



Monday January 08, 2024

Nigeria's 2024 appropriation bill was signed into law

President Tinubu Signs N28.7trn Appropriation Bill into Law on Monday, January 01, 2023 at the Presidential villa in Abuja. The approved budget reached N28,777,404,073.861, indicating a noteworthy increment of N1.2 trillion compared to the initial N27.5trn proposed by President Tinubu on November 29, 2023, during the joint session of the National Assembly. The key allocations within the assented bill encompass N9,995,143,298,028 (35%) for capital expenditure, N8,768,5330,852 (30%) for recurrent expenditure, N8.2 trillion (29%) for debt service, and N1,742,786,788,150 (6%) for statutory transfers. The budget parameters involve an assumed oil benchmark of \$77.96, oil production set at 1.78mb/d, an exchange rate of N800/\$1, and a projected GDP growth of 3.88%. Previous administrations have fallen short of their implementation target due to unmet revenue goals and unrealistic budget assumptions. We expect a heightened dedication to budget execution to be demonstrated by the Tinubu-led administration to effectively rejuvenate the struggling Nigerian economy, aligning with the overarching theme of President Tinubu's 2024 budget, themed 'Budget of Renewed Hope'. Also during the week, the Federal Government of Nigeria has revealed its collaboration with the Luan Steel Holding Group of China to construct a new steel plant within the country. Concurrently, there are plans to revitalize the dormant Ajaokuta steel company, focusing on producing military hardware. The Federal Government is actively seeking approximately N35 billion in funding from financial institutions for the Ajaokuta steel company to facilitate this initiative. This announcement follows a delegation's visit, headed by the Minister of Steel Development, Shuaibu Audu, the Minister of Defence, Mohammed Badaru, and the Permanent Secretary of the Ministry of Steel Development, Mary Ogbe, to the Luan Steel Holding Group in the Hefei and Guangzhou Regions of China.

Capital Market Summary.

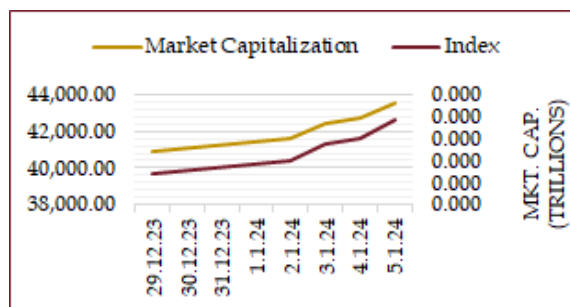
Analysis of the market activity in the week ended January 05, 2024 shows that the Nigerian equity market continued with the bullish run. The NGX All Share Index of listed equities appreciated by 6.54% each from the opening figures of 74,773.77 and N40,918 trillion to close at 79,664.66 and N43,594 trillion respectively. Its year to date (YTD) return stands at +6.54%.

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\$79.27/Bar	January 05, 2024
Nigeria's Gross External Reserves	US\$33.042bn	January 03, 2024

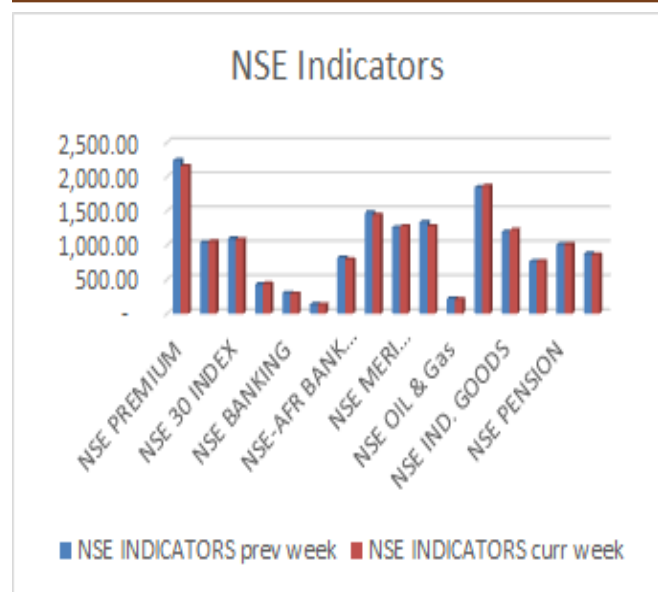
Source: Central Bank of Nigeria (CBN)

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 01/01/24-05/01/2024)

The Nigerian Equity Market maintained its positive run in all the four trading sessions for the week, with the NGX ASI closing higher by +6.54% from 74,773.77 in the previous week to close at 79,884.66, having ended 2023 on a positive note, a year-end gain of +45.90%. Market capitalization closed higher by N2.68trn to N43,594trn from N40.92trn in the previous week as year-to-date (YTD) return stood at +6.54% due to the bullish runs recorded across major tickers. The unlisted OTC market also started the year on a positive note, gaining 0.16% in both NASD ASI (from 927.47 to 928.99) and market capitalisation (from N1,257bn to N1,259bn) respectively. **With an impressive YTD return of 45.90% (from 19.98% in 2022) in the equity market in 2023, the market gaining in the first trading sessions of the year 2024 and strong buy-interest observed in both small and large-cap stocks, we expect the market to maintain its positive run in the coming week as investors take position ahead of impressive earnings from both technical and fundamentally sound stocks. 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, MTNN PLC., ACCESS PLC, DANGOTE 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. Yeild	ROCE	Remark
	29/12/2023	5/1/2024	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	38.65	42.00	8.67	13.82	3.20	16.95	434,172	174,331	3rd Qter	61.12	37.80	19.00	3.04	54.60	1,918,935	31,396	18,160,814	7.62	22.63	HOLD
GTCO	40.50	42.50	4.94	12.98	3.10	12.59	367,417	130,348	3rd Qter	43.25	41.80	16.80	3.27	55.25	1,272,925	29,431	8,615,504	7.29	28.86	HOLD
ACCESS	23.15	26.55	14.69	6.92	1.50	21.17	250,444	136,914	3rd Qter	46.15	19.80	7.50	3.84	34.52	1,640,242	35,545	21,405,399	5.65	15.27	BUY
UBA	25.65	28.95	12.87	12.93	1.10	17.15	449,296	115,043	3rd Qter	51.99	18.00	6.55	2.24	37.64	1,778,139	34,199	16,222,620	3.80	25.27	HOLD
FIDELITY	10.85	14.20	30.88	1.94	0.50	35.48	91,759	23,219	3rd Qter	12.84	9.82	2.87	7.32	18.46	410,752	32,000	5,413,655	3.52	22.34	HOLD
WAPCO	31.50	34.65	10.00	2.44	2.00	16.35	39,305	44,900	3rd Qter	26.27	31.50	20.10	14.20	45.05	423,191	16,108	653,598	5.77	9.29	BUY
NAHCO	25.40	28.60	12.60	2.53	1.20	17.32	4,964	2,107	3rd Qter	6.00	25.95	5.12	11.30	37.18	11,696	1,949	21,913	4.20	42.44	HOLD
NASCON	53.75	59.80	11.26	5.54	1.00	13.12	11,008	2,882	3rd Qter	10.34	59.50	9.50	10.79	77.74	27,403	2,649	78,273	1.67	40.17	BUY
FLOUR MILLS	33.05	33.50	1.36	(2.43)	2.25	8.17	(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	264.00	285.00	7.95	7.06	15.64	13.88	148,091	270,339	3rd Qter	15.20	288.00	185.00	40.37	370.50	309,367	20,354	3,078,929	5.49	47.87	BUY
DANSUGAR	57.00	65.00	14.04	(2.22)	1.50	16.67	(27,987)	4,590	3rd Qter	10.37	63.10	15.00	(29.28)	84.50	126,000	12,146	616,547	2.31	(22.21)	BUY
DANCEM	319.90	325.00	1.59	16.08	20.00	7.85	277,548	213,101	3rd Qter	80.16	360.00	220.00	20.21	422.50	1,366,010	17,041	3,344,733	6.15	20.32	BUY
NB	36.00	37.05	2.92	(6.89)	1.43	6.89	(57,195)	14,755	3rd Qter	10.94	48.80	28.80	(5.38)	48.17	112,461	10,276	707,843	3.86	(50.86)	BUY
UCAP	23.00	25.15	9.35	1.88	1.50	15.87	8,469	7,715	3rd Qter	10.20	17.10	9.00	13.38	32.70	61,212	6,000	732,498	5.96	13.84	HOLD
AFRIPRUD	7.40	8.40	13.51	0.44	0.50	20.27	0.871	1,290	3rd Qter	4.86	7.70	5.00	19.09	10.92	9,722	2,000	23,731	5.95	0.01	BUY
NEM INS.	6.30	6.35	0.79	0.52	0.30	5.56	5,207	3,955	3rd Qter	3.08	6.99	3.13	12.21	8.26	30,870	10,032	65,984	4.72	16.87	BUY
CADBURY	19.00	16.90	(11.05)	(5.45)	0.40	(8.95)	(10,242)	2,817	3rd Qter	1.53	18.8	10.2	(3.10)	21.97	2,872	1,878	76,446	2.37	(356.62)	SELL/HOLD
FBNH	23.55	26.00	10.40	6.54	0.50	12.53	236,502	91,202	3rd Qter	38.27	23.5	8.2	3.98	33.80	1,373,853	35,895	14,455,659	1.92	17.21	BUY
FCMB	7.40	9.75	31.76	3.58	0.25	35.14	35,410	13,663	2nd Qter	17.40	7.70	2.92	2.72	12.68	344,557	19,803	3,720,980	2.56	10.28	BUY
GLAXO	17.00	17.00	-	0.37	0.55	3.24	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	260.00	260.00	-	21.93	12.00	4.62	29,225	24,620	3rd Qter	45.61	250	157	11.86	338.00	43,508	954	79,034	4.62	67.17	SELL/HOLD
PRESCO	193.00	230.00	19.17	23.47	6.50	22.54	23,473	15,878	3rd Qter	50.83	220	110	9.80	299.00	50,833	1,000	159,205	2.83	46.18	SELL/HOLD
PZ	26.70	29.00	8.61	2.82	1.01	12.40	11,214	5,641	3rd Qter	11.32	24	8.05	10.28	37.70	44,944	3,971	152,112	3.48	24.95	SELL/HOLD
VITAFOAM	22.00	22.55	2.50	2.66	1.52	9.41	3,698	4,541	3rd Qter	12.80	24	16.8	8.48	29.32	16,007	1,251	44,716	6.74	23.10	SELL/HOLD
STANBIC IBTC	69.65	65.50	(5.96)	5.12	2.52	(2.34)	109,249	15,068	3rd Qter	36.36	70	27.5	12.79	85.15	471,055	12,957	4,674,057	3.85	23.19	SELL/HOLD
TRANSCORP	8.66	12.66	46.19	0.36	0.05	46.77	22,738	19,031	3rd Qter	4.42	7.01	0.98	35.17	16.46	179,826	40,648	479,826	0.39	12.64	BUY

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

Eighty eight stocks appreciated in price during the week, as against Sixty five in preceding week. The top ten price gainers during the week were:

LOSERS FOR THE WEEK

Seventeen stocks depreciated in price during the week as against Twenty four stocks in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS

(ETP)

A total of 391,760 units of Exchange Traded Products valued at N8,450,146.64 in 140 deals were traded during the week compared with 30,505 units of Exchange Traded Products valued at N12,349,739.96 traded last week in 236 deals.

BOND MARKET

A total of 74,677 units of FGN Bond valued at N71,574,470.16 in 32 deals were traded during the week compared with 43,710 units of FGN Bond valued at N46,280,016.74 traded last week in 23 deals

MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	3.320 M	1.186 M	179.93
Value N=	N41,755 B	N31,425 B	32.87
Total Gain	88	65	35.38
Total Loss	17	24	29.17
Deals	46,994	23,969	96.06
All Share Index	79,664.66	74,773.77	6.54
Market Cap.	N=43,594 Trillion	N=40,918 Trillion	6.54

TOP TEN GAINERS

Company	Op.Price	cl. Price	Gain	Gain in %
TRANSCORP	8.66	12.66	4.00	46.19
IKEJA HOT	6.00	8.77	2.77	46.17
UNITY	1.62	2.35	0.73	45.06
AIICO	0.80	1.15	0.35	43.75
LINKAGE	0.80	1.15	0.35	43.75
DAAR COMM	0.90	1.29	0.39	43.33
DEAP CAP	0.58	0.81	0.23	39.66
STERLING	4.29	5.77	1.48	34.50
SOV. TRUST	0.42	0.56	0.14	33.33
INFINITY	6.00	7.98	1.98	33.00

TOP TEN LOSERS

Company	Op.Price	Cl. Price	Loss	Loss in %
CI LEASING	5.60	3.38	(2.22)	(39.64)
SCOA	1.98	1.63	(0.35)	(17.68)
CHAMPION	4.15	3.66	(0.49)	(11.81)
CADBURY	19.00	16.90	(2.10)	(11.05)
MECURE	12.00	10.80	(1.20)	(10.00)
MEYER	3.59	3.24	(0.35)	(9.75)
TRIPPLE GEE	2.15	1.95	(0.20)	(9.30)
JOHN HOLT	2.32	2.12	(0.20)	(8.62)
GUINNESS	66.00	61.00	(5.00)	(7.58)
STANBIC	69.65	65.50	(4.15)	(5.96)

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

STOCK PERFORMANCE ON NGX IN YEAR 2023

COMPANY	30/12/2022 N=	29/12/2023 N=	Appreciation N=	Appreciation %	RATING
TRANSCOHOT	6.25	70.18	63.93	1,022.88	1
CHAMS	0.22	1.97	1.75	795.45	2
CWG	1.01	8.30	7.29	721.78	3
TRANSCORP	1.13	8.66	7.53	666.37	4
MRS	14.10	105.00	90.90	644.68	5
JAPAUFGOLD	0.28	1.70	1.42	507.14	6
IKEJAHOTEL	1.05	6.00	4.95	471.43	7
FTNCOCOA	0.29	1.48	1.19	410.34	8
NASCON	11.10	53.75	42.65	384.23	9
MULTIVERSE	3.98	18.57	14.59	366.58	10
MECURE	2.96	12.00	9.04	305.41	11
NAHCO	6.40	25.40	19.00	296.88	12
DANGSUGAR	16.05	57.00	40.95	255.14	13
UBA	7.60	25.65	18.05	237.50	14
CONOIL	26.50	83.90	57.40	216.60	15
STERLNBANK	1.40	4.29	2.89	206.43	16
BUAFOODS	65.00	193.40	128.40	197.54	17
UNITYBNK	0.55	1.62	1.07	194.55	18
DEAPCAP	0.20	0.58	0.38	190.00	19
THOMASWY	0.97	2.70	1.73	178.35	20
GLAXOSMITH	6.15	17.00	10.85	176.42	21
MANSARD	2.00	5.50	3.50	175.00	22
ACCESSCORP	8.50	23.15	14.65	172.35	23
TRIPPLEG	0.79	2.15	1.36	172.15	24
OANDO	3.92	10.50	6.58	167.86	25
GEREGU	149.00	399.00	250.00	167.79	26
FIDELITYBK	4.35	10.85	6.50	149.43	27
PZ	11.35	26.70	15.35	135.24	28
TANTALIZERS	0.20	0.47	0.27	135.00	29
RTBRISCOE	0.26	0.61	0.35	134.62	30
CORNERST	0.60	1.40	0.80	133.33	31
CHIPLC	0.67	1.47	0.80	119.40	32
LASACO	0.87	1.90	1.03	118.39	33
BERGER	6.00	13.00	7.00	116.67	34
FBNH	10.90	23.55	12.65	116.06	35
SCOA	0.92	1.98	1.06	115.22	36
UPDCREIT	3.00	6.40	3.40	113.33	37
JAIZBANK	0.92	1.94	1.02	110.87	38
SEPLAT	1,100.00	2,310.00	1,210.00	110.00	39
STANBIC	33.45	69.65	36.20	108.22	40
ETERNA	6.69	13.85	7.16	107.03	41
LINKASSURE	0.40	0.80	0.40	100.00	42
TOTAL	193.00	385.00	192.00	99.48	43
ETI	10.60	20.90	10.30	97.17	44
MBENEFIT	0.27	0.53	0.26	96.30	45
FIDSON	9.00	17.50	8.50	94.44	46
FCMB	3.85	7.40	3.55	92.21	47
VERITASKAP	0.20	0.37	0.17	85.00	48
IMG	7.40	13.45	6.05	81.76	49
CAVERTON	0.99	1.79	0.80	80.81	50
GTCO	23.00	40.50	17.50	76.09	51
JBERGER	24.50	43.00	18.50	75.51	52
CILEASING	3.20	5.60	2.40	75.00	53
E-TRANZACT	3.50	6.05	2.55	72.86	54
WAPIC	0.40	0.68	0.28	70.00	55
LIVESTOCK	1.09	1.85	0.76	69.72	56
UCAP	14.00	23.00	9.00	64.29	57
ZENITHBANK	24.00	38.65	14.65	61.04	58
CADBURY	11.90	19.00	7.10	59.66	59
MEYER	2.27	3.59	1.32	58.15	60
OKOMUOIL	165.00	260.00	95.00	57.58	61
REGALINS	0.25	0.38	0.13	52.00	62
CUSTODIAN	5.95	9.00	3.05	51.26	63
ACADEMY	1.29	1.94	0.65	50.39	64
BETAGLAS	39.60	59.40	19.80	50.00	65
SOVRENINS	0.28	0.42	0.14	50.00	66
MCNICHOLS	0.57	0.84	0.27	47.37	67
LEARNAFRCA	2.20	3.19	0.99	45.00	68
GUINEAINS	0.20	0.29	0.09	45.00	69
WEMABANK	3.90	5.60	1.70	43.59	70
HONYFLOUR	2.34	3.32	0.98	41.88	71
REDSTAREX	2.26	3.18	0.92	40.71	72
UPDC	0.91	1.28	0.37	40.66	73
PRESCO	137.50	193.00	55.50	40.36	74
NEM	4.50	6.30	1.80	40.00	75
NEIMETH	1.43	1.94	0.51	35.66	76
AIICO	0.59	0.80	0.21	35.59	77
WAPCO	24.00	31.50	7.50	31.25	78
UNIVINSURE	0.20	0.26	0.06	30.00	79
UNILEVER	11.60	14.80	3.20	27.59	80
UPL	1.90	2.40	0.50	26.32	81
UACN	10.25	12.85	2.60	25.37	82
AFRIPRUD	6.00	7.40	1.40	23.33	83
MTNN	215.00	264.00	49.00	22.79	84
DANGCEM	261.00	319.90	58.90	22.57	85
MAYBAKER	4.30	5.25	0.95	22.09	86
PRESTIGE	0.42	0.51	0.09	21.43	87
CAP	17.80	20.85	3.05	17.13	88
CUTIX	2.01	2.35	0.34	16.92	89
FLOURMILL	28.40	33.05	4.65	16.37	90
AIRTELAFRI	1,635.00	1,887.00	252.00	15.41	91
NPFMCRFBK	1.69	1.94	0.25	14.79	92
VITAFOAM	20.45	22.00	1.55	7.58	93
INTBREW	4.70	4.80	0.10	2.13	94
NESTLE	1,100.00	1,100.00	-	-	95



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 05/01/2024												
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%
1/1/2024	WAPCO	50,000	1,606,500.00	32.13	32.72	34.65	41.77	1,701,046.46	90,000.00	1,791,046.46	184,546.46	11.49
1/1/2024	UBA	50,000	1,308,150.00	26.16	26.65	28.95	34.01	1,421,220.64	9,000.00	1,430,220.64	122,070.64	9.33
1/1/2024	ACCESS	50,000	1,180,650.00	23.61	24.05	26.55	30.70	1,303,399.24	9,000.00	1,312,399.24	131,749.24	11.16
1/1/2024	TRANSCORP	50,000	441,660.00	8.83	9.00	12.66	11.48	621,507.89	9,000.00	630,507.89	188,847.89	42.76
1/1/2024	MTN	50,000	13,464,000.00	269.28	274.26	285.00	350.06	13,991,291.25	9,000.00	14,000,291.25	536,291.25	3.98
1/1/2024	FIDELITY	50,000	553,350.00	11.07	11.27	14.20	14.39	697,109.95	9,000.00	706,109.95	152,759.95	27.61
1/1/2024	DANGSUGAR	50,000	2,907,000.00	58.14	59.22	65.00	75.58	3,190,996.25	67,500.00	3,258,496.25	351,496.25	12.09
1/1/2024	ZENITH	50,000	1,971,150.00	39.42	40.15	42.00	51.25	2,061,874.50	13,500.00	2,075,374.50	104,224.50	5.29
1/1/2024	UCAP PLC	50,000	1,173,000.00	23.46	23.89	25.15	30.50	1,234,670.09	67,500.00	1,302,170.09	129,170.09	11.01
1/1/2024	GTCO PLC	50,000	2,065,500.00	41.31	42.07	42.50	53.70	2,086,420.63	13,500.00	2,099,920.63	34,420.63	1.67
1/1/2024	FLOUR MILLS	50,000	1,685,550.00	33.71	34.33	33.50	43.82	1,644,590.38	96,750.00	1,741,340.38	55,790.38	3.31
1/1/2024	DANCEM	50,000	16,314,900.00	326.30	332.33	325.00	424.19	15,954,981.25	900,000.00	16,854,981.25	540,081.25	3.31
1/1/2024	FBNH	50,000	1,201,050.00	24.02	24.47	26.00	31.23	1,276,398.50	68,400.00	1,344,798.50	143,748.50	11.97
			45,872,460.00					47,185,507.01		48,547,657.01	2,675,197.01	5.83

The Equity Portfolio Model which closed the the year 2023 at 46.04% appreciated during the first week of the year and closed at 5.83% (YTD). This can be compared with NGX All Share Index which closed at 43.90% at the end of year 2023 , appreciated during the first week of the year and closed at +6.54% {YTD}. The EPM appreciated during the week under review but under-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)

Fidelity Bank Plc Proposed a Rights Issue of 3.2bn Ordinary Shares

Fidelity Bank Plc has through its Stockbrokers, APT Securities & Funds Limited, submitted an application to Nigerian Exchange Limited for the approval and listing of a Rights Issue of Three Billion, Two Hundred Million (3,200,000,000) ordinary shares of 50 kobo each at N10 per share on the basis of one (1) new ordinary share for every ten (10) existing ordinary shares held as at the close of business on Friday, 5 January 2024. The Qualification Date for the Rights Issue is 5 January 2024. Also in accordance with the provisions of the Rulebook of Nigerian Exchange Limited, Fidelity Bank Plc hereby notifies that a Board meeting is scheduled to hold on Tuesday, January 30, 2024 to consider and approve its Unaudited Financial Statements for Q4 2023. In addition, the Company has commenced the audit of its financial statements for the year ending December 31, 2023. Upon completion of the audit, the Audited Financial Statements (AFS) for 2023FY shall be presented to the Central Bank of Nigeria for approval and thereafter, published on the Exchange in compliance with extant regulations. The Company expects to publish its AFS for 2023FY on or before March 31, 2024.

INVESTMENT BASICS

Tracking Error and Risk in Equity Management

Tracking error, also known as active risk, measures, in standard deviation, the fluctuation of returns of a portfolio relative to the fluctuation of returns of a reference index. It is a measure of the risk in an investment portfolio arising from active management decisions made by the portfolio manager. Tracking error is a measure of financial performance that determines the difference between the return fluctuations of an investment portfolio and the return fluctuations of a chosen benchmark. The return fluctuations are primarily measured by **standard deviations**. Tracking error is one of the most important measures used to assess the performance of a portfolio, as well as the ability of a portfolio manager to generate excessive returns and beat the market or the benchmark. Due to the abovementioned reasons, it is used as an input to calculate the **information ratio**. The term active management implies that a professional money manager or a team of professionals is tracking the performance of a client's investment portfolio and regularly making buy, hold, and sell decisions about the assets in it. The goal of the active manager is to outperform the overall market. Active managers may rely on investment analysis, research, and forecasts as well as their own judgment and experience in making decisions on which assets to buy and sell. Active managers, on the other hand, measure their own success by measuring how much their portfolios exceed (or fall short of) the performance of a comparable unmanaged index, industry, or market sector

Equity risk is "the financial risk involved in holding **equity** in a particular investment." Equity risk often refers to equity in companies through the purchase of stocks; Volatility has and always will be a part of the stock market. There is nothing you can do about volatility or the direction of the market. In other words you can't control stock market returns. We need to calculate entry and exit points provide timely decisions taking emotion out of the equation. To minimize the risk, you need to focus on what you can control through portfolio risk management. For example Focus on a probable maximum loss plan, Implement an adaptive asset allocation, require a margin of safety by focusing on valuation and price and keep your emotions in check, Understand how volatility degrades portfolio returns and Focus on long term instead of short term time horizon.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

This week, the interbank rates slightly moderated as system liquidity improved. The Open repo rate (OPR) and Overnight rate (O/N) declined by 7.89% and 1.50% week-on-week to 14.25bps and 14.90bps .

Treasury Bills.

At this week's NTB auction, the DMO offered N67.02bn across 91-day, 182-day and 364-day papers and had a total subscription of N1.04trn. The three tenors were oversubscribed at N18.81bn, N50.40bn and N968.20bn against N1.75bn, N17.16bn, and N48.11bn offered for the 91-day, 182-day and 365-day respectively. The stop rates for 182-day and 364-day dropped to 10.00% and 12.24% from 11.00% and 13.0% at the last auction, while 91-day increased to 7.00% from 6.25%.

Foreign Currency (EXCHANGE RATE).

The naira gained 4.19% this week, reversing the previous week's loss to settle at N869.13/US\$1 on Friday at the Nigerian Autonomous Foreign Exchange Market (NAFEM).

OIL PRICE.

The Nigeria's oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$73.89 per barrel during the week, compared with \$71.42 recorded in the previous

NIGERIAN INTER BANK OFFER RATE NIBOR

	29-Dec-23	5-Jan-24	W-o-W % Change
OPR (%)	15.47	14.25	7.89%
O/N (%)	15.06	14.90	1.50%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION DECEMBER 27, 2023

NTB Auction Result December 27, 2023					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-day	1.75	18.81	17.61	7.00	6.25
182-day	17.16	50.40	30.67	10.00	11.00
364-day	48.11	968.20	268.74	12.24	13.50

Source: Central Bank of Nigeria (CBN)

MONEY MARKET RATES

	29-Dec-23	5-Jan-24	W-o-W % Change
NAFEM	907.11	869.13	4.19%

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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