

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Continued Decline in FPIs' Participation in Equity Trading ...

Given the declining participation of the foreign investors in the equities market amid worsening state of insecurity and the fear of further depreciation of the Naira against other foreign currencies, especially the greenback, we saw the positive performance of the local stock market index dwindle to 1.65% from 9.15%. It appears the local institutional and retail investors also took profit in the month of February as their participation in the market moderated as well. Going forward, we expect that Q1 2022 financial statements to be released by companies before the end of April 2022, to stimulate investors' interest as we anticipate increased earnings....

FOREX MARKET: Naira Depreciate against USD at I&E FX Window on Decrease Supply...

In the new week, we expect some level of pressure on the Naira against USD due anticipated pressure on foreign exchange amid electioneering activity coupled with weak petrodollar earnings....

MONEY MARKET: NIBOR Rises for All Tenor Buckets on Financial Liquidity Strain... ..

In the new week, T-bills and OMO bills will mature via the primary and secondary markets to exceed T-bills worth maturing via the primary market; viz Hence, we expect the stop rate to marginally decline amid fresh liquidity boost from the maturing bills and the bias of CBN for an expansionary policy....

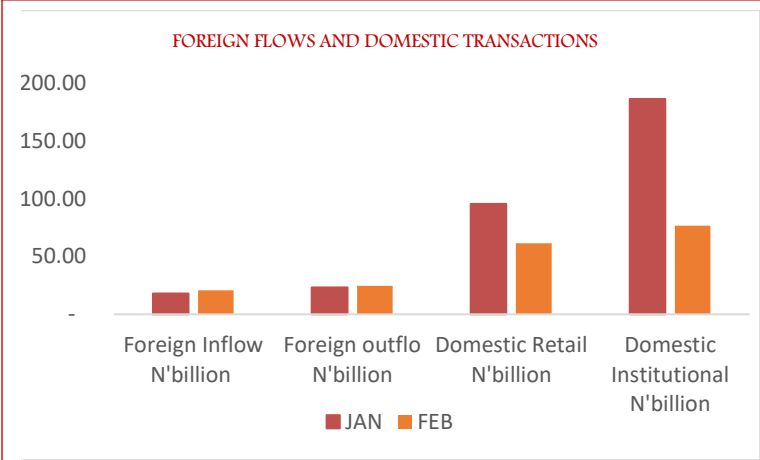
BOND MARKET: FGN Eurobond Yields Rise amid Sell Pressure.....

In the new week, we expect the value of FGN Bonds, especially for 42s to increase (and yields to fall) amid increased demand due to the maturing bills in the money market....

EQUITIES MARKET: The NGX All Share Index closed at 47,510.38 points, raising the weekly gain by 1.88%,...

In line with our expectations, the local bourse witnessed bullish momentum as investors bought shares of tickers companies with sound fundamentals....

The latest released report by the Nigerian Exchange (NGX) on domestic and foreign portfolio participation in equities trading showed that total equities market transactions decreased by 43.24% from N 323.38 billion in January 2022 to N183.56 billion and in February 2022. When compared to February 2021, the result shows that total transactions decreased by 14.85% y-o-y. Further analysis of the total transactions revealed that total domestic transactions decreased by 51.02% m-o-m from N282.07billion in January to N138.13billion in February 2022, total foreign transactions increased by 9.97% m- o- m to N45.43 billion



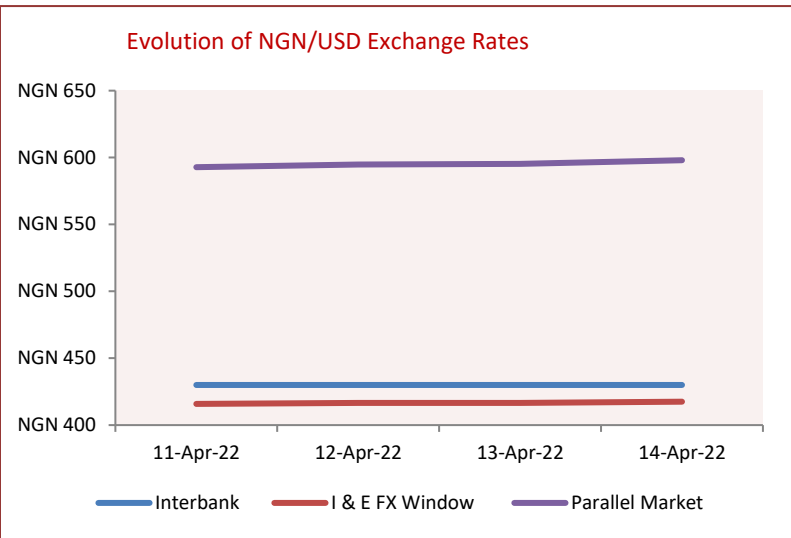
Monthly Global Oil Market Watch				
	Nov-21	Oct-21	%age Δ	2020 Avg
World Oil Demand mb/d	99.73	98.54	1.20%	92.30
World Oil Supply mb/d	99.0	97.85	1.18%	94.23

in February 2022, from N41.31 billion in January 2022. The decrease in total transaction was chiefly due to the very weak appetite of foreign portfolio investors (FPIs) which continue to decrease amid sustained fear of foreign exchange volatility eroding their returns on investment and insecurity currently being encountered in the country. Foreign investors appeared to have their reservations about the Naira not being fairly priced against the greenback. More so, local investors seem to be taking profits as companies’ full year 2021 results is being released, while others especially the institutional players are taking position in expectation of the Q1 2022 financial results of corporates. With the recent releases of companies’ audited FY 2021 financial statements, domestic investors appear to be set for a rewarding dividend pay-out – as their returns are not as prone to exchange rate risk. Despite the dividend announcements from corporates, we still saw local players participation in the equities market decrease in February than in the month of January 2022. Also, the institutional composition of the domestic market m-o-m decreased by 58.85% from N186.51billion in January 2022 to N76.74billion in February 2022. Further breakdown showed that domestic institutional investors outperformed retail investors by 11%. The m- o- m comparism of domestic transactions shows that retail transactions decreased by 35.76% from N95.56billion in January 2022 to N61.39billion in February 2022. The 2022 transaction data shows that domestic investors contributed 77% of the total amount of transactions N420.20 billion, whilst FPI contributed 23% Of the total transactions N86.84billion. The ratio of total domestic transactions to total foreign transactions tilted to 77:23 at the end of February 2022. As depicted by the numbers, total transactions on the NGX increased to N506.94 billion at the end of February 2022 (from N448.04 billion in January 2022). A further breakdown of the FPI transactions m-o-m showed that foreign portfolio inflows rose to N20.86 billion (from N18.10 billion); also, foreign portfolio outflows increased to 24.57 billion in Feb from N23.21 billion in Jan. 2022. On the part of local investors, we saw increased stake in the equities market – their purchase transactions were N70.92 billion, higher than N67.21 billion worth of outflows.

Given the declining participation of the foreign investors in the equities market amid worsening state of insecurity and the fear of further depreciation of the Naira against other foreign currencies, especially the greenback, we saw the positive performance of the local stock market index dwindle to 1.65% from 9.15%. It appears the local institutional and retail investors also took profit in the month of February as their participation in the market moderated as well. Going forward, we expect that Q1 2022 financial statements to be released by companies before the end of April 2022, to stimulate investors’ interest as we anticipate increased earnings. Nevertheless, we feel that investors should be cautious in joining the bandwagon race, but wait to see the Q1 2022 results in order to position in companies with strong fundamentals, which would further enhance capital gains.

FOREX MARKET: Naira Loses against USD at I&E FX Window on Demand Pressure...

In the just concluded week, the Naira/USD exchange rate depreciated against the greenback by 0.20% to N417.5/USD at the I&E FX Window as Bonny light price dropped to USD106.8 per barrel. Furthermore, Naira lost further against the greenback at the Parallel market by 22.04% to close at N598.00/USD. At the Interbank Foreign Exchange market, NGN/USD closed flat at N430.00/USD amid CBN’s weekly injections of USD210 million: USD100 million was

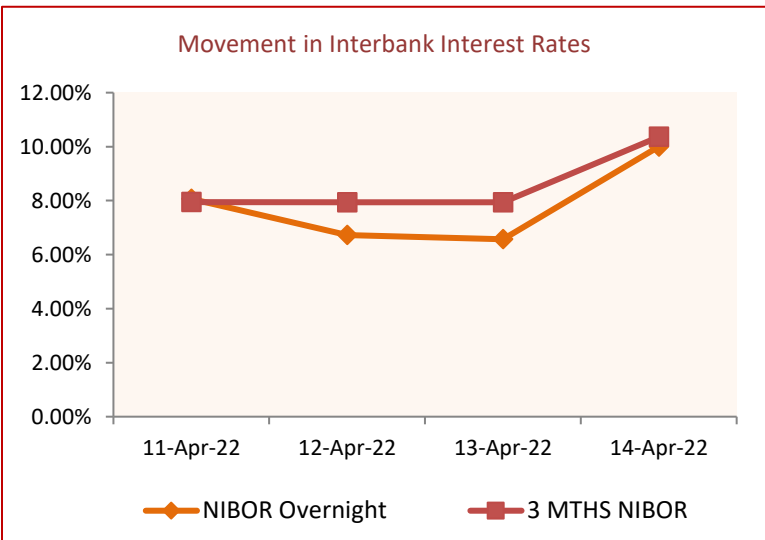


allocated to Wholesale Secondary Market Intervention Sales (SMIS), USD55 million was allocated to Small and Medium Scale Enterprises and USD55 million was sold for invisibles. Meanwhile, the Naira/USD exchange rate went in mixed directions across the foreign exchange forward contracts. Specifically, 2 month, 3 months and 12 months contracts gained 0.05%, 0.05% and 0.18% to close at N420.92/USD, N423.80/USD and N448.02/USD respectively. However, 1 months and 6 months contracts lost 0.11% and 0.01% to close at N418.46/USD and N432.66/USD respectively.

In the new week, we expect some level of pressure on the Naira against USD due anticipated pressure on foreign exchange amid electioneering activity coupled with weak petrodollar earnings.

MONEY MARKET: NIBOR Rises for All Tenor Buckets on Financial Liquidity Strain...

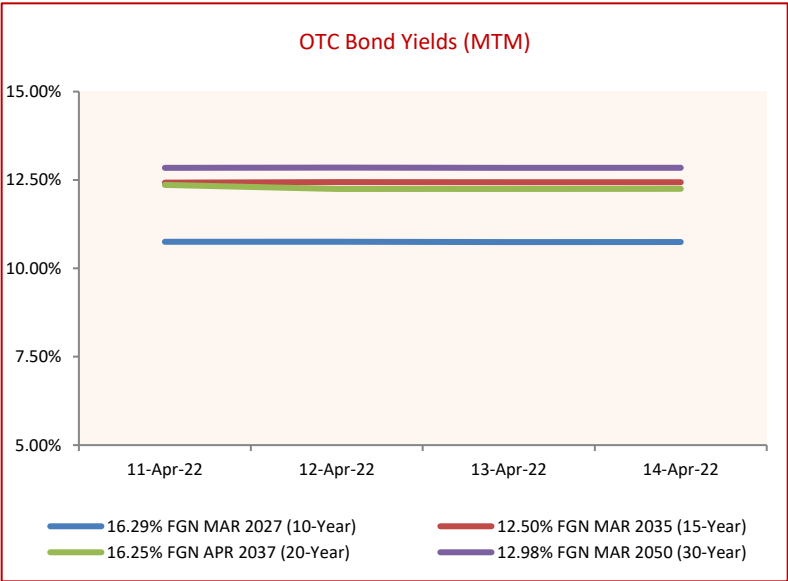
In the just concluded week, CBN allotted T-bills worth N159.03 billion to refinance the N141.24 billion worth of matured treasury bills. Notably, given the strong demand amid financial system liquidity boost, the stop rate for 91-day maturities declined further to 1.74% (from 1.75). However, 364-day bill rose to 4.6% (from 4.45%) while 182-day bill remain flat at 3%. In line with the direction of rates in the primary market, NITTY for 1 month, 3 months and 6 months maturities fell to 2.24% (from 2.36%), 2.78% (from 2.92%) and 3.50% (from 3.54%) respectively, while 12 month Nitty rose by 0.10% to 4.7% (from 4.6%). Meanwhile, in the OMO market, we saw N48.47 billion bills worth matured without refinancing, Given the new inflow, NIBOR closed in mixed direction for the tenor buckets as Overnight, and 6 month tenor buckets rose to 10.00% (from 7.00%), and 10.68% (from 10.60%) respectively. However, 1 month and 6 Months tenor bucket fell to 9.68% (from 9.70%) and 10.36% (from 10.38%) respectively.



In the new week, T-bills and OMO bills will mature via the primary and secondary markets to exceed T-bills worth maturing via the primary market; viz Hence, we expect the stop rate to marginally decline amid fresh liquidity boost from the maturing bills and the bias of CBN for an expansionary policy.

BOND MARKET: FGN Eurobond Yields Rise amid Sell Pressure

In the just concluded week, investors were mostly bearish on maturities tracked in the secondary market as the value of FGN bonds traded decreased for all maturities tracked. except for the 30-year maturity 12.98% FGN MAR 2050 instrument which remain flat at N101.0 while its yield declined to 12.845% (from 12.846%). The 10-year, 16.29% FGN MAR 2027 paper, the 15-year 12.50% FGN MAR 2035 bond and the 20-year 16.25%

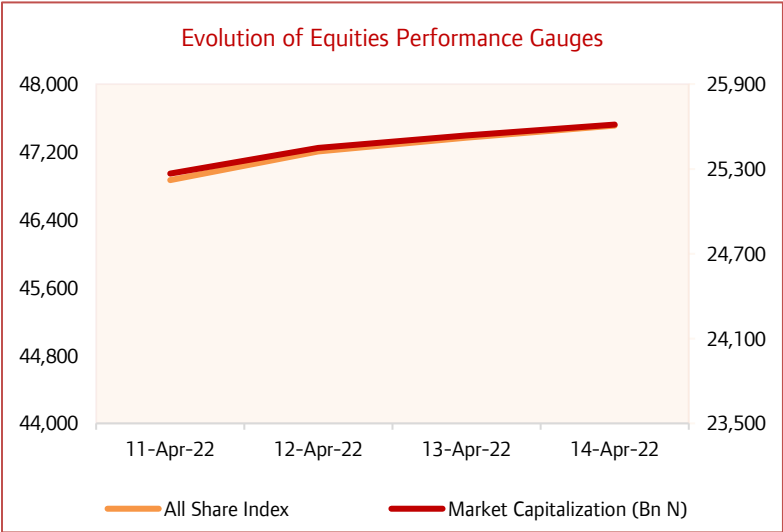


FGN MAR 2037 debt depreciated by N1.95, N5.33 and N2.33 respectively; their corresponding yields increased to 10.74% (from 10.32%), 12.44% (from 11.63%) and 12.25% (from 11.97%) respectively. Elsewhere, the value of FGN Eurobonds traded at the international capital market depreciated for most maturities tracked on renewed bearish sentiment. The 20-year, 7.69% FEB 23, 2038 paper and the 30-year, 7.62% NOV 28, 2047 debt lost USD 1.05 and USD1.59 respectively; their corresponding yields rose to 9.89% (from 9.73%) and 9.97% (from 9.76%) respectively. However, The 10-year, 6.375% JUL 12, 2023 bond, gained USD0.23 and the yield fell to 5.05% (from 5.29%),

In the new week, we expect the value of FGN Bonds, especially for 42s to increase (and yields to fall) amid increased demand due to the maturing bills in the money market....

EQUITIES MARKET: The NGX All Share Index closed at 47,510.38 points, raising the weekly gain by 1.88%,

In the just concluded week, the local bourse witnessed bullish momentum as investors bought shares of tickers companies with sound fundamentals. Notably, we saw the share prices of MEYER, UPDC, MANSARD, BERGER and NB rise by 7.38%, 7.32%, 3.6%, 3.57% and 2.74% respectively – hence, lifting the All-Share Index and Market Capitalization each by 188bps to close at 47,510.38 points and N25.61 trillion. Also, all the sector gauges closed in positive territory amid sustained buy



pressure. The NGX Banking index, NGX Insurance index, NGX Consumer Goods index, NGX Oil and gas index, the NGX Industrial Goods and NGX NSE–30 index increased by 5.59%, 1.36%, 0.14%, 1,89%, 1.59%, 1.55% and 2.24% respectively to close at 438.78 points, 186.76 points, 562.60 points, 447.37 points, 2138.84 points, and 1,819.84 points respectively. Meanwhile, market activity get stronger as volume and value of stocks traded rose by 9.72% and 106.96% to 1.25 billion units and N22.38 billion respectively. However, deals for the four days of the week under review close at 23,409 as against 23,471 recorded for the comparative full week.

In the new week, we expect equities to trade sideways as investors stay on the sidelines in anticipation of Q1 2022 corporate financial results.



Top Ten Gainers				Bottom Ten Losers			
Symbol	Apr 14 2022	Apr 8 2022	% Change	Symbol	Apr 14 2022	Apr 8 2022	% Change
MEYER	1.49	1.13	32%	STANBIC	32.15	34.15	-6%
LEARNAFRCA	2.10	1.73	21%	REGALINS	0.35	0.37	-5%
NAHCO	5.70	5.00	14%	MULTIVERSE	0.21	0.22	-5%
UACN	11.50	10.10	14%	UNILEVER	12.70	13.30	-5%
BERGER	7.00	6.20	13%	STERLNBANK	1.41	1.47	-4%
NEIMETH	1.58	1.42	11%	MBENEFIT [MRF]	0.25	0.26	-4%
CAP	19.80	18.00	10%	PZ	9.70	10.00	-3%
CUTIX	2.44	2.22	10%	JAPAULGOLD [MRF]	0.33	0.34	-3%
ZENITHBANK	25.10	23.00	9%	UPDC [BLS]	0.82	0.84	-2%
NB	43.75	40.20	9%	UNITYBNK [MRF]	0.46	0.47	-2%



Weekly Stock Recommendations as at Thursday, April 14, 2022

Stock	Last Qtr Result	Adjusted Forecast FY PAT	Current EPS	Forecast EPS	BV/S	P/B Ratio	PE Ratio	52 Weeks' High	52 Weeks' Low	Current Price	FY Price Target	Short term Stop Loss	Short term Take Profit	Upside Potential (%)	Recommendation
CAP	Q3 2021	818.52	1.55	1.04	4.95	3.64	11.60	27.50	15.40	18.00	25.00	15.30	20.70	38.89	Buy
Fidelity Bank	Q2 2021	19,180.00	0.92	0.66	9.44	0.38	3.87	3.99	1.40	3.56	3.28	3.03	4.09	-7.73	Hold
May & Baker	Q3 2021	1,176.57	0.56	0.68	3.93	1.09	7.69	5.18	1.79	4.30	6.09	3.66	4.95	41.63	Buy
UBA	Q3 2021	132,489.53	3.33	3.87	20.32	0.39	2.36	9.25	4.40	7.85	9.50	6.67	9.03	21.02	Buy
WAPCO	Q3 2021	48,473.52	1.91	3.01	22.33	0.99	11.49	27.00	8.95	22.00	30.00	18.70	25.30	36.36	Buy
Zenith Bank	Q3 2021	203,419.07	7.34	6.48	35.56	0.65	3.13	29.52	10.70	23.00	32.14	19.55	26.45	39.72	Buy

FGN Eurobonds Trading Above 8% Yield as at Thursday, April 14, 2022

FGN Eurobonds	Issue Date	TTM (years)	25-March-22 Price (N)	Weekly Naira Δ	25-March-22 Yield	Weekly PPT Δ
7.143 FEB 23, 2030	23-Feb-18	7.87	90.65	-1.86	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.78	97.00	-1.80	8.8%	0.00
7.875 16-FEB-2032	16-Feb-17	9.85	90.89	-2.12	8.8%	0.00
7.375 SEP 28, 2033	28-Sep-21	11.47	86.53	-2.18	8.8%	0.00
7.696 FEB 23, 2038	23-Feb-18	15.87	82.62	-2.04	9.4%	0.00
7.625 NOV 28, 2047	28-Nov-17	25.64	78.41	-2.17	9.5%	0.00
9.248 JAN 21, 2049	21-Nov-18	26.79	90.70	-1.96	9.9%	0.00
8.25 SEP 28, 2051	28-Sep-21	29.48	82.46	-1.97	9.7%	0.00
7.143 FEB 23, 2030	23-Feb-18	7.87	90.65	-1.86	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.78	97.00	-1.80	8.8%	0.00

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