



Monday October 30, 2023

Petrol Subsidy in Nigeria Oil Sector

Since the 1970s, Nigerians have accessed fuel at discounted prices on the back of the fuel subsidy provided by the government. The subsidy was introduced to keep the price of fuel affordable for citizens and stimulate economic activities to drive growth and development. However, the subsidy has become increasingly unsustainable amidst several irregularities in recent years. The subsidy structure is flawed, breathing corruption, mismanagement, and illegal profit-taking while eroding the country’s revenue. For instance, the price differences between Nigeria and neighbouring countries have fuelled smuggling, reflecting the wastage of government revenue for individual illegal profits. This dysfunctionality has roused the need for outright eradication of the subsidy in years past but has been boycotted by each administration, mostly scared of the adverse effects such as elevated inflation, threatened citizens’ well-being, social unrest (protests), political reputation, and others. Eventually, President Tinubu announced the subsidy removal during his inaugural speech on May 29, 2023. This resulted in higher PMS prices, hovering above N600/ per litre from the previous price of N197/litre. The deregulation led to a sharp drop in petroleum consumption as data published by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) showed average daily PMS consumption fell to 49.84m litres in June 2023 from 69.54m litres recorded in May. The consumption fell further to 45.47m in July. Nigerians had to lessen their PMS usage following the price surge, for instance, reducing mobility, trekking short distances, embracing virtual meetings, ridesharing, and many others. Thus, this adjustment might have slightly contributed to the consumption drop (28.31%). We suspect the upward adjustment of PMS prices in neighbouring countries benefiting from the previous subsidy regime disarmed smuggling, resulting in a fall in consumption. Although the subsidy removal resulted in economic hardship with inflation at a record high, higher cost of living and a challenging business environment, removing the subsidy has put the country on a roadmap to a better fiscal position and efficiency. The higher cost induced by the subsidy removal incentivizes the need for domestic refineries to produce more petroleum products over the current reliance on importation. Hence, the government will either prioritize fixing the dilapidated refineries or selling to private sectors, increasing employment and productivity. Also, the country’s revenue and borrowings will be channeled towards infrastructural development that will aid productivity, foreign investments, and Job creation.

Capital Market Summary .

Analysis of the market activity in the week ended October 27, 2023 shows that the Nigerian equity market end the week on a bullish note. The NGX All Share Index and market capitalization of listed equities appreciated by 0.33% each from the opening figures of 66,915.41 and N36,764 trillion to close at 67,136.58 and N36,885 trillion respectively. Its year to date (YTD) return stands at +31.00%.

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)	26,72%	Swptember, 2023
Monetary Policy Rate (MPR)	18.75%	July, 2023
Cash Reserve Ratio (CRR)	32.50%	July , 2023
Nigeria’s Bonny Light Crude Oil	US\$98.23/Bar	October 20, 2023
Nigeria’s Gross External Reserves	US\$33.25bn	October 19, 2023

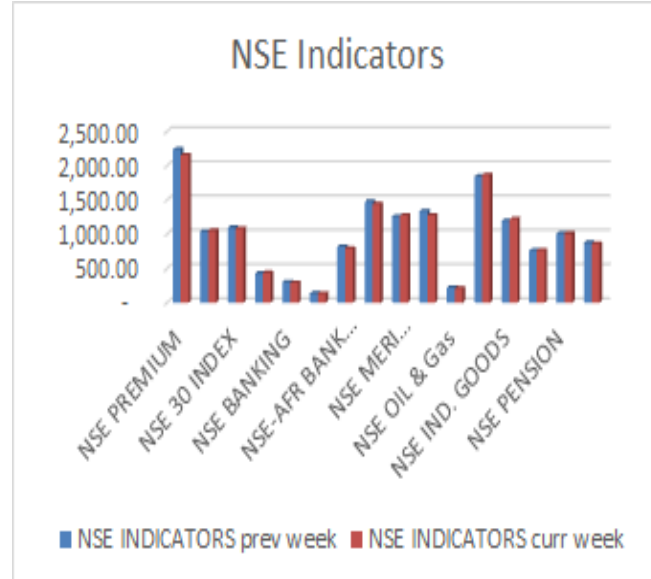
Source: Central Bank of Nigeria (CBN)

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 30/10/23-03/11/2023)

The NGX ASI closed negative in three out of the five trading sessions of the week. However, the market managed to squeeze out a gain of **+0.33%** for the week, with the NGX ASI closing at 67,136.58 index points from 66,915.41 points it opened the week. The year-to-date (YTD) returns appreciated to **+31.00%** from **+30.56%** in the previous week, while investors gained N121.51bn and the market capitalisation closed at N36.885trillion. Market breadth closed negative for the week at -0.039x, with 39 gainers against 42 losers and 76 flat tickers. Despite recording an increase in volume and value traded, the NASD USI closed negative for the week with a loss of **-0.84%**. The index opened the week at 833.63 index points and fell to 826.65 as investors lost N10bn, with market capitalization dropping to N1.12trn. We expect the market to remain bullish during the week due to continuous release of impressive Q3 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 recommend the underlisted stocks for purchase during the week. **DANGOTE CEMENT, TRANSCORP, UBA PLC, MTNN PLC., ZENITH, ACCESS PLC, WAPCO PLC, DANGOTE SUGAR, NASCON, GUINNESS AND FCMB PLC, while recommend CHIPLC, RT BRISCOE, CHAMS, LASACO and OANDO as speculative STOCKS.**

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. Yield	ROCE	Remark
	31/12/23	27/10/2023	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	24.00	33.30	38.75	9.29	3.20	52.08	291,731	111,413	2nd Qter	56.76	37.80	19.00	3.58	43.29	1,781,979	31,396	16,031,910	9.61	16.37	BUY
GTCO	23.00	35.35	53.70	9.94	3.10	67.17	280,482	77,557	2nd Qter	40.79	41.80	16.80	3.56	45.96	1,200,507	29,431	8,509,893	8.77	23.36	HOLD
ACCESS	8.50	16.95	99.41	2.06	1.50	117.06	71,656	57,825	2nd Qter	48.71	19.80	7.50	8.23	22.04	1,731,488	35,545	20,853,270	8.85	4.14	BUY
UBA	7.60	19.00	150.00	10.95	1.10	164.47	378,235	70,335	2nd Qter	50.07	18.00	6.55	1.74	24.70	1,712,362	34,199	15,382,382	5.79	22.09	BUY
FIDELITY	4.35	8.25	89.66	1.94	0.50	101.15	61,995	23,219	2nd Qter	12.58	9.82	2.87	4.25	10.73	402,597	32,000	5,052,206	6.06	15.40	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	23.80	271.88	1.19	1.20	290.63	2,340	0.968	2nd Qter	4.66	25.95	5.12	20.00	30.94	9,082	1,949	18,218	5.04	25.77	HOLD
NASCON	11.10	58.00	422.52	4.39	1.00	431.53	5,822	1,535	2nd Qter	8.39	59.50	9.50	13.21	75.40	22,215	2,649	68,482	1.72	26.21	HOLD
FLOUR MILLS	28.40	29.00	2.11	7.25	2.25	10.04	29,504	28,015	audited	54.93	36.20	27.00	4.00	37.70	225,225	4,100	1,097,396	7.76	13.10	HOLD
MTNN	215.00	246.50	14.65	6.33	15.64	21.93	128,688	181,629	2nd Qter	12.76	288.00	185.00	38.94	320.45	259,817	20,354	3,137,844	6.34	49.53	BUY
DANSUGAR	16.05	63.00	292.52	(2.30)	1.50	301.87	(27,987)	20,242	2nd Qter	10.29	63.10	15.00	(27.39)	81.90	125,035	12,146	565,999	2.38	(22.38)	HOLD
DANCEM	261.00	310.10	18.81	10.39	20.00	26.48	178,603	105,851	2nd Qter	77.01	360.00	220.00	29.85	403.13	1,312,377	17,041	3,188,074	6.45	13.61	BUY
NB	41.00	36.05	(12.07)	(5.73)	1.43	(8.59)	(47,599)	18,743	2nd Qter	11.86	48.80	28.80	(6.29)	46.87	121,839	10,276	677,980	3.97	(39.07)	BUY
UCAP	11.60	16.40	41.38	1.63	1.50	54.31	2,441	2,309	2nd Qter	4.45	17.10	9.00	10.06	21.32	26,707	6,000	727,504	9.15	9.14	BUY
AFRIPRUD	6.00	6.55	9.17	0.21	0.50	17.50	0.415	0.936	2nd Qter	4.46	7.70	5.00	31.19	8.52	8,926	2,000	20,477	7.63	0.00	BUY
NEM INS.	4.50	5.05	12.22	0.064	0.30	18.89	2,853	1,545	1st Qter	2.99	6.99	3.13	78.91	6.57	29,980	10,032	54,604	5.94	9.52	BUY
CADBURY	11.90	12.60	5.88	(7.74)	0.40	9.24	(14,539)	3,345	2nd Qter	0.76	18.8	10.2	(1.63)	16.38	1,425	1,878	74,765	3.17	(1,020.28)	SELL/HOLD
FBNH	11.25	16.10	43.11	5.19	0.50	47.56	187,176	56,536	2nd Qter	38.40	23.5	8.2	3.10	20.93	1,378,316	35,895	14,176,772	3.11	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	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	236.80	43.52	16.98	12.00	50.79	22,905	23,431	2nd Qter	40.66	250	157	13.95	307.84	38,786	954	89,516	5.07	59.05	SELL/HOLD
PRESKO	137.50	181.00	31.64	15.08	6.50	36.36	21,466	19,320	4th Qter	42.65	220	110	12.00	235.30	42,647	1,000	145,087	3.59	50.33	SELL/HOLD
PZ	12.10	19.75	63.22	2.82	1.01	71.57	11,214	5,641	3rd Qter	11.32	24	8.05	7.00	25.68	44,944	3,971	152,112	5.11	24.95	SELL/HOLD
VITAFOAM	20.45	22.45	9.78	2.66	1.52	17.21	3,698	4,541	3rd Qter	12.80	24	16.8	8.44	29.19	16,007	1,251	44,716	6.77	23.10	SELL/HOLD
STANBIC IBTC	33.45	67.75	102.54	5.12	2.52	110.07	67,919	15,068	2nd Qter	34.90	70	27.5	13.23	88.08	452,175	12,957	4,451,179	3.72	15.02	BUY
TRANSCORP	1.13	6.22	450.44	0.27	0.05	454.87	16,104	12,011	2nd Qter	4.34	7.01	0.98	23.04	8.09	176,350	40,648	495,336	0.80	9.13	BUY

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 20,749 units of Exchange Traded Product valued at N1,353,055.59 in 75 deals were traded during the week compared with 7,100 units of Exchange Traded Products valued at N1,123,635.56 traded last week in 66 deals.

BOND MARKET

A total of 46,264 units of FGN Bond valued at N39,005,525.03 in 31 deals were traded during the week compared with 187,866 units of FGN Bond valued at N196,533,816.60 traded last week in 28 deals

MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	1,446 M	1,496 M	-0.03
Value N=	N25,418 B	N24,284 B	4.67
Total Gain	39	28	39.29
Total Loss	42	46	8.70
Deals	28,933	29,298	-1.24
All Share Index	67,136.58	66,915.41	0.33
Market Cap.	N=36,885 Trillion	N=36,764 Trillion	0.33

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
CHAMS	1.49	1.90	0.41	27.52
GEREGU	315.00	380.00	65.00	20.63
MULTIVERSE	2.67	3.20	0.53	19.85
UACN	11.00	13.10	2.10	19.09
TANTALIZER	0.29	0.34	0.05	17.24
RED STAR	2.95	3.30	0.35	11.86
THOMAS WYA	3.63	4.03	0.40	11.02
NEIMETH	1.55	1.72	0.17	10.97
BERGER PAIN	12.00	13.20	1.20	10.00
IKEJA	3.15	3.42	0.27	8.57

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
VFD GROUP	269.30	218.20	(51.10)	(18.98)
CHIP	1.15	1.03	(0.12)	(10.43)
SECURE	0.30	0.27	(0.03)	(10.00)
SUNU	1.10	0.99	(0.11)	(10.00)
MCNICHOLS	0.62	0.56	(0.06)	(9.68)
PRESTIGE	0.45	0.41	(0.04)	(8.89)
IBREWERY	4.60	4.20	(0.40)	(8.70)
DAAR COMM	0.23	0.21	(0.02)	(8.70)
E-TRANZACT	8.40	7.70	(0.70)	(8.33)
ABC	0.80	0.74	(0.06)	(7.50)

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	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 27/10/2023												
				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	28.25	31.20	1,386,856.06	90,000.00	1,476,856.06	276,856.06	23.07
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	19.00	9.88	932,752.75	9,000.00	941,752.75	561,752.75	147.83
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	8.25	5.66	405,011.06	9,000.00	414,011.06	196,511.06	90.35
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	63.00	20.87	3,092,811.75	67,500.00	3,160,311.75	2,357,811.75	293.81
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	33.30	31.20	1,634,771.93	13,500.00	1,648,271.93	448,271.93	37.36
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	16.40	18.20	805,112.90	67,500.00	872,612.90	172,612.90	24.66
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	35.35	29.90	1,735,411.04	13,500.00	1,748,911.04	598,911.04	52.08
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	29.00	36.92	1,423,675.25	96,750.00	1,520,425.25	100,425.25	7.07
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	310.10	339.30	15,223,506.73	900,000.00	16,123,506.73	3,073,506.73	23.55
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	22.45	26.59	1,102,121.01	68,400.00	1,170,521.01	148,021.01	14.48
			21,142,500.00					27,742,030.48		29,077,180.48	7,934,680.48	37.53

The Equity Portfolio Model which closed the previous week at 37.80% depreciated during the week, and closed at 37.53% (YTD). This can be compared with NGX All Share Index which closed at 30.56% in the previous week, appreciated slightly during the week and closed at +31.00% {YTD}. The EPM depreciated slightly during the week under review and still out-performed the All Share Index of the market. Some of the stocks that contributed positively are DANGOTE SUGAR, UBA, and ZENITH 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)

Tinubu presents 2024 Budget to N'Assembly in November –Senate

President Bola Tinubu will present the 2024 budget to the National Assembly in the next two weeks. The President will also submit the supplementary budget for 2023 to the National Assembly for consideration. The Chairman, the Senate Committee on Appropriation, Senator Solomon Adeola, who made this known during the inaugural meeting of the committee stated that the National Assembly would ensure that the 2024 budget is passed before December 31, 2024. Senator Adeola said, “I know we have it on good authority that the supplementary budget would be sent by the Executive in the next couple of hours to the National Assembly. “Also in about a week or two weeks later, the President will be presenting the 2024 Appropriation bill to the National Assembly and as a result of this I find it very important to call for an inaugural meeting so that we can know ourselves.

INVESTMENT BASICS

EQUITY PORTFOLIO STRUCTURING AND MANAGEMENT

Portfolio structuring and management refers to managing an individual’s investments in the form of bonds, shares, cash, mutual funds etc so that he earns the maximum profits within the stipulated time frame. It also refers to managing money of an individual under the expert guidance of portfolio managers. In a layman’s language, the art of managing an individual’s investment is called as portfolio management. The Equity Portfolio Management refers to the planning, structuring and implementation of various philosophies, methodologies, and strategies for over-performing the equity market. The primary objective of all investment analysis is to take investment decisions or advise others for making their own investment decisions. Thus, there exists a strong correlation between equity portfolio management and science of equity analysis. Equity portfolio structuring involves the portfolio modeling as an effective way for evaluating the key set of stocks to a set of portfolios in one group. It acts as an efficient link between portfolio management and equity analysis. With the rise and fall in outlook of individual stocks, the weightings of these stocks needs to be changed accordingly in the portfolio model for optimizing the return of all portfolios in the group. The art of selecting the right investment policy for the individuals in terms of minimum risk and maximum return is called as portfolio management.

Need for Portfolio Management. Portfolio management presents the best investment plan to the individuals as per their income, budget, age and ability to undertake risks. Portfolio management minimizes the risks involved in investing and also increases the chance of making profits.

Portfolio managers understand the client’s financial needs and suggest the best and unique investment policy for them with minimum risks involved.

Portfolio management enables the portfolio managers to provide customized investment solutions to clients as per their needs and requirements.

Types of Portfolio Management

Active Portfolio Management: As the name suggests, in an active portfolio management service, the portfolio managers are actively involved in buying and selling of securities to ensure maximum profits to individuals.

Passive Portfolio Management: In a passive portfolio management, the portfolio manager deals with a fixed portfolio designed to match the current market scenario.

Discretionary Portfolio management services: In Discretionary portfolio management services, an individual authorizes a portfolio manager to take care of his financial needs on his behalf. The individual issues money to the portfolio manager who in turn takes care of all his investment needs, paper work, documentation, filing and so on. In discretionary portfolio management, the portfolio manager has full rights to take decisions on his client’s behalf.

Non-Discretionary Portfolio management services: In non discretionary portfolio management services, the portfolio manager can merely advise the client what is good and bad for him but the client reserves full right to take his own decisions.

Who is a Portfolio Manager ?

An individual who understands the client’s financial needs and designs a suitable investment plan as per his income and risk taking abilities is called a portfolio manager. A portfolio manager is one who invests on behalf of the client. A portfolio manager counsels the clients and advises him the best possible investment plan which would guarantee maximum returns to the individual. A portfolio manager must understand the client’s financial goals and objectives and offer a tailor made investment solution to the client.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

The NTB auction settlement mopped up liquidity during the week, bumping up funding rates. The Open Repo Rate (OPR) and Overnight Rate (O/N) soared to 14.75bps and 14.40bps, respectively.

Treasury Bills.

At this week's NTB primary auction, demand increased to N638.12bn, 490% higher than the N108.13bn offered by the DMO. The buoyant system liquidity drove the large subscription, suppressing the lingering negative real return and exchange rate risk. The oversubscription was across the three tenors, inducing the Debt Management Office to increase allotment to N370.34bn, higher than the initial offer of N108.13bn. Due to the prevailing risk, investors bid for higher coupon rates, with the stop rate across the three tenors increasing. The stop rate for 91-day, 182-day, and 364-day increased to 5.90%, 9.00% and 13.00% from 3.67%, 5.11% and 9.25% at the last auction, respectively.

Foreign Currency (EXCHANGE RATE).

The value of the Naira appreciated by 227bps week-on-week to close at N789.94/US\$ at the official window (NAFEM). Meanwhile, at the parallel market, the naira experienced a sudden appreciation to N1150/US\$1 on Friday from a record low of N1310/US\$ on Thursday

OIL PRICE.

The Nigeria's oil price (WTI) depreciated during the week under review. According to the latest data, the oil price closed at \$83.42 per barrel during the week, compared with \$88.08 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

	20-Oct-23	27-OCT-23	W-O-W CHANGE
OPR (%)	1.5	14.75	+883.33%
O/N (%)	2.2	14.4	+554.55%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION OCTOBER 25, 2023

Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	2.85	8.63	7.85	5.90	3.67
182-days	7.95	14.47	12.95	9.00	5.11
364-days	97.33	615.02	349.54	13.00	9.25

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

	20-Oct-23	27-Oct-23	W-O-W CHANGE
NAFEM	808.27	789.94	2.27%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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