

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Strong Market Dynamics Spur Inflows into Equities to Historic N4.91trn Heights Since 2007.....

Looking ahead to 2025, there is optimism for a modest increase in market activity from both local and foreign investors. Strong investor sentiment and a favourable outlook for Nigerian equities are expected to drive this growth. However, the vibrant fixed-income and money markets, which offer attractive yields, may present competition for investor attention. As the new year approaches, the interplay between these asset classes will be pivotal in shaping the investment landscape. Nevertheless, the Nigerian equities market remains well-positioned to attract sustained interest from a broad spectrum of investors.

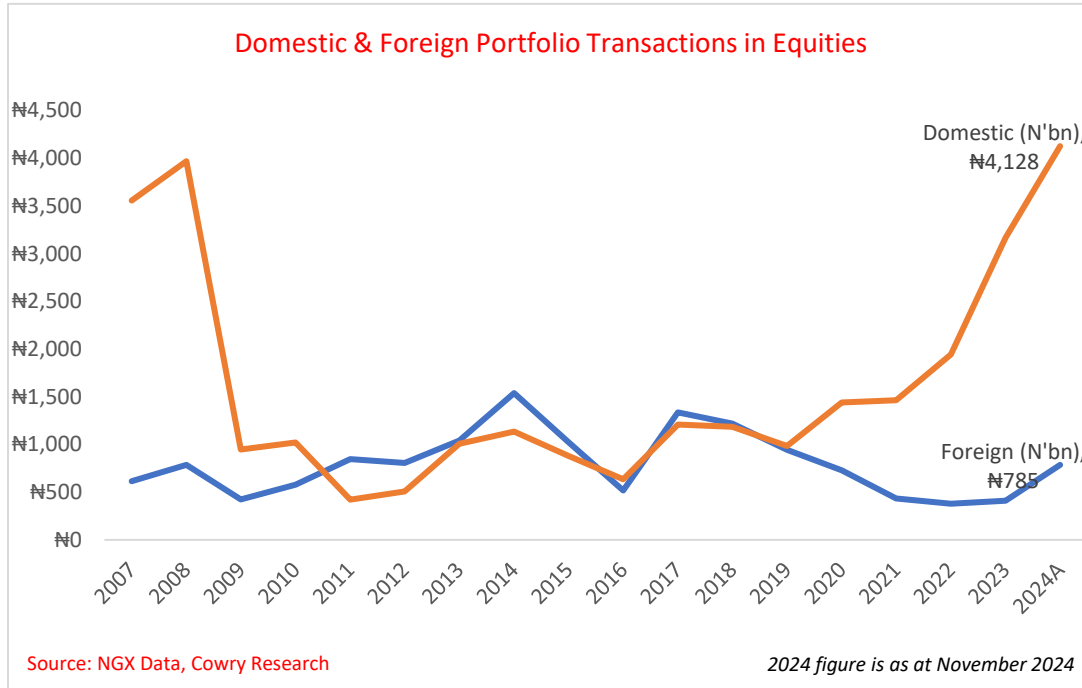
EQUITIES MARKET: Local Bourse Sustains Uptrend with N608.7bn Profits Amid Weak Trading Activities.....

Looking ahead, the Nigerian equities market is expected to maintain its upward trajectory as investors continue to position themselves in fundamentally strong stocks with significant growth potential. Year-end window-dressing activities and preparations for the new trading year are anticipated to provide additional support to market momentum. With favourable market internals and attractive valuations, the domestic equities market appears well-positioned for further growth in the coming weeks.

ECONOMY: Strong Market Dynamics Spur Inflows into Equities to Historic N4.91trn Heights Since 2007.....

This week, we turn our attention to the latest data on trading activity from the Nigerian Exchange Limited (NGX), which reveals a remarkable surge in both foreign and domestic transactions throughout 2024. By the end of November, the total transaction value had reached an impressive N4.91 trillion, reflecting a significant 51.92% year-on-year increase from N3.23 trillion recorded in November 2023. Notably, this marks a new historic peak, surpassing the previous high of N3.97 trillion recorded in 2007.

The growth in transaction volume can be attributed to the increasing appeal of Nigerian equities, which have garnered strong interest from investors despite the positive performance of fixed-income and money markets. This development comes against the backdrop of the Central Bank of Nigeria’s (CBN) tightened monetary policy, which saw interest rates rise by over 800 basis points in 2024. Even with these headwinds, the local equities market has continued to demonstrate resilience and attract sustained investor confidence.



Of the N4.91 trillion recorded so far, domestic investors have maintained their dominance, accounting for more than 84% of total transactions, equivalent to N4.13 trillion. Foreign investors, meanwhile, contributed N785.3 billion, representing 16% of the total. This trend underscores the steadfast participation of local investors in Nigerian equities, even as other asset classes offer competing opportunities. However, it’s worth noting that foreign investor participation has remained below 25% since

the pandemic. Factors such as market risks and capital control measures implemented by the CBN have played a role in limiting foreign inflows into the market.

On a monthly basis, the local bourse recorded N442.3 billion in transactions during November 2024. Domestic investors led the way with N401.4 billion, while foreign investors contributed N40.94 billion. This monthly figure, though lower than October’s N502.7 billion by 12.01%, represents a robust 47.12% year-on-year growth from the N300.7 billion recorded in November 2023. The continued strength of domestic participation highlights the enduring confidence of local investors in the market.

A deeper comparison of trading activity between November and October 2024 reveals a slight cooling off as the year-end approaches. Domestic transactions dipped by 11.83%, moving from N455.27 billion in October to N401.40 billion in November. Similarly, foreign transactions declined by 13.74%, falling from N47.46 billion (approximately \$28.33 million) to N40.94 billion (approximately \$24.61 million).

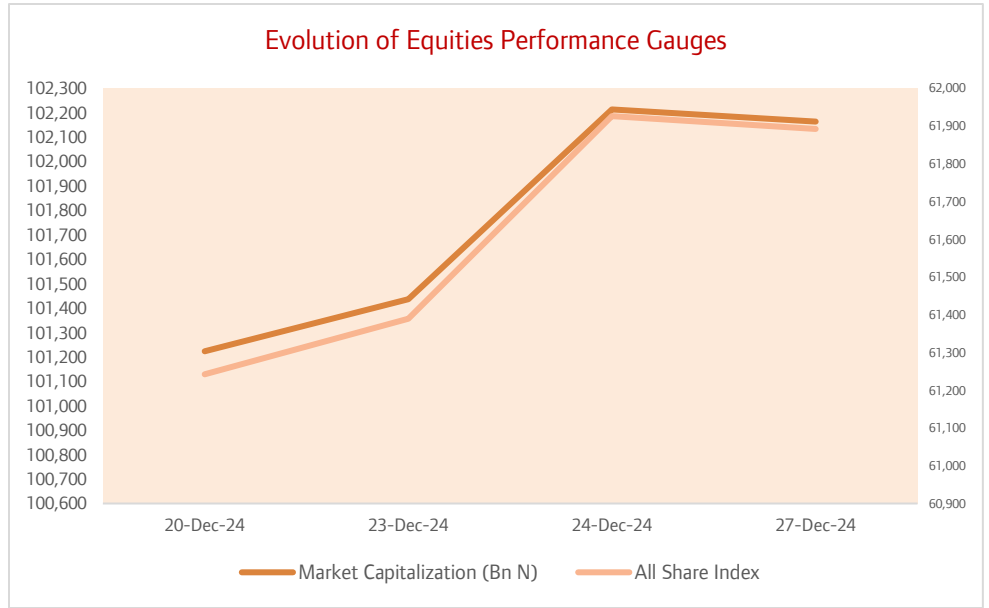
Further insights from the NGX report reveal a slight edge for institutional investors over retail participants, with institutional transactions accounting for 2% more activity. Interestingly, retail investors increased their participation by 14.90%, with their transactions rising from N170.04 billion in October 2024 to N195.38 billion in November 2024. Conversely, institutional investor activity saw a decline, dropping by 27.77% from N285.23 billion in October to N206.02 billion in November.

Looking ahead to 2025, there is optimism for a modest increase in market activity from both local and foreign investors. Strong investor sentiment and a favourable outlook for Nigerian equities are expected to drive this growth. However, the vibrant fixed-income and money markets, which offer attractive yields, may present competition for investor attention. As the new year approaches, the interplay between these asset classes will be pivotal in shaping the investment landscape. Nevertheless, the Nigerian equities market remains well-positioned to attract sustained interest from a broad spectrum of investors.

EQUITIES MARKET: Local Bourse Sustains Uptrend with N608.7bn Profits Amid Weak Trading Activities.....

In the just-concluded week, the Nigerian equities market sustained its upward momentum, delivering a 0.99% week-on-week gain. The benchmark NGX All-Share Index (ASI) advanced to 102,133.30 points, remaining firmly above the 102,000-point threshold. This performance was bolstered by strong buying interest across key sectors, a reflection of growing investor confidence driven by year-end window-dressing activities and the optimistic post-Christmas equity market sentiment.

Market capitalisation mirrored this upward trend, rising by N608.74 billion to close at N61.91 trillion. This increase underscores the favourable market sentiment and robust demand for Nigerian equities, as highlighted by the rising Money Flow Index (MFI). Investor optimism was further evidenced by the impressive market breadth, with 64 gainers surpassing 20 losers in a shortened trading week, which comprised just three sessions due to the Christmas holidays. Consequently, the year-to-date return of the ASI improved significantly to an impressive 36.6%.



Despite these gains, market activity was somewhat muted, as participants focused on portfolio rebalancing and adjustments ahead of the final trading days of 2024. The total weekly traded volume fell by 43.16% to 1.39 billion units, while the value of transactions dropped by 41.42% to N52.02 billion. The average number of weekly deals also declined, with 33,410 transactions recorded, representing a 32.12% reduction compared to the previous week.

Sectoral performance remained predominantly positive, with four of the five major indices closing in the green. The NGX-Insurance Index led the charge, surging by 7.87% week-on-week due to strong buy-side interest in counters such as UNIVERSAL INSURANCE, ROYALEX, PRESTIGE, and SUNU ASSURANCE. The NGX-Consumer Goods Index followed closely, advancing by 3.13%, driven by bullish sentiment around PZ Cussons and IKEJA HOTEL. The NGX-Banking and NGX-Industrial Goods indices also posted gains of 1.97% and 0.09%, respectively, buoyed by demand for stocks like FIDELITY BANK, STERLING BANK, MAYBAKER, CUTIX, and STANBIC. Conversely, the NGX-Oil & Gas Index was the sole laggard, recording a marginal decline of 0.12%, largely due to profit-taking activities in ARADEL, ETERNA, and OANDO.

Highlighting individual stock performance, IKEJA HOTEL emerged as the best-performing stock, appreciating by 32.8%. It was followed by MULTIVERSE, which gained 32.6%, PZ Cussons with a 26.1% increase, UNIVERSAL INSURANCE at 25%, and ROYALEX, which rose by 24.7%. On the flip side, THOMAS WYATT (-10%), ARADEL (-9.6%), AUSTIN LAZ (-9.3%), DAAR COMMUNICATIONS (-6.5%), and NEIMETH (-5%) were the week's laggards, reflecting profit-taking and subdued interest in these counters.

Looking ahead, the Nigerian equities market is expected to maintain its upward trajectory as investors continue to position themselves in fundamentally strong stocks with significant growth potential. Year-end window-dressing activities and preparations for the new trading year are anticipated to provide additional support to market momentum. With favourable market internals and attractive valuations, the domestic equities market appears well-positioned for further growth in the coming weeks.

Weekly Gainers and Loser as at Friday, December 27, 2024

Top Ten Gainers				Bottom Ten Losers			
Symbol	27-Dec-24	20-Dec-24	% Change	Symbol	27-Dec-24	20-Dec-24	% Change
IKEJAHOTEL	12.15	9.15	32.8%	THOMASWY	1.71	1.90	-10.0%
MULTIVERSE	6.10	4.60	32.6%	ARADEL	600.00	664.00	-9.6%
PZ	29.00	23.00	26.1%	AUSTINLAZ	1.66	1.83	-9.3%
UNIVINSURE	0.55	0.44	25.0%	DAARCOMM	0.58	0.62	-6.5%
ROYALEX	0.91	0.73	24.7%	NEIMETH	1.90	2.00	-5.0%
PRESTIGE	1.00	0.81	23.5%	LIVESTOCK	3.90	4.10	-4.9%
MRS	217.80	180.00	21.0%	HMCALL	4.78	5.00	-4.4%
SKYAVN	33.75	27.95	20.8%	NASCON	31.00	32.40	-4.3%
JOHNHOLT	7.09	5.88	20.6%	ETERNA	28.50	29.45	-3.2%
SUNUASSUR	8.99	7.49	20.0%	OANDO	67.35	69.50	-3.1%

Weekly Stock Recommendations as at Friday, December 27, 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
FIDELITY BANK	7.02	7.02	21.51	0.81	2.49x	17.50	8.50	17.15	23.0	14.9	20.1	31.43	Buy
UBA	14.78	16.75	104.83	0.34	2.44x	37.80	12.85	34.55	53.0	30.6	41.4	47.22	Buy
MRS OIL	18.15	19.36	81.77	2.66	12.00x	217.8	105	217.80	287.0	185.1	250.5	31.77	Buy
NIGERIAN BREWERIES	-14.55	-15.52	-8	-3.92	-2.23x	48.85	28.8	32.50	41.0	27.6	37.4	26.15	Buy
PRESCO	51.77	54.53	84.63	5.61	9.18x	485.10	110.00	475.00	579.0	403.8	546.3	21.89	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, December 27, 2024

FGN Eurobonds	Issue Date	TTM (years)	27-Dec-24 Price (N)	Weekly USD Δ	27-Dec-24 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.90	99.28	0.03	8.5%	-0.01
6.50 NOV 28, 2027	28-Nov-17	2.92	94.69	-0.05	8.6%	0.04
6.125 SEP 28, 2028	28-Sep-21	3.76	90.63	-0.16	9.1%	0.07
8.375 MAR 24, 2029	24-Mar-22	4.24	96.97	-0.06	9.3%	0.02
7.143 FEB 23, 2030	23-Feb-18	5.16	90.41	-0.10	9.5%	0.03
8.747 JAN 21, 2031	21-Nov-18	6.07	96.03	-0.09	9.6%	0.02
7.875 16-FEB-2032	16-Feb-17	7.14	89.84	0.07	9.9%	-0.01
7.375 SEP 28, 2033	28-Sep-21	8.76	85.36	-0.15	9.9%	0.03
7.696 FEB 23, 2038	23-Feb-18	13.17	81.36	-0.11	10.3%	0.03
7.625 NOV 28, 2047	28-Nov-17	22.93	76.09	-0.17	10.4%	0.03
9.248 JAN 21, 2049	21-Nov-18	24.08	90.38	-0.13	10.3%	0.02
8.25 SEP 28, 2051	28-Sep-21	26.77	79.53	-0.06	10.6%	0.01

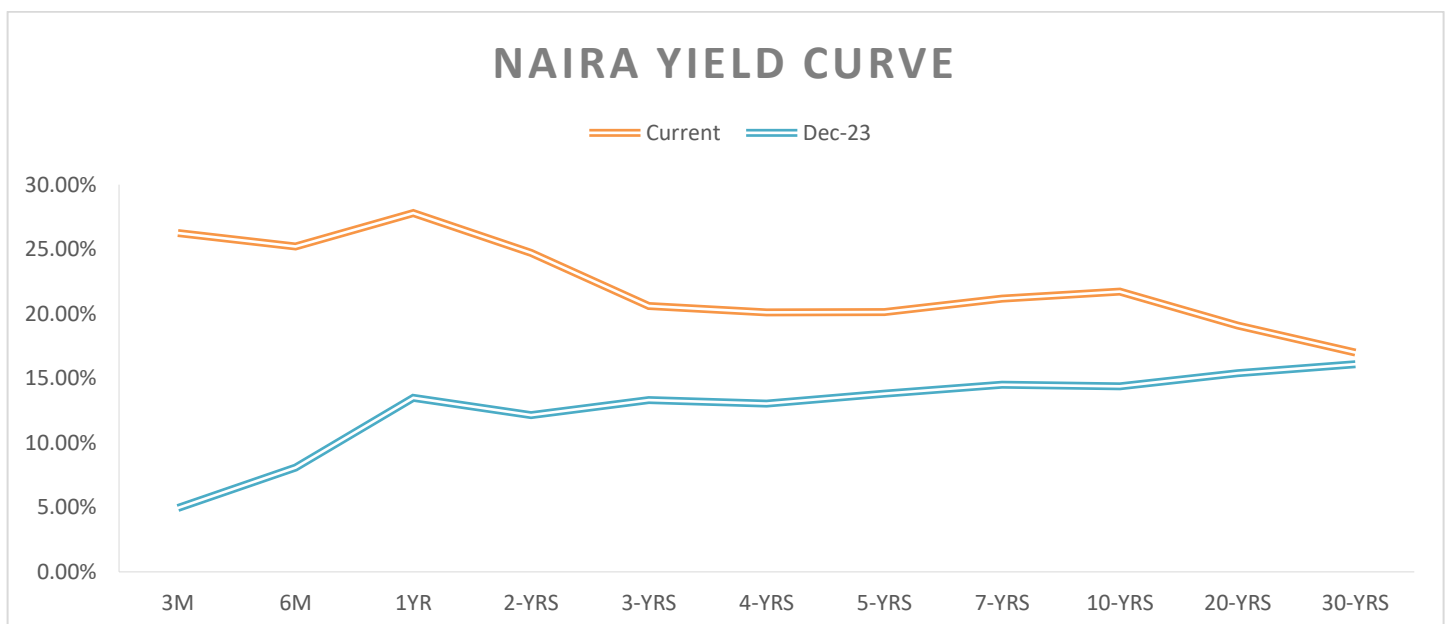
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, December 27, 2024

MAJOR	27-Dec-24	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0436	1.0422	0.14%	0.12%	-1.10%	-5.62%
GBPUSD	1.2572	1.2524	0.38%	0.03%	-0.93%	-1.26%
USDCHF	0.9005	0.8992	0.15%	0.77%	1.99%	6.66%
USDRUB	104.7606	100.0006	4.76%	1.70%	-3.00%	18.37%
USDNGN	18.7083	18.8118	-0.55%	-0.03%	-8.13%	72.95%
USDZAR	18.7083	18.8118	-0.55%	2.37%	3.62%	1.08%
USDEGP	50.8761	50.8202	0.11%	0.02%	2.69%	64.64%
USDCAD	20.31	20.2353	0.37%	0.29%	2.71%	8.81%
USDMXN	20.31	20.2353	0.37%	1.12%	-0.62%	19.92%
USDBRL	6.21	6.1824	0.39%	2.04%	3.24%	27.99%
AUDUSD	0.5636	0.5626	0.18%	-0.50%	-4.29%	-8.92%
NZDUSD	0.5636	-0.0600	0.18%	-0.24%	-4.31%	-10.94%
USDJPY	7.3056	7.3034	0.03%	0.90%	4.11%	11.59%
USDCNY	7.3056	7.3034	0.03%	0.15%	0.76%	2.62%
USDINR	85.4368	85.2748	0.19%	0.57%	1.14%	2.72%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, December 27, 2024

Commodity		27-Dec-24	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	70.4	69.6	1.09%	1.32%	2.11%	-1.94%
BRENT	USD/Bbl	74.0	73.3	0.97%	1.35%	1.19%	-4.18%
NATURAL GAS	USD/MMBtu	3.4	9.8	2.81%	-9.01%	4.08%	43.48%
GASOLINE	USD/Gal	2.0	1.9	0.58%	0.63%	-1.21%	-7.86%
COAL	USD/T	125.0	125.0	0.00%	-2.15%	-11.16%	-14.38%
GOLD	USD/t.oz	2,617.6	2,633.2	-0.59%	-0.20%	-0.82%	26.61%
SILVER	USD/t.oz	29.5	29.8	-1.09%	-0.27%	-2.70%	22.96%
WHEAT	USD/Bu	541.7	541.0	0.14%	1.59%	1.73%	-14.26%
PALM-OIL	MYR/T	4,634.0	4,545.8	1.94%	4.51%	-5.12%	23.94%
COCOA	USD/T	10,710.1	10,866.5	-1.44%	-9.16%	18.50%	153.30%

FGN Bonds Yield Curve, Friday December 27, 2024





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