

2023

SAMTL

Q3

Macroeconomic Report &

Q4 Outlook

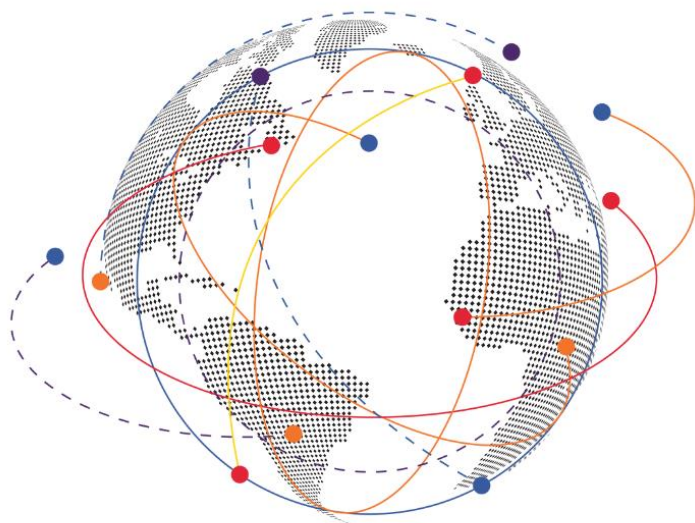


Table of Content

1. AFCFTA: Challenges and Prospects

2. Global Economy

Country Specific

- United States
- United Kingdom
- China

3. Nigeria Economy

- Political Environment
- GDP

Sectoral Analysis

- Financial Sector - contribution of the sector to GDP Financial performance

Selected Economic Metrics in Nigeria

- Inflation
- Unemployment
- Fiscal Policy – FAAC
- Trade
- Public Debt
- Exchange Rate
- Foreign Reserve

4. Financial Market

Commodity Market

- Global energy prices -WTI, Brent and Bonny Light and Gas

Equity Market

- Selected Global economies
- Selected African Economies
- Nigerian Economy

Fixed Income Market

5. Company Analysis

Prepared by SAMTL Research

Dr. Patrick Ejumedia
PhD, FMNES

patrick.ejumedia@sterlingassetng.com

Mr. Nengi Isokrari
ACS, ADC

nengi.isokrari@sterlingassetng.com

Ms. Olaoluwa Ogunleke

olaoluwa.ogunleke@sterlingassetng.com

Ms. Oluwadamilola Fred-Akintunwa

research@sterlingassetng.com

Design & Illustration

Ugo Asiegbu

ugo.asiegbu@sterlingassetng.com

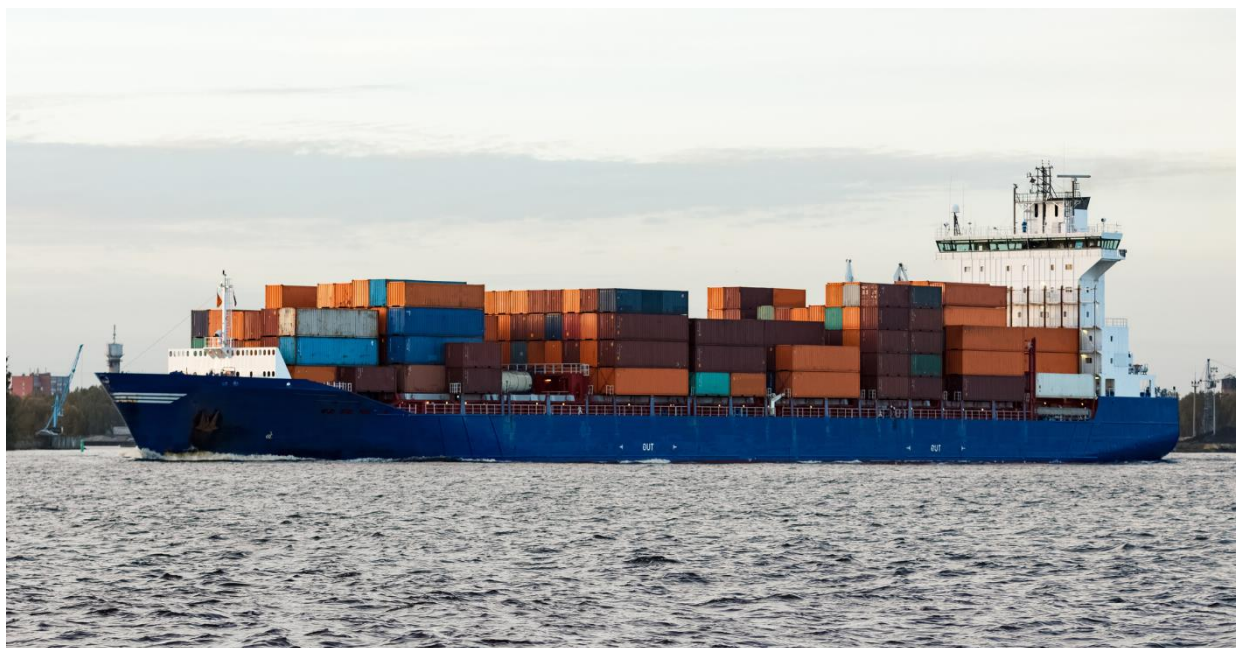


Trading blocs are considered important in international trade because they increase connectivity, and promote economies of scale as well as eliminate barriers to trade which promote trade, increased economic growth, and international competitiveness of member countries. Evidence has shown that the EU Trading bloc has increased trade among members. Similarly, the trade between members of the NAFTA and ASEAN countries has increased significantly due to the formation of the blocs.

To increase trade between members in Africa, several trading blocs such as the Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community of Central African States (ECCAS); Economic Community of West African States (ECOWAS); Southern African Development Community (SADC); Arab Maghreb Union (AMU/UMA); Community of Sahel-Saharan States (CENSAD); and Intergovernmental Authority on Development (IGAD) have been established.

Despite the formation of the blocs, the level of trade among member countries is low mainly due to a low-value chain and weak manufacturing sector as a result of the dominance of foreign firms without proper linkage with domestic firms, as well as multiple and high tariffs arising from overlapping members and poor institutions.

Consequently, the AfCFTA was launched in 2015 by the African Union to establish a single market by eliminating tariff and non-tariff barriers on goods and services, enhancing trade and connectivity among member countries by unlocking trade opportunities, promoting value chains in the region that fostered Africa's participation in global trade and promoted the transformation of the primary sector and the subsequent increase in manufactured goods production. Currently, 54 African countries have signed the agreement.



The agreement is divided into two stages with the first stage focusing on removing tariffs on 90% of goods exchanged between African countries, eradicating non-tariff barriers such as unnecessary long customs procedures, varying rules on product standardization and licensing requirements, and proper definition of rules of origin. The second stage aims to address issues relating to investments, competition policies, and intellectual property rights. The AfCFTA is second to the Regional Comprehensive Economic Partnership (RCEP) with 15 member countries of approximately 2.2 billion people and an aggregate GDP of US\$29.7 trillion. Experts projected that the AfCFTA if successful is expected to boost intra-trade in Africa by approximately 52% by 2024 because it has the potential to bring about 1.3 billion people across 55 countries with an aggregate GDP of about US\$2.5 trillion into the same market.

Although the intra-African trade has increased, its volume of trade is still abysmally small and lower than the average share of intra-trade of various trade Blocs in Europe, America, and Asia.

Besides, the trade in the region is skewed in favor of agricultural goods. Several issues relating to the appropriate definition of rules of origin, weak institutions, weak industrialization, and multiple currencies have continued to hinder the success of the agreement.

To ensure that the success of the agreement is not truncated, it is important to adopt policies that will speed up the process. Such policies should include addressing the problem of the rule of origin by revisiting the BITs that African countries are entering. This is important since the AfCFTA aims to transform the primary sector and accelerate export diversification to manufactured goods.

There is also a need to strive to improve institutional structures by strengthening the rule of law and electing people of integrity to the judiciary. This will instill confidence and ensure that the authority for dispute settlement is a competent legal body. It would also drive the growth and development of the entire process of making the agreement effective.

Patrick E. Ejumedia
PhD, FMNES

Safeguard

your child's education against
unforeseen contingencies

with

SKET

SAMTL KIDS EDUCATION TRUST

Investment Features

Minimum Startup
Contribution

NGN 50,000

Minimum Monthly
Contribution

NGN 10,000

Minimum Scheme
Period

5 Years

- No Withholding Tax
- No management fees



www.samtlng.com

Global Economy

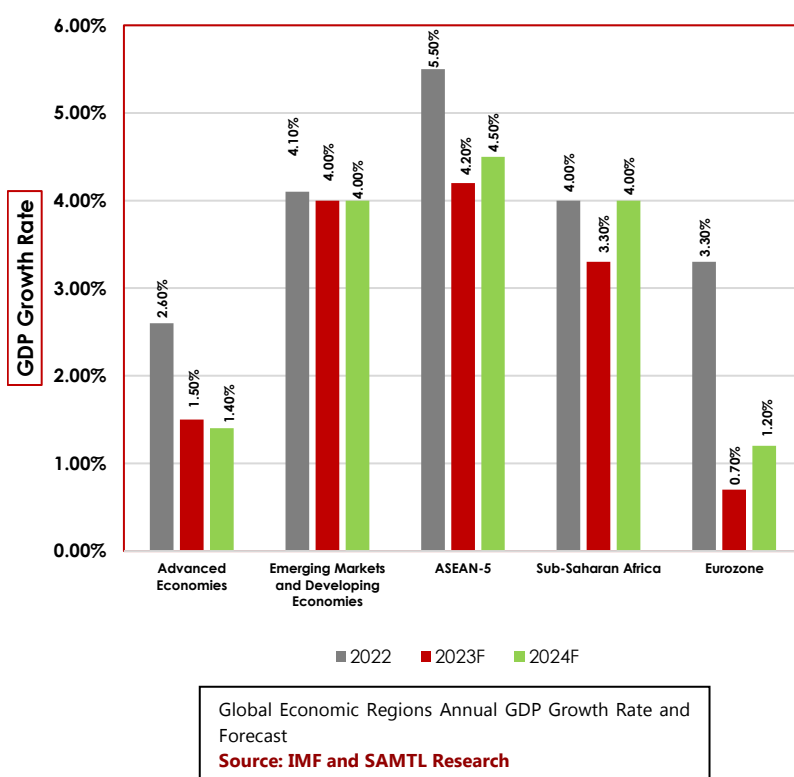
United States • United Kingdom • China

High inflation but resilient growth globally and across regions



As the global economy recovers from the economic shocks of COVID-19 and the lingering effect of the Ukraine-Russia war, concerns about trade tussles between the United States and China, growing trade protection, high inflation, and debt crisis remain a major risk to regions and countries across the globe.

To curtail inflation, most Central Banks have pursued tighter monetary policies. However, despite easing off globally, the IMF in its October report projected that inflation will drop due to the aftermath of tightening monetary policies and declining international commodity prices but may remain higher than targeted in many countries and regions by the end of the year due to expectations that prices would remain elevated.

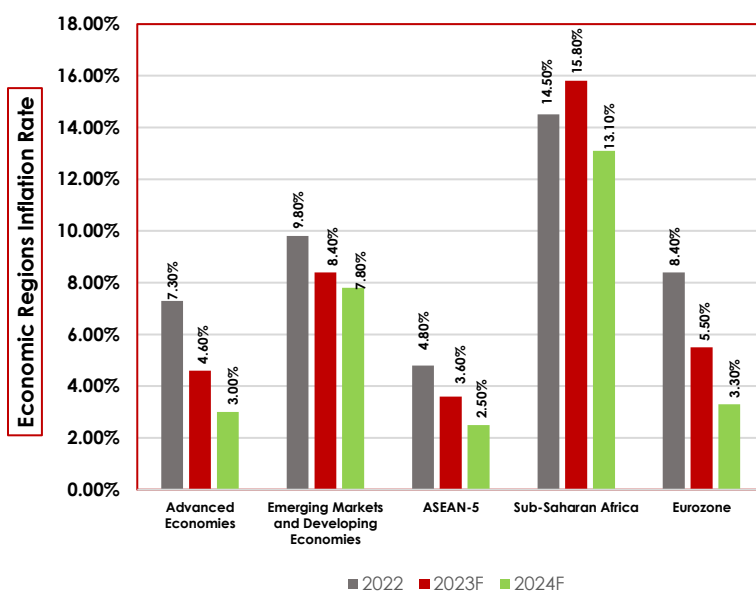


According to the report, global inflation is estimated to decline to 6.9% by the end of 2023 from 8.7% in 2022. Likewise, inflation is projected at 3.5% for ASEAN-5 economies, 5.5% for the Eurozone, and 8.58% for Emerging Markets at the end of 2023.

With higher interest rates, global debt has increased by 3.4% from \$297 trillion in Q4 2022 to \$307 trillion in Q2 2023 with Global Debt-to-GDP reaching 335.90%. This affects the credibility of the receiving country by increasing costs of borrowing leading to higher chances of default for countries that are already in precarious positions.

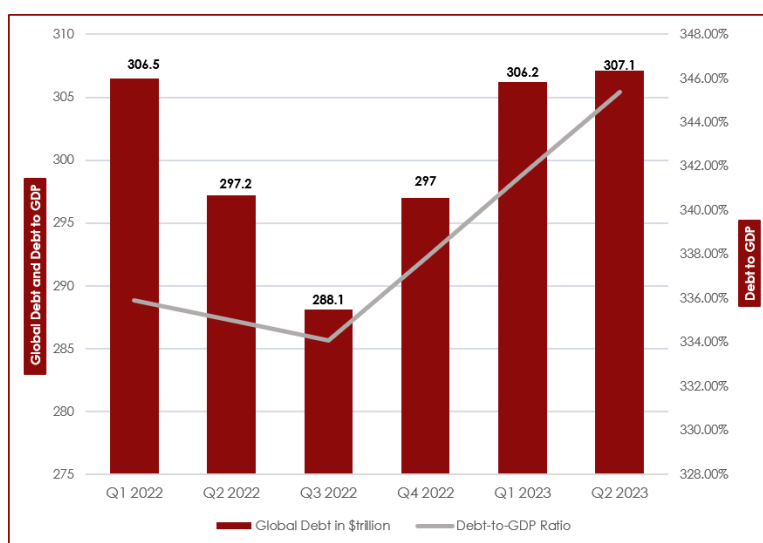
With higher-than-targeted inflation, economic growth is expected to remain resilient but vary across countries and regions by the end of the year. According to the report, global growth is estimated to slow from 3.5% in 2022 to 3% this year, a 0.5% decline/downgrade from its April estimate due to a reduction in private consumption, rise in energy prices, reduced investment activities as well as divergences in labor market performances across regions.

In advanced economies, growth is estimated to drop from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024. Economic growth in emerging markets and developing countries is expected to slow from 4.1% in 2022 to 4.0% in 2023 and 2024, with a 0.1% point negative adjustment in 2024. In Sub-Saharan Africa, growth is expected to drop to 3.3% in 2023 from 4.0% in 2022 and then increase to 4.0% in 2024.



Global Economic Regions Annual Inflation Rate and Forecast

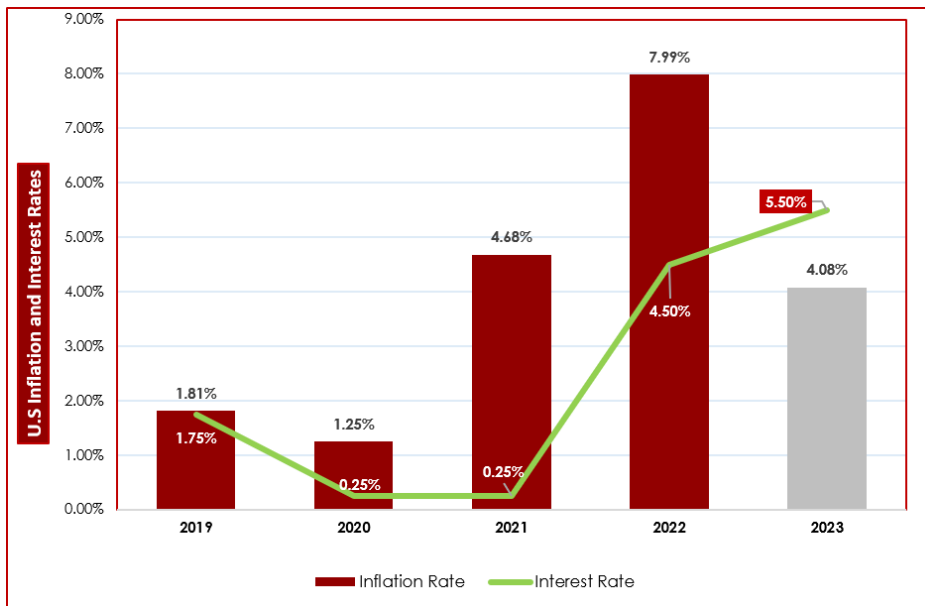
Source: IMF and SAMTL Research



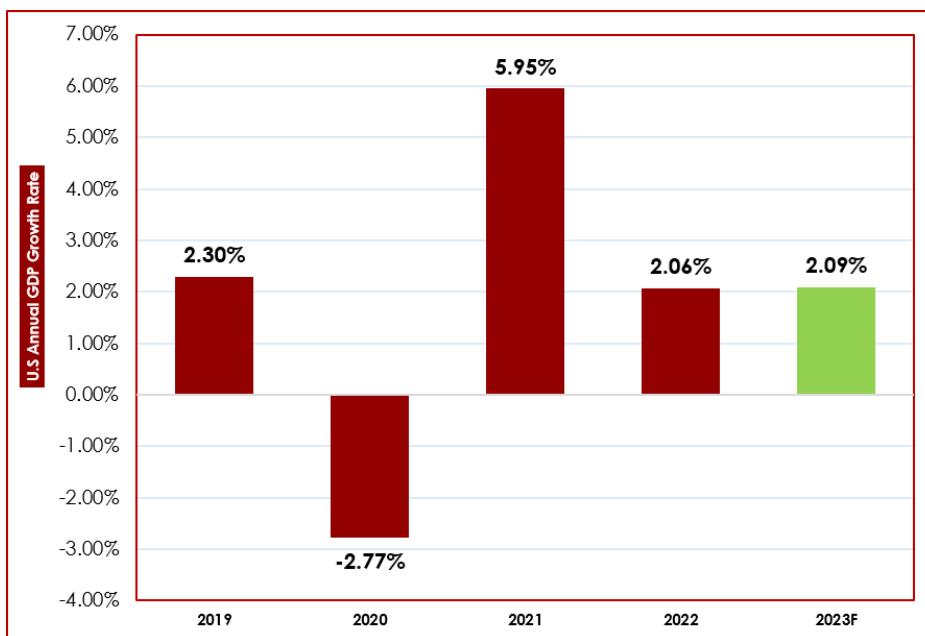
Global Debt Stock and Debt to GDP ratio

Source: IIF and SAMTL Research

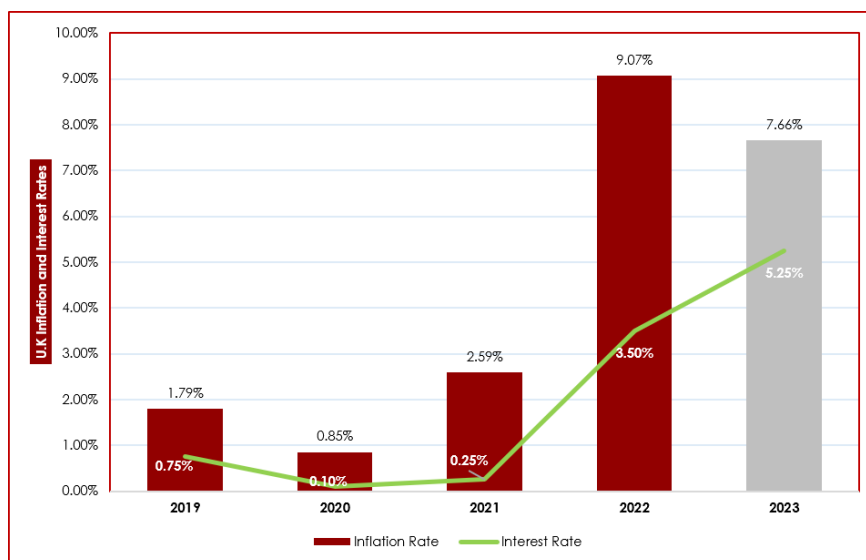
Although significant efforts have been made to control inflation, it is currently mixed and above the target in many countries. In the United States, despite the high interest rate at 5.5% in Q3, inflation continues to rise reaching 3.7% above the 2% target and it is expected to be at 4.1% by the end of the year from 8% in 2022.



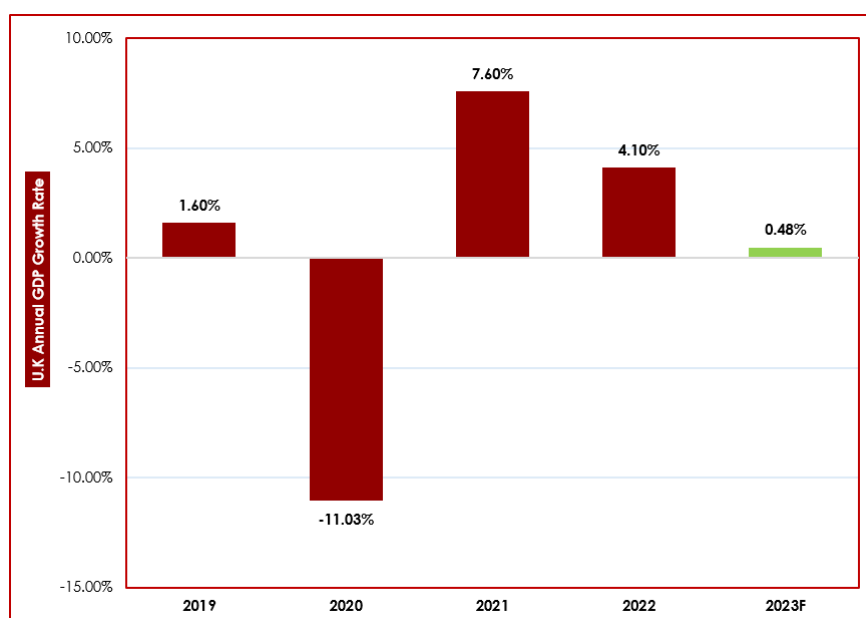
Despite high inflation, economic growth is projected to remain stable in 2023 at its 2022 value of 2.1% due to stronger business investment, and resilient consumer consumption growth as well as expansionary government spending.



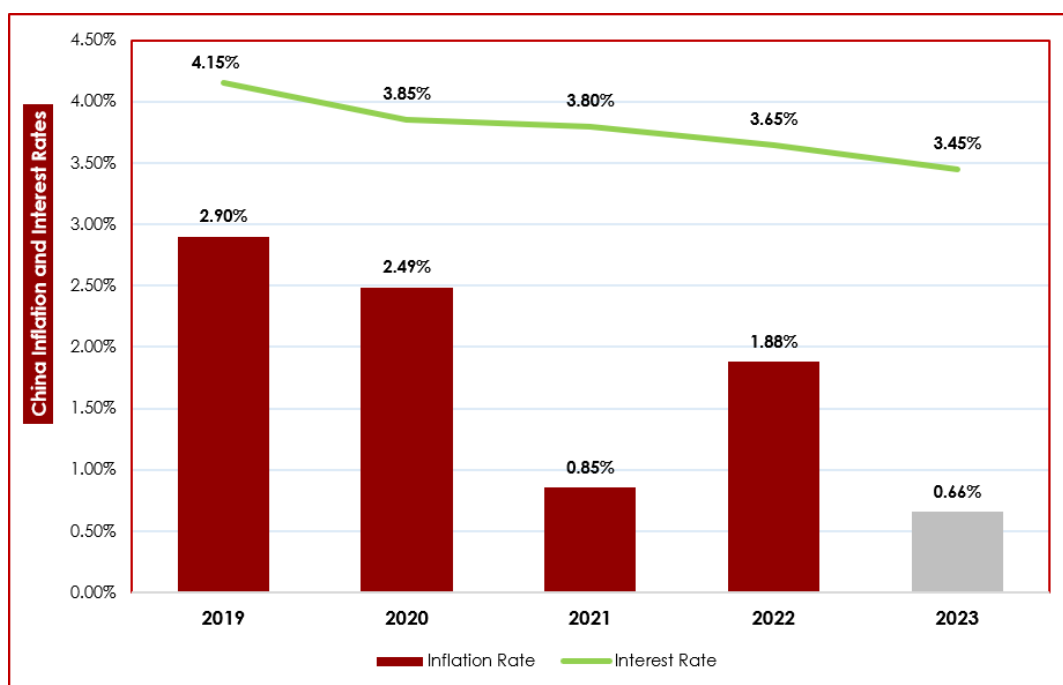
Contrarily, inflation though has been dropping in the UK, in reaction to high-interest rates pursued in the country. It is however projected to be at 7.65% which is higher than the expected 2% targeted inflation in the country.



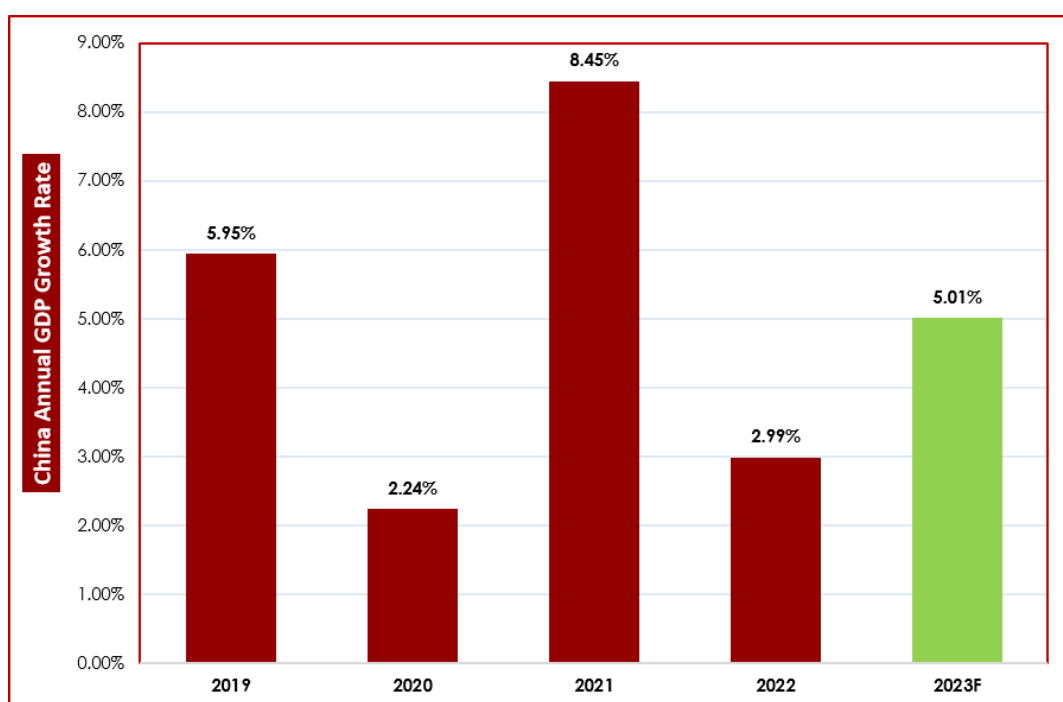
Tight monetary policies to curb inflation have been projected to squeeze consumers and businesses, slowing the economic growth to 0.5% in 2023 from 4.1% in 2022.



China recorded zero inflation at the end of Q3 2023 due to sluggish demand. The country's inflation rate is projected at approximately 0.7% at the end of 2023 from 1.9% in 2022.



China has been projected to grow by 2.0% to 5.0% in 2023 compared to 3.0% in 2022 but is still well below its pre-pandemic trajectory due to low consumption, fragile real estate sector, weakening property sector, and labor market uncertainty.



Don't leave your *future* to chance.

Embrace the lifestyle changes that retirement brings

Choose
SORT

SAMTL OPTIMAL RETIREMENT TRUST

Minimum Startup
Contribution

NGN 50,000

Minimum Monthly
Contribution

NGN 10,000

Minimum Scheme
Period

5 Years

- No management fees

- No Withholding Tax



Domestic Economy

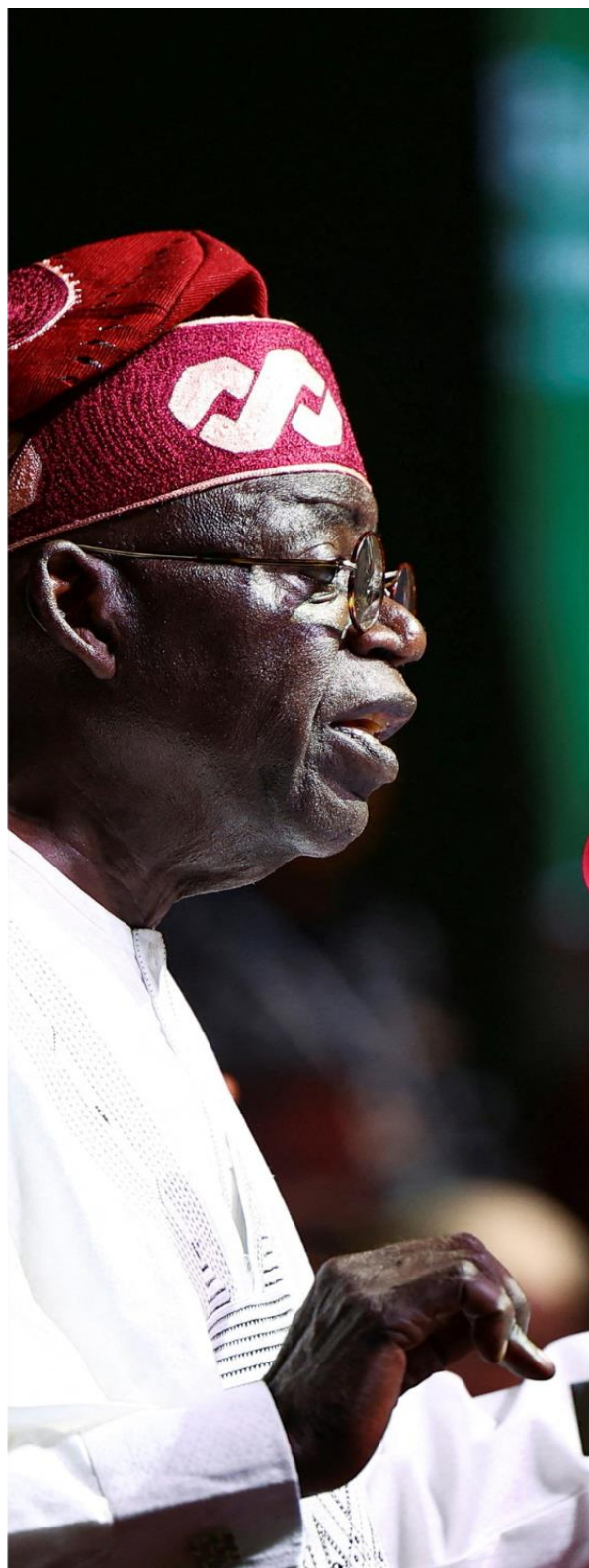
Political Environment | GDP

Sectoral Analysis

Financial Sector - Contribution of the sector to GDP financial performance

Sectoral Analysis

Inflation • Trade • Unemployment • Debt and Debt to GDP ratio
Foreign Investment flows • Foreign Reserve • Monetary Policy • FAAC MPR



Although the election result still raises some tension in the political space, the current administration has made some laudable economic policies since resumption into office on May 29.

The unification of the exchange rate and the removal of subsidies; though brought some form of hardship, was widely accepted as a means of eliminating wastage, reducing corruption, increasing government revenue, building investment confidence, and attracting foreign investment with the ultimate goal of generating employment and achieving economic growth.

Despite the potential benefits of the policies, serious concerns have been raised around its sustainability as rising global oil prices and worsening exchange rates are pushing up prices. This has caused adverse effects on industries, especially manufacturing sector performance.

These issues are raising debate on whether there is a need to reconsider the partial return of some aspects of the policies. However, the President's announcement of no further increase in petrol pump prices indicates that the government is reverting to fuel subsidy payment to ensure that prices do not increase further.

Further steps taken by the government is the ministerial appointment (see List in Table 1) to drive the country forward through the attainment of its 8-point agenda (see Table 2). The President has also appointed a new CBN governor, to drive the monetary authority towards implementing reforms that will enhance the confidence of investors in the Nigerian economy.

Table 1: Names and Portfolios of Ministers for the New Administration

S/N	Ministry	Minister-In-Charge
1.	Ministry of Communications, Innovation and Digital Economy	Bosun Tijani
2.	Ministry of State, Environment and Ecological Management	Ishak Salaco
3.	Ministry of Finance and Coordinating Minister of the Economy	Wale Edun
4.	Ministry of Marine and Blue Economy	Bunmi Tunji
5.	Ministry of Power	Adedayo Adelabu
6.	Ministry of State, Health and Social Welfare	Tunisia Alausa
7.	Ministry of Solid Minerals Development	Dele Alake
8.	Ministry of Tourism	Lola Ade-John
9.	Ministry of Transportation	Adegboyega Oyetola
10.	Ministry of Industry, Trade and Investment	Doris Anite
11.	Ministry of Innovation Science and Technology	Uche Nnaji
12.	Ministry of State, Labour and Employment	Nkiruka Onyejeocha
13.	Ministry of Women Affairs	Uju Kennedy
14.	Ministry of Works	David Umahi
15.	Ministry of Aviation and Aerospace Development	Festus Keyamo
16.	Ministry of Youth	Abubakar Momoh
17.	Ministry of Humanitarian Affairs and Poverty Alleviation	Betta Edu
18.	Ministry of State, Gas Resources	Ekperikpe Ekpo
19.	Ministry of State, Petroleum Resources	Heineken Lokpobiri
20.	Ministry of Sports Development	John Enoch
21.	Ministry of Federal Capital Territory	Mairiga Mahmud
22.	Ministry of Art, Culture and the Creative Economy	Hannatu Musawa
23.	Ministry of Defence	Mohammed Badaru
24.	Ministry of State Defence	Bello Matawalle
25.	Ministry of State Education	Yusuf T. Sunumu
26.	Ministry of Housing and Urban Development	Ahmed M. Dangiwa
27.	Ministry of State, Housing and Urban Development	Abdullah T. Gwarzo
28.	Ministry of Budget and Economic Planning	Atiku Bagudu
29.	Ministry of State, Federal Capital Territory	Mairiga Mahmud
30.	Ministry of State, Water Resources and Sanitation	Bello M. Goronyo
31.	Ministry of Agriculture and Food Security	Abubakar Kyar
32.	Ministry of Education	Tahir Maman
33.	Ministry of Interior	Sa'Idu A. Alkali
34.	Ministry of Foreign Affairs	Yusuf M. Tuggar
35.	Coordinating Ministry of Health and Social Welfare	Ali Pate
36.	Ministry of Police Affairs	Ibrahim Geidam
37.	Ministry of State, Steel Development	U. Maigari Ahmadu
38.	Ministry of Steel Development	Shuaibu A. Audu
39.	Ministry of Information and National Orientation	Muhammed Idris
40.	Attorney General of the Federation and Ministry of Justice	Lateef Fagbemi
41.	Ministry of Labour and Employment	Simon B. Lalong
42.	Ministry of State, Police Affairs	Imaan Sulaiman-Ibrahim
43.	Ministry of Special Duties and Inter-Governmental Affairs	Zephaniah Jisalo
44.	Ministry of Water Resources and Sanitation	Joseph Utsev
45.	Ministry of State, Agriculture and Food Security	Aliyu Sabi Abdullahi

Key ministries aligned with proposed economic policies

Table 2: 8 Point-Agenda

Food Security 1 	Ending Poverty 2 
Economic Growth 3 	Job Creation 4 
Access to Capital Particularly Consumer credit 5 	Inclusivity Particularly as regards youth and women 6 
National Security 7 	Rule of Law; and Fighting Corruption. 8 

Shape the **future**

you envision for your
kids today

with
SKIT

SAMTL KIDS INVESTMENT TRUST



Investment Features

Minimum Startup
Contribution

NGN 50,000

Minimum Monthly
Contribution

NGN 10,000

Minimum Scheme
Period

5 Years

www.samtlng.com

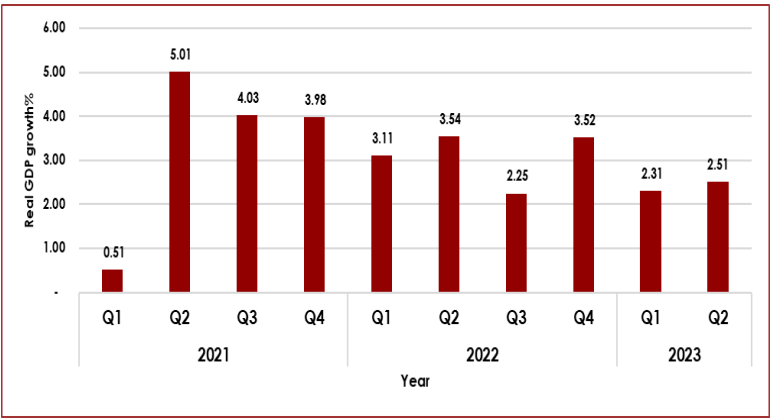
No Withholding Tax ◀
No management fees ◀

GDP remains resilient despite high inflation and weak demand



Despite challenging macroeconomic conditions, economic activities in Nigeria have continued to expand with a higher value in Q2 2023 compared to Q1 2023. In nominal terms, aggregate GDP was N51.24 trillion in Q1 but stood at N52.10 trillion in Q2 2023 indicating a positive growth rate of 1.68%.

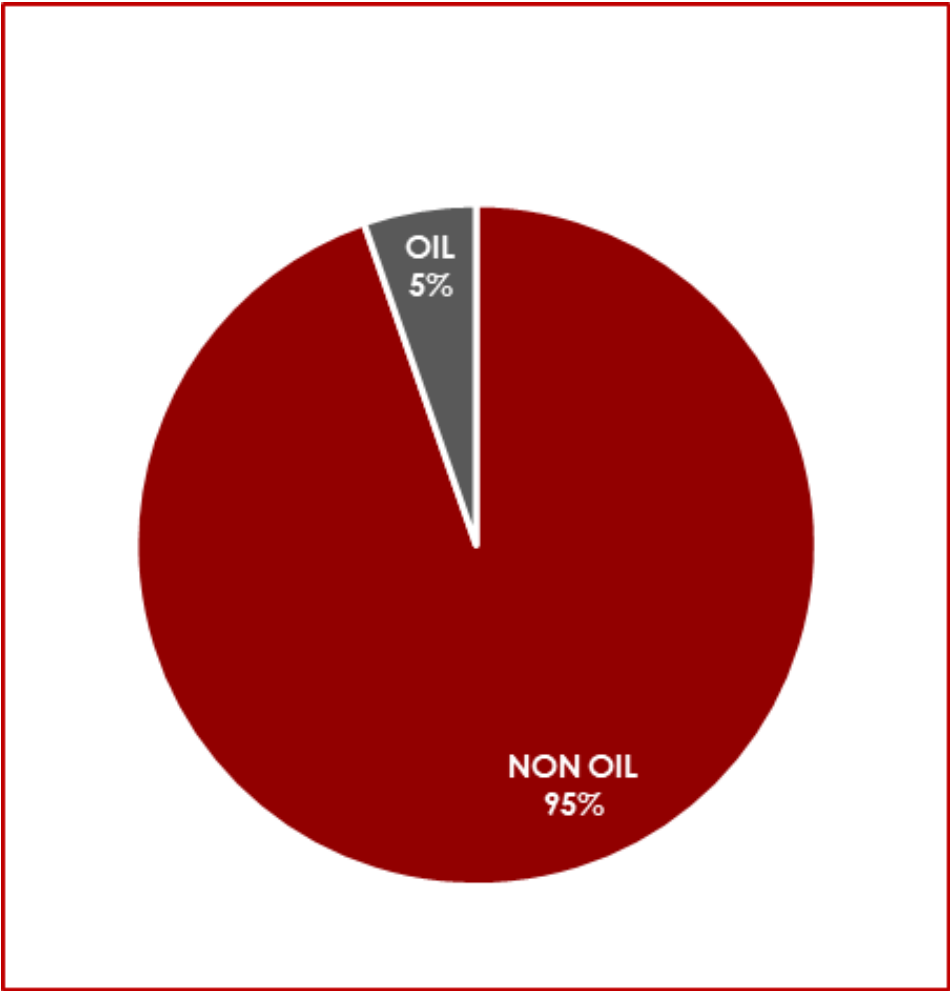
In real terms, GDP grew by 2.51% YoY in Q2 2023 which is 0.2% higher than Q1 2023 of 2.31% but 1.03% lower than its value of 3.54% in Q2 2022. The slow growth in Q2 2023 relative to Q2 2022 is attributed to challenging economic conditions, especially high inflation arising from the lingering effect of the exchange rate unification, subsidy removal, supply chains, disruptions, and tight monetary policies which pushed up prices of products and inputs and weakened consumer demand.



Source: NBS and SAMTL Research

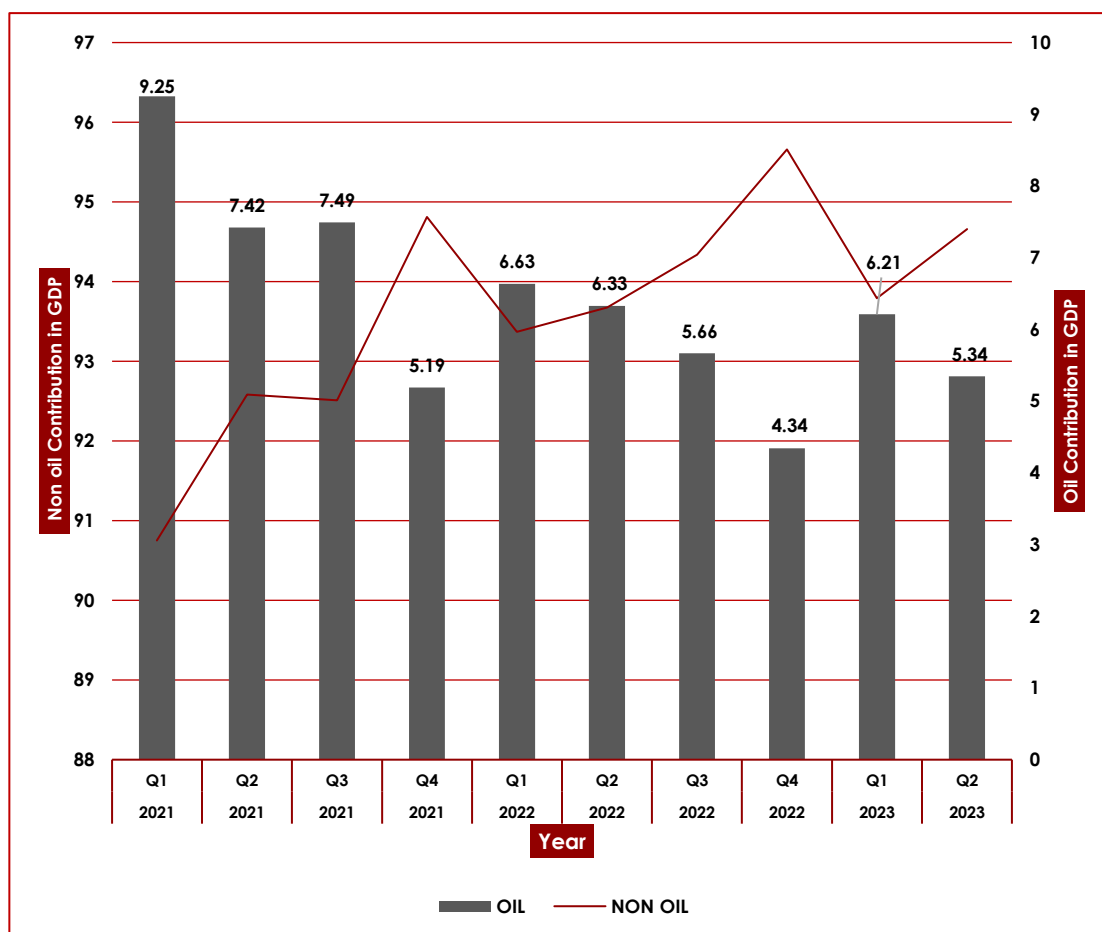
A break down into the oil and non-oil sector indicates that the non-oil sector remains the largest driver of growth in Q2 as it contributes approximately 95%, while that of the oil sector is about 5%. The contribution of the oil sector is 5.34% in Q2 2023, lower than its share in Q2 2022 by 1.49% and it is 0.87% lower than the previous quarter's value of 6.21%. The non-oil sector contributed 94.66% to GDP in Q2 2023, which is higher than 93.79% contributed in Q1 2023 and 93.67% in Q2 2022 but lower than 95.66% share in Q4 2022.

2023 Q2



Oil and Non-Oil Sector contribution to GDP

Source: NBS and SAMTL Research

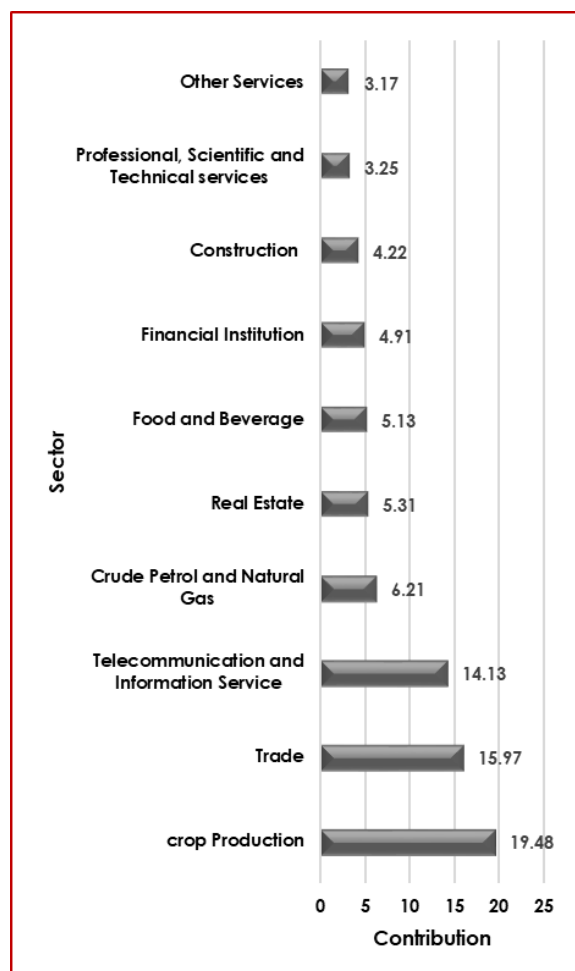


Trend of Oil and Non-Oil Sector GDP Growth Rate

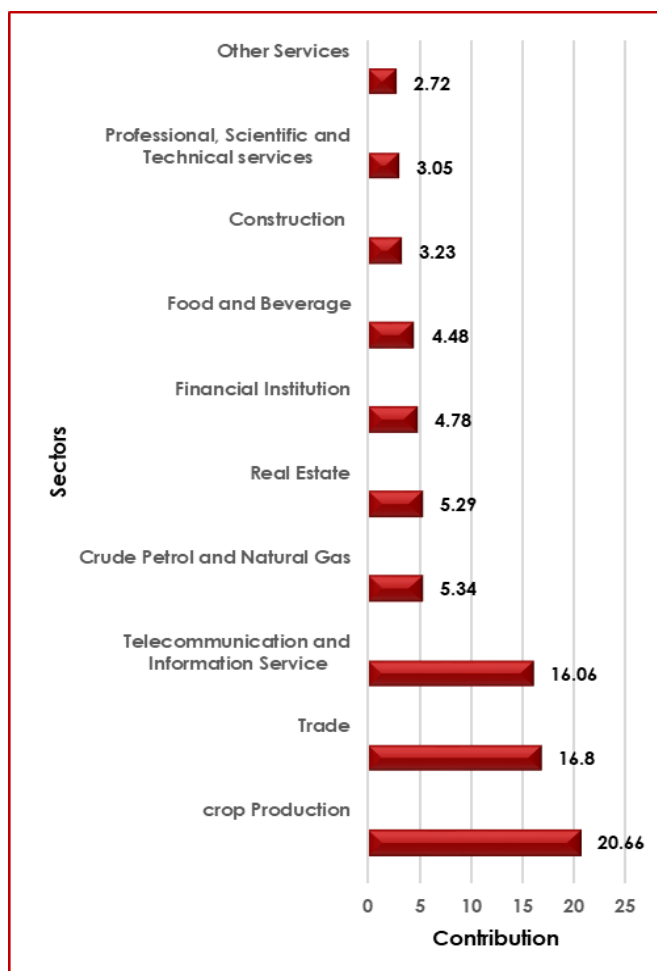
Source: NBS and SAMTL Research

Sectoral Analysis

In terms of sectoral contribution, the highest contributing sectors to GDP in Q1 were the same in Q2. Except for financial institutions and food and beverage sectors that swapped positions, other sectors maintained their positions. Top on the list is Crop production which grew by 1.18% to 20.66%, Trade and telecommunication contributed 0.83% and 1.93% respectively. Other sectors declined Q-o-Q, Real Estate declined by 0.02%, Crude petroleum and natural Gas by 0.87%.



Top 10 Contributing Sectors to GDP Q1 2023
Source: NBS and SAMTL Research

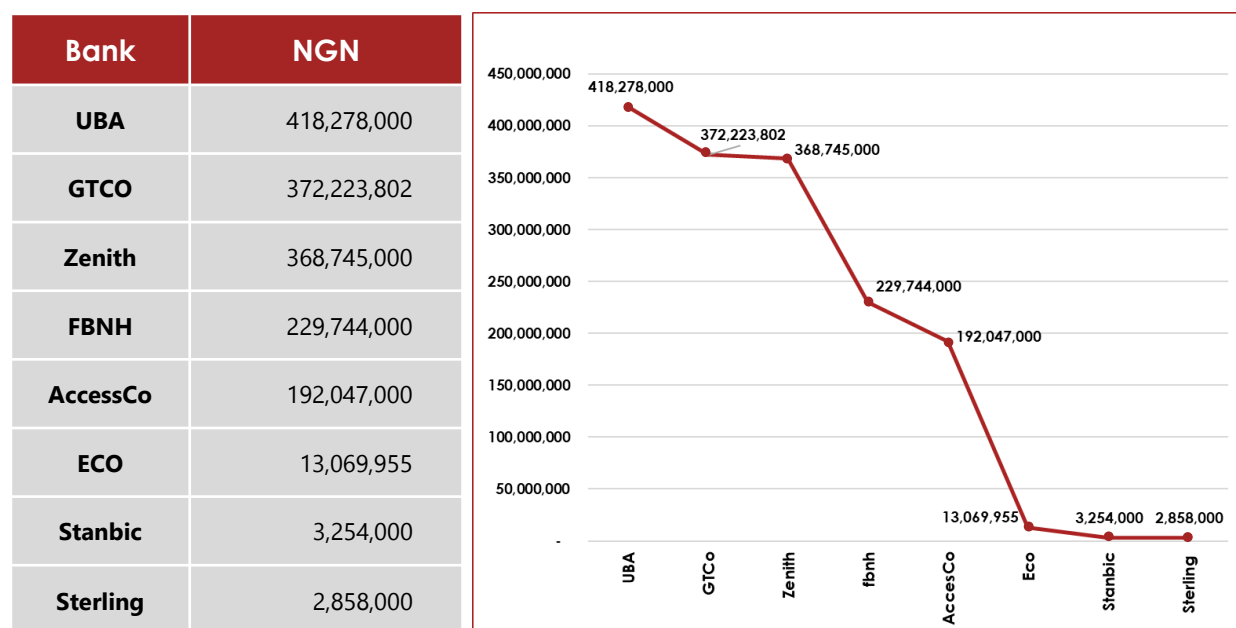


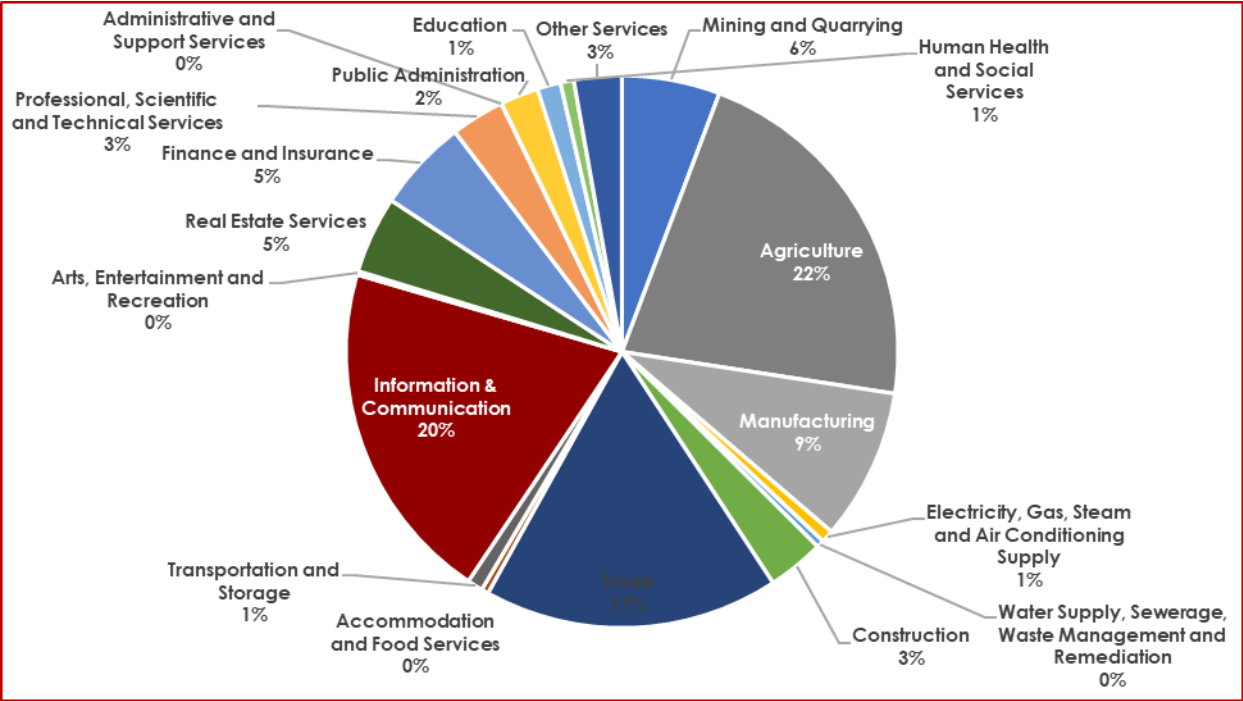
Top 10 Contributing Sectors to GDP Q1 2023
Source: NBS and SAMTL Research

The primary sector has the highest share of GDP which is driven by growth in the agricultural sector (21.07%). Followed by the information and trade sectors, whose share in GDP stood at 19.54% and 16.8% respectively. Although these sectors' contributions to GDP were the highest in Q2 Y-o-Y, only the information and communication sector had a positive growth of 1.1%. Agriculture and Trade sectors have negative growth of 0.83% and 0.01% respectively. The manufacturing sector contracted Y-o-Y as it fell from 8.65% in Q2 2022 to 8.62% in Q2 2023 which may indicate the inability of the sector to create more jobs.

Sectoral Analysis, Banking Sector (Tier 1 Banks)

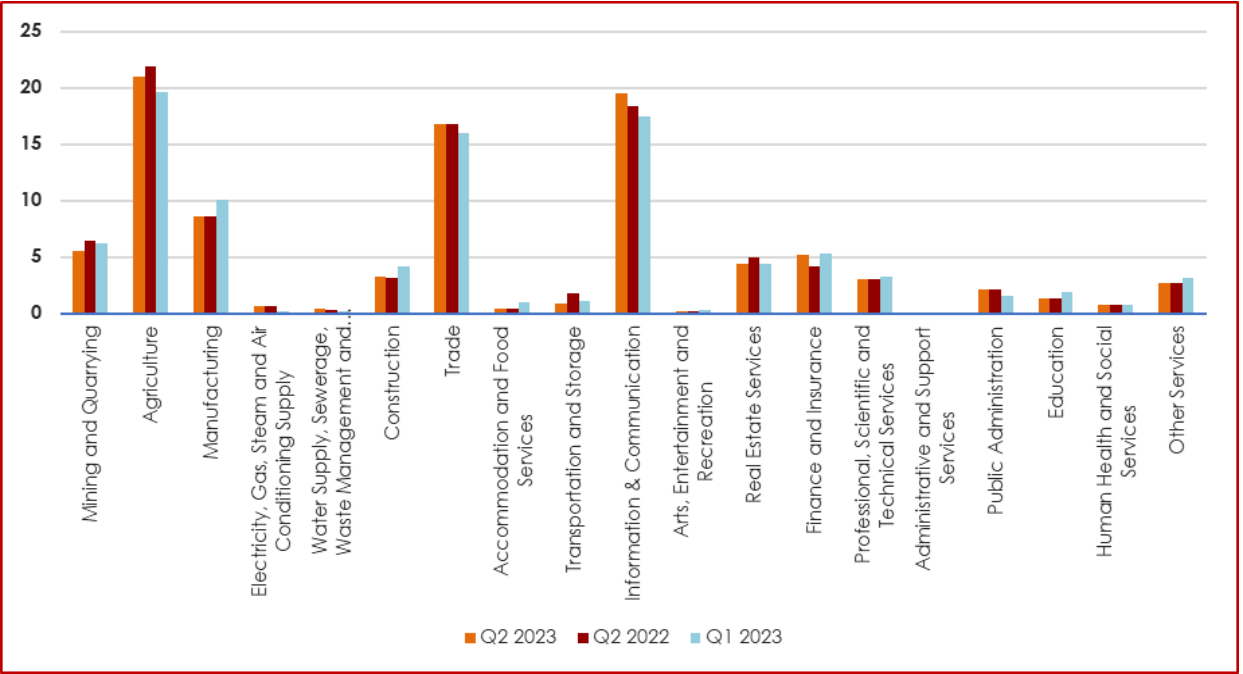
According to the Nigerian Bureau of Statistics (NBS), the financial sector's contribution to the Gross Domestic Product (GDP) in Q2 stood at 4.68%. It is however noteworthy that the sector exhibited a remarkable growth of 26.80%, making it one of the fastest-growing sectors. The growth in the sector is driven by the FGN FX policy that led to the revaluation of assets resulting in gains in mostly the Tier 1 Banks due to their strong presence in the global banking space with large FX positions. Hence the focus of the T1 banks in the sector is to examine their performance during the period. Our analysis compares the financial positions of the banks in Q3 and Q2 2023 in order to show the magnitude of the FX gains. As can be seen in the chart above FX earnings in Zenith grew by almost 562x from ₦655,000 in Q2 2022, to 368,745,000, in Q2 2023. Similarly, FX earnings in UBA and GTCo grew by 45x and 25x, respectively in the period. The positive gains resulted in increased Profit After Tax in Zenith, UBA, and GTCo and subsequent interim dividend declaration across the banks. The CBN however, issued directives that mandate banks to set aside revaluation gains as a cushion for future FX rate movements. we hope that this directive will have some effect on the exchange rate.





Sectors' Contribution to GDP

Source: NBS and SAMTL Research



Trend of Sectors GDP growth rate

Source: NBS and SAMTL Research

www.samtlleasing.com

Get access to

Affordable Equipment Financing and
Leasing Solutions for Your Business

with

SAMTL Leasing



**Heavy Machinery Leasing | Driver Recruitment and
Outsourcing | Business Leasing | Car Rental**



Selected Economic Metrics in Nigeria

Inflation 26.72% Sept. 2023	Import NGN 5,726.25BN Q2 2023	Nominal GDP NGN 52.10TRN Q2 2023	Export NGN 7,015.71BN Q2 2023	Unemployment Rate NGN 4.1% As at Q1 2023
--	---	--	---	--

Oil Production
1.35MBPD September 2023

Total Debt
87.4Trillion Q2 2023

Debt-to-GDP
44.1% June 2023

MPR 18.75%



Food remains
the highest
contributor to
inflation **YoY &
MoM**

Despite easing off in most advanced countries, inflation in Nigeria has continued to rise. At the beginning of Q3, inflation stood at 24.08% but increased by 2.64% to 26.72% by September 2023.

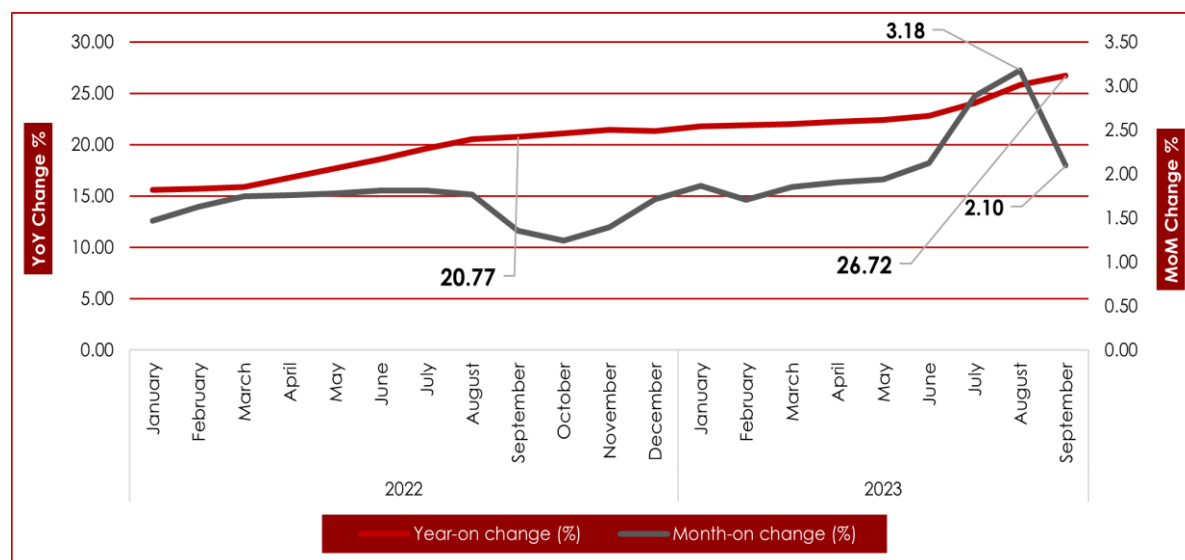
September inflation is 0.92% higher than August inflation of 25.80% and increased by 5.95% Y-o-Y from 20.77% in September 2022. MoM, the rate of increase in the general price level in September was less than the rate of increase in the general price level in August 2023 indicating that prices were generally higher in the previous month.

The major driver of inflation is increasing transportation and distribution costs due to subsidy removal and exchange rate pass-through effects on input and product prices.

Despite high and double-digit inflation in Nigeria, the Monetary Policy Rate remained unchanged throughout Q3 2023, perhaps due to the postponement of the MPC meeting in September as the committee had almost increased the rate at every meeting.

The rate was raised by 25 basis points in July to 18.75% from 18.5% in June with the asymmetric corridor Adjusted to +100/-300 basis points around the MPR and the CRR and liquidity ratio retained at 32.5% and 30% respectively. In spite of the stability, inflation continues to rise in Nigeria.

Rising MPR is expected to reduce inflation but our empirical evidence shows that inflation is positively related to higher MPR with bi-directional causality running from increased MPR to inflation. Our correlation analysis indicates a strong positive correlation of 0.89% between inflation and higher MPR between the period June 2020 to August 2023 in Nigeria. This explains that Nigeria's inflation is not demand-driven and there is a need to control inflation from the supply-side.

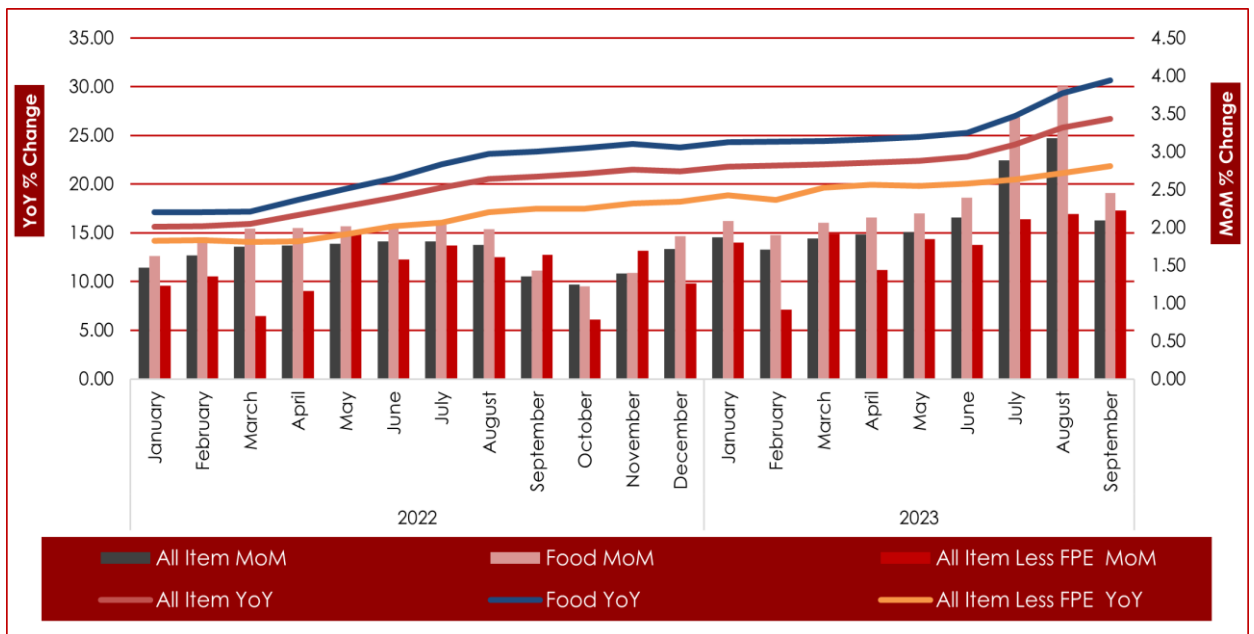


Inflation trend in Nigeria

Source NBS, SAMTL Research

A cursory look at the breakdown of the July, August, and September inflation rates indicates that food inflation has been on the rise YoY. Food inflation grew by 5.39% from 25.25% in June to 30.64% in September. The factors responsible for the high food prices are; food insecurity, post-harvest losses due to poor storage and infrastructural facilities, exchange rate crises leading to increased cost of inputs, increased transportation costs due to increased energy prices, and insecurity in food-producing states.

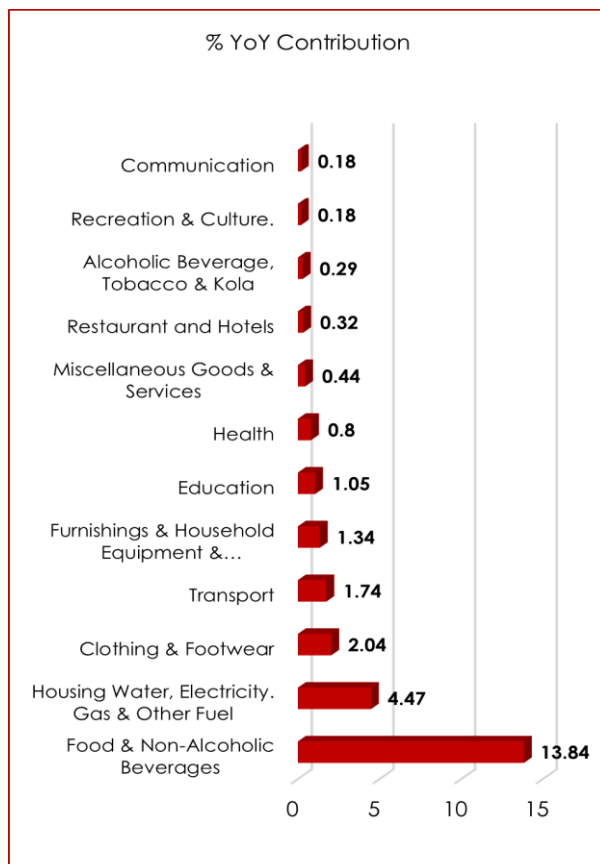
The lingering effects of the exchange rate unification policy and the subsidy removal are also reflected in core inflation as the major rise is in the prices of Road and Air Transportation, Medical Services, Repair of Furniture, Maintenance, and repair of personal transport equipment. Y-O-Y, "all items less farm produces and energy" or Core inflation, which excludes the prices of volatile agricultural produce and energy increased by 4.35% from 17.49% in September 2022 to 21.84% in September 2023.



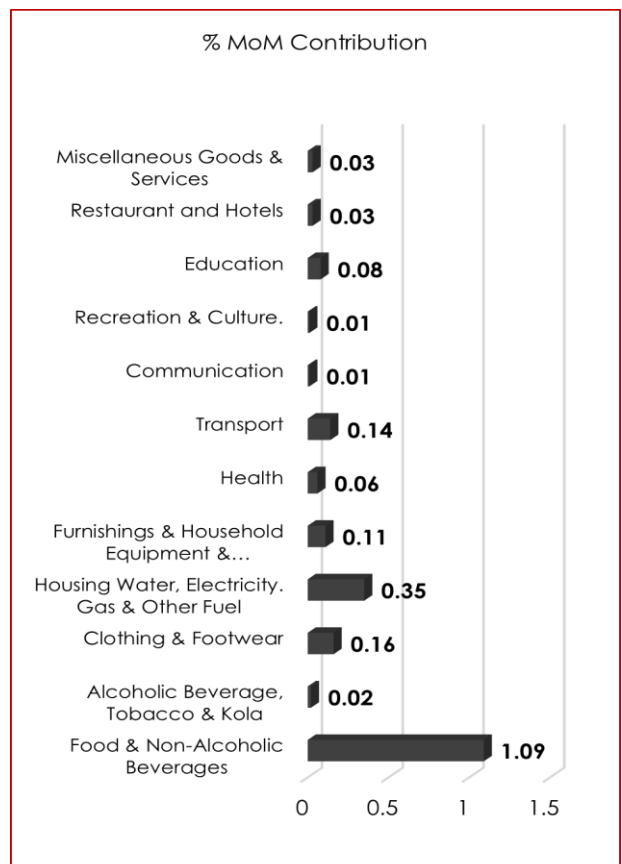
Inflation trend in Nigeria

Source NBS, SAMTL Research

In terms of contribution to the September inflation MoM and YoY, Food and Non-Alcoholic Beverages remained the highest contributor to the YoY and MoM Inflation with 13.84% and 1.09% respectively. This has further declined the purchasing power of Nigerians, particularly low-income earners, who find it difficult to afford quality food.



Contributions to Inflation



Source; NBS, SAMTL Research



Invest in several high yielding investment vehicles

with

SIRA

SAMTL INDIVIDUAL RESOURCE ACCOUNT

Investment outlets include

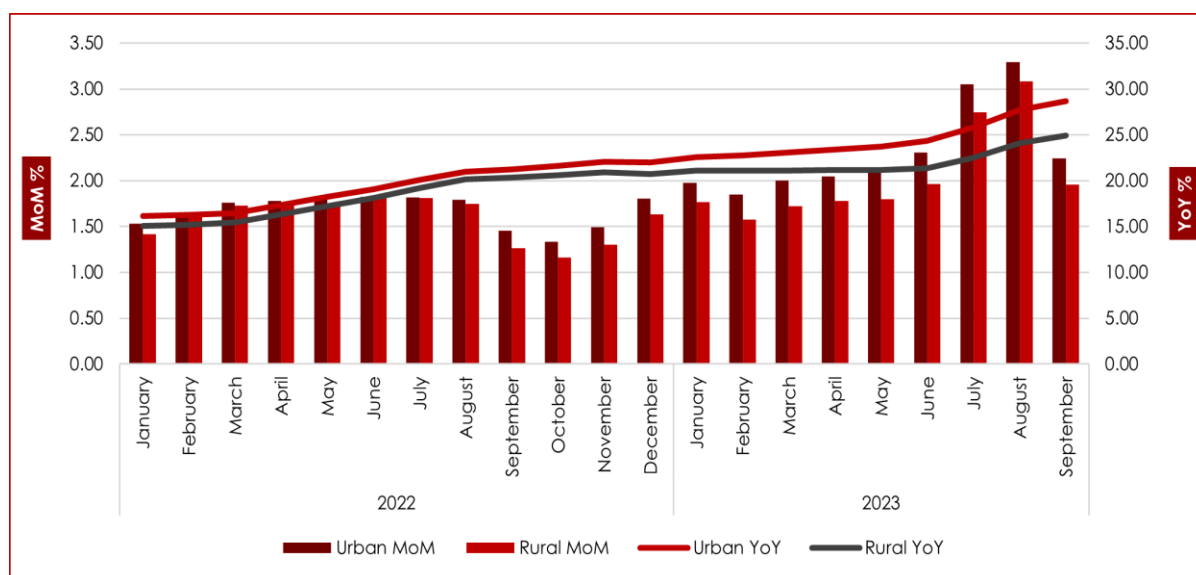
- Money Market Fund
- Government Securities Funds
- Equity Fund
- Guaranteed Investments Contract

Start Investing Today!

www.samtlng.com



The September inflation showed that urban inflation is higher than rural inflation YoY and MoM. Urban inflation went up by 7.3% from 21.25% in September 2022 to 28.68% in September 2023 while rural inflation increased by 4.62% from 20.32% to 24.94% within the same period. The high prices in urban areas is due to increased energy prices resulting in increased transportation and logistics cost. On a month-on-month basis, urban inflation rate of 2.24% in September 2023 was 1.05% lower than that of the previous month.



Inflation in Urban and Rural Area

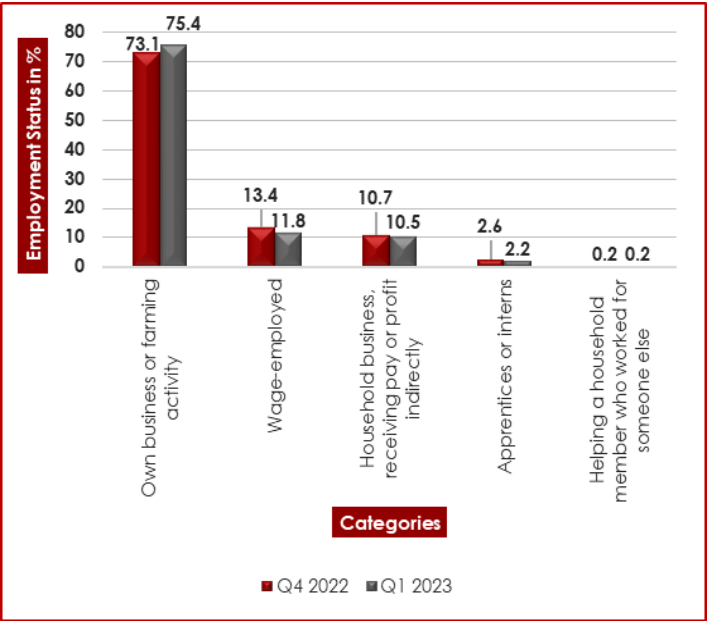
Source: NBS and SAMTL Research

Unemployment

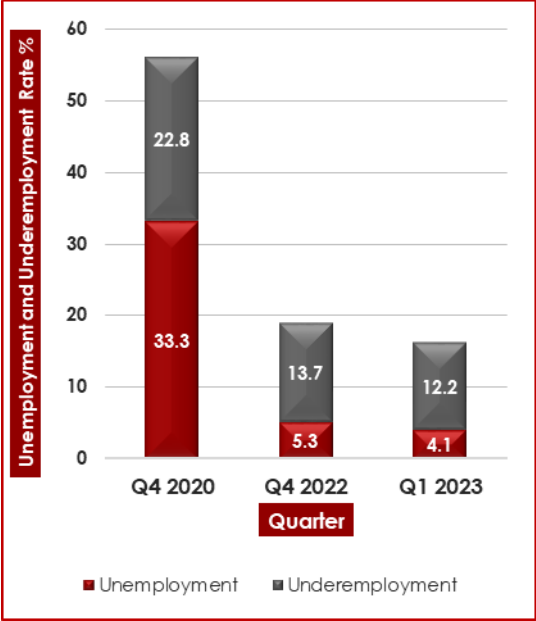


Rising GDP and revised methodology dropped the Unemployment rate sharply from 33.3% in Q4 2020 to 5.3% in Q4 2022 and further down by 1.2% to 4.1% in Q1 2023. Underemployment Rate fell by almost half to 13.7% in Q4 2022 from 22.8% in Q4 2020 and by 1.5% to 12.2% in Q1 2023. The revised data by the NBS indicate that the majority of Nigerians are self-employed as the number of Nigerians working in their own business and agricultural activity grew by 2.3% from 73.1% in Q2 2022 to 75.4 in Q1 2023. Wage employment dropped from 13.4% in Q4 2022 to 11.8% in Q1 2023. The number of Nigerians employed in household businesses dropped marginally from 10.7% in Q4 2022 to 10.5 in Q1 2023.

The number of Nigerians employed in household businesses dropped marginally from 10.7% in Q4 2022 to 10.5 in Q1 2023.



Employment by business type in Nigeria
Source: NBS and SAMTL Research



Unemployment and Underemployment
Source: NBS and SAMTL Research

The conclusion reached by the NBS was based on the following Definitions in line with World Bank and International Labour Organization Guidelines:

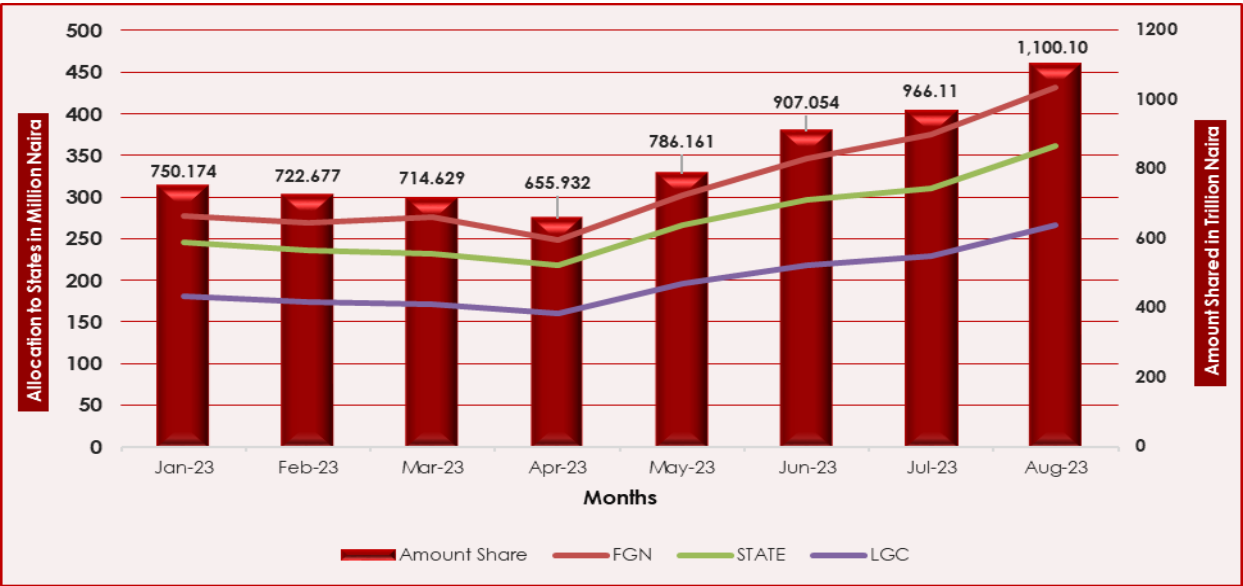
Item	Old Methodology	New methodology
Sample Size	33,300 Households Quarterly	35,520 Households spread across 12 months
Working Age Population	Persons aged 15 – 64 years	Persons aged 15 years and above.
Employment	All those of working age population who were engaged in any activity that produce goods or provide services for a minimum of 20 hours in the reference period.	All those of working age population who during the reference period were engaged in any activity to produce goods or provide services for pay or profit for at least one hour a week
Labour Force	Working Age Population (15 – 64 years) that are employed and unemployed	Working Age Population (15 years and above) that are employed and unemployed
Unemployed	Worked below 20 hours or did not work but searching and available in the reference week	Not in employment, actively searching and available (did nothing for pay or profit)
Underemployed	Worked between 20 and 39 hours in a week	Worked less than 40 hours in a week but willing and available for more hours of work

Source: NBS





The Federal Account Allocation Committee (FAAC) allocation continues to witness an upward trend. Available data shows that FAAC allocation increased by approximately 29% from N1.15 trillion in July to N1.48 trillion in August 2023 due to increases in VAT, Import and Excise Duties, and EMTL. After deducting the cost of collection of N58.755bn, total transfer and refunds of N254.06bn and N71bn saved, N1.1trn was shared among the federal state, and local government. The breakdown of the amount shared revealed that it comprises statutory revenue of N357.398bn, VAT revenue of N321.941bn, EMTL revenue of N14.102bn, Exchange Difference revenue of N 229.568bn, and Augmentation of N177.092 bn. The Federal Government received a total of N431.245bn from the N1.1trn shared. States received a total of N361.188bn and Local Governments received N266.538bn. Despite increased revenue, Nigeria is yet to build her excess crude account significantly as the excess crude account stood at \$473,754.57.



Breakdown of FAAC shared between FGN, States and LGC

Source: NBS and SAMTL Research



**Build the future
you want with**

SISA

(SAMTL INVESTMENT SELECT ACCOUNT)

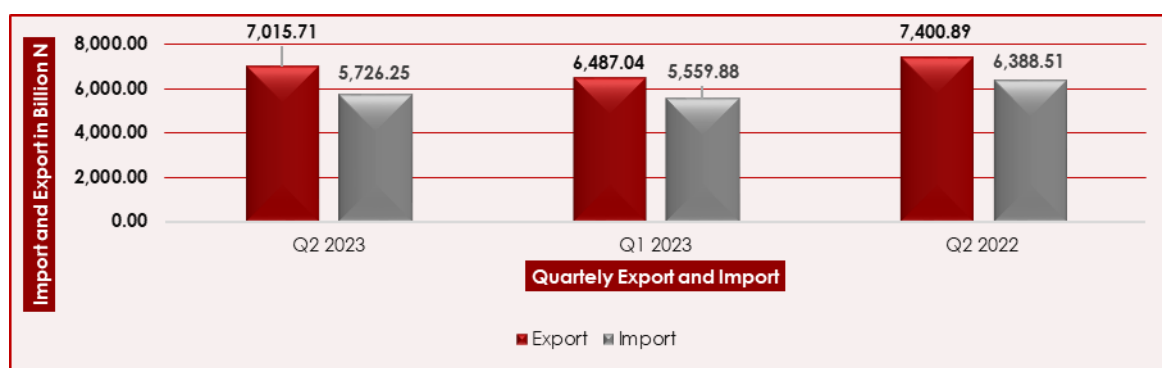
Enjoy high investment
returns with a minimum
start up contribution of

NGN 1,000,000

**Start
Investing
Today!**



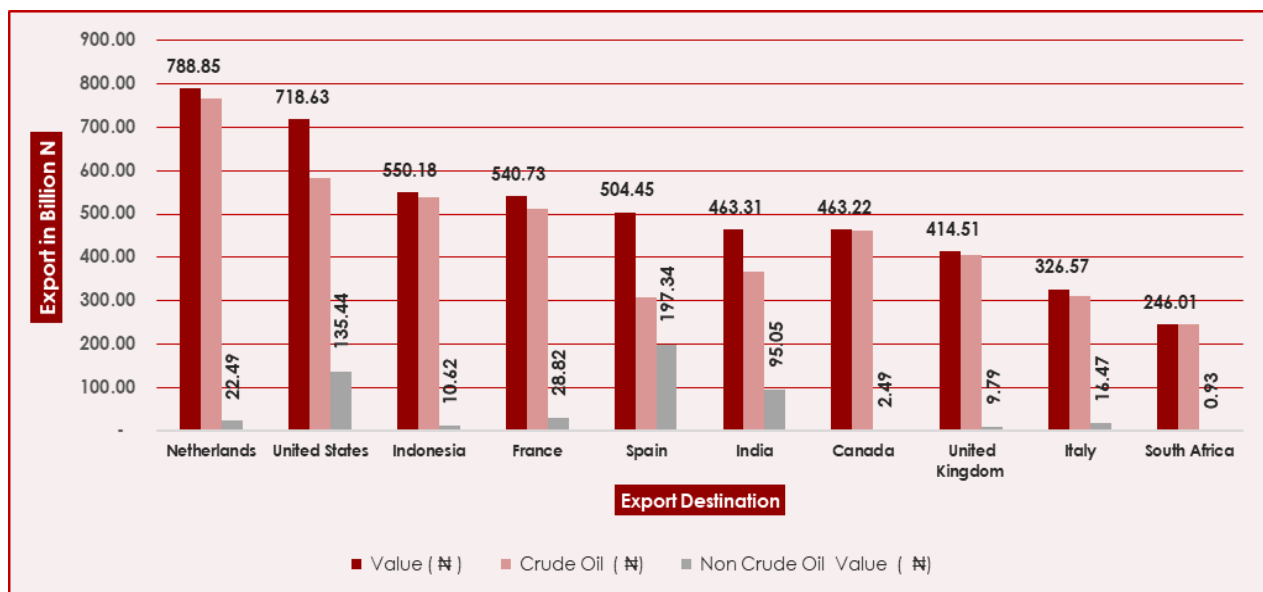
In Q2 2023, Nigeria's total trade stood at ₦12,741.96 billion, with Total exports and imports amounting to ₦7,015.71 billion and ₦5,726.25 billion indicating a surplus of ₦1,289.46 billion driven by crude oil exports. Specifically, total exports increased by 8.15% from ₦6,487.04 billion recorded in the first quarter of 2023 but lower by 5.20% compared to the value of ₦7,400.89bn in the corresponding quarter. The scenario is the same for imports where total imports increased by 2.99% from ₦5,559.88bn recorded in the first quarter of 2023 but declined by 10.37% when compared to the value of ₦6,388.51bn recorded in the corresponding quarter of 2022.



Quarterly Trend of Exports and Imports in Nigeria

Source: NBS and SAMTL Research

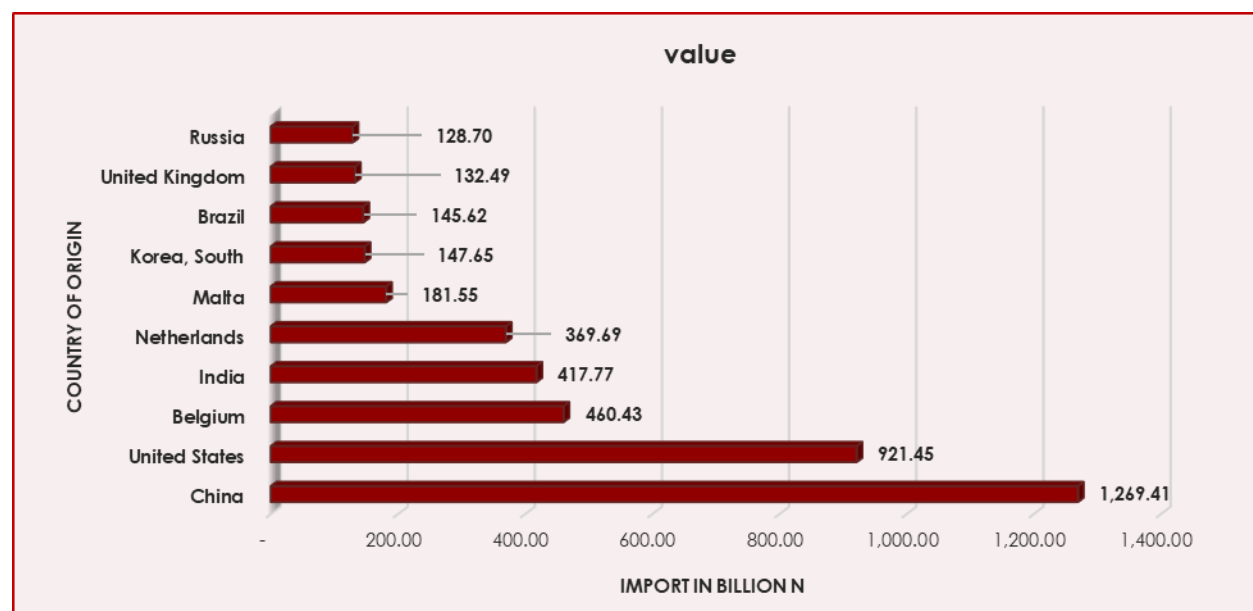
Despite increases in trade, the structure of trade shows that Crude oil exports continue to dominate Nigeria's exports indicating the country's inability to diversify from the sector. The breakdown of Nigeria's exports to Nigeria's trading partners shows an upward trend with about ₦766.4bn exported to the Netherlands, ₦583.2 to the US, ₦539.6 Indonesia, India is in the 6th position receiving ₦463.3bn of Nigeria's oil export South Africa being the least while Nigeria's non-crude oil export is majorly to Spain. US and India.



List of Countries receiving Nigeria's exports

Source: NBS and SAMTL Research

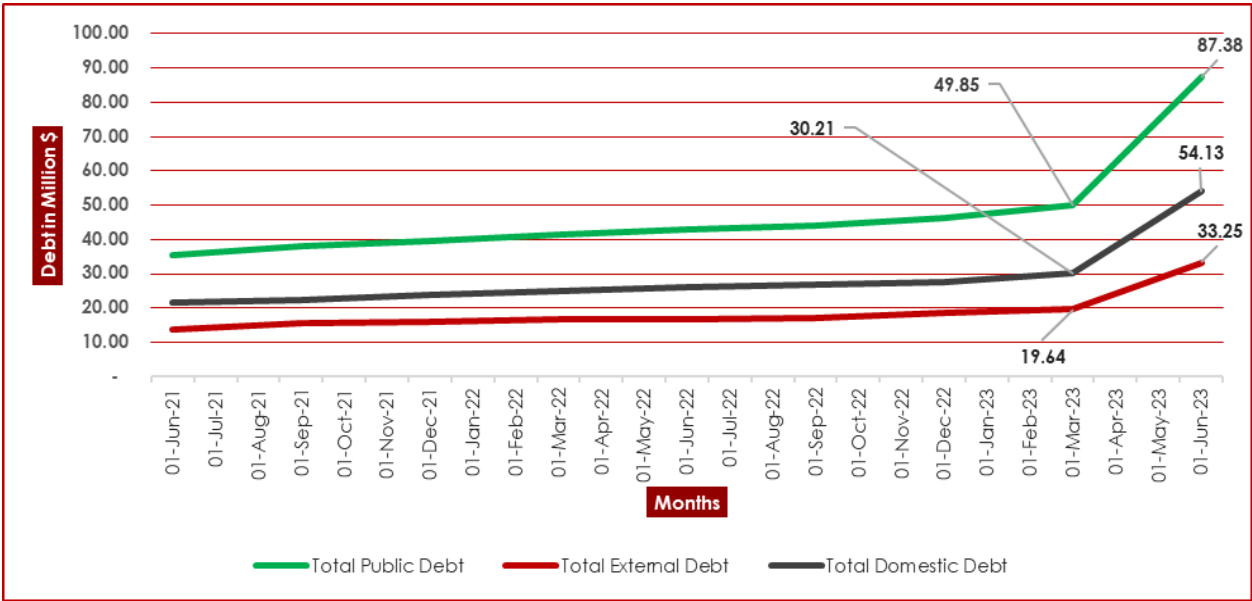
In terms of imports, the US remains in the second position with about 921.5bn of Nigeria's Import coming from the country. China tops the chart with N1269.41bn imported from the country. The country with the least Import to Nigeria is Russia.



List of Countries Nigeria imports from

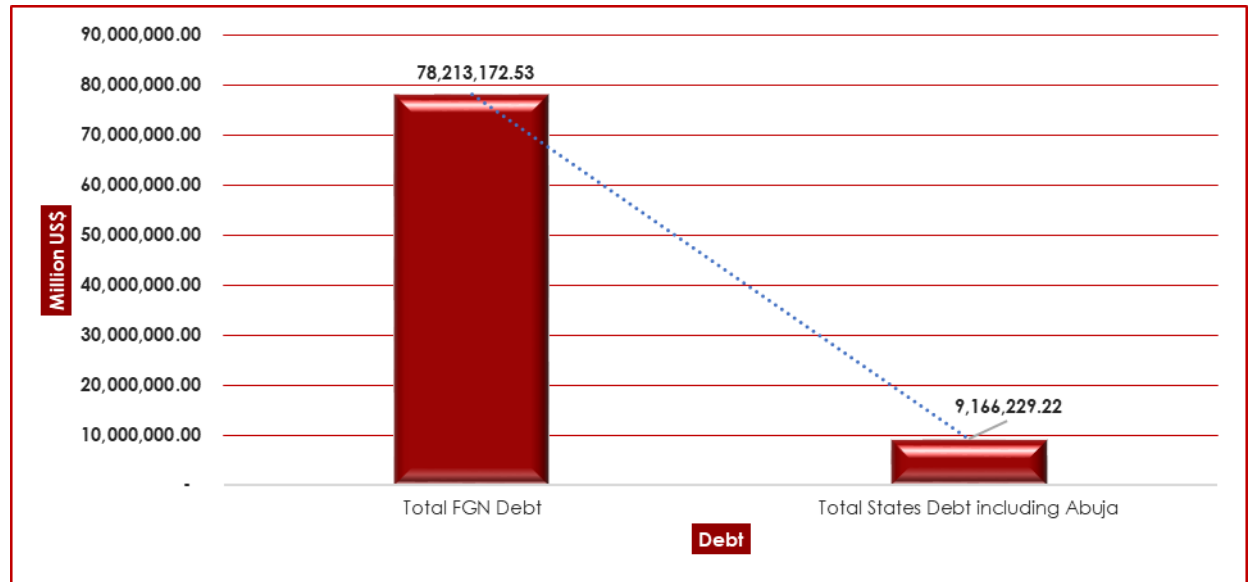
Source: NBS and SAMTL Research

Public Debt increased significantly by 75.3% in Q2 2023 from \$49.9 million in March to \$87.4 million in June. A reason for the increase in debt is the exchange rate crisis. With this debt, Nigeria’s Debt-to-GDP ratio hit 44% in Q2 2023 from 25% in Q1 2023. Given the fact that Nigeria has huge oil reserve and capacity to generate revenue by increasing her tax base, the concerns mainly have been whether the fund will be effectively utilized. This is particularly so given the fact that Nigeria has huge oil reserve and capacity to generate revenue by increasing her tax base.



Trend of Total Public Debt showing External Debt and Domestic Debt 2023 Source: NBS and SAMTL Research

Of the Total debt, FGN owes US\$78.2 Million which is approximately 90%. From this amount, \$29.9 million is owed to external sources while \$48.3 million is owed to Domestic Sources. State governments are indebted to the tune of \$9.2 million with \$3.4million owed to external sources and \$5.8 million owed to domestic sources



Categories of Total Public Debt 2023 Source: NBS and SAMTL Research



The breakdown of Nigeria’s Debt by source

	Debt in \$M
Multilateral	3,264.74
World Bank	14,512.96
AfDB	3,013.05
China	4,726.72
France	572.61
Japan	57.18
India	26.64
Germany	135.26
Eurobond	15,618.35
Promisory Notes	931.70
Syndicated Loan	300.00

Source: DMO, SAMTL Research

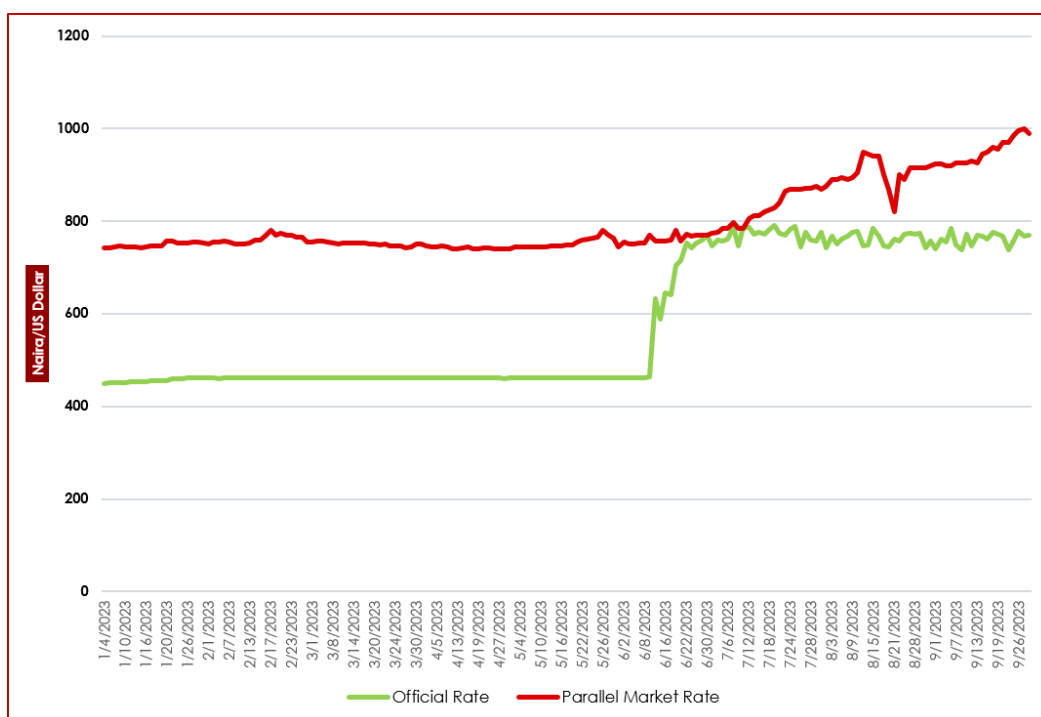


On the 14th of June 2023, the Nigerian government announced the unification of the exchange rate by adopting the willing buyer-willing seller model. The rationale for the unification was to establish a true value of the Naira by eliminating arbitrage and speculative activities as well as rent-seeking behavior that arises from multiple rates.

In spite of the potential benefits, many experts and stakeholders believe that although the policy will be beneficial in the long run, in the short to medium term, the impact will be detrimental.

Since the adoption of the policy, the exchange rate in the official and parallel markets has continued to weaken against the dollar despite the government's plans to boost supply in the market. In Q3, the exchange rate depreciated by 2.9%, compared to 67.2% in Q2 2023. Wide depreciation in the exchange rate is however noticeable in the parallel market where the exchange rate depreciated by over 29.4% to N990 from N775 in June within the same period indicating an official-parallel gap of N215.

The implication is that government policies have not been effective as the demand for the dollar continues to exceed its supply. The major cause of the exchange rate problem is the high demand exceeding the supply of the US dollar. The demand side is fuelled by investors seeking real positive returns and increased speculative activities due to the lack of confidence in Nigeria's economy. On the supply side, lower oil production and export earnings as well as low foreign investment and diaspora remittance.

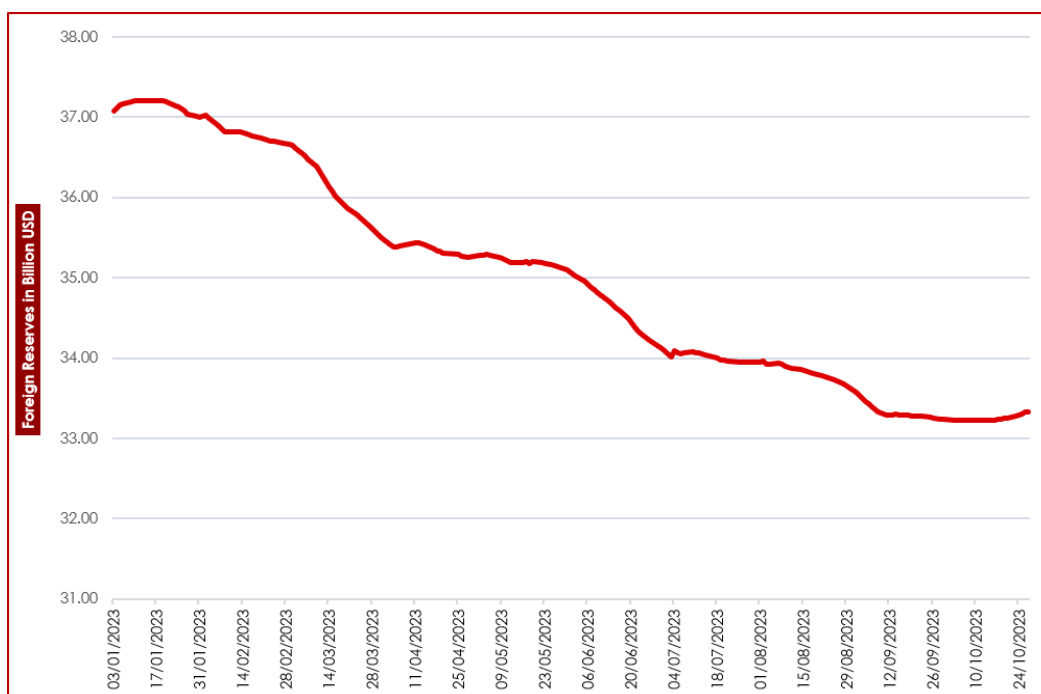


U.S. Dollar to Naira Rate

Source NBS, SAMTL Research

Foreign Reserve

Despite increasing crude oil prices, foreign reserve has continued to decline reaching \$33.24 billion in September from \$34.06 billion in June representing a 2.41% decline. This is attributed to increased interventions and aggressive measures taken by the government to improve liquidity in the foreign exchange market since the unification of the exchange rates coupled with lower foreign exchange inflows in the form of oil export earnings and foreign investment.



Movements in Foreign Reserves

Source CBN, SAMTL Research

Aim Higher *with* SHYTA

SAMTL HIGH YIELD TRUST ACCOUNT

Maximize

your investment returns
with a well-diversified
income portfolio

Minimum investment

**NGN
1,000,000**

Benefits

- Ideal for building up financial resources for the future.
- No Management fee

Invest Today!





Financial Markets

Commodity Market

Global energy prices - WTI, Brent and Bonny Light

Equity Market

**Selected Global
Economies**



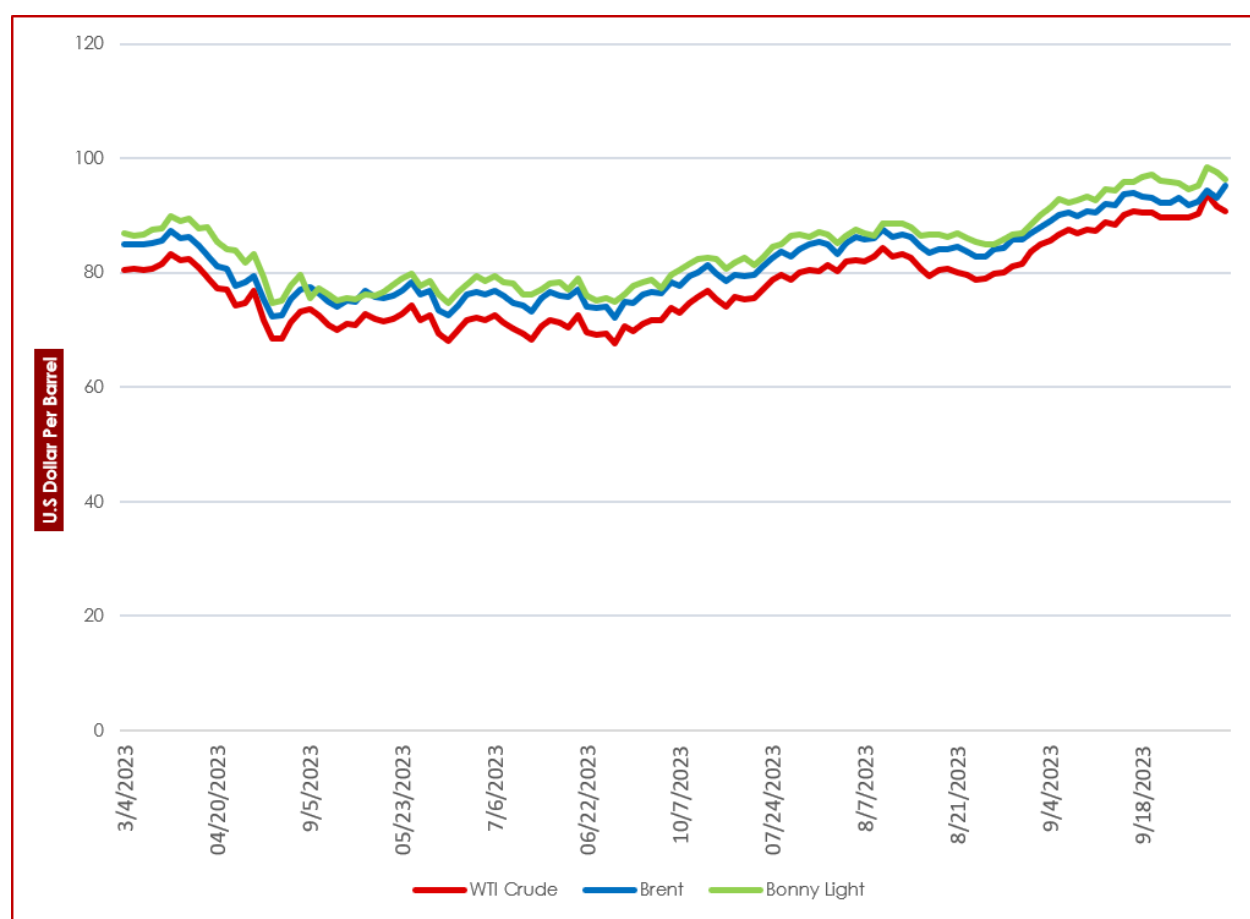
**Selected African
Economies**



**Nigerian
Economy**

Fixed Income Market

Nigeria's daily oil production, though unstable has continued to increase reaching 1.35 million barrels per day (mbpd) in September 2023. The rise in daily oil production is attributed to the sustained efforts by the government to curb oil pipe vandalization and theft, as well as reduce insecurity in the oil-producing regions. However, the country's production is still below the Organization of Petroleum Exporting Countries (OPEC) benchmark of 1.74 million Barrels Per Day. A possible reason is that majority of the country's refineries are operating below full capacity, mainly due to vandalization, insecurity, and poor infrastructure. However, there is optimism that oil production will increase by the time the Dangote refinery commences operation.

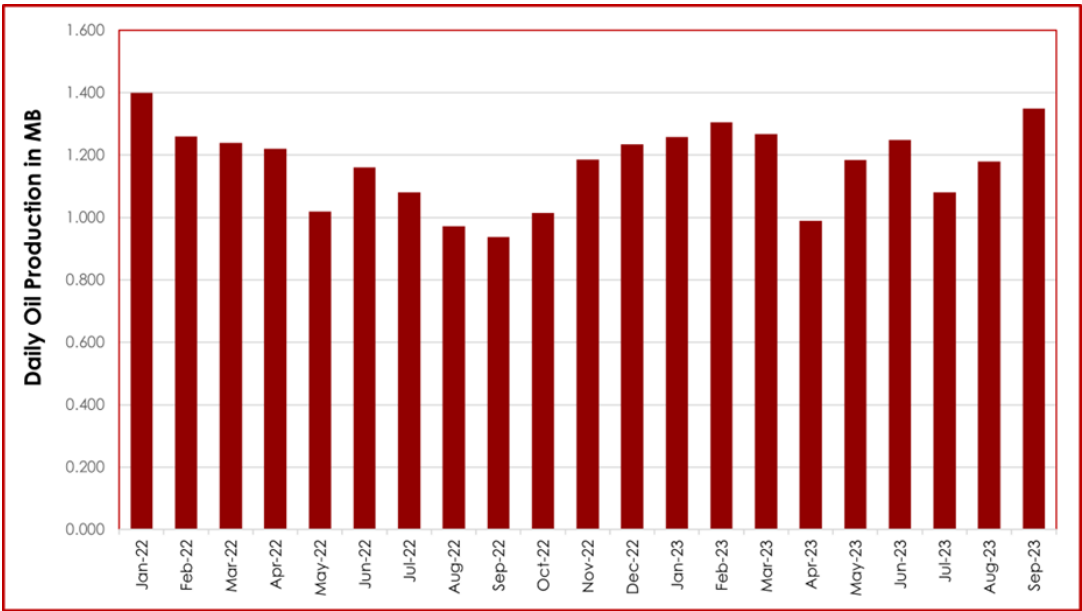


Movements in crude oil prices

Source: oilprice.com; SAMTL Research



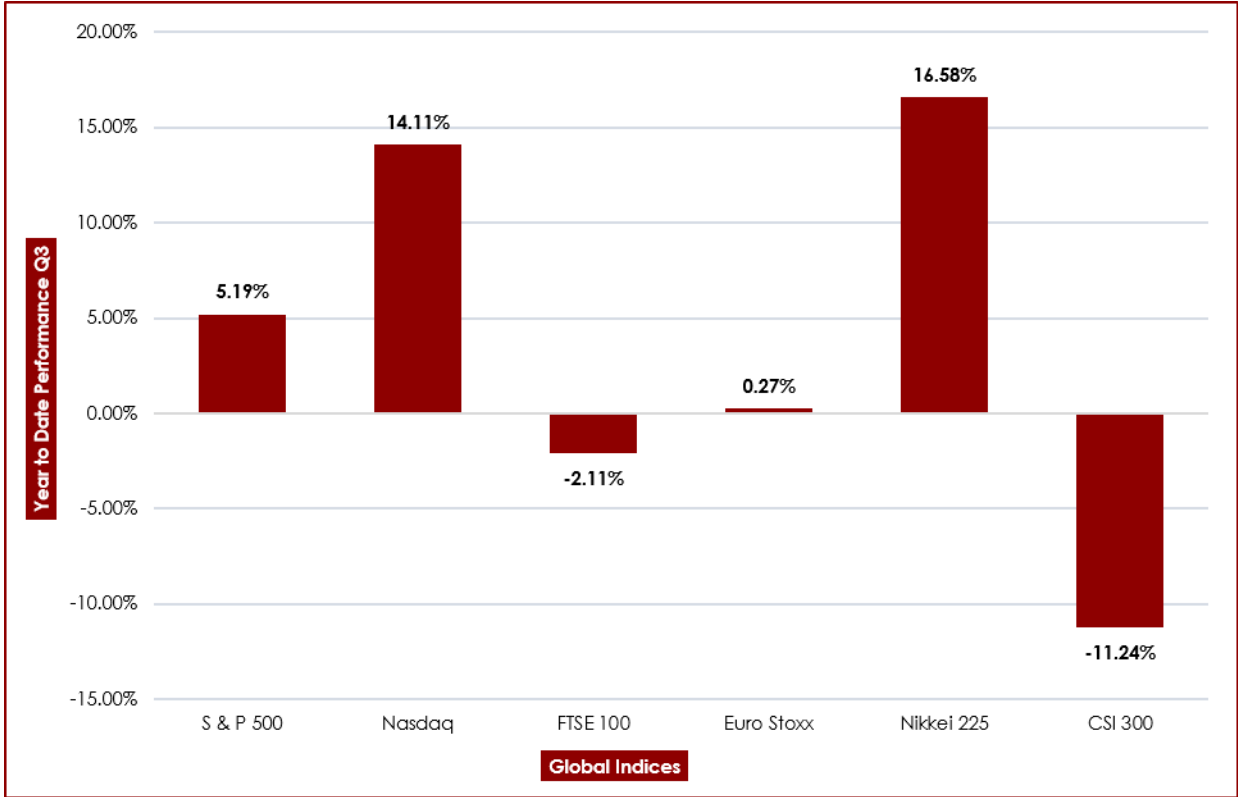
In Q3, there was a general rise in oil prices. Specifically, WTI prices opened at \$69.79pb in July 2023, ending in September at \$90.71pb increasing by 30%. The commodity traded at an average of \$82.3. Similarly, Brent grew by 25% to \$95.24pb in September 2023 from \$76.25pb in July. Bonny Light grew by 28% to \$96.23pb in September 2023 from \$75.44pb in July. The increase in the prices is attributed to the extended output cuts by major oil producers; OPEC and OPEC+, as well as the coup in Gabon.



Daily oil production in Nigeria

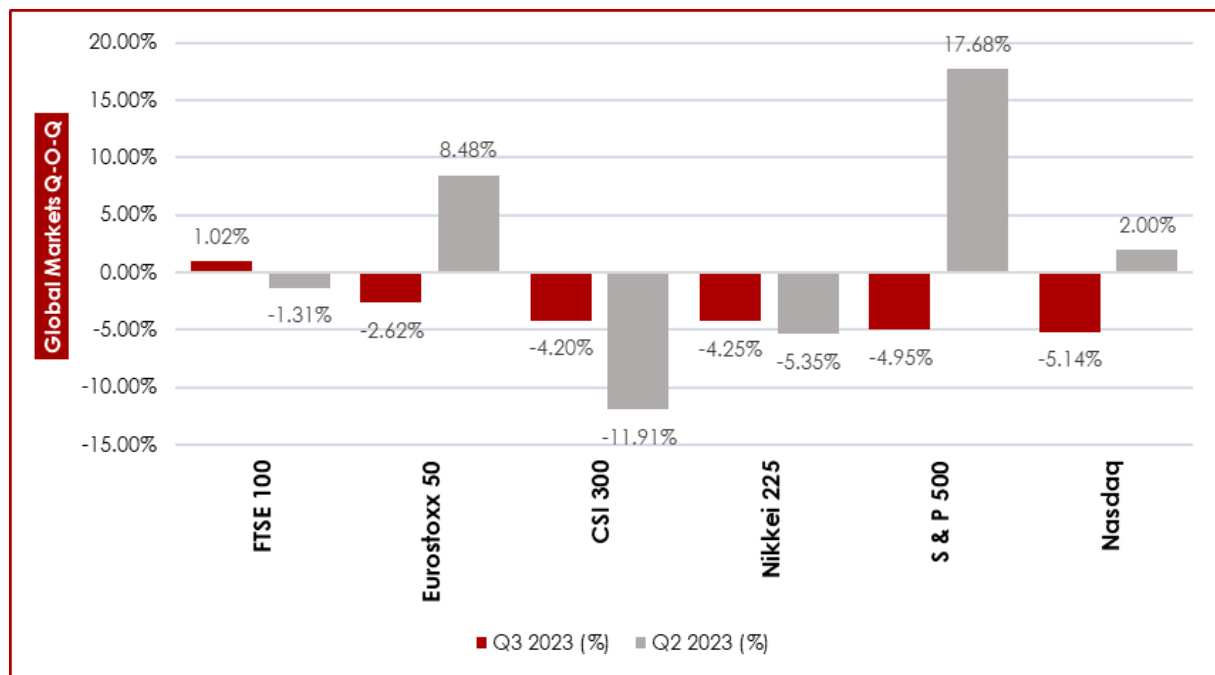
Source: CBN; SAMTL Research

Global markets began with a bearish sentiment in Q2 2023 due to the lingering negative effect of Fitch Ratings on the United States' credit rating from AAA to AA+ as a result of worsening fiscal deterioration and ongoing debt ceiling negotiations, as well as the negative impact of the Chinese real estate market. In Q3, weak macroeconomic conditions were fuelled by the increase in the benchmark interest rate by the European Central Bank and the house arrest of the CEO of Evergrande; the largest real estate company in China, which inhibited the performance of the market. The lackluster performance of the market is reflected in the performance of the selected markets. Specifically, the QoQ gain of the FTSE 100 index is attributable to the improved macroeconomic conditions in the UK. It is noteworthy that wage growth in the UK has outpaced the inflation rate. In contrast, other markets were adversely affected by poor macroeconomic indicators.



Performance of Global indices YTD

Source: investing.com; SAMTL Research



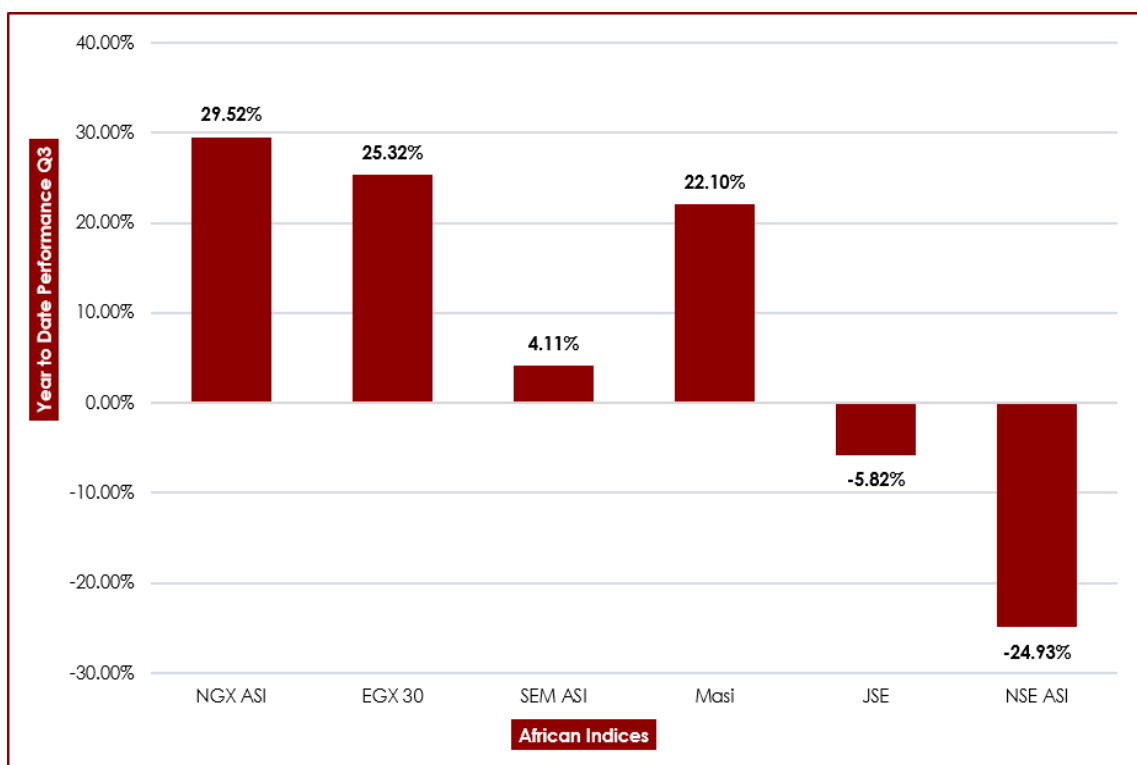
Performance of Global indices QoQ

Source: investing.com; SAMTL Research

African Markets

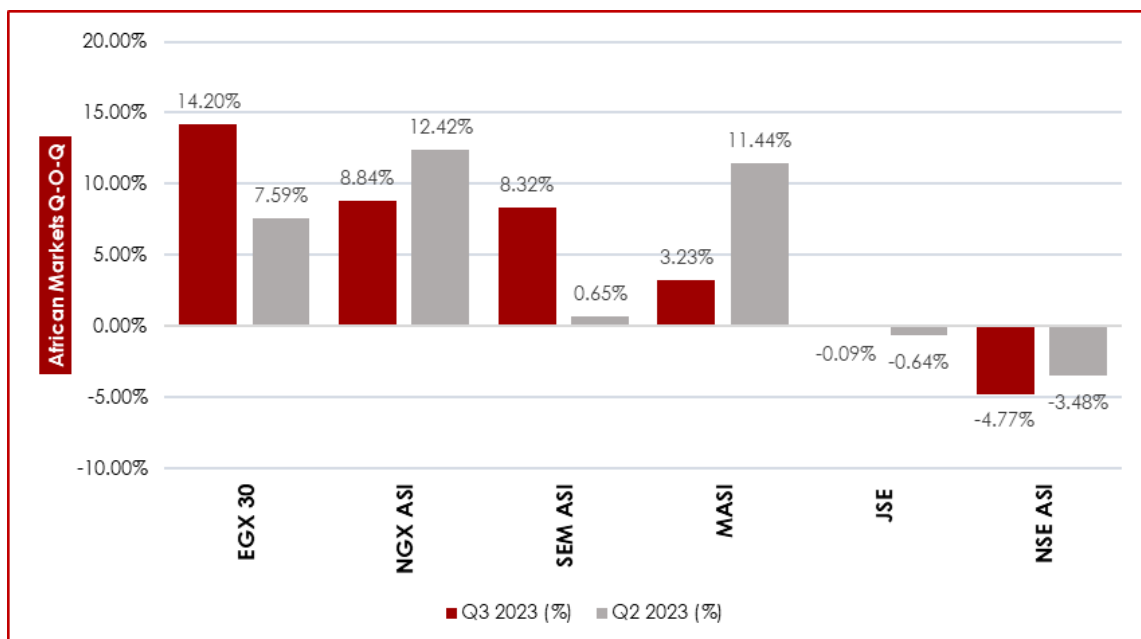
In Q3 2023, African Markets closed with a bullish sentiment driven by the equity market in Nigeria, Mauritius, and Egypt. The Egyptian equity market had positive growth QoQ due to the relatively low pricing of assets for foreign investors as a result of negative exchange rate movements. In addition, the country signed a currency swap deal, worth approximately \$1.4 billion with the United Arab Emirates which had a positive impact on the market. Nigeria's equity market had a positive growth of 8.88% from 60,968.27 to 66,382.14 with a market capitalization that grew by 9.44% (from ₦33.197Bn to ₦36.331). This was due to positive sentiments resulting from the effect of the foreign exchange policy of the current administration which resulted in revaluation gains and drove profits for mostly Tier 1 banks.

However, in Q3 2023, growth was lower compared to Q2 due to poor macroeconomic conditions that weighed heavily on the market. The Mauritius equity market performed strongly QoQ as the market grew by 8.32% compared to 0.65% in Q2 2023. This was driven by the creation of a trading window on its market platform for Kenyan investment banks and stockbrokers which provided new offshore investment opportunities in the country.



Performance of African indices YTD

Source: investing.com; SAMTL Research

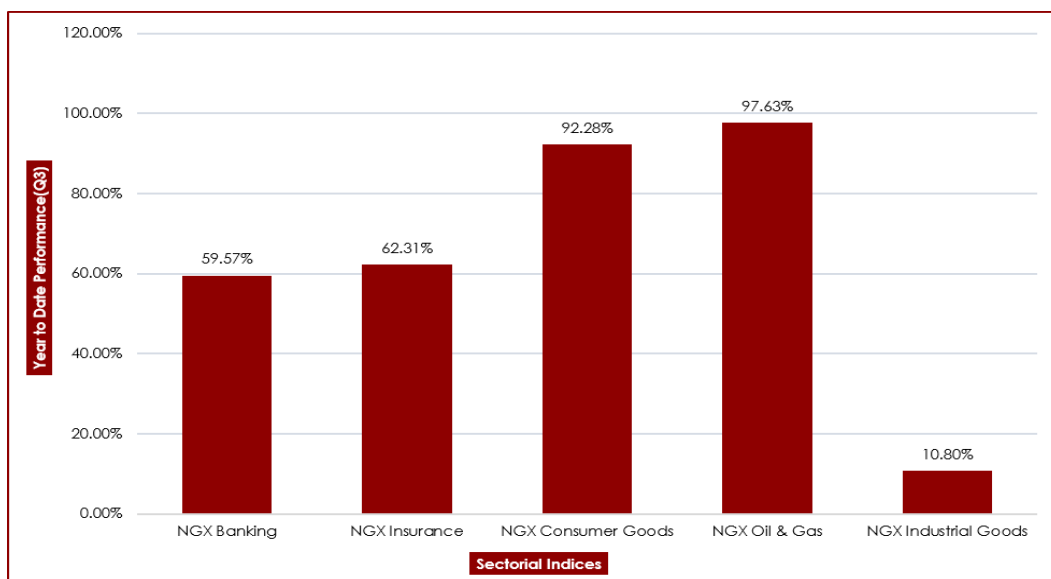


Performance of African indices QoQ

Source: investing.com; SAMTL Research

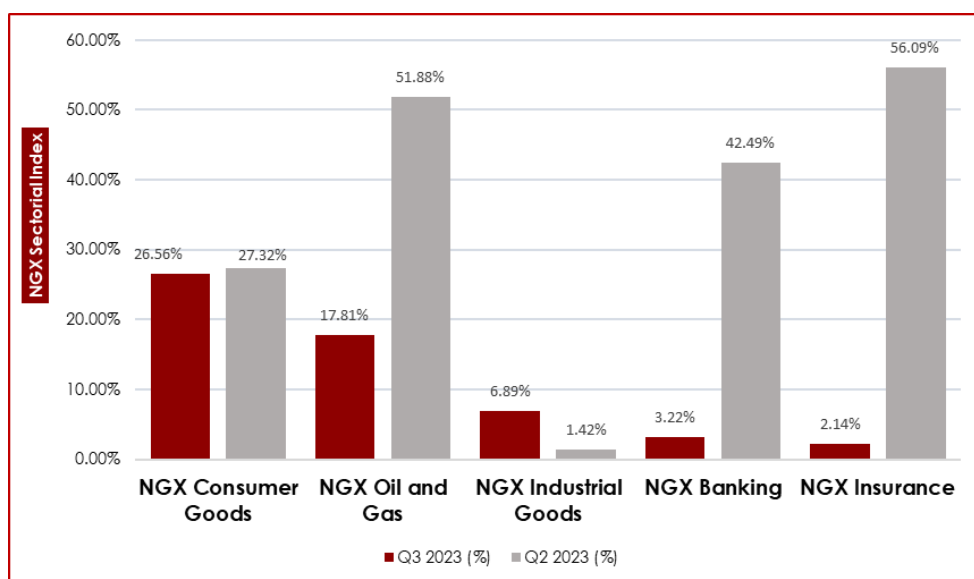
Domestic Markets

The Nigerian equity market continued to rise in Q3 2023 with NGXASI increasing by 5,414 bps from 60,968.27 points at the beginning of Q3 to 66,382.14 at the end of Q3. The market was driven by the lingering effect of the Federal Government reforms such as subsidy removal and dollar exchange policy. The market also experienced a boost in stock prices due to corporate actions and interim dividend payments. However, on a QoQ basis, the ASI and Market capitalization grew in Q3 by 8.88% and 9.44% respectively lower than that of Q2 which grew by 12.5% and 12.46% respectively due to poor macroeconomic conditions that increased selloffs towards the end of the quarter. In terms of deals, market performance in Q2 2023 saw a total of 363,618 deals worth ₦460,768Bn in 48,134 billion shares traded, which contrasts 519,996 total deals worth ₦632,939Bn traded in 4258 billion shares traded in Q3 2023.



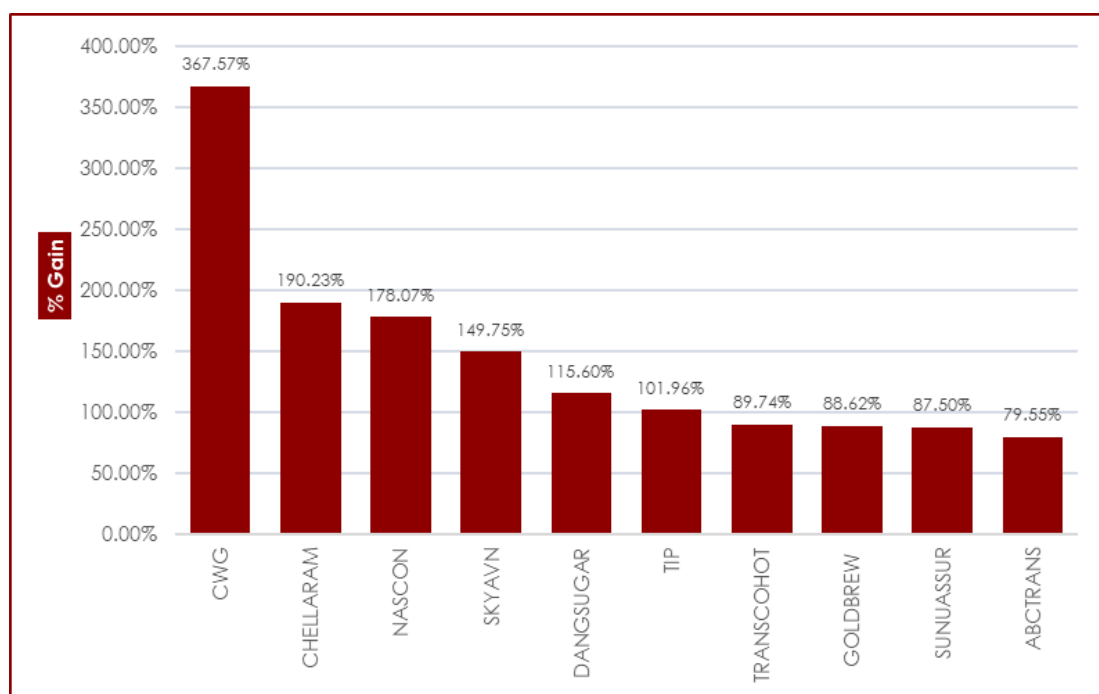
Performance of domestic indices YTD

Source: investing.com; SAMTL Research



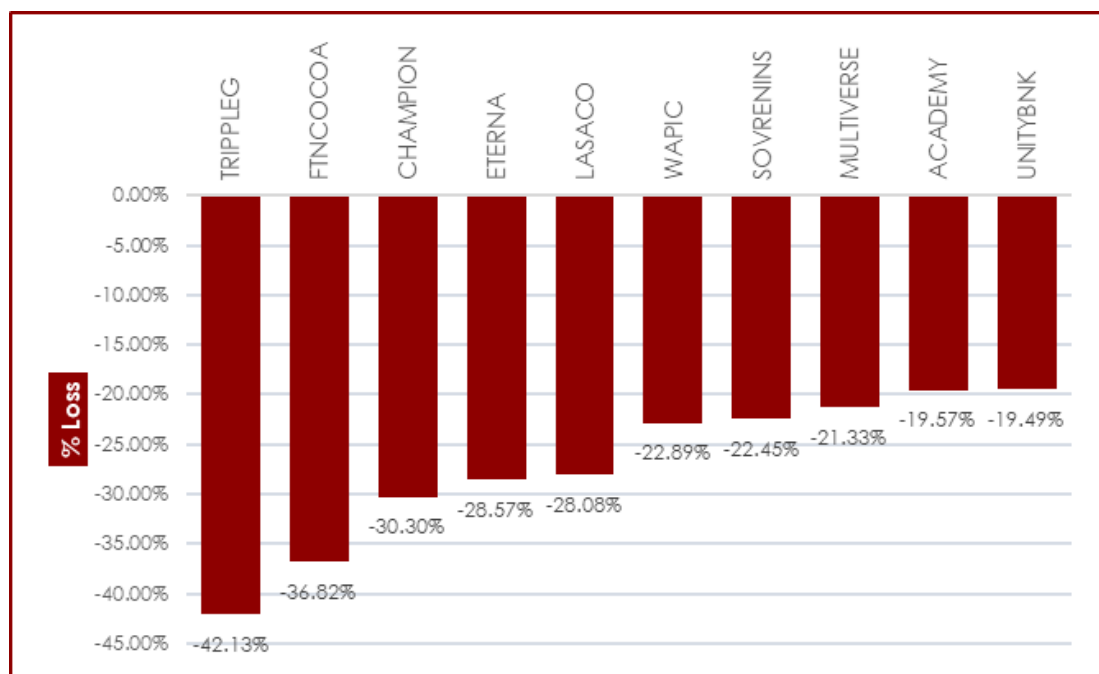
Performance of domestic indices QoQ

Source: investing.com; SAMTL Research



Top 10 gainers NGX ASI Q3 2023

Source: NGX; SAMTL Research

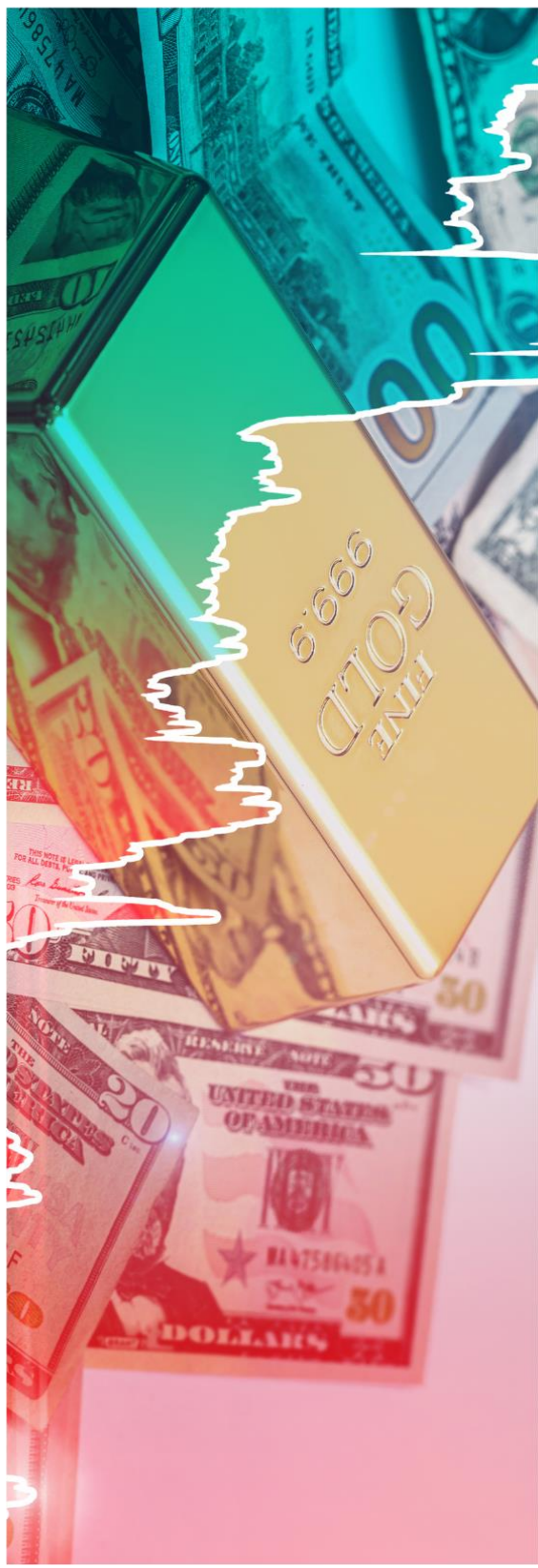


Top 10 losers NGX ASI Q3 2023

Source: NGX; SAMTL Research

In Q2 2023, the fixed income market experienced fluctuations, characterized by an initially bullish momentum that later shifted towards a bearish bias following the auction towards the end of Q2 2023. The Debt Management Office sold N656.74 billion, which was more than the N360 billion on offer. By Q3 2023 the market witnessed subdued market activity with occasional modest bullish sentiments. In the Secondary Market, the bearish sentiment led to lower performance, with an average yield increase of 92 basis points to settle at 13.8% on average. Mid-term instruments were particularly affected, with higher average yields rising by 120 basis points, while short- and long-term yields increased by 110 basis points and 59 basis points respectively. At the end of Q3 2023, the secondary market's average yield increased by 96 basis points to 13.8%. Yield across all terms went up by 146 basis points, 122 basis points, and 58 basis points month-on-month respectively. As a result of the high inflation, investors are currently experiencing a negative real return.

At the start of Q2 2023, the FGN Eurobonds market displayed a pessimistic outlook and closed the quarter on a bearish note with yields rising and prices falling. This was attributable to the investors' profit-taking approach and cautiousness due to significant changes in the market. By the end of Q3 2023, the FGN Eurobonds market remained pessimistic, reflecting the overall market sentiment, inclusive of the US Federal Reserve's interest rate hike and the possibility of keeping them high for a prolonged period. On average, the FGN Eurobonds market experienced a 139-bps surge, with rates closing the quarter at 11.24% on average, compared to the Q2 2023 average of 9.85%. This brought down the prices of bonds in the Eurobond markets as seen on the rising yield curve.



Q4 Outlook

Indicator	Expectation	Driver
Exchange Rate	Appreciate	Conscious effort of government to instill confidence in the economy, attract significant FX inflows by Increase oil production Speculation – Lack of confidence Increase demand for the Dollar
Interest	Increase	Driven by increase money supply which is partly the reason for increase inflation and the need to attract FPI in the capital market.
Foreign Reserve	Increase	Due to increase oil production and possible inflow of foreign capital.
FAAC Allocation	Increase	Due to increase revenue
Equity	Increase	Likely release of Q3 Company financial Performance
Oil Production	Increase	Due to reduction in pipeline Vandalization and Insecurity
Inflation	Increase	Driven by Food Insecurity and Exchange Rate Crises

Q3 Macroeconomic
Report and Q4
Outlook

Company Analysis

Stanbic IBTC Holdings Plc engages in the provision of banking and other financial services. It operates through the following segments: Personal and Business Banking, Corporate and Investment Banking, and Wealth.

- Gross Earnings rose by 61.20% Year on Year to ₦ 334.371 Billion (Q3 2022: ₦ 207.403 Billion).
- Net Interest Income increased to ₦120.503 billion in Q3 2023 (Q3 2022: ₦79.661 billion), while the estimated Net Interest margin decreased from 7.02% to 6.81%.
- Other Operating Income increased by 1882.30% to ₦3.925 Billion (Q3 2022: ₦0.198 Billion).
- Profit Before Tax rose by 87.80% to ₦129.458 Billion (Q3 2022: ₦68.946 Billion)
- Profit for the year increased to ₦109.249 billion, up 98.0% from (Q2 2022: ₦55.185 billion).

RATING **HOLD**

Current Price(N)	67.75
Target Price(N)	50.15
Upside/Downside	-25.98%
52 Weeks Range (N)	83.05-27.50
Market Cap. (N)(Mn)	877,769
Shares Outsanding (Mn)	12,956

RATIOS Q3 2023 Q3 2022

ROAE	25.67%	14.58%
ROAA	2.87%	1.94%
Net Interest Margin	6.81%	7.02%
Cost to Income	85.93%	104.40%
Loan to Deposit	71.00%	70.64%

VALUATION Q3 2023 Q3 2022

EPS(N)	8.25	4.10
P/E(x)	8.21	7.05
P/BV(x)	1.86	0.98

TECHNICAL ANALYSIS Q3 2023

20 Day Simple Moving Average	66.97
50 Day Simple Moving Average	68.9
200 Day Simple Moving Average	69.23

DIVIDEND INFORMATION Q2 2023

Interim Dividend(N)	N/A
Final Dividend(N)	N/A
Total Dividend(N)	N/A
Dividend Yield(%)	-

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	334,371	207,403	61.2%
Net Interest Income	120,503	79,661	51.3%
Impairment Charges	(9,956)	(7,460)	33.5%
Net Fees and Commission income	79,526	68,454	16.2%
Trading Revenue	59,741	24,886	140.1%
Other operating income	3,925	198	1882.3%
Operating Income	143,192	93,538	53.1%
Operating Expenses	123,050	97,650	26.0%
Profit before income Tax	129,458	68,946	87.8%
Profit for the Period	109,249	55,185	98.0%
Total Assets	4,674,057	2,951,110	58.38%
Total Loans and Advances	1,770,795	1,134,053	56.15%
Total Liabilities	4,203,002	2,570,933	63.48%
Total Deposits	2,494,159	1,605,457	55.36%
Total Equity	471,055	380,177	23.90%

Guaranty Trust Holding Company Plc operates as a financial holding company for **Guaranty Trust Bank Limited** that provides commercial banking services. The company operates through six segments: **Corporate Banking, Commercial Banking, Business Banking, Retail Banking, SME Banking, and Public Sector.**

- Gross Earnings rose by 133.40% (YoY), Q3 2023 to ₦ 850.333 Billion (Q3 2022: ₦ 364.306 Billion).
- Net Interest Income was higher by 56.9% to ₦ 297.538 Billion (Q3 2022: ₦ 189.688 Billion). As a result, Net Interest margin rose to 13.41% from 10.29%.
- Other Operating Income grew significantly by 2055% to ₦ 355.271 Billion (Q3 2022: ₦ 16.486 Billion). The major reason was due to;
- Foreign exchange revaluation gain increased 4421% YoY to ₦ 334.351 Billion in Q3 2023 (Q3 2022: -₦ 7.395 Billion), but QoQ growth slowed.
- Profit for the year was up by 181.90%, to ₦367.417 billion (Q3 2022: ₦130.348 billion)

TECHNICAL ANALYSIS	Q3 2023
20 Day Simple Moving Average	35.58
50 Day Simple Moving Average	35.21
200 Day Simple Moving Average	36.07

FINANCIAL SUMMARY

N'000	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings	850,333,085	364,306,067	133.4%
Net Interest income	297,538,851	189,688,171	56.9%
Impairment Charges	(89,464,869)	(3,699,259)	2318.5%
Net Interest Income after impairment loss	208,073,982	185,988,912	11.9%
Net Fees and Commission income	82,479,698	70,069,351	17.7%
Net Trading gains	29,186,631	36,623,786	-20.3%
Other operating income	355,271,062	16,486,246	2055.0%
Net Impairment Charge on Fin. Assets	59,109,554	1	5910955300%
Operating Income	675,011,373	309,168,295	118.3%
Operating Expenses	182,698,408	139,444,206	31.0%
Profit before income Tax	433,203,411	169,724,088	155.2%
Profit for the Period	367,417,038	130,348,101	181.9%
Total Assets	8,615,503,645	5,808,804,021	48.32%
Total Loans and Advances	2,219,341,505	1,842,971,075	20.42%
Total Liabilities	7,342,581,016	4,935,994,938	48.76%
Total Deposits	6,356,044,826	4,392,767,245	44.69%
Total Equity	1,272,922,629	872,809,083	45.84%
Retained Earnings	424,494,417	191,588,646	121.57%

RATING	HOLD
Current Price(N)	35.65
Target Price(N)	37.54
Upside/Downside	5.30%
52 Weeks Range (N)	41.80-17.45
Market Cap. (N)(Mn)	1,049,215
Shares Outstanding (Mn)	29,431

RATIOS	Q3 2023	Q3 2022
ROAE	34.25%	15.20%
ROAA	5.09%	2.38%
Net Interest Margin	13.41%	10.29%
Cost to Income	27.07%	45.10%
Loan to Deposit	34.92%	41.95%
Non Performing Loan	-	-

VALUATION	Q3 2023	Q3 2022
EPS(N)	12.98	4.55
P/E(x)	2.75	3.89
P/BV(x)	0.0008	0.0006

DIVIDEND INFORMATION	Q2 2023
Interim Dividend(N)	0.5
Final Dividend(N)	0
Total Dividend(N)	0.5
Dividend Yield(%)	1.33%

Fidelity Bank Plc provides various banking products and services to corporate and individual customers in Nigeria. It operates through Retail Banking, Corporate Banking, and Investment Banking segments.

- Gross Earnings rose by 62.80% this quarter to ₦ 141.693 Billion (Q3 2022: ₦ 87.050 Billion).
- Net Interest Income was higher by 140.60% to ₦ 87.129 Billion (Q3 2022: ₦ 36.212 Billion). However, Net Interest margin rose to 3.28% from 1.82%.
- Other Operating Income and Gain from financial assets fell by 238.90% to ₦ 5.508 Billion (Q3 2022: ₦ 3.965 Billion). The major reason was due to;
- Net Foreign exchange losses which rose by 285.46% to -₦ 7.170 Billion (Q3 2022: ₦ 3.866 Billion).
- Profit for the year was up by 155.4%, to ₦29.758 Billion (Q3 2022: ₦23.307 billion)

DIVIDEND INFORMATION		Q2 2023
Interim Dividend(N)		0.3
Final Dividend(N)		0
Total Dividend(N)		0.3
Dividend Yield(%)		0.80%

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	141,693	87,050	62.8%
Net Interest Income	87,129	36,212	140.6%
Impairment Charges	(12,260)	(1,700)	621.2%
Net Interest Income after impairment loss	74,869	34,512	116.9%
Net Fees and Commission income	10,305	5,537	86.1%
Other operating income	(5,508)	3,965	-238.9%
Operating Income	79,666	44,014	81.0%
Operating Expenses	45,009	31,300	43.8%
Profit before income Tax	34,658	12,714	172.6%
Profit for the Period	29,758	11,652	155.4%
Total Assets	5,413,655	3,799,779	42.47%
Total Loans and Advances	2,654,909	1,989,288	33.46%
Total Liabilities	5,002,903	3,480,645	43.73%
Total Deposits	3,439,857	2,294,670	49.91%
Total Equity	410,752	319,134	28.71%
Retained Earnings	115,836	76,945	50.54%

RATING		SELL
Current Price(N)		8.30
Target Price(N)		5.76
Upside/Downside		-30.60%
52 Weeks Range (N)		9.82-3.99
Market Cap. (N)(Mn)		265,700
Shares Outsanding (Mn)		32,012

RATIOS	Q3 2023	Q3 2022
ROAE	8.15%	0.00%
ROAA	0.65%	0.16%
Net Interest Margin	3.28%	1.82%
Cost to Income	56.50%	71.11%
Loan to Deposit	77.18%	86.69%

VALUATION	Q3 2023	Q3 2022
EPS(N)	0.93	0.40
P/E(x)	8.92	8.95
P/BV(x)	0.65	0.36

TECHNICAL ANALYSIS		Q3 2023
20 Day Simple Moving Average		8.23
50 Day Simple Moving Average		8.25
200 Day Simple Moving Average		8.25

Access Bank Plc, a subsidiary of Access Holdings Plc, provides banking services across Nigeria, Europe, and Africa. It operates in four segments: Corporate and Investment Banking, Commercial Banking, Retail Banking, and Business Banking.

- Gross Earnings rose by 34.20% Year on Year to ₦ 1,593.355 Billion (Q3 2022: ₦ 1,186.983 Billion).
- Net Interest Income increased to ₦389.955 billion in Q3 2023 (Q3 2022: ₦280.288 billion), while the estimated Net Interest margin decreased from 4.01% to 3.34%.
- Fair Value and Foreign Exchange Gains increased by 70.90% to ₦314.601 Billion (Q3 2022: ₦184.126 Billion).
- Profit Before Income Tax rose by 100.20% to ₦294.416 Billion (Q3 2022: ₦147.056 Billion).
- Profit for the year increased to ₦250.444 billion, up 83.1% from (Q3 2022: ₦136.766 billion).

DIVIDEND INFORMATION		Q2 2023
Interim Dividend(N)		0.3
Final Dividend(N)		0
Total Dividend(N)		0.3
Dividend Yield(%)		0.80%

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	1,593,355	1,186,983	34.2%
Net Interest Income	389,955	280,288	39.1%
Impairment Charges	(61,825)	(52,593)	17.6%
Net Interest Income after impairment loss	328,130	227,335	44.3%
Net Fees and Commission income	148,554	95,183	56.1%
FV and FX Gains/(Loss)	314,601	184,126	70.9%
Other operating income	22,109	17,219	28.4%
Operating Income	813,394	523,863	55.3%
Operating Expenses	519,361	376,924	37.8%
Profit before income Tax	294,416	147,056	100.2%
Profit for the Period	250,444	136,766	83.1%
Total Assets	21,405,399	13,450,166	59.15%
Total Loans and Advances	7,461,111	4,951,137	50.69%
Total Liabilities	19,765,056	12,415,454	59.20%
Total Deposits	16,171,575	10,257,910	57.65%
Total Equity	1,640,342	1,034,712	58.53%
Retained Earnings	531,720	473,503	12.29%

RATING		BUY
Current Price(N)		16.95
Target Price(N)		20.47
Upside/Downside		20.77%
52 Weeks Range (N)		19.85-7.5
Market Cap. (N)(Mn)		602,488
Shares Outsanding (Mn)		35,545

RATIOS	Q3 2023	Q3 2022
ROAE	18.72%	0.03%
ROAA	1.44%	1.15%
Net Interest Margin	5.23%	5.66%
Cost to Income	63.85%	71.95%
Loan to Deposit	46.14%	48.27%

VALUATION	Q3 2023	Q3 2022
EPS(N)	6.92	3.87
P/E(x)	2.45	2.04
P/BV(x)	0.37	0.27

TECHNICAL ANALYSIS		Q3 2023
20 Day Simple Moving Average		16.68
50 Day Simple Moving Average		16.5
200 Day Simple Moving Average		16.55

Dangote Cement Plc produces and distributes cement and related products. It operates in Nigeria and Pan-Africa segments. Founded in 1992 and headquartered in Lagos, Nigeria.

- Revenue rose by 28.70% Year on Year to ₦1.514 Trillion (Q3 2022: ₦1.177 Trillion).
- Gross Profit increased by 25.7% Year on Year to ₦871.858 Billion (Q3 2022: ₦693.428 Billion); Gross Margin moved to 57.56% from 58.90%
- Operating Profit increased to ₦561.008 billion in Q3 2023 (Q3 2022: ₦433.623 billion); Operating Margin was higher at 37.03% from 36.83
- Finance Cost rose by 68.10% to ₦91.081 Billion (Q3 2022: ₦54.167 Billion).
- Profit Before Tax rose ₦404.890 Billion up 20.5% (Q3 2022: ₦335.900 Billion) .
- Profit for the year increased to ₦277.548 Billion, up 30.2% from (Q3 2022: ₦213.101 billion). Net Profit Margin was slightly higher at 18.32% from 18.10% Year on Year.

Dividend Information	Q3 2023
Interim Dividend(N)	20.00
Final Dividend(N)	-
Total Dividend(N)	20.00
Dividend Yield(%)	6.45%

RATING	HOLD
Current Price(N)	310.1
Target Price(N)	357.82
Upside/Downside (%)	15.39%
52 Weeks Range (N)	380 -220
Market Cap. (Mn)	5,284,104
Shares Outsanding (Mn)	17,040

RATIOS	Q3 2023	Q3 2022
ROAE	25.18%	24.45%
ROAA	9.78%	9.30%
Gross Margin	57.56%	58.90%
Operating Margin	37.04%	36.83%
Net Margin	18.32%	18.10%

VALUATION	Q3 2023	Q3 2022
EPS(N)	16.08	12.41
P/E(x)	19.28	19.66
P/BV(x)	4.46	3.78

Technical Analysis	Q3 2023
20 Day Simple Moving Average	308.34
50 Day Simple Moving Average	308.31
200 Day Simple Moving Average	328.10

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Revenue	1,514,601	1,177,256	28.7%
Gross Profit	871,858	693,425	25.7%
Operating Profit	561,008	433,623	29.4%
Finance Cost	(91,081)	(54,167)	68.1%
Finance Income	20,667	28,834	-28.3%
Profit Before Tax	404,890	335,900	20.5%
Profit for the Year	277,548	213,101	30.2%
Total Assets	3,344,733	2,333,738	43.3%
Total Liabilities	1,978,723	1,495,520	32.3%
Total Equity	1,366,010	838,218	63.0%

Zenith Bank Plc provides banking and other financial services to corporate and individual customers in Nigeria, the rest of Africa, and internationally.

- Gross Earnings rose by 114.20% this quarter to ₦ 1,329 Billion (Q3 2022: ₦ 620.574 Billion).
- Net Interest Income was higher by 46.8% to ₦ 415.228 Billion (Q3 2022: ₦ 282.907 Billion). However, Net Interest margin fell to 7.18% from 7.29%.
- Other Operating Income grew significantly by 1855.9% to ₦ 400.441 Billion (Q3 2022: ₦ 20.474 Billion) . The major reason was due to;
- Loan Recovery that rose by 359.52% to ₦ 16.676 Billion (Q3 2022: ₦3.629 Billion)
- Foreign currency revaluation gain which rose by 3294% to ₦ 378.122 Billion (Q2 2022: ₦ 11.144 Billion).
- Profit for the year was up by 149.3%, to ₦505.036 Billion (Q3 2022: ₦174.331 billion).

DIVIDEND INFORMATION		Q3 2023
Interim Dividend(N)		0.5
Final Dividend(N)		0
Total Dividend(N)		0.5
Dividend Yield(%)		1.33%

FINANCIAL SUMMARY

N' Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	1,329,075	620,574	114.2%
Net Interest Income	415,228	282,907	46.8%
Impairment Charges	(209,999)	(37,096)	466.1%
Net Interest Income after impairment loss	205,229	245,811	-16.5%
Net Fees and Commission income	79,339	100,057	-20.7%
Trading Income	127,375	91,441	39.3%
Other operating income	400,441	20,474	1855.9%
Operating Income	812,384	457,783	77.5%
Operating Expenses	307,348	255,234	20.4%
Profit before income Tax	505,036	202,549	149.3%
Profit for the Period	434,172	174,331	149.1%
Total Assets	18,160,814	11,341,979	60.12%
Total Loans and Advances	5,780,922	3,880,021	48.99%
Total Liabilities	16,240,879	10,033,332	61.87%
Total Deposits	13,383,577	8,042,101	66.42%
Total Equity	1,919,935	1,308,647	46.71%
Retained Earnings	893,900	638,218	40.06%

RATING		HOLD
Current Price(N)		33.15
Target Price(N)		32.61
Upside/Downside		-1.63%
52 Weeks Range (N)		37.80-19.75
Market Cap. (N)(Mn)		1,040,777
Shares Outsanding (Mn)		31,396

RATIOS	Q3 2023	Q3 2022
ROAE	26.90%	13.97%
ROAA	2.94%	1.74%
Net Interest Margin	7.18%	7.29%
Cost to Income	37.83%	55.75%
Loan to Deposit	43.19%	48.25%

VALUATION	Q3 2023	Q3 2022
EPS(N)	13.82	5.55
P/E(x)	2.40	3.60
P/BV(x)	0.54	0.48

TECHNICAL ANALYSIS		Q3 2023
20 Day Simple Moving Average		16.68
50 Day Simple Moving Average		16.5
200 Day Simple Moving Average		16.55

FBN Holdings Plc engages in the provision of commercial banking and financial services. It operates through the following segments: Commercial Banking Business Group, Merchant Banking and Asset Management Business Group (MBAM), and Others.

- Gross Earnings rose by 97.60% this quarter to ₦ 1,081.570 Billion (Q3 2022: ₦ 547.240 Billion).
- Net Interest Income was higher by 51.4% to ₦ 377.698 Billion (Q3 2022: ₦ 249.533 Billion). As a result, Net Interest margin rose to 5.43% from 5.22%.
- Other Operating Income dropped by 20.7% to ₦ 9.567 Billion (Q3 2022: ₦ 12.066 Billion). The major reason was due to;
- Fall in Loss/gain on sale of property and equipment which dropped by 92.26% to ₦ 0.095 Billion (Q3 2022: ₦ 1.227 Billion).
- Sundry income which dropped by 45.88% to ₦2.886 Billion (Q3 2022: ₦ 5.333 Billion).
- Profit for the year was up by 159.10%, to ₦236.502 billion (Q3 2022: ₦91.289 billion).

DIVIDEND INFORMATION	Q2 2023
Interim Dividend(N)	0.5
Final Dividend(N)	0
Total Dividend(N)	0.5
Dividend Yield(%)	2.95%

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	1,081,570	547,240	97.6%
Net Interest Income	377,698	249,533	51.4%
Impairment Charges	(82,377)	(36,711)	124.4%
Net Fees and Commission income	118,984	90,998	30.8%
Trading Revenue	198,357	53,969	267.5%
Other operating income	9,567	12,066	-20.7%
Operating Income	326,908	157,033	108.2%
Operating Expenses	352,281	264,323	33.3%
Profit before income Tax	270,333	105,492	156.3%
Profit for the Period	236,502	91,289	159.1%
Total Assets	14,455,659	9,852,816	46.72%
Total Loans and Advances	6,954,426	4,776,017	45.61%
Total Liabilities	13,081,806	8,959,431	46.01%
Total Deposits	10,465,233	7,617,532	37.38%
Total Equity	1,373,853	893,385	53.78%
Retained Earnings	608,729	388,118	56.84%

RATING	BUY
Current Price(N)	16.95
Target Price(N)	23.04
Upside/Downside	35.93%
52 Weeks Range (N)	23.50-9.05
Market Cap. (N)(Mn)	608,420
Shares Outsanding (Mn)	35,895

RATIOS	Q3 2023	Q3 2022
ROAE	20.86%	11.09%
ROAA	1.95%	0.99%
Net Interest Margin	5.43%	5.22%
Cost to Income	107.76%	168.32%
Loan to Deposit	66.45%	62.70%

VALUATION	Q3 2023	Q3 2022
EPS(N)	6.54	2.51
P/E(x)	2.59	4.08
P/BV(x)	0.44	0.41

TECHNICAL ANALYSIS	Q3 2023
20 Day Simple Moving Average	16.25
50 Day Simple Moving Average	16.12
200 Day Simple Moving Average	16.84

United Bank for Africa Plc and its subsidiaries primarily provide corporate, commercial, and retail banking services in Nigeria, the rest of Africa, and internationally.

- Gross Earnings rose by 115.30% this quarter to ₦ 1.308 Billion (Q3 2022: ₦ 607.978 Billion).
- Net Interest Income was higher by 56.8% to ₦ 443.082 Billion (Q3 2022: ₦ 282.513 Billion). However, the Net Interest margin decreased slightly from 8.79% in Q3 2022 to 8.75% in Q3 2023.
- Profit Before Tax increased by 262.50% to ₦ 502.091 (Q3 2022: ₦ 138.493).
- Profit for the year was up by 437.8%, to ₦ 378.235 billion (Q2 2022: ₦ 70.335 billion).

DIVIDEND INFORMATION		Q2 2023
Interim Dividend(N)		0.3
Final Dividend(N)		0
Total Dividend(N)		0.3
Dividend Yield(%)		0.80%

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	1,308,861	607,978	115.3%
Net Interest Income	443,082	282,513	56.8%
Net Fees and Commission income	114,286	82,219	39.0%
FV and FX Gains/(Loss)	450,253	38,409	1072.3%
Other operating income	10,000	11,256	-11.2%
Operating Income	1,017,621	414,397	145.6%
Net Impairment Charges	(144,616)	(13,587)	964.4%
Operating Expenses	370,914	262,628	41.2%
Profit before income Tax	502,091	138,493	262.5%
Profit for the Period	449,296	116,042	287.2%
Total Assets	16,235,995	9,318,700	74.23%
Total Loans and Advances	5,065,127	3,212,667	57.66%
Total Liabilities	14,457,863	8,510,078	69.89%
Total Deposits	13,391,644	7,811,273	71.44%
Total Equity	1,778,132	808,622	119.90%
Retained Earnings	750,812	405,091	85.34%

RATING		BUY
Current Price(N)		20.85
Target Price(N)		31.35
Upside/Downside		50.36%
52 Weeks Range (N)		20.85-6.75
Market Cap. (N)(Mn)		713,049
Shares Outsanding (Mn)		34,199

RATIOS	Q3 2023	Q3 2022
ROAE	34.74%	14.44%
ROAA	3.52%	1.31%
Net Interest Margin	8.75%	8.79%
Cost to Income	36.45%	63.38%
Loan to Deposit	37.82%	41.13%

VALUATION	Q3 2023	Q3 2022
EPS(N)	12.93	3.27
P/E(x)	1.61	2.10
P/BV(x)	0.40	0.29

TECHNICAL ANALYSIS		Q3 2023
20 Day Simple Moving Average		19.27
50 Day Simple Moving Average		19.12
200 Day Simple Moving Average		17.17

Sterling Financial Holdings Company Plc provides various commercial banking services primarily to multinational companies, financial institutions, individuals, small businesses, partnerships, and commercial entities in Nigeria.

- With gross earnings rising, this quarter's earnings rose to ₦ 151.956 billion, up 27.0% (Q3 2022: ₦ 119.630 Billion)
- Net interest income of 68.503 billion rising by 25.6% (Q3 2022; ₦ 54.55 Billion).
- Net trading income was the highest driver of operating income with ₦ 10.264 billion, up 62% (Q3 2022: ₦ 6.334 billion).
- Profit Before Tax went up to ₦ 17.803 billion, by 23.90% (Q3 2022 14.364 billion).
- Profit for the year was ₦16.486 billion, up 23.0% (Q3 2022: ₦13.399 billion) .

RATING	HOLD
Current Price(N)	3.45
Target Price(N)	2.8
Upside/Downside	-18.84%
52 Weeks Range (N)	4.58-3.40
Market Cap. (N)(Mn)	99,326
Shares Outstanding (Mn)	28,790

RATIOS	Q3 2023	Q3 2022
ROAE	10.46%	9.21%
ROAA	0.81%	0.78%
Cost to Income	76.38%	75.74%

VALUATION	Q3 2023	Q3 2022
EPS(N)	0.57	0.47
P/E(x)	6.05	3.26
P/BV(x)	0.60	0.29

DIVIDEND INFORMATION	Q2 2023
Interim Dividend(N)	0.3
Final Dividend(N)	0
Total Dividend(N)	0.3
Dividend Yield(%)	0.80%

TECHNICAL ANALYSIS	Q3 2023
20 Day Simple Moving Average	3.52
50 Day Simple Moving Average	3.50
200 Day Simple Moving Average	3.60

FINANCIAL SUMMARY

N'Mn	Q3 2023	Q3 2022	Y-O-Y (%)
Gross Earnings*	151,956	119,630	27.0%
Net Interest income	68,503	54,554	25.6%
Net Fees and Commission income	16,690	15,577	7.1%
Net trading income	10,264	6,334	62.0%
Other operating income	6,954	7,753	-10.3%
Operating income	102,411	84,218	21.6%
Credit loss expense on financial assets	(6,382)	(6,068)	5.2%
Operating Expenses	78,226	63,786	22.6%
Profit before income Tax	17,803	14,364	23.9%
Profit for the Period	16,486	13,399	23.0%
Total Assets	2,247,965	1,814,372	23.90%
Total Liabilities	2,082,125	1,665,015	25.05%
Total Equity	165,840	149,357	11.04%

Disclaimer

This Report was prepared by the SAMTL Research Team and is not necessarily definitive, current, or authoritative. Data used in this document was gathered from reliable sources, but the analyst(s) and the publishers of this document do not hold themselves responsible for the accuracy or completeness of the data used. The Report provides the opinions, analyses, and conclusions of SAMTL Research only and is provided without any warranties of any kind. SAMTL and its subsidiaries' Directors, Employees, or Agents do not accept any liability for any direct or remote loss or damage arising out of the use of all or any part of the information contained in this document.

This Report is published for information purposes only and is not an offer to solicit, buy, or sell any security of any kind and does not provide customized investment advice. It has been prepared without regard to the individual financial circumstances and risk and return objectives of individuals who receive it. The appropriateness of a particular investment will depend on an investor's individual circumstances, risk tolerance, and return objectives. The investments and shares referred to in this report may not be suitable for all or certain categories of investors. The opinions presented in this research report may be changed without prior notice or cannot be depended upon if used in the place of the investor's independent judgment.

Disclosures

Research analyst certification: The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of the Outlook report hereby certifies that all of the views expressed herein accurately reflect their personal views. Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report



SAMTL

Over

Three Decades of adding value..

Our Services Include

- ▶ **Asset Management**
- ▶ **Trusteeship**
- ▶ **Stockbroking**
- ▶ **Advisory**
- ▶ **Real Estate**
- ▶ **Leasing**

Head Office

7 Alfred Rewane Rd,
Ikoyi,
Lagos
☎ 01-4537353

Port Harcourt Office

142b Woji Road G.R.A Phase
2, Opp Kilimanjaro, Port
Harcourt
☎ 084-550129

Abuja Office

17 Sheda Close, 700
Tafawa Balewa, Area 8,
Garki, Abuja.
☎ 09-2904072