



# How would Recent Events Affect Your Financial Investments?

Find Answers On The ARM Weekly Commentary And Stock Recommendation







## Global Market

In the United States, the stock market declined on a Week-to-Date (WtD) basis, as investors await the September jobs report. The Dow Jones (-0.71% WtD), S&P 500 (-0.67% WtD) and Nasdaq (-1.11% WtD) indices all recorded losses. In the UK, the FTSE 100 fell 0.46% WtD, following losses in Phoenix Group (-5.6% WtD) and Hargreaves Lansdown (-2.7% WtD). In China, the Hang Seng index jumped 7.63% Week-on-Week (WoW) on the back of Beijing's big stimulus measures aimed at attracting foreign and local investors. This represents the index's highest level since 2008, up over 20% from its September 2024 lows. Meanwhile, Japan's Nikkei (-3.05% WoW) and Topix (-1.71% WoW) indices fell, as investors grew cautious about rising tensions in the Middle East. This followed the United States' President Biden's suggestion that Israel might target Iranian oil facilities in response to a recent missile attack.

## Domestic Economy

Earlier this week, President Bola Ahmed Tinubu addressed the country, during Nigeria's 64th Independence on October 1st 2024. His speech outlined his administration's achievements, including a total inflow USD30bn in foreign investments, anti-terrorism efforts and initiatives in agriculture, energy and youth development. He was optimistic that their commitment to strengthen security will make a positive impact on food production and further reduce food inflation. Furthermore, he assured that Seplat's acquisition of ExxonMobil would be approved sooner than later. We believe that this would help drive positive sentiment in the Oil and Gas sector and give room to more investments. However, we note that there is need to curb the insecurity in oil producing states, which has continued to limit crude oil production in the past years.



## Stock Market

This week, investors lost NGN596.61bn due to selloffs in DANGCEM, BUACEMENT and FBNH, which caused the market to lose 0.95% Week-on-Week (WoW). However, we saw gains in sectors such as Oil and Gas, Insurance and Consumer Goods sectors, as investors bought into tickers such as SEPLAT, NEM and INTBREW respectively. On the flipside, we observed that the Industrial Goods and Banking sectors were dragged by profit taking activities in DANGCEM and FIDELITY respectively. In the coming week, we expect to see some buying interest as investors start positioning themselves in stocks with strong fundamentals ahead of the release of Q3:2024 earnings results. However, this could be offset by attractive yields in the fixed income market.

## Fixed Income

This week, the Central Bank of Nigeria (CBN) conducted an Open Market Operation (OMO) auction. The CBN offered NGN500bn worth of OMO bills. The bid-to-cover ratio for the 362-day bill rose by 0.92% to 1.64x the offered amount (compared to 0.72x at the previous auction), indicating strong investor demand. Elsewhere, the secondary fixed-income market closed in the red as yields increased following sell-offs. In the NT-bills market, the average yield rose by 0.76% WoW to close at 22.68%. Similarly, the FGN bond market saw a rise in the average yield by 0.33% WoW, closing at 19.08%, driven by selloffs across the longer-term bond instruments. Consequently, the overall Naira fixed income market ended the week on a negative note, with the average yield increasing by 0.55% WoW to 20.88%. In the coming week, we expect this negative trend to persist, on the back of the expectation of no significant liquidity inflows.



	This Week	Prior Week	WoW (%)	YTD (%)	
					<b>Reports Released This Week (Click Link below for Full report)</b>
<b>External Reserve (\$'bn)</b>	38.54	38.06	1.26%	17.11%	<b>ARM Model Equity Portfolio Initiation Report</b>
<b>USD/NGN (₦/\$)</b>					<b>ARM Model Equity Portfolio 27th September 2024</b>
<b>NAFEM</b>	1,657.36	1,585.76	-4.32%	-45.73%	<b>Monthly Equities Market Report - September 2024</b>
<b>Parallel</b>	1,662.50	1,672.50	0.60%	-28.12%	<b>Monthly Fixed Income Market Report - September 2024</b>
					<b>Access Holdings Plc H12024 Earnings result Higher Cost of Fund Limits Bottomline</b>
					<b>UBA H12024 - Loss on Derivatives Drags Performance</b>
<b>Source: CBN, NBS, FMDQ, ARM Research</b>					

### Result of OMO Auction Held on 3<sup>rd</sup> October 2024

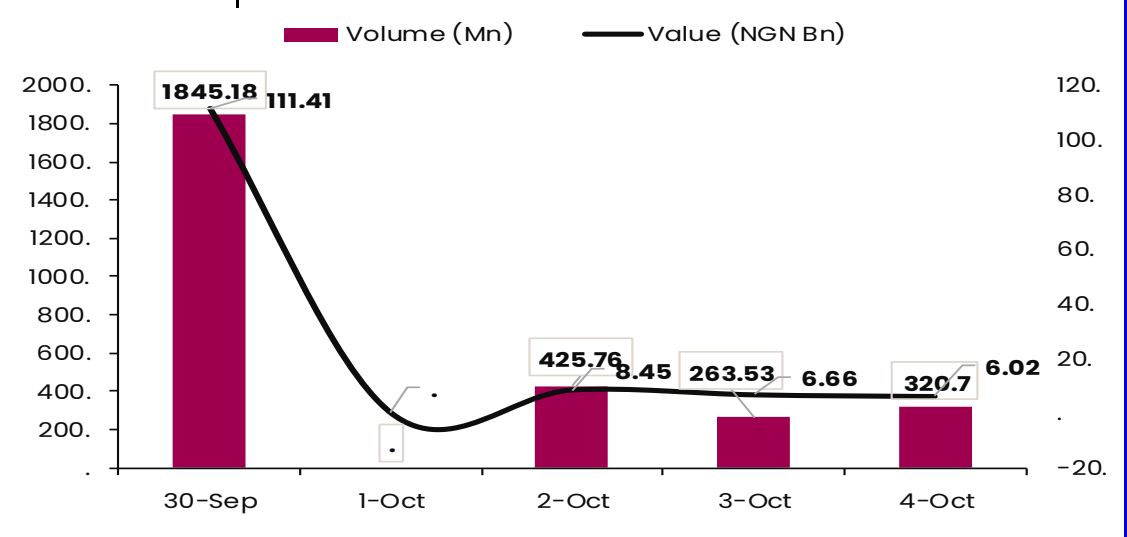
Maturity	89-Day	187-Day	362-Day
Offer Amount (NGN'bn)	25	25	450
Allotment (NGN'bn)	-	-	731.14
Subscription (NGN'bn)	-	-	737.14
Stop Rate (%)	-	-	24.32%
Previous Stop Rate (%)	-	-	24.36%
Percentage Points Difference	-	-	-0.04%
<b>Source: CBN, ARM Research</b>			



## Weekly Equities Market Snapshot Friday, October 4, 2024

Top Gainers						Top Losers					
Ticker	Price	Δ (%)	Yr High	Yr Low	YtD	Ticker	Price	Δ (%)	Yr High	Yr Low	YtD
DEAPCAP	1.46	31.5%	1.51	0.23	151.7%	FIDELITYBK	13.00	-13.3%	17.95	7.80	19.8%
SEPLAT	4964.70	21.0%	4964.70	1837.00	351.3%	DANGSUGAR	30.60	-12.2%	89.50	30.60	-46.3%
REGALINS	0.82	18.8%	0.99	0.31	115.8%	FBNH	25.00	-11.2%	43.95	15.90	6.2%
AFRIPRUD	10.65	18.3%	10.75	5.75	43.9%	DANGCEM	478.80	-10.0%	763.00	310.10	49.7%
LIVESTOCK	3.28	17.1%	3.28	1.30	77.3%	ACADEMY	2.86	-9.8%	3.17	1.67	47.4%
RTBRISCOE	3.50	16.3%	4.33	0.43	473.8%	PZ	17.65	-9.5%	40.00	15.25	-33.9%
NEM	8.75	14.4%	10.60	4.59	38.9%	NASCON	30.00	-9.1%	76.76	29.50	-44.2%
CWG	6.20	10.7%	9.50	4.85	-25.3%	ELLAHLAKES	4.50	-8.5%	5.41	2.70	55.2%
FTNCOCOA	2.00	10.5%	2.42	1.07	35.1%	NEIMETH	1.96	-8.4%	2.45	1.51	1.0%
ABBEYBDS	2.75	10.0%	3.23	1.40	23.9%	CILEASING	4.09	-8.1%	4.70	1.87	-27.0%

Tickers	Pts/₦	WoW	MtD	QTD	YTD
NGXASI	97,520.54	-0.95%	-1.05%	-1.05%	30.42%
Market Cap	56.04trn	-0.95%	-1.05%	-1.05%	36.96%
NGX Banking	926.84	-0.74%	-1.87%	-1.87%	3.30%
NGX Industrial	1,570.25	-6.84%	-5.83%	-5.83%	32.16%
NGX Consumer	926.84	0.34%	0.39%	0.39%	40.04%
NGX Oil & Gas	2,135.95	7.29%	7.29%	7.29%	104.78%
NGX Insurance	1,570.25	3.81%	1.70%	1.70%	35.93%



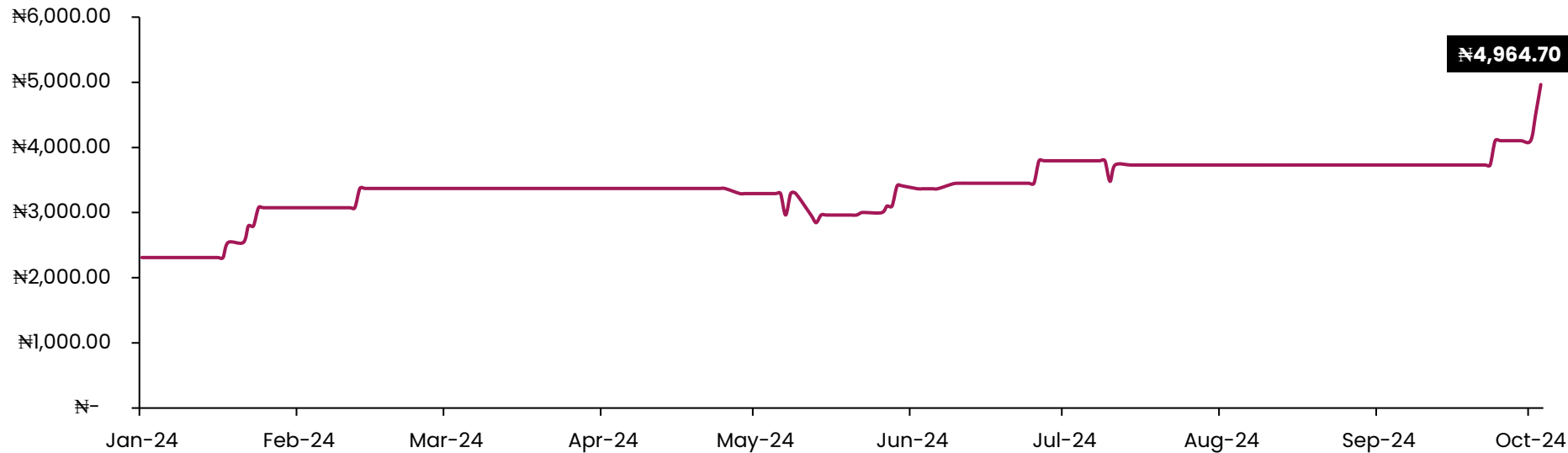
Source: NGX, ARM Research



## Seplat's Meteoric Rise

Seplat's shareholders are likely to be smiling all the way to the bank this week, as the stock surged by 21.00% week-on-week, reaching NGN4964.70. This impressive performance was driven by positive investor sentiment following Seplat's proposed acquisition of 100% of Exxon Mobil's offshore shallow water assets, including key export routes. Confidence was further bolstered by President Bola Ahmed Tinubu's Independence Day speech, where he assured Nigerians that the deal would be completed sooner rather than later. The acquisition is set to significantly boost Seplat's production capacity by 186%, increasing output to 146,000 barrels of oil equivalent per day (boepd). Additionally, it will expand the company's liquids reserves by 170% from 250 million barrels of oil (MMbbl) to 650 MMbbl and its gas reserves by 14%, rising from 1,501 billion standard cubic feet (Bscf) to 1,712 Bscf, with undeveloped gas potential of 2,910 Bscf. In our view, Seplat Energy is poised for significant growth and expansion in the coming months. The company has consistently posted strong revenue growth since 2020, driving its overall profitability.

Trend in Seplat Energy's Share Price from January 2024 – October 2024



Source: NGX, Bloomberg, ARM Research



Company	Declaration Date	Total Dividend	Total Dividend/Share	Dividend Announced	Dividend Announced/Share	Period Ended	Payment Date	Closure of Register Date	Qualification Date
United Bank for Africa Plc	30-Sep-24				NGN2.00	H1:2024	22-Oct-24	15-Oct-24	14-Oct-24

Source: NGX, ARM Research





# Thank You





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