



Weekly Stock Recommendation

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

Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N35.81tn/\$46.0bn
All Share Index : 65,558.91
YTD : +27.92%

Overview

- Market activities for the week ended Friday, August 25, 2023 closed bullish. The Bulls dominated 4 out of the 5 trading sessions last week to ensure that the week closed positive despite the bears resurfacing on Thursday, August 24, 2023. As a result, the NGX ASI increased by 1.29% w/w to close at 65,558.91. The positive sentiment for the week was driven by the upturn in Consumer Goods Index (+11.58%) and Insurance Index (+1.22%). The Banking Index (-3.57%), Oil & Gas Index (-1.69%) and Industrial Index (-0.01%) closed the week bearish.

Gainers & Losers preview

- On the individual stock level, ABC (+41.67 %, w/w), DANGSUGAR (+35.71% w/w), NASCON (+27.86% w/w), BUAFOODS (+17.94%) and SFSREIT (+9.97%, w/w) sustained the market. On the flipside, TANTALIZERS (-27.50%, w/w) led the losers whilst FBNH (-11.97% w/w), NNFM (-10.89%, w/w) and NB (-10.82%, w/w) depressed the market. Hence, to close the week, the year-to-date (YTD) return increased to +27.92%, whilst the market capitalization gained N459bn week on week to close at N35.811trn.

Market Event and Prospect for the week

Market Event for the week

NIGERIA'S GROWTH RATE SLOWS....

The growth rate for Nigeria slowed to +2.51% (3.54%, 2022) according to latest gross domestic product (GDP) figures published by the National Bureau of Statistics (NBS).

The Q2 growth rate is however higher than the 2.31% recorded in Q1 2023. According to the NBS, the slow growth may be attributed to the current challenging economic conditions being experienced.

The nominal aggregate demand stood at N52.10 trillion, improving from N45.0 trillion in Q2 2022 representing a nominal growth of 15.77% year on year.

Drivers of GDP Growth

Sector

Services – Growth = **+4.42%**; Contribution to GDP = 58.42%
Industries - Growth = **-1.94%**; Contribution to GDP = 18.56%
Agriculture - Growth = **+1.50%**; Contribution to GDP = 23.01%

Other activity sectors

Oil - Growth = **-13.43%**; Contribution to GDP = 5.34%
Information and Communication – Growth = +8.60%; Contribution to GDP = 19.54%
Manufacturing - Growth = **+2.2%**; Contribution to GDP = 8.62%

Estimated Growth rate by Mr. President

The GDP growth rate target of President Bola Tinubu is an average of 6% per annum. There is still along way to go to achieve this growth rate given the present statistics. KPMG stated in May 2023 that the growth rate was not feasible, that the value of the real GDP will have to grow by

Key Market Data

INDEX	Week Ended 18/08/2023	Week Ended	Week to date %	Year to date %
All Share Index	64,721.09	65,558.91	1.29	27.92
NGX Banking Index	667.57	643.73	-3.57	54.19
NGX Consumer Goods Index	898.53	1,002.56	11.58	70.23
NGX Industrial Index	2,851.11	2,850.74	-0.01	18.62
NGX Insurance Index	267.82	271.09	1.22	55.48
NGX Oil & Gas Index	908.02	892.63	-1.69	93.01

Source: Securities Africa Research , NGX

Top 10 Advancers

Top Decliners

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
ABC	0.48	0.68	41.67	TANTALIZERS	0.40	0.29	-27.50
TRANSCORP	4.16	5.80	39.42	REDSTAR	3.50	2.89	-17.43
DANGSUGAR	35.00	47.50	35.71	DAARCOM	0.32	0.27	-15.63
THOMASWYATT	1.29	1.70	31.78	GUINEAINS	0.29	0.25	-13.79
CWG	3.80	5.00	31.58	JAIZ	1.67	1.44	-13.77
NASCON	35.00	44.75	27.86	FBNH	18.80	16.55	-11.97
SCOA	1.17	1.40	19.66	PRESTIGE	0.54	0.48	-11.11
BUAFOODS	139.90	165.00	17.94	NNFM	12.40	11.05	-10.89
RT BRISCOE	0.43	0.49	13.95	NB	42.50	37.90	-10.82
SFSREIT	76.20	83.80	9.97	SOVERENINS	0.47	0.42	-10.64

Source: NGX

N17 trillion in 4 years.

Also, the estimate of the World Bank is that the GDP will grow at 3.00% for 2023. According to a report published by Nairametrics, the economy will have to grow by an average of 7% for the subsequent three (3) years, which they deem overly ambitious.

The president is however banking on his policies and reforms including improving oil production output, taxes, CBN reforms, leveraging on blue economy etc, to drive Nigeria towards his GDP target.

For more on the NBS report, click [here](#)..

Corporate Actions

Northern Nigeria Flour Mills (NNFM)

Proposed Dividend: N0.35

Qualification Date: 22/08/2023

Payment Date: 08/09/2023

Presco Plc

Proposed Dividend: N6.80

Qualification Date: 13/09/2023

Payment Date: 22/09/2023

Source: NGX

■ Prospect for the week

We expect bullish sentiment in the market this week.

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	360.00	360.00	-	37.93	352.00	220.00	8.23	11.91	27.01	HOLD	
BUA CEMENT PLC	96.15	96.15	-	1.64	117.00	49.50	2.64	25.50	2.98	HOLD	
BETA GLASS PLC	39.00	39.00	-	1.52	52.12	39.60	0.66	5.25	13.05		
LAFARGE AFRICA PLC	27.30	27.20	-	0.37	30.15	20.10	0.04	6.45	24.95	HOLD	
TELECOMMUNICATION SECTOR											
MTN NIGERIA COMMUNICATIONS P	275.00	274.50	-	0.18	280.00	185.00		12.15	N/A	ACCUMULATE	
AIRTEL AFRICA PLC	1250.00	1250.00	-	23.55	2,040.00	1,198.00			N/A	SELL	
CONSUMER GOODS SECTOR											
NESTLE NIGERIA PLC	1170.00	1170.00	-	6.36	1,401.40	963.90		17.53	56.63	HOLD	
NIGERIAN BREWERIES PLC	42.50	37.90	-	10.82	55.44	28.80	2.32	21.94	7.88	BUY	
DANGOTE SUGAR REFINERY PLC	35.00	47.50		35.71	27.50	15.00	7.89	6.88	0.19	BUY	
INTERNATIONAL BREWERIES	4.70	4.70	-	-	8.60	4.00	-	-	2.11		
FLOUR MILLS NIGERIA PLC	29.50	29.50	-	3.87	40.75	27.00		4.75	3.60	BUY	
UNILEVER NIGERIA PLC	14.50	14.10	-	2.76	17.45	9.80		93.31	1.76	HOLD	
HONEYWELL FLOUR MILL PLC	3.20	3.01	-	5.94	3.83	1.94	1.99	24.98	N/A		
PZ CUSSONS NIGERIA PLC	17.45	17.40	-	0.29	22.10	8.05	0.94	5.91	3.61	BUY	
CHAMPION BREWERIES PLC	3.12	3.12	-	43.27	5.55	3.00	-	18.15	0.06		
GUINNESS NIGERIA PLC	60.50	62.20		2.81	92.70	54.45	30.57	11.33	12.73	HOLD	
NASCON ALLIED INDUSTRIES PLC	35.00	44.75		27.86	36.00	9.50	6.99	9.51	4.22	BUY	
VITAFOAM NIGERIA PLC	21.90	22.20		1.37	23.60	16.85			3.51	HOLD	
CADBURY NIGERIA PLC	13.70	13.80		0.73	18.80	10.20	4.53	17.26	1.08	BUY	
BUA FOODS	139.90	165.00		17.94	135.75	52.50	N/A	9.09	9.09	ACCUMULATE	
BANKING SECTOR											
GUARANTY TRUST HOLDING CO PLC	36.45	36.10	-	0.96	38.50	16.80	15.25	3.07	6.87	ACCUMULATE	
ZENITH BANK PLC	34.00	32.75	-	3.68	35.15	18.90	15.91	2.46	7.37	ACCUMULATE	
STANBIC IBTC HOLDINGS PLC	63.40	64.50		1.74	69.50	27.50	7.89	5.84	8.10	HOLD	
FBN HOLDINGS PLC	18.80	16.55	-	11.97	20.30	8.20	4.15	2.31	8.57	ACCUMULATE	
ACCESSCORP	17.00	16.55	-	2.65	18.75	7.50	16.51	1.65	5.45	BUY	
UNITED BANK FOR AFRICA PLC	13.90	13.70	-	1.44	14.90	6.55	18.38	1.84	6.07	BUY	
ECOBANK TRANSNATIONAL INC	16.15	15.15	-	6.19	17.00	9.50	6.68	2.15	6.48	BUY	
UNION BANK NIGERIA PLC	6.90	6.50	-	5.80	8.25	5.00	6.96	8.64	1.66	HOLD	
FIDELITY BANK NIGERIA	7.40	7.15	-	3.38	8.93	2.87	-	2.13	2.71	BUY	
STERLINGNG	3.60	3.37	-	6.39	140.71	4.17	1.32	3.53	2.20	0.82	BUY
FCMB GROUP PLC	6.00	5.97	-	0.50	6.80	2.92		2.03	2.93	BUY	
WEMA BANK PLC	5.00	4.97	-	0.60	5.44	3.85		6.62	1.42	BUY	
JAIZ BANK PLC	1.67	1.44	-	13.77	1.98	0.68	-	3.75	0.28	BUY	
OIL & GAS SECTOR											
SEPLAT ENERGY PLC	1670.80	1670.80	-	51.89	1,693.60	1,050.00	5.82	34.51	0.11	ACCUMULATE	
OANDO PLC	5.40	5.40	-	37.76	6.35	3.53		1.62	48.40		
TOTALENERGIES MARKETING NIGE	385.00	385.00	-	99.48	385.00	197.00	11.05	3.92	49.93	ACCUMULATE	
MRS NIGERIA PLC	109.45	109.45	-	676.24	109.45	10.55		364.19	33.75	ACCUMULATE	
ETERNA PLC	17.85	16.30	-	8.68	143.65	30.40	5.40	4.17	5.40	BUY	
CONOIL PLC	110.00	99.00	-	10.00	273.58	112.50	23.90	4.97	18.33	BUY	
INSURANCE SECTOR											
N.E.M. INSUR CO (NIG) PLC	5.40	5.66		4.81	6.30	3.13		3.20	1.32	BUY	
AXA MANSARD INSURANCE PLC	3.65	3.86		5.75	4.10	1.50		5.06	2.08	BUY	
AIICO INSURANCE PLC	0.67	0.67	-	13.56	0.79	0.52		2.13	0.23	BUY	
AGRICULTURE SECTOR											
OKOMU OIL PALM PLC	250.00	250.00	-	51.52	265.00	157.00		10.17	8.80	HOLD	
PRESCO PLC	220.00	208.00	-	5.45	51.27	220.00	110.00	0.01	7.59	24.75	ACCUMULATE
CONGLOMERATE SECTOR											
TRANSNATIONAL CORP OF NIGERI	4.16	5.80		39.42	4.13	0.90		17.50	0.36	SELL	
UAC OF NIGERIA PLC	10.70	10.70	-	4.39	14.40	7.90	-	-	0.11	HOLD	
FINANCIAL SERVICES SECTOR											
UNITED CAPITAL AFRICA LTD	14.30	14.30	-	2.14	16.00	9.00	13.58	5.16	1.47	HOLD	
NIGERIAN EXCHANGE GROUP PLC	24.50	22.95	-	6.33	30.25	17.00	-	62.20	1.04	BUY	
CUSTODIAN INVESTMENT PLC	7.60	7.65		0.66	28.57	7.50	5.35	3.31	2.11	ACCUMULATE	
CONSTRUCTION SECTOR											
JULIUS BERGER NIGERIA PLC	29.00	29.00	-	18.37	31.00	21.15		7.30	6.42	SELL	
AVIATION SECTOR											
SKYWAY AVIATION HANDLING CO	28.15	28.15	-	463.00	23.30	5.00	#N/A N/A	12.56	1.16		
NIGERIAN AVIATION HANDLING C	18.20	18.30		0.55	185.94	19.90	5.00	7.97	1.84	BUY	
POWER SECTOR											
GEREGU	339.50	339.50	-	127.85	350.00	100.00			6.44		

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 August 25, 2023.

NASD Market News

MARKET SNAPSHOT	Week 34	Week 33	% Change
NASD Securities Index	785.37	787.13	-0.22
Market Capitalization (NTn)	1.1	1.1	0.00
Total Volume Traded	19,378,267.00	39,756,319.00	-51.26
Total Value Traded	499,100,214.43	642,201,736.24	-22.28
Number of Deals	106	93	13.98
Number of Traded Stocks	15	14	7.14

Source: Proshare NASD

NDEP changes to ARADEL HOLDINGS

Niger Delta Exploration and Production Plc (NDEP) has rebranded into Aradel Holdings as part of the company's efforts to transform the energy industry and set new standards according to a published report.

Aradel Holdings stated that it will continue to focus on exploration and production, as well as invest in renewable energy and other emerging technologies to further diversify its investment portfolio to ensure long-term strength.

According to the report, Aradel is also a significant equity holder in ND Western – a consortium of four companies that jointly acquired the 45 per cent participating interest in OML 34 belonging to SPDC, TOTAL, and NAOC, respectively, in 2012, and holds 95 per cent equity in Aradel Refineries (formally ND Refineries Limited) – an independent midstream entity.

For more, please click [here](#).

Corporate Action

Dividend payment = N35.00

Qualification Date Thursday, August 17, 2023

Payment Date Tuesday, August 29, 2023

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SDFOODCPT	1.15	0.96	19.79
SDIGIPLC	0.13	0.11	18.18
SDCSCSPLC	18	17	5.88
SDACORN	0.27	0.26	3.85
SDGEFLUID	2.9	2.8	3.57
SDARADEL (FORMER SDNDEP)	445.6	432.88	2.94
SDFWAMCO	73.96	73.51	0.61
SDAFRILAND	3.36	3.35	0.30

Source: Proshare NASD

FMDQ

Foreign Exchange I&E FX Window			
Description	Spot (\$/N)	Change %	Date
Opening	739.52	0.15	18-08-23
Close	778.42	-5.26	25-08-23
NAFEX	774.21		24-08-23
MPR	18.75%		22-07-23
INFLATION	24.08%		15-08-23
	Friday, July 28, 2023	Friday, June 30, 2023	
GROSS EXTERNAL RESERVES (USD'bn)	34.0	34.1	-0.44

Source: Securities Africa Research , NGX

YTD OVERVIEW	
TOTAL VOLUME	3,320,855,193.00
TOTAL VALUE	32,934,872,169.12
NUMBER OF DEALS	2,536.00

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