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The NGX All-Share Index and Market Capitalization appreciated by 2.26% to close the week at 74,023.27 and N40.507 trillion respectively.

Similarly, all other indices finished higher with the exception of NGX ASeM, NGX Consumer Goods and NGX Growth which depreciated by 0.90%, 0.70% and 0.18% respectively while the NGX Sovereign Bond index closed flat.

Top Gainers as at -22-DEC-2023

Stock	Close ₦	% Chg.
UNITED CAPITAL PLC	23.00	20.42
TRANSCORP HOTELS PLC	63.80	36.03
INFINITY TRUST MORTGAGE BANK PLC	4.53	60.64

Stock	Close ₦	% Chg.
TRANSNATIONAL CORPORATION PLC	8.80	26.44
DAAR COMMUNICATION PLC	0.69	50.00

A total turnover of 2.474 billion shares worth N53.787 billion in 35,848 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 1.882 billion shares valued at N31.630 billion that exchanged hands last week in 33,020 deals.

The Financial Services Industry (measured by volume) led the activity chart with 1.756 billion shares valued at N24.641 billion traded in 17,589 deals; thus contributing 70.95% and 45.81% to the total equity turnover volume and value respectively. The Conglomerates Industry followed with 222.963 million shares worth N1.781 billion in 2,573 deals. The third place was the Services Industry, with a turnover of 93.820 million shares worth N528.510 million in 2,166 deals.

Trading in the top three equities namely Abbey Mortgage Bank Plc, Transnational Corporation Plc and Access Holdings Plc (measured by volume) accounted for 621.814 million shares worth N6.338 billion in 4,235 deals, contributing 25.13% and 11.78% to the total equity turnover volume and value respectively.

Notable Highlights

- The equities market recorded a mixed performance – the listed equities market, NGXASI, recorded an increase of 1.18% W-o-W, and the NASD OTC advanced by 2.94%.

- The NAFEM appreciated while the NAFEX rate depreciated.
- The BDC rates appreciated to 1,233.
- The price of Brent crude oil and Gold closed positively at the end of the week.
- The FMDQ Debt Market Size was not available when reporting.
- The AFEX ACI and AEI were not available when reporting.

Top Losers as at 22-DEC-2023

Stock	Close ₦	% Chg.
ASSOCIATED BUS COMPANY PLC	0.76	-16.48
OMATEK VENTURES PLC	0.64	-12.33
THOMAS WYATT NIG PLC	2.65	-10.17
ELLAH LAKES PLC	2.90	-9.94
JULI PLC	0.59	-9.94

CAPITAL MARKET

New Incentives to Stimulate Investments in the Nigerian Oil Sector

According to recent reports, the Federal Government of Nigeria (FGN) has begun to apply incentives to attract investments to the lagging oil & gas sector. One of such incentive is to replace signature bonuses that companies owe to the government after the signing of contracts with lump

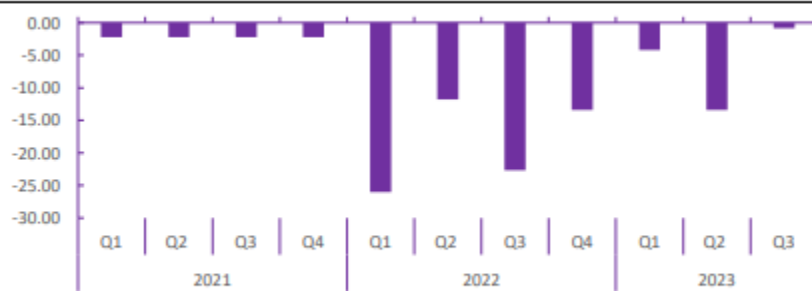
sums of production. A signature bonus is a single, non-recoverable lump sum payment by the licensee to the government after the exploration license has been granted. The government is also looking to tackle delays in licensing. The Chief Executive Officer of Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Gbenga Komolafe stated that the new measures will be observed in the new bidding process about to commence.

Oil output from Nigeria has been low in recent years and the country recorded its lowest oil production volume of 1.14mbpd in September 2022. The country's low production has been attributed to massive crude oil theft in Nigeria's oil rich Niger Delta, ageing oil fields, poor crude oil terminal maintenance, shutdowns, and reduced investments in the upstream oil and gas sector. The situation has led to significant revenue losses for the country.

The Federal Government has sustained efforts at reinforcing pipeline surveillance and clampdown on oil theft, but results appear slow and inconsistent. Industry data showed crude oil production output rallied for 6 months from a record low in September 2022, but production declined again in April 2023 and picked up again in May 2023 but has begun to decline again.

In recent years, many oil majors have been getting rid of onshore and shallow-water assets. The Tinubu administration has pledged to increase oil output, which is currently around 1.46 million barrels a day (including condensates), to four million a day by 2030. The government also plans to upgrade infrastructure, end theft and vandalism and improve community relations. The oil sector has been in recession since 2020 and has been a drag to overall GDP growth. The NUPRC boss noted that capital inflows into the industry have dropped by about 74% in almost a decade. Attracting investments into the sector and boosting oil production will go a long way to improve the harsh macroeconomic conditions the country faces currently.

Real GDP growth rate for Oil Sector (Last Two Years)



Source: CSL Research, NBS

Cocoa Futures Gained 0.47% Due to Unfavourable Weather Conditions in Ivory Coast and Ghana

Brent futures lost after a three-day winning streak; Angola pulled out of OPEC. After testing a 6-week high of \$80.55pb, Brent futures slid back to \$78pb on the news of Angola's exit from OPEC. As a cartel, OPEC's grip on the market has become a little slack due to the vulnerability of members with sluggish economies and weak currencies. This is coming at a time when Goldman Sachs revised the Brent price target for 2024 downward by 10% to a range of \$70pb - \$90pb.

More fertilizer, less agricultural production in Nigeria, The price of a 50kg bag of NPK fertilizer in Nigeria surged by 112.5% to N17,000 from N8,000, while the average price of a 50kg bag of urea also spiked by 185% to N17,000 within the same period. The hike in their respective prices is largely supported by smugglers that export fertilizers meant for farmers and the terrorists that use it for their nefarious activities.

Rising prices of fertilizers has resulted in lower crop yields, which has impeded the agricultural sector's growth (slowed to 1.3% in Q3'23 from 1.34% in Q3'22) and pushed food inflation to a record high of 32.84%.

However, there is a glimmer of hope as the Dangote Urea Fertilizer plant will not only increase the availability of fertilizers in the country but also reduce the price of the commodity.

HAVE AN AWESOME WEEKEND AHEAD!!!