



## Weekly Stock Recommendation

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Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N30.55tn/\$66.20bn  
All Share Index : 55,930.97  
YTD : +9.13

### Overview

- Market activities for the week ended Friday, June 9 2023 closed bullish. The bulls were on top for just only one trading session last week but it was enough to hold off the bears to propel the market to an upward trajectory. As a result, the NGX ASI increased by 0.20% w/w to close at 55,930.97. The positive sentiment for the week was driven by the upturn in Insurance Index (+13.91%), Oil & Gas Index (+3.39%), Banking Index (+1.10%), and Consumer Goods Index (+0.14%). The Industrial Index (-1.31%) was the lone fighter for the bears. All the major indices are currently out-performing inflation with the exception of NGX Industrial Index.

### Gainers & Losers preview

- On the individual stock level, ETERNA (+45.41%, w/w), UNITYBANK (+44.00% w/w), FTNCOCOA (+40.91% w/w), NSLTECH (+38.46%) and CORNERSTONE (+37.35% w/w), sustained the market. On the flipside, JOHNHOLT (-26.70%, w/w) led the field for the bears whilst RT BRISCOE (-10.53% w/w), SUNUASSUR (-10.42%, w/w), COURTEVILLE (-9.80% w/w), and MULTIVERSE (-9.54%, w/w) dragged the market. Hence, to close the week, the year-to-date (YTD) return increased to +9.13%, whilst the market capitalization gained N55mn week on week to close at N30.55trn.

### Market Event and Prospect for the week

#### Market Event for the week

##### President Tinubu suspends CBN Governor Mr. Godwin Emefiele

In what was described as a move to sanitize the Central Bank of Nigeria and reshape the monetary policy of Nigeria, the President has suspended the CBN Governor with immediate effect (June 9, 2023). The suspension was as a result of an ongoing investigation into his conduct while in office including terrorist financing, and failed cash swap program that resulted in a significant reduction in currency circulation leading to a widespread panic amongst Nigerians.

The President had earlier in his inauguration speech indicated his intention to overhaul the CBN and reshape the monetary policy space in Nigeria. He further stated his intention to eliminate the multiple exchange rate regime and establish a unilateral exchange rate regime. This statement was music to the ears of industry experts and foreign investors who have long advocated for ease in forex liquidity and a single exchange rate to facilitate capital inflow into the capital market.

##### President Bola Tinubu promise Nigerians low fuel prices

After the initial reactions by Nigerians to the upsurge in fuel prices and consumer goods prices, President Bola Ahmed Tinubu has promised Nigerians continuous access to fuel at the lowest possible prices. The National Labour Congress had threatened to go on strike until they were

### Key Market Data

INDEX	Week Ended 2/06/2023	Week Ended 9/06/2023	Week to date %	Year to date %
All Share Index	55,820.50	55,930.97	0.20	9.13
NGX Banking Index	520.23	525.93	1.10	25.97
NGX Consumer Goods Index	846.68	847.84	0.14	43.96
NGX Industrial Index	2,486.46	2,453.92	-	2.11
NGX Insurance Index	212.15	241.65	13.91	38.59
NGX Oil & Gas Index	622.61	643.71	3.39	39.19

Source: Securities Africa Research, NGX

### Top 10 Advancers

### Top Decliners

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
ETERNA PLC	9.25	13.45	45.41	JOHNHOLT	1.91	1.40	-26.70
UNITY BANK	0.50	0.72	44.00	R.T. BRISCOE	0.38	0.34	-10.53
FTNCOCOA	0.66	0.93	40.91	SUNUASSUR	0.48	0.43	-10.42
NSLTECH	0.26	0.36	38.46	COURTEVILLE	0.51	0.46	-9.80
CORNERSTONE	0.83	1.14	37.35	MULTIVERSE	4.09	3.70	-9.54
MANSARD	3.19	4.00	25.39	CHELLARAMS	1.47	1.33	-9.52
JAPPAUL	0.39	0.48	23.08	ABC	0.43	0.39	-9.30
NEM	5.00	6.05	21.00	UNIVERSITY PRESS	2.37	2.20	-7.17
E-TRANZACT	4.00	4.84	21.00	GLAXOSMITH	7.55	7.15	-5.30
MRS	49.30	59.60	20.89	OANDO	5.90	5.62	-4.75

Source: NGX

held back by a court injunction. However, in a meeting with the Depots and Petroleum Products Marketers Association of Nigeria (DAPPMAN) on June 7, 2023, President Tinubu stated that:

*“At a meeting yesterday with representatives of major oil marketers’ associations, in the course of the discussions, I emphasized my administration’s total commitment to a competitive, stable, and transparent oil market and challenged the marketers to work with the government to ensure regular supply and convenient access to fuel products across the country at the lowest possible price.”*

### Implication for Equities Market

Some financial experts have indicated that the suspension of the Governor of CBN is a good step that will stabilize the capital market and foreign exchange market.

A few experts approved the suspension citing market stability, single exchange rate and forex market boom as the pros. However, some experts cited political interference and hijacking of policies by politicians as the cons.

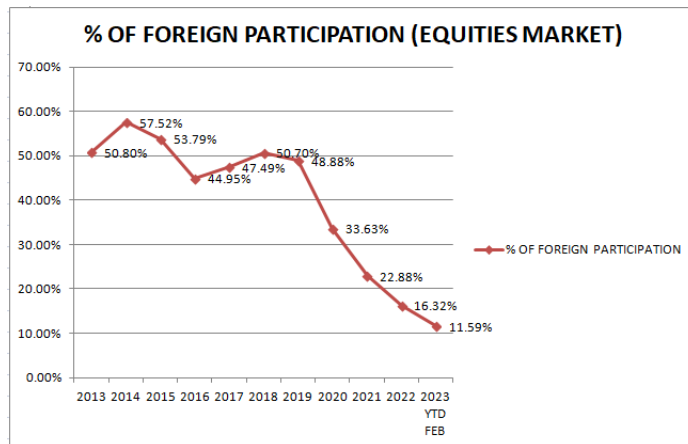
The investors, particularly foreign, will be patiently waiting for the outcome of the CBN overhaul and the implementation of President Tinubu’s plan for Nigeria’s monetary policy. The forex liquidity and exchange rate regime go hand in hand and certainty in the exchange rate will boost investors’ confidence and attract foreign investment that the President promised.

### ■ Prospect for the week

We expect a bullish sentiment in the market this week as investors react to the overhaul of the CBN.

### Recommendation

Below you will find the stocks earmarked for the week. These recommendations serve as a guide to investors for this week.



Source: Securities Africa Research , NGX

STOCKS	Last Price	Current Price	WoW% Change	YTD% Change	52Week High	52Week Low	Dividend Yield	P/E RATIO	Earnings Per Share	Recommendation
<b>INDUSTRIAL SECTOR</b>										
DANGOTE CEMENT PLC	290.00	283.00	- 2.41	8.43	297.00	220.00	8.23	11.91	22.27	HOLD
BUA CEMENT PLC	92.00	92.00	- -	5.88	117.00	49.50	2.64	25.50	2.98	BUY
BETA GLASS PLC	39.60	39.10	- 1.26	1.26	52.12	39.60	0.66	5.25	1.07	
LAFARGE AFRICA PLC	25.80	25.80	- -	7.50	30.00	20.10	0.04	6.45	3.33	HOLD
<b>TELECOMMUNICATION SECTOR</b>										
MTN NIGERIA COMMUNICATIONS P	249.90	250.00	0.04	16.28	270.00	185.00		12.15	17.79	BUY
AIRTEL AFRICA PLC	1175.00	1196.00	1.79	26.85	2,040.00	1,198.00				BUY
<b>CONSUMER GOODS SECTOR</b>										
NESTLE NIGERIA PLC	1250.00	1250.00	- -	13.64	1,401.40	963.90		17.53	61.77	HOLD
NIGERIAN BREWERIES PLC	41.00	41.00	- -	-	55.44	28.80	2.32	21.94	1.58	BUY
DANGOTE SUGAR REFINERY PLC	20.50	21.00	2.44	30.84	20.95	15.00	7.89	6.88	4.51	BUY
INTERNATIONAL BREWERIES	5.00	5.00	- -	6.38	8.60	4.00	-	-	0.81	
FLOUR MILLS NIGERIA PLC	34.55	33.10	- 4.20	16.55	40.75	27.00		4.75	6.26	BUY
UNILEVER NIGERIA PLC	15.00	15.00	- -	29.31	15.50	9.80	-	93.31	21.47	BUY
HONEYWELL FLOUR MILL PLC	3.00	3.50	16.67	49.57	3.83	1.94	1.99	24.98	0.98	
PZ CUSSONS NIGERIA PLC	18.50	18.80	1.62	65.64	14.00	8.05	0.94	5.91	7.81	BUY
CHAMPION BREWERIES PLC	3.87	4.03	4.13	26.73	5.55	3.00	-	18.15	3.65	
GUINNESS NIGERIA PLC	70.70	70.70	- -	2.02	92.70	54.45	30.57	11.33	0.78	HOLD
NASCON ALLIED INDUSTRIES PLC	15.50	15.50	- -	39.64	14.60	9.50	6.99	9.51	0.19	BUY
VITAFOAM NIGERIA PLC	20.90	20.90	- -	2.20	23.60	16.85			0.12	HOLD
CADBURY NIGERIA PLC	17.00	17.30	1.76	45.38	17.70	10.20	4.53	17.26	1.08	BUY
<b>BANKING SECTOR</b>										
GUARANTY TRUST HOLDING CO PL	28.35	28.00	- 1.23	21.74	27.05	16.80	15.25	3.07	5.95	ACCUMULATE
ZENITH BANK PLC	28.60	28.00	- 2.10	16.67	27.00	18.90	15.91	2.46	7.14	ACCUMULATE
STANBIC IBTC HOLDINGS PLC	44.00	45.00	2.27	34.53	41.70	27.50	7.89	5.84	6.05	HOLD
FBN HOLDINGS PLC	14.25	14.10	- 1.05	29.36	12.40	8.20	4.15	2.31	4.17	SELL
ACCESS HOLDINGS PLC	12.40	13.00	4.84	52.94	11.70	7.50	16.51	1.65	4.54	BUY
UNITED BANK FOR AFRICA PLC	9.35	9.95	6.42	30.92	8.90	6.55	18.38	1.84	4.84	BUY
ECOBANK TRANSNATIONAL INC	12.55	12.60	0.40	18.87	13.00	9.50	6.68	2.15	0.01	HOLD
UNION BANK NIGERIA PLC	7.20	7.05	- 2.08	10.16	7.70	5.00	6.96	8.64	1.00	SELL
FIDELITY BANK/NIGERIA	5.85	5.77	- 1.37	32.64	6.03	2.87	-	2.13	7.15	BUY
STERLINGNG	2.08	2.28	9.62		1.84	1.32	3.53	2.20	0.26	
FCMB GROUP PLC	4.60	4.59	- 0.22	19.22	5.00	2.92		2.03	3.04	BUY
WEMA BANK PLC	4.10	4.10	- -	5.13	4.43	3.85		6.62	2.06	HOLD
JAIZ BANK PLC	1.30	1.33	2.31	44.57	1.04	0.68	-	3.75	1.50	HOLD
<b>OIL &amp; GAS SECTOR</b>										
SEPLAT ENERGY PLC	1200.00	1200.00	- -	9.09	1,430.00	1,050.00	5.82	9.21	0.11	HOLD
ARDOVA PLC (MRF)	17.30	17.80	2.89	3.26	26.40	12.00			0.29	
OANDO PLC	5.90	5.62	- 4.75	43.37	6.35	3.53	-	1.62	48.40	
TOTALENERGIES MARKETING NIGE	278.30	278.30	- -	44.20	224.00	197.00	11.05	3.92	1.63	HOLD
MRS NIGERIA PLC	49.30	59.60	20.89	322.70	40.80	10.55	-	364.19	3.29	HOLD
ETERNA PLC	9.25	13.45	45.41	101.05	8.00	5.40	-	4.17	1.36	SELL
<b>INSURANCE SECTOR</b>										
N.E.M. INSUR CO (NIG) PLC	5.00	6.05	21.00	34.44	5.65	3.13		3.20	0.20	SELL
CUSTODIAN AND ALLIED INSURAN	6.40	6.15	- 3.91	3.36	7.50	5.35		3.31	1.61	HOLD
AXA MANSARD INSURANCE PLC	3.19	4.00	25.39	100.00	2.77	1.50		5.06	0.20	SELL
AIICO INSURANCE PLC	0.62	0.62	- -	5.08	0.79	0.52		2.13	0.12	HOLD
<b>AGRICULTURE SECTOR</b>										
OKOMU OIL PALM PLC	199.00	199.00	- -	20.61	216.90	157.00		10.17	17.02	
PRESCO PLC	160.80	166.90	3.79	21.38	183.00	110.00	0.01	7.59	0.59	HOLD
<b>CONGLOMERATE SECTOR</b>										
TRANSNATIONAL CORP OF NIGERI	2.92	3.15	7.88	178.76	3.24	0.90		17.50	1.81	SELL
UAC OF NIGERIA PLC	9.60	9.15	- 4.69	10.73	14.40	7.90	-		0.35	HOLD
<b>FINANCIAL SERVICES SECTOR</b>										
UNITED CAPITAL AFRICA LTD	12.35	13.85	12.15	1.07	15.60	9.00	13.58	5.16	1.61	ACCUMULATE
NIGERIAN EXCHANGE GROUP PLC	29.00	29.00	- -	15.77	30.25	17.00	-	62.20	4.94	HOLD
<b>CONSTRUCTION SECTOR</b>										
JULIUS BERGER NIGERIA PLC	31.40	31.40	- -	28.16	31.00	21.15		7.30	0.65	SELL
<b>AVIATION SECTOR</b>										
SKYWAY AVIATION HANDLING CO	5.50	5.35	- 2.73	7.00	6.25	5.00	#N/A N/A	12.56	0.27	
NIGERIAN AVIATION HANDLING C	12.80	13.55	5.86	111.72	14.00	5.00	-	7.97	1.36	BUY

## NASD OVERVIEW FOR THE PAST WEEK

Below is a snap shot of what transpired in the National Association of Securities Dealers (NASD) market for the week ended June 09, 2023.

### NASD Market News

MARKET SNAPSHOT	Week 23	Week 22	% Change
NASD Securities Index	731.03	739.21	-1.11
Market Capitalization (NTn)	1.014	1.022	-0.78
Total Volume Traded	27,580,023.00	10,358,534.00	166.25
Total Value Traded	223,119,324.96	482,353,026.40	-53.74
Number of Deals	161	67	140.30
Number of Traded Stocks		11	-100.00

Source: Proshare NASD

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SDACCORN	0.17	0.15	13.33
SD11PLC	131.34	119.4	10.00
SDNDEP	260	245	6.12
WEEK DECLINERS			
SDCSCSPLC	2.77	3.08	-10.06
SDFWAMCO	70.00	75.00	-6.67
SDGEFLUID	14.40	15.20	-5.26
SDNIPCOPLC	70.00	72.00	-2.78

Source: Proshare NASD

### FMDQ

Foreign Exchange I&E FX Window			
Description	Spot (\$/N)	Change %	Date
Opening	471.32	0.51	09/06/2023
Close	472.50	0.64	09/06/2023
NAFEX	471.4		08/06/2023
MPR	18.5%		24/05/2023
INFLATION	22.22%		30/04/2023
	30 April 2023	31 March 2023	
GROSS EXTERNAL RESERVES (USD'bn)	35.3	35.05	0.71

Source: Securities Africa Research , NGX

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