

### Segment Outlook:

## Cowry Financial Markets Review, Outlook & Recommended Stocks

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#### ECONOMY: Inflation Rate Rise to 15.92% in March 2022 on Core Inflation....

We expect to see further increased inflationary pressure in April due to rising insurty which continue to negatively impact food distributions across the country. More so, the increasing demand pressure on the greenbank would further put pressure on cost, coupled with the rainy season and effect of crude oil price on transportation cost....

#### 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: NITTY 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.....

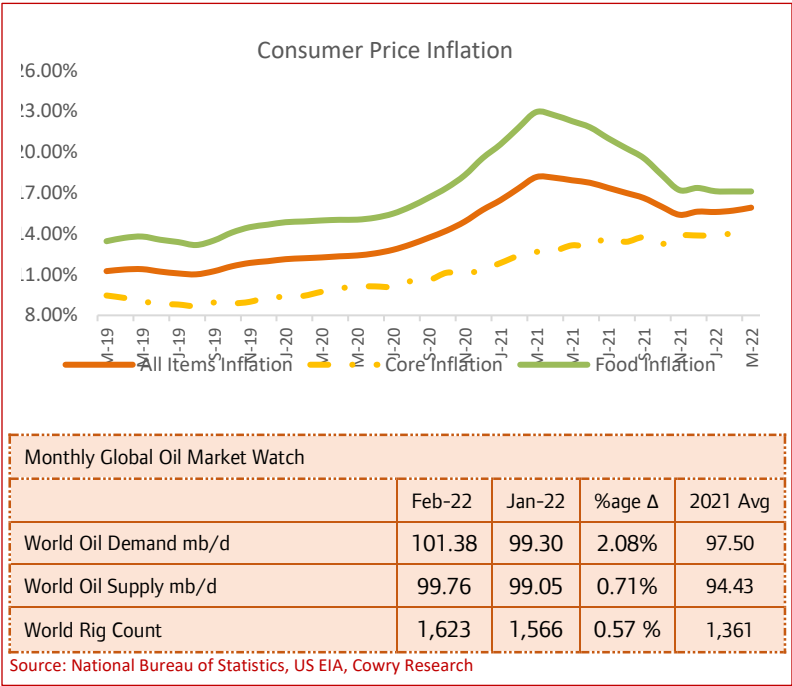
In the new week, we expect the value of FGN Bonds, especially for 42s to increase (and yields to fall) amid increased demand due to the maturing bills in the money market....

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

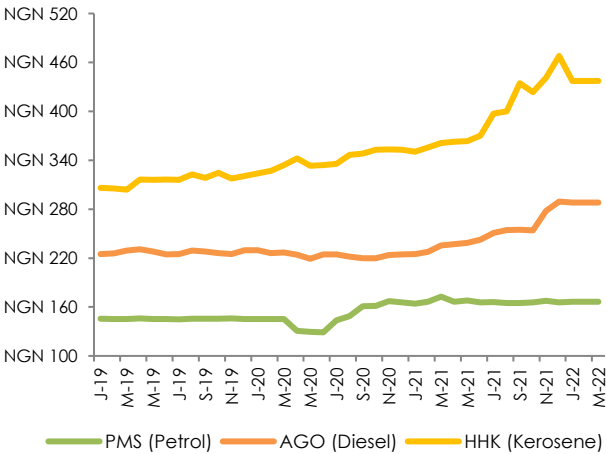
In line with our expectations, the local bourse witnessed bullish momentum as investors bought shares of tickers companies with sound fundamentals....

ECONOMY: Inflation Rate Rise to 15.92% in March 2022 on Core Inflation....

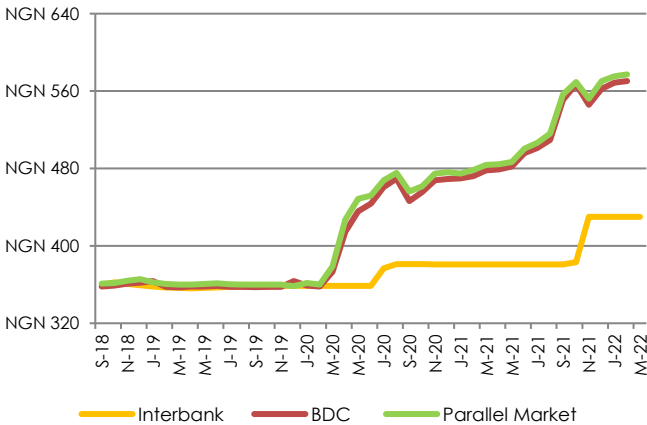
Freshly released March Inflation report from the National Bureau of Statistics (NBS) showed that the decline in headline inflation came to a halt, as inflation rate trended upward to 15.92% in March (from 15.70% recorded in February). Faster inflation rates were also printed in both urban and rural areas at 16.44% (from 16.25%) and 15.42% (from 15.18%) respectively in March; driven principally by food inflation in March 2022 and a moderating gallop in the food index to 17.20% (from 17.11% in February). We saw a rise in the prices of bread, tea & cocoa, milk, bread, cereals, meat, fat and vegetables amongst others. Also, core inflation rate moderate to 13.91% (from 14.01% in February) on the back of lower y-o-y fall in prices of clothing & footwear, Housing water, electricity, gas & other utilities, as well as furnishings & household equipment maintenance. Specifically, we saw weaker y-o-y increases in prices of Bread and cereals, Potatoes, yam and other tuber, Oils and fats and fruit. On the flip side, core inflation rate fell to 13.91% y-o-y in March (from 14.01% in February) amid higher prices of Alcoholic Beverage, Tobacco & Kola, Housing Water, Electricity, Gas & Other Fuel as well as Clothing & Footwear. Meanwhile, imported food index rose by 17.48% (as against 17.40% in January 2021) as Naira depreciated against the greenback at the parallel market. Two months moving average foreign exchange rate at this market rose m-o-m by 0.59% to N579.16/USD in February 2022. On a month-on-month basis, headline inflation rose to 1.73% in March (from 1.61% in February) on the back of monthly increases in the cost of all items, especially Food, transportation cost & Non-Alcoholic Beverages. Food inflation rate rose to 1.99% from 1.87% while core inflation rate rose to 0.98% from 1.33%.



Monthly Average Commodity (Fuels) Price/Litre



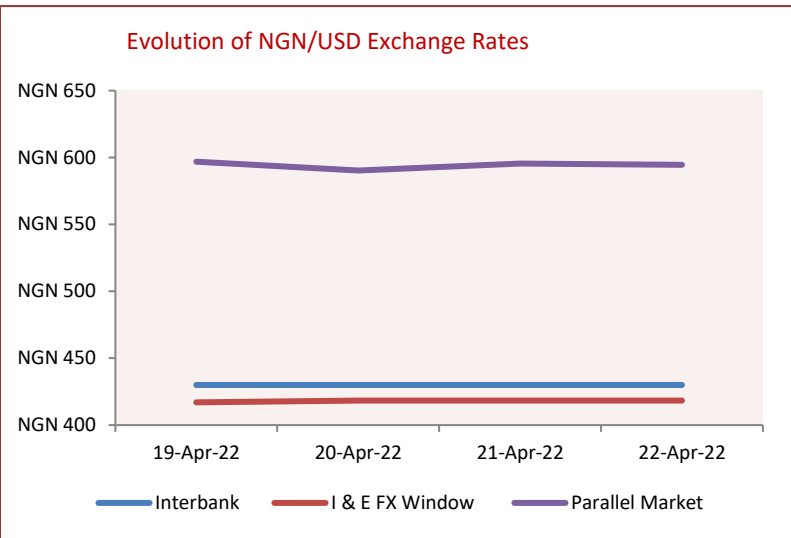
Monthly Average Exchange Rates (NGN/USD)



We expect to see further increased inflationary pressure in April due to rising insurity which continue to negatively impact food distributions across the country. More so, the increasing demand pressure on the greenbank would further put pressure on cost, coupled with the rainy season and effect of crude oil price on transportation cost.

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 0.28% to N419.5/USD at the I&E FX Window as Bonny light price rised to USD108.13 per barrel. Furthermore, Naira gained further against the greenback at the Parallel market by 20.00% to close at N585.00/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

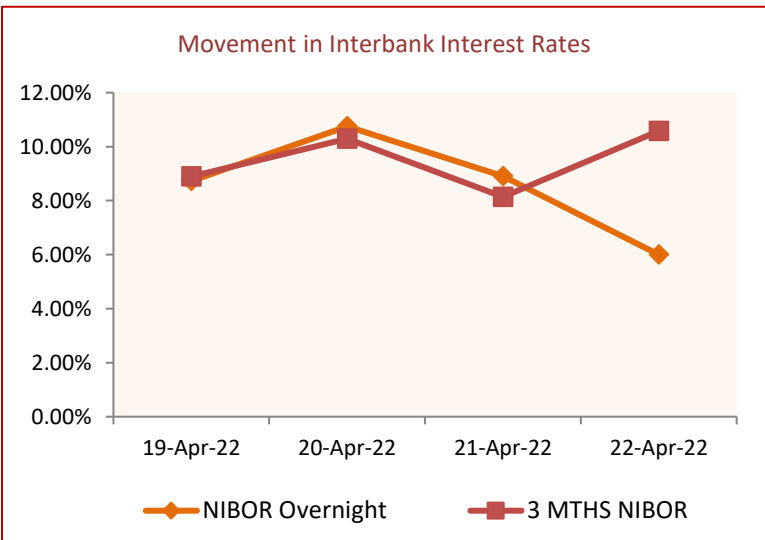


allocated to Wholesale Secondary Market Intervention Sales (SMIS), USD55 million was allocated to Small and Medium Scale Enterprises and USD55 million was sold for invisibles. Meanwhile, the Naira/USD exchange rate went in mixed directions across the foreign exchange forward contracts. Specifically, 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: NITTY Rises for All Tenor Buckets on Financial Liquidity Strain...

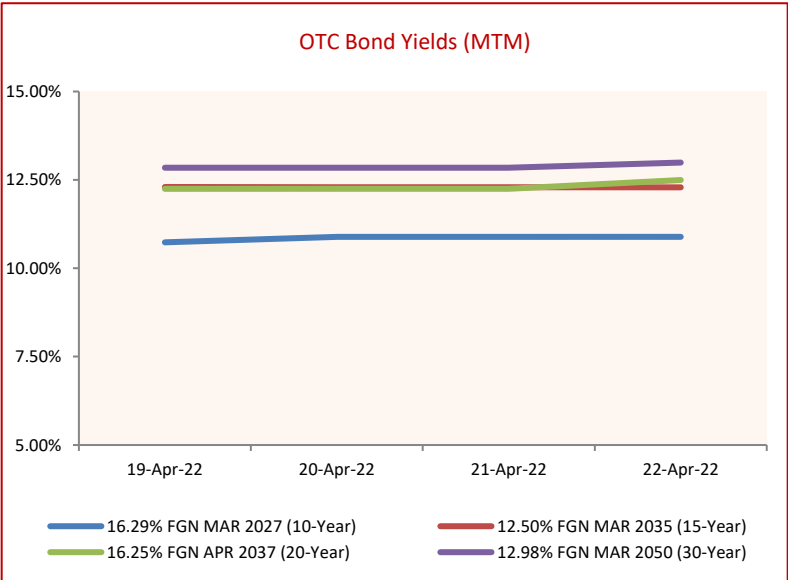
In the just concluded week, there was no auction in the market which resulted in the bullish run on a week on week comparision amid sell pressure. Generally, NIITTY for 1 month, 3 months, 6 months and 12 months maturities increased to 2.71% (from 2.24%), 3.14% (from 2.78%), 3.90% (from 3.50%) and 4.83% (from 4.700%) respectively. Meanwhile, in the OMO market, we saw N25 billion bills worth matured without refinancing, Given the new inflow, NIBOR closed in mixed direction for the tenor buckets as 3 months, and 6 month tenor buckets rose to 10.58% (from 10.36%), and 10.85% (from 10.68%) respectively. However, Overnight and 1 month tenor bucket fell to 6.00% (from 10.00%) and 9.60% (from 9.68%) respectively.



In the new week, T-bills will mature via the primary market worht N15.78 billion. 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 15-year maturity 12.50% FGN MAR 2030 instrument which rose by N0.93 to N101.33 from N101.0 while its yield declined to 12.295% (from 12.44%). The 10-year, 16.29% FGN MAR 2027 paper, the 20-year 16.25% FGN MAR 2037 debt and

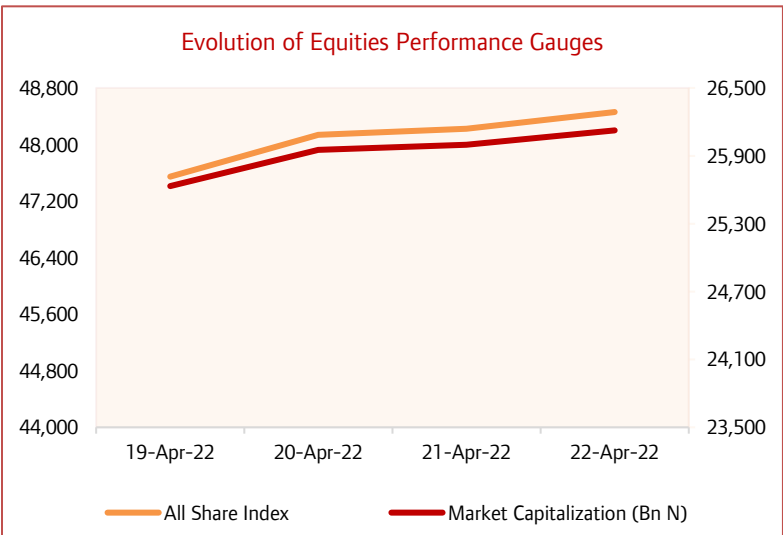


the 30-year 12.98% FGN MAR 2050 bond depreciated by N0.67, N2.01 and N1.10 respectively; their corresponding yields increased to 10.89% (from 10.74%), 12.49% (from 12.25%) and 12.99% (from 12.85%) respectively. Elsewhere, the value of FGN Eurobonds traded at the international capital market depreciated all maturities tracked on renewed bearish sentiment. The 10-year, 6.375% JUL 12, 2023 bond, the 20-year, 7.69% FEB 23, 2038 paper and the 30-year, 7.62% NOV 28, 2047 debt lost USD 0.29 , USD 1.76 and USD0.33 respectively; their corresponding yields rose to 5.28% (from 5.05%), 10.15% (from 9.89%) and 10.23% (from 9.97%) respectively.

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 48,459.65 points, raising the weekly gain by 2.00%..**

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 OANDO, ETERNA, MEYER, WAPCO and IKEJAHOTEL rise by 9.94%, 9.92%, 9.91%, 9.89% and 9.30% respectively – hence, lifting the All-Share Index and Market Capitalization each by 200bps to close at 48,459.65 points and N26.1 trillion. Also, all the sector gauges closed in positive territory



amid sustained buy pressure. The NGX Banking index, NGX Consumer Goods index, NGX Oil and gas index, the NGX Industrial Goods and NGX NSE30 index increased by 1.00%, 3.00%, 6.00%, and 3.00% respectively to close at 441.42 points, 581.22 points, 475.84 points, 2174.20 points, and 1,874.20 points respectively. Meanwhile, market activity was mix bagged as volume rose by 27% to 1.3 billion units while value of stocks traded decreased by 3% to N17.8 billion. However, deals for the four days of the week under review close at 20,212 as against 23,409 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 22 2022	Apr 14 2022	% hange	Symbol	Apr 14 2022	Apr 8 2022	% Change
MEYER	2.33	1.49	56%	NEIMETH	1.36	1.58	-14%
ETERNA	6.65	5.00	33%	RTBRISCOE [MRF]	0.53	0.60	-12%
OANDO [MRF]	5.86	4.83	21%	LEARNAFRCA	1.95	2.10	-7%
GUINNESS	82.25	70.00	18%	ABCTRANS	0.29	0.31	-6%
FTNCOCOA [RST]	0.37	0.33	12%	CAVERTON	1.18	1.26	-6%
NB	48.70	43.75	11%	REGALINS	0.33	0.35	-6%
WAPCO	25.55	23.00	11%	AFRIPRUD	6.00	6.30	-5%
BERGER	7.70	7.00	10%	DANGSUGAR	15.95	16.70	-4%
UNITYBNK [MRF]	0.50	0.46	9%	SOVRENINS	0.24	0.25	-4%
UPDC [BLS]	0.89	0.82	9%	UNILEVER	12.20	12.70	-4%



Weekly Stock Recommendations as at Thursday, April 22, 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	4.03	12.86	27.50	15.40	19.95	25.00	16.96	22.94	25.31	Buy
Fidelity Bank	Q2 2021	19,180.00	0.92	0.66	9.44	0.43	4.40	3.99	1.40	4.05	3.28	3.44	4.66	-18.90	Buy
May & Baker	Q3 2021	1,176.57	0.56	0.68	3.93	1.10	7.73	5.18	1.79	4.32	6.09	3.67	4.97	40.97	Buy
UBA	Q3 2021	132,489.53	3.33	3.87	20.32	0.40	2.43	9.25	4.40	8.10	9.50	6.89	9.32	17.28	Buy
WAPCO	Q3 2021	48,473.52	1.91	3.01	22.33	1.14	13.34	27.00	8.95	25.55	30.00	21.72	29.38	17.42	Buy
Zenith Bank	Q3 2021	203,419.07	7.34	6.48	35.56	0.70	3.40	29.52	10.70	25.00	32.14	21.25	28.75	28.54	Buy

FGN Eurobonds Trading Above 8% Yield as at Thursday, April 22, 2022

FGN Eurobonds	Issue Date	TTM (years)	22-April-22 Price (N)	Weekly Naira Δ	22-April-22 Yield	Weekly PPT Δ
7.143 FEB 23, 2030	23-Feb-18	7.85	89.59	-1.05	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.76	95.70	-1.30	8.8%	0.00
7.875 16-FEB-2032	16-Feb-17	9.83	89.18	-1.71	8.8%	0.00
7.375 SEP 28, 2033	28-Sep-21	11.44	84.87	-1.66	8.8%	0.00
7.696 FEB 23, 2038	23-Feb-18	15.85	80.86	-1.76	9.4%	0.00
7.625 NOV 28, 2047	28-Nov-17	25.62	76.52	-1.89	9.5%	0.00
9.248 JAN 21, 2049	21-Nov-18	26.77	89.00	-1.70	9.9%	0.00
8.25 SEP 28, 2051	28-Sep-21	29.45	80.37	-2.09	9.7%	0.00
7.143 FEB 23, 2030	23-Feb-18	7.85	89.59	-1.05	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.76	95.70	-1.30	8.8%	0.00

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