

# WEEKLY REPORT

17<sup>TH</sup> DECEMBER, 2021



**APT SECURITIES AND FUNDS LIMITED**  
(Trading License Holder of The Nigerian Exchange Limited)

## NIGERIAN ECONOMY:

The National Bureau of Statistics released the Country's Inflation data for the month of November.

Nigeria's inflation continues to decelerate for the eight straight month, having peaked in March 2021. The November inflation data goes against historical ember months inflationary trend.

INDICATOR	PRESENT	PREVIOUS	%CHG
INFLATION	15.40	15.99	-3.69%
UNEMPLOYMENT	33.30%	27.10%	22.88%
CRUDE BONNY LIGHT (USD)	73.25	74.38	-1.52%

SOURCE: NBS, OILPRICE.COM, APT RESEARCH

Year-on-year inflation figure for November stood at 15.40%, down from 15.99% recorded in October. This is the lowest inflation figure recorded in the year, and the lowest reading since November 2020.

The key driver of this disinflation is food inflation, which slowed from 18.34% in October to 17.21% in November.

Whereas Core Inflation rose from 13.24% in October to 13.85% in November, the highest figure since April 2017.

INTERBANK-(FX Spot& Forwards)			
Tenor	Previous	Current	WoW %CHG
CBN SMIS	430.00	430.00	0.00%
I& E FX	415.10	415.07	0.01%
1 M	416.08	415.96	0.03%
3 M	421.31	420.55	0.18%
6 M	430.39	429.51	0.20%
1Y	447.92	447.37	0.12%

SOURCE: FMDQ, APT RESEARCH

The Nigerian Naira marginally strengthened on the official exchange window as dollar liquidity continues to improve. The Naira is up by 0.01% in the week at the I&E window to trade at N415.07/\$ from the N415.10/\$ it traded at the end of the previous week.

Consequently, the Naira strengthened on the official Naira forward market, with the one-year forward rate up by 0.12% to peg the one-year Naira forward rate at N447.37/\$.



SOURCE: FMDQ, APT RESEARCH

Following a liquidity crunch experienced in the financial sector in the previous week, liquidity significantly improved in the banking sector in the week in view as measured by a decline in the overnight lending rate.

NIGERIAN T-BILLS RATES			
MATURITY	RATE	PREV	WoW %CHG
1 MONTH	3.70	3.71	-0.27%
2 MONTH	4.02	4.03	-0.25%
3 MONTH	3.28	3.00	9.33%
6 MONTH	3.74	3.74	0.00%
9 MONTH	5.73	5.74	-0.17%
12 MONTH	5.63	5.64	-0.18%

SOURCE: FMDQ, APT RESEARCH

Yields across the Nigerian Treasury Bills experienced a significant decline as risk-averse investors direct funds into the default-risk-free money market instruments, pushing prices higher and yields lower. This falling yield is set to make the local equities market more attractive, especially considering the negative real-returns offered by the money-market instruments and most other debt instruments.

## LOCAL EQUITIES MARKET:

The local equities market swayed bullish in the week as it closes in the green, outperforming most of its regional and global peers.



SOURCE: NGX EXCHANGE, APT RESEARCH

The Nigerian Equities Market kicked-off the week on a bullish note, with bears taking a breather from the previous week bearish run. This first session would set the tempo for the rest of the week as the bulls would reign in three out of the five sessions of the week.

The NGXASI gained 1.12% in the week to stand at 42,353.31bps. This outing brought the year-to-date performance of the ASI to stand at 5.17%, up from the 4.00% it stood at the end of the previous week.

INDICATOR	PRESENT	PREVIOUS	WoW %CHG
NSEASI (bps)	42,353.31	41,882.97	1.12%
MKT.CAP. (N'trm)	22.107	21.854	1.16%
YTD Return	5.17%	4.00%	29.29%

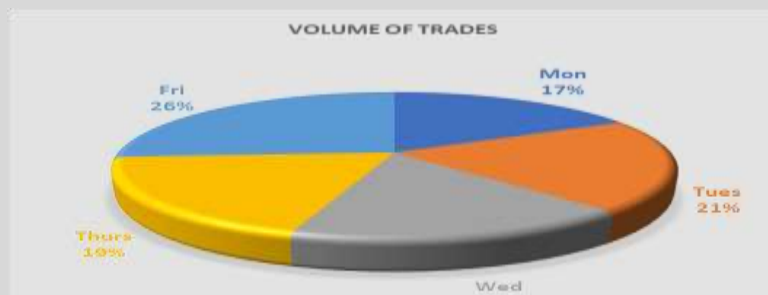
SOURCE: NGX EXCHANGE, APT RESEARCH

Market Capitalization is pegged at the end of the week at N22.107tn, a 1.16% increase from where the market capitalization stood at the end of the previous week as Ronchess Global Resources Plc listed its entire 91,000,000 ordinary shares at N81.00 on the Growth Board of the NGX. We maintain a bullish outlook on the market but advise investors to trade cautiously as we approach the final days of the year.

INDICES	CURRENT	PREVIOUS	WOW %CHG
ASI	42,353.31	41,882.97	1.12%
NGX30	1,705.47	1,682.33	1.38%
NGX CG	1,251.54	1,244.35	0.58%
NGX BNK	395.38	402.71	-1.82%
NGX INS	190.93	190.86	0.04%
NGXCNSMRGDS	550.41	546.96	0.63%
NGXOILGAS	350.65	352.67	-0.57%
NGXLOTUSISLM	2,925.94	2,856.20	2.44%
NGXINDUSTR	2,081.14	2,073.32	0.38%
NGX GROWTH	1,201.61	1,201.61	0.00%
NGXASEM	670.65	670.65	0.00%

SOURCE: NGX EXCHANGE, APT RESEARCH

Most sectorial indices closed on a positive note, mirroring the outing of the ASI, save for the Banking and Oil&Gas Indices that shed 1.82% and 0.57% respectively as the Lotus II Index gained 2.44% to become the best performing index in the week.



SOURCE: NGX EXCHANGE, APT RESEARCH

Market activity declined in the week with a total turnover of 1.317bn shares valued at N15.330bn, traded in 18,292 deals. This is in contrast to the 2.630bn units of shares valued at N26.900bn that were traded in 20,848 deals in the previous week.

MARKET ACTIVITY	PRESENT	PREVIOUS	WoW %CHG
VOLUME	1,317,030,373	2,629,792,655	-49.92%
VALUE	15,329,686,119	26,899,800,304	-43.01%
DEALS	18,292	20,848	-12.26%

SOURCE: NGX EXCHANGE, APT RESEARCH

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
MEYER	0.33	0.42	27.27%	CHAMPION	2.71	2.34	-13.65%
ROYALEX	0.60	0.69	15.00%	UPDC	1.18	1.06	-10.17%
FTNCOCOA	0.37	0.42	13.51%	ETRANZACT	2.09	1.89	-9.57%
PHARMDEKO	2.00	2.20	10.00%	CUTIX	2.65	2.40	-9.43%
CUSTODIAN	7.10	7.80	9.86%	UPDCREIT	4.40	4.10	-6.82%
REDSTAREX	3.15	3.40	7.94%	LIVESTOCK	2.03	1.90	-6.40%
MTNN	174.50	187.00	7.16%	NASCON	14.00	13.20	-5.71%
NGXGROUP	17.00	18.20	7.06%	CAP	19.30	18.20	-5.70%
DANGSUGAR	15.95	17.00	6.58%	HONYFLOUR	3.60	3.40	-5.56%
CWG	1.02	1.08	5.88%	UBN	4.85	4.60	-5.15%

Thirty-two stocks appreciated at the end of the week in view, lower than the Thirty-five stocks that appreciated in the previous week. MEYER gained 27.27% in the week to lead the pack as the best performing stock for the second straight week. CHAMPION shed 13.65% to become the worst performing stock as twenty-eight stocks depreciated in price during the week. This is higher than the twenty-seven stocks that depreciated in price in the previous week.

Full suspension was placed on trading activities in the shares of Nem Insurance Plc as the company prepares for reconstruction its share capital. This would see Nem Insurance Plc increasing the nominal value of its shares from N0.50kobo to N1.00kobo as they consolidate every two shares into one.



SOURCE: APT RESEARCH

Most indices across the APT Major Global Indices tracking board shed weight in the week, save for the NGXASI that was up 1.12% to become the best performing index as NIKKEI225 and GSE-CI flank it by gaining 0.38% and 0.06% respectively.

The NASDAQ lost 2.95% in the week to register as the worst-performing index.

## NASD-OTC MARKET:

The NASD-OTC market started the week flat as bears and bulls were indecisive. This would set the tempo for the rest of the week as the market records three flat sessions in the week. The market lost weight in a single session in the week, while also having a single bullish session.

Consequently, the NASD Security Index closed the week on a bullish note, gaining 1.06% in the week to stand at 739.90bps as opposed to the 732.15bps it closed the previous week.

NASD-OTC MARKET SNAPSHOT			
SYMBOL	CURRENT	PREVIOUS	%CHG
NSI	739.90	732.15	1.06%
MKT. CAPITALIZATION (BN)	611.29	604.88	1.06%
VOLUME TRADED	1,024,009	6,571,340	-84.42%
VALUE TRADED	41,975,971.00	155,768,149.95	-73.05%
DEALS EXECUTED	20	53	-62.26%

**SOURCE: NASD, APT RESEARCH**



SOURCE: NASD, APT RESEARCH

Market capitalization was also up by 1.06%, representing a N6.41bn increase. This pegged the market capitalization of the NASD-OTC market at N611.29bn from the N604.88bn it stood at the end of the previous week.

Market activity as measured by both volume and value of trades declined in the week under review, as 1.024mn units of shares valued at N41.976mn in 20 deals were traded in the week. This is in contrast to the 6.571mn units of shares traded in 53 deals in the previous week, valued at N16.945mn.

TOP GAINERS	OPEN	CLOSE	%CHG	TOP LOSERS	OPEN	CLOSE	%CHG
SDFCWAMCO	110.00	119.00	8.18%	SDMIXREAL	1.95	1.76	-9.74%
SDNDEP	228.00	235.54	3.31%	SDCSCSPLC	17.75	17.00	-4.23%

There are two gainers in the week as against the two losers for the week. SDFCWAMCO gained 8.18% to become the best performing stock in the week. While SDMIXREAL sheds 9.74% to become the worst performing stock in the week.

## INVESTMENT RECOMMENDATION

	STOCKS	CURRENT PRICE	52WKS HIGH	52WKS LOW	EPS(LTM)	P/E	TARGET PRICE	UPWARD POTENTIAL
1	NASCON	13.20	17.60	12.90	1.02	12.94	15.50	17.42%
2	CAVERTON	1.65	2.15	1.58	0.35	4.71	1.87	13.33%
3	WEMABANK	0.76	0.90	0.54	0.21	3.62	0.85	11.84%
4	DANGCEM	255.00	280.00	198.10	16.27	15.67	285.00	11.76%
5	UNITYBNK	0.45	0.39	0.75	0.18	2.50	0.50	11.11%
6	LIVESTOCK	1.90	3.08	0.59	0.17	11.18	2.10	10.53%
7	ACCESS	9.05	10.50	7.05	2.97	3.05	9.95	9.94%
8	CORNERST	0.51	0.89	0.48	0.12	4.25	0.56	9.80%
9	FLOURMILL	28.30	35.00	24.85	7.18	3.94	31.00	9.54%
10	GTCO	25.60	36.50	24.95	7.01	3.65	28.00	9.37%

SOURCE: APT RESEARCH

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