



Monday December 25, 2023

Oil Production Declined to 1.46mbpd in November 2023

According to the latest monthly report from the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigeria’s average crude oil production (including condensates) declined to 1.46 million bpd in November 2023 from 1.56mbpd in October, marking the second consecutive month on month decline, after it reached a year high of 1.57mbpd in September. Crude oil output (including condensates) had declined marginally by 0.7% to 1.56mbpd in October from 1.57mbpd in September. Production at the Bonny, Forcados and Escravos terminals declined by 21.7%, 15.4% and 8.1% respectively in November compared with October. Oil output from Nigeria has been low in recent years and the country recorded its lowest oil production volume of 1.14mbpd in September 2022. The country’s low production has been attributed to massive crude oil theft in Nigeria’s oil rich Niger Delta, ageing oil fields, poor crude oil terminal maintenance, shutdowns, and reduced investments in the upstream oil and gas sector. The situation has led to significant revenue losses for the country. The Federal Government has sustained efforts at reinforcing pipeline surveillance and clampdown on oil theft, but results appear slow and inconsistent. Industry data showed crude oil production output rallied for 6 months from a record low in September 2022, but production declined again in April 2023 and picked up again in May 2023 but has begun to decline again.

Nigeria has struggled with significant FX shortages causing the Naira to fall to a record low against the dollar. The Naira has continued to depreciate due to an acute shortage of supply amidst a growing demand and the country’s low oil production is a major reason behind the shortage of foreign exchange. Crude oil receipts are a major source of FX for the country and a significant increase in production will increase FX supply and ameliorate the liquidity issues in the FX market. Again, the country’s revenue generation capacity has been hampered for a while due to low oil production resulting in a growing budget deficit. The outlook for oil production going into 2024 does not appear promising considering how production has fared this year

Capital Market Summary.

Analysis of the market activity in the week ended December 22, 2023 shows that the Nigerian equity market continued with the bullish trend. The NGX All Share Index of listed equities appreciated by 2.26% each from the opening figures of 72,389.23 and N39,613 trillion to close at 74,023.27 and N40,507 trillion respectively. Its year to date (YTD) return stands at +44.43%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+2.51%	June 30, 2023
Un-employment Rate	4.10%	June 30, 2023
Broad Money Supply (M2)	N54,191,661.32	July , 2023
Money Supply (M1)	N21,352,527.87	July , 2023
Consumer Price Index (YOY)	28.20%	November , 2023
Monetary Policy Rate (MPR)	18.75%	December 21, 2023
Cash Reserve Ratio (CRR)	32.50%	December 21 , 2023
Nigeria’s Bonny Light Crude Oil	US\$82.44/Bar	December 21, 2023
Nigeria’s Gross External Reserves	US\$32.786bn	December 20, 2023

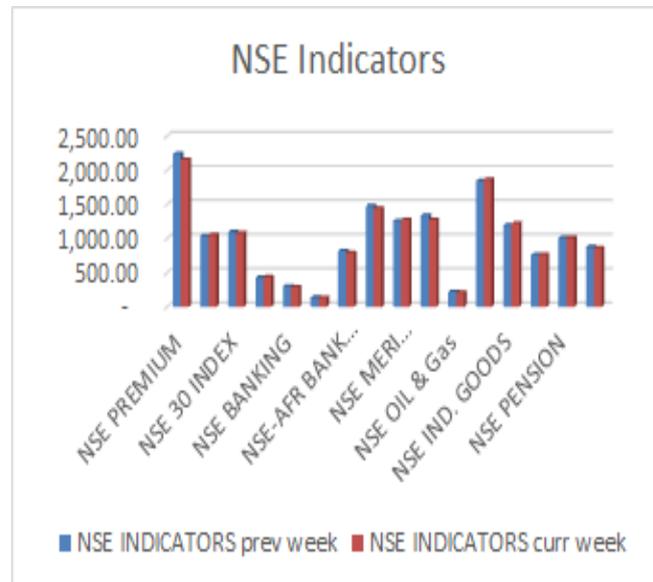
Source: Central Bank of Nigeria (CBN)

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 25/12/23-29/12/2023)

The Nigeria Equity Market maintains its bullish trend during the week, registering nine consecutive weeks of gains as investors continue their buy-interest in the financial services and conglomerates industries. The overall market index (the ASI) gained **+2.26%** from 72,389.23 index points in the previous week to 74,023.27 points as the year-to-date (YTD) returns appreciated to **+44.43%**. Investors gained N894.17bn as the market capitalisation rose to N40,507trn from N39.61trn in the previous week. Market breadth appreciated for the week, with 55 equities gaining in price while 35 equities recorded losses and 65 others remained flat. The Unlisted OTC market also maintained its winning streak with a gain of **+2.94%** from 902.99 index points in the previous week to 929.50 index points as investors gained N40bn from 12 stocks to close the market capitalisation at N1,260bn from N1,220bn in the previous week. With three trading sessions left for the year, we expect the market to maintain the rally, as investors continue to embrace bargaining hunting. With consistent rallies in the banking, oil and gas, and consumer goods sectors, we expect their bullish sentiments to continue as the companies are getting closer to the end of their financial year. 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. **WAPCO PLC, TRANSCORP, MTNN PLC., ACCESS PLC, DAN-GOTE SUGAR, NASCON, AND FCMB PLC. Multiverse, RT BRISCOE, OMATEK, CHAMS, LASACO and OANDO were recommended 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
	31/12/22	22/12/2023	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	24.00	37.90	57.92	13.82	3.20	71.25	434,172	174,331	3rd Qter	61.12	37.80	19.00	2.74	49.27	1,918,935	31,396	18,160,814	8.44	22.63	HOLD
GTCO	23.00	40.05	74.13	12.98	3.10	87.61	367,417	130,348	3rd Qter	43.25	41.80	16.80	3.09	52.07	1,272,925	29,431	8,615,504	7.74	28.86	HOLD
ACCESS	8.50	23.20	172.94	6.92	1.50	190.59	250,444	136,914	3rd Qter	46.15	19.80	7.50	3.35	30.16	1,640,242	35,545	21,405,399	6.47	15.27	BUY
UBA	7.60	25.60	236.84	12.93	1.10	251.32	449,296	115,043	3rd Qter	51.99	18.00	6.55	1.98	33.28	1,778,139	34,199	16,222,620	4.30	25.27	HOLD
FIDELITY	4.35	10.50	141.38	1.94	0.50	152.87	91,759	23,219	3rd Qter	12.84	9.82	2.87	5.41	13.65	410,752	32,000	5,413,655	4.76	22.34	HOLD
WAPCO	24.00	31.45	31.04	2.44	2.00	39.38	39,305	44,900	3rd Qter	26.27	31.50	20.10	12.89	40.89	423,191	16,108	653,598	6.36	9.29	BUY
NAHCO	6.40	26.85	319.53	2.53	1.20	338.28	4,964	2,107	3rd Qter	6.00	25.95	5.12	10.61	34.91	11,696	1,949	21,913	4.47	42.44	HOLD
NASCON	11.10	51.40	363.06	5.54	1.00	372.07	11,008	2,882	3rd Qter	10.34	59.50	9.50	9.28	66.82	27,403	2,649	78,273	1.95	40.17	BUY
FLOUR MILLS	28.40	33.50	17.96	(2.43)	2.25	25.88	(8,529)	5,700	2nd Qter	52.85	36.20	27.00	(13.79)	43.55	216,704	4,100	1,316,248	6.72	(3.94)	BUY
MTNN	215.00	250.00	16.28	7.06	15.64	23.55	148,091	270,339	3rd Qter	15.20	288.00	185.00	35.41	325.00	309,367	20,354	3,078,929	6.26	47.87	BUY
DANSUGAR	16.05	57.45	257.94	(2.22)	1.50	267.29	(27,987)	4,590	3rd Qter	10.37	63.10	15.00	(25.88)	74.69	126,000	12,146	616,547	2.61	(22.21)	BUY
DANCEM	261.00	320.00	22.61	16.08	20.00	30.27	277,548	213,101	3rd Qter	80.16	360.00	220.00	19.90	416.00	1,366,010	17,041	3,344,733	6.25	20.32	BUY
NB	41.00	36.00	(12.20)	(6.89)	1.43	(8.71)	(57,195)	14,755	3rd Qter	10.94	48.80	28.80	(5.22)	46.80	112,461	10,276	707,843	3.97	(50.86)	BUY
UCAP	11.60	23.00	98.28	1.88	1.50	111.21	8,469	7,715	3rd Qter	10.20	17.10	9.00	12.23	29.90	61,212	6,000	732,498	6.52	13.84	HOLD
AFRIPRUD	6.00	7.40	23.33	0.44	0.50	31.67	0.871	1,290	3rd Qter	4.86	7.70	5.00	16.82	9.62	9,722	2,000	23,731	6.76	0.01	BUY
NEM INS.	4.50	5.75	27.78	0.52	0.30	34.44	5,207	3,955	3rd Qter	3.08	6.99	3.13	11.06	7.48	30,870	10,032	65,984	5.22	16.87	BUY
CADBURY	11.90	17.50	47.06	(5.45)	0.40	50.42	(10,242)	2,817	3rd Qter	1.53	18.8	10.2	(3.21)	22.75	2,872	1,878	76,446	2.29	(356.62)	SELL/HOLD
FBNH	11.25	24.00	113.33	6.54	0.50	117.78	236,502	91,202	3rd Qter	38.27	23.5	8.2	3.67	31.20	1,373,853	35,895	14,455,659	2.08	17.21	BUY
FCMB	3.51	7.30	107.98	3.58	0.25	115.10	35,410	13,663	2nd Qter	17.40	7.70	2.92	2.04	9.49	344,557	19,803	3,720,980	3.42	10.28	BUY
GLAXO	6.15	17.00	176.42	0.37	0.55	185.37	0.448	0.484	3rd Qter	7.80	13.9	5.4	45.95	22.10	9,323	1,196	29,367	3.24	0.00	SELL/HOLD
OKOMU	165.00	263.90	59.94	21.93	12.00	67.21	29,225	24,620	3rd Qter	45.61	250	157	12.03	343.07	43,508	954	79,034	4.55	67.17	SELL/HOLD
PRESCO	137.50	193.00	40.36	23.47	6.50	45.09	23,473	15,878	3rd Qter	50.83	220	110	8.22	250.90	50,833	1,000	159,205	3.37	46.18	SELL/HOLD
PZ	12.10	26.00	114.88	2.82	1.01	123.22	11,214	5,641	3rd Qter	11.32	24	8.05	9.22	33.80	44,944	3,971	152,112	3.88	24.95	SELL/HOLD
VITAFOAM	20.45	21.25	3.91	2.66	1.52	11.34	3,698	4,541	3rd Qter	12.80	24	16.8	7.99	27.63	16,007	1,251	44,716	7.15	23.10	SELL/HOLD
STANBIC IBTC	33.45	64.90	94.02	5.12	2.52	101.55	109,249	15,068	3rd Qter	36.36	70	27.5	12.68	84.37	471,055	12,957	4,674,057	3.88	23.19	SELL/HOLD
TRANSCORP	1.13	8.80	678.76	0.36	0.05	683.19	22,738	19,031	3rd Qter	4.42	7.01	0.98	24.44	11.44	179,826	40,648	479,826	0.57	12.64	BUY

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 13,515 units of Exchange Traded Products valued at N16,978,247.23 in 263 deals were traded during the week compared with 64,401 units of Exchange Traded Products valued at N43,101,766.62 traded last week in 559 deals.

BOND MARKET

A total of 3,521 units of FGN Bond valued at N3,710,128.63 in 10 deals were traded during the week compared with 32,044 units of FGN Bond valued at N33,677,717.97 traded last week in 16 deals

MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	2,474 M	1,882 M	31.46
Value N=	N53,787 B	N31,630 B	70.05
Total Gain	55	53	3.77
Total Loss	35	32	-9.38
Deals	35,848	33,020	8.56
All Share Index	74,023.27	72,389.23	2.26
Market Cap.	N=40,507 Trillion	N=39,613 Trillion	2.26

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
INFINITY	2.82	4.53	1.71	60.64
DAAR COMM	0.46	0.69	0.23	50.00
MULTIVERSE	9.89	13.97	4.08	41.25
TRANS HOTEL	46.90	63.80	16.90	36.03
TRANSCORP	6.96	8.80	1.84	26.44
UCAP	19.10	23.00	3.90	20.42
ABBEY MORT	1.54	1.84	0.30	19.48
I&MED GASES	8.50	10.15	1.65	19.41
NNFM	38.75	45.50	6.75	17.42
CUSTODIAN	7.65	8.90	1.25	16.34

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
ABC	0.91	0.76	(0.15)	(16.48)
OMATEK	0.73	0.64	(0.09)	(12.33)
E-TRANZACT	6.90	6.05	(0.85)	(12.32)
SOV. TRUST	0.39	0.35	(0.04)	(10.26)
THOMAS WYT	2.95	2.65	(0.30)	(10.17)
ELLAH LAKE	3.22	2.90	(0.32)	(9.94)
TRIPPLE GEE	2.38	2.15	(0.23)	(9.66)
PRESTIGE	0.52	0.47	(0.05)	(9.62)
JULI	0.65	0.59	(0.06)	(9.23)
GUINNESS	67.90	62.00	(5.90)	(8.69)

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 22/12/2023												
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	31.45	31.20	1,543,951.26	90,000.00	1,633,951.26	433,951.26	36.16
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	25.60	9.88	1,256,761.60	9,000.00	1,265,761.60	885,761.60	233.10
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	10.50	5.66	515,468.63	9,000.00	524,468.63	306,968.63	141.14
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	57.45	20.87	2,820,349.76	67,500.00	2,887,849.76	2,085,349.76	259.86
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	37.90	31.20	1,860,596.28	13,500.00	1,874,096.28	674,096.28	56.17
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	23.00	18.20	1,129,121.75	67,500.00	1,196,621.75	496,621.75	70.95
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	40.05	29.90	1,966,144.61	13,500.00	1,979,644.61	829,644.61	72.14
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	33.50	36.92	1,644,590.38	96,750.00	1,741,340.38	321,340.38	22.63
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	320.00	339.30	15,709,520.00	900,000.00	16,609,520.00	3,559,520.00	27.28
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	21.25	26.59	1,043,210.31	68,400.00	1,111,610.31	89,110.31	8.71
			21,142,500.00					29,489,714.58		30,824,864.58	9,682,364.58	45.80

The Equity Portfolio Model which closed the previous week at 43.54% appreciated during the week, and closed at 45.80% (YTD). This can be compared with NGX All Share Index which closed at 41.24% in the previous week, appreciated during the week and closed at +44.43% {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 GTCO, UBA 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)

Nigeria's Total Public Debt Rises to N87.91tn in Q3 2023

Nigeria's Debt Management Office (DMO) on Wednesday, December 20, 2023, reported Nigeria's third quarter total public debt to stand at N87.91tn (US\$114.35bn). This figure represents a marginal growth in total public debt by about 0.6% compared with N87.38 trillion (US\$113.42 bn) recorded in the third quarter of 2023 but 99.52% year-on-year (Y-o-Y) higher than the total public debt of N44.06tn recorded 2022. The marginal quarterly growth in total public debt is majorly driven by a fall in external borrowing from \$43.16bn in Q2 2023 to \$41.59bn in Q3 2023. Additionally, the external debt declined due to the redemption of a \$500mn Eurobond and a payment of \$413.86mn as the first principal repayment of the \$3.4bn obtained from the IMF in 2020 during the pandemic. The Y-oY growth in Nigeria's total public debt was, however, driven by the depreciation of the Naira compared to the dollar as the conversion rate used in converting external debt to Naira is now pegged at N768.76/US\$ compared with N432.37/US\$ previously and the inclusion of the securitised ways and means loans into the debt stock. We expect a more contractionary fiscal approach in borrowings and more continuous commitment by the government to meet its domestic and foreign obligations.

INVESTMENT BASICS

Assets Allocation in Equity Management

Asset allocation refers to an investment strategy in which individuals divide their investment portfolios between different diverse asset classes to minimize investment risks. The [asset classes](#) fall into three broad categories: [equities](#), [fixed-income](#), and [cash and equivalents](#). Anything outside these three categories (e.g., real estate, commodities, art) is often referred to as alternative assets. For example, a portfolio can contain Stocks- Small-Cap Growth Stocks – 25%, Large-Cap Value Stocks – 15%, International stocks – 10%. Bonds- Government bonds – 15%. High yield bonds – 25%. Cash-Money market – 10%. Asset allocation strategies are classified into 2 major categories – Strategic Asset Allocation and Tactical Asset Allocation. Tactical Asset Allocation consists of techniques that aim to improve risk-adjusted portfolio returns by taking advantage of short-term opportunities while simultaneously staying on course to achieve long-term investment objectives. Strategic Asset Allocation refers to techniques that are aimed at providing a long-term focus on your investment portfolio. There are two common techniques of strategic asset allocation – the age-based asset allocation technique and the risk profile-based asset allocation technique.

Diversification. Diversification is a strategy that can be neatly summed up by the timeless adage, “don’t put all your eggs in one basket.” The strategy involves spreading your money among various investments in the hope that if one investment loses money, the other investments will more than make up for those losses. Many investors use asset allocation as a way to diversify their investments among asset categories. But other investors deliberately do not. For example, investing entirely in stock, in the case of a twenty-five year-old investing for retirement, or investing entirely in cash equivalents, in the case of a family saving for the down payment on a house, might be reasonable asset allocation strategies under certain circumstances. But neither strategy attempts to reduce risk by holding different types of asset categories. So choosing an asset allocation model won’t necessarily diversify your portfolio. Whether your portfolio is diversified will depend on how you spread the money in your portfolio among different types of investments. A diversified portfolio should be diversified at two levels: between asset categories and within asset categories. So in addition to allocating your investments among stocks, bonds, cash equivalents, and possibly other asset categories, you’ll also need to spread out your investments within each asset category. The key is to identify investments in segments of each asset category that may perform differently under different market conditions. One way of diversifying your investments within an asset category is to identify and invest in a wide range of companies and industry sectors. But the stock portion of your investment portfolio won’t be diversified, for example, if you only invest in only four or five individual stocks. You’ll need at least a dozen carefully selected individual stocks to be truly diversified.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

As system liquidity improved, the interbank rates moderated this week. The Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 24.38% and 25.05% week-on-week to 14.86bps and 15.29bps, respectively .

Treasury Bills.

At the mid-week NTB auction, the DMO offered N13.58bn across 91-day, 182-day and 364-day papers and had a total subscription of N1.57trn, lower than N181trn recorded in the last auction. The three tenors were oversubscribed at N43.58bn, N50.40bn and N1.48trn against N1.10bn, N1.28bn, and N11.20bn offered for the 91-day, 182-day, and 365-day respectively. This huge subscription shows a strong appetite for short-term risk-free instruments as macroeconomic indicators worsen. However, the stop rates dropped across the papers to 6.25%, 11.00% and 13.50% for 91-day, 182-day, and 364-day from 9%, 12% and 15.75% at the last auction.

Foreign Currency (EXCHANGE RATE).

The Naira retained its appreciation this week, gaining 45bps week-on-week to close at N885.88/US\$ on Friday at the Nigerian Autonomous Foreign Exchange Market (NAFEM).

OIL PRICE.

The Nigeria’s oil price (WTI) appreciated slightly during the week under review. According to the latest data, the oil price closed at \$73.56 per barrel during the week, compared with \$71.36 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

	15-Dec-23	22-Dec-23	W-o-W % Change
OPR (%)	19.65	14.86	24.38%
O/N (%)	20.40	15.29	25.05%

Source:

TREASURY BILLS RATES

NTB AUCTION DECEMBER 13, 2023

NTB Auction Result November 13, 2023					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-day	1.10	43.58	0.73	6.25	9.00
182-day	1.28	50.40	6.35	11.00	12.00
364-day	11.20	1,478.02	256.51	13.50	15.75

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

	15-Dec-23	22-Dec-23	W-o-W % Change
NAFEM	889.86	885.88	0.45%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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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