



Weekly Stock Recommendation

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Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N37.29tn/\$51.6bn
All Share Index : 68,143.34
YTD : +32.96%

Overview

- Market activities for the week ended Friday, September 08, 2023 closed bullish. The Bulls were in control for much of the week as positive sentiment was sustained on the bourse with ZENITH, BUAFOODS and DANGSUGAR leading the way. This is despite a two day bearish stand as the market kept one eye on events at the Presidential Election Petition Tribunal (PEPT). As a result, the NGX ASI increased by 0.91% w/w to close at 68,143.34. The positive sentiment for the week was driven by the upturn in Banking Index (+5.55%), Consumer Goods Index (+2.24%). On the other hand, the Insurance Index (-2.94%) Industrial Index (-0.49%) and Oil & Gas Index (-0.12%) depressed the market.

Gainers & Losers preview

- On the individual stock level, CWG (+44.14 %, w/w), TANTALIZER (+39.39% w/w), OANDO (+38.74% w/w), PZ (+14.29% w/w), and FCMB (+13.33%, w/w) sustained the market. On the flipside, CHELLARAMS (-18.77%, w/w) led the losers whilst CORNERST (-11.43% w/w), CHIPLC (-11.30%, w/w) and FTNCOCOA (-9.09%, w/w) depressed the market. Hence, to close the week, the year-to-date (YTD) return increased to +32.96%, whilst the market capitalization gained N310bn week on week to close at N37.295trn.

Market Event and Prospect for the week

Market Event for the week

CBN to clear FX backlog in two weeks

The Central Bank of Nigeria (CBN) has initiated a plan to clear outstanding foreign exchange in the next two weeks.

The acting Governor of CBN, Folashodun Shonubi in a statement on Tuesday, September 5, 2023, said the CBN was working with commercial banks to clear the \$10 billion foreign exchange backlog. He stated that the backlog will be cleared through different structures with the forex market. Mr Shonubi stated that the CBN contributes less than 25% into the forex market. He stated that the CBN does not want to be a regular player but only come in to intervene and stabilize the rates when needed. Click [here](#) for more.

Naira lose 1.41% for the week in parallel market, gains at I&E window

Despite CBN's announcement to clear the FX backlog in two weeks, the naira traded at a rate of N930 last week Friday, losing 1.41% to end the week. The story was however different in the Investors & Exporters window, as the naira opened at N740.38 and closed on Friday September 8, 2023 at N722.39 representing a 2.43% appreciation.

In the Equities market....

The banking stocks were bullish as the index gained **+5.55%** week on week on the back of gains in heavy weight ZENITH (**+7.41%**), GTCO (**+2.24%**), STANBIC (**+3.91%**).

Key Market Data

INDEX	Week Ended 01/09/2023	Week Ended 08/09/2023	Week to date	Year to date %
All Share Index	67,527.19	68,143.34	0.91	32.96
NGX Banking Index	676.62	714.16	5.55	71.06
NGX Consumer Goods Index	1,078.51	1,102.72	2.24	87.24
NGX Industrial Index	2,907.08	2,892.88	-0.49	20.37
NGX Insurance Index	273.27	265.24	-2.94	52.12
NGX Oil & Gas Index	940.49	939.35	-0.12	103.11

Source: Securities Africa Research, NGX

Top 10 Advancers

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
CWG	4.01	5.78	44.14	CHELLARAMS	3.57	2.90	-18.77
TANTALIZER	0.33	0.46	39.39	CORNERST	1.40	1.24	-11.43
OANDO	5.55	7.70	38.74	CHIPLC	1.15	1.02	-11.30
BETAGLASS	39.00	51.85	32.95	MORISON	2.83	2.55	-9.89
OMATEK	0.46	0.58	26.09	VITAFAM	24.80	22.50	-9.27
MCNICHOLS	0.57	0.71	24.56	FTNCOCOA	2.20	2.00	-9.09
GUINEAINS	0.29	0.36	24.14	RT BRISCOE	0.45	0.41	-8.89
ABC	0.95	1.13	18.95	UPDCREIT	3.65	3.35	-8.22
PZ	17.50	20.00	14.29	THOMASWYAT	2.17	2.00	-7.83
FCMB	6.00	6.80	13.33	LINKASSURE	0.90	0.83	-7.78

Source: NGX

Top Decliners

Corporate Actions

Presco Plc

Proposed Dividend: N6.80
Qualification Date: 13/09/2023
Payment Date: 22/09/2023

FIDELITY Plc

Proposed Dividend: N0.25
Qualification Date: 15/09/2023
Payment Date: 22/9/2023

GTCO Plc

Proposed Dividend: N0.50
Qualification Date: 14/9/2023
Payment Date: 25/9/2023

ZENITH BANK Plc

Proposed Dividend: N0.50
Qualification Date: 22/9/2023
Payment Date: 29/9/2023

Source: NGX

■ **Prospect for the week**

We expect mixed sentiment in the market this week as investors position themselves for dividend whilst anticipating further release of H1 2023 results, especially for the banking stocks. Also, investors have a decision to make whether to take profits or wait for dividend.

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	369.80	365.00	- 1.30	39.85	369.80	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	51.85	32.95	30.93	52.12	39.60	0.66	5.25	13.05		
LAFARGE AFRICA PLC	29.75	30.50	2.52	27.08	30.50	20.10	0.04	6.45	24.95	HOLD	
TELECOMMUNICATION SECTOR											
MTN NIGERIA COMMUNICATIONS P	274.40	274.20	- 0.07	27.53	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	1110.00	1075.00	- 3.15	2.27	1,401.40	963.90		17.53	-	56.63	HOLD
NIGERIAN BREWERIES PLC	39.00	38.10	- 2.31	7.07	55.44	28.80	2.32	21.94	-	7.88	BUY
DANGOTE SUGAR REFINERY PLC	60.50	64.15	6.03	299.69	64.15	15.00	7.89	6.88		0.19	BUY
INTERNATIONAL BREWERIES	4.60	4.60	- -	2.13	8.60	4.00	-	-	-	2.11	
FLOUR MILLS NIGERIA PLC	32.60	32.50	- 0.31	14.44	40.75	27.00		4.75		3.60	BUY
UNILEVER NIGERIA PLC	13.50	14.50	7.41	25.00	17.45	9.80	-	93.31		1.76	HOLD
HONEYWELL FLOUR MILL PLC	3.20	3.42	6.87	46.15	3.83	1.94	1.99	24.98	N/A		
PZ CUSSONS NIGERIA PLC	17.50	20.00	14.29	76.21	22.10	8.05	0.94	5.91		3.61	BUY
CHAMPION BREWERIES PLC	3.30	3.35	1.52	39.09	5.55	3.00	-	18.15		0.06	
GUINNESS NIGERIA PLC	62.20	65.00	4.50	6.20	92.70	54.45	30.57	11.33	-	12.73	HOLD
NASCON ALLIED INDUSTRIES PLC	55.60	58.00	4.32	422.52	58.00	9.50	6.99	9.51		4.22	BUY
VITAFOAM NIGERIA PLC	24.80	22.50	- 9.27	10.02	24.80	16.85				3.51	HOLD
CADBURY NIGERIA PLC	13.80	15.60	13.04	31.09	18.80	10.20	4.53	17.26		1.08	BUY
BUA FOODS	180.00	185.00	2.78	184.62	185.00	52.50	N/A	9.09		9.09	ACCUMULATE
BANKING SECTOR											
GUARANTY TRUST HOLDING CO PLC	38.00	38.85	2.24	68.91	38.85	16.80	15.25	3.07		6.87	ACCUMULATE
ZENITH BANK PLC	34.40	36.95	7.41	53.96	36.95	18.90	15.91	2.46		7.37	ACCUMULATE
STANBIC IBTC HOLDINGS PLC	64.00	66.50	3.91	98.80	69.50	27.50	7.89	5.84		8.10	HOLD
FBN HOLDINGS PLC	18.40	18.50	0.54	69.72	20.30	8.20	4.15	2.31		8.57	ACCUMULATE
ACCESSCORP	17.20	17.50	1.74	105.88	18.75	7.50	16.51	1.65		5.45	BUY
UNITED BANK FOR AFRICA PLC	14.90	15.25	2.35	100.66	15.25	6.55	18.38	1.84		6.07	BUY
ECOBANK TRANSNATIONAL INC	15.00	16.00	6.67	50.94	17.00	9.50	6.68	2.15		6.48	BUY
UNION BANK NIGERIA PLC	6.50	6.50	-	1.56	8.25	5.00	6.96	8.64		1.66	HOLD
FIDELITY BANK NIGERIA	7.75	8.75	12.90	101.15	8.93	2.87	-	2.13		2.71	BUY
STERLINGNG	3.52	3.84	9.09	174.29	4.17	1.32	3.53	2.20		0.82	BUY
FCMB GROUP PLC	6.00	6.80	13.33	76.62	6.80	2.92		2.03		2.93	BUY
WEMA BANK PLC	5.28	5.19	- 1.70	33.08	5.44	3.85		6.62		1.42	BUY
JAIZ BANK PLC	1.53	1.58	3.27	71.74	1.98	0.68	-	3.75		0.28	BUY
OIL & GAS SECTOR											
SEPLAT ENERGY PLC	1837.00	1837.00	-	67.00	1,693.60	1,050.00	5.82	34.51		0.11	ACCUMULATE
OANDO PLC	5.50	7.70	40.00	96.43	7.70	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	16.30	15.75	- 3.37	135.43	30.40	5.40	-	4.17		5.40	BUY
CONOIL PLC	99.00	99.00	-	273.58	112.50	23.90	-	4.97		18.33	BUY
INSURANCE SECTOR											
N.E.M. INSUR CO (NIG) PLC	5.31	5.00	- 5.84	11.11	6.30	3.13		3.20		1.32	BUY
AXA MANSARD INSURANCE PLC	3.85	3.88	0.78	94.00	4.10	1.50		5.06		2.08	BUY
AIICO INSURANCE PLC	0.67	0.66	- 1.49	11.86	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	208.00	208.00	-	51.27	220.00	110.00	0.01	7.59		24.75	ACCUMULATE
CONGLOMERATE SECTOR											
TRANSNATIONAL CORP OF NIGERI	6.67	6.70	0.45	492.92	6.70	0.90		17.50		0.36	SELL
UAC OF NIGERIA PLC	10.60	10.60	-	3.41	14.40	7.90	-	-		0.11	HOLD
FINANCIAL SERVICES SECTOR											
UNITED CAPITAL AFRICA LTD	15.00	15.90	6.00	13.57	16.00	9.00	13.58	5.16		1.47	HOLD
NIGERIAN EXCHANGE GROUP PLC	26.40	24.50	- 7.20	2.20	30.25	17.00	-	62.20		1.04	BUY
CUSTODIAN INVESTMENT PLC	7.50	7.55	0.67	26.89	7.65	5.35		3.31		2.11	ACCUMULATE
CONSTRUCTION SECTOR											
JULIUS BERGER NIGERIA PLC	29.00	30.00	3.45	22.45	31.00	21.15		7.30		6.42	SELL
AVIATION SECTOR											
SKYWAY AVIATION HANDLING CO	28.15	28.15	-	463.00	28.15	5.00	#N/A N/A	12.56		1.16	
NIGERIAN AVIATION HANDLING C	25.95	25.45	- 1.93	297.66	25.95	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 September 08, 2023.

NASD Market News

MARKET SNAPSHOT	Week 36	Week 35	% Change
NASD Securities Index	796.04	791.22	0.61
Market Capitalization (NTn)	1.12	1.1	1.82
Total Volume Traded	7,418,240.00	513,669,347.00	-98.56
Total Value Traded	153,973,888.95	615,810,720.82	-75.00

Source: Proshare NASD

SECURITY	Close (N)	Open (N)	%Change
SDIGIPLC	0.21	0.18	16.67
SDARDEL (FORMER SDNDEP)	507.01	451.89	12.20
SDNIPCOPLC	86.52	78.65	10.01
SDAFRILAND	3.42	3.36	1.79
SDUBNPROP	1.11	1.1	0.91
WEEK DECLINERS			
SD11PLC	172.00	180.00	-4.44
SDFCWAMCO	73.29	75.00	-2.28
SDCSCSPLC	17.00	17.19	-1.11
SDGEFLUID	2.83	2.85	-0.70

Source: Proshare NASD

FMDQ

Foreign Exchange I&E FX Window			
Description	Spot (\$/N)	Change %	Date
Opening	740.38	-4.89	01-09-23
Close	722.39	2.40	08-09-23
NAFEX	772.47		07-09-23
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

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