

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Global Trade Set for Rebound in 2024, But Inflationary Risks Remain a Downside...

The WTO identifies several downside risks that could hinder the projected trade rebound, including persistently high inflation leading to further monetary tightening, escalation of geopolitical tensions exacerbating trade disruptions, and ongoing challenges within global supply chains constraining trade flows. Meanwhile, in alignment with the WTO's position, international cooperation is deemed crucial to address the above-listed challenges and promote a stable trading environment, while efforts towards diversification and regional integration are emphasized to enhance trade resilience and facilitate positive trade outcomes.

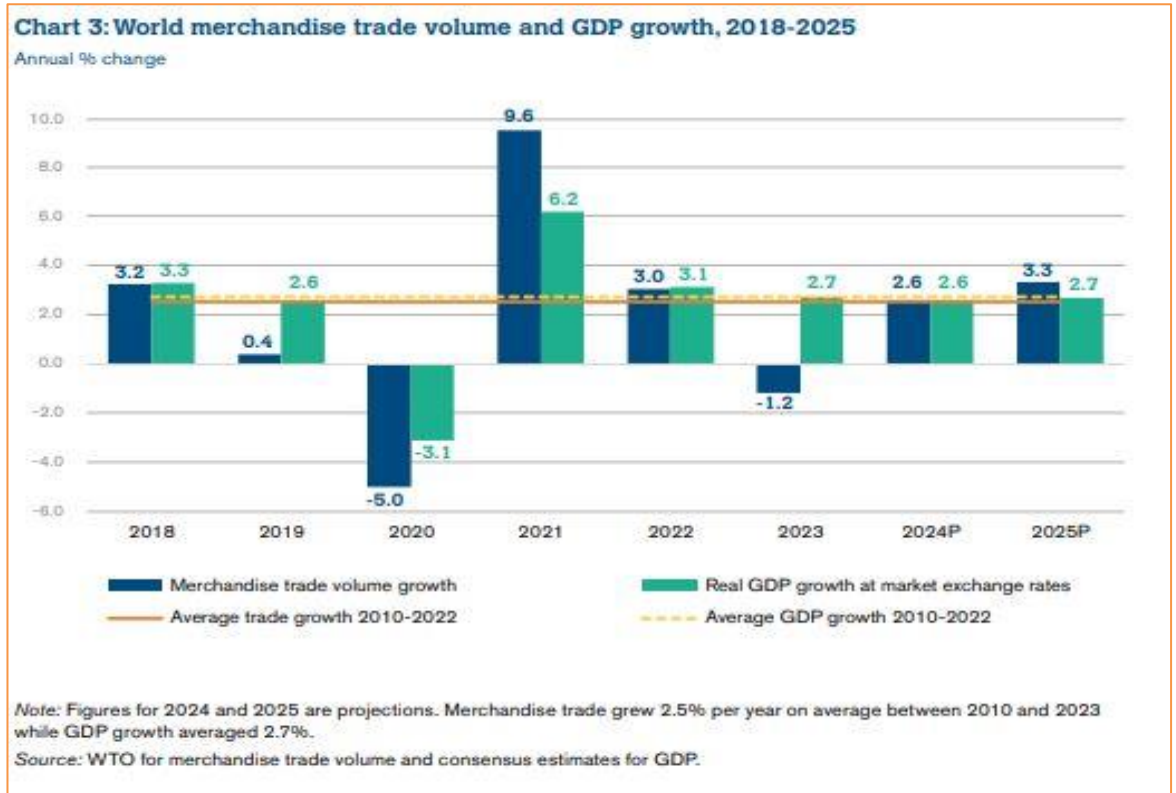
EQUITIES MARKET: : Local Bourse Suffers N633 Billion Loss in Market-Wide Sell-Offs.....

Looking ahead to the coming week, the current trend of corrections is expected to persist as market fundamentals undergo changes amidst increasing volatility, portfolio rebalancing, and sector rotation by investors and fund managers. We think investors will closely monitor expected earnings numbers, published macroeconomic data and government policy direction for further guidance. Meanwhile, we continue to advise investors on taking positions in stocks with sound fundamentals.

ECONOMY: Global Trade Set for Rebound in 2024, But Inflationary Risks Remain a Downside ...

In our economic analysis this week we delve into the global trade landscape as outlined by the World Trade Organisation (WTO), predicting a rebound by 2.6% and 3.3% in global merchandise trade volume for the years 2024 and 2025. This anticipated recovery follows a slight decline of -1.2% experienced in 2023, attributed to the aftereffects of the pandemic and the broader slowdown in the global economy.

The driving force behind this resurgence is expected to be the easing of inflationary pressures in advanced economies, leading to a potential uptick in demand for manufactured goods. Despite facing challenges such as the Ukrainian conflict, trade volume experienced a downturn of 1.2% in the previous year, following a robust expansion of 3.0% in 2022. This dip was primarily influenced by lingering impacts of elevated energy prices and inflation, particularly affecting demand for trade-intensive manufactured products.



Moreover, merchandise trade volume remained notably above its pre-pandemic levels throughout 2023, with only a slight dip observed in Q4 compared to the first quarter of 2022 (-0.6%). The peak in trade volume in the third quarter of 2022 could partly be attributed to sharp increases in commodity prices, if these were not fully accounted for in trade statistics of reporting economies. Outside of this period, trade appeared to plateau in 2023 rather than experiencing a decline.

In terms of value, the current US dollar value of world merchandise trade experienced a 5% decline in 2023, amounting to \$24.01 trillion. Notable decreases in export values were observed in the Russian Federation (-28%), as well as in manufacturing-oriented Asian economies such as China (-5%), Japan (-4%), and the Republic of Korea (-8%). On the other hand, other major economies saw smaller declines or modest increases in export values.

The report also sheds light on regional trade forecasts, indicating uneven growth patterns across different regions. Africa is expected to witness the fastest export growth (5.3%) due to ongoing economic recovery efforts. Additionally, strong import volume growth of 5.6% in Asia and 4.4% in Africa is anticipated to bolster global demand for traded goods this year. However, all other regions are expected to see below-average import growth.

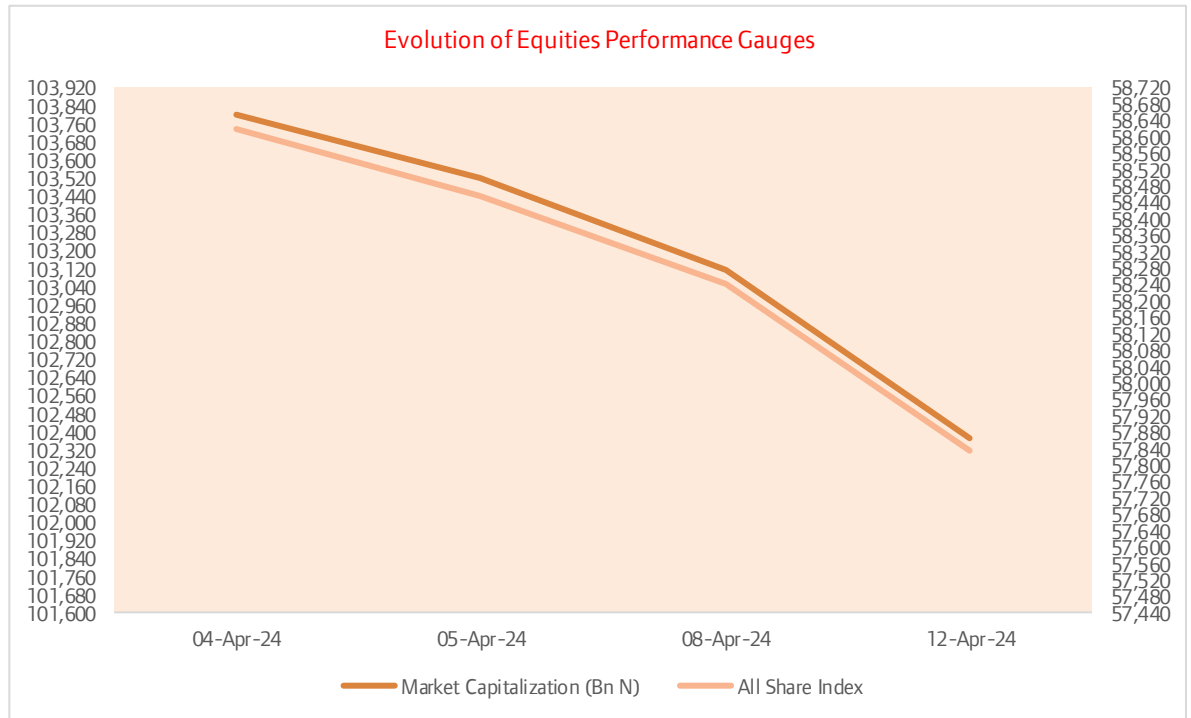
Advanced economies like Europe may experience subdued growth or even stagnation due to persistent inflation and tightening monetary policy. In contrast, emerging markets and developing economies might exhibit some resilience, albeit with weaker growth prospects compared to historical averages. Geopolitical tensions, particularly in the Middle East, pose a significant threat to trade flows, especially concerning the Red Sea and Suez Canal shipping routes.

The WTO identifies several downside risks that could hinder the projected trade rebound, including persistently high inflation leading to further monetary tightening, escalation of geopolitical tensions exacerbating trade disruptions, and ongoing challenges within global supply chains constraining trade flows. Meanwhile, in alignment with the WTO's position, international cooperation is deemed crucial to address the above-listed challenges and promote a stable trading environment, while efforts towards diversification and regional integration are emphasized to enhance trade resilience and facilitate positive trade outcomes.

EQUITIES MARKET: Local Bourse Suffers N633 Billion Loss in Market-Wide Sell-Offs.....

The domestic equities market experienced another week of bearish sentiment as the bourse witnessed market-wide negative sentiment which dragged the benchmark index into the negative territory by 1.09% week on week on a low-traded volume and value as investors offload their equities holding despite the influx of strong earnings performance report by the top banks as well as impressive payout ratio by growth in dividend seen so far.

Furthermore, the market capitalisation of listed equities went southward in the two sessions witnessed this week by 1.08% week on week to N57.86 trillion. The market's pullback was attributed to mixed corporate earnings and economic headwinds, compounded by anticipation surrounding the publication of consumer price inflation data for March. Resultantly, equity investors lost a total of N632.95 billion from the two sessions while the year to date return of the market printed at 36.83%.



Trading activity this week was downbeat with weak market breadth as evidenced in the total number of losers that outnumbered the gainers in the ratio 39:19. Similarly, investors continue their portfolio rebalancing activities amidst the outcome of the Friday's NT-Bills auction which offered attractive yields. As a result, the weekly traded volume printed negative by 69.24% week on week to 1.13 billion units consummated in 21,921 deals and marking a 46.17% decline during the week. In the same manner, the traded value for the week plummeted further by 50.51% week on week to N28.65 billion.

On the sectoral performance, it was a market-wide bearish performance as the NGX-Banking index led the laggards by 7.22% week on week driven by adverse price movements in ZENITH, GTCO, ACCESS and FBNH. Trailing, were the NGX-Insurance (2.45%), NGX-Consumer Goods (1.33%), NGX-Oil & Gas (0.28%), and NGX Industrial Goods Index (0.23%) which got dragged by southward movement in FLOURMILL, SUNUASSUR, DANGSUGAR, ETERNA, WAPCO and ABBEYBDS respectively.

At the close of the week, the best performed stocks for the week included MORISON, OANDO, TRANSCORP, DEAPCAP, and OMATEK as their share prices trended upward by 21%, 11%, 10%, 10%, and 9% in that order. However, the worst performance stocks for the week are ACCESSCORP, UCAP, GTCO, FLOURMILL, and SUNUASSUR as their share prices plummeted by 15%, 14%, 14% and 13%.

Looking ahead to the coming week, the current trend of corrections is expected to persist as market fundamentals undergo changes amidst increasing volatility, portfolio rebalancing, and sector rotation by investors and fund managers. We think investors will closely monitor expected earnings numbers, published macroeconomic data and government policy direction for further guidance. Meanwhile, we continue to advise investors on taking positions in stocks with sound fundamentals.

Weekly Gainers and Loser as at Friday, April 12, 2024

Top Ten Gainers				Bottom Ten Losers			
Symbol	12-Apr-24	05-Apr-24	% Change	Symbol	12-Apr-24	05-Apr-24	% Change
MORISON	2.56	2.12	20.8%	ACCESSCORP	19.30	22.60	-14.6%
OANDO	12.55	11.35	10.6%	UCAP	20.10	23.35	-13.9%
TRANSCORP	14.95	13.55	10.3%	GTCO	41.40	48.00	-13.8%
DEAPCAP	0.68	0.62	9.7%	FLOURMILL	33.80	39.10	-13.6%
OMATEK	0.85	0.78	9.0%	SUNUASSUR	1.18	1.36	-13.2%
CAVERTON	1.78	1.66	7.2%	REGALINS	0.38	0.43	-11.6%
DAARCOMM	0.65	0.61	6.6%	FBNH	27.10	30.50	-11.1%
CWG	7.15	6.75	5.9%	MBENEFIT	0.57	0.64	-10.9%
LINKASSURE	0.95	0.90	5.6%	CONHALLPLC	1.40	1.57	-10.8%
LASACO	2.10	2.01	4.5%	MULTIVERSE	13.75	15.30	-10.1%

Weekly Stock Recommendations as at Friday, April 12, 2024

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
DANG-SUGAR	-6.07	-5.16	6.52	9.04	-9.72	80.2	23.5	53.10	73.0	50.2	67.9	23.73	Buy
ETI	0.23	0.26	73.01	0.36	111.99	28.8	9.5	26.00	34.8	22.1	29.9	33.85	Buy
LAFARGE	3.17	3.37	27.01	1.32	11.20	47.95	20.10	33.50	46.0	30.2	40.9	29.40	Buy
GUINNESS	-2.39	-4.78	23.60	2.10	-20.76	87.90	54.45	50.000	65.0	42.2	57.0	31.05	Buy
MAYBAKER	0.63	0.67	5.09	1.30	10.6	7.51	3.35	6.64	9.0	5.6	7.6	35.54	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, April 12, 2024

FGN Eurobonds	Issue Date	TTM (years)	05-Apr-24 Price (N)	Weekly USD Δ	05-Apr-24 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	1.63	99.29	-0.19	8.1%	0.13
6.50 NOV 28, 2027	28-Nov-17	3.65	93.01	-0.59	8.8%	0.21
6.125 SEP 28, 2028	28-Sep-21	4.48	88.92	-0.56	9.2%	0.18
8.375 MAR 24, 2029	24-Mar-22	4.97	95.98	-0.71	9.4%	0.19
7.143 FEB 23, 2030	23-Feb-18	5.89	89.07	-0.89	9.6%	0.22
8.747 JAN 21, 2031	21-Nov-18	6.80	94.93	-0.83	9.8%	0.18
7.875 16-FEB-2032	16-Feb-17	7.87	88.49	-0.95	10.0%	0.20
7.375 SEP 28, 2033	28-Sep-21	9.49	83.81	-0.76	10.1%	0.15
7.696 FEB 23, 2038	23-Feb-18	13.90	79.90	-1.05	10.5%	0.18
7.625 NOV 28, 2047	28-Nov-17	23.66	75.60	-0.85	10.4%	0.12
9.248 JAN 21, 2049	21-Nov-18	24.81	89.85	-0.49	10.4%	0.06
8.25 SEP 28, 2051	28-Sep-21	27.50	79.76	-0.65	10.5%	0.09

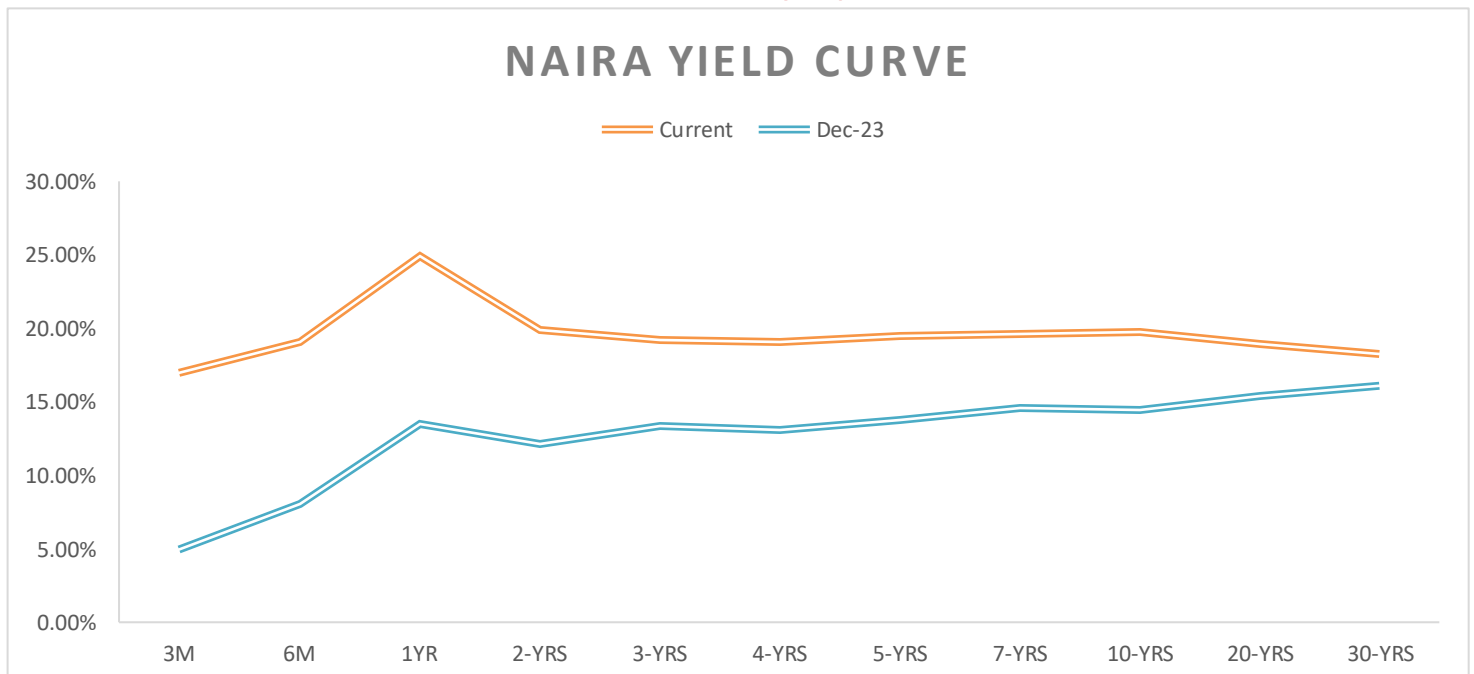
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, April 12,2024

MAJOR	12-Apr-24	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0631	1.0726	-0.89%	-1.88%	-2.87%	-3.74%
GBPUSD	1.2431	1.2554	-0.98%	-1.59%	-2.82%	-0.68%
USDCHF	0.9110	0.9097	0.14%	1.08%	3.69%	2.45%
USDRUB	93.4623	93.2664	0.21%	1.01%	2.30%	14.38%
USDNGN	1194.3700	1241.8070	-3.82%	-4.03%	-25.02%	159.69%
USDZAR	18.9568	18.7339	1.19%	1.54%	2.06%	5.05%
USDEGP	47.5562	47.5419	0.03%	0.48%	-1.74%	54.15%
USDCAD	1.38	1.3683	0.57%	1.28%	2.17%	3.21%
USDMXN	16.71	16.4338	1.66%	1.60%	0.32%	-7.14%
USDBRL	5.14	5.0918	0.89%	1.47%	3.42%	4.31%
AUDUSD	0.6467	0.6541	-1.14%	-1.65%	-2.27%	-4.59%
NZDUSD	0.5939	-0.0600	-1.02%	-1.18%	-3.49%	-5.60%
USDJPY	152.9490	153.2248	-0.18%	0.83%	3.48%	15.33%
USDCNY	7.2686	7.2533	0.21%	0.30%	1.05%	5.78%
USDINR	83.6127	83.3460	0.32%	0.38%	0.95%	2.40%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, April 12, 2024

Commodity		12-Apr-24	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	87.4	85.0	2.84%	0.60%	10.25%	6.57%
BRENT	USD/Bbl	91.9	89.7	2.43%	0.83%	10.17%	7.29%
NATURAL GAS	USD/MMBtu	1.8	9.8	-2.48%	-1.61%	-1.56%	-12.50%
GASOLINE	USD/Gal	2.8	2.8	3.06%	1.75%	6.93%	0.20%
COAL	USD/T	132.5	132.0	0.38%	3.35%	1.42%	-31.91%
GOLD	USD/t.oz	2,420.1	2,376.1	1.85%	3.82%	11.22%	18.56%
SILVER	USD/t.oz	29.5	28.5	3.80%	7.34%	17.80%	14.34%
WHEAT	USD/Bu	561.0	551.8	1.68%	-1.10%	3.08%	-15.89%
PALM-OIL	MYR/T	4,395.0	4,381.9	0.30%	0.00%	4.49%	14.54%
COCOA	USD/T	10,746.0	10,394.7	3.38%	9.79%	33.86%	258.23%

FGN Bonds Yield Curve, Friday April 12, 2024





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