

## Segment Outlook:

# Cowry Financial Markets Review, Outlook & Recommended Stocks

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### ECONOMY: Gains for Nigeria's Financial Inclusion Drive with Encouraging Growth in E-Payment Adoption....

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### EQUITIES MARKET: : Weak Market Dynamics Prevail as ASI Sees Further Beating by 1.39% W/W.....

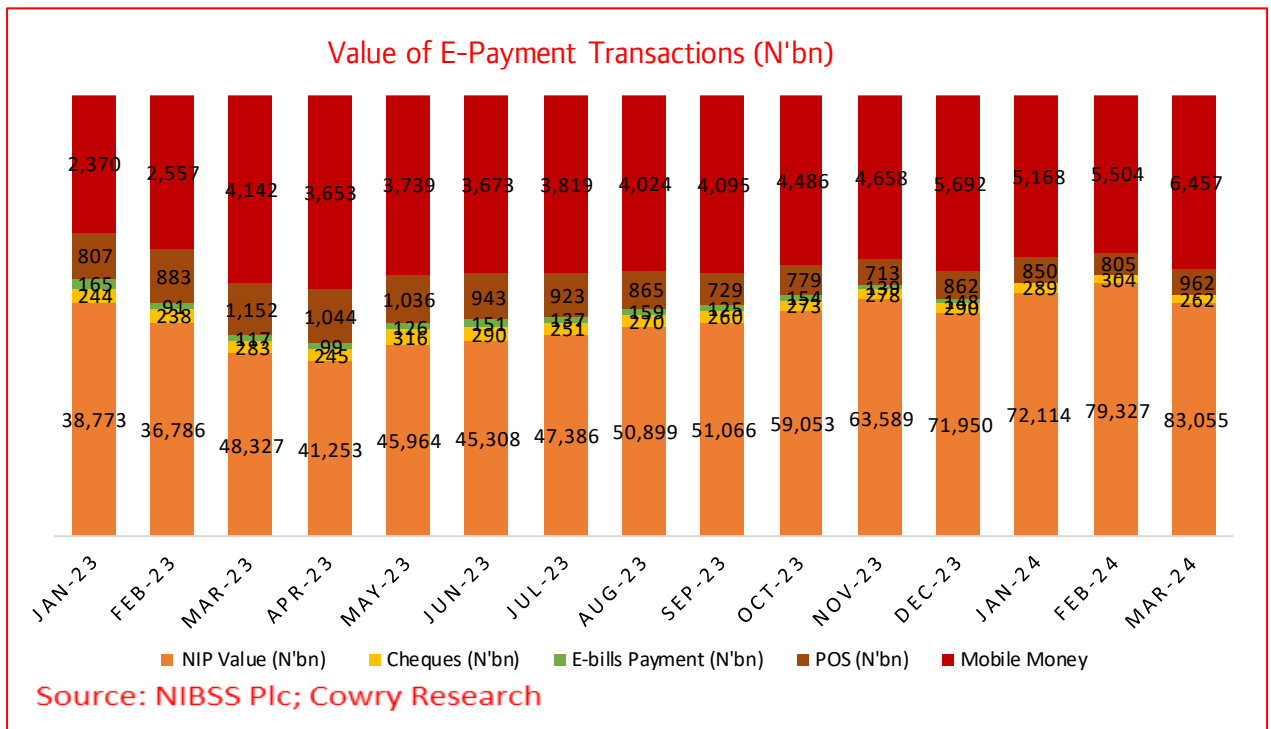
Looking ahead to the coming week, Cowry Research anticipates a week of gradual gains in the market driven by dividend qualifications, despite recent reversal signals. Despite these signals, there are entry opportunities emerging due to the oversold nature of the market. Our outlook remains mixed, contingent on several factors including macroeconomic reports and foreign exchange market activities. Meanwhile, we continue to advise investors on taking positions in stocks with sound fundamentals.

**ECONOMY: Gains for Nigeria’s Financial Inclusion Drive with Encouraging Growth in E-Payment Adoption....**

The latest electronic payment statistics obtained from the NIBSS website show that Nigeria's E-payment landscape is experiencing a steadfast surge, as businesses and individuals enthusiastically embrace digital channels. The data reveals a striking 89.3% year-on-year upswing in the total value of transactions processed through the NIBSS Instant Payment System (NIP). This figure soared to N234.50 trillion in Q1'24 from N123.9 trillion in the comparable period of 2023, further soaring by 20.5% quarter on quarter from N194.6 trillion in Q4'23. This remarkable growth can be attributed to the robust expansion of Nigeria's electronic transaction platforms and the improved transition to electronic payment and adoption of electronic channels of payment.

The electronic payment ecosystem within Nigeria has witnessed a remarkable expansion in recent years, propelled by several drivers, with the apex bank playing a pivotal role and evidenced by a substantial 72% surge in the total monthly average value and volume of payment transactions,

which reached N83.33 trillion by the end of March 2024, marking a significant ascent from the N48.3 trillion in March



2023. This metric also exhibited a 97% surge from N42.03 trillion in December 2022 when the cash crunch experienced in early 2023 started.

Central to this narrative is the 2020 inception of the National e-Payments Strategy (NEPS) by the Central Bank of Nigeria (CBN), an ambitious endeavour aimed at transforming Nigeria into a cashless society by 2025. Key initiatives under NEPS include the introduction of a national instant payment (NIP) platform and the establishment of a mobile money ecosystem. This strategic impetus has yielded tangible benefits, including enhanced security and efficiency in cash payment processes, thus facilitating substantial cost savings for both businesses and individuals in turn.

Notably, point-of-sale (PoS) transactions demonstrated a downturn of 7.92% year on year, reaching N2.62 trillion by three months ended 2024, compared to N2.84 billion during the same period last year. The total mobile money transactions exhibited a substantial acceleration, particularly in 2024, surging to N17.13 trillion. This marks an impressive 88.2% year on year increase from N9.10 trillion in first quarter of the previous year and a 159% remarkable surge from N6.60 trillion as at quarter ended, December 2023. The surge can be attributed to adoption of fintech by Nigeria’s growing population.

Additionally, as the need for financial services maintain its growth across the country individuals and businesses get captured into the banking system database. Consequently, data on Bank Verification Number (BVN) enrolment revealed that as of April 2024, the total count was 61,605,261 individuals. This marked a noteworthy uptick of 1,449,901 registrations over the span of four months, compared to the figure of 60,115,360 people recorded at the close of 2023. Meanwhile, a total 219.65 million bank accounts remain active across banks while 19.80 million accounts have remained inactive as of March 2024 while 22.94 million accounts have been closed.

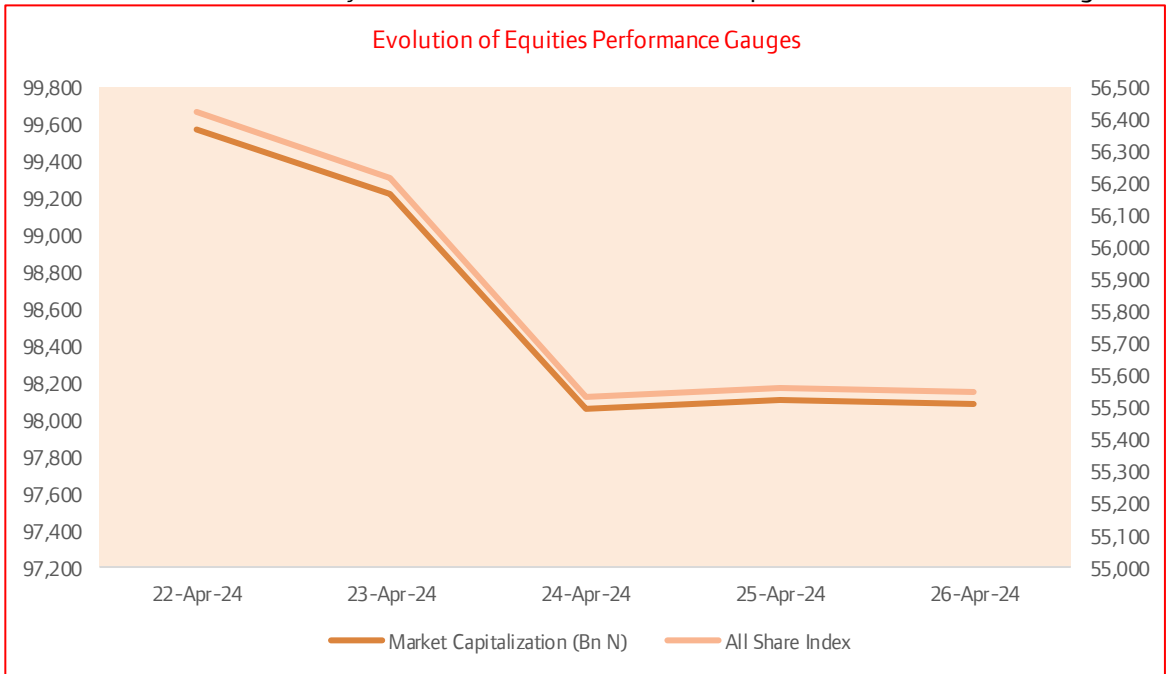
Cowry Research opines that the surge in e-payment volume and value holds promising implications for Nigeria's economy, and remains poised to foster reduced cash usage, help improve the financial inclusion drive, and augmented economic growth. However, efforts by the regulatory authority to ensure data privacy and integrity across banks as well as payment channels will further enhance confidence in the adoption of electronic payment gateway for all financial transactions.

**EQUITIES MARKET: Weak Market Dynamics Prevail as ASI Sees Further Beating by 1.39% W/W.....**

In the just concluded week, investors’ sentiment remains bearish and weak despite the seeming oscillation in stock prices which resulted in pocket of sell-offs and profit booking in some of the highly priced tickers as well as blue-chip companies. The domestic equities market was in a see-saw mode as the benchmark all-share index took another beating by 1.39% week on week to close below the 100k psychological mark for the second consecutive week at 98,152.91 index points resulting from the downbeat in market sentiments which came from sell-offs where investors continued shying away from equities due to promising outlook from risk-free markets.

Furthermore, the market capitalisation of listed equities went southward in all sessions witnessed this week by 1.39% week on week to N55.51 trillion as expectations for dividend earnings season and Q1 2024 corporate earnings wane, resulting in equity investors losing a total of N948.6 billion while the year to date return of the market printed lower at 31.3% as against the 33.12% in the prior week.

Trading activity this week was positive despite a weakened market breadth as evidenced in the total number of losers that outnumbered the gainers in the ratio 43:27. As a result, the weekly traded volume advanced by 15.16% week on week to 1.84 billion units consummated in 37,528 deals which indicates a 16.5% decline from last week’s 44,915. In the same manner, the traded value for the week soared further by 6.02% week on week to N34.26 billion.



On the sectoral front, performance was largely negative as the NGX-Banking index led the losses by 3.10% week on week driven by adverse price movements in FBNH, WEMABANK, STERLINGNG, ZENITH and FCMB. Trailing on the losers table were the NGX-Oil & Gas (1.41%), and the NGX-Consumer Goods (1.15%), which got dragged by southward movement in the prices of OANDO, NESTLE, TOTAL, CADBURY, and OKOMUOIL respectively while the NGX- Insurance and NGX – Industrial Goods Indexes recorded some pocket of gains due to positive sentiment seen in SUNUASSUR, CAP, JAPAUFGOLD and WAPCO.

At the close of the week, the best performed stocks for the week included SUNUASSUR (25%), CAP (20%), LIVESTOCK (15%), JAPAUFGOLD (14%), and UNILEVER (11%) as their share prices trended upward due to positive interest from investors. However, the worst performance stocks for the week are OANDO (20%), SOVRENINS (18%), THOMASWY (17%), FBNH (16%), and WEMABANK (16%) as their share prices plummeted from negative sentiments.

Looking ahead to the coming week, Cowry Research anticipates a week of gradual gains in the market driven by dividend qualifications, despite recent reversal signals. Despite these signals, there are entry opportunities emerging due to the oversold nature of the market. Our outlook remains mixed, contingent on several factors including macroeconomic reports and foreign exchange market activities. Meanwhile, we continue to advise investors on taking positions in stocks with sound fundamentals.

Weekly Gainers and Loser as at Friday, April 26, 2024

Top Ten Gainers				Bottom Ten Losers			
Symbol	26-Apr-24	19-Apr-24	% Change	Symbol	26-Apr-24	19-Apr-24	% Change
SUNUASSUR	1.25	1.00	25.0%	OANDO	9.25	11.50	-19.6%
CAP	28.85	24.00	20.2%	SOVRENINS	0.36	0.44	-18.2%
LIVESTOCK	1.66	1.45	14.5%	THOMASWY	1.78	2.14	-16.8%
JAPAUFGOLD	1.91	1.67	14.4%	FBNH	20.35	24.30	-16.3%
UNILEVER	15.10	13.60	11.0%	WEMABANK	6.25	7.15	-12.6%
NEIMETH	1.98	1.80	10.0%	NESTLE	795.30	900.00	-11.6%
UPDC	1.35	1.23	9.8%	TIP	1.80	2.00	-10.0%
UACN	12.40	11.35	9.3%	HONYFLOUR	3.19	3.54	-9.9%
WAPCO	36.00	33.00	9.1%	MTNN	202.00	224.00	-9.8%
CHAMS	1.85	1.70	8.8%	REGALINS	0.37	0.41	-9.8%

Weekly Stock Recommendations as at Friday, April 26, 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
ELLAHLAKES	-0.23	-0.36	7.59	0.43	-14.59	4.40	3.58	3.20	5.3	2.8	3.8	60.00	Buy
CAP	3.05	2.44	9.60	3.00	9.5	29	16.2	28.85	36.0	24.5	33.2	24.78	Buy
FLOURMILLS	0.22	0.23	52.80	0.58	139.39	47.4	27	30.50	42.0	25.9	35.1	37.70	Buy
NAHCO	1.35	1.44	5.98	5.52	24.5	37.3	14	33.00	41.0	28.1	38.0	24.24	Buy
UBA	17.49	17.49	59.36	0.39	1.31	33.50	12.85	23.00	30.0	19.6	26.5	30.43	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, April 26, 2024

FGN Eurobonds	Issue Date	TTM (years)	26-Apr-24 Price (N)	Weekly USD Δ	26-Apr-24 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	1.57	99.07	0.10	8.3%	-0.06
6.50 NOV 28, 2027	28-Nov-17	3.59	92.40	-0.18	9.0%	0.08
6.125 SEP 28, 2028	28-Sep-21	4.43	87.91	-0.33	9.5%	0.11
8.375 MAR 24, 2029	24-Mar-22	4.91	94.65	-0.30	9.8%	0.08
7.143 FEB 23, 2030	23-Feb-18	5.83	87.83	-0.26	9.9%	0.07
8.747 JAN 21, 2031	21-Nov-18	6.74	93.85	-0.02	10.0%	0.01
7.875 16-FEB-2032	16-Feb-17	7.81	87.37	-0.24	10.3%	0.05
7.375 SEP 28, 2033	28-Sep-21	9.43	82.90	-0.11	10.3%	0.03
7.696 FEB 23, 2038	23-Feb-18	13.84	78.46	-0.28	10.7%	0.05
7.625 NOV 28, 2047	28-Nov-17	23.61	73.96	-0.41	10.7%	0.06
9.248 JAN 21, 2049	21-Nov-18	24.76	88.42	-0.18	10.6%	0.02
8.25 SEP 28, 2051	28-Sep-21	27.44	78.03	-0.41	10.8%	0.06

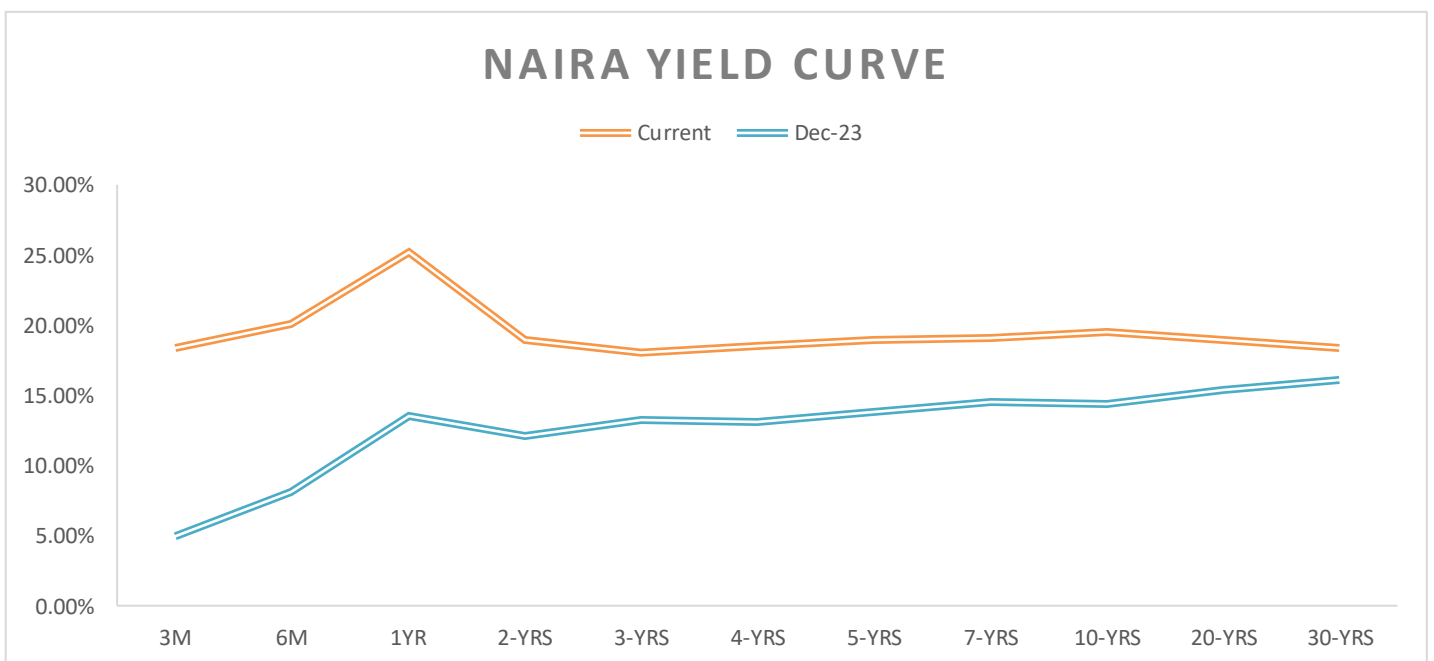
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, April 26,2024

MAJOR	26-Apr-24	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0700	1.0727	-0.25%	0.41%	-1.17%	-2.97%
GBPUSD	1.2492	1.2507	-0.12%	1.02%	-1.14%	0.06%
USDCHF	0.9133	0.9127	0.07%	0.36%	1.11%	2.20%
USDRUB	91.2444	91.9339	-0.75%	-2.01%	-1.26%	11.87%
USDNGN	1306.2200	1281.9904	1.89%	13.49%	-7.70%	183.98%
USDZAR	18.7735	19.0343	-1.37%	-1.65%	-0.60%	2.77%
USDEGP	47.8902	47.8998	-0.02%	-0.90%	1.46%	55.24%
USDCAD	1.37	1.3659	0.02%	-0.62%	0.71%	0.53%
USDMXN	17.16	17.2027	-0.26%	0.35%	3.74%	-4.91%
USDBRL	5.12	5.1602	-0.77%	-1.57%	2.68%	2.87%
AUDUSD	0.6540	0.6522	0.28%	1.89%	0.10%	-1.35%
NZDUSD	0.5953	-0.0600	-0.07%	1.10%	-0.85%	-3.18%
USDJPY	156.9570	155.6187	0.86%	1.51%	3.73%	17.19%
USDCNY	7.2649	7.2562	0.12%	0.22%	0.17%	4.84%
USDINR	83.3447	83.2947	0.06%	-0.04%	0.06%	2.02%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, April 26, 2024

Commodity		26-Apr-24	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	83.8	83.8	0.05%	0.93%	3.16%	12.25%
BRENT	USD/Bbl	89.2	89.1	0.05%	2.28%	4.53%	14.14%
NATURAL GAS	USD/MMBtu	1.9	9.8	-2.60%	-2.84%	12.43%	-17.98%
GASOLINE	USD/Gal	2.8	2.8	-0.38%	2.00%	3.47%	10.91%
COAL	USD/T	135.8	135.5	0.18%	-3.72%	5.31%	-28.61%
GOLD	USD/t.oz	2,342.1	2,330.4	0.50%	-2.09%	6.74%	17.81%
SILVER	USD/t.oz	27.5	27.4	0.48%	-4.06%	12.04%	10.26%
WHEAT	USD/Bu	609.5	620.5	-1.77%	7.46%	11.24%	-0.93%
PALM-OIL	MYR/T	3,896.0	3,956.9	-1.54%	-0.81%	-7.41%	12.76%
COCOA	USD/T	10,992.7	10,829.2	1.51%	-9.63%	12.18%	248.21%

FGN Bonds Yield Curve, Friday April 26, 2024





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