



Weekly Stock Recommendation

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Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N38.56tn/\$49.68bn
 All Share Index : 70,196.77
 YTD : +36.97%

Overview

- Market activities for the week ended Friday, November 03, 2023 closed bullish. The bulls dominated the week with the bears appearing only once to take profit. AIRTELAFRICA and DANGCEM starred as the NGX ASI crossed the 70,000 points mark for the first time in history. Hence, the NGX ASI increased by 4.56% w/w to close at 70,196.77 for the week. The positive sentiment for the week was driven by the upturn in Insurance Index (+7.76%), banking Index (+2.67%), Industrial Index (+0.73%) and consumer goods Index (+0.47%) closed bullish. The oil & gas Index (0.00%) closed flat.

Gainers & Losers preview

- On the individual stock level, MBENEFIT (+29.27%, w/w), JAPPAUL (+28.28% w/w), AIRTELAFRICA (+27.85% w/w), IKEJAHOTEL (+22.81% w/w) and NNFM (+21.21%) sustained the market. On the flipside, RT BRISCOE (-14.00%, w/w) led the losers whilst BETAGLASS (-10.46% w/w), VFD GROUP (-6.05%, w/w) and MTNN (-5.07%, w/w) depressed the market. Hence, to close the week, the year-to-date (YTD) return increased to +36.97%, whilst the market capitalization gain N1.672trn week on week to close at N38.557trn.

Market Event and Prospect for the week

Market Event for the week

FGN SAVINGS BOND

We are pleased to inform you that the FGN Savings Bond auction for the month of November has commenced auction from Monday November 6 - Friday November 10, 2023

Please see details below:

- 2-Year FGN Savings Bond due November 15, 2025: 12.464% per annum
- 3-Year FGN Savings Bond due November 15, 2026: 13.464% per annum

Opening Date: Monday, November 6, 2023

Closing Date: Friday, November 10, 2023

Settlement Date: Wednesday, November 15, 2023

Coupon payment dates: February 15, May 15, August 15, November 15

Remember that with as little as N5, 000.00 (additional investments in multiples of N1, 000) and as much as N50m, you too can become a holder of a Federal Government Bond.

Key Market Data

INDEX	Week Ended 27/10/2023	Week Ended 03/11/2023	Week to date	Year to date %
All Share Index	67,136.58	70,196.77	4.56	36.97
NGX Banking Index	701.33	720.03	2.67	72.46
NGX Consumer Goods	1,144.34	1,149.68	0.47	95.22
NGX Industrial Index	2,752.17	2,772.24	0.73	15.35
NGX Insurance Index	271.02	292.58	7.96	67.80
NGX Oil & Gas Index	935.81	935.81	-	102.35

Source: Securities Africa Research, NGX

Top 10 Advancers

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
MBENEFIT	0.41	0.53	29.27	RT BRISCOE	0.50	0.43	-14.00
JAPPAUL	0.99	1.27	28.28	BETAGLASS	66.95	59.95	-10.46
AIRTELAFRICA	1400.10	1790.00	27.85	MEYER	3.04	2.74	-9.87
OMATEK	0.44	0.56	27.27	ABBEY	2.06	1.86	-9.71
CADBURY	12.60	15.75	25.00	LEARNAFRICA	3.30	2.98	-9.70
IKEJAHOTEL	3.42	4.20	22.81	THOMASWY	4.03	3.70	-8.19
UACN	13.10	16.00	22.14	ELLAHLAKES	3.88	3.59	-7.47
NNFM	16.50	20.00	21.21	JAIZBANK	1.68	1.57	-6.55
TANTALIZER	0.34	0.41	20.59	VFDGROUP	218.20	205.00	-6.05
FTNCOCOA	1.56	1.84	17.95	MTNN	246.50	234.00	-5.07

Source: NGX

Top Decliners

CBN AND FX BACKLOG

According to reports last week, CBN has begun clearing the foreign exchange backlog that has persistently put pressure on the Naira over the years. The report stated that the CBN had delivered all outstanding matured forward forex. It was estimated that Nigeria has nearly \$7 billion in FX forwards that have matured which institutions have bought from local banks. Prior to the commencement of these payments, the Minister of Finance – Wale Edun, had stated that Nigeria was expecting \$10 billion of inflows to improve FX market liquidity.

According to reports, 14 banks have been paid as an estimated amount of \$1 billion with payments to continue this week to clear the remaining backlogs.

Effect on official rate

The Naira at the Nigeria Autonomous Foreign Exchange Market (NAFEM) formerly named Investors and Exporters Window, gained last week, opening at N789.94/\$1 on Monday October 30, 2023 and closing at N776.14/\$1 on Friday November 3, 2023 representing a 1.75% change. The intra week high closing rate was N993.82/\$1 and the low was N776.14/\$1.

In the parallel market, reports show that the Naira gained N145 or 12.24% to trade at N1,040/\$1 on Friday November 3, 2023 compared to N1,185/\$1 on Tuesday, October 31, 2023 (N1,150/\$1 – Monday, October 30, 2023).

Effect on Equities Market

The sectorial banking index closed positive with **+2.67%**, whilst majority of the banking stocks closed positive for the week ended. STANBIC **(+10.76%)** led the gainers, and FBNH **(+10.70%)** was not far behind. Zenith traded higher at **+2.10%**, whilst ACCESSCORP **(+1.47%)** and UBA **(+7.63%)** were also positive. The effects of the Q3 2023 results were also visible in the price movement last week as the resut were generally positive across board. At the end of the spectrum, GTCO shed **-0.57%** whilst JAIZBANK **(-6.55%)** was the biggest loser.

Finally, experts expect that the clearing of FX backlog will ease the pressuer on the Naira, attract foreign investments and improve Nigeria's credit rating.

Corporate Action

SEPLAT PLC

Proposed Dividend: \$0.30
Qualification Date: 10/11/2023
Payment Date: 24/11/2023

NASCON PLC

Proposed Dividend: N1.00
Qualification Date: 09/11/2023
Payment Date: 17/11/2023

Source: NGX

■ Prospect for the week

We expect that the buy interest from investors to continue this week while also anticipating quick profit taking from reasonable price appreciation.

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	310.00	328.00	5.81	25.67	369.80	220.00	8.23	11.91	27.01	HOLD
BUA CEMENT PLC	105.80	100.50	- 5.01	2.81	117.00	49.50	2.64	25.50	2.98	ACCUMULATE
BETA GLASS PLC	66.95	66.95	-	69.07	66.95	39.60	0.66	5.25	13.05	
LAFARGE AFRICA PLC	28.25	28.80	1.95	20.00	30.50	20.10	0.04	6.45	24.95	HOLD
TELECOMMUNICATION SECTOR										
MTN NIGERIA COMMUNICATIONS P	246.50	234.00	- 5.07	8.84	280.00	185.00		12.15	N/A	HOLD
AIRTEL AFRICA PLC	1400.10	1790.00	27.85	9.48	2,040.00	1,198.00			N/A	HOLD
CONSUMER GOODS SECTOR										
NESTLE NIGERIA PLC	1050.00	1050.00	-	4.55	1,401.40	963.90		17.53	56.63	HOLD
NIGERIAN BREWERIES PLC	36.05	37.25	3.33	9.15	55.44	28.80	2.32	21.94	7.88	BUY
DANGOTE SUGAR REFINERY PLC	63.00	62.20	- 1.27	287.54	64.15	15.00	7.89	6.88	0.19	ACCUMULATE
INTERNATIONAL BREWERIES	4.20	4.55	8.33	3.19	8.60	4.00	-	-	2.11	
FLOUR MILLS NIGERIA PLC	29.00	32.50	12.07	14.44	40.75	27.00		4.75	3.60	BUY
UNILEVER NIGERIA PLC	14.35	13.80	- 3.83	18.97	17.45	9.80	-	93.31	1.76	BUY
HONEYWELL FLOUR MILL PLC	3.08	3.12	1.30	33.33	3.83	1.94	1.99	24.98	N/A	
PZ CUSSENS NIGERIA PLC	19.75	20.00	1.27	76.21	22.10	8.05	0.94	5.91	3.61	SELL
CHAMPION BREWERIES PLC	3.65	3.70	1.37	32.73	5.55	3.00	-	18.15	0.06	
GUINNESS NIGERIA PLC	65.00	65.00	-	6.20	92.70	54.45	30.57	11.33	12.73	HOLD
NASCON ALLIED INDUSTRIES PLC	58.00	57.20	- 1.38	415.32	58.00	9.50	6.99	9.51	4.22	ACCUMULATE
VITAFOAM NIGERIA PLC	22.45	22.90	2.00	11.98	24.80	16.85			3.51	SELL
CADBURY NIGERIA PLC	12.60	15.75	25.00	32.35	18.80	10.20	4.53	17.26	1.08	HOLD
BUA FOODS	202.80	202.80	-	212.00	202.80	52.50	N/A	9.09	9.09	SELL
BANKING SECTOR										
GUARANTY TRUST HOLDING CO PLC	35.35	35.15	- 0.57	52.83	38.85	16.80	15.25	3.07	6.87	ACCUMULATE
ZENITH BANK PLC	33.30	34.00	2.10	41.67	36.95	18.90	15.91	2.46	7.37	ACCUMULATE
STANBIC IBTC HOLDINGS PLC	67.75	75.00	10.70	124.22	80.00	27.50	7.89	5.84	8.10	HOLD
FBN HOLDINGS PLC	16.10	17.80	10.56	63.30	20.30	8.20	4.15	2.31	8.57	ACCUMULATE
ACCESSCORP	16.95	17.20	1.47	102.35	18.75	7.50	16.51	1.65	5.45	ACCUMULATE
UNITED BANK FOR AFRICA PLC	19.00	20.45	7.63	169.08	20.45	6.55	18.38	1.84	6.07	HOLD
ECOBANK TRANSNATIONAL INC	15.00	15.00	-	41.51	17.00	9.50	6.68	2.15	6.48	SELL
UNION BANK NIGERIA PLC	6.80	6.80	-	6.25	8.25	5.00	6.96	8.64	1.66	SELL
FIDELITY BANK NIGERIA	8.25	8.45	2.42	94.25	8.93	2.87	-	2.13	2.71	ACCUMULATE
STERLINGNG	3.51	3.41	- 2.85	143.57	4.17	1.32	3.53	2.20	0.82	HOLD
FCMB GROUP PLC	5.90	6.30	6.78	63.64	6.80	2.92		2.03	2.93	BUY
WEMA BANK PLC	4.78	4.90	2.51	25.64	5.44	3.85		6.62	1.42	BUY
JAIZ BANK PLC	1.68	1.57	- 6.55	70.65	1.98	0.68	-	3.75	0.28	BUY
OIL & GAS SECTOR										
SEPLAT ENERGY PLC	1905.00	1905.00	-	73.18	1,905.00	1,050.00	5.82	34.51	0.11	SELL
OANDO PLC	9.05	8.80	- 2.76	124.49	14.60	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	SELL
MRS NIGERIA PLC	109.95	109.95	-	679.79	109.95	10.55	-	364.19	33.75	SELL
ETERNA PLC	14.50	14.50	-	116.74	30.40	5.40	-	4.17	5.40	HOLD
CONOIL PLC	80.20	80.20	-	202.64	112.50	23.90	-	4.97	18.33	BUY
INSURANCE SECTOR										
N.E.M. INSUR CO (NIG) PLC	5.05	5.60	10.89	24.44	6.30	3.13		3.20	1.32	BUY
AXA MANSARD INSURANCE PLC	4.20	4.60	9.52	130.00	4.60	1.50		5.06	2.08	BUY
AICO INSURANCE PLC	0.67	0.75	11.94	27.12	0.79	0.52		2.13	0.23	HOLD
AGRICULTURE SECTOR										
OKOMU OIL PALM PLC	236.80	236.80	-	43.52	265.00	157.00		10.17	8.80	HOLD
PRESCO PLC	181.00	190.00	4.97	38.18	220.00	110.00	0.01	7.59	24.75	ACCUMULATE
CONGLOMERATE SECTOR										
TRANSNATIONAL CORP OF NIGERI	6.22	6.20	- 0.32	448.67	6.70	0.90		17.50	0.36	SELL
UAC OF NIGERIA PLC	13.10	16.00	22.14	56.10	16.00	7.90	-	-	0.11	HOLD
FINANCIAL SERVICES SECTOR										
UNITED CAPITAL AFRICA LTD	16.40	16.45	0.30	17.50	16.45	9.00	13.58	5.16	1.47	SELL
NIGERIAN EXCHANGE GROUP PLC	21.10	22.30	5.69	10.98	30.25	17.00	-	62.20	1.04	BUY
CUSTODIAN INVESTMENT PLC	7.00	7.00	-	17.65	7.65	5.35		3.31	2.11	ACCUMULATE
CONSTRUCTION SECTOR										
JULIUS BERGER NIGERIA PLC	36.00	36.25	0.69	47.96	36.25	21.15		7.30	6.42	SELL
AVIATION SECTOR										
SKYWAY AVIATION HANDLING CO	25.35	25.35	-	407.00	28.15	5.00	#N/A N/A	12.56	1.16	
NIGERIAN AVIATION HANDLING C	23.80	25.00	5.04	290.63	25.95	5.00	-	7.97	1.84	BUY
POWER SECTOR										
GEREGU	380.00	395.50	4.08	165.44	395.50	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 November 03, 2023.

NASD Market News

MARKET SNAPSHOT	Week 44	Week 43	% Change
NASD Securities Index	833.08	826.65	0.78
Market Capitalization (NTn)	1.13	1.12	0.89
Total Volume Traded	8,547,439.00	143,244,927.00	-94.03
Total Value Traded	120,391,892.63	491,852,831.82	-75.52
Number of Deals	62	92	-32.61
Number of Traded Stocks	14	14	0.00

Source: Proshare NASD

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SDNEWREST	13.31	12.1	10.00
SDACORN	0.48	0.44	9.09
SDUBNPROP	1.48	1.36	8.82
SDARADEL	650	600	8.33
WEEK DECLINERS			
SDFCWAMCO	77.85	79.69	-2.31
SDGEFLUID	2.97	2.99	-0.67

Source: Proshare NASD

FMDQ

Foreign Exchange NAFEM Window			
Description	Spot (\$/N)	Change %	Date
Opening	789.94	2.27	27-10-23
Close	776.14	1.75	03-11-23
NAFEX	837.68		02-11-23
MPR	18.75%		22-07-23
INFLATION	26.72%		30-09-23
	Saturday, September 30, 2023	Thursday, August 31, 2023	
GROSS EXTERNAL RESERVES (USD'bn)	33.2	34.0	-2.13

Source: Securities Africa Research , NGX

YTD OVERVIEW	Week 43	Week 43	%Change
TOTAL VOLUME	4,072,778,200.00	4,064,230,761.00	0.21
TOTAL VALUE	35,356,624,355.26	35,236,232,462.63	0.34
NUMBER OF DEALS	3,297.00	3,235.00	1.92

Source: Proshare NASD

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