

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Global Risks, Uncertainties Force IMF to Lower Growth Expectations for 2023

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In the week to come, we expect mixed sentiments to linger as market players continue to trade cautiously ahead of the March 2023 inflation numbers and Q1 earnings expectations. However, investors are expected to trade cautiously as insecurity and political post-election jitters continue to headline Nigeria's macros. Also, we continue to advise investors to trade on companies' stocks with sound fundamentals and a positive outlook.

ECONOMY: Global Risks, Uncertainties Force IMF to Lower Growth Expectations for 2023

This week, the International Monetary Fund (IMF) published its April 2023 World Economic Outlook, in which it lowered its global growth forecast for 2023 to 2.8% in 2023 from 3.4% in 2022 before recovering to 3.0% in 2024. The lowered growth expectation is coming on the back of the cumulative effects arising from the COVID-19 pandemic and the geopolitical unrest in eastern Europe.

Uncertainty plagues the global outlook at the moment on the back of the turmoil witnessed in the financial sector in mid-March, lingering supply disruptions, pent-up demand, and the continued spikes in commodity prices, which have seen inflation reach a multi-year high for so many countries, thereby spurring advanced central banks into a more hawkish position with policy rate hikes in the bid to keep inflation expectations anchored.

In a check from the previous (January 2023) update of 2.9% for 2023 and 3.1% for 2024, earlier this year, the IMF forecast indicates that a significant portion of the decline in global growth is due to a slowdown in the growth expectations of advanced economies, of which 90% are forecast to experience declining growth this year.

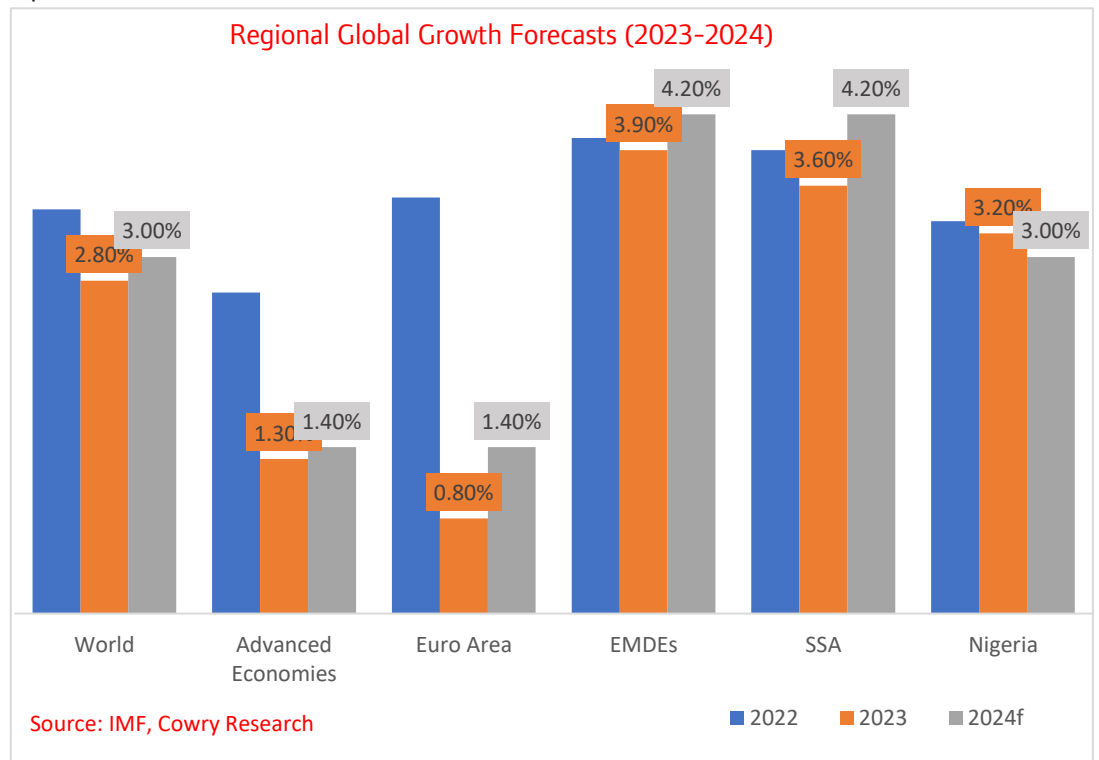
A baseline from the report was that the first world economies will experience growth declines to 1.3% in 2023 from 2.7% last year. The Fund pointed out that the outlook for 2024 for the advanced countries is not much better, as it projected their growth to rise by 10 basis points to 1.4%. A further breakdown shows that the US and the Euro Zone's 2023 output growth have been upgraded to 1.6% and 0.8%, respectively, compared with the January 2023 update. However, their 2023 growth rates represent declines from 2.1% and 3.5% in 2022.

Also, the growth prospects for emerging markets and developing economies (EMDEs) are largely stronger than for advanced economies, although with varying prospects across regions. The IMF forecasts growth of 3.9% and 4.2% in 2023 and 2024, respectively, for the region. Among the EMDE group, China's output growth forecasts are unchanged for 2023 and 2024, while its GDP forecast is upgraded to 5.2% from 3% before slipping to 4.5% in 2024 following the reopening of its economy due to a lessening in the incidence of COVID-19 infections.

A look at the forecast for the sub-Saharan African economies shows the IMF forecast for moderate growth of 3.6% in 2023, down from 3.9% in 2022, and increasing strongly to 4.2% in 2024. The growth is expected to be driven by positive growth in Nigeria, whose forecast was unchanged at 3.2% in 2023, and in the emerging market and middle-income economies, whose growth is expected to rise to 4% next year, while the low income and developing economies (LIDs) are forecast to grow 4.7% in 2023 and 5.4% in 2024.

Meanwhile, the latest projections from the IMF indicate an overall slowdown in medium-term growth. But some of the more recent slowdown may also reflect more ominous forces: the scarring impact of the pandemic, a slower pace of structural reforms, as well as the rising and increasingly real threat of geo-economic fragmentation leading to more trade tensions, less direct investment, and a slower pace of innovation and technology adoption across fragmented 'blocks.'

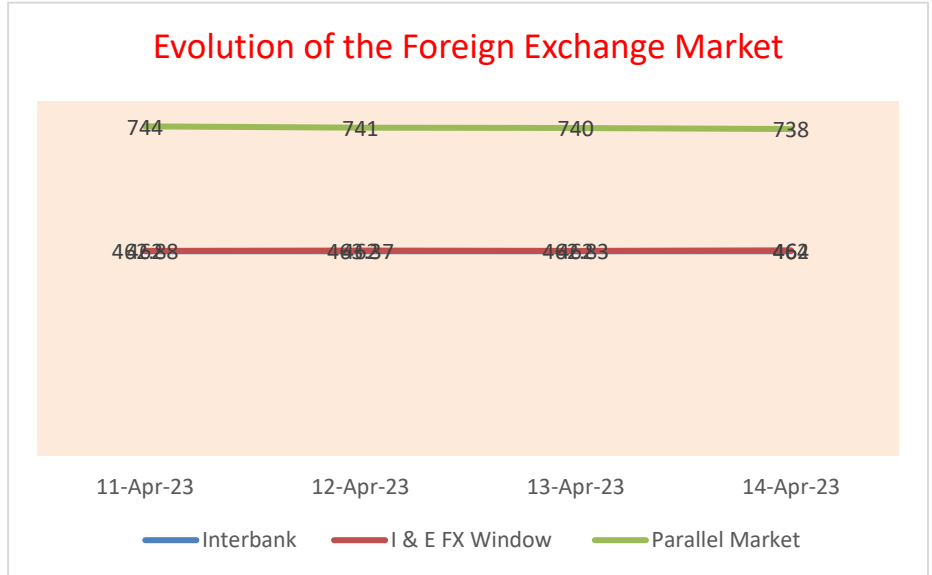
As the global economy's gradual recovery from the effects of the coronavirus pandemic from the last 3 years and the Russian-Ukrainian war stay on track, global growth will be dependent on the path taken by central banks globally in their quest to taper inflationary pressures as inflation keeps decelerating at a slower pace than expected.



FOREX MARKET: Demand Pressure Forces Naira Down to N464/\$1 at I&E Window as CBN Seeks More Control Across Markets....

In the just concluded week at the parallel market, the Naira maintained dominance at the open market as it edged out the dollar to gain N9 or by 1.21% week on week to close at N738/USD from N747/USD in the previous week. On the other hand, at the investors' and exporters' FX window, the Naira lost N0.75 or 0.16% week on week to close at N464/USD from N463.25/USD in the face of the unabating FX pressure from FX users while the apex bank seek ways to continue its rates control at the official market.

A look at activities at the Interbank Foreign Exchange Forward Contracts market, the spot exchange rate remained unchanged closed at N462/USD. Also, in our analysis of the Naira/USD exchange rate in the weekly Naira FX Forward Contracts Markets, it was the dollar reign across all forward contracts with depreciations reported for the Naira at the 1-Month, 2-Month, 3-Month and the 6-Month Contracts by -0.5%, -0.8%, -0.5% and -0.35% respectively to close at offer prices of N469.20/USD, N478.44/USD, N485.89/USD and N513.22/USD week on week. On the other hand, the Naira gained by 0.6% week on week for the 12-Month contract to close at contract offer price of N562.49/USD.

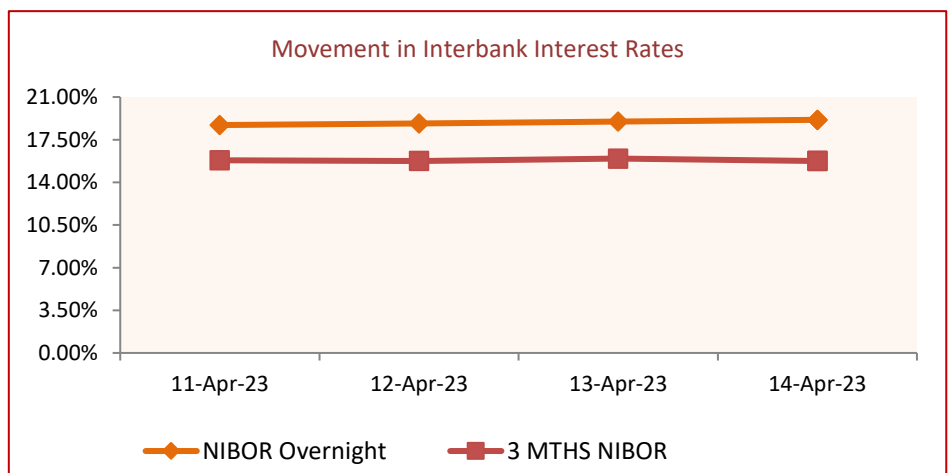


In the oil market this week Oil price movement saw a significant rebound of the commodity price to trade at above \$86 per barrel despite recessions fears in the US and the probable policy direction of the Fed. However, on the home front, data from the CBN data bank showed that the Bonny Light crude price surged by 1.23% or (USD1.07) week on week, to close at USD87.87 per barrel from USD86.80 per barrel in the previous week amidst the tightening supply due to the Russia-Ukraine war and the market volatility due to price oscillations.

Next week, we expect the naira to trade in a relatively calm band across various market segment barring any market distortion in the face of the Naira scarcity and as the apex bank continues its weekly FX market intervention to defend the value of the naira.

MONEY MARKET: Stop Rate for 364-day Bill Moderates to 14.70%...

During the week under review, the Apex Bank refinanced maturing T-bills worth N149.64 billion in the primary market with stop rates mostly flat for the front and mid-end maturities. Specifically, stop rates for 91- and 182-day bills were unchanged at 6.00% and 8.00%, respectively. However, at the longer end of the curve, stop rates moderated slightly, with the 365-day bill's stop rate declining to 14.70% (from 14.74%) due to improved demand. This was evidenced by a bid-to-cover ratio of 1.16x, an increase from 0.53x.



Despite this, yields in the secondary market rose for all maturities tracked, primarily due to persistently tight liquidity conditions. Consequently, NITTY for 1 month, 3 months, 6 months, and 12 months maturities leaped to 5.25% (from 4.30%), 6.86% (from 5.74%), 8.81% (from 7.78%), and 14.50% (from 12.97%), respectively, as investors sold their holdings. Elsewhere, NIBOR rose for most tenor buckets amid financial system liquidity strain. Overnight funds, NIBOR for 1 month, and 6 months tenor buckets rose to 19.13% (from 18.90%), 16.25% (from 15.85%), and 17.44% (from 16.50%), respectively. On the other hand, NIBOR for 3 months fell to 15.75% (from 16.25%).

In the new week, we expect activity in the money market to be bearish amid limited maturing Treasury and OMO bills...

BOND MARKET: FGN Bond Yields Move in Mixed Directions as Traders Position Ahead of the Auction...

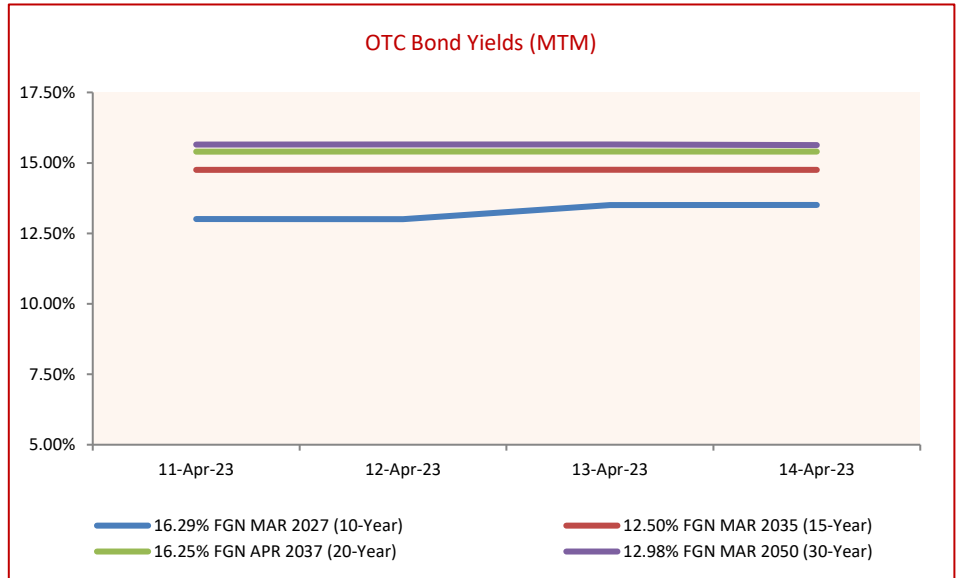
In the just concluded week, sentiment in the secondary market was a mixed bag as the value of FGN bonds traded moved in different directions across maturities tracked as traders cherry-picked bonds' maturities.

Specifically, the 16.29% FGN MAR 2027 debt, lost N1.59, while its corresponding yield expanded to 13.50% (from 13.01%). On the flip side, the 30-year 12.98% FGN MAR 2050 bonds gained N0.25 while their yield contracted to 15.60% (15.65%). The 15-year 12.50% FGN MAR 2035 and the 20-year

16.25% FGN APR 2037 paper yields remained unchanged at 14.75% and 15.40% from the previous week.

Meanwhile, the value of FGN Eurobonds traded on the international capital market depreciated for all maturities tracked due to sustained bearish sentiment. Specifically, the 10-year 6.38% JUL 12 2023, the 20-year 7.69% FEB 23 2038, and the 30-year 7.62% NOV 28 2047 repriced lower by USD 0.20, USD 1.18, and USD 1.48, while their corresponding yields leaped to 13.14% (from 11.82%), 13.15% (from 12.90%), and 12.87% (from 12.57%), respectively.

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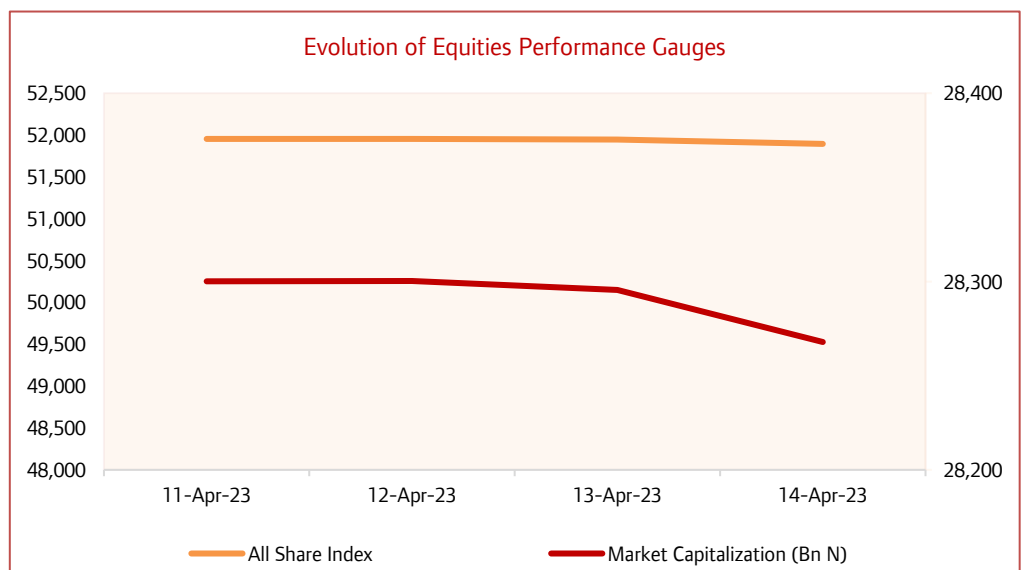
The Nigerian stock market suffered loss for another week in the face of buying and selling interest in expectations for the pending 2022 audited financials and Q1 2023 scorecards. However, market volatility remains at the extreme on mixed sentiments while investors continue to seek safer investment haven as hedge against inflation in the face of attractive fixed income yields.

As a result of the sustained lacklustre performance on the local bourse, the benchmark index posted another decline by 2.08% week on week to 51,893.94 points amid sell pressure in some of the small, mid and large cap stocks. Also, the market capitalization shed 2.08% week on week to N28.27 trillion as it wiped N601.3 billion in losses from investors' pockets while the year-to-date return declined to 1.25% from 3.40% last week.

Across the sectors this week, performance was largely on a bear trend across the indices under our purview except for the Consumer Goods sector which appreciated by 0.05% week on week.

On the other hand, Banking (-1.40%) and Insurance (-1.40%) indices emerged as the decliners this week as a result of sell-pressure. Also, the Industrial Goods sector (-0.40%) traded southward to close the week negative due to negative price movements.

At the close of the week, the level of market trading activities was negative as we saw the total number of deals plummet for another week by 2.91% week on week to 15,685 as market players recorded higher traded volumes by 167.99% for the week to 2.82 billion units that was valued at N8.94 billion, which is a decrease by 11.05% week on week. Meanwhile, the top-



gaining securities for the week were TRANSCORP (+23%), INTBREW (+11%), and NAHCO (+8%), while the week's losers were NEIMETH (-10%), MAYBAKER (-10%), and AIRTELAfri (-10%).

In the week to come, we expect mixed sentiments to linger as market players continue to trade cautiously ahead of the March 2023 inflation numbers and Q1 earnings expectations. However, investors are expected to trade cautiously as insecurity and political post-election jitters continue to headline Nigeria's macros. Also, we continue to advise investors to trade on companies' stocks with sound fundamentals and a positive outlook.

Weekly Gainers and Loser as at Friday, April 14, 2022

Top Ten Gainers				Bottom Ten Losers			
Symbol	April 14 2023	April 6 2023	% Change	Symbol	April 14 2023	April 6 2023	% Change
TRANSCORP	1.69	1.37	23%	NEIMETH	1.30	1.45	-10%
INTBREW	4.50	4.05	11%	MAYBAKER	4.05	4.50	-10%
ABCTRANS	0.34	0.31	10%	AIRTELAfri	1,198.00	1,331.10	-10%
BERGER	7.60	7.00	9%	CADBURY	10.20	11.30	-10%
NAHCO	10.60	9.80	8%	NPFMCrfBK	1.72	1.90	-9%
REGALINS	0.31	0.29	7%	FCMB	3.55	3.85	-8%
CAVERTON	1.02	0.97	5%	WAPCO	23.80	25.80	-8%
CHAMS	0.25	0.24	4%	UACN	8.00	8.50	-6%
SOVRENINS	0.29	0.28	4%	FBNH	10.45	11.10	-6%
CUTIX	2.30	2.23	3%	NGXGROUP	24.50	26.00	-6%

Weekly Stock Recommendations as at Friday, April 14, 2023

Stock	Current EPS	Forecast EPS	BV/S	P/B Ratio	P/E Ratio	52 WKs' High	52 WKs' Low	Current Price	Price Target	Short term Stop Loss	Short term Take Profit	Potential Upside	Recommendation
UBA	4.98	5.91	23.64	0.36	1.71	8.85	6.55	8.50	10.1	7.2	9.8	28.75	Buy
NAHCO	1.37	1.63	4.34	2.42	7.7	10.50	4.51	10.60	12.5	8.9	12.1	18.75	Buy
OKOMUOIL	17.02	20.21	40.55	4.52	10.78	216.90	104	183.50	217.9	156.0	211.0	18.75	Buy
TRANSCORP	0.41	0.49	3.98	0.39	3.72	1.64	0.98	1.69	2.0	1.3	1.8	29.87	Buy
UCAP	1.61	1.91	5.50	2.17	7.43	15.60	9.00	11.80	14.2	10.2	13.7	18.75	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, April 14, 2023

FGN Eurobonds	Issue Date	TTM (years)	14-Apr-23	Weekly	14-Apr-23	Weekly
			Price (N)	USD Δ	Yield	PPT Δ
6.375 JUL 12, 2023	12-Jul-13	0.24	98.42	(0.39)	13.1%	1.32
7.625 21-NOV-2025	21-Nov-18	2.61	90.56	0.42	12.0%	0.21
6.50 NOV 28, 2027	28-Nov-17	4.63	90.56	0.42	12.0%	0.21
6.125 SEP 28, 2028	28-Sep-21	5.46	76.13	(1.38)	12.3%	0.21
8.375 MAR 24, 2029	24-Mar-22	5.95	80.54	(1.36)	13.2%	0.28
7.143 FEB 23, 2030	23-Feb-18	6.87	74.08	(1.68)	13.0%	0.31
8.747 JAN 21, 2031	21-Nov-18	7.78	78.00	(2.04)	13.4%	0.33
7.875 16-FEB-2032	16-Feb-17	8.85	73.43	(1.49)	13.0%	0.28
7.375 SEP 28, 2033	28-Sep-21	10.47	68.67	(1.71)	12.9%	0.28
7.696 FEB 23, 2038	23-Feb-18	14.87	64.74	(1.84)	13.2%	0.25
7.625 NOV 28, 2047	28-Nov-17	24.64	61.11	(2.17)	12.9%	0.30
9.248 JAN 21, 2049	21-Nov-18	25.79	69.66	(2.57)	13.5%	0.24
8.25 SEP 28, 2051	28-Sep-21	28.48	63.48	(2.27)	13.2%	0.24

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, April 14, 2023

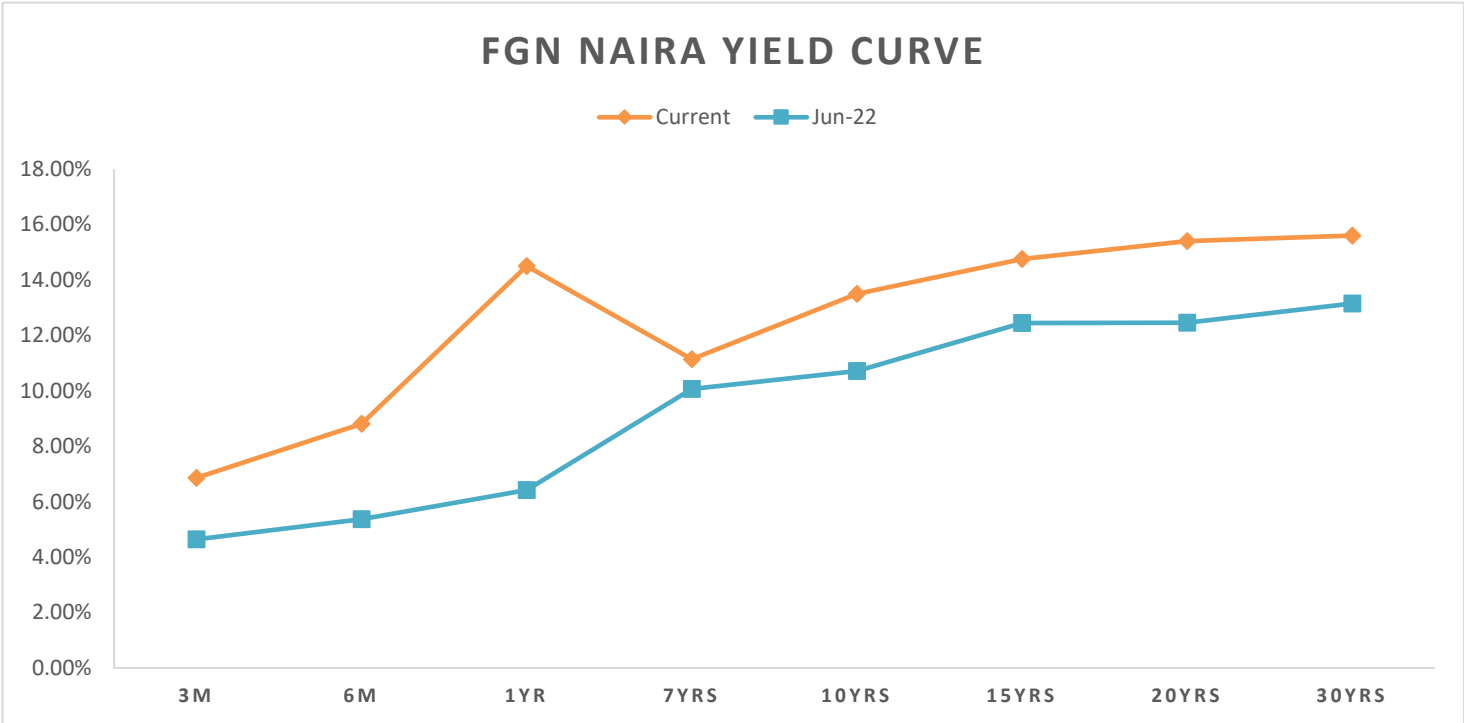
MAJOR	14-Apr-23	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1004	1.1044	-0.36%	1.00%	4.07%	1.85%
GBPUSD	1.2437	1.2520	-0.66%	0.22%	3.12%	-4.73%
USDCHF	0.8935	0.8893	0.48%	-1.28%	-4.24%	-5.27%
USDRUB	81.8030	81.6968	0.13%	2.00%	6.74%	4.41%
USDNGN	459.9300	459.9300	0.00%	0.02%	-0.02%	11.09%
USDZAR	18.1308	18.0442	0.48%	-0.37%	-1.56%	24.09%
USDEGP	30.8989	30.8495	0.16%	0.16%	0.16%	67.89%
USDCAD	1.34	1.3334	0.18%	-1.14%	-3.01%	5.88%
USDMXN	18.07	17.9976	0.42%	-0.25%	-4.68%	-9.46%
USDBRL	4.96	4.9273	0.57%	-2.00%	-6.33%	5.47%
AUDUSD	0.6730	0.6781	-0.76%	0.99%	1.80%	-8.96%
NZDUSD	0.6233	-0.0600	-0.96%	-0.09%	0.87%	-7.84%
USDJPY	133.4210	132.5594	0.65%	0.99%	0.03%	5.61%
USDCNY	6.8694	6.8708	-0.02%	-0.11%	-0.35%	7.65%
USDINR	81.7980	81.6510	0.18%	-0.08%	-1.31%	7.20%



Global Commodity Prices as at 3:30 PM GMT+1, Friday, April 14, 2023

Commodity		06-Apr-23	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	80.2	80.6	-0.47%	7.79%	3.14%	-16.07%
BRENT	USD/Bbl	84.8	85.0	-0.24%	7.91%	2.43%	-15.23%
NATURAL GAS	USD/MMBtu	2.1	9.8	-2.91%	-0.42%	-26.23%	-67.45%
GASOLINE	USD/Gal	2.8	2.8	-0.56%	6.29%	4.23%	-7.18%
COAL	USD/T	198.0	192.6	2.78%	12.12%	8.79%	-30.89%
GOLD	USD/t.oz	2,006.7	2,020.3	-0.67%	1.36%	10.68%	3.88%
SILVER	USD/t.oz	24.7	25.0	-0.92%	3.65%	23.40%	0.71%
WHEAT	USD/Bu	675.1	682.0	-1.01%	-2.47%	-3.28%	-34.15%
PALM-OIL	MYR/T	3,823.0	3,867.9	-1.16%	0.92%	-9.08%	-34.39%
COCOA	USD/T	2,906.0	2,903.1	0.10%	-0.38%	6.60%	12.90%

FGN Bonds Yield Curve, Friday April 14, 2023



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