



Monday October 02, 2023

The Role of the Capital Market in the Economy

Economic growth in a modern economy hinges on an efficient and effective financial sector that pools domestic savings and mobilizes capital for productive projects. Absence of effective capital market could leave most productive projects which carry developmental agenda unexploited. Capital market connects the monetary sector with the real sector and therefore facilitates growth in the real sector and economic development. The capital market fulfills the transfer function of current purchasing power, in monetary form, from companies which have a surplus of funds to those which have a deficit, in exchange for reimbursing a greater purchasing power in the future; in this way the capital market makes possible to separate the saving act from the investment one. Capital market has played major roles during the privatization of public owned enterprises. For example, Nigeria capital market was instrumental to the initial twenty five Banks that were able to meet the minimum capital requirement of N25 billion during the banking sector consolidation in 2005. The stock market has helped government and corporate entities to raise long term capital for financing new projects, and expanding and modernizing industrial/commercial concerns Capital market increases the proportion of long-term savings (pensions,) that is channeled to long-term investment. Capital market enables contractual savings industry (pension and provident funds, insurance companies, medical aid schemes, collective investment schemes, etc.) to mobilize long-term savings from small individual household and channel them into long-term investments. The implication will be an increase in productivity within the economy leading to more employment, increase in aggregate consumption and hence growth and development. It also helps in diffusing stresses on the banking system by matching long-term investments with long-term capital. It encourages broader ownership of productive assets by small savers. It enables them to benefit from economic growth and wealth distribution, and provides avenues for investment opportunities that encourage a thrift culture critical in increasing domestic savings and investment ratios that are essential for rapid industrialization. Capital market also provides equity capital and infrastructure development capital that has strong socio-economic benefits through development of roads, water and sewer systems, housing, energy, telecommunications, public transport, etc. Moreover, capital market promotes public-private sector partnerships to encourage participation of private sector in productive investments. The need to shift economic development from public to private sector to enhance economic productivity has become inevitable as resources continue to diminish. It assists the public sector to close resource gap, and complement its effort in financing essential socio-economic development, through raising long-term project based capital. It also attracts foreign portfolio investors who are critical in supplementing the domestic savings levels. It facilitates inflows of foreign financial resources into the domestic economy. Recent empirical research linking capital market development and economic growth suggests that capital market enhances economic growth and development. Countries with well-developed capital markets experience higher economic growth than countries without. The role of capital markets is vital for inclusive growth in terms of wealth distribution and making capital safer for investors. Capital markets can create greater financial inclusion by introducing new products and services tailored to suit investors' preference for risk and return as well as borrowers' project needs and risk appetite. Innovation, credit counseling, financial education and proper segment identification constitute the possible strategies to achieve this. A well-developed capital market creates a sustainable low-cost distribution mechanism for multiple financial products and services across the country. Capital market enhances efficient financial intermediation. It increases mobilization of savings and therefore improves efficiency and volume of investments, economic growth and development.

Capital Market Summary . Analysis of the market activity in the week ended September 29, 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 1.40% each from the opening figures of 67,324.59 and N36,847 trillion to close at 66,382.14 and N36,330 trillion respectively. Its year to date (YTD) return stands at +29.52%.

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

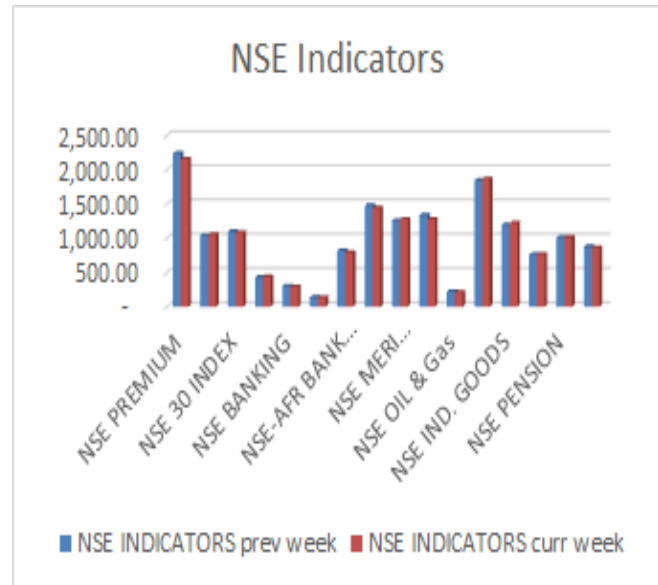
Source: Central Bank of Nigeria (CBN)

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 02/10/23-06/10/2023)

Investors in the equity market saw their investment plummet by N91bn in September, 2023 as the market opened at 66,548.99 index points with a market capitalisation of N36.42trn but closed the month at 66,382.14 index points and N36.33trn respectively. The All-share index dropped by **-0.25%** on sustained profit taking. For the week, the market also closed negatively, losing **-1.40%** across the four trading days of the week. The NGX ASI closed at 66,382.14 points from 67,324.59 index points registered in the previous week. Access Holdings, Transcorp, and UBA accounted for about 35% of the volume and value of trade for the week. The market year-to-date (YTD) returns went down to **+29.52%** from **+31.36%** it was in the previous week. The unlisted equity market sustained its bullish trend for the week as the NASD USI posted a gain of **+0.84%** from 808.85 index points reported in the previous week to 815.65 points. However, market capitalisation dropped -3.25% for the week as volume traded dipped by over 90%. We expect the market to sustain profit-taking during the week amidst the current uncertain macroeconomic conditions. However the expectation of Q3 results may change the perception of investors. 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, UCAP, ZENITH, ACCESS PLC, WAPCO PLC, DANGOTE SUGAR, 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	29/9/2023	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	24.00	31.45	31.04	9.29	3.20	44.38	291,731	111,413	2nd Qter	56.76	37.80	19.00	3.39	40.89	1,781,979	31,396	16,031,910	10.17	16.37	BUY
GTCO	23.00	34.45	49.78	9.94	3.10	63.26	280,482	77,557	2nd Qter	40.79	41.80	16.80	3.47	44.79	1,200,507	29,431	8,509,893	9.00	23.36	HOLD
ACCESS	8.50	15.75	85.29	2.06	1.50	102.94	71,656	57,825	2nd Qter	48.71	19.80	7.50	7.65	20.48	1,731,488	35,545	20,853,270	9.52	4.14	BUY
UBA	7.60	16.80	121.05	10.95	1.10	135.53	378,235	70,335	2nd Qter	50.07	18.00	6.55	1.53	21.84	1,712,362	34,199	15,382,382	6.55	22.09	BUY
FIDELITY	4.35	8.30	90.80	1.94	0.50	102.30	61,995	23,219	2nd Qter	12.58	9.82	2.87	4.28	10.79	402,597	32,000	5,052,206	6.02	15.40	BUY
WAPCO	24.00	29.95	24.79	2.20	2.00	33.13	35,479	37,410	2nd Qter	26.03	31.50	20.10	13.61	38.94	419,365	16,108	654,695	6.68	8.46	BUY
NAHCO	6.40	23.85	272.66	1.19	1.20	291.41	2,340	0.968	2nd Qter	4.66	25.95	5.12	20.04	31.01	9,082	1,949	18,218	5.03	25.77	HOLD
NASCON	11.10	52.00	368.47	4.39	1.00	377.48	5,822	1,535	2nd Qter	8.39	59.50	9.50	11.85	67.60	22,215	2,649	68,482	1.92	26.21	HOLD
FLOUR MILLS	28.40	32.60	14.79	7.25	2.25	22.71	29,504	28,015	audited	54.93	36.20	27.00	4.50	42.38	225,225	4,100	1,097,396	6.90	13.10	HOLD
MTNN	215.00	264.00	22.79	6.33	15.64	30.07	128,688	181,629	2nd Qter	12.76	288.00	185.00	41.71	343.20	259,817	20,354	3,137,844	5.92	49.53	BUY
DANSUGAR	16.05	53.90	235.83	(2.30)	1.50	245.17	(27,987)	20,242	2nd Qter	10.29	63.10	15.00	(23.43)	70.07	125,035	12,146	565,999	2.78	(22.38)	HOLD
DANCEM	261.00	340.00	30.27	10.39	20.00	37.93	178,603	105,851	2nd Qter	77.01	360.00	220.00	32.72	442.00	1,312,377	17,041	3,188,074	5.88	13.61	BUY
NB	41.00	40.85	(0.37)	(5.73)	1.43	3.12	(47,599)	18,743	2nd Qter	11.86	48.80	28.80	(7.13)	53.11	121,839	10,276	677,980	3.50	(39.07)	BUY
UCAP	11.60	16.05	38.36	1.63	1.50	51.29	2,441	2,309	2nd Qter	4.45	17.10	9.00	9.85	20.87	26,707	6,000	727,504	9.35	9.14	BUY
AFRIPRUD	6.00	6.30	5.00	0.21	0.50	13.33	0.415	0.936	2nd Qter	4.46	7.70	5.00	30.00	8.19	8,926	2,000	20,477	7.94	0.00	BUY
NEM INS.	4.50	5.50	22.22	0.064	0.30	28.89	2,853	1,545	1st Qter	2.99	6.99	3.13	85.94	7.15	29,980	10,032	54,604	5.45	9.52	BUY
CADBURY	11.90	16.10	35.29	(7.74)	0.40	38.66	(14,339)	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	16.35	45.33	5.19	0.50	49.78	187,176	56,536	2nd Qter	38.40	23.5	8.2	3.15	21.26	1,378,316	35,895	14,176,772	3.06	13.58	SELL/HOLD
FCMB	3.51	5.90	68.09	3.58	0.25	75.21	35,410	13,663	2nd Qter	17.40	7.70	2.92	1.65	7.67	344,557	19,803	3,720,980	4.24	10.28	BUY
GLAXO	6.15	11.35	84.55	0.13	0.55	93.50	0.155	0.194	1st Qter	8.10	13.9	5.4	87.31	14.76	9,688	1,196	30,750	4.85	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	15.08	6.50	51.05	21,466	19,320	4th Qter	42.65	220	110	13.34	261.56	42,647	1,000	145,087	3.23	50.33	SELL/HOLD
PZ	12.10	20.00	65.29	2.82	1.01	73.64	11,214	5,641	3rd Qter	11.32	24	8.05	7.09	26.00	44,944	3,971	152,112	5.05	24.95	SELL/HOLD
VITAFOAM	20.45	22.25	8.80	2.66	1.52	16.23	3,698	4,541	3rd Qter	12.80	24	16.8	8.36	28.93	16,007	1,251	44,716	6.83	23.10	SELL/HOLD
STANBIC IBTC	33.45	78.00	133.18	5.12	2.52	140.72	67,919	15,068	2nd Qter	34.90	70	27.5	15.23	101.40	452,175	12,957	4,451,179	3.23	15.02	BUY
TRANSCORP	1.13	5.99	430.09	0.27	0.05	434.51	16,104	12,011	2nd Qter	4.34	7.01	0.98	22.19	7.79	176,350	40,648	495,336	0.83	9.13	BUY

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 51,116 units of Exchange Traded Products valued at N4,485,379.25 in 112 deals were traded during the week compared with 16,562 units of Exchange Traded Product valued at N2,657,745.39 traded last week in 73 deals.

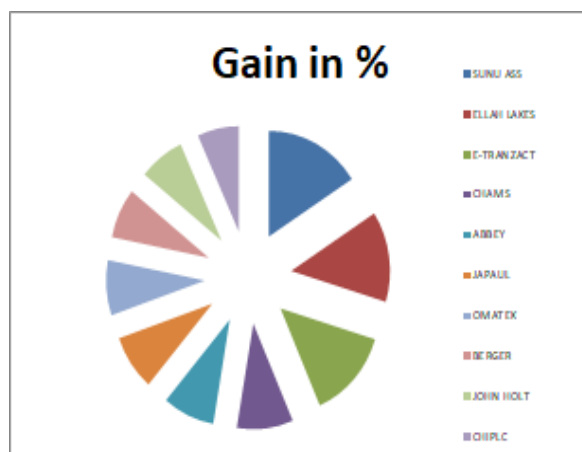
BOND MARKET

A total of 95,921 units of FGN Bond valued at N98,305,044.05 in 27 deals were traded during the week compared with 94,257 units of FGN Bond valued at N103,269,555.58 traded last week in 33 deals

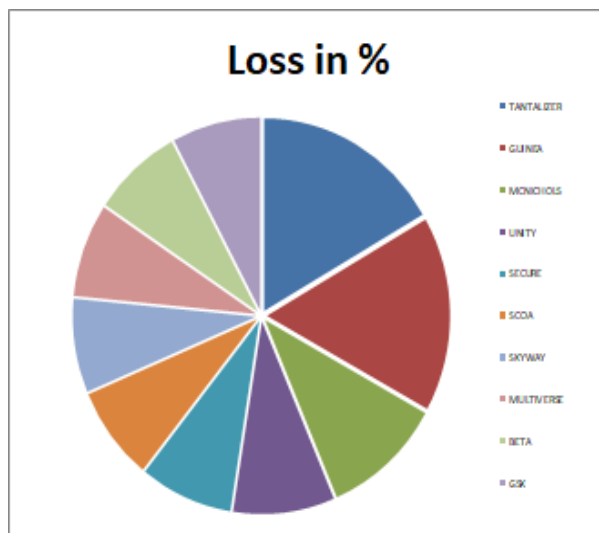
MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	3,911 M	2,933 M	33.34
Value N=	N30,379 B	N47,449 B	-35.98
Total Gain	48	32	50.00
Total Loss	40	53	24.53
Deals	38,536	44,654	-13.70
All Share Index	66,382.14	67,324.59	-1.40
Market Cap.	N=36,330 Trillion	N=36,847 Trillion	-1.40

TOP TEN GAINERS



TOP TEN LOSERS



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Closure of Register - Dividends and Bonuses

Company	Dividend/ Bonus	Closure of Register	AGM Date	Payment Date
PZ Cussons Nigeria Plc	N1.01	Nil	9th - 13th January 2023	25th January 2023
Vitafoam Nigeria Plc	N1.52	Nil	13th -17th February 2023	2nd March 2023
Geregu Power Plc	N8.00	Nil	28th February 2023	28th March 2023
MTN Nigeria Communcations Plc	N10.00	Nil	28th March 2023	18th April 2023
Nigerian Breweries Plc	N1.03	Nil	17th March 2023	26th April 2023
BUA Cement Plc	N2.80	Nil	14th August 2023	31st August 2023
Nigerian Enamelware Plc	Nil	3 for 2	14th March 2023	N/A
United Capital Plc	N1.50	Nil	15th March 2023	27th March 2023
Transcorp Hotels Plc	N0.13	Nil	20th March 2023	3rd April 2023
Dangote Sugar Refinery Plc	N1.50	Nil	27th March 2023	14th April 2023
Lafarge Africa Plc	N2.00	Nil	11th April 2023	28th April 2023
Seplat Energy Plc	Final - 2.5	Nil	19th April 2023	10th May 2023
Nestle Nigeria Plc	N36.5	Nil	24th April 2023	17th May 2023
NASCON Allied Industries Plc	N1.00	Nil	2nd May 2023	26th May 2023
Africa Prudential Plc	N0.50	Nil	17th April 2023	2nd May 2023
Custodian Investment Plc	N0.55	Nil	3rd April 2023	13th April 2023
Transnational Corporation Plc	N0.05	Nil	12th April 2023	26th April 2023
Consolidated Hallmark Insurance Plc	N0.03	Nil	14th April 2023	24th May 2023
Infinity Trust Mortgage Bank Plc	N0.06	Nil	17th April 2023	11th May 2023
FCMB Group Plc	N0.25	Nil	14th April 2023	28th April 2023
Zenith Bank Plc	N2.90	Nil	17th April 2023	2nd May 2023
United Bank for Africa Plc	N0.90	Nil	17th April 2023	27th April 2023
Unilever Nigeria Plc	N0.25	Nil	18th April 2023	4th May 2023
CWG Plc	N0.04	Nil	18th April 2023	28th April 2023
SFS Real Estate Investment Trust	N8.45	Nil	20th April 2023	N/A
Eterna Plc	N0.15	Nil	24th April 2023	11th May 2023
Okomu Oil Palm Company Plc	N12.00	Nil	25th April 2023	25th May 2023
TotalEnergies Marketing Nigeria Plc	N21.00	Nil	26th April 2023	1st June 2023
NEM Insurance Plc	N0.30	Nil	1st May 2023	18th May 2023
Nigerian Aviation Handling Company	N1.20	Nil	15th May 2023	26th May 2023
May & Baker Nigeria Plc	N0.30	Nil	17th May 2023	1st June 2023
Berger Paints Nigeria Plc	N0.70	Nil	27th April 2023	24th May 2023
Ecobank Transnational Incorporated	0.11 cents	Nil	26th May 2023	17th May 2023
ABC Transport Plc	N0.015	Nil	29th May 2023	TBA
Julius Berger Nigeria Plc	N2.50	Nil	29th May 2023	15th June 2023
Sunu Assurances Nigeria Plc	N0.03	Nil	31st May 2023	14th June 2023
AllCO Insurance Plc	N0.03	Nil	1st June 2023	8th June 2023
McNichols Consolidated Plc	N0.01	Nil	1st June 2023	27th July 2023
Cadbury Nigeria Plc	N0.40	Nil	5th June 2023	26th June 2023
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	30th June 2023
Chemical and Allied Products Plc	N1.55	Nil	2nd June 2023	15th June 2023
UAC of Nigeria Plc	N0.22	Nil	7th June 2023	21st June 2023
Trans-Nation Wide Express Plc	N0.02	Nil	12th June 2023	21st June 2023
Beta Glass Plc	N1.17	Nil	19th June 2023	6th July 2023
AXA Mansard Insurance Plc	N0.30	Nil	22nd June 2023	28th July 2023
Ikeja Hotel Plc	N0.075	1 for 3	5th July 2023	26th July 2023
LivingTrust Mortgage Bank Plc	N0.01	Nil	7th July 2023	25th July 2023
LivingTrust Mortgage Bank Plc	N0.012	Nil	7th July 2023	25th July 2023
LASACO Assurance Plc	N0.15	Nil	4th July 2023	27th July 2023
BUA Foods Plc	N4.50	Nil	4th September 2023	14th September 2023
Guaranty Trust Holding Company Plc	N2.80	Nil	2nd May 2023	11th May 2023
Glaxo SmithKline Consumer Nigeria	N0.55	Nil	5th May 2023	7th June 2023
Access Holdings Plc	N1.30	Nil	10th May 2023	24th May 2023
Wema Bank Plc	N0.30	Nil	10th May 2023	24th May 2023
Jaiz Bank Plc	N0.05	Nil	2nd June 2023	27th July 2023
NPF Microfinance Bank Plc	N0.10	Nil	9th May 2023	22nd June 2023
Industrial and Medical Gases Nigeria	N0.40	Nil	7th July 2023	21st July 2023
Fidelity Bank Plc	N0.40	Nil	15th May 2023	23rd May 2023
UH Real Estate Investment Trust	N2.10	Nil	16th May 2023	N/A
Multiverse Mining and Exploration Plc	(Interim Q1)	Nil	25th May 2023	N/A
Cornerstone Insurance Plc	(Interim Q1)	Nil	6th June 2023	N/A
Airtel Africa Plc	3.27 cents	Nil	22nd June 2023	4th July 2023
Vetiva Griffin 30 Exchange Traded F	N0.28	Nil	11th May 2023	N/A
Vetiva S&P Nigerian Sovereign Bond	N7.60	Nil	11th May 2023	N/A
Vetiva Banking ETF	N0.40	Nil	11th May 2023	N/A
Seplat Energy Plc	US 3 cents	Nil	19th May 2023	N/A
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	23rd June 2023
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	23rd June 2023
Conoil Plc	N2.50	Nil	30th June 2023	22nd September 2023
Meristem Growth ETF	N0.40	Nil	24th May 2023	N/A
Meristem Value ETF	N0.79	Nil	24th May 2023	N/A
FBN Holdings Plc	N0.50	Nil	9th August 2023	15th August 2023
Northern Nigeria Flour Mills Plc	N0.35	Nil	23rd August 2023	7th September 2023
University Press Plc	N0.10	Nil	6th September 2023	21st September 2023
Learn Africa Plc	N0.25	Nil	11th September 2023	26th September 2023
Academy Press Plc	N0.10	Nil	12th September 2023	14th September 2023
Smart Products Nigeria Plc	N0.10	Nil	17th July 2023	24th August 2023
Red Star Express Plc	N0.20	Nil	21st August 2023	14th September 2023
Tripple Gee and Company Plc	N0.10	Nil	7th August 2023	24th August 2023
Nigerian Exchange Group Plc (Interim)	N0.25	Nil	11th August 2023	N/A
MTN Nigeria Communcations Plc (Interim)	N5.60	Nil	17th August 2023	N/A
Cutix Plc	N0.12	Nil	18th August 2023	25th August 2023
Seplat Energy Plc (Interim)	3 US cents	Nil	18th August 2023	N/A
Custodian Investment Plc (Interim)	N0.15	Nil	21st August 2023	N/A
Presco Plc	N6.80	Nil	14th September 2023	29th September 2023
Stanbic IBTC ETF 30	N2.52	Nil	11th August 2023	N/A
SIAML Pension ETF 40	N6.49	Nil	11th August 2023	N/A
UPDC REIT Fund	N0.19	Nil	1st September 2023	N/A
Stanbic IBTC Holdings Plc (Interim)	N1.50	Nil	13th September 2023	NIL
Flour Mills of Nigeria Plc	N2.25	Nil	16th October 2023	9th November 2023
Fidelity Bank Plc (Interim)	N0.25	Nil	18th September 2023	N/A
Zenith Bank Plc (Interim)	N0.50	Nil	25th September 2023	N/A
United Bank for Africa Plc (Interim)	N0.50	Nil	27th September 2023	N/A
Guaranty Trust Holding Company Plc (Interim)	N0.50	Nil	15th September 2023	N/A
Fidson Healthcare Plc	N0.55	Nil	10th July 2023	11th September 2023
Access Holdings Plc	N0.30	Nil	6th october, 2023	N/A



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 22/09/2023												
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	28.60	31.20	1,404,038.35	90,000.00	1,494,038.35	294,038.35	24.50
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	17.25	9.88	846,841.31	9,000.00	855,841.31	475,841.31	125.22
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	8.10	5.66	397,647.23	9,000.00	406,647.23	189,147.23	86.96
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	56.25	20.87	2,761,439.06	67,500.00	2,828,939.06	2,026,439.06	252.52
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	33.00	31.20	1,620,044.25	13,500.00	1,633,544.25	433,544.25	36.13
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	18.00	18.20	883,660.50	67,500.00	951,160.50	251,160.50	35.88
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	35.95	29.90	1,764,866.39	13,500.00	1,778,366.39	628,366.39	54.64
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	31.60	36.92	1,551,315.10	96,750.00	1,648,065.10	228,065.10	16.06
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	334.00	339.30	16,396,811.50	900,000.00	17,296,811.50	4,246,811.50	32.54
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					28,839,242.26		30,174,392.26	9,031,892.26	42.72

The Equity Portfolio Model which closed the previous week at 42.72% depreciated during the week, and closed the week at 42.32% (YTD). This can be compared with NGX All Share Index which closed at 31.36% in the previous week, depreciated during the week and closed at +29.52% {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 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)

BUA Cement Plc Announces New Price Regime of N3,500 Per Bag Effective October 2nd, 2023

We refer to our previous pronouncements regarding our intent to reduce cement prices upon the completion of our new lines at the end of the year in order to spur development in the building materials and infrastructure sectors. As per the commitment made to reduce prices and following a periodic review of our operations for efficiency, the management of BUA Cement Plc wishes to announce and inform our esteemed customers, stakeholders, and the public that effective October 2, 2023, we have decided to bring the price reduction forward. As a result, BUA Cement would now be sold at an ex-factory* price of 3,500 Naira per bag so that Nigerians can begin to enjoy the benefits of the price reduction before the completion of our plants. Upon completion of the ongoing construction of our new plants, which would increase our production volumes to 17 million metric tonnes per annum, BUA Cement PLC intends to review these prices further in line with our earlier pronouncements by the first quarter of 2024. NOTE: All pending, undelivered orders which had been paid for at the old prices will be reviewed downwards to N3500/bag in line with the new pricing from October 2, 2023. Our licensed dealers are also enjoined to ensure that end-users benefit from this reduction in ex-factory prices as we will monitor field sales to ensure compliance.

INVESTMENT BASICS

How To Succeed With Your Money

It is a common scene to see people who work round the clock or even earn reasonable salaries and yet have little or nothing to show for it. This is because they have one source of income, called; "Linear Income". Until you put your money down to work for you in investment mix such as real estate, bond and shares, where residual income is generated, you have not succeeded with your money.

To achieve financial success, make it a duty to save a part of what you earn on a regular basis. Do not spend all your earnings, no matter how pressing a need may be. Most people that applied this principle in the past are wealthy today. No matter how much you earn, keep at least 10 percent of such for savings every month. You see that each passing month makes you worth more than you were the previous months. Your money will grow by the months. As it grows, you get stimulated and greater efforts will come to you to assist you make more money through investing in multiple sources of income. When you begin to implement and save part of the money that comes to you, money will flow to you more easily than before. Remember that doors of opportunity will only open to you when you have a solid financial base to utilize the opportunity for greater wealth.

No matter your profession, money /wealth can be yours if only you are ready to follow these principles. Therefore, every one that is involved in a venture has to himself a stream that can make him as wealthy as he wants to become. Remember that all the money you desire in life is tied to the one you have now if you know how to send it on errand. It is a fact of life that the one who gathers much begin with little. The money you possess now, if properly utilized, can lead to a greater wealth tomorrow, but if you continue to spend all that comes to you, you have denied yourself the opportunity of succeeding with your money, thus making your future cloudy. Be wise! Money tends to flow more easily to those who use it well, but flies away from those who spend extravagantly. Spending all your earnings brings you below the line, while saving and investing a part of all your earnings will bring you above line and sure prosperity!

It is important to take advantage of the current impressive performances of some equities and attractive value of stocks in the equity market to grow your income. It may be a difficult process to grow wealth initially, but if you are disciplined and work hard at it consistently, you will break the cultural yoke and begin to learn, with the aid of a financial advisor how to accumulate wealth.

The key steps are: 1. Start by investing a specific sum out of your pay every month; 2. Determine the shortfall between what is left of your income and your expenses; 3. See what you can forgo today in order for you to build your tomorrow; 4. Understand that there are 12 hours in a day and 12 hours in the night....use them wisely to generate a secondary level of income; 5. Invest the secondary income in assets that generate rental income – real estate, stocks, funds 6. Consider a retirement/pension plan for yourself, 7. Protect your assets and life by taking up insurance plans, 8. Invest in you – education, career and life. So today, get angry with the status quo. Take immediate action. Change position.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

The interbank rate rose mildly this week, supported by the steady system liquidity. On a weekly basis, the Open Repo Rate (OPR) and Overnight Rate increased by 4.65% and 3.03% to 2.70bps and 3.40bps respectively.

Treasury Bills.

The robust system liquidity drove participation at the NTB auction held on September 27, 2023. The total subscription was N786.79bn spread across the three papers, higher than the N177.12bn offered by CBN. Due to excess demand, stop rates dropped to 4.99%, 6.55% and 11.37% for 91-day, 182-day and 364-day tenors, respectively. Eventually, the DMO sold precisely the amount offered with a spread of N1.75bn for 91-day, N1.56bn for 182-day and N173.81bn for 364-day.

Foreign Currency (EXCHANGE RATE).

The Naira depreciated against the U.S. dollar by 100bps this week to close at N755.31/US\$1 on Friday at the Investor and Exporter F.X. Window. Meanwhile, Naira weakened to N1000 on Tuesday at the parallel market and settled at N1007 on Friday.

OIL PRICE.

The Nigeria's oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$91.23 per barrel during the week, compared with \$90.03 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate			
	22-Sep-23	29-Sep-23	W-o-W % Change
OPR (%)	2.58	2.7	+4.65%
O/N (%)	3.3	3.4	+3.03%

Source

TREASURY BILLS RATES

NTB AUCTION SEPT. 27, 2023

NTB Auction Result September 27, 2023					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	1.75	7.08	1.75	4.99	6.50
182-days	1.56	6.64	1.56	6.55	7.00
364-days	173.81	773.07	173.81	11.37	12.98

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

Average Benchmark Yields			
	22-Sep-23	29-Sep-23	W-o-W% Change
I&E FX	747.76	755.27	1.00%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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