



Weekly Stock Recommendation

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

Sector/Country: Equities/Nigeria

Stock Rating: See text

Equity Market Cap : N39.15tn/\$35.62bn
All Share Index : 71,541.74
YTD : +39.59%

Overview

- Market activities for the week ended Friday, December 08, 2023 closed bullish. The bulls triumphed in a week that saw the banking stocks dominate the gainers as STANBIC (+6.37%) and UBA (+5.63%) boosted the broader index. The NGX ASI thus closed higher increasing by 0.17% w/w to close at 71,541.74 for the week. The positive sentiment for the week was driven by the upturn in banking Index (+6.08%) and consumer goods Index (+0.21%). The Industrial Index (-3.03%), Insurance Index (-1.44%) and oil & gas Index (-0.58%) closed negative.

Gainers & Losers preview

- On the individual stock level, MULTIVERSE (+57.02% w/w), MULTIVERSE (+60.06% w/w), UNITYBANK (+52.78% w/w), NSLTECH (+52.78% w/w) and NEIMETH (+39.38%) sustained the market. On the flipside, THOMASWYATT (-42.22%, w/w) led the losers whilst ELLAHLAKES (-10.05% w/w), STANBIC (-7.08%, w/w) and INTBREW (-5.56%, w/w) depressed the market. Hence, to close the week, the year-to-date (YTD) return increased to +39.59%, whilst the market capitalization gain N660mn week on week to close at N39.149trn.

Market Event and Prospect for the week

Market Event for the week

Moody upgrade Nigeria's outlook from stable to Positive

After a series of downgrades over the past one year by international credit rating agencies, Nigeria's outlook has been upgraded to Positive by Moody's Investor Service on December 8, 2023. Moody's also affirmed Nigeria's Caa1 long term foreign currency and local currency issuer ratings and foreign currency unsecured debt ratings. Moody's had earlier in the year (January 2023) downgraded Nigeria from B3 to Caa1. Caa1 represents poor standing and very high credit risk whilst B3 represents speculative and high credit risk, which is a notch higher than Caa1.

The positive outlook was attributed to President Bola Tinubu's fiscal reforms.

Impact on Equities market

The market reacted negatively to the last downgrade from Moody's triggering massive sell offs. However, it is expected that the current positive outlook will attract investors, particularly foreign participation, in the medium to long term. Since majority of the volume in the market presently are attributed to local participation, the expectation is that the impact of the positive outlook will not be immediate but rather phased.

Source: Vanguard, Pro share

Prospect for the week

We expect mixed sentiment to prevail this week as the bears look to take profits accumulated by the bulls whilst anticipating inflation figures for November 2023. Also, we expect investors to start taking long positions as year end approaches.

Key Market Data

INDEX	Week Ended 01/12/2023	Week Ended 08/12/2023	Week to date %	Year to date %
All Share Index	71,419.87	71,541.74	0.17	39.59
NGX Banking Index	756.57	802.54	6.08	92.23
NGX Consumer Goods Index	1,141.08	1,143.45	0.21	94.16
NGX Industrial Index	2,780.76	2,696.59	-3.03	12.21
NGX Insurance Index	299.45	295.15	-1.44	69.28
NGX Oil & Gas Index	1,047.17	1,041.14	-0.58	125.12

Source: Securities Africa Research, NGX

Top 10 Advancers

Top Decliners

STOCKS	Open	Close	% Change	STOCKS	Open	Close	% Change
MULTIVERSE	5.98	9.39	57.02	CHIPLC	1.26	1.10	-12.70
THOMASWYATT	2.50	3.32	32.80	OANDO	11.80	10.35	-12.29
INFINITY	1.34	1.77	32.09	ABBEY	1.72	1.54	-10.47
ETI	17.10	20.75	21.35	MRS	109.95	99.00	-9.96
NSLTECH	0.64	0.75	17.19	TANTALIZER	0.52	0.47	-9.62
DAARCOM	0.31	0.36	16.13	UNITYBANK	1.54	1.40	-9.09
CAVERTON	1.41	1.60	13.48	JULIPLC	0.79	0.72	-8.86
UPDCREIT	4.45	5.00	12.36	E-TRANZACT	7.10	6.50	-8.45
ACCESSCORP	18.05	20.25	12.19	MCNICHOLS	0.75	0.69	-8.00
PZ	22.90	25.60	11.79	BUACEMENT	104.00	96.50	-7.21

Source: NGX

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	328.00	320.00	- 2.44	22.61	369.80	220.00	8.23	11.91	27.01	HOLD	
BUA CEMENT PLC	104.00	96.50	- 7.21	1.28	117.00	49.50	2.64	25.50	2.98	HOLD	
BETA GLASS PLC	59.40	59.40	-	50.00	66.95	39.60	0.66	5.25	13.05		
LAFARGE AFRICA PLC	29.50	29.60	0.34	23.33	30.50	20.10	0.04	6.45	24.95	SELL	
TELECOMMUNICATION SECTOR											
MTN NIGERIA COMMUNICATIONS P	238.00	238.60	0.25	10.98	280.00	185.00		12.15	N/A	ACCUMULATE	
AIRTEL AFRICA PLC	1790.00	1800.00	0.56	10.09	2,040.00	1,198.00			N/A	HOLD	
CONSUMER GOODS SECTOR											
NESTLE NIGERIA PLC	1050.00	1150.00	9.52	4.55	1,401.40	963.90		17.53	-	56.63	HOLD
NIGERIAN BREWERIES PLC	38.00	37.05	- 2.50	9.63	55.44	28.80	2.32	21.94	-	7.88	BUY
DANGOTE SUGAR REFINERY PLC	60.00	57.40	- 4.33	257.63	64.15	15.00	7.89	6.88		0.19	HOLD
INTERNATIONAL BREWERIES	4.25	4.50	5.88	4.26	8.60	4.00	-	-	-	2.11	
FLOUR MILLS NIGERIA PLC	32.00	31.05	- 2.97	9.33	40.75	27.00		4.75		3.60	BUY
UNILEVER NIGERIA PLC	14.30	14.90	4.20	28.45	17.45	9.80	-	93.31		1.76	BUY
HONEYWELL FLOUR MILL PLC	3.24	3.12	- 3.70	33.33	3.83	1.94	1.99	24.98	N/A		
PZ CUSSONS NIGERIA PLC	23.00	25.60	11.30	125.55	25.60	8.05	0.94	5.91		3.61	SELL
CHAMPION BREWERIES PLC	3.45	3.60	4.35	34.55	5.55	3.00	-	18.15		0.06	
GUINNESS NIGERIA PLC	65.00	67.90	4.46	2.02	92.70	54.45	30.57	11.33	-	12.73	HOLD
NASCON ALLIED INDUSTRIES PLC	57.00	54.00	- 5.26	386.49	58.00	9.50	6.99	9.51		4.22	SELL
VITAFOAM NIGERIA PLC	22.50	22.50	-	10.02	24.80	16.85				3.51	SELL
CADBURY NIGERIA PLC	15.35	14.60	- 4.89	22.69	18.80	10.20	4.53	17.26		1.08	BUY
BUA FOODS	202.80	198.90	- 1.92	206.00	202.80	52.50	N/A	9.09		9.09	SELL
BANKING SECTOR											
GUARANTY TRUST HOLDING CO PLC	39.00	39.10	0.26	70.00	39.10	16.80	15.25	3.07		6.87	ACCUMULATE
ZENITH BANK PLC	34.70	35.00	0.86	45.83	36.95	18.90	15.91	2.46		7.37	ACCUMULATE
STANBIC IBTC HOLDINGS PLC	65.00	66.00	1.54	97.31	80.00	27.50	7.89	5.84		8.10	ACCUMULATE
FBN HOLDINGS PLC	20.00	23.85	19.25	118.81	23.85	8.20	4.15	2.31		8.57	ACCUMULATE
ACCESSCORP	17.35	20.25	16.71	138.24	20.25	7.50	16.51	1.65		5.45	ACCUMULATE
UNITED BANK FOR AFRICA PLC	20.85	22.50	7.91	196.05	22.50	6.55	18.38	1.84		6.07	ACCUMULATE
ECOBANK TRANSNATIONAL INC	16.00	20.75	29.69	95.75	20.75	9.50	6.68	2.15		6.48	HOLD
FIDELITY BANK NIGERIA	9.00	9.15	1.67	110.34	9.15	2.87	-	2.13		2.71	ACCUMULATE
STERLINGNG	3.55	3.80	7.04	171.43	4.17	1.32	3.53	2.20		0.82	HOLD
FCMB GROUP PLC	6.85	6.90	0.73	79.22	7.00	2.92		2.03		2.93	BUY
WEMA BANK PLC	5.19	5.35	3.08	37.18	5.44	3.85		6.62		1.42	BUY
JAIZ BANK PLC	1.64	1.60	- 2.44	73.91	1.98	0.68	-	3.75		0.28	BUY
OIL & GAS SECTOR											
SEPLAT ENERGY PLC	2100.10	2310.10	10.00	110.01	2,310.10	1,050.00	5.82	34.51		0.11	SELL
OANDO PLC	11.70	10.35	- 11.54	164.03	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	HOLD
MRS NIGERIA PLC	109.95	99.00	- 9.96	602.13	109.95	10.55	-	364.19		33.75	HOLD
ETERNA PLC	13.60	13.10	- 3.68	95.81	30.40	5.40	-	4.17		5.40	HOLD
CONOIL PLC	86.50	86.50	-	226.42	112.50	23.90	-	4.97		18.33	BUY
INSURANCE SECTOR											
N.E.M. INSUR CO (NIG) PLC	6.00	5.90	- 1.67	31.11	6.30	3.13		3.20		1.32	BUY
AXA MANSARD INSURANCE PLC	4.50	4.30	- 4.44	115.00	4.60	1.50		5.06		2.08	BUY
AIICO INSURANCE PLC	0.78	0.75	- 3.85	27.12	0.79	0.52		2.13		0.23	HOLD
AGRICULTURE SECTOR											
OKOMU OIL PALM PLC	240.00	240.00	-	45.45	265.00	157.00		10.17		8.80	HOLD
PRESCO PLC	189.90	189.90	-	38.11	220.00	110.00	0.01	7.59		24.75	ACCUMULATE
CONGLOMERATE SECTOR											
TRANSNATIONAL CORP OF NIGERI	6.45	6.82	5.74	503.54	6.82	0.90		17.50		0.36	SELL
UAC OF NIGERIA PLC	17.90	15.35	- 14.25	49.76	17.90	7.90	-	-		0.11	HOLD
FINANCIAL SERVICES SECTOR											
UNITED CAPITAL AFRICA LTD	17.40	18.00	3.45	28.57	18.00	9.00	13.58	5.16		1.47	SELL
NIGERIAN EXCHANGE GROUP PLC	22.60	21.75	- 3.76	13.17	30.25	17.00	-	62.20		1.04	BUY
CUSTODIAN INVESTMENT PLC	7.65	7.50	- 1.96	26.05	7.65	5.35		3.31		2.11	ACCUMULATE
CONSTRUCTION SECTOR											
JULIUS BERGER NIGERIA PLC	34.80	34.80	-	42.04	34.80	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	24.40	25.00	2.46	290.63	25.95	5.00	-	7.97		1.84	BUY
POWER SECTOR											
GEREGU	399.00	399.00	-	167.79	399.00	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 December 08, 2023.

MARKET SNAPSHOT	Week 49	Week 48	% Change
NASD Securities Index	886.5	860.81	2.98
Market Capitalization (NTn)	1.20	1.17	2.56
Total Volume Traded	27,735,578.00	4,218,999.00	557.40
Total Value Traded	157,697,893.76	41,433,441.96	280.61
Number of Deals	64	55	16.36
Number of Traded Stocks	12	10	20.00

Source: Proshare NASD

WEEK ADVANCERS			
SECURITY	Close (N)	Open (N)	%Change
SD11PLC	182.53	146.3	24.76
SDCSCSPLC	19.25	17.08	12.70
SDFOODCPT	1.65	1.5	10.00
SDNEWREST	17.71	16.1	10.00
SDUBNPROP	1.65	1.52	8.55
SDFCWAMCO	76.9	74.1	3.78
WEEK DECLINERS			
SDNASDPLC	12.00	12.50	-4.00
SDGEFLUID	2.69	2.70	-0.37

Source: Proshare NASD

FMDQ

Foreign Exchange NAFEM Window			
Description	Spot (\$/N)	Change %	Date
Opening	927.19	-16.64	01-12-23
Close	1099.05	-18.54	08-12-23
NAFEX	860.07		07-12-23
MPR	18.75%		22-07-23
INFLATION	27.33%		31-10-23
	Tuesday, October 31, 2023	Saturday, September 30, 2023	
GROSS EXTERNAL RESERVES (USD'bn)	33.4	33.2	0.51

Source: Proshare NASD

YTD OVERVIEW	Week 49	Week 48	%Change
TOTAL VOLUME	4,129,835,143.00	4,102,099,565.00	0.68
TOTAL VALUE	35,906,929,156.00	35,749,231,262.24	0.44
NUMBER OF DEALS	3,640.00	3,576.00	1.79

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