



Monday March 18, 2024

Nigeria's Economic Challenges

The past 10 years were particularly ruinous. They were the years of the locust, marked by unprecedented mismanagement of fiscal policy, unproductive external borrowing, unnecessary budget deficits, illegal Ways & Means lending by the Central Bank of Nigeria to the federal government to the tune of N30 trillion, and unprecedented corruption. Earlier, a combination of oil price shocks and an incompetent policy response from the CBN, in the form of an attempt to fix the exchange rate, all helped give us two recessions within seven years. We should not repeat the cycle of past crises that did not force us to fix our economy for good, to be productive and create wealth and jobs for the average Nigerian. It is time to reposition our economy for the long term, out of the lessons of today's challenges. **Economic Revival: The Fundamentals We Must Address. The Absence of Nationhood.** Economic development and transformation can only be achieved if the quest for these outcomes is anchored on a shared understanding of nationhood. This is a task of nation-building. **Bad Governance.** Because there is no shared understanding of the Nigerian State and its purpose, the real aims of politics, the contest for power and authority are not good governance to improve the welfare of its citizens. The absence of good governance, marked by efficient, competent, effective, transparent and accountable administration and the effective rule of law, is a foundational reason for Nigeria's recurring economic crisis including the present one. **Absence of Philosophy and Knowledge.** Every successful economy in the world is anchored on a philosophical foundation. Nigeria's economic management suffers from philosophical confusion. Are we capitalist, mixed economy or socialist? We have oscillated from capitalism to faux socialism under different administrations and back to capitalist economic thinking as indicated by the reforms being instituted by the present government. But, if we are capitalists, we must be a productive capitalist economy, because capitalism is anchored on economic activities. **Financialization and de-industrialization.** According to the National Bureau of Statistics (NBS), the manufacturing sector's contribution to GDP declined to 8.23% in Q4 of 2023. The ratio has hovered between this extremely low level and 13% over the past decade. In Malaysia, the manufacturing to GDP ratio is 23%. It is 24% in South Korea. Export as a percentage of GDP is 10.74% in Nigeria, in Malaysia, the ratio is 73.84% of GDP, and in Turkey it is 80.50%. **Electricity.** Let there be light! There is no way out of Nigeria's economic quagmire without adequate electricity. Without his vital requirement, our economy cannot become productive. **Population crisis .** Nigeria's unchecked population growth over decades has contributed to the crisis of unemployment and poverty. The geometric growth of uneducated and unskilled youth in an already stressed and unproductive economic environment has negative implications for both economy and security. This is already evident in some parts of the country. The population crisis has gone on for too long because of a lack of political will to address it.

Capital Market Summary.

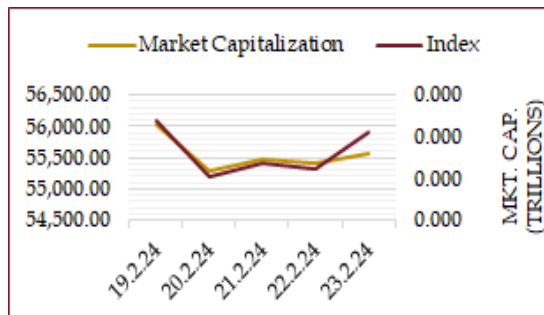
Analysis of the market activity in the week ended March 15, 2024 shows that the Nigerian equity market sustained the bullish trend. The NGX All Share Index and market capitalization of listed equities appreciated by 3.71% each from the opening figures of 101,330.85 and N57,293 trillion to close at 105,085.25 and N59,416 trillion respectively. Its year to date (YTD) return stands at +40.54%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+3.46%	December 31, 2023
Un-employment Rate	4.10%	December 31, 2023
Broad Money Supply (M2)	N54,191,661.32	December 31, 2023
Money Supply (M1)	N21,352,527.87	December 31, 2023
Consumer Price Index (YOY)	31.70%	February 15 , 2024
Monetary Policy Rate (MPR)	22.75%	February 27, 2024
Cash Reserve Ratio (CRR)	45.00%	February 27 , 2024
Nigeria's Bonny Light Crude Oil	US\$86.86/ Bar	February 19, 2024
Nigeria's Gross External Reserves	US\$33.448bn	February 22, 2024

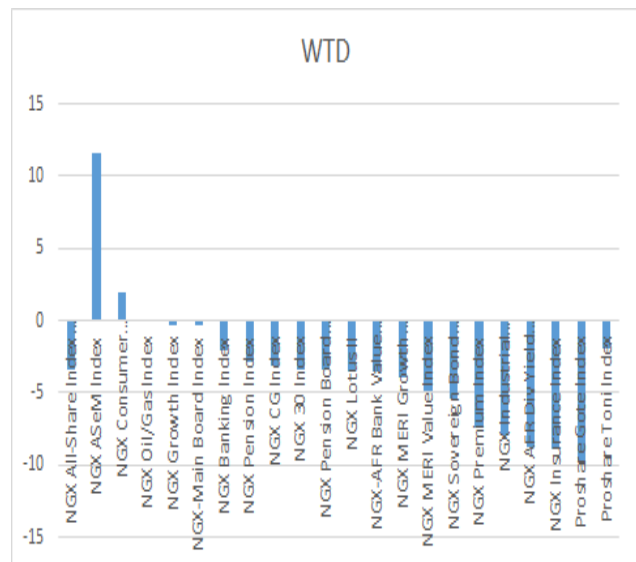
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NGX INDICES



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK 18/03/24-22/03/2024)

The local bourse saw the bull maintain its dominance, gaining in all the trading sessions of the week, as investors took positions ahead of earnings and corporate disclosure despite the increased activities in the fixed-income space. A total turnover of 1.77bn shares worth N52.87bn in 44,713 deals was traded in the week, from 2.16bn shares valued at N108.82bn traded in the previous week in 51,556 deals. The benchmark all-share index (ASI) rose +3.71% to 105,085.25 points from 101,330.65 points the previous week, maintaining a positive ride over the 100,000 points mark. Investors gained N2.12trn as market capitalization rose to N59.42trn from N57.29trn in the previous week, while the year-to-date return rose to 40.54%. Fifty-five stocks gained (led by JULIUS BERGER), and 24 stocks recorded losses (led by INT’L ENERGY INSURANCE), while 75 others remained unchanged. The NASD Securities Index (NSI) fell -4.45% from 1,083.85 points in the previous week to 1,035.65 points as investors lost N70bn, with market capitalization falling from N1.47trn the previous week to N1.40trn.

.We expect investors to maintain their cautious trading in the coming week. 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.

TRANSCORP, UBA, MTNN, WAPCO PLC, FCMB, FBNH, ACCESS PLC, DANGOTE SUGAR, and NASCON Multi-verse, 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. Yeld	ROCE	Remark
	29/12/2023	15/3/2024	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	38.65	39.70	2.72	13.82	3.20	11.00	434,172	174,331	3rd Qter	61.12	37.80	19.00	2.87	51.61	1,918,935	31,396	18,160,814	8.06	22.63	BUY
GTCO	40.50	48.45	19.63	12.98	3.10	27.28	367,417	130,348	3rd Qter	43.25	41.80	16.80	3.73	62.99	1,272,925	29,431	8,615,504	6.40	28.86	HOLD
ACCESS	23.15	23.00	(0.65)	6.92	1.50	5.83	250,444	136,914	3rd Qter	46.15	19.80	7.50	3.32	29.90	1,640,242	35,545	21,405,399	6.52	15.27	BUY
UBA	25.65	24.30	(5.26)	12.93	1.10	(0.97)	449,296	115,043	3rd Qter	51.99	18.00	6.55	1.88	31.59	1,778,139	34,199	16,222,620	4.53	25.27	BUY
FIDELITY	10.85	10.00	(7.83)	1.94	0.50	(3.23)	91,759	23,219	3rd Qter	12.84	9.82	2.87	5.15	13.00	410,752	32,000	5,413,655	5.00	22.34	HOLD
WAPCO	31.50	35.80	13.65	2.44	2.00	20.00	39,305	44,900	3rd Qter	26.27	31.50	20.10	14.67	46.54	423,191	16,108	653,598	5.59	9.29	BUY
NAHCO	25.40	31.00	22.05	2.53	1.20	26.77	4,964	2,107	3rd Qter	6.00	25.95	5.12	12.25	40.30	11,696	1,949	21,913	3.87	42.44	HOLD
NASCON	53.75	57.00	6.05	5.54	1.00	7.91	11,008	2,882	3rd Qter	10.34	59.50	9.50	10.29	74.10	27,403	2,649	78,273	1.75	40.17	BUY
FLOUR MILLS	33.05	35.00	5.90	(2.43)	2.25	12.71	(8,529)	5,700	2nd Qter	52.85	36.20	27.00	(14.40)	45.50	216,704	4,100	1,316,248	6.43	(3.94)	BUY
MTNN	264.00	267.80	1.44	7.06	15.64	7.36	148,091	270,339	3rd Qter	15.20	288.00	185.00	37.93	348.14	309,367	20,354	3,078,929	5.84	47.87	BUY
DANSUGAR	57.00	61.25	7.46	(2.22)	1.50	10.09	(27,987)	4,590	3rd Qter	10.37	63.10	15.00	(27.59)	79.63	126,000	12,146	616,547	2.45	(22.21)	BUY
DANCEM	319.90	686.70	114.66	16.08	20.00	120.91	277,548	213,101	3rd Qter	80.16	360.00	220.00	42.71	892.71	1,366,010	17,041	3,344,733	2.91	20.32	BUY
NB	36.00	29.80	(17.22)	(6.89)	1.43	(13.25)	(57,195)	14,755	3rd Qter	10.94	48.80	28.80	(4.33)	38.74	112,461	10,276	707,843	4.80	(50.86)	BUY
UCAP	23.00	21.00	(8.70)	1.88	1.50	(2.17)	8,469	7,715	3rd Qter	10.20	17.10	9.00	11.17	27.30	61,212	6,000	732,498	7.14	13.84	HOLD
AFRIPRUD	7.40	7.55	2.03	0.44	0.50	8.78	0.871	1,290	3rd Qter	4.86	7.70	5.00	17.16	9.82	9,722	2,000	23,731	6.62	0.01	BUY
NEM INS.	6.30	6.65	5.56	0.52	0.30	10.32	5,207	3,955	3rd Qter	3.08	6.99	3.13	12.79	8.65	30,870	10,032	65,984	4.51	16.87	BUY
CADBURY	19.00	19.00	-	(5.45)	0.40	2.11	(10,242)	2,817	3rd Qter	1.53	18.8	10.2	(3.49)	24.70	2,872	1,878	76,446	2.11	(356.62)	SELL/HOLD
FBNH	23.55	37.00	57.11	6.54	0.50	59.24	236,502	91,202	3rd Qter	38.27	23.5	8.2	5.66	48.10	1,373,853	35,895	14,455,659	1.35	17.21	BUY
FCMB	7.40	8.45	14.19	3.58	0.25	17.57	35,410	13,663	2nd Qter	17.40	7.70	2.92	2.36	10.99	344,557	19,803	3,720,980	2.96	10.28	BUY
OKOMU	260.00	243.00	(6.54)	21.93	12.00	(1.92)	29,225	24,620	3rd Qter	45.61	250	157	11.08	315.90	43,508	954	79,034	4.94	67.17	SELL/HOLD
PRESCO	193.00	231.50	19.95	23.47	6.50	23.32	23,473	15,878	3rd Qter	50.83	220	110	9.86	300.95	50,833	1,000	159,205	2.81	46.18	SELL/HOLD
PZ	26.70	40.00	49.81	2.82	1.01	53.60	11,214	5,641	3rd Qter	11.32	24	8.05	14.18	52.00	44,944	3,971	152,112	2.53	24.95	SELL/HOLD
VITAFOAM	22.00	21.25	(3.41)	2.66	1.52	3.50	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	69.65	53.95	(22.54)	5.12	2.52	(18.92)	109,249	15,068	3rd Qter	36.36	70	27.5	10.54	70.14	471,055	12,957	4,674,057	4.67	23.19	SELL/HOLD
TRANSCORP	8.66	15.50	78.98	0.36	0.05	79.56	22,738	19,031	3rd Qter	4.42	7.01	0.98	43.06	20.15	179,826	40,648	479,826	0.32	12.64	BUY



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

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

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 19,403 units of Exchange Traded Products valued at N8,143,479.52 in 79 deals were traded during the week compared with 24,397 units of Exchange Traded Products valued at N8,936,420.59 in traded last week in 136 deals.

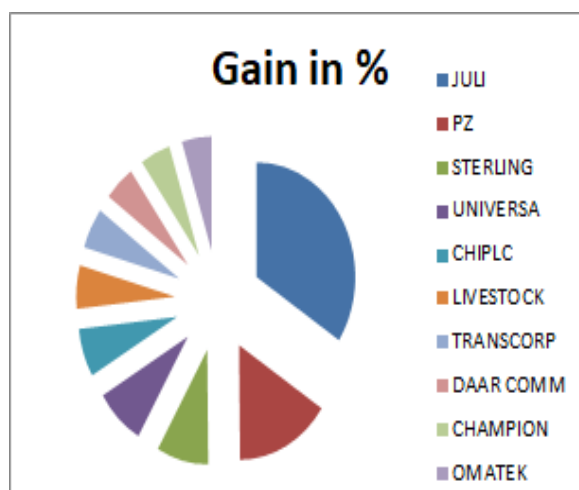
BOND MARKET

A total of 229,700 units of FBN Bond valued at N241,473,643.07 in 31 deals were traded during the week compared with 63,607 units of FGN Bond valued at N63,421,103.87 in traded last week in 27 deals

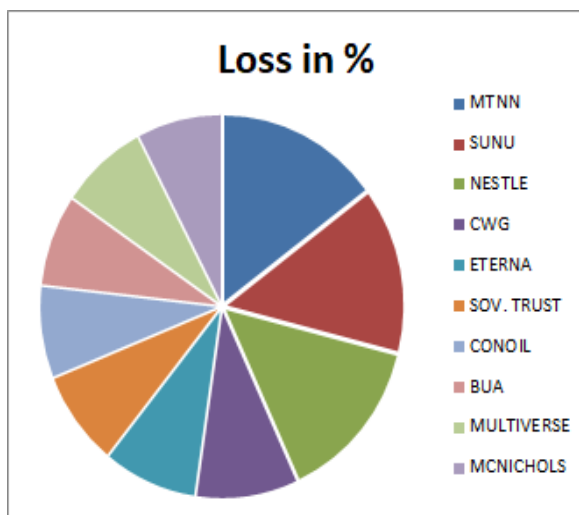
MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	1,882 M	1,377 M	36.67
Value N=	N34,149 B	N31,584 B	8.12
Total Gain	27	14	92.86
Total Loss	54	66	18.18
Deals	48,464	42,040	15.28
All Share Index	98,751.98	102,088.3	-3.27
Market Cap.	N=54,035 Trillion	N=55,561 Trillion	-3.27

TOP TEN GAINERS



TOP TEN LOSERS



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

2024 Closure of Register - Dividends and Bonuses

Company	Dividend/Bonus	Closure of Register	AGM Date	Payment Date
C & I Leasing Plc	Nil	2 for 3	5th January 2024	N/A
Vitafoam Nigeria Plc	N1.56	Nil	13th February 2024	7th March 2024
Geregu Power Plc	N8.00	Nil	28th February 2024	28th March 2024
Multiverse Mining and Exploration Plc	N0.05	Nil	19th April 2024	9th May 2024
Nigeria Infrastructure Debt Fund (Q4 2023)	N3.95	Nil	23rd January 2024	26th January 2024

Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 15/03/2024													
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	35.80	41.77		1,757,502.55	90,000.00	1,847,502.55	241,002.55	15.00
1/1/2024	UBA	50,000	1,308,150.00	26.16	26.65	24.30	34.01		1,192,941.68	9,000.00	1,201,941.68	- 106,208.33	- 8.12
1/1/2024	ACCESS	50,000	1,180,650.00	23.61	24.05	23.00	30.70		1,129,121.75	9,000.00	1,138,121.75	- 42,528.25	- 3.60
1/1/2024	TRANSCORP	50,000	441,660.00	8.83	9.00	15.50	11.48		760,929.88	9,000.00	769,929.88	328,269.88	74.33
1/1/2024	MTN	50,000	13,464,000.00	269.28	274.26	267.80	350.06		13,146,904.55	9,000.00	13,155,904.55	- 308,095.45	- 2.29
1/1/2024	FIDELITY	50,000	553,350.00	11.07	11.27	10.00	14.39		490,922.50	9,000.00	499,922.50	- 53,427.50	- 9.66
1/1/2024	DANGSUGAR	50,000	2,907,000.00	58.14	59.22	61.25	75.58		3,006,900.31	67,500.00	3,074,400.31	167,400.31	5.76
1/1/2024	ZENITH	50,000	1,971,150.00	39.42	40.15	39.70	51.25		1,948,962.33	13,500.00	1,962,462.33	- 8,687.67	- 0.44
1/1/2024	UCAP PLC	50,000	1,173,000.00	23.46	23.89	21.00	30.50		1,030,937.25	67,500.00	1,098,437.25	- 74,562.75	- 6.36
1/1/2024	GTCO PLC	50,000	2,065,500.00	41.31	42.07	48.45	53.70		2,378,519.51	13,500.00	2,392,019.51	326,519.51	15.81
1/1/2024	FLOURMILLS	50,000	1,685,550.00	33.71	34.33	35.00	43.82		1,718,228.75	96,750.00	1,814,978.75	129,428.75	7.68
1/1/2024	DANCEM	50,000	16,314,900.00	326.30	332.33	686.70	424.19		33,711,648.08	900,000.00	34,611,648.08	18,296,748.08	112.15
1/1/2024	FBNH	50,000	1,201,050.00	24.02	24.47	37.00	31.23		1,816,413.25	68,400.00	1,884,813.25	683,763.25	56.93
			45,872,460.00						64,089,932.38		65,452,082.38	19,579,622.38	42.68

The Equity Portfolio Model which closed the previous week at 31.96% appreciated during the week and closed at 42.68% (YTD). This can be compared with NGX All Share Index which closed at 32.07% in previous week , also appreciated during the week and closed at +40.54% {YTD}. Despite the appreciation of the NGX ASI during the week under review the EPM of the market still outperformed the market. Some of the stocks that contributed positively are FBNH, MTNN,AIRTEL, SEPLAT and DANCEM. 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)

Access Holdings Plc Announces Aigboje Aig-Imoukhuede as Board Chairman

Access Holdings Plc, is pleased to announce the return of Mr. Aigboje Aig-Imoukhuede, CFR as its Non-Executive Chairman. Mr. Aig-Imoukhuede, CFR replaces Mr. Abubakar Jimoh, the erstwhile Chairman of the HoldCo who remains on the Board as an Independent Non-Executive Director. This visionary and accomplished leader is bringing an outstanding record of accomplishments, wealth of expertise and leadership to guide the Group into a new era of success. In response to the untimely passing of the immediate past Group Chief Executive Officer of Access Holdings, Dr. Herbert Wigwe, CFR and following extensive consultations with key stakeholders, the Holdco Board unanimously decided to invite Mr. Aig-Imoukhuede to the helm of governance. With an illustrious career spanning several decades in the banking and finance sector, Mr. Aig-Imoukhuede has proven to be an exceptional and influential leader, having admirably laid a solid foundation for Access Bank's success as Group Chief Executive Officer between 2002 and 2013 ably supported by his partner and deputy, the late Dr. Herbert Wigwe, CFR who later succeeded him. Under Mr. Aig-Imoukhuede's leadership, Access Bank experienced remarkable growth and established itself as a trusted financial institution within the community. The Bank transformed from a minor player into one of Nigeria's top 5 banks with presence in 9 other African countries and the United Kingdom. Under his stewardship, Access Bank grew its customer base from ten thousand to over six million with more than 5,000 employees and an asset base of USD \$12 billion, achieving numerous milestones and becoming a globally recognized name. His strategic vision, innovative thinking, and deep market insight were instrumental to shaping the Bank's success.

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 negative position of the system liquidity sustained the interbank rates at elevated levels this week. Hence, the Open repo rate (OPR) and Overnight rate (O/N) increased by 1.58% and 0.23% week-on-week to 30.29bps and 31.07bps .

Treasury Bills.

At the NTB auction this week, the Debt management office offered N161.49bn and had a total subscription of N1.49trn. Compared to the previous auction, the stop rates dropped across all tenors to 16.24%, 17,00%, and 21.12% for 91-day, 182-day, and 364-day respectively. The oversubscription was across the three tenors, with the 364-day bill having the highest at N1.36trn .

Foreign Currency (EXCHANGE RATE).

The Naira reversed the previous week’s loss, gaining 154bps to settle at N1,602.75/US\$ at the Nigerian Autonomous Foreign Exchange Market Window.

OIL PRICE.

The Nigeria’s oil price (WTI) appreciated during the week under review. According to the latest data, the oil price closed at \$80.39 per barrel during the week, compared with \$77.20 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

	8-Mar-24	15-Mar-24	W-o-W % Change
OPR (%)	29.82	30.29	+1.58%
O/N (%)	31	31.07	+0.23%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION March 13, 2024

Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)
91-day	0.73	85.51	5.73	16.24
182-day	0.92	46.65	4.92	17
364-day	159.85	1,361.51	150.85	21.12

	March 08, 2024	15-Mar-24	W-o-W % Change
T. Bills (%)	18.98	18.97	-0.05%
OMO bills (%)	19.19	19.16	-0.16%

Source: Central Bank of Nigeria (CBN)

FOREIGN EXCHANGE MARKET RATES

	8-Mar-24	15-Mar-24	W-o-W % Change
NAFEM	1,627.40	1,602.75	1.54%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

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