

TrustBanc Daily Market Roundup

Money Market | Fx. Market | Fixed Income Market | Equity Market | 21st June 2023

TMMF

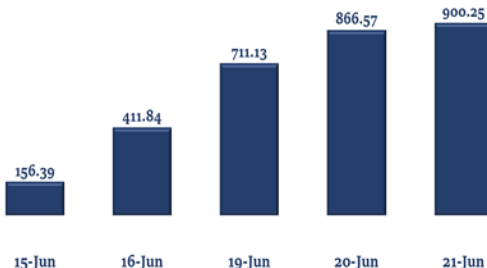
1278%

TrustBanc Money Market Fund

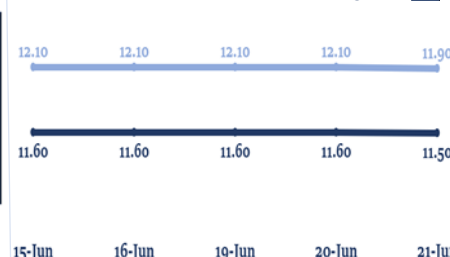
Money Market

- Despite the settlement of the FGN bond auction worth ₦221.56bn, the system liquidity closed today with a surplus of ₦900.25bn.
- Inter-bank funding rates (OPR & O/N) remain depressed at 11.50% and 11.90%, respectively.
- Bi-weekly SMIS refund will further support the liquidity in the system tomorrow.

System Liquidity (₦'bn)



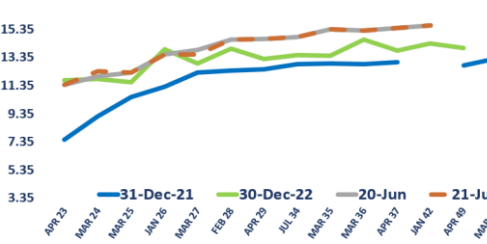
Inter-bank Rates (%) O/N OPR



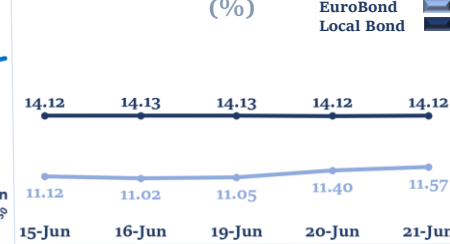
Fixed Income Market

- The FGN Bond market traded on an active note, albeit with mixed bias.
- Market players cherry-picked securities across the benchmark curve, especially at the near and mid ends of the curve. Although, sell orders at the near and far corners offset the impact of the bulls.
- For context, Jan-26 maturity added 35bps, while Apr-29 paper shed 31bps. Accordingly, average yield closed flat at 14.12%.
- The bears consolidated their hold on the Eurobond market with sizeable offers across the benchmark curve.
- Notably, Jul-23 (+92bps) maturity saw the sharpest jump in yields to 17.56%. Benchmark yield advanced further by 17bps to 11.57%.
- In other news, UK inflation rate came in hotter than expected to print at 8.7%, despite the efforts of the BOE to tame rising prices.
- We expect the inflation print to guide direction of benchmark rate on Thursday.
- Elsewhere, 10-year US treasury yield closed 5bps lower at 3.74%.
- The NTB secondary market remained largely quiet, despite the influx of liquidity into the system. Rates held firm across the benchmark curve, as most players watched from the sidelines.
- As a result, average yield closed flat at 6.46%.

FGN Benchmark Bonds Yield Curve (%)



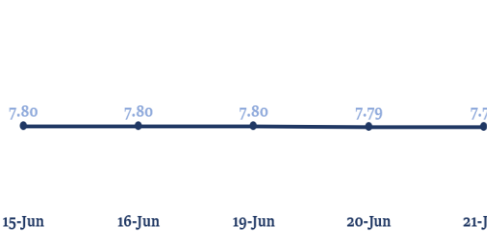
Average Yield on Benchmark Bonds (%) EuroBond Local Bond



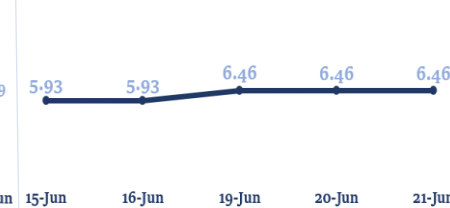
Forex Market

- I&E rates closed higher at ₦763.17/\$, as liquidity bottleneck lingered. On the flip side, parallel market players priced rates higher at ₦772/\$, as demand pressure reappeared.
- Elsewhere, external reserve depleted to \$34.49bn, while Oil prices (Brent and Bonny) maintained the \$75/barrel mark.

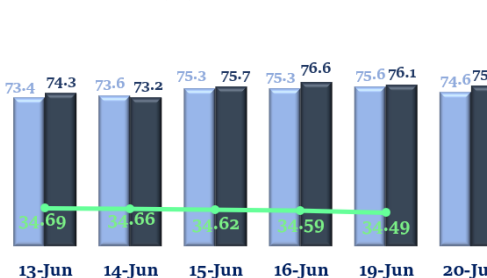
May-24 NTB Yield



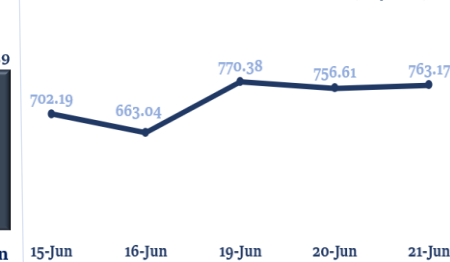
Average Yield on Benchmark NTB (%)



Brent (\$/Barrel) Bonny (\$/Barrel) FX Reserve (\$'bn)



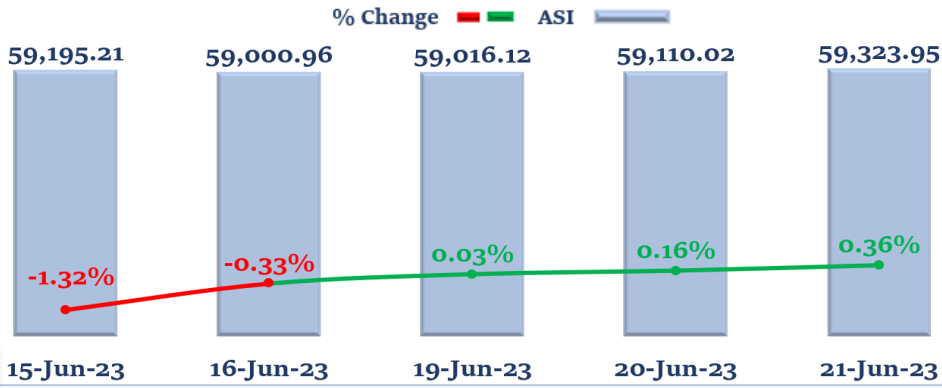
Fx Rate - I&E Window (₦/\$1)



Equity Market

- The bulls extended their dominance at the Equity market for the third consecutive day, to drive the All-share index higher by **36bps**.
- At the start of the session, moderate buy-side activities on BUACEM (**4.65%**) and ACCESSCORP (**1.01%**) sent the ASI north by **0.45%**.
- By noon, profit taking in GEREGU (**5.45%**), ZENITH (**0.63%**), GTCO (**0.46%**) and UBA (**0.43%**) threatened the reign of the bulls, as the ASI moderated to **0.34%**.
- At the tail end of the session, massive offload of CADBURY (**9.04%**) strengthened the bears. However, last minute appearance of STANBIC (**1.98%**) strengthened the bulls.
- On the sectoral front, NGXBNK (**0.6%**) led the loser's chart while NGXINS (**1.93%**), NGXOILGAS (**1.84%**) and NGXINDSTR (**1.84%**) populated the gainers' chart.
- Accordingly, Investors wealth bolstered by ₦116.92bn while the YTD return of the market advanced further to **15.75%**.
- In the near term, we expect profit takers to exert pressure on stocks that previously gained.

Movement in All Share Index (ASI)



Equity Market Indicators: Gainers (43), Losers (24), Volume (9%), Value (32%)

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TOP Gainers						TOP Losers						TOP 10 Most Capitalised Stocks on NGX							
S/n	Company	20-Jun	21-Jun	Day	MTD	YTD	S/n	Company	20-Jun	21-Jun	Day	MTD	YTD	Company	20-Jun	21-Jun	Day	MTD	YTD
1	AFROMEDIA	0.20	0.22	10.00%	0.00%	10.00%	1	JAIZBANK	1.7	1.53	-10.00%	27.37%	66.30%	AIRTELAFRI	1289.00	1289.00	0.00%	▼6.00%	▼21.16%
2	ETRANZACT	5.35	5.88	9.91%	9.44%	68.00%	2	MEYER	2.43	2.19	-9.88%	9.46%	-3.52%	MTNN	265.00	265.00	0.00%	▲9.75%	▲23.26%
3	FTNCOCOA	1.62	1.78	9.88%	170.00%	513.79%	3	IKEJAHOTEL	3.55	3.20	-9.86%	62.33%	204.76%	DANGCEM	287.30	287.50	▲0.07%	▲7.41%	▲10.15%
4	NEIMETH	1.62	1.78	9.88%	21.01%	24.48%	4	TANTALIZER	0.22	0.20	-9.09%	5.00%	0.00%	BUACEMENT	86.00	90.00	▲4.65%	▼5.98%	▼-7.93%
5	UNITYBNK	1.23	1.35	9.76%	1.92%	145.45%	5	CADBURY	18.8	17.10	-9.04%	31.85%	43.70%	BUAFOODS	135.75	135.75	0.00%	▲13.95%	▲108.85%
6	TRANSCOHOT	14.60	16.00	9.59%	24.90%	156.00%	6	INTENEGINS	1.58	1.45	-8.23%	-3.23%	281.58%	NESTLE	1250.00	1250.00	0.00%	▲19.75%	▲13.64%
7	TIP	0.42	0.46	9.52%	0.00%	-4.17%	7	NNFM	13.9	12.90	-7.19%	0.38%	109.76%	ZENITHBANK	32.00	31.75	▼0.78%	▲27.19%	▲32.29%
8	VERITASKAP	0.21	0.23	9.52%	10.00%	15.00%	8	PRESTIGE	0.49	0.46	-6.12%	16.67%	9.52%	GEREGU	312.00	295.00	▼5.45%	▼4.33%	▼97.99%
9	CONOIL	79.00	86.50	9.49%	44.88%	226.42%	9	GEREGU	312	295.00	-5.45%	-4.33%	97.99%	GTCO	32.30	32.00	▼0.93%	▲15.49%	▲39.13%
10	COURTVILLE	0.53	0.58	9.43%	19.05%	26.09%	10	UNIVINSURE	0.24	0.23	-4.17%	0.00%	15.00%	SEPLAT	1360.00	1360.00	0.00%	▲7.59%	▲23.64%

Bond Watch (21st June 2023)

Last Auction (19th-June-23)

21-June-2023

Change (%)

Yield	Maturity	Issue Date	Maturity Date	Allotted (N'b)	Stop Rates (%)	FMDQ Closing Price (N)	Coupon (%)	FMDQ Closing Yields (%)	Diff. (%)	Status	DAY	WTD	MTD	YTD
13.53%	MAR 25	23-Mar-18	23-Mar-25			103.25	13.53	11.40	(2.13)	Premium	▼0.01	▼0.02	▼0.07	▼-0.43
12.50%	JAN 26	22-Jan-16	22-Jan-26	127.00	10.15	100.30	12.50	12.35	(0.15)	Premium	▲0.35	▲0.35	▲0.05	▲0.75
16.2884%	MAR 27	17-Mar-17	17-Mar-27			111.65	16.29	12.29	(4.0)	Premium	0.00	▼-0.01	▼-0.24	▼-1.64
13.98%	FEB 28	23-Feb-18	23-Feb-28	257.41	14.00	101.40	13.98	13.55	(0.43)	Premium	0.00	▲0.07	▼-0.18	0.63
14.55%	APR 29	26-Apr-19	26-Apr-29			103.80	14.55	13.58	(0.97)	Premium	▼-0.31	▼-0.31	▼-0.72	▼-0.41
12.149%	JUL 34	18-Jul-14	18-Jul-34			86.66	12.15	14.61	2.46	Discount	0.00	▼-0.09	▼-0.13	▲1.36
12.50%	MAR 35	27-Mar-20	27-Mar-35			88.05	12.50	14.65	2.15	Discount	▼-0.01	▲0.04	▼-0.16	▲1.15
12.40%	MAR 36	18-Mar-16	18-Mar-36	220.56		86.46	12.40	14.78	2.38	Discount	0.00	▲0.10	0.00	▲1.31
16.25%	APR 37	18-Apr-17	18-Apr-37	169.37		105.04	16.25	15.35	(0.90)	Premium	0.00	▲0.57	▼-0.08	0.73
13.00%	JAN 42	21-Jan-22	21-Jan-42	169.37	15.40	86.17	13.00	15.25	2.25	Discount	0.00	▼-0.10	▼-0.02	▲1.40
14.80%	APR 49	26-Apr-19	26-Apr-49			95.82	14.80	15.45	0.65	Discount	▲0.03	▼-0.10	▲0.00	▲1.13
12.98%	MAR 50	27-Mar-20	27-Mar-50		15.80	83.45	12.98	15.60	2.62	Discount	0.00	▼-0.04	▼-0.03	▲1.60

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Key Event(s) In April: NTB Auction: 8th & 15thInflation: 15thBond Auction: 19th

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If you lived in Nigeria in the last 5 years, you probably know more than anyone the impact of inflation, foreign exchange, and liquidity (availability of cash) on the standard of living.

What you may not be aware of is how to follow market trends to effectively manage unfavourable economic or monetary tendencies and make them work in your favour. If you are reading this, you are halfway into knowing already.

Note this for a start, if your wealth isn't growing at least at the same rate with inflation, then it's diminishing. Do you wonder why millions of Nigerians fall into the poverty hole every year?

Therefore, beating inflation rate (e.g. 22%) should be one of your goals every year. That is, in your investment plans, you set a target to earn at least 22% per annum. To achieve this, you must pay attention to the markets that play significant roles in your wealth growth.

Money Market: This market will help you to keep up with the rate of interest. If interest rates are persistently high, this is where you want to be, in most of the fixed-income instruments here, your principal is relatively safe, and the returns can keep up with the pace of inflation.

Fixed Income Market: A lot of the funds you put into the money market find their way into fixed-income securities, this is the reason why you follow this market.

Equity/Stock Market: This market is more interesting when interest rates are low, and it remains the most prolific market for building wealth. However, to avoid losing your principal, always be in touch with your Brokers.

Foreign Exchange (Fx) Market: In 1981, ₦1m will get you \$1.5m. Ten years ago, the same amount will get you \$6.4k. Today, you will struggle to get \$1.4k with ₦1m. To stay ahead in the wealth game, you need to pay a close attention to this market.

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Definition of Key Terms:

- **All-Share Index** measures the performance of the stock market, relative to average value of share prices of most companies listed on the Nigerian Exchange Group. It is measured in index points and reported in percentage points.
- **Bull Market** is a term used to describe a market condition where prices are rising or expected to rise. It is a market condition characterized by optimism and investor confidence.
- **Bear Market** Is the direct opposite of the “Bull-market”. It is a market condition where prices are falling or expected to fall. Profit taking, skepticism or pessimism are the underpinning sentiment that drives a bear market.
- **Market Sentiment** is a financial market terminology that explains the mood of the market with regards to anticipated price development. In broad terms, rising prices indicate bullish market sentiment, while falling prices indicates bearish market sentiment.
- **I & E window** is an abbreviation of Investors and Exporters Window, established by the Central Bank of Nigeria for sale and purchase of FX at prevailing market rate. Major participants in this market are; Investors, exporters, manufacturers and end-users.

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TrustBanc Equity Model Portfolio (TEMP)



Stock	Year	Closing	Return	Shares	Market	Weight	Weighted	Average	Trailing	
	Open	Price		Outstanding	Capitalisation					Return
	(₦)	(₦)	(%)	(million)	(₦million)					
ACCESSCORP	8.5	14.9	75.3%	35,545	529,621	12%	9.0%	7.5%	3.4x	
FIDELITYBK	4.4	7.0	60.9%	28,975	202,825	10%	6.1%	6.1%	4.3x	
STANBIC	33.5	54.0	61.4%	12,957	699,678	8%	4.9%	6.1%	9.0x	
UBA	7.6	11.5	50.7%	34,199	391,579	9%	4.6%	5.1%	2.4x	
DANGSUGAR	16.1	24.0	49.5%	12,147	291,528	10%	5.0%	5.0%	5.3x	
NESTLE	1100.0	1250.0	13.6%	793	991,250	9%	1.2%	1.4%	20.2x	
OKOMUOIL	165.0	227.0	37.6%	954	216,558	8%	3.0%	3.8%	13.3x	
WAPCO	24.0	29.1	21.3%	16,107	468,714	9%	1.9%	2.1%	8.7x	
TOTAL	193.0	336.7	74.5%	340	114,310	12%	8.9%	7.4%	7.1x	
MTNN	215.0	265.0	23.3%	20,355	5,394,075	13%	3.0%	2.3%	14.9x	
YTD Return							47.66%	46.80%		

ACCESSCORP

Q1'23 Unaudited result revealed a 46.4% growth in Interest Income, largely driven by improved Interest income on Net loans and yields on Investment securities. Although, interest expense surged by 84.1% (YoY) on the back of significant cost incurred on deposit from Financial Institutions (152%) and Customers (82.2%). Overall, PBT was up 24.5% YoY while Net Profits grew by 23.9% (YoY).

FIDELITY

Fidelity Bank reported a 72.6% (YoY) surge in Profit After Tax in its Q1'23 Unaudited result. The growth was driven by a 42.5% increase in Interest Income, traceable to expansion of net loans and investment securities. However, interest expense grew by 14.5% YoY due to rising cost of deposits from financial institutions and customers.

STANBIC

STANBIC's Q1'23 Unaudited result revealed a significant increase in bottom-line - 92% (y/y), driven by a 53% surge in Interest income and 37% growth in non-interest revenue. Although, Interest expense expanded by 47% (y/y) on the back of rising deposit cost fueled by persistent hike in MPR.

UBA

In Q1'23, UBA's unaudited report aligns with other Tier 1 banking reports as the net interest income rose by 41.1% (y/y), fees and commission income increased by 13.8% (y/y), while non-interest revenue grew by 36.6% (y/y). Despite higher interest expenses (80%) in Q1'23, UBA's profit after tax climbed by 29.3% to ₦53.59bn.

DANGSUGAR

Dangote Sugar Refinery delivered a topline growth of 8% (y/y) in its recently released Q1'23 unaudited result. Driven by a decline in selling and distribution expenses of 33% (y/y), the Sugar industry giant recorded a significant YoY growth of 36% and 44% in PBT and PAT, respectively.

NESTLE

In Q1'23, NESTLE recorded a 16.1% (y/y) growth in topline driven by elevated pricing environment. However, rising borrowing cost sent finance cost over the roof by 128% (YoY), while operating expenses also surged by 36.6% (YoY) to dampen the growth in revenue. Accordingly, PAT slid south by 9.84% (y/o/y) in Q1'23.

OKOMUOIL

The Q1'23 Audited FS of OKOMUOIL revealed a moderate YoY growth of 9.7% and 7.2% in PBT and PAT, despite the challenges around sourcing FX which led to a significant jump in finance cost - 88% (y/y). Although the topline bolstered by 18% (y/y), cost of sales growth of 52% (y/y) dampened the impact of this milestone.

WAPCO

The Q1'23 unaudited earnings result of LAFARGE AFRICA PLC revealed a marginal growth in revenue - 1% (y/y). The Industrial Goods giant trimmed Cost of sales by 6% (y/y) while recording a remarkable growth in finance income - 10x above the Q1'22 figures. However, higher tax expenses - 93% (y/y) - sank PAT by 15% (y/y).

TOTAL

TOTAL Energies' unaudited Q1'23 earnings revealed an impressive 38.6% YoY growth in topline, driven by improved demand and rising prices of diesel and Jet A1 fuel. Although, a drastic surge in finance costs - 110% (y/y) - wiped out the impact of the revenue growth. PBT and PAT declined by 2% and 5%, respectively.

MTNN

MTNN delivered a 21% (y/y) revenue growth in its recently released Q1'23 earnings result. The positive performance was largely driven by the Data business, which recorded a 40% (y/y) expansion. However, the growth was undermined by a 42% surge in finance costs - thanks to the rising rate environment. PBT and PAT grew marginally by 8.5% and 4.6%, respectively.

TrustBanc Equity Model Portfolio

■ TEMP ■ ASI

