



Monday April 29, 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.

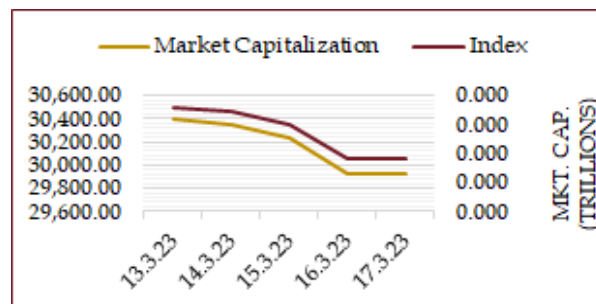
Analysis of the market activity in the week ended April 26, 2024 shows that the Nigerian equity market closed in a bearish note. The NGX All Share Index and market capitalization of listed equities depreciated by 1.39% each from the opening figures of 99,539.75 and N56,865 trillion to close at 98,152.91 and N55,512 trillion respectively. Its year to date (YTD) return stands at +31.27%.

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)	33.20%	March 19 , 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

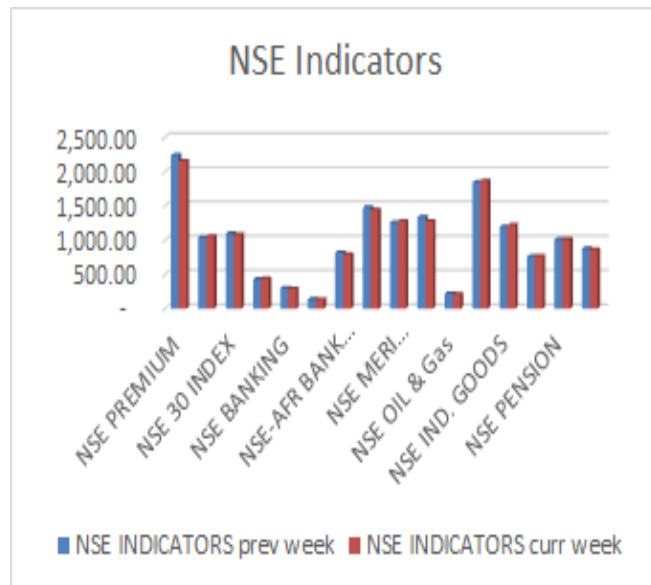
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NSE INDICES



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK 29/04/24-03/05/2024)

A tight monetary policy environment, rising yields in the fixed income instruments, and selloffs in the banking sector on proposed recapitalisation have weakened investors' sentiment in the equity market. With activities dominated by the financial services industry at over 60% of the market volume and value trade, a total turnover of 1.84bn shares worth N34.26bn in 37,528 deals was traded for the week from 1.597bn shares valued at N32.31bn trade in 44,915 deals last week. The benchmark All-Share Index (ASI) fell **-1.39%** to 98,152.91 from 99,539.75 points the previous week, marking its sixth consecutive weekly loss. Investors lost N784.72bn as market capitalisation plunged from N56.30trn last week to N55.51trn this week, while the year-to-date returns dropped further to 31.27%. Market breadth was negative for the week as 27 equities gained, 43 fell, and 84 others remained unchanged. The unlisted equity market maintained its positive performance from last week, registering a two-week winning streak as investors kept their positive outlook on ARADEL HOLDINGS and the Pension index. The benchmark NASD Securities Index (NSI) rose **+4.25%** to 1,087.68 points from 1,043.32 points in the previous week, giving investors a gain of N60bn, with market capitalisation increasing to N1.490trn. **With a largely bearish sentiment for the week as activities remain subdued in the banking sector. We expect a similar performance 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, GTCO, ZENITH, UBA, MTNN, WAPCO PLC, UCAP, FLOUR MILL, AFRIPRUD, FCMB, FBNH, ACCESS PLC. Multiverse, RT BRISCOE, OMATEK, CHAMS, LASACO and OANDO were recommended as speculative STOCKS.

FINANCIAL HIGHLIGHTS OF 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	12/4/2024	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision	
ZENITH	38.65	40.00	3.49	13.82	3.20	11.77	434,172	174,331	3rd Qter	61.12	37.80	19.00	2.89	52.00	1,918,935	31,396	18,160,814	8.00	22.63	BUY	
GTCO	40.50	41.40	2.22	12.98	3.10	9.88	367,417	130,348	3rd Qter	43.25	41.80	16.80	3.19	53.82	1,272,925	29,431	8,615,504	7.49	28.86	BUY	
ACCESS	23.15	19.30	(16.63)	6.92	1.50	(10.15)	250,444	136,914	3rd Qter	46.15	19.80	7.50	2.79	25.09	1,640,242	35,545	21,405,399	7.77	15.27	BUY	
UBA	25.65	26.30	2.53	12.93	1.10	6.82	449,296	115,043	3rd Qter	51.99	18.00	6.55	2.03	34.19	1,778,139	34,199	16,222,620	4.18	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	33.50	6.35	2.44	2.00	12.70	39,305	44,900	3rd Qter	26.27	31.50	20.10	13.73	43.55	423,191	16,108	653,598	5.97	9.29	BUY	
NAHCO	25.40	33.25	30.91	2.53	1.20	35.63	4,964	2,107	3rd Qter	6.00	25.95	5.12	13.14	43.23	11,696	1,949	21,913	3.61	42.44	HOLD	
NASCON	53.75	52.55	(2.23)	5.54	1.00	(0.37)	11,008	2,882	3rd Qter	10.34	59.50	9.50	9.49	68.32	27,403	2,649	78,273	1.90	40.17	HOLD	
FLOUR MILLS	33.05	33.80	2.27	(2.43)	2.25	9.08	(8,529)	5,700	2nd Qter	52.85	36.20	27.00	(13.91)	43.94	216,704	4,100	1,316,248	6.66	(3.94)	BUY	
MTNN	264.00	227.00	(14.02)	7.06	15.64	(8.09)	148,091	270,339	3rd Qter	15.20	288.00	185.00	32.15	295.10	309,367	20,354	3,078,929	6.89	47.87	BUY	
DANSUGAR	57.00	53.10	(6.84)	(2.22)	1.50	(4.21)	(27,987)	4,590	3rd Qter	10.37	63.10	15.00	(23.92)	69.03	126,000	12,146	616,547	2.82	(22.21)	HOLD	
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	28.00	(22.22)	(6.89)	1.43	(18.25)	(57,195)	14,755	3rd Qter	10.94	48.80	28.80	(4.06)	36.40	112,461	10,276	707,843	5.11	(50.86)	BUY	
UCAP	23.00	20.10	(12.61)	1.88	1.50	(6.09)	8,469	7,715	3rd Qter	10.20	17.10	9.00	10.69	26.13	61,212	6,000	732,498	7.46	13.84	BUY	
AFRIPRUD	7.40	6.90	(6.76)	0.44	0.50	-	0.871	1,290	3rd Qter	4.86	7.70	5.00	15.68	8.97	9,722	2,000	23,731	7.25	0.01	BUY	
NEM INS.	6.30	9.55	51.59	0.52	0.30	56.35	5,207	3,955	3rd Qter	3.08	6.99	3.13	18.37	12.42	30,870	10,032	65,984	3.14	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	27.10	15.07	6.54	0.50	17.20	236,502	91,202	3rd Qter	38.27	23.5	8.2	4.14	35.23	1,373,853	35,895	14,455,659	1.85	17.21	BUY	
FCMB	7.40	8.05	8.78	3.58	0.25	12.16	35,410	13,663	2nd Qter	17.40	7.70	2.92	2.25	10.47	344,557	19,803	3,720,980	3.11	10.28	BUY	
OKOMU	260.00	247.00	(5.00)	21.93	12.00	(0.38)	29,225	24,620	3rd Qter	45.61	250	157	11.26	321.10	43,508	954	79,034	4.86	67.17	SELL/HOLD	
PRESKO	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	38.00	42.32	2.82	1.01	46.10	11,214	5,641	3rd Qter	11.32	24	8.05	13.48	49.40	44,944	3,971	152,112	2.66	24.95	SELL/HOLD	
VITAFOAM	22.00	21.00	(4.55)	2.66	1.52	2.36	3,698	4,341	3rd Qter	12.80	24	16.8	7.89	27.30	16,007	1,251	44,716	7.24	23.10	SELL/HOLD	
STANBIC IBTC	69.65	52.50	(24.62)	5.12	2.52	(21.01)	109,249	15,068	3rd Qter	36.36	70	27.5	10.25	68.25	471,055	12,957	4,674,057	4.80	23.19	SELL/HOLD	
TRANSCORP	8.66	14.95	72.63	0.36	0.05	73.21	22,738	19,031	3rd Qter	4.42	7.01	0.98	41.53	19.44	179,826	40,648	479,826	0.33	12.64	BUY	



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

Twenty seven stocks appreciated in price during the week, as against Thirteen in preceding week. The top ten price gainers during the week were:

LOSERS FOR THE WEEK

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

EXCHANGE TRADED PRODUCTS (ETP)

A total of 15,057 units of Exchange Traded Products valued at N5,111,799.26 in 161 deals were traded during the week compared with 31,329 units of Exchange Traded Products valued at N5,557,813.05 traded last week in 167 deals.

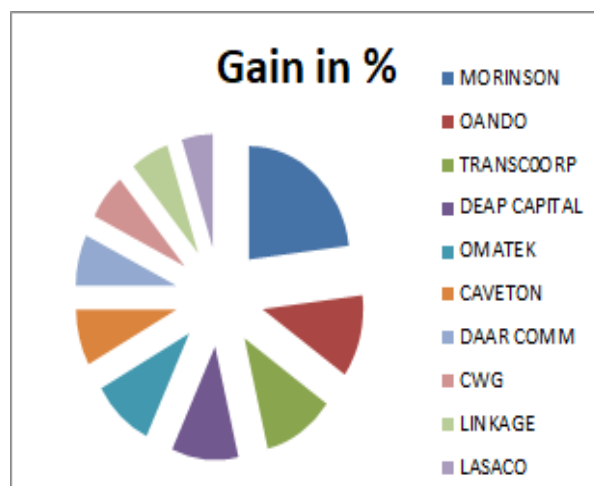
BOND MARKET

A total of 52,739 units of FGN Bond valued at N50,661,948.69 in 28 deals were traded during the week compared with 126,172 units of FGN Bond valued at N124,978,249.21 traded last week in 28 deals

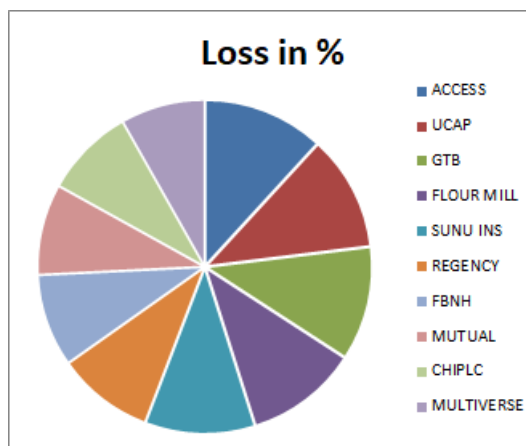
MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	1,839 M	1,597 M	14.61
Value N=	N34,258 B	N32,313 B	218.67
Total Gain	27	13	-18.52
Total Loss	43	62	-3.70
Deals	37,528	44,915	6.38
All Share Index	98,152.91	99,539.75	-1.39
Market Cap.	N=55,512 Trillion	N=56,296 Trillion	-1.39

TOP TEN GAINERS



TOP TEN LOSERS



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Closure of Register - Dividends and Bonuses

Company	Dividend/Share	Bonus	Closure of Register	AGM Date	Payment Date
C & I Leasing Plc	Nil	2 for 3	5th January 2024	N/A	N/A
Vitafoam Nigeria Plc	N1.56	Nil	13th February 2024	7th March 2024	7th March 2024
Geregu Power Plc	N8.00	Nil	28th February 2024	28th March 2024	28th March 2024
Nigeria Infrastructure Debt Fund	N3.95	Nil	23rd January 2024	N/A	26th January 2024
NASCON Allied Industries Plc	Nil	1 for 100	6th May 2024	23rd May 2024	Not Applicable
Africa Prudential Plc	N0.45	Nil	N0.45	28th March 2024	28th March 2024
Lafarge Africa Plc	N1.90	Nil	2nd April 2024	26th April 2024	26th April 2024
Nigerian Exchange Group Plc	N0.75	Nil	27th March 2024	To be Advised	To be advised
Dangote Cement Plc	N30.000	Nil	16th April 2024	29th April 2024	29th April 2024
Seplat Energy Plc	Final Dividend	Nil	29th April 2024	16th May 2024	29th May 2024
Mecure Industries Plc	N0.15	Nil	20th May 2024	3rd June 2024	3rd June 2024
BUA Cement Plc	N2.00	Nil	12th August 2024	29th August 2024	29th August 2024
The Initiates Plc	N0.06	Nil	8th July 2024	25th July 2024	26th July 2024
BUA FOOD PLC	N5.5	Nil	AUGUST 26, TO AUG. 30,	26-Sep-24	26-Sep-24
United Capital Plc	N1.80	Nil	10th April 2024	23rd April 2024	23rd April 2024
Access Holdings Plc	N1.80	Nil	11th April 2024	19th April 2024	19th April 2024
Multiverse Mining and Exploration	N0.05	Nil	12th April 2024	25th April 2024	2nd May 2024
Infinty Trust Mortgage Bank Plc	N0.15	Nil	15th April 2024	9th May 2024	13th May 2024
Transcorp Hotels Plc	N0.20	Nil	16th April 2024	29th April 2024	30th April 2024
Berger Paints Nigeria Plc	N0.80	Nil	17th April 2024	14th May 2024	14th May 2024
CWG Plc	N0.16	Nil	18th April 2024	26th April 2024	29th April 2024
Stanbic IBTC Holdings Plc	N2.20	Nil	22nd April 2024	16th May 2024	17th May 2024
Transcorp Power Plc	N3.13	Nil	22nd April 2024	6th May 2024	7th May 2024
SFS Real Estate Investment Trust	N14.50	Nil	22nd April 2024	14th May 2024	14th May 2024
TotalEnergies Marketing Nigeria Plc	N25.00	Nil	24th April 2024	14th June 2024	17th June 2024
The Okomu Oil Palm Company Plc	N14.00	Nil	26th April 2024	23rd May 2024	23rd May 2024
Unilever Nigeria Plc	N0.75	Nil	29th April 2024	9th May 2024	10th May 2024
Meyer Plc	N0.30	Nil	29th April 2024	24th May 2024	27th May 2024
Wema Bank Plc	N0.50	Nil	10th May 2024	28th May 2024	28th May 2024
Abbey Mortgage Bank Plc	N0.04	Nil	10th May 2024	-	-
Nigerian Aviation Handling Company	N2.56	Nil	13th May 2024	24th May 2024	24th May 2024
May and Baker Nigeria Plc	N0.30	Nil	22nd May 2024	6th June 2024	6th June 2024
Julius Berger Nigeria Plc	N3.00	Nil	3rd June 2024	20th June 2024	21st June 2024
Chemical and Allied Industries Plc	N1.55	Nil	3rd June 2024	To be Advised	To be Advised
UAC of Nigeria Plc	N0.22	Nil	7th June 2024	20th June 2024	21st June 2024
Trans-Nationwide Express Plc	N0.02	Nil	12th June 2024	19th June 2024	20th June 2024
Fidson Healthcare Plc	N0.60	Nil	19th June 2024	4th July 2024	5th July 2024
Beta Glass Plc	N1.40	Nil	26th June 2024	4th July 2024	5th July 2024
McNichols Consolidated Plc	N0.02	Nil	1st July 2024	25th July 2024	30th July 2024
MRS Oil Nigeria Plc	N2.36	Nil	1st July 2024	1st August 2024	2nd August 2024
The Initiates Plc	N0.06	Nil	8th July 2024	25th July 2024	26th July 2024
LivingTrust Mortgage Bank Plc	N0.03	Nil	27th May 2024	6th June 2024	10th June 2024
BUA Foods Plc	N5.50	Nil	26th August 2024	26th September 2024	26th September 2024
Industrial and Medical Gases Nigeria	N0.50	Nil	14th June 2024	28th June 2024	2nd July 2024
Skyway Aviation Handling Company	N0.30	Nil	27th May 2024	13th June 2024	13th June 2024
Guaranty Trust Holding Company	N2.70	Nil	29th April 2024	9th May 2024	9th May 2024
Zenith Bank Plc	N3.50	Nil	26th April 2024	8th May 2024	8th May 2024
United Bank for Africa Plc	N2.30	Nil	13th May 2024	24th May 2024	24th May 2024
Transnational Corporation Plc	N0.10	Nil	25th April 2024	13th May 2024	14th May 2024
Fidelity Bank Plc	N0.60	Nil	29th April 2024	16th May 2024	16th May 2024

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MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 26/04/2024												
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	36.00	41.77	1,767,321.00	90,000.00	1,857,321.00	250,821.00	15.61
1/1/2024	UBA	50,000	1,308,150.00	26.16	26.65	23.00	34.01	1,129,121.75	9,000.00	1,138,121.75	- 170,028.25	- 13.00
1/1/2024	ACCESS	50,000	1,180,650.00	23.61	24.05	16.60	30.70	814,931.35	9,000.00	823,931.35	- 356,718.65	- 30.21
1/1/2024	TRANSCORP	50,000	441,660.00	8.83	9.00	14.00	11.48	687,291.50	9,000.00	696,291.50	254,631.50	57.65
1/1/2024	MTN	50,000	13,464,000.00	269.28	274.26	202.00	350.06	9,916,634.50	9,000.00	9,925,634.50	- 3,538,365.50	- 26.28
1/1/2024	FIDELITY	50,000	553,350.00	11.07	11.27	9.40	14.39	461,467.15	9,000.00	470,467.15	- 82,882.85	- 14.98
1/1/2024	DANGSUGAR	50,000	2,907,000.00	58.14	59.22	48.00	75.58	2,356,428.00	67,500.00	2,423,928.00	- 483,072.00	- 16.62
1/1/2024	ZENITH	50,000	1,971,150.00	39.42	40.15	32.60	51.25	1,600,407.35	13,500.00	1,613,907.35	- 357,242.65	- 18.12
1/1/2024	UCAP PLC	50,000	1,173,000.00	23.46	23.89	16.65	30.50	817,385.96	67,500.00	884,885.96	- 288,114.04	- 24.56
1/1/2024	GTCO PLC	50,000	2,065,500.00	41.31	42.07	35.50	53.70	1,742,774.88	13,500.00	1,756,274.88	- 309,225.13	- 14.97
1/1/2024	FLOUR MILLS	50,000	1,685,550.00	33.71	34.33	30.50	43.82	1,497,313.63	96,750.00	1,594,063.63	- 91,486.38	- 5.43
1/1/2024	DANCEM	50,000	16,314,900.00	326.30	332.33	656.70	424.19	32,238,880.58	900,000.00	33,138,880.58	16,823,980.58	103.12
1/1/2024	FBNH	50,000	1,201,050.00	24.02	24.47	20.35	31.23	999,027.29	68,400.00	1,067,427.29	- 133,622.71	- 11.13
			45,872,460.00					56,028,984.93		57,391,134.93	11,518,674.93	25.11

The Equity Portfolio Model which closed the previous week at 34.95% depreciated during the week and closed at 31.27% (YTD). This can be compared with NGX All Share Index which closed at 36.83.% in previous week , also depreciated during the week and closed at +31.27% {YTD}. Despite the depreciation of the NGX ASI during the week under review it over-performed the EPM of the market. Some of the stocks that contributed negatively in EPM are GTCO, FBNH, ZENITH, MTN 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

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

MARKET DEVELOPMENTS (LAST WEEK)

President Tinubu Appoints Board of Securities and Exchange Commission

President Bola Tinubu has approved the appointment of the following Nigerian professionals to the Board of the Securities and Exchange Commission (SEC): 1. Mr. Mairiga Aliyu Katuka -- Chairman 2. Dr. Emomotimi Agama -- Director-General . 3. Frana Chukwuogor -- Executive Commissioner (Legal and Enforcement) 4. Mr. Bola Ajomale -- Executive Commissioner (Operations) 5. Mrs. Samiya Hassan Usman -- Executive Commissioner (Corporate Services)

6. Mr. Lekan Belo -- Non-Executive Commissioner, 7. Mr. Kasimu Garba Kurfi -- Non-Executive Commissioner , The President anticipates that all members of the Board of this critical commission will bring their wealth of experience and competence to bear in advancing the commission's core mandate of developing and regulating a dynamic, fair, transparent, and efficient capital market that will bolster investor confidence and contribute immeasurably to the nation's economic development.

INVESTMENT BASICS

INVESTMENT IN TREASURY BILLS

T-bills are the typical traditional investments, as opposed to stocks, which are more speculative in nature. Buying into T-Bills is a great way to save and grow your money steadily, especially during periods of high interest rate when you can get yields comparable to or exceeding that of stock returns. Here are the key steps to get you started in investing in T-bills.

Understand your financial needs.

While T-bills should be a part of almost anyone's portfolio, how much you should invest in T-bills will depend on your personal circumstances and objectives of saving/investing. But as a low-income earner, you can always start small.

Where to buy T-Bills.

T-bills are can only be bought or traded through registered dealers. Most banks are first point of contact as they are actively involved in buying and selling of T-bills. In addition, some big investment houses are actively involved as well. I will recommend the investment houses because of the retail model of their businesses.

The minimum transaction .

The lowest denomination is N1,000 but it is traded in chunks. Basically, banks won't accept any trade less than N100,000. But the investment houses accepts retail amount of N10,000 as minimum transaction, and you upgrade it later as your income grows.

Period of Transaction.

It is a bi-weekly business activity among the dealers unlike stocks that are traded every working day. The announcements are done by CBN on behalf of government; you may get to know through your respective dealers.

Understand How to Buy or trade.

To buy T-bills, you must process an account with a registered dealer or your bank. Then you give a trade mandate by filling an application form to indicate your volume of trade with right amount. Allow your dealer to advise you on rates and periods of maturity.

The interest.

The interest on T-Bills is paid upfront and credited to your bank account. e.g. if you apply for the purchase of N10,000 T-Bills at 10%, the CBN debits your account with N9,000 and N1,000 interest is paid instantly. While at maturity stage, you will be paid the face value of N10,000.

The yield.

Yield is the return on investment. The yield for the N10,000 is 10%. As a result of upfront payment of N1,000, the yield would now be calculated to be the N1,000 interest divided by the N9,000 initial payment for the T-Bills. i.e. $N1,000/N9,000$, which gives you 11.11% yield.

Possibility of Roller Over.

Through your dealer, you can roll-over the principal and interest on your T-Bills upon maturity. This will give you an opportunity to earn compound interest on your money. This is really advisable.

The Durations.

Durations are usually 91days, 182days and 364 days. It is so because T-Bills are typically short term money market instruments but you can sell before maturity.

Very well, you can sell T-Bills before maturity, using the OTC market. But note that this is going to be determined by demand and supply. If T-bill you are holding is on demand i.e. trading at higher rate in the OTC market you may want to take



FIXED INCOME MARKET REPORT

Money Market.

System liquidity showed mild improvement at the beginning of the week but fizzled out after the NTB auction settlement. As such, interbank rates edged higher, with the Open Repo Rate (OPR) and the Overnight rate (O/N) rising to 30.25bps and 31.3bps, respectively.

Treasury Bills.

At the mid-week NTB auction, the Debt Management Office offered N143bn and had a total subscription of N757.84bn. The oversubscription was across the three tenors but highly concentrated at the 364-day paper at N725.66bn versus N121.76bn offered. The DMO allotted N362bn with a distribution of N16.48bn for 91-day, N11.99bn for 182-day, and N333.98bn for 364-day. The stop rates across the tenors remained unchanged at 16.24%, 7.00%, and 20.70%.

Foreign Currency (EXCHANGE RATE).

This week, the naira depreciated by 12.64% to N1,339.23/US\$ from N1,169.99/US\$ in the previous week.

OIL PRICE.

The Nigeria's oil price (WTI) depreciated during the week under review. According to the latest data, the oil price closed at \$71.42 per barrel during the week, compared with \$85.90 recorded in the previous week.

NIGERIAN INTER BANK OFFER RATE NIBOR

	19-Apr-24	26-Apr-24	W-o-W % Change
OPR (%)	29.39	30.25	2.93%
O/N (%)	30.25	31.35	3.64%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION APRIL 24, 2023

Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop rate (%)
91-day	7.85	18.7	16.48	16.24
182-day	12.95	13.48	11.99	17
364-day	121.76	725.66	333.98	20.7

	April 19, 2024	26-Apr-24	W-o-W % Change
T. Bills (%)	25.14	22.42	-10.82%
OMO bills (%)	18.60	18.53	-0.38%

Source: Central Bank of Nigeria (CBN)

FOREIGN EXCHANGE MARKET RATES

	19-Apr-24	26-Apr-24	W-o-W % Change
NAFEM	1,169.99	1,339.23	12.64%

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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