



## Weekly Stock Recommendation

Email: [researchng@securitiesafrica.com](mailto:researchng@securitiesafrica.com) | Tel: +234 (909)4404638

Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N35.40tn/\$45.51bn  
All Share Index : 65,003.39  
YTD : +26.83%

### Overview

- Market activities for the week ended Friday, July 21, 2023 closed bullish. There was heavy investor interest in the banking Index during the week which propelled the market to an upward trajectory. As a result, the NGX ASI increased by 3.89% w/w to close at 65,003.39. The positive sentiment for the week was driven by the upturn in Banking Index (+15.81%), Insurance Index (+5.56%), Industrial Index (+2.80%), Consumer Goods Index (+1.67%) and Oil & Gas Index (+0.64%).

### Gainers & Losers preview

- On the individual stock level, JOHNSHOLT (+58.01%, w/w), STERLINGNG (+27.33% w/w), ETI (+27.17% w/w), FBNH (+25.63%, w/w) and ACCESSCORP (+22.74% w/w), sustained the market. On the flipside, FTNCOCOA (-29.08%, w/w) led the field for the bears whilst COURTVILLE (+28.09% w/w), ABBEYMORTGAGE (-26.32%, w/w), LINKASSUR (-20.00%, w/w) and JAPPAUL (-15.15%, w/w) sustained the market. Hence, to close the week, the year-to-date (YTD) return increased to +26.83%, whilst the market capitalization gained N1.33trn week on week to close at N35.395trn.

### Market Event and Prospect for the week

#### Market Event for the week

##### 4<sup>th</sup> MPC Meeting for 2023, first under President Bola Tinubu

The Monetary Policy Committee (MPC) will meet tomorrow July 25, 2023. A few policies have been implemented since the last meeting in May 2023, including, Naira unification and recently reducing the cash reserve ratio (CRR) of Merchant banks from 32.5% to 10% (effective August 1, 2023). Could the CRR of deposit money banks (DMB) about to be reduced?

Reducing the CRR for DMBs will lead to an increase in liquidity in the banking sector. Given that the current inflation is largely cost-push and not demand-pull, reducing the monetary policy rate can rub off positively on the equities market and the economy.

President Bola Tinubu has been vocal about his intentions for the CBN and the monetary system from inception of his government. This upcoming meeting of the Monetary Policy Committee will represent the first under the president and the first without the former governor of CBN, Godwin Emefiele, whom the president suspended from office in June 2023.

Investors will be keen to see the outlook for interest rates to make investment decision.

#### Fidelity Bank Plc to raise capital

Fidelity bank is attempting to raise capital amounting to N96.3billion according to their filing with the Nigerian Exchange Limited (NGX).

### Key Market Data

INDEX	Week Ended 14/07/2023	Week Ended 21/07/2023	Week to date	Year to date %
All Share Index	62,569.73	65,003.39	3.89	26.83
NGX Banking Index	607.29	703.32	15.81	68.46
NGX Consumer Goods	872.37	886.96	1.67	50.61
NGX Industrial Index	2,776.30	2,854.10	2.80	18.76
NGX Insurance Index	246.91	260.86	5.65	49.61
NGX Oil & Gas Index	843.48	848.88	0.64	83.55

Source: Securities Africa Research, NGX

### Top 10 Advancers

### Top Decliners

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
JOHNSHOLT	1.81	2.86	58.01	FTN COCOA	2.82	2.00	-29.08
CHELLARMS	1.76	2.33	32.39	COURTVILLE	0.89	0.64	-28.09
STERLINGNG	3.11	3.96	27.33	ABBEY	1.52	1.12	-26.32
ETI	12.70	16.15	27.17	LINKASSUR	0.80	0.64	-20.00
CWG	2.35	2.97	26.38	JAPPAUL	0.99	1.84	85.86
SOVRENIN	0.46	0.58	26.09	R T BRISCOE	0.59	0.51	-13.56
FBNH	15.80	19.85	25.63	LASACO	1.84	1.60	-13.04
LIVESTOCK	1.58	1.98	25.32	NSLTECH	0.35	0.31	-11.43
FCMB	5.50	6.80	23.64	GUINEAINS	0.27	0.24	-11.11
ACCESSCORP	14.95	18.35	22.74	SFSREIT	77.00	69.30	-10.00

Source: NGX

According to the report:

- That the issued share capital of the Company currently N16,000,000,000.00 (Sixteen Billion Naira) made up of 32,000,000,000 Ordinary Shares of N0.50 each, be increased up to N22,600,000,000.00 (Twenty-two Billion, Six Hundred Million Naira) by the creation of up to 13,200,000,000 (Thirteen Billion, and Two Hundred Million) additional Ordinary Shares of N0.50 each.
- That the Company undertakes a capital raising exercise via a Public Offer for up to 10,000,000,000 Ordinary Shares and Rights Issue of up to 3,200,000,000 Ordinary Shares representing 1 (one) new share for every ten (10) shares held, to new and existing shareholders respectively.

Source: *Nairametrics*

Fidelity bank shares gained 10% on Friday, July 21, 2023 as investors reacted positively to the share capital offer.

Also, Fidelity bank has been reclassified as medium price stock. This indicates that Fidelity Bank has been trading above N5 for at least four (4) months in the last six (6) months.

#### **DANGCEM completes first set of share buy-back**

DANGCEM has completed the first tranche of its share buyback programme. In a filing with NGX, DANGCEM stated the first tranche commenced on Monday and was completed on Tuesday via the open market on NGX.

A total number of 121,404,714 shares representing 0.71% of the issued and fully paid ordinary shares was purchased. The value of the repurchased shares was N45.15bn at the average price of N339.

Source: *Punch*

#### ■ **Prospect for the week**

We expect bullish sentiment in the market this week as companies declare earnings and investors position themselves for interim dividends.

## 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	
<b>INDUSTRIAL SECTOR</b>											
DANGOTE CEMENT PLC	335.00	352.00	5.07	34.87	335.00	220.00	8.23	11.91	22.27	ACCUMULATE	
BUA CEMENT PLC	98.95	98.95	-	1.23	117.00	49.50	2.64	25.50	2.98	HOLD	
BETA GLASS PLC	35.00	35.00	-	11.62	52.12	39.60	0.66	5.25	1.07		
LAFARGE AFRICA PLC	28.00	28.60	2.14	19.17	30.15	20.10	0.04	6.45	3.33	HOLD	
<b>TELECOMMUNICATION SECTOR</b>											
MTN NIGERIA COMMUNICATIONS P	265.10	270.00	1.85	25.58	275.00	185.00		12.15	17.79	HOLD	
AIRTEL AFRICA PLC	1319.90	1319.90	-	19.27	2,040.00	1,198.00				HOLD	
<b>CONSUMER GOODS SECTOR</b>											
NESTLE NIGERIA PLC	1175.00	1175.00	-	6.82	1,401.40	963.90		17.53	61.77	HOLD	
NIGERIAN BREWERIES PLC	39.00	43.65	11.92	6.46	55.44	28.80	2.32	21.94	1.58	BUY	
DANGOTE SUGAR REFINERY PLC	29.00	29.00	-	80.69	27.50	15.00	7.89	6.88	4.51	BUY	
INTERNATIONAL BREWERIES	4.60	4.85	5.43	3.19	8.60	4.00	-	-	0.81		
FLOUR MILLS NIGERIA PLC	30.60	31.90	4.25	12.32	40.75	27.00		4.75	6.26	BUY	
UNILEVER NIGERIA PLC	14.50	17.45	20.34	50.43	17.30	9.80	-	93.31	21.47	BUY	
HONEYWELL FLOUR MILL PLC	3.00	3.55	18.33	51.71	3.83	1.94	1.99	24.98	0.98		
PZ CUSSONS NIGERIA PLC	18.00	20.00	11.11	76.21	22.10	8.05	0.94	5.91	7.81	BUY	
CHAMPION BREWERIES PLC	3.15	3.76	19.37	31.64	5.55	3.00	-	18.15	3.65		
GUINNESS NIGERIA PLC	80.00	73.00	-	8.75	5.34	92.70	54.45	30.57	11.33	0.78	HOLD
NASCON ALLIED INDUSTRIES PLC	28.05	29.00	3.39	161.26	22.90	9.50	6.99	9.51	0.19	BUY	
VITAFOAM NIGERIA PLC	21.20	21.60	1.89	5.62	23.60	16.85			0.12	HOLD	
CADBURY NIGERIA PLC	16.75	17.00	1.49	42.86	18.80	10.20	4.53	17.26	1.08	BUY	
<b>BANKING SECTOR</b>											
GUARANTY TRUST HOLDING CO PL	33.70	38.50	14.24	67.39	38.50	16.80	15.25	3.07	5.95	ACCUMULATE	
ZENITH BANK PLC	32.50	35.15	8.15	46.46	35.15	18.90	15.91	2.46	7.14	ACCUMULATE	
STANBIC IBTC HOLDINGS PLC	61.20	62.70	2.45	87.44	63.65	27.50	7.89	5.84	6.05	BUY	
FBN HOLDINGS PLC	15.80	19.85	25.63	82.11	20.30	8.20	4.15	2.31	4.17	ACCUMULATE	
ACCESS HOLDINGS PLC	14.95	18.35	22.74	115.88	18.75	7.50	16.51	1.65	4.54	BUY	
UNITED BANK FOR AFRICA PLC	12.85	14.90	15.95	96.05	14.20	6.55	18.38	1.84	4.84	BUY	
ECOBANK TRANSNATIONAL INC	12.70	16.15	27.17	52.36	16.50	9.50	6.68	2.15	0.01	BUY	
UNION BANK NIGERIA PLC	7.00	7.00	-	9.38	8.25	5.00	6.96	8.64	1.00	HOLD	
FIDELITY BANK/NIGERIA	6.70	7.82	16.72	79.77	8.93	2.87	-	2.13	7.15	BUY	
STERLINGNG	3.11	3.96	27.33	182.86	4.17	1.32	3.53	2.20	0.26	BUY	
FCMB GROUP PLC	5.50	6.80	23.64	76.62	6.65	2.92		2.03	3.04	BUY	
WEMA BANK PLC	4.05	4.95	22.22	26.92	5.44	3.85		6.62	2.06	BUY	
JAIZ BANK PLC	1.75	1.98	13.14	115.22	1.80	0.68	-	3.75	1.50	BUY	
<b>OIL &amp; GAS SECTOR</b>											
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) - SUSPENDED			#DIV/0!	100.00	26.40	12.00			0.29		
OANDO PLC	5.02	5.50	9.56	40.31	6.35	3.53	-	1.62	48.40		
TOTALENERGIES MARKETING NIGE	370.00	370.00	-	91.71	370.00	197.00	11.05	3.92	1.63	ACCUMULATE	
MRS NIGERIA PLC	109.45	109.45	-	676.24	109.45	10.55	-	364.19	3.29	ACCUMULATE	
ETERNA PLC	26.30	29.00	10.27	333.48	30.40	5.40	-	4.17	1.36	BUY	
CONOIL PLC	112.50	112.50	-	324.53	112.50	23.90	-	4.97	8.97	BUY	
<b>INSURANCE SECTOR</b>											
N.E.M. INSUR CO (NIG) PLC	5.40	6.00	11.11	33.33	6.30	3.13		3.20	0.20	BUY	
AXA MANSARD INSURANCE PLC	3.26	3.75	15.03	87.50	4.10	1.50		5.06	0.20	BUY	
AIICO INSURANCE PLC	0.64	0.70	9.38	18.64	0.79	0.52		2.13	0.12	BUY	
<b>AGRICULTURE SECTOR</b>											
OKOMU OIL PALM PLC	250.30	250.30	-	51.70	245.00	157.00		10.17	17.02	HOLD	
PRESKO PLC - SUSPENDED			#DIV/0!	100.00	220.00	110.00	0.01	7.59	0.59		
<b>CONGLOMERATE SECTOR</b>											
TRANSNATIONAL CORP OF NIGERI	3.45	4.05	17.39	258.41	4.13	0.90		17.50	1.81	SELL	
UAC OF NIGERIA PLC	9.00	11.00	22.22	7.32	14.40	7.90	-		0.35	BUY	
<b>FINANCIAL SERVICES SECTOR</b>											
UNITED CAPITAL AFRICA LTD	13.70	14.95	9.12	6.79	16.00	9.00	13.58	5.16	1.61	ACCUMULATE	
NIGERIAN EXCHANGE GROUP PLC	25.00	28.00	12.00	11.78	30.25	17.00	-	62.20	4.94	HOLD	
CUSTODIAN INVESTMENT PLC	7.00	7.50	7.14	26.05	7.50	5.35		3.31	1.61	HOLD	
<b>CONSTRUCTION SECTOR</b>											
JULIUS BERGER NIGERIA PLC	29.50	28.65	-	2.88	16.94	31.00		7.30	0.65	SELL	
<b>AVIATION SECTOR</b>											
SKYWAY AVIATION HANDLING CO	14.75	16.25	10.17	225.00	16.25	5.00	#N/A N/A	12.56	0.27		
NIGERIAN AVIATION HANDLING C	17.00	18.00	5.88	181.25	19.15	5.00	-	7.97	1.36	SELL	

## 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 21, 2023.

### NASD Market News

MARKET SNAPSHOT	Week 29	Week 28	% Change
NASD Securities Index	769.33	770.89	-0.20
Market Capitalization (NTn)	1.06	1.07	-0.56
Total Volume Traded	9,249,359.00	329,106,613.00	-97.19
Total Value Traded	110,034,990.77	215,653,915.26	-48.98
Number of Deals	126	107	17.76
Number of Traded Stocks	10	16	-37.50

Source: Proshare NASD

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SD11PLC	186.34	169.4	10.00
SDAFRILAND	3.25	3.16	2.85
SDNDEP	344.1	336.6	2.23
SDPURPLERE	5.21	5.2	0.19
WEEK DECLINERS			
SDIPLC	0.30	0.50	-40.00
SDCSCSPCLC	17.00	18.50	-8.11
SDNIPCOPLC	65.00	70.00	-7.14
SDFCWAMCO	70.81	71.50	-0.97

Source: Proshare NASD

### FMDQ

Foreign Exchange I&E FX Window			
Description	Spot (\$/N)	Change %	Date
Opening	803.90	-3.36	14/07/2023
Close	777.82	-3.35	21/07/2023
NAFEX	792.2		20/07/2023
MPR	18.5%		24/05/2023
INFLATION	22.49%		17/07/2023
	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	3,199,596,171.00
TOTAL VALUE	29,518,524,670.83
NUMBER OF DEALS	2,079.00

Source: Proshare NASD

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**SECURITIES AFRICA**

**South Africa**

Securities Africa  
24 Hurlingham Road  
Illovo Boulevard  
South Africa  
Tel: +27 11 268 5833  
Fax: +27 11 268 5708

**Nigeria**

Securities Africa Financial Limited  
5th Floor Skye Bank Building  
30 Marina  
Lagos  
Nigeria  
Tel: +234 909 440 4638

**Americas**

Securities Africa Limited  
Suite 102  
St. James Court, Flatts FL04  
Bermuda  
Tel: +1 441 278 7620  
Fax: +1 441 295 6735

**Kenya**

Securities Africa Kenya Limited  
The Exchange  
55 Westlands Road  
Nairobi  
Kenya  
Tel: +254 20 760 5650