-week to close at N756.91 to a dollar.

NIGERIAN INTER BANK OFFER RATE NIBOR

| Money Market Rate | | | |
|-------------------|-----------|-----------|----------------|
| | 08-Sep-23 | 15-Sep-23 | W-o-W % Change |
| OPR (%) | 17.83 | 23.64 | 32.59% |
| O/N (%) | 18.75 | 24.42 | 30.24% |

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION SEPT. 13, 2023

| NTB Auction Result September 14, 2023 | | | | | |
|---------------------------------------|-----------------------|---------------------------|--------------------|---------------|-------------------|
| Tenor | Amount offered (N'bn) | Total Subscription (N'bn) | Amount Sold (N'bn) | Stop Rate (%) | Previous rate (%) |
| 91-days | 1.10 | 1.27 | 1.10 | 6.50 | 4.50 |
| 182-days | 0.92 | 3.93 | 0.92 | 7.00 | 7.00 |
| 364-days | 150.18 | 638.67 | 150.18 | 12.98 | 12.55 |

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

| Average Benchmark Yields | | | |
|--------------------------|----------|-----------|----------------|
| | 8-Sep-23 | 15-Sep-23 | W-o-W % Change |
| I&E FX | 722.39 | 756.91 | 4.78% |

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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