

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

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EQUITIES MARKET: The NGX All Share Index closed at 49,638.94 points, raising the weekly gain by 1.65%,

In the new week, we expect the equities market index to rise further as investors buy more shares in anticipation for the Q1 2022 companies releases.

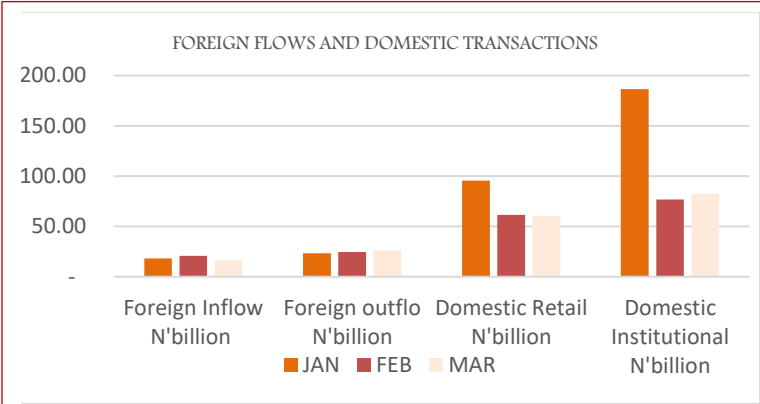
ECONOMY: Continued Decline in FPIs’ Participation in Equity Trading ...

Freshly released report by the Nigerian

Exchange (NGX) on domestic and foreign portfolio participation in equities trading showed that total equities market transactions increased by 0.93% to N185.26 billion in March 2022 from N183.56 billion in February 2022. When compared to March 2021, the result shows that total transactions decreased by 18.92% y-o-y. Further analysis of the total transactions revealed that total domestic transactions increased by 3.59% m-o-m to N143.09billion in March from N138.13billion in February 2022, total foreign transactions decreased by 7.17% m- o- m to N42.17billion from N45.43billion in February 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. However, local investors seem to be taking position as companies’ Q1 year 2022 results is being released, as they accumulate more shares of some fundamentally sound stocks. Notably, we saw local players participation in the equities market increased in March than in the February 2022. Further breakdown showed that domestic institutional investors outperformed retail investors by 16%. The m- o- m comparison of domestic transactions shows that retail transactions decreased by 1.27% to N60.61billion in March 2022 from N61.39billion in February 2022. Meanwhile, the institutional composition of the domestic market m-o-m increased by 7.48% to N82.48billion in March 2022 from N76.74billion in February 2022. The 2021 transaction data shows that domestic investors Contributed 77.24% of the total amount of transactions, whilst FPI contributed 22.73% Of the total transactions in the same period, 2022 data revealed domestic transactions to be N563.29billion and FPI N129.01billion. The ratio of total domestic transactions to total foreign transactions tilted remain 77:23 at the end of March 2022. A further breakdown of the FPI transactions m-o-m showed that foreign portfolio inflows reduced to N16.37 billion (from N20.86 billion); Also, foreign portfolio outflows increased to 25.80 billion in March from N24.57 billion m-o-m in Feb 2022. On the part of local investors, we saw increased stake in the equities market – their purchase transactions were N76.08 billion, higher than N67.01 billion worth of outflows.

The equities market continue to be bullish in the first quarter of the year amid releases of the audited FY 2021 financial results. This, was despite the dwindling level of participation by the foreign portfolio investors. We expect that going forward the performance of the local bourse would chiefly depend on the perceived level of risk in the political space as well as the performance of companies in Q1 2022.



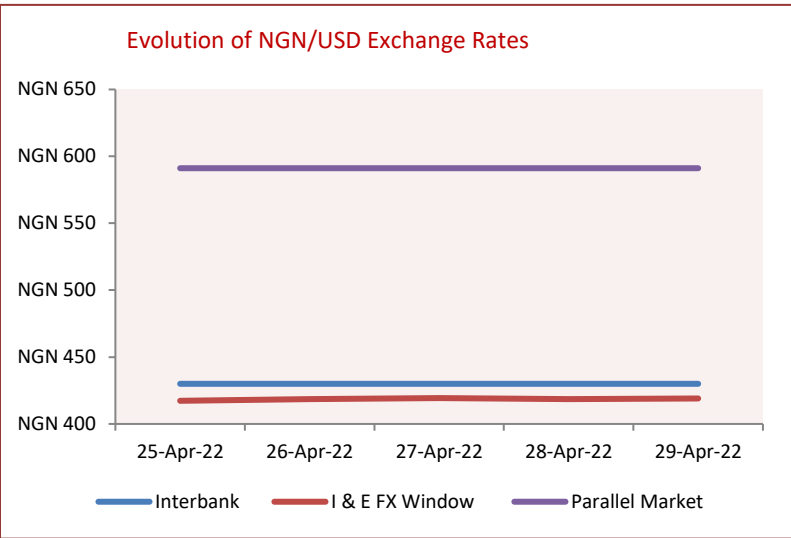
Monthly Global Oil Market Watch				
	Feb-22	Jan-22	%age Δ	2021 Avg
World Oil Demand mb/d	101.38	99.30	1.20%	97.50
World Oil Supply mb/d	99.76	99.05	1.18%	94.43
World Rig Count	1,623	1,566	0.57 %	1,361

Source: Niiergia Exchange Ltd. US EIA. Cowrv Research



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 0.23% to N418.5/USD at the I&E FX Window as Bonny light price rised to USD107.09 per barrel. However, Naira depreciated against the greenback at the Parallel market by 19.00% to close at N590.00/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

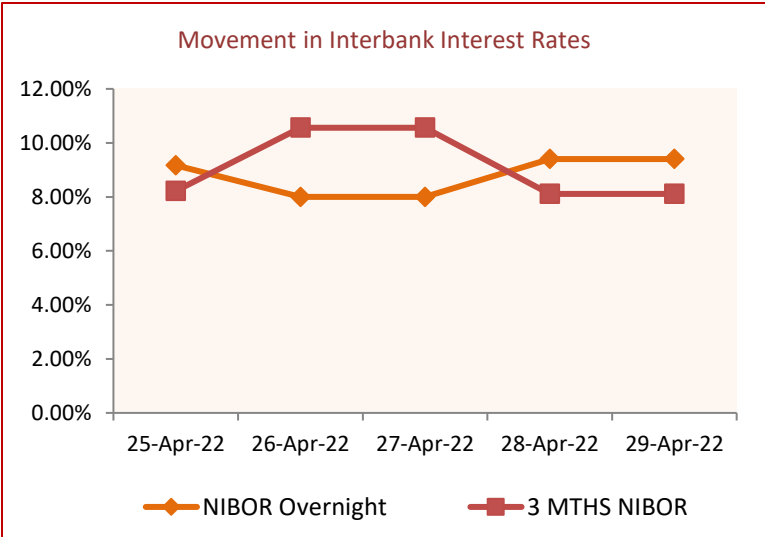


allocated to Wholesale Secondary Market Intervention Sales (SMIS), USD55 million was allocated to Small and Medium Scale Enterprises and USD55 million was sold for invisibles. Meanwhile, the Naira/USD exchange rate went in mixed directions across the foreign exchange forward contracts. Specifically, 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: CBN Forced to Increase Stop Rate for 364-day Bill amid High Investors’ Bids...

In the just concluded week, CBN allotted T-bills worth N221 billion to refinance the N15.78 billion worth of matured treasury bills. Specifically, the 364-day bill was issued at a higher rate as investors bids were high. Hence, stop rate for 364-day bill increased to 4.79% from (4.00%) while the stop rate for 91-Day bill and 182-Day bill remain unchanged at 1.44% and 3% respectively. In tandem with the increase in 364-day bill rate, yields in the secondary market turned northwards for most of the



maturities tracked. NIITTY for 1 month, 3 months and 12 months maturities increased to 2.93% (from 2.71%), 3.30% (from 3.14%), and 4.99% (from 4.83%) respectively. While NITTY for 6 months decreased to 3.80% (from 3.90%). Meanwhile, NIBOR moved in different directions across tenor buckets tracked except Overnight tenor bucket which rose to 9.40% (from 6.00%), the 1 month, 3 months, and 6 month tenor buckets fell to 7.31% (from 9.60%) 8.11% (from 10.58%), and 8.49% (from 10.85%) respectively.

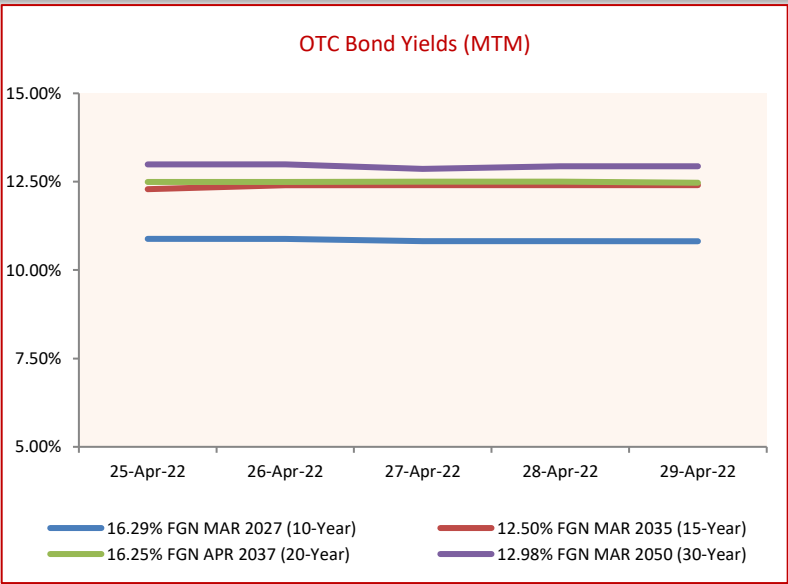
In the new week, we expect activity in the money market to be slightly bullish as the market expects liquidity boost from the maturing N20 billion worth of OMO bills.

BOND MARKET:FGN Eurobond Yields Depreciated on renewed Bearish Sentiment.

In the just concluded week, investors were mostly bearish on maturities tracked in the secondary market as the value of FGN bonds traded in mismag direction for the maturities tracked.The 10-year, 16.29% FGN MAR 2027 instrument rose by N0.25 to N120.31 from N120.06 while its yield declined to 10.82% (from 10.88%)., the 15-year 12.50% FGN MAR 2035 instrument rose by N0.22 to

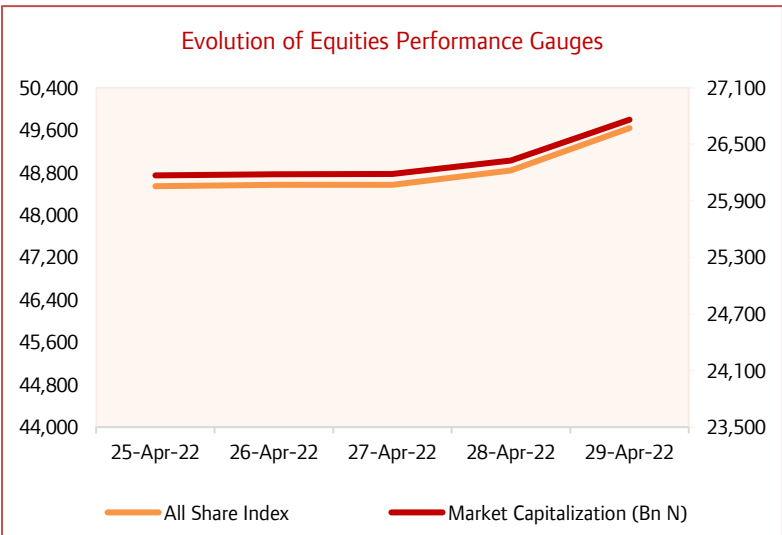
N100.61 (from N100.40) while its yield declined to 12.40% (from 12.44%). However, 20-year 16.25% FGN APR 2037 debt and the 30-year 12.98% FGN MAR 2050 bond depreciated by N1.83, N2.01 and N0.67 respectively; their corresponding yields increased to 12.47% (from 12.25%) and 12.93% (from 12.85%) respectively. Elsewhere, the value of FGN Eurobonds traded at the international capital market depreciated for 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 1.44 , USD 5.51 and USD6.70 respectively; their corresponding yields rose to 6.53% (from 5.28%), 11.02% (from 10.15%) and 10.99% (from 10.23%) respectively.

In the new week, we expect the value of FGN Bonds, especially for longer maturities to fall (and yields to rise) as investors demand for higher returns given the recent rate hike on 364-day Bill. Nevertheless, we expect investors to demand for Nigerian Eurobonds as yields trade at attractive levels.



EQUITIES MARKET: The NGX All Share Index closed at 49,638.94 points, raising the weekly gain by 1.65%,

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 NEM, CADBURY, JBERGER, AIRTELAFRI and DANGCEM rise by 10.00%, 9.65%, 9.35%, 5.00% and 2.31% respectively – hence, lifting the All-Share Index and Market Capitalization each by 165bps to close at 49,638.94 points and N26.76 trillion. Also, most of the sector gauges closed in positive



territory amid sustained buy pressure. Notably, The NGX Consumer Goods index, NGX Oil and gas index, the NGX Industrial Goods and NGX NSE30 index increased by 6.35%, 10.20%, 0.51%, and 2.11% respectively to close at 618.11 points, 524.38 points, 2185.25 points, and 1,886.26 points respectively. Meanwhile, market activity was bullish as volume and value rose by 8% & 43% to 1.4 billion units and N30 billion. However, deals for the five days of the week under review close at 29,132 as against 20,212 recorded for the comparative full week.

In the new week, we expect the equities market index to rise further as investors buy more shares in anticipation for the Q1 2022 companies releases.



Top Ten Gainers				Bottom Ten Losers			
Symbol	Apr 29 2022	Apr 22 2022	% hange	Symbol	Apr 29 2022	Apr 22 2022	% Change
MEYER	3.00	2.33	29%	JAPAULGOLD	0.30	0.34	-12%
CADBURY	10.25	8.40	22%	NPFMCRFBK	1.98	2.20	-10%
CHAMPION [BLS]	2.52	2.08	21%	ETERNA	6.02	6.65	-9%
UPDC [BLS]	1.07	0.89	20%	GLAXOSMITH	5.85	6.25	-6%
NB	57.10	48.70	17%	FIDELITYBK	3.80	4.05	-6%
TRANSCORP [MRF]	1.19	1.02	17%	OKOMUOIL	147.00	155.00	-5%
SEPLAT	1,200.00	1,030.00	17%	HONYFLOUR	3.70	3.90	-5%
AIICO	0.79	0.68	16%	WAPIC	0.44	0.46	-4%
NEIMETH	1.58	1.36	16%	MANSARD	2.44	2.54	-4%
GUINNESS	93.00	82.25	13%	MBENEFIT	0.25	0.26	-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
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	2.07	6.61	27.50	15.40	10.25	25.00	8.71	11.79	143.90	Buy
Fidelity Bank	Q2 2021	19,180.00	0.92	0.66	9.44	0.40	4.13	3.99	1.40	3.80	3.28	3.23	4.37	-13.56	Buy
May & Baker	Q3 2021	1,176.57	0.56	0.68	3.93	1.12	7.87	5.18	1.79	4.40	6.09	3.74	5.06	38.41	Buy
UBA	Q3 2021	132,489.53	3.33	3.87	20.32	0.41	2.48	9.25	4.40	8.25	9.50	7.01	9.49	15.15	Buy
WAPCO	Q3 2021	48,473.52	1.91	3.01	22.33	1.21	14.10	27.00	8.95	27.00	30.00	22.95	31.05	11.11	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	7.83	85.38	-4.21	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.74	90.53	-5.17	8.8%	0.00
7.875 16-FEB-2032	16-Feb-17	9.81	83.92	-5.26	8.8%	0.00
7.375 SEP 28, 2033	28-Sep-21	11.42	79.94	-4.93	8.8%	0.00
7.696 FEB 23, 2038	23-Feb-18	15.83	75.35	-5.51	9.4%	0.00
7.625 NOV 28, 2047	28-Nov-17	25.60	71.39	-5.13	9.5%	0.00
9.248 JAN 21, 2049	21-Nov-18	26.75	83.64	-5.36	9.9%	0.00
8.25 SEP 28, 2051	28-Sep-21	29.44	75.74	-4.63	9.7%	0.00
7.143 FEB 23, 2030	23-Feb-18	7.83	85.38	-4.21	8.3%	0.00
8.747 JAN 21, 2031	21-Nov-18	8.74	90.53	-5.17	8.8%	0.00

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