



Weekly Stock Recommendation

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Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N34.33tn/\$44.18bn
All Share Index : 63,040.41
YTD : +23.00

Overview

- Market activities for the week ended Friday, July 07, 2023 closed bullish. The banking Index and the oil and gas index were the highlight of the week again as they continued their bullish momentum to propel the market to an upward trajectory. As a result, the NGX ASI increased by 3.40% w/w to close at 63,040.41. The positive sentiment for the week was driven by the upturn in Banking Index (+9.82%), Oil & Gas Index (+7.18%), Industrial Index (+2.22%) and Insurance Index (+0.73%). The only bearish Index was Consumer Goods Index (-0.22%).

Gainers & Losers preview

- On the individual stock level, JAPAU (+58.57%, w/w), CHIPLC (+57.32% w/w), TRANSCOHOT (+38.53% w/w), ETERNA (+35.24%) and FTNCOCOA (+33.47% w/w), sustained the market. On the flipside, WAPIC (-26.51%, w/w) led the field for the bears whilst IKEJAHOTEL (-21.05% w/w), CHAMPION (-14.50%, w/w) and NGX (-5.80%, w/w) dragged the market. Hence, to close the week, the year-to-date (YTD) return increased to +23.00%, whilst the market capitalization gained N1.128trn week on week to close at N34.326trn.

Market Event and Prospect for the week

Market Event for the week

Finally, NGX ASI dust Inflation

Inflation struggles in Nigeria continued into 2023 as the drivers does not seem to abate. Inflation is still expected to increase as we anticipated June 2023 figures from NBS. Transport cost, food cost and energy cost are expected to increase with no palliative from the government in sight.

The NGX ASI Index has been playing catch-up since the turn of the year as the general election fever amongst other factors created a bearish market until the recent bullish trend. The liberalization of fx and removal of subsidy and reforms from President Bola Tinubu continue to drive the bullish trend.

Currently, the NGX ASI (+23.00%) is +0.59 percentage points higher than May Inflation (+22.41%). With the bullish trend set to continue, it remains to see who has the last laugh.

52 week high – Banking stocks

In the week ended July 7, 2023, all the banking stocks we are tracking traded at their 52 week high. Expectations are still high for the bank stocks as half year 2023 results start trickling with some banks expected to pay interim dividend.

Prospect for the week

We expect bullish sentiment in the market this week.

Key Market Data

INDEX	Week Ended 30/06/2023	Week Ended 07/07/2023	Week to date %	Year to date %
All Share Index	60,968.27	63,040.41	3.40	23.00
NGX Banking Index	645.42	708.77	9.82	69.77
NGX Consumer Goods Index	894.76	892.77	-0.22	51.59
NGX Industrial Index	2,491.31	2,546.73	2.22	5.97
NGX Insurance Index	277.07	279.10	0.73	60.07
NGX Oil & Gas Index	775.85	831.59	7.18	79.81

Source: Securities Africa Research, NGX

Top 10 Advancers

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
JAPAU	0.70	1.11	58.57	WAPIC	0.83	0.61	-26.51
CHIPLC	0.82	1.29	57.32	TRIPPLEG	3.75	2.76	-26.40
CHAMS	0.74	1.16	56.76	IKEJAHOTEL	3.99	3.15	-21.05
OMATEK	0.36	0.55	52.78	LASACO	2.60	2.16	-16.92
VERITASKAP	0.23	0.34	47.83	CHAMPION	5.38	4.60	-14.50
E-TRANZACT	6.45	9.41	45.89	IEIPLC	1.45	1.30	-10.34
TRANSCOHOT	23.40	32.65	39.53	MULTIVERSE	3.75	3.38	-9.87
UNITYBANK	1.18	1.62	37.29	NSLTECH	0.33	0.31	-6.06
ETERNA	21.00	28.40	35.24	NGX	29.30	27.60	-5.80
FTNCOCOA	2.39	3.19	33.47	NEM	6.40	6.10	-4.69

Source: NGX

INFLATION VS EQUITY MARKET

	Close
Inflation (May 2022)	22.41
ASI (July 7, 2023)	23

Source: Securities Africa Research, NGX

BANKING STOCKS

STOCKS	NEW 52 WEEK HIGH	OLD 52 WEEK HIGH	WTD% Change
GTCO	36.70	35.00	4.86
ZENITHBANK	34.80	34.25	1.61
STANBIC	63.65	54.00	17.87
FBNH	20.30	17.50	16.00
ACCESSCORP	18.75	16.60	12.95
UBA	14.20	12.25	15.92
ETI	16.50	15.20	8.55
UNION BANK	8.25	7.70	12.24
FIDELITY BANK	8.93	7.00	27.57
STERLINGNG	4.17	3.36	24.11
FCMB	6.65	5.10	30.39
WEMA	5.44	5.29	2.84
JAIZBANK	1.80	1.74	7.78

Source: Securities Africa Research, CSCS

Recommendation

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

STOCKS	Last Price	Current Price	WoW% Change	YTD% Change	52Week High	52Week Low	Dividend Yield	P/E RATIO	Earnings Per Share	Recommendation
INDUSTRIAL SECTOR										
DANGOTE CEMENT PLC	285.00	300.10	5.30	14.98	300.10	220.00	8.23	11.91	22.27	HOLD
BUA CEMENT PLC	92.25	91.00	- 1.36	- 6.91	117.00	49.50	2.64	25.50	2.98	BUY
BETA GLASS PLC	38.85	38.85	-	1.89	52.12	39.60	0.66	5.25	1.07	
LAFARGE AFRICA PLC	29.50	30.15	2.20	25.63	30.15	20.10	0.04	6.45	3.33	HOLD
TELECOMMUNICATION SECTOR										
MTN NIGERIA COMMUNICATIONS P	273.40	275.00	0.59	27.91	275.00	185.00		12.15	17.79	ACCUMULATE
AIRTEL AFRICA PLC	1319.90	1319.90	-	19.27	2,040.00	1,198.00				ACCUMULATE
CONSUMER GOODS SECTOR										
NESTLE NIGERIA PLC	1250.00	1200.00	- 4.00	9.09	1,401.40	963.90		17.53	61.77	HOLD
NIGERIAN BREWERIES PLC	45.00	43.70	- 2.89	6.59	55.44	28.80	2.32	21.94	1.58	BUY
DANGOTE SUGAR REFINERY PLC	25.00	27.50	10.00	71.34	27.50	15.00	7.89	6.88	4.51	BUY
INTERNATIONAL BREWERIES	5.20	5.20	-	10.64	8.60	4.00	-	-	0.81	
FLOUR MILLS NIGERIA PLC	34.10	33.80	- 0.88	19.01	40.75	27.00		4.75	6.26	BUY
UNILEVER NIGERIA PLC	16.30	17.30	6.13	49.14	17.30	9.80	-	93.31	21.47	BUY
HONEYWELL FLOUR MILL PLC	3.30	3.40	3.03	45.30	3.83	1.94	1.99	24.98	0.98	
PZ CUSSONS NIGERIA PLC	22.00	22.10	0.45	94.71	22.10	8.05	0.94	5.91	7.81	BUY
CHAMPION BREWERIES PLC	5.38	4.60	- 14.50	- 16.36	5.55	3.00	-	18.15	3.65	
GUINNESS NIGERIA PLC	80.00	80.00	-	15.44	92.70	54.45	30.57	11.33	0.78	HOLD
NASCON ALLIED INDUSTRIES PLC	18.70	22.90	22.46	106.31	22.90	9.50	6.99	9.51	0.19	BUY
VITAFOAM NIGERIA PLC	21.30	21.20	- 0.47	3.67	23.60	16.85			0.12	HOLD
CADBURY NIGERIA PLC	17.40	17.85	2.59	50.00	18.80	10.20	4.53	17.26	1.08	BUY
BANKING SECTOR										
GUARANTY TRUST HOLDING CO PL	35.00	36.70	4.86	59.57	36.70	16.80	15.25	3.07	5.95	ACCUMULATE
ZENITH BANK PLC	34.25	34.80	1.61	45.00	34.80	18.90	15.91	2.46	7.14	ACCUMULATE
STANBIC IBTC HOLDINGS PLC	54.00	63.65	17.87	90.28	63.65	27.50	7.89	5.84	6.05	BUY
FBN HOLDINGS PLC	17.50	20.30	16.00	86.24	20.30	8.20	4.15	2.31	4.17	ACCUMULATE
ACCESS HOLDINGS PLC	16.60	18.75	12.95	120.59	18.75	7.50	16.51	1.65	4.54	BUY
UNITED BANK FOR AFRICA PLC	12.25	14.20	15.92	86.84	14.20	6.55	18.38	1.84	4.84	BUY
ECOBANK TRANSNATIONAL INC	15.20	16.50	8.55	55.66	16.50	9.50	6.68	2.15	0.01	BUY
UNION BANK NIGERIA PLC	7.35	8.25	12.24	28.91	8.25	5.00	6.96	8.64	1.00	HOLD
FIDELITY BANK/NIGERIA	7.00	8.93	27.57	105.29	8.93	2.87	-	2.13	7.15	BUY
STERLINGNG	3.36	4.17	24.11	197.86	4.17	1.32	3.53	2.20	0.26	BUY
FCMB GROUP PLC	5.10	6.65	30.39	72.73	6.65	2.92		2.03	3.04	BUY
WEMA BANK PLC	5.29	5.44	2.84	39.49	5.44	3.85		6.62	2.06	BUY
JAIZ BANK PLC	1.67	1.80	7.78	95.65	1.80	0.68	-	3.75	1.50	BUY
OIL & GAS SECTOR										
SEPLAT ENERGY PLC	1399.80	1399.80	-	27.25	1,430.00	1,050.00	5.82	9.21	0.11	ACCUMULATE
ARDOVA PLC (MRF)	16.90	16.50	- 2.37	- 10.33	26.40	12.00			0.29	
OANDO PLC	5.54	5.80	4.69	47.96	6.35	3.53	-	1.62	48.40	
TOTALENERGIES MARKETING NIGE	350.00	370.00	5.71	91.71	370.00	197.00	11.05	3.92	1.63	ACCUMULATE
MRS NIGERIA PLC	79.00	99.50	25.95	605.67	99.50	10.55	-	364.19	3.29	ACCUMULATE
ETERNA PLC	21.00	28.40	35.24	324.51	28.40	5.40	-	4.17	1.36	BUY
CONOIL PLC	83.00	102.30	23.25	286.04	102.30	23.90	-	4.97	8.97	BUY
INSURANCE SECTOR										
N.E.M. INSUR CO (NIG) PLC	6.40	6.10	- 4.69	35.56	6.30	3.13		3.20	0.20	BUY
AXA MANSARD INSURANCE PLC	3.95	3.96	0.25	98.00	4.10	1.50		5.06	0.20	BUY
AICO INSURANCE PLC	0.71	0.72	1.41	22.03	0.79	0.52		2.13	0.12	BUY
AGRICULTURE SECTOR										
OKOMU OIL PALM PLC	235.00	245.00	4.26	48.48	245.00	157.00		10.17	17.02	HOLD
PRESCO PLC	178.00	220.00	23.60	60.00	220.00	110.00	0.01	7.59	0.59	HOLD
CONGLOMERATE SECTOR										
TRANSNATIONAL CORP OF NIGERI	3.51	4.13	17.66	265.49	4.13	0.90		17.50	1.81	SELL
UAC OF NIGERIA PLC	10.80	11.50	6.48	12.20	14.40	7.90	-		0.35	HOLD
FINANCIAL SERVICES SECTOR										
UNITED CAPITAL AFRICA LTD	15.75	16.00	1.59	14.29	16.00	9.00	13.58	5.16	1.61	ACCUMULATE
NIGERIAN EXCHANGE GROUP PLC	29.30	27.60	- 5.80	10.18	30.25	17.00	-	62.20	4.94	HOLD
CUSTODIAN INVESTMENT PLC	7.50	7.50	-	26.05	7.50	5.35		3.31	1.61	HOLD
CONSTRUCTION SECTOR										
JULIUS BERGER NIGERIA PLC	31.00	30.00	- 3.23	22.45	31.00	21.15		7.30	0.65	SELL
AVIATION SECTOR										
SKYWAY AVIATION HANDLING CO	10.15	12.25	20.69	145.00	12.25	5.00	#N/A N/A	12.56	0.27	
NIGERIAN AVIATION HANDLING C	18.25	19.15	4.93	199.22	19.15	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 July 07, 2023.

NASD Market News

MARKET SNAPSHOT	Week 27	Week 26	% Change
NASD Securities Index	776.7	752.03	3.28
Market Capitalization (NTn)	1.07	1.04	2.88
Total Volume Traded	8,108,550.00	1,086,477,150.00	-99.25
Total Value Traded	80,688,773.87	21,725,309,830.58	-99.63
Number of Deals	113	75	50.67
Number of Traded Stocks	16	14	14.29

Source: Proshare NASD

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SDNDEP	360	276.29	30.30
SD11PLC	169.4	144	17.64
SDFCWAMCO	79.71	69.98	13.90
SDAIRLIQ	5.5	5	10.00
SDAFRILAND	2.87	2.62	9.54
SDUBNPROP	1.09	1	9.00
SDGEFLUID	3.05	3	1.67
SDAIRLIQ	5.5	5	10.00
WEEK DECLINERS			
SDARCON	0.16	0.17	-5.88

Source: Proshare NASD

FMDQ

Foreign Exchange I&E FX Window			
Description	Spot (\$/N)	Change %	Date
Opening	769.25	0.82	30/06/2023
Close	776.90	0.99	07/07/2023
NAFEX	749.64		06/07/2023
MPR	18.5%		24/05/2023
INFLATION	22.41%		15/06/2023
	30 June 2023	31 May 2023	
GROSS EXTERNAL RESERVES (USD'bn)	34.1	35.1	-2.85

Source: Securities Africa Research , NGX

YTD OVERVIEW	
TOTAL VOLUME	2,861,240,199.00
TOTAL VALUE	29,192,835,764.80
NUMBER OF DEALS	1,846.00

Source: Proshare NASD

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