

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Weaker Naira Fuels Another Rise in Nigeria's Trade Surplus to N15.02trn Under Nine Months

Looking ahead, expectations for improved crude oil production, particularly with the anticipated commencement of the Dangote Refinery and the revitalisation of the Port Harcourt Refinery, are likely to enhance Nigeria's export capacity further. A well-diversified economy with an emphasis on boosting non-oil export earnings will be critical in sustaining the positive momentum in Nigeria's trade balance and enhancing the country's overall economic resilience.

EQUITIES MARKET: Bullish Outing with 1.19% Weekly ASI Rise as Investors Price Nigerian Stocks Higher.....

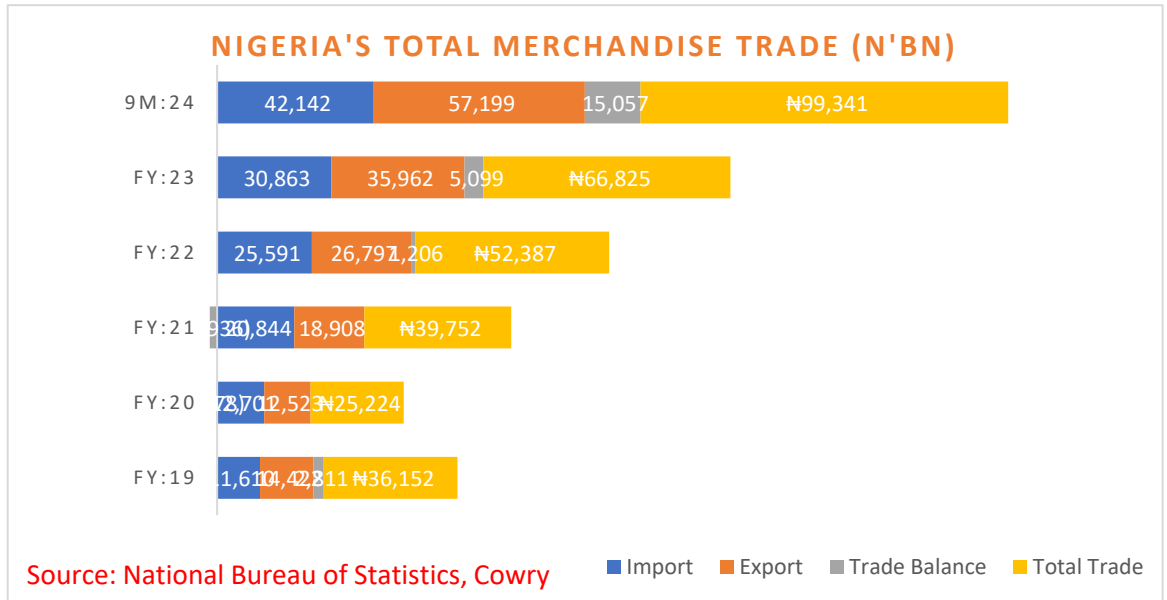
Looking forward, the Nigerian equities market is well-positioned to sustain its bullish momentum in the coming week. The ongoing year-end rally, coupled with expectations of strong full-year corporate performance, is likely to support buying activities. Investors are also expected to closely monitor macroeconomic indicators, particularly the release of November 2024 inflation figures, which could shape sentiment and influence portfolio adjustments. Developments in the foreign exchange market will similarly play a critical role as market participants evaluate the impact of economic data on investment decisions.

ECONOMY: Weaker Naira Fuels Another Rise in Nigeria’s Trade Surplus to N15.02trn Under Nine Months.....

The latest foreign trade report by the National Bureau of Statistics (NBS) reveals an impressive 120.4% year-on-year increase in Nigeria's total merchandise trade, which climbed to N99.34 trillion in the first nine months of 2024, compared to N45.08 trillion during the same period in 2023. This remarkable growth underscores a significant improvement in trade activity, fuelled by increased export and import volumes alongside the depreciation of the naira, which enhanced the competitiveness of Nigerian exports in global markets.

Exports during the period rose by an extraordinary 145.8% year-on-year to N57.2 trillion, outpacing the 93.2% year-on-year growth in imports, which reached N42.14 trillion. This disparity between exports and imports resulted in a trade surplus of N15.02 trillion, marking a staggering 931.7% increase compared to the N1.5 trillion surplus recorded in the first nine months of 2023. The surplus underscores Nigeria's improved export performance, particularly in the crude oil segment, which remains the mainstay of the economy.

During the third quarter of 2024, the Nigerian Naira experienced significant depreciation against the US Dollar across various segments of the foreign exchange market. At the official window, the Naira fell by 2.4% to N1,541.94/\$1, while in the parallel market, it depreciated by 9.9% to N1,680/\$1. Under nine months ending to September 2024, the Naira has witnessed a considerable depreciation by 41.2% at the official market and by 28.2% from N907.11/\$1 and N1,206/\$1 respectively at the end of 2023.



A quarter-on-quarter analysis for Q3 2024 further highlights a 13% increase in the total merchandise trade value, which reached N35.2 trillion. Exports grew by 17% to N20.5 trillion, while imports increased by 9% to N14.7 trillion. The resultant trade surplus for Q3 2024 stood at N5.8 trillion, marking the eighth consecutive quarter of trade surpluses. This consistent surplus indicates Nigeria’s growing trade strength and the positive impact of export-led growth strategies.

Crude oil exports remained dominant, accounting for N13.41 trillion or 65.44% of total exports in Q3 2024. Non-crude oil exports, which include liquefied natural gas and other petroleum derivatives, contributed N7.08 trillion, representing 34.56% of total exports. Among these, non-oil products, such as agricultural goods, manufactured goods, and solid minerals, accounted for N2.50 trillion or 12.21% of total exports.

On the import side, Nigeria spent N14.7 trillion in Q3 2024, with major imported commodities including motor spirit (petrol), gas oil (diesel), durum wheat, and cane sugar. The bulk of Nigeria’s imports came from China, which remains the country’s largest trading partner, followed by India, Belgium, the United States, and Malta.

Agricultural exports saw a notable surge of 301.87% year-on-year, reaching N884.07 billion in Q3 2024, compared to N220 billion in Q3 2023. Conversely, agricultural imports for the quarter rose by 37.06% to N882.24 billion, reflecting increased demand for foreign agricultural products. Similarly, raw material exports jumped by 131.80% to N438.59 billion, while imports of raw materials rose by 66.11% to N1.58 trillion, indicating the growing activity in Nigeria’s manufacturing and industrial sectors.

The export of manufactured goods also demonstrated remarkable growth, increasing by 419.93% year-on-year to N1.04 trillion in Q3 2024, compared to N200.19 billion in Q3 2023. However, imports of manufactured goods remained significantly higher at N6.98 trillion, an increase of 76.44% from N3.96 trillion in the same period last year. The solid minerals sector also experienced growth, with exports rising by 86.58% to N77.64 billion and imports increasing by 68.40% to N93.23 billion in Q3 2024.

Among Nigeria’s top export destinations in Q3 2024 were Spain, the United States, France, the Netherlands, and Italy. Key export commodities included crude oil, liquefied natural gas, cocoa beans, and floating or submersible drilling platforms. These exports underscore Nigeria’s reliance on both energy and agricultural products for foreign exchange earnings.

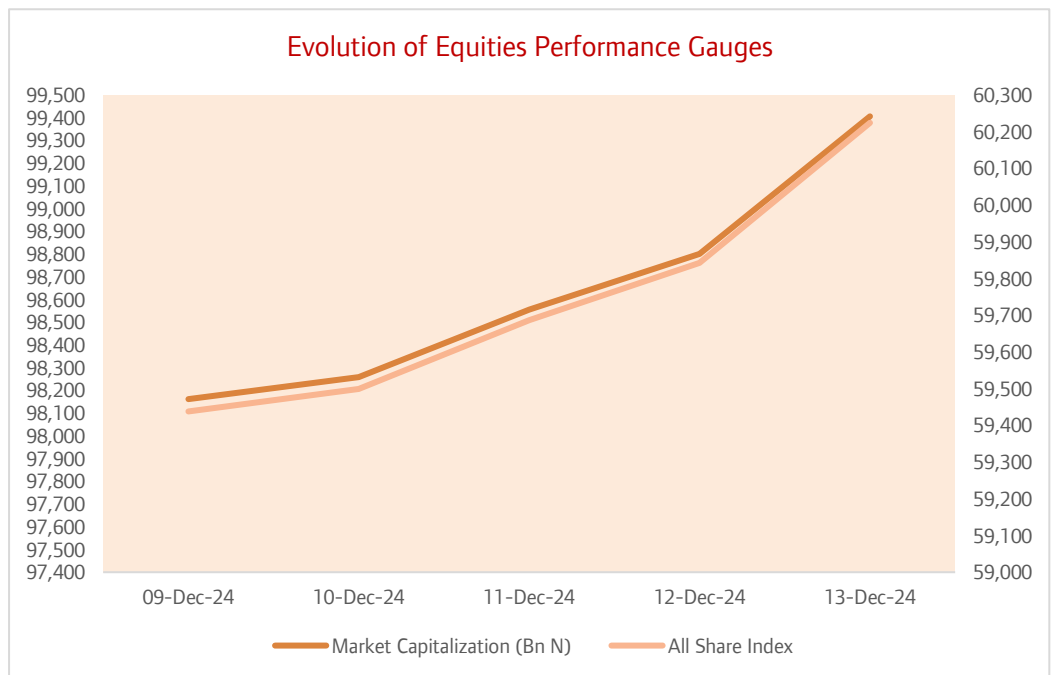
The pronounced improvement in Nigeria’s trade surplus reflects the weakening naira, which has made exports more attractive and competitive on the global market. Furthermore, ongoing efforts to diversify the economy are beginning to yield results, as evidenced by the increasing contribution of non-oil exports to total trade. The surge in agricultural and manufactured goods exports highlights the potential for sectors outside oil to bolster Nigeria’s foreign trade.

Looking ahead, expectations for improved crude oil production, particularly with the anticipated commencement of the Dangote Refinery and the revitalisation of the Port Harcourt Refinery, are likely to enhance Nigeria’s export capacity further. A well-diversified economy with an emphasis on boosting non-oil export earnings will be critical in sustaining the positive momentum in Nigeria’s trade balance and enhancing the country’s overall economic resilience.

EQUITIES MARKET: Bullish Outing with 1.19% Weekly ASI Rise as Investors Price Nigerian Stocks Higher

The Nigerian equities market ended the week on a strong bullish note, with the NGX All-Share Index (ASI) advancing by an impressive 1.19% week-on-week to close at 99,378.06 points, inching closer to the psychologically significant 100,000-point mark. This upward trajectory reflects robust buying activity across various sectors, underpinned by improved investor sentiment and favourable market dynamics.

In tandem, the market capitalisation mirrored the ASI’s rise, gaining N707.61 billion or 1.19% week-on-week to cross the N60 trillion milestone, settling at N60.24 trillion. This gain underscores the renewed interest in Nigerian equities as investors actively reposition themselves for year-end opportunities. Consequently, the year-to-date return of the benchmark index stood at an impressive 32.90%, with the market recording 51 gainers against 35 laggards during the week.



Trading activities, however, were subdued as investors engaged in sectoral rotation amidst weak market internals and cautious participation ahead of the anticipated November 2024 Consumer Price Index (CPI) report. The total traded volume for the week declined by 30.12% to 2.72 billion units, while the total value of transactions dropped significantly by 43.41% to N49.66 billion. Additionally, the number of deals edged lower by 1.74%, with a total of 43,103 transactions recorded. This tepid trading mood highlights the cautious approach of market participants, who are weighing their options amid expectations of inflationary pressures and the traditional "Christmas blues."

Sectoral performance was mixed but predominantly bullish. The NGX Oil & Gas sector emerged as the star performer, posting a robust weekly gain of 7.61%, driven by increased demand for energy stocks with stronger fundamentals. The NGX Insurance sector followed closely, appreciating by 7.52% week on week, while the NGX Consumer Goods and NGX Banking indices posted modest weekly gains of 1.01% and 0.16%, respectively, as investors continued to favour blue-chip stocks. Conversely, the NGX Industrial Goods sector underperformed, shedding 0.60% week on week as mild profit-taking in the sector tempered its recent rally-driven momentum.

At the stock level, Golden Guinea Breweries emerged as the week’s top gainer, soaring by an impressive 60%. Other significant gainers included African Prudential, which advanced by 59%, Tantalizer (+52%), Conoil (+34%), and Coronation Insurance, which added 25% to its value. On the flip side, NSL Technology led the decliners, losing 23%, followed by Austin Laz (-15%), Haldane McCall (-11%), Julius Berger (-10%), and John Holt, which also declined by 10%.

Looking forward, the Nigerian equities market is well-positioned to sustain its bullish momentum in the coming week. The ongoing year-end rally, coupled with expectations of strong full-year corporate performance, is likely to support buying activities. Investors are also expected to closely monitor macroeconomic indicators, particularly the release of November 2024 inflation figures, which could shape sentiment and influence portfolio adjustments. Developments in the foreign exchange market will similarly play a critical role as market participants evaluate the impact of economic data on investment decisions.

Weekly Gainers and Loser as at Friday, December 13, 2024

Top Ten Gainers				Bottom Ten Losers			
Symbol	13-Dec-24	06-Dec-24	% Change	Symbol	13-Dec-24	06-Dec-24	% Change
GOLDBREW	8.64	5.40	60.0%	NSLTECH	0.54	0.70	-22.9%
AFRIPRUD	17.25	10.80	59.7%	AUSTINLAZ	1.62	1.90	-14.7%
TANTALIZER	1.84	1.21	52.1%	HMCALL	5.20	5.85	-11.1%
CONOIL	387.20	290.00	33.5%	JBERGER	155.25	172.50	-10.0%
WAPIC	1.34	1.07	25.2%	JOHNHOLT	7.23	8.03	-10.0%
SUNUASSUR	6.10	5.05	20.8%	MORISON	4.01	4.45	-9.9%
NEM	10.90	9.20	18.5%	CONHALLPLC	2.27	2.50	-9.2%
ARADEL	550.00	465.00	18.3%	HONYFLOUR	4.60	5.00	-8.0%
NNFM	40.05	34.75	15.3%	LIVESTOCK	3.15	3.42	-7.9%
PZ	25.00	22.00	13.6%	FTNCOCOA	1.73	1.87	-7.5%

Weekly Stock Recommendations as at Friday, December 13, 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
AIRTEL AFRICA	13.67	23.92	1,014	2.13	157.8x	2200	1175	2,157	3774.6	1,833	2,480	75.00	Buy
ETI	18.82	16.31	147.5	0.18	1.43x	28.8	20	27.00	34.0	23.0	31.1	25.93	Buy
MRS OIL	18.15	19.36	81.77	1.61	7.27x	135	105	132.00	162.0	112.2	151.8	22.73	Buy
OKOMUOIL	29.71	33.67	48.46	7.57	12.35x	417.7	240	367.00	462.0	312.0	422.1	25.89	Buy
SEPLAT	98.37	103.62	4,754	1.20	57.94x	5,738	2,310	5,700	7,351	4,845	6,555	28.96	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, December 13, 2024

FGN Eurobonds	Issue Date	TTM (years)	13-Dec-24 Price (N)	Weekly USD Δ	13-Dec-24 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.94	99.49	-0.13	8.2%	0.15
6.50 NOV 28, 2027	28-Nov-17	2.96	95.54	-0.29	8.2%	0.12
6.125 SEP 28, 2028	28-Sep-21	3.79	91.75	-0.57	8.7%	0.20
8.375 MAR 24, 2029	24-Mar-22	4.28	98.24	-0.54	8.9%	0.15
7.143 FEB 23, 2030	23-Feb-18	5.20	91.62	-0.78	9.2%	0.21
8.747 JAN 21, 2031	21-Nov-18	6.11	97.35	-0.95	9.3%	0.21
7.875 16-FEB-2032	16-Feb-17	7.18	91.28	-1.33	9.6%	0.28
7.375 SEP 28, 2033	28-Sep-21	8.80	86.79	-1.15	9.6%	0.21
7.696 FEB 23, 2038	23-Feb-18	13.21	83.07	-1.25	10.0%	0.20
7.625 NOV 28, 2047	28-Nov-17	22.97	78.04	-1.14	10.1%	0.16
9.248 JAN 21, 2049	21-Nov-18	24.12	92.26	-1.13	10.1%	0.13
8.25 SEP 28, 2051	28-Sep-21	26.81	81.07	-1.33	10.4%	0.18

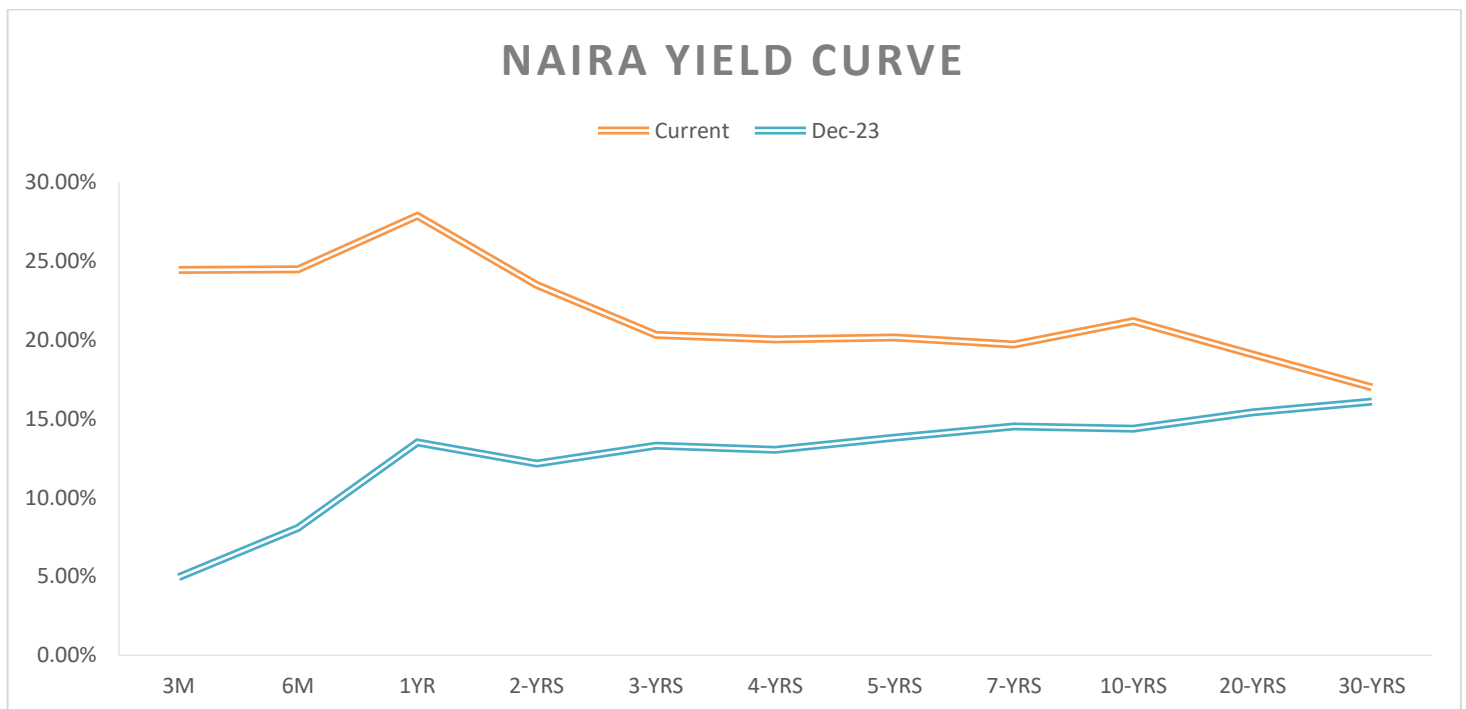
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, December 13, 2024

MAJOR	13-Dec-24	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0495	1.0468	0.26%	-0.68%	-0.32%	-4.50%
GBPUSD	1.2623	1.2674	-0.40%	-0.92%	-0.34%	-1.12%
USDCHF	0.8930	0.8922	0.09%	1.60%	0.28%	2.94%
USDRUB	104.0020	104.9995	-0.95%	3.44%	4.35%	16.18%
USDNGN	17.8812	17.7887	0.52%	-1.88%	-8.24%	96.14%
USDZAR	17.8812	17.7887	0.52%	-0.88%	-2.26%	-2.49%
USDEGP	50.8124	50.7718	0.08%	1.78%	3.06%	64.47%
USDCAD	20.13	20.2067	-0.38%	0.57%	1.26%	6.22%
USDMXN	20.13	20.2067	-0.38%	-0.32%	-1.58%	17.11%
USDBRL	6.06	5.9928	1.16%	-0.45%	4.71%	23.33%
AUDUSD	0.5756	0.5783	-0.47%	-0.53%	-1.53%	-5.09%
NZDUSD	0.5756	-0.0600	-0.47%	-1.26%	-1.57%	-7.22%
USDJPY	7.2802	7.2766	0.05%	2.53%	-1.73%	8.39%
USDCNY	7.2802	7.2766	0.05%	-0.04%	0.38%	2.19%
USDINR	84.8211	84.8381	-0.02%	0.18%	0.41%	1.82%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, December 13, 2024

Commodity		13-Dec-24	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	71.1	70.0	1.53%	5.79%	3.48%	-1.14%
BRENT	USD/Bbl	74.4	73.4	1.36%	4.63%	2.56%	-3.17%
NATURAL GAS	USD/MMBtu	3.3	9.8	-4.68%	6.93%	18.11%	45.54%
GASOLINE	USD/Gal	2.0	2.0	0.68%	5.36%	1.51%	-5.81%
COAL	USD/T	133.0	132.5	0.38%	0.30%	-6.01%	-9.06%
GOLD	USD/t.oz	2,660.8	2,680.6	-0.74%	1.04%	3.66%	30.71%
SILVER	USD/t.oz	30.5	30.9	-1.35%	-1.55%	0.33%	26.22%
WHEAT	USD/Bu	552.3	558.5	-1.12%	1.80%	4.15%	-10.31%
PALM-OIL	MYR/T	4,904.0	4,920.2	-0.33%	-4.44%	-1.21%	32.97%
COCOA	USD/T	11,268.5	10,539.2	6.92%	17.06%	28.59%	163.99%

FGN Bonds Yield Curve, Friday December 13, 2024





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