TrustBanc Daily Market Roundup

Money Market | Fx. Market | Fixed Income Market | Equity Market | 22nd June 2023





Money Market

- Today, the peg on Interbank funding rates cap and floor was lifted.
- As a result, N688.52bn surplus system balance sent rates closing at 9% and 8.83%, marking the lowest levels seen since the turn of the week.
- In the near term, we expect rates to remain depressed while overall liquidity condition is projected to stay robust.

Fixed Income Market

- Trading sentiment at the FGN Bond secondary market turned bullish, on the back of sustained buoyant liquidity levels.
- Local players bought moderate volume at the near and mid ends of
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- the curve to halt the 3-day lull in the market.

 Notably, Jan-26 and Feb-28 maturities saw yields decline by 15bps while Mar-35 paper slid south by 25bps.
- As a result, average yield shrank by 7bps to close at 14.05%
- The Eurobond market traded on a mixed note, as market players continue to digest macroeconomic developments on the international front
- Today, BOE raised benchmark interest rate by 50bps, following yesterday's inflation print of 8.7%.
- Fed's chair also hinted at the Capitol Hill meeting yesterday that rates may stay hawkish in the coming months, albeit less aggressively.
 For Nigeria, the market is on high alert of policy roll out that may spook
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- As a result, scattered bids across the curve cancelled out offers to keep the benchmark rate steady at 11.57%.
- Elsewhere, 10-year US treasury yield closed 2bps lower at 3.72%.
- Investors in the NTB secondary market stayed on the sidelines, despite liquidity splurge. As a result, average yield closed flat at 6.46%.

Forex Market

- I&E rates closed higher at ₹765.13/\$, from ₹763/\$ levels recorded yesterday. On the flip side, parallel market players priced rates lower at ₹767/\$, although supply backlog lingered.
- Elsewhere, external reserve depleted to \$34.45bn, while Oil prices (Brent and Bonny) broke the \$75/barrel mark, to close at \$77 and \$76/barrel.

Equity Market

- The bulls sustained their ride for the fourth consecutive day with a 6bps accretion in All-share index.
- The session commenced on an active note with interests seen on both sides. Profit takers exited Banking heavyweights UBA (0.44%) and ZENITH (2.36%) to match buy-side bias on FBNH (3.13%), GEREGU (1.69%) and DANGSUGAR (1.88%).
- At this time, the ASI barely moved from yesterday's closing point.
- By noon, sentiments flipped positive on ZENITH (0.31%), while MTNN (0.19%) appeared on the gainers' chart.
- We observed growing volume of offer for GTCO (0.63%) and ACCESSCORP (0.34%) towards the end of the trading session.
- At the tail end, sustained bids for FBNH (4.38%) and GUINESS (3.17%) strengthened the bulls to credit a 6bps to the ASI.
- We observed bargain hunting in Insurance tickers, particularly NEM (10%), CORNEST (10%), WAPIC (9.3%) and PRESTIGE (8.7%). The market may be pricing in the effect of hike in Insurance Premium ahead of Q2 earnings season.
- As a result, the Insurance sector (1.12%) led the gainers' board while NGXBNK (0.62%) finished at the top of the losers' table.
- Overall, Investors wealth bolstered by \(\frac{1}{2}\)20.58bn while the YTD return of the market advanced further to 15.83%.
- We expect the market to remain quiet in the immediate, barring any significant policy change.

Download Pricelist



Movement in All Share Index (ASI)

21-Jun 16-Jun



Losers (31).

Volume (4%).

Value (8%)

TOP 10 Most Capitalised Stocks on NGX TOP Gainers TOP Losers Company 21-Jun 22-Jun Day MTD MTD AIRTELAFRI 1266.80 1266.80 = 0.00% ▼-6.00% ▼ -22.52% LASACO 6.93 6.74% 54.00% 2.34 41.23% 168.97% MTNN 265.00 265.50 📤 0.19% 📤 9.75% 📤 23.49% CORNERST SOVRENINS 0.61 287.50 = 0.00% ▲ 7.41% ▲ 10.15% SKYAVN UNITYBNK 1.22 -9.63% 1.92% 121.82% 8.45 1,35 90.00 - 0.00% -5.98% BUACEMENT -7.93% WAPIC 0.86 0.94 9.30% 9.52% 135.00% NSLTECH 0.42 0.38 -9.52% 8.33% 72.73% BUAFOODS 135.75 135.75 = 0.00% \$\texttt{\rightarrow}\$ 13.95% \$\texttt{\rightarrow}\$ 108.85% AFRIPRUE 6.05 0.85% IKEJAHOTEI 2.91 62.33% 3.2 177.14% 1250.00 - 0.00% 19.75% 13.64% 1250.00 PHARMDEKO ZENITHBANK 31.75 31.80 📤 0.16% 📤 27.19% 📤 32.50% PRESTIGE JAIZBANK 1.43 300.00 📤 1.69% 🔻 -4.33% 📤 101.34% TIP 0.46 8.70% ROYALEX 0.62 0.58 -6.45% 295.00 -19.64% 31.50 -1.56% -15.49% - 36.96% CHAMS 0.48 0.52 8.33% 75.00% 136.36% NPFMCRFBK 1.92 1.80 -6.25% 0.00% 6.51%

14-Jun

15-Jun

16-Jun

Equity Market Indicators: Gainers (33).

19-Jun

20-Jun

10 GUINEAINS	0.24 0.26	8.33% 0.00	% 30.00%	10 HONYF	LOUR	3.49 3.28	-6.02% -0	0.64% 4	o.17% SEPLAT	1360.00	1360.00 📟	0.00% 📤 7.	59% 📤 23.64%
Bond Watch (22nd June 2023)			Last Auction (19th-June-23)		22-June-2023				Change (%)				
	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	— 0.00	-0.02	-0.07	-0.43
12.50% JAN 26	22-Jan-16	22-Jan-26	127.00	10.15	100.62	12.50	12.20	(0.30)	Premium	-0.15	a 0.20	-0.10	a 0.60
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	101.91	13.98	13.40	(0.58)	Premium	-0.15	▼ -0.08	v -0.33	a 0.48
14.55% APR 29	26-Apr-19	26-Apr-29			103.89	14.55	13.55	(1.0)	Premium	v -0.03	-0.34	-0.75	-0.44
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			89.33	12.50	14.40	1.90	Discount	- 0.25	-0.21	-0.41	a 0.90
12.40% MAR 36	18-Mar-16	18-Mar-36	220.56		86.46	12.40	14.78	2.38	Discount	— 0.00	a 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	a 0.57	▼ -0.08	a 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	— 0.00	-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	v -0.03	1.60

Corporate Disclosures and News Headlines

Naira: Travellers groan as naira devaluation drives up airfares... read more

Food: FG sets 78 priority actions to transform food system... read more

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

Debt: World Bank should add disaster clauses to debt agreements- Yellen... read more

 $\textbf{Tech:} \ \ \textbf{Twitter resumes paying Google Cloud...} \ \underline{\textbf{read more}}$

AIRTEL – Announcement of final dividend currency exch. rate... <u>Read more</u>

UCAP - Directors dealings... Read more

EUNISELL - Notification of new chairman... Read more

JAPAULGOLD - 2023 AGM resolutions... Read more

Inflation: 15th | Bond Auction: 19th



Stay ahead in the wealth game, read TrustBanc market reports

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, Im 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 N1m. To stay ahead in the wealth game, you need to pay a close attention to this market.

Get a dose of all markets daily by following TrustBanc market reports.

TrustBanc, your lifetime companion for sustainable wealth



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.
- O **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.
- O **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.

TrustBanc Equity Model Portfolio (TEMP)

Stock	Year Open (₦)	Closing Price (N)	Return (%)	Shares Outstanding (million)	Market Capitalisation (N'million)	Weight	Weighted Return	Average Return	Trailing P/E
ACCESSCORP	9 -	14.0	75.3%	25 545	520 621	12%	9.0%	7.5%	2.47
ACCESSCORP	8.5	14.9	73.370	35,545	529,621	1290	9.0 70	7.370	3.4x
FIDELITYBK	4.4	7.0	60.7%	28,975	202,535	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	11.3	48.7%	34,199	386,449	9%	4.4%	4.9%	2.3x
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	225.0	36.4%	954	214,650	8%	2.9%	3.6%	13.2x
WAPCO	24.0	29.0	20.8%	16,107	467,103	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	265.5	23.5%	20,355	5,404,253	13%	3.1%	2.3%	14.9x

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.

DANGSUGAE

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

YTD Return

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.

47.35%

46.44%

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).

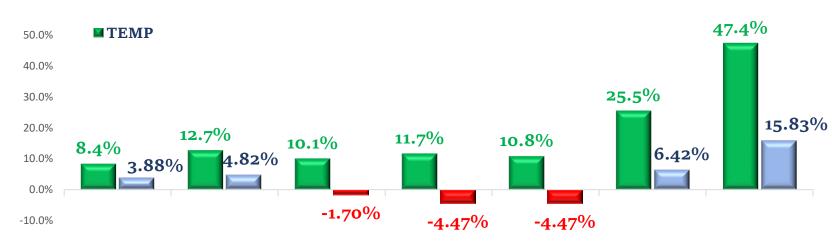
TOTAL

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



Jan-23 Feb-23 Mar-23 Apr-23 Jun-23 May-23 Jun-23