

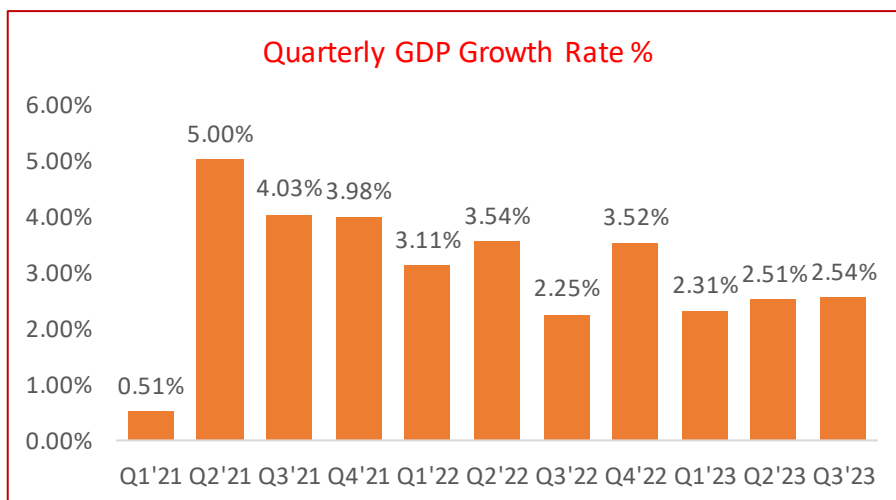
Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Nigeria's Economy Expands by 2.54% y/y Against All Odds; Diversification Takes Effect....

The latest GDP report published by Nigeria's National Bureau of Statistics show that Nigeria's economy grew by 2.54% year-on-year in real terms to N19.44 trillion. This growth rate marks an improvement over the corresponding period in 2022 (2.25%) and the preceding quarter of 2023 (2.51%) which poses a positive trajectory for Nigeria; staying indicative of the economy's resilience and its ability to rebound from challenges. This is also the strongest number on record so far in 2023 amid election jitters and the impact of the various government reforms.

In nominal terms, the aggregate GDP for Q3 2023 inched further to N60.7 trillion and eclipses the parallel figure of N52.3 trillion from the third quarter of 2022, translating to a striking year-on-year nominal expansion of 16.08%. This figure bespeaks a significant surge in the nominal economic value during this interval, revealing a noteworthy upward trajectory.

According to the report, the standout performance of various economic sectors was central to this economic trajectory. Nevertheless, the Services sector emerges as the principal growth catalyst during the third quarter, and exhibiting an impressive expansion of 3.99%. This sector not only contributed significantly to the overall GDP but also demonstrated its pivotal role in driving economic activity. The Services sector's 52.70% share in the aggregate GDP underscores its dominance and influence in shaping the country's economic landscape.



Zooming further into the sectoral echelons that have driven growth of Nigeria's real output during the review period, the Agriculture sector, alongside the services sector, contributed to the positive momentum, registering a growth rate of 1.30%. While this represents a slight dip from the previous year's figure, it underscores the sector's continued role in supporting economic growth. Similarly, the Industry sector, after facing a notable contraction of -8.00% in Q3 2022, showcased resilience with a growth rate of 0.46% in Q3 2023. This recovery signals positive shifts within the industrial landscape and aligns with broader economic stabilization efforts.

On the contrary, the Industry sector paints a contrasting picture as it experienced a contraction of -1.94% in the second quarter of 2023, albeit less severe than the -2.30% recorded in the corresponding period of the preceding year. While negative growth raises concerns, the mitigated decline signals a certain degree of stabilization within the sector. Meanwhile, a cursory analysis in the slices of the GDP pie that these sectors contributed, it becomes evident that both Agriculture and the Industry sectors have recovered from their slumps as was reported in Q2, and paints a positive picture of resilient and evolving economy when compared to the same timeframe in 2022.

Elsewhere, the oil sector's retarded growth conundrum wane gradually as it contributed 5.48% to the total real GDP in Q3 2023, down from the figure recorded in the corresponding period of 2022 and up from the preceding quarter, where it contributed 5.66% and 5.34% respectively. On a year over year analysis, the sector's real growth was on a negative of 0.85% in Q3'23 indicating an increase of 21.83% points relative to the rate recorded in the corresponding quarter of 2022 (-22.67%). Growth also increased by 12.58% points when compared to Q2 2023 which was -13.43%. On a quarter-on-quarter basis, the oil sector recorded a growth rate of 12.47% in Q3 2023.

During the period, Nigeria recorded an average daily oil production of 1.45 million barrels per day (mbpd), higher than the daily average production of 1.20mbpd recorded in the same quarter of 2022 by 0.25mbpd and higher than the second quarter of 2023 production volume of 1.22 mbpd by 0.23mbpd. This comes on the back of abating level of pipeline vandalism and the menace of oil theft as well as the phased implementation of the petroleum industry Act (PIA).

For the non-oil sector, it grew by 2.75% in real terms in Q3'23, lower by 1.52% point from Q3'22 and down by 0.84% in Q2'23. The principal drivers of the non-oil sector were the telecommunication, financial institutions, trade, crop production, the food, beverage and tobacco, construction and real estate sectors. The contribution of the non-oil sector in real terms was 94.52% in Q2'23, higher than the share recorded in the third quarter of 2022 which was 94.34% and lower than the second quarter of 2023 recorded as 94.66%.

The 2.54% real growth reflects positive economic dynamics amidst a challenging backdrop marked by a high inflation rate, a depreciating currency, elevated unemployment, pervasive poverty, and persistent security concerns. Despite these formidable obstacles, various sectors contributed to the growth, although falling short of the nation's anticipated sustainable growth potential of 5% to 6%. The Services sector's dominance, coupled with recovery in Agriculture and Industry, underscores the country's resilient effort toward economic diversification. However, the economic hurdles, particularly inflation and unemployment, require targeted policy measures to navigate the complexities and achieve the aspired double-digit economic growth in the near-term.

In the face of adversities, Cowry Research maintains a cautious 2023 GDP forecast at 3%, acknowledging the positive momentum but emphasizing the need for proactive policies to address the multifaceted challenges hindering Nigeria's journey towards sustained and inclusive economic growth.

EQUITIES MARKET: ASI Advances 0.17% w/w as Investors Target Blue-Chip Stocks with Cautious Optimism....

The Nigerian stock market showcased another week of positive performance, registering a 0.17% week-on-week gain, with the All-Share Index reaching 71,230.48 points at the close of the week. This upward trajectory comes as we saw market players digest the recently released Nigeria's third-quarter economic performance, revealing a 2.54% uptrend while we observed strategic moves by investors engaging in portfolio reshuffling and rebalancing activities, anticipating the year-end, dividend season, and the potential impact of the forthcoming Santa-Claus rally.

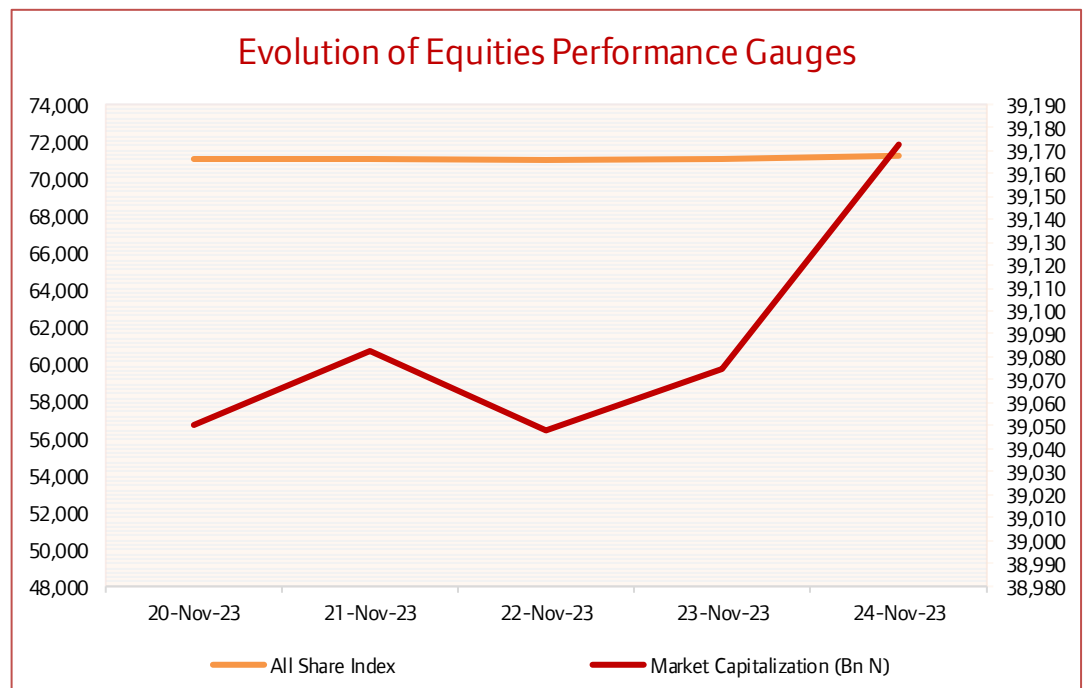
The market capitalization of listed equities expanded by 0.17% week-on-week, reaching N39.17 trillion. Bargain hunting activities by equity investors contributed to a notable total profit of N64.61 billion, further boosting the year-to-date return of the index to an impressive 38.98%. While the overall market performance was positive, our detailed analysis indicates a minor setback in the Consumer Goods index, declining by 0.53% due to specific adverse price movements. Conversely, the Insurance index emerged as the week's leading gainer,

experiencing a 4.07% week-on-week increase, primarily driven by gains in SOVRENINS, ROYALEX, and SUNUASSUR. Furthermore, the Banking and Industrial Goods indexes recorded gains of 1.94% and 0.04%, respectively, propelled by notable price increases in UNITYBNK, DEAPCAP, GTCO, MULTIVERSE, and BETAGLASS.

Elsewhere, the level of trading activity witnessed a 19.77% increase in total traded volume, reaching 2.4 billion units in weekly deals, with the number of trades advancing by 1.43% to 33,230. However, the weekly traded value experienced a decrease of 18.16%, totaling N22.67 billion.

Top performers for the week, included MECURE, MULTIVERSE, and UNITYBNK, with each securing impressive gain of 61%, 60%, and 57%, respectively. Conversely, stocks like THOMASWY, ELLAHLAKES, and STANBIC faced declines in their share prices, experiencing price decreases of -42%, -10%, and -7%, respectively, on a week-on-week basis.

Looking ahead, Cowry Research sees a sustained bullish trend in the Nigerian stock market with continued buying interest on blue-chip stocks amid ongoing asset and sector rotations. The anticipation is set against the backdrop of the upcoming Santa Claus rally and year-end window dressing activities orchestrated by fund managers. The strategic focus on blue-chip stocks aligns with investor preferences for stability and value in well-established companies. The prevailing bullish momentum is seen as indicative of broader market confidence in the economic outlook, accentuated by the traditional optimism associated with the holiday season. Amidst all these, we maintain our advice to investors on taking positions in stocks with sound fundamentals and whose earnings yield and earnings per share support higher payout ratio.



Weekly Gainers and Loser as at Friday, November 24, 2023

Top Ten Gainers				Bottom Ten Losers			
Symbol	Nov -24 - 23	Nov - 17 - 23	% Change	Symbol	Nov -24 - 23	Nov - 17 - 23	% Change
MECURE	9.21	5.73	61%	THOMASWY	2.08	3.60	-42%
MULTIVERSE	5.81	3.63	60%	ELLAHLAKES	3.40	3.78	-10%
UNITYBNK	1.84	1.17	57%	STANBIC	65.00	69.95	-7%
NSLTECH	0.55	0.36	53%	ACADEMY	1.70	1.80	-6%
DEAPCAP	0.73	0.48	52%	INTBREW	4.25	4.50	-6%
DAARCOMM	0.39	0.26	50%	NB	38.00	40.00	-5%
GUINEAINS	0.34	0.24	42%	NPFMCRFBK	2.00	2.10	-5%
NEIMETH	2.23	1.60	39%	CHAMPION	3.45	3.60	-4%
VERITASKAP	0.37	0.29	28%	CWG	7.62	7.95	-4%
SOVRENINS	0.42	0.33	27%	PRESTIGE	0.53	0.55	-4%

Weekly Stock Recommendations as at Friday, November 24, 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	Poten tial Upsid e	Reco mme ndati on
GTCO	2.92	3.12	43.25	0.90	13.35	40.00	16.80	39	49.0	33.2	44.9	25.64	Buy
MTNN	7.02	7.49	14.73	16.36	34.34	290	185	238	289.0	202.3	273.7	21.43	Buy
SEPLAT	2.98	3.17	2,278	0.92	705.8	2,100	1050	2,100	2,650.0	1,785.	2,415.1	26.18	Buy
NNFM	2.99	4.19	41.88	0.69	9.65	28.85	6.75	28.85	40.4	24.523	33.17	40.00	Buy
MECURE	0.65	0.65	2.33	3.95	14.12	8.38	3.25	9.21	12.48	7.83	10.59	35.50	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, November 24, 2023

FGN Eurobonds	Issue Date	TTM (years)	24-Nov-23 Price (N)	Weekly USD Δ	24-Nov-23 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	1.99	97.19	0.28	9.2%	-0.14
6.50 NOV 28, 2027	28-Nov-17	4.01	87.55	0.44	10.4%	-0.13
6.125 SEP 28, 2028	28-Sep-21	4.85	83.91	0.55	10.4%	-0.15
8.375 MAR 24, 2029	24-Mar-22	5.33	90.71	0.55	10.7%	-0.14
7.143 FEB 23, 2030	23-Feb-18	6.25	83.97	0.76	10.7%	-0.18
8.747 JAN 21, 2031	21-Nov-18	7.16	88.75	0.55	11.1%	-0.12
7.875 16-FEB-2032	16-Feb-17	8.24	83.22	0.58	11.0%	-0.12
7.375 SEP 28, 2033	28-Sep-21	9.85	77.99	0.42	11.1%	-0.08
7.696 FEB 23, 2038	23-Feb-18	14.26	74.35	0.52	11.4%	-0.09
7.625 NOV 28, 2047	28-Nov-17	24.03	71.02	0.64	11.1%	-0.10
9.248 JAN 21, 2049	21-Nov-18	25.18	81.17	0.67	11.6%	-0.10
8.25 SEP 28, 2051	28-Sep-21	27.86	74.16	0.69	11.3%	-0.11

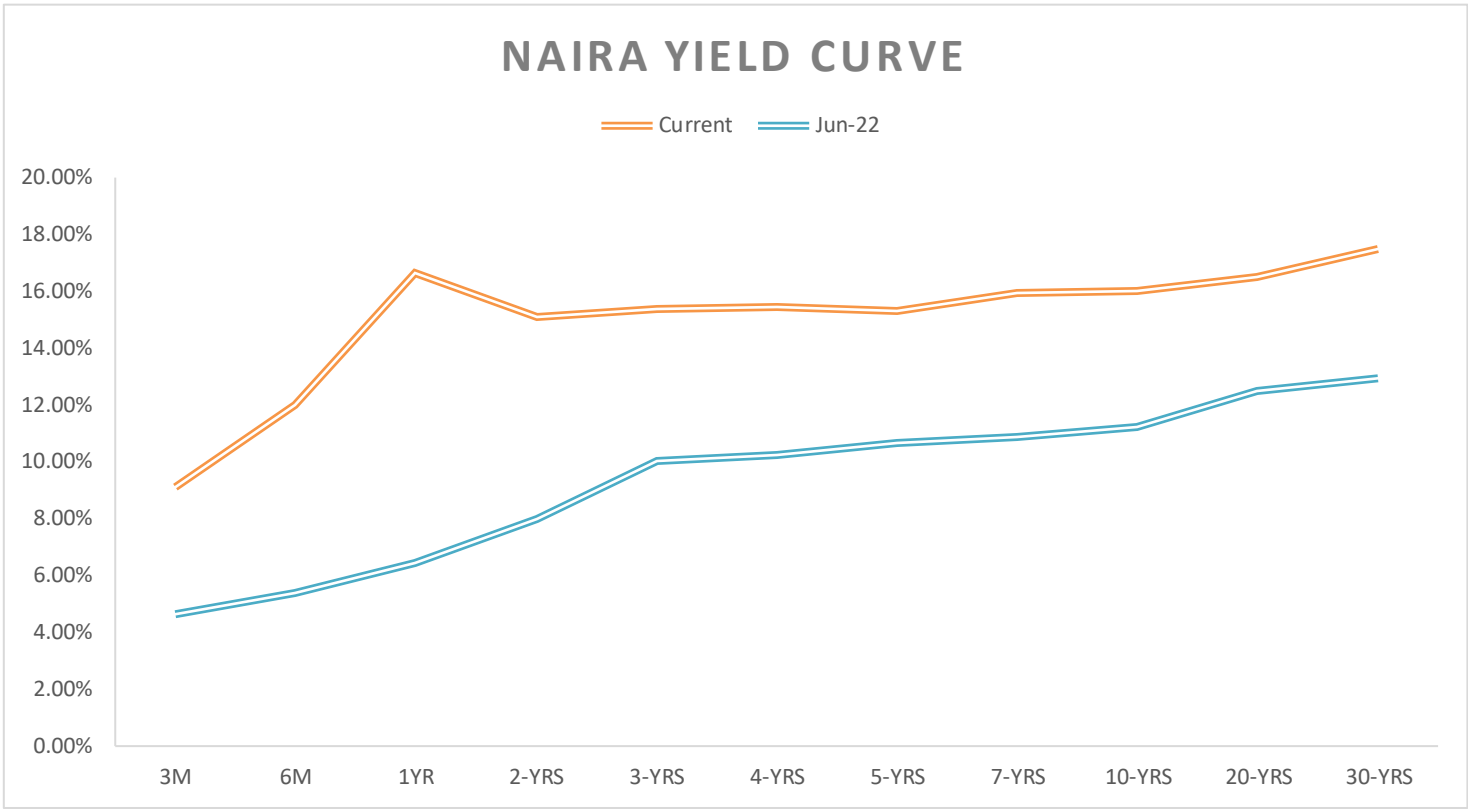
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, November 24, 2023

MAJOR	24-Nov-23	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0930	1.0904	0.24%	0.21%	3.47%	5.15%
GBPUSD	1.2593	1.2533	0.48%	1.06%	4.01%	4.14%
USDCHF	0.8828	0.8842	-0.16%	-0.33%	-1.57%	-6.63%
USDRUB	88.7020	88.5691	0.15%	-1.14%	-5.63%	49.08%
USDNGN	803.8900	803.8900	0.00%	-4.25%	1.13%	81.56%
USDZAR	18.9362	18.7990	0.73%	3.01%	-1.00%	10.81%
USDEGP	30.8941	30.8509	0.14%	-0.02%	0.14%	25.74%
USDCAD	1.36	1.3693	-0.49%	-0.64%	-1.20%	1.89%
USDMXN	17.11	17.1791	-0.39%	-0.55%	-6.54%	-11.48%
USDBRL	4.90	4.9038	-0.16%	-0.27%	-2.04%	-9.56%
AUDUSD	0.6577	0.6557	0.31%	1.04%	4.24%	-2.57%
NZDUSD	0.6077	-0.0600	0.49%	1.45%	4.70%	-2.71%
USDJPY	149.4640	149.5537	-0.06%	-0.08%	-0.47%	7.48%
USDCNY	7.1562	7.1490	0.10%	-0.84%	-2.35%	-0.54%
USDINR	83.3350	83.3017	0.04%	0.10%	0.23%	2.02%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, November 24, 2023

Commodity		24-Nov-23	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	76.4	77.1	-0.96%	0.16%	-10.07%	-0.35%
BRENT	USD/Bbl	81.5	81.4	0.12%	0.95%	-8.69%	-2.59%
NATURAL GAS	USD/MMBtu	2.8	9.8	-3.02%	-4.47%	-16.24%	-60.37%
GASOLINE	USD/Gal	2.2	2.2	0.00%	1.52%	-2.26%	-2.29%
COAL	USD/T	122.2	122.2	0.00%	-0.77%	-10.51%	-64.87%
GOLD	USD/t.oz	2,000.4	1,991.8	0.43%	1.06%	1.08%	13.94%
SILVER	USD/t.oz	24.1	23.7	1.87%	1.55%	5.28%	11.62%
WHEAT	USD/Bu	551.8	558.2	-1.14%	-0.20%	-3.32%	-31.04%
PALM-OIL	MYR/T	3,890.0	3,950.8	-1.54%	-1.04%	5.74%	-6.04%
COCOA	USD/T	4,244.0	4,173.1	1.70%	3.94%	13.63%	77.65%

FGN Bonds Yield Curve, Friday, November 24, 2023



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