

NIGERIAN ECONOMIC AND FINANCIAL MARKET REVIEW FOR 2023 AND 2024 OUTLOOK

# PULLING BACK FROM THE PRECIPICE?



## Section One



Executive  
Summary

3

## Section Two



Global  
Economy

5

## Section Three



Domestic  
Macroeconomy

14

## Section Four



Equities

23

## Section Five



Fixed Income

35

## Section Five



Market Strategy

46

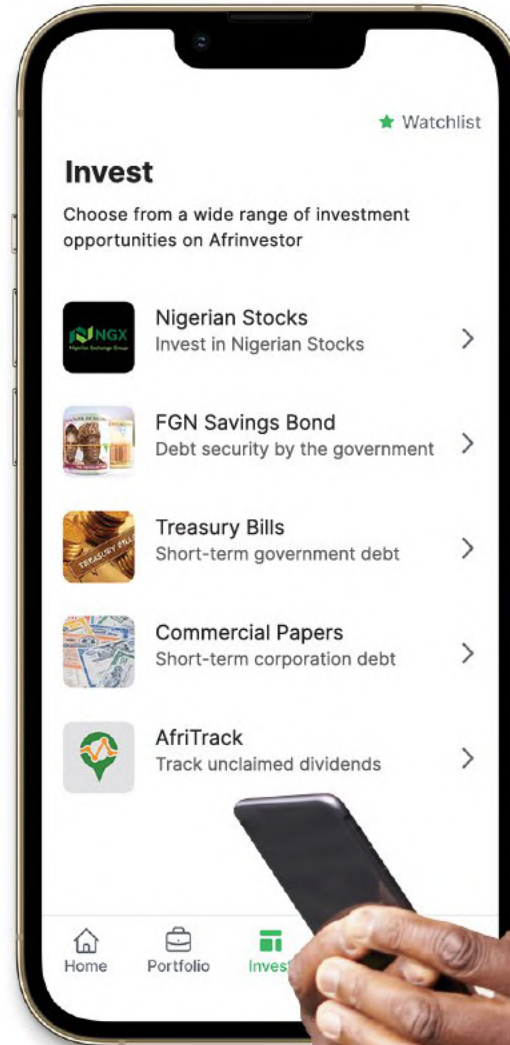


# Buy & Sell Stocks with Ease.

Afrinvestor gives you access to stocks listed on the Nigerian Exchange. You can also invest in Treasury Bills and Commercial Papers with just a few taps.

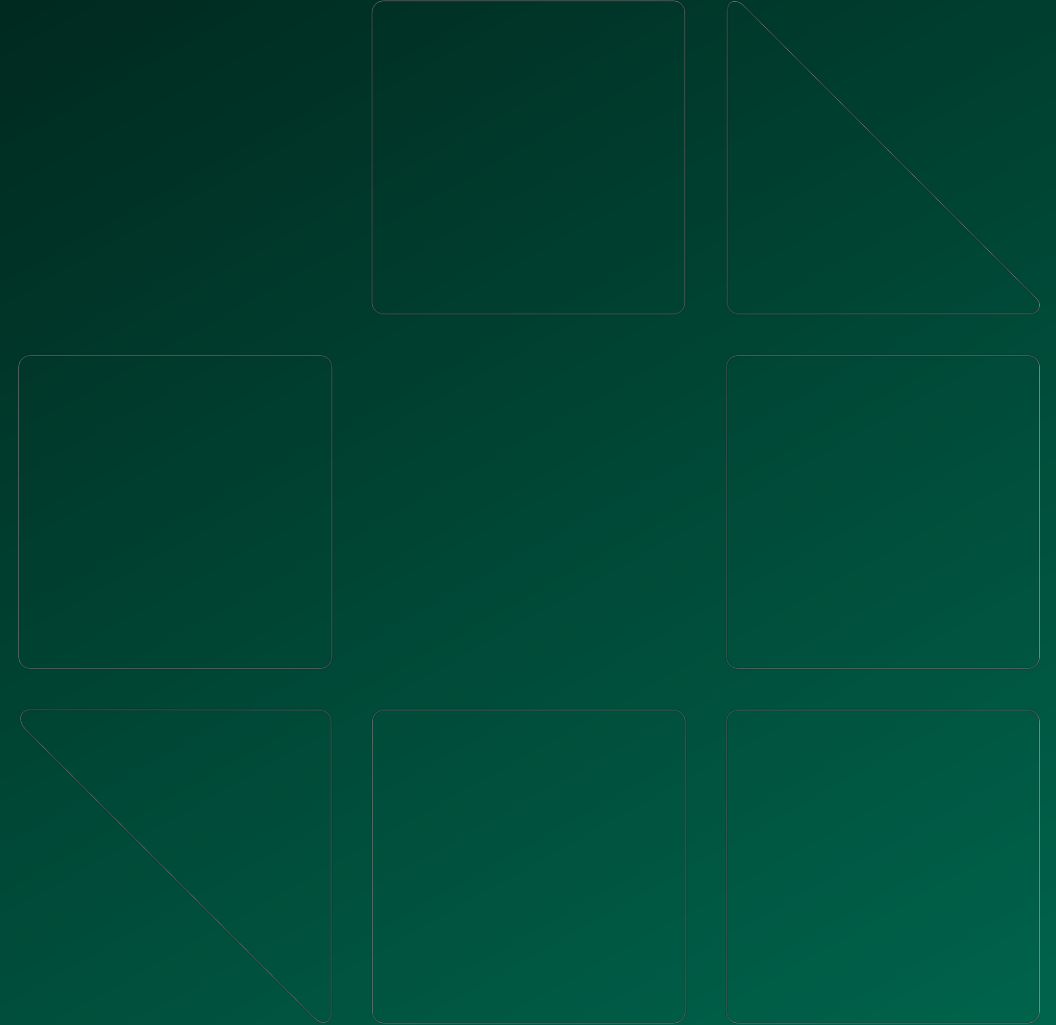


SCAN ME



For more details,  
Call: +234 1 270 1680 or email: [connect@afriinvest.com](mailto:connect@afriinvest.com)

# Executive Summary



The global economic outlook remains challenging, with projections by the IMF indicating a weaker global output growth of 2.9% in 2024. The prognosis stems from worsening geopolitical tensions and escalating debt levels.

Elsewhere, global central banks have effectively managed inflation close to levels seen before the pandemic through multiple interest rate hikes. This, in turn, should create legroom for central banks to reconsider their hawkish stance and start cutting rates in early 2024.

On the domestic landscape, 2023 was a year of two halves when considered from the prism of fiscal and monetary policy actions. In H1, fiscal imprudence of the past administration, the botched implementation of the Naira redesign policy, persistent insecurity and policy misalignments as well as pre-election jitters deteriorated critical macroeconomic variables – debt profile, inflation rate, poverty headcount rate, and capital importation – to ₦87.4tn, 22.8%, 63.0%, and \$2.2bn, respectively from ₦11.5tn, 9.2%, 40.1%, and \$5.5bn in mid-2015. Despite the emergence of a new administration in H2:2023 and its immediate rollout of some market-friendly reforms – partial removal of PMS subsidy, rejig of the CBN’s management composition, realignment of FX rates, and ongoing consolidation of the multiple taxations – Nigerians are yet to feel any sign of relief. This then begs the question of whether the strategies of the new administration are capable of “Pulling Nigeria Back from the Precipice”.

Looking ahead into 2024, economic outcomes would depend on how the current administration is able to (i) carry through with the ongoing reforms, (ii) improve business environment to end recent spate of closure by mid and large-sized business entities

(iii) improve national security, (iv) enhance internal shock absorbers to external risks, and (v) narrow structural gaps. Based on our scenario models, GDP growth, inflation, and FX rate would average 3.0%, 22.1%, and ₦918.89/\$ in 2024 blue-sky case, while the average outcomes could deteriorate to -1.5%, 24.7%, and ₦1,057.19/\$ should policy fatigue set in and external risks mount.

Shifting focus, the Nigeria equities market raced to a 15-year high in 2023 fuelled by market-friendly reforms implementation by the current administration and resilient corporate performance. We expect the equities market to sustain the positive momentum through 2024, though at a modest pace. Our model forecasts a 14.8% return for the year (base case), premised on improved macroeconomic conditions, anticipated growth in Foreign Portfolio Investments, and a more stable FX environment.

Meanwhile, the fixed-income market charted a bearish path in 2023 owing to tightened financial system liquidity by the CBN and borrowing footprints of the FG. Across market segments, yields repriced in favour of the bears to close around 8.0% and 14.0% levels for benchmark NTB and FGN Bond instruments. The outlook for 2024 is cautiously optimistic, predicated on robust liquidity dynamics and positive inflation – and interest rate – expectations. We anticipate that the CBN might adopt restrictive stance to counter large inflows in the first half of the year. This could be the major upside trigger for yields. However, we see pathways for tapering of yields into the second half with dovish pivots by systemic central banks, moderating inflation and less restrictive CBN stance as potential factors to weigh on the yield environment.

# Global Economy



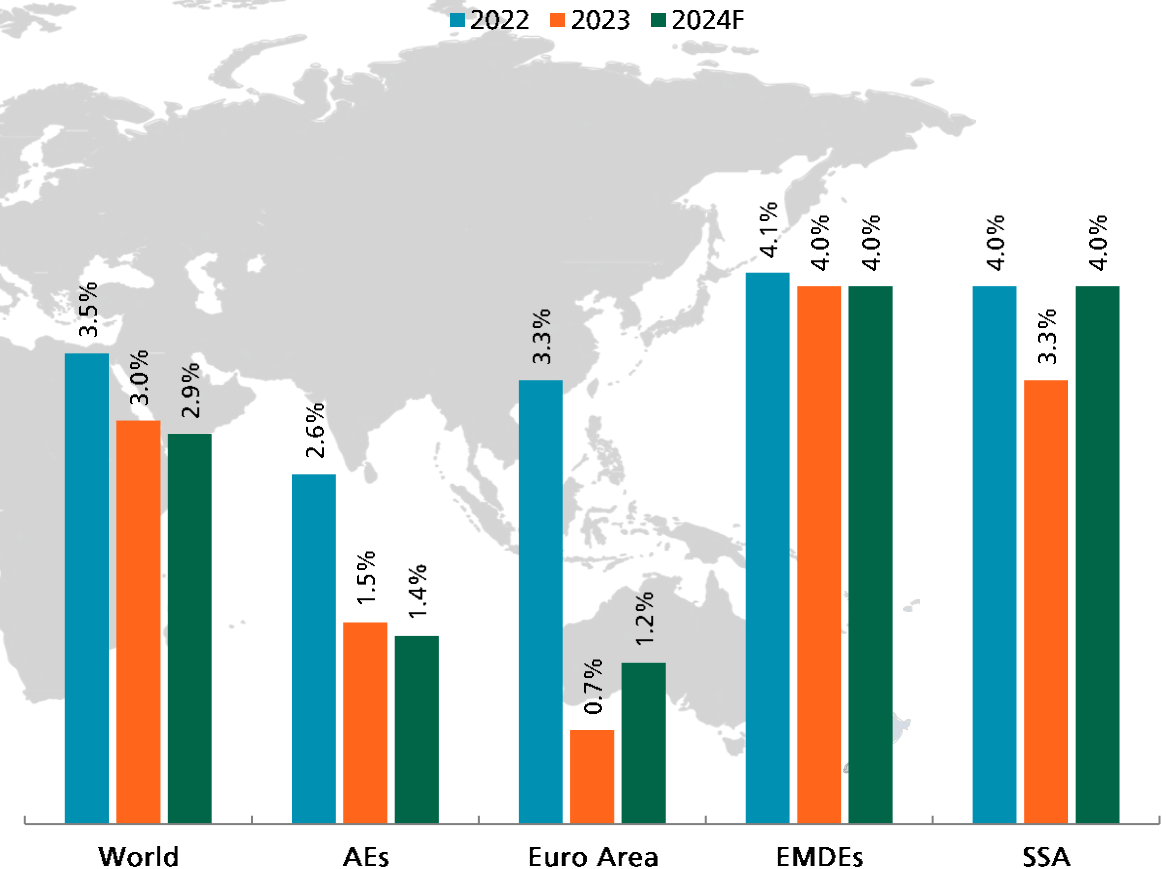
- Global economy growth is estimated to slow to 3.0% from 3.5% in the prior year (IMF).
- Although growth in EMDEs remains resilient, multiple pressure points on AEs and Euro Area growth is expected to dampen global performance.
- Aside the lingering Russia/Ukraine crisis, the near collapse of the global banking system owing to contagion from SVB<sup>1</sup> and FRB<sup>2</sup> collapse, the Evergrande Real Estate crisis in China, and the emergence of Israel/Hamas crisis were major headwinds.
- On the positive, global systemic central banks contained runaway inflation justifying multiple interest rate hikes by the US Fed (up 100bps to 5.5%), ECB (up 200bps to 4.5%), and BOE (up 175bps to 5.25%).\*

<sup>1</sup>SVB: Silicon Valley Bank

<sup>2</sup>FRB: First Republic Bank

\*Interest rate hikes for 2023 only

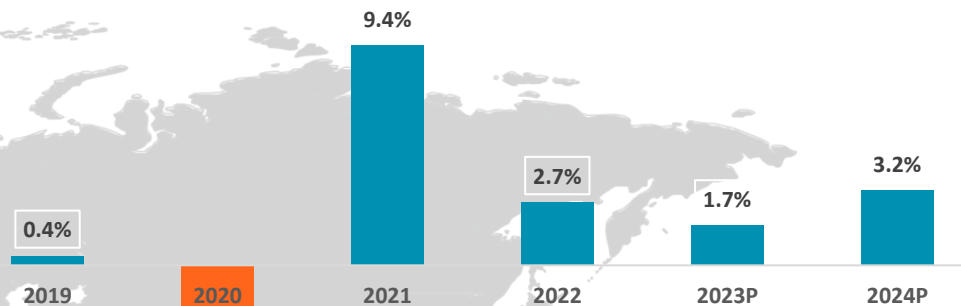
## Global GDP Growth Forecast



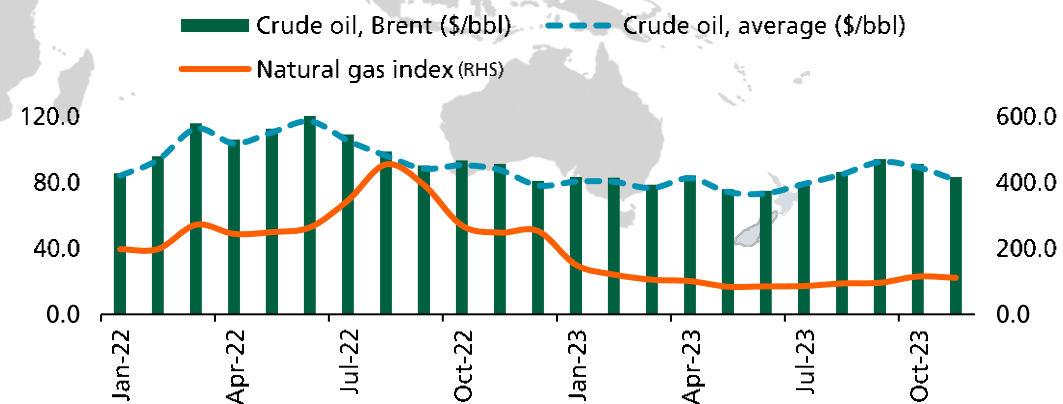
Source: IMF, Afrinvest Research

- Trade volume growth weakened to 1.7% in 2023 due to factors such as geopolitical tensions, food insecurity, potential financial instability from monetary policy tightening, and increasing levels of debt. Nonetheless, the WTO projected a 3.2% expansion in global trade volume in 2024.
- However, this projection is at risk of being negatively impacted by geopolitical tensions brewing in the Middle East and Asia. This includes the blockade on the Red Sea by Iran-backed Houthi rebels and a potential escalation of China/Taiwan conflict.
- The Red Sea accounts for c.12.0% of global trade flows and c.30.0% of global container traffic while Taiwan controls c.92.0% of global advanced semiconductors production.
- With the spate of coups in African countries, alongside conflicts in the Middle East and Asia, geopolitical tensions are becoming the “new normal”, increasing the risk of deglobalisation and weakening inter regional trade ties.

### World Trade Volume Growth



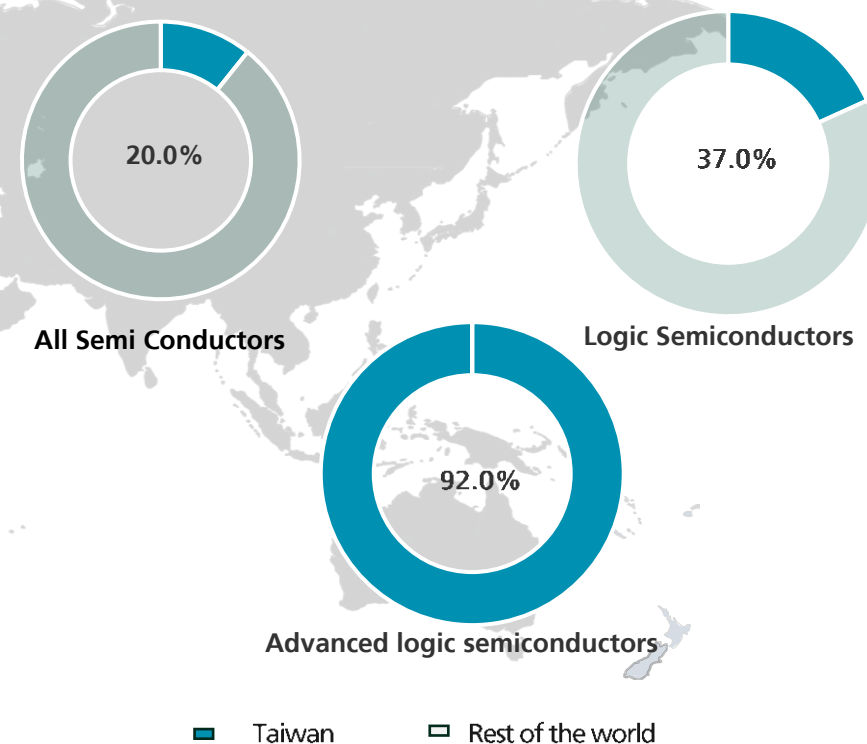
### Energy Prices Trajectory



Source: World Bank, WTO, Afrinvest Research

- China is the world's 2<sup>nd</sup> largest economy while Taiwan is the largest producer of semiconductors.
- Taiwan heads to the polls in January 2024 for its closely monitored general elections. The outcome of the election could potentially escalate the China/Taiwan conflict.
- Trade activities worth over \$2.0tn between China, Taiwan and the rest of the world would be affected which would impact corporate earnings from companies like Apple that relies heavily on China for their manufacturing.
- Taiwan controls 92.0% of the advanced semiconductors production market which is a major component for the manufacturing of electronics, automobiles, phones and fighter jets.
- According to The Rand Corporation, an escalation of China/Taiwan conflict could impact about 5.0% of U.S \$26.5tn economy and plunge China's \$17.9tn economy by 25.0%.
- China is the largest importer of oil from Saudi Arabia (the world's second-largest producer). Escalation of tensions between China and Taiwan would affect oil prices and the commodities market.

Taiwan's share in global semiconductor production market



Source: Rand Corporation Institute for Economics and Peace, Afrinvest Research



## US ELECTION

The United States election on November 5<sup>th</sup> could shape global economy partly due to the possibility of a Donald Trump's return to White House.

Nevertheless, a Republican victory at the presidential poll come November 2024 could redirect the global economy given their pro-market ideology as against Democrat's welfarism.



## RUSSIA ELECTION

President's Putin popularity post-Ukraine-invasion would be tested at the March 2024 presidential poll. This election is key given Russia's pivotal role in ongoing global tensions.



## EU PARLIAMENT ELECTION

EU member countries would elect new members of parliament between 6<sup>th</sup>-9<sup>th</sup> June 2024. This election would influence the choice of the EU's new leadership.



## TAIWAN ELECTION

Taiwan Election on January 13<sup>th</sup> could have huge geopolitical ramifications. The incumbent Vice President is poised to succeed the current President whose DPP Party is against China's "One China" policy. Victory for DPP could heighten tensions in the region.



## INDIA ELECTION

India was one of the fastest-growing major economies in FY22/23 at 7.2% (according to World Bank). The election of new parliament members (Lok Sabha) in April-May is one to closely watch given their fast emergence as a World power.



## SOUTH AFRICA ELECTION

Amidst the search for economic revival, South Africans would head for the polls in 2024 to choose a new leader that could rescue Africa's most industrialised economy from the precipice. With Democratic Alliance (DA) and Economic Freedom Fighter (EFF) Parties fielding strong candidates in John Steenhuisen and Julius Malema, the incumbent - Cyril Ramaphosa - would need to more than convince the populace on his not-so-impressive economic scorecard to get a second term nod.

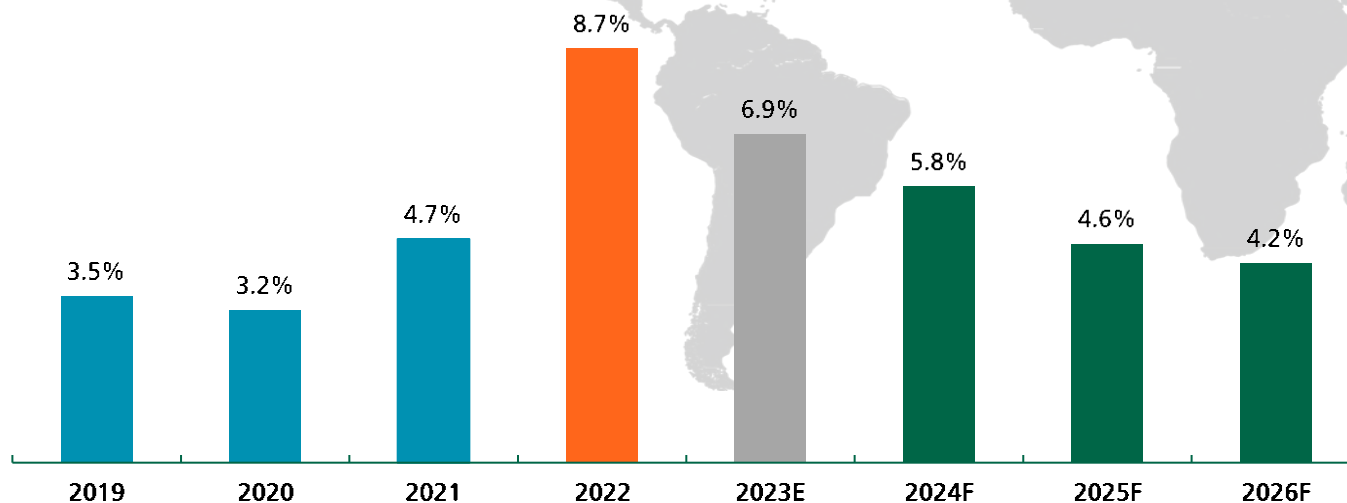
Global inflation rate is estimated to soften to 6.9% in 2023 from 8.7% in 2022. Price growth decline is projected to moderate to 5.8% in 2024.

## Global Inflation Drivers

- Monetary tightening policy and moderation in commodity and energy prices slowed inflation. However, services inflation persist.
- Consequently, global inflation is estimated to moderate from 8.7% to 6.9% in 2023 due to decline in commodity prices and the high base effect.

## Outlook

- Global inflation is projected to decline to 5.8% in 2024 and to 4.6% by 2025.



## Global Inflation Trajectory



Stickier-than-expected Services Inflation



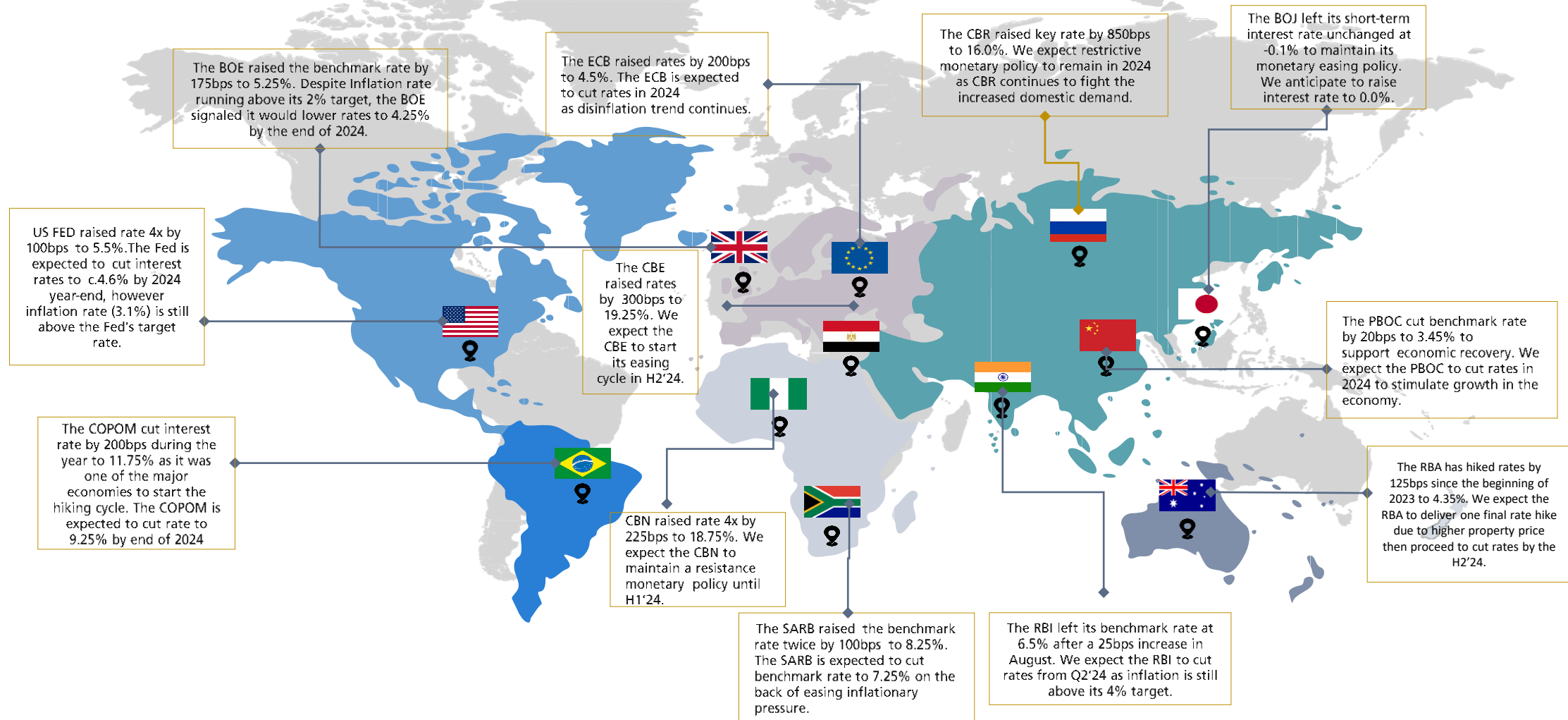
Tight Labour Market



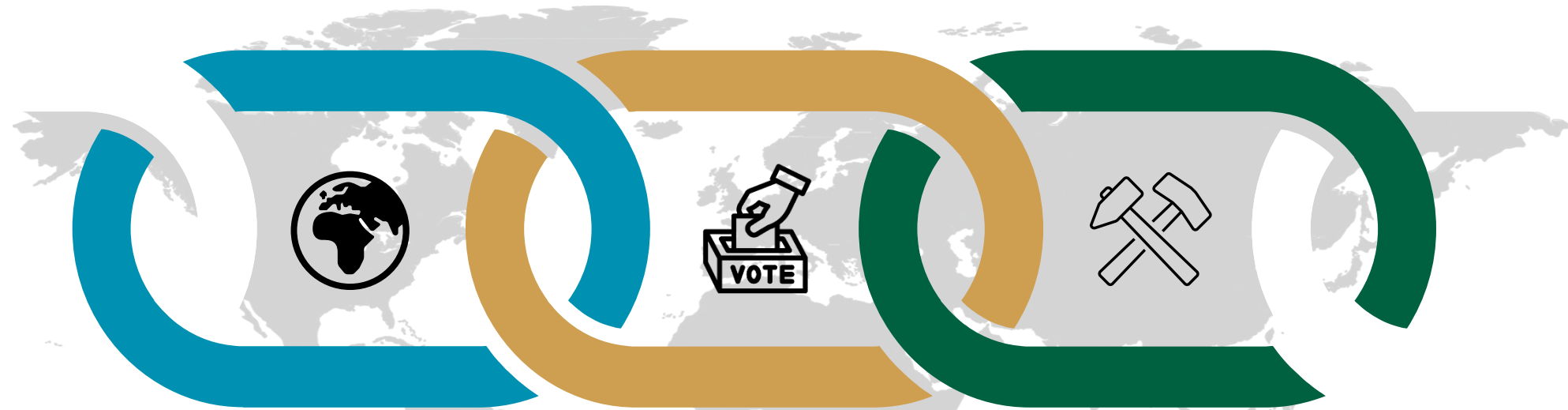
Currency depreciation and the passthrough effect into underlying inflation

Central Banks gears up for rate cuts in 2024 as inflation outlook softens.

## Major Policy Calls in 2023



Source: Central Banks Database, Afrinvest Research



## Global GDP

The IMF projects lower GDP growth at 2.9% in 2024. This projection is based on factors such as geopolitical tensions, food insecurity, potential financial instability from monetary policy tightening, and increasing levels of debt.

## Major Elections

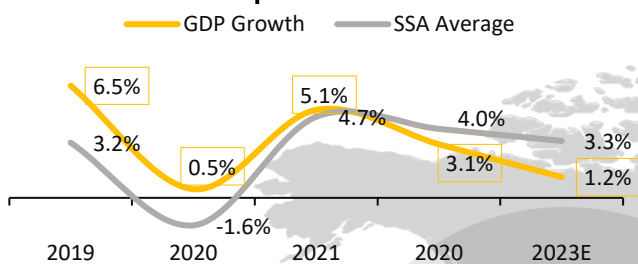
2024 is set for crucial elections in major regions of the world. Outcomes from US, India, Taiwan, European Parliament elections could sway direction of global economy.

## Geopolitical Tensions

Geopolitical tensions brewing in the Middle East and Asia could affect global economy. Heightened conflict between China/Taiwan, as well as the ongoing Houthi crisis at the Red Sea would have a huge impact on energy prices, commodities, and the financial markets.

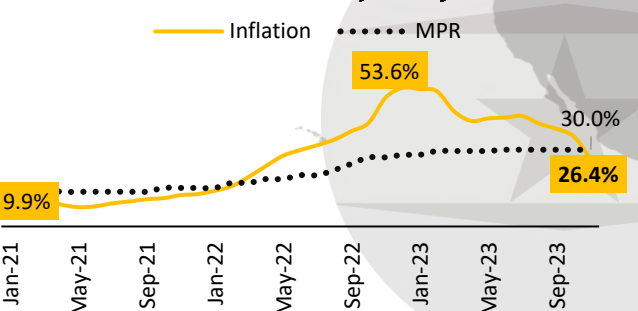
## Ghana... Painful Path to Redemption

### GDP performance



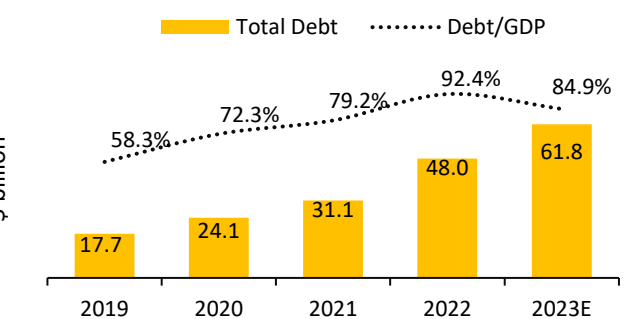
Growth momentum is estimated to end the year below SSA's average, owing to the knock-on effect of fiscal deterioration and record high inflation rate. Looking ahead, the IMF estimated a modest improvement in growth to 2.7% in 2024, supported by a resilient Agric sector and gains from ongoing reforms.

### Inflation Trajectory



Price level reached a record level in early 2023, stoked by the negative pass-through of elevated crude oil prices since 2022 and a steep currency depreciation over the period (the Ghanaian Cedi lost about 20.0% against the USD in 2023 and 91.2% since January 2022). Average headline inflation rate is projected to ease to 23.2% in 2024 (2023: 42.2%) supported largely by the high base effect.

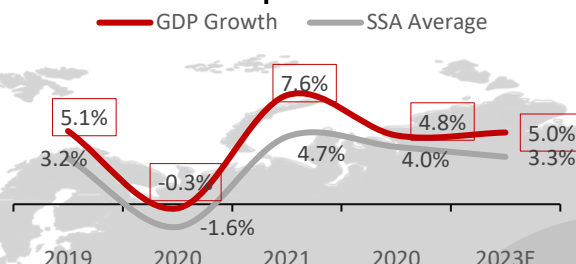
### Fiscal Profile



Ghana is going through one of its worst economic crises in history, having defaulted on all external debt obligations since Q3'2022. While the country has restructured its domestic debt and secured \$600.0m from the \$3.0bn IMF bailout package, talks remain ongoing to restructure its external debt which stood at \$29.9bn as of Q2:2023. With the general poll slated for 2024, we anticipate that the citizens will elect a leader with solutions to their fiscal challenges.

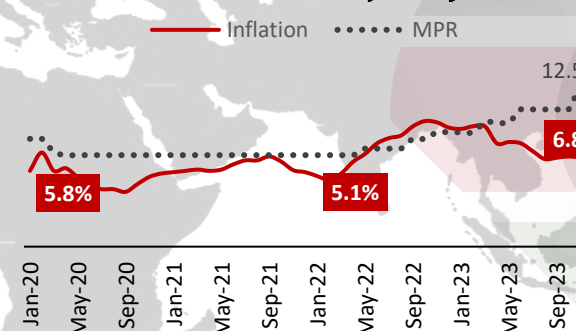
## Kenya... Cautious Optimism Despite Relatively Decent Fundamentals

### GDP performance



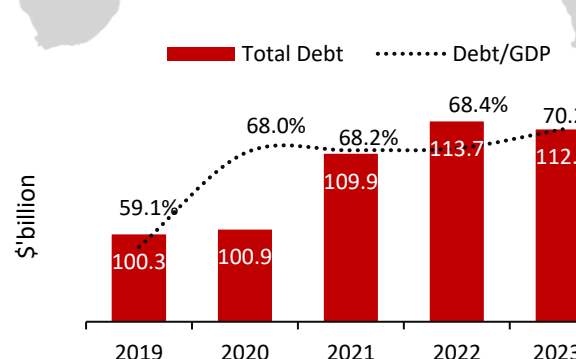
Despite the politically induced crises that rocked the economy in the pre-and-post-general elections period in 2022, the Kenyan economy is on course to outperform the SSA average growth rate for 2023. Looking ahead, IMF projects that the East African country economy would grow by 5.4% in 2024 supported by the recovery in the agric sector (from drought) and a resilient financial services sector.

### Inflation Trajectory



Kenya reported its worst inflation reading in more than half a decade in Q3:2022 owing to the negative pass-through of elevated global energy prices and disappointing agric harvest due to drought. The timely reaction of the Kenyan Central Bank has begun to yield the desired results as average inflation is estimated to ease to 6.6% in 2024 from 7.7% in 2023 according to the IMF.

### Fiscal Profile

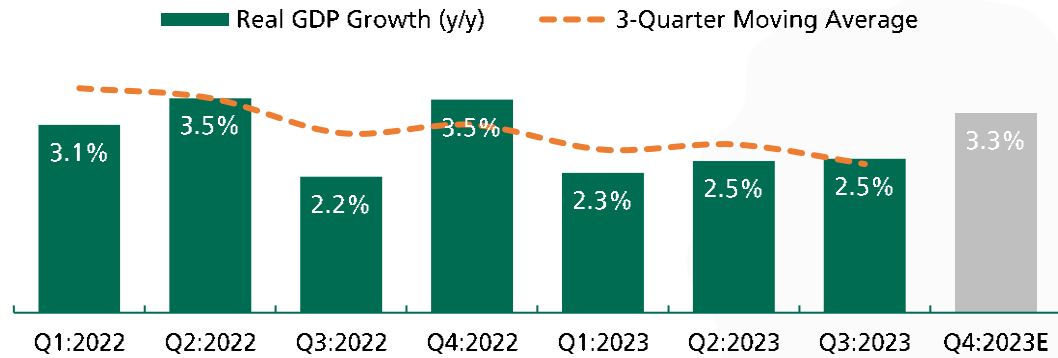


Like many other African peers, Kenya's fiscal profile has worsened since the pandemic outbreak in 2020, piling debt as a percentage of GDP to a disturbing 70.0% level. With foreign debt accounting for a disproportionate 53.3% share of total debt stock, we anticipate foreign investors to be more cautious in trading the East African country's paper in 2024, given the fresh default experiences of Ghana (2022) and Ethiopia (2023).

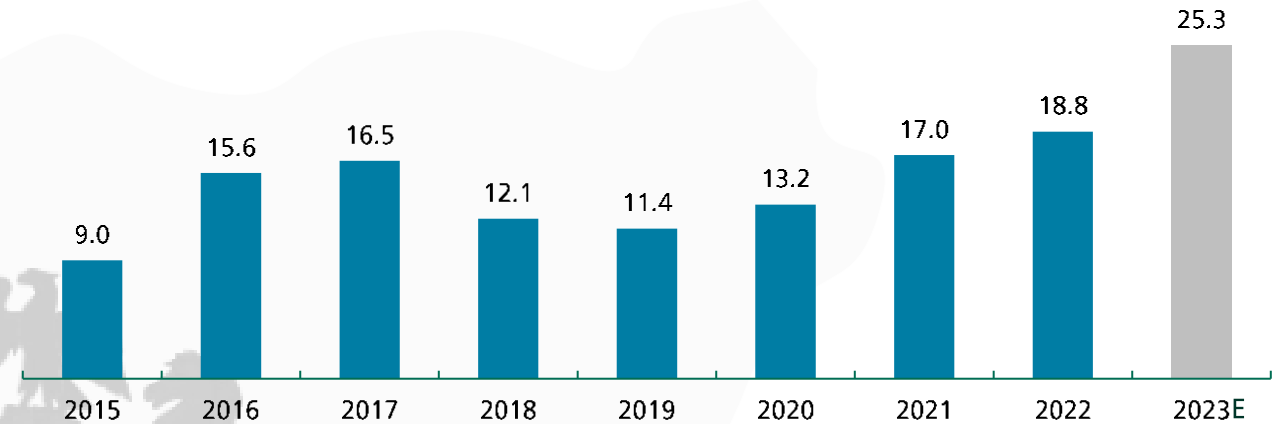
# Domestic Macroeconomy



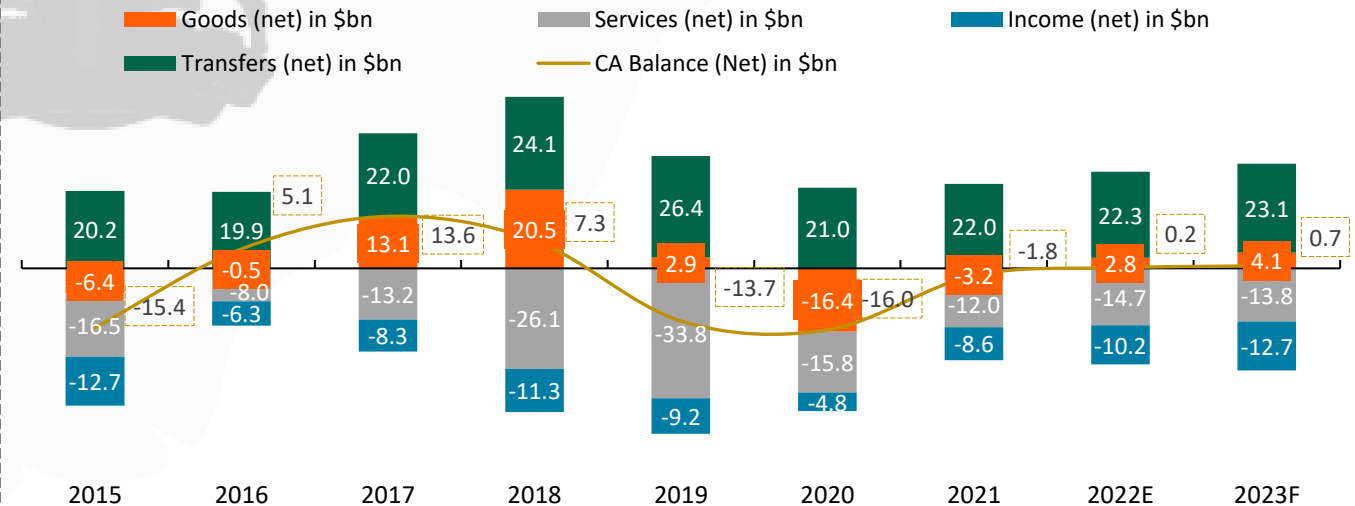
## GDP Growth Trend: Momentum Remains Sub-Optimal



## Inflation Dynamics: Price Pressure Still on Steroids



## External Sector: Resilient Net Transfers and Goods Trade Recovery to the Rescue Again



- Broad economic growth tapered to 2.5% in 9M:2023 as against 3.0% in the comparable period of 2022.
- Non-oil economy growth (representing 94.3% share of GDP) slowed to 3.1% from 5.0% in 9M:2022, reflecting the marked decline in Agric and Services sector growth to 0.6% and 4.3% as against 1.9% and 7.1% in 2022 comparable period.
- The dismal performance of the Agric and Services sector reflects the knock-on impacts of systemic headwinds in 2023, including runaway inflation, prevailing insecurity in food baskets, FX debacle, energy goods price surge, and unimpressive state of key infrastructure.
- Meanwhile, the oil economy (5.7% share of GDP) raised a glimpse of hope as its 13 quarter-long negative growth narrowed to -0.9% in Q3'2023 (9M: -6.1%) reflecting the modest improvement in crude oil output (9M'2023: 1.45mbpd vs 9M'2022: 1.39mbpd).
- Furthermore, we attribute the ugly narrative on price level to the fruit of multi-year policy misalignment, rampant insecurity, and negative pass-through from the hash external environment since 2022.
- In all of these, the trajectory of the resilient net-transfers account (mainly remittance) suggests that Current Account would close 2023 with a mild \$0.7bn surplus.

## Socio-political Dynamics



- The much-anticipated 2023 general polls have come and gone with learning points for both the citizenry and political class.
- Despite the robust legal framework (2022 Electoral Act) to ensure the transparency and credibility of the polls, the performance of the electoral commission was underwhelming by national and global standards.
- With election season already behind, there is a lot of work to be done by the new administration to achieve socio-political cohesion and regain the trust of majority of the citizenry in the quest to build a Nigeria that works for all.

## Salient Fiscal Policy Matters



- Despite the implementation of the Treasury Single Account (TSA) since 2015, the looting of the national treasury has continued unabated due to weak checks and balance mechanism.
- The import substitution policy adopted to prevent Nigeria from becoming an “economic dump site” under the last administration failed to move the needle, largely due to weak funding of critical infrastructure necessary to catalyse Nigeria’s economic potential.
- Also, Nigeria’s debt profile rose from ₦11.5tn under the Jonathan’s administration to ₦87.4tn at the end of the last administration. Yet, growth momentum remains lethargic (average: 1.4% vs 5.0% previously), leading to over 30.0% increase in the number of multidimensionally poor Nigerians to 132.9m people.

## Monetary Policy Playbook



### The Meffy Legacy

- Promoted unorthodox strategies which weakened foreign and local investors confidence in the Nigerian market.
- Prioritised secondary objectives such as development finance above price and exchange rate stability.
- Blacklisted 43 items from the official FX market despite sizable gap in local production capacity.
- Established the Investors & Exporters (I&E) FX Window which birthed improved transparency in FX flows.
- Dolled out a record ₦23.7tn in Ways & Means to the Buhari’s administration breaching the CBN’s Act.
- Implemented the botched Naira redesign policy that crippled the economy in most of Q1:2023.



### Cardoso’s New Ideology

- Promised to embrace orthodox policy strategies.
- Commenced the gradual payment of FX backlogs worth about \$10.0bn.
- Resumed the sale of OMO bills to attract FX and curtail excessive system liquidity.
- Removed the arbitrary ceiling of ₦2.0tn on the Standing Deposit Facility (SDF) window.
- Suspended the processing fee charges on individuals and corporate deposits (2.0% and 3.0%) and withdrawals (3.0% and 5.0%) of ₦500,000 (retail) and ₦3.0m (corporate) and above, respectively.
- Reversed the systematic financial repression which kept market yields at record low since the 2020 pandemic.

President Tinubu's administration seeks robust economic reforms aimed at delivering a \$1.0tn economy with 50.0m new jobs in eight years. Initiatives include removal of fuel subsidies, streamlined tax collection, agency mergers, optimising dead capitals, blockchain for land registration, and port decongestion tops priority list.



Double the economy to \$1.0tn (from \$450.0bn).



Achieve 7.0% average annual GDP growth rate (from 3.25%).



Lift 100.0m Nigerians out of poverty.



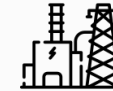
Create enabling environment to generate over 50.0m jobs.



Deliver sustained inclusive growth.



Establish new export processing zones with capacity to add at least 20.0% to export earnings.



Expand grid power production to 30,000 MW by 2030 from 7,500MW in 2022.



Ramp up crude oil production to 4.0mbpd in 4yrs.



Attain revenue to GDP ratio baseline of 18.0% from 10.4% in 2022.



Double gas production for LNG from 22.0m MTPA to 40.0m MTPA in 8 yrs.

Source: Policy Advisory Council Report, Afrinvest Research

## External Shocks

### National Security

In recent years, the national security architecture has failed on its primary objective of securing lives and assets given the rampant activities of non-state actors and loss of valuable assets. Hence, there is a need for a comprehensive reform package that includes a new social compact to protect the poor and most vulnerable, to maximise the collective impact on growth, job creation, and poverty reduction.

The lingering Russia-Ukraine tension and more recently, the Israel-Hamas crisis, could devastate Nigerias economic fortune in 2024, especially if these crises boomerang to affect oil prices (Nigeria major export and the projected source for 43.9% share of budgeted revenue) in the global market.

### Structural Gaps

The current administration must double efforts to address infrastructure gaps that constrain access to stable electricity, reliable healthcare service, good transport networks, and hinder economic integration for the country to optimise its large market size and the opportunities provided by the AfCFTA arrangement.

### Exodus of Companies

Recently, six major multinationals – including Unilver, GSK, Sanofi, Equinor, P&G, and Jumia Food – announced the cessation of their operations in Nigeria, citing hash business operating environment and FX crises as top reasons for their exit. This trajectory, if continued in 2024 could put Nigeria on the edge, stoking increased unemployment and high cost of essential commodities in the near term.

### Fiscal Reforms

To restore the economy to the path of prosperity, the current administration must see through the ongoing economic reforms bordering on efficient taxation, blockage of fiscal leakages, public sector optimisation, and judicial sector reform. Also, to support the pressured traditional revenue sources, the Mining Sector Road Map (2015-2025) must be given the right attention to fully harness the potential of the over 45 solid mineral assets spread across the country.

### Listing of Oil Majors

Considering the gap created by the mass exodus of multinationals (listed and non-listed) in recent years, the planned listing of NNPC Ltd on the Nigerian Exchange (NGX) could spur investor sentiment in the Nigerian financial market and economy. This could attract more FPIs, and simultaneously increase FX flows into the economy.

### Refinery Streams

African Energy Chamber (AEC) projects a drastic reduction in the continent's crude oil production in the years ahead. However, the onboarding of Dangote and BUA refineries could temper supply concerns for Nigerians given that fossile energy remains core to the country's development potential.



Source: Report, Afrinvest Research

## GDP



### Worse Case: -1.5%

Probability: 25.0%

#### Potential Drivers

- Escalation of geo-political tensions.
- Prolonged shutdown of major oil wells due to militant activities.
- Weak NAFEM rate of ₦1,500.00/\$ and above.
- Agric sector contraction due to widescale negative climate change impact & insecurity.

### Base Case 3.0%

Probability: 65.0%

#### Potential Drivers

- Minimum crude oil output and average price of 1.65mbpd and \$75.60/bbl.
- Subdued cases of insecurity especially in agrarian communities.
- Stabilisation of FX rate at below ₦930.00/\$ and improved liquidity.

### Best Case 4.1%

Probability: 10.0%

#### Potential Drivers

- Minimum crude oil output of 2.0mbpd and average price of about \$95.00/bbl.
- Recovery in FPI & FDI to at least 2019 levels.
- Implementation of a minimum of 50.0% of the ₦7.7tn FG's CAPX budget.
- Minimum Agric sector growth of 3.8%.

## Inflation Rate



### Worse Case: 24.7%

Probability: 30.0%

#### Potential Drivers

- Adoption of full cost reflective power tariff and zero subsidy on PMS.
- Official rate devaluation to ₦1,500.00/\$ and above.
- Disappointing Agric sector performance.
- 70.0% above increase in minimum wage.

### Base Case 22.1%

Probability: 50.0%

#### Potential Drivers

- High base year effect.
- Muted increase in energy goods prices.
- FX rate stabilisation.
- Modest improvement in domestic food supply and unhindered flow of food importation through land borders.

### Best Case 19.0%

Probability: 20.0%

#### Potential Drivers

- High base year effect.
- Large-scale roll out of cheap mass transit across the federation.
- Deliberate subsidising of key staple foods.
- Appreciation of FX rate to a range of ₦650.00/\$ to ₦700.00/\$.

## Current Account



### Worse Case: -\$1.7bn

Probability: 20.0%

#### Potential Drivers

- Average crude oil output and price cap of 1.0mbpd and \$52.00/bbl., respectively.
- Net non-oil deficit floor of \$36.3bn.
- Maximum net transfers of \$18.5bn.
- Net services and Income deficit floor of \$15.2bn and \$11.7bn, respectively.

### Base Case \$1.2bn

Probability: 65.0%

#### Potential Drivers

- Minimum crude oil output and average price of 1.65mbpd and \$75.60/bbl.
- Net non-oil deficit cap of \$25.0bn.
- Minimum net transfers of \$22.8bn and net services and income deficit ceilings of \$12.8bn and \$9.5bn, respectively.

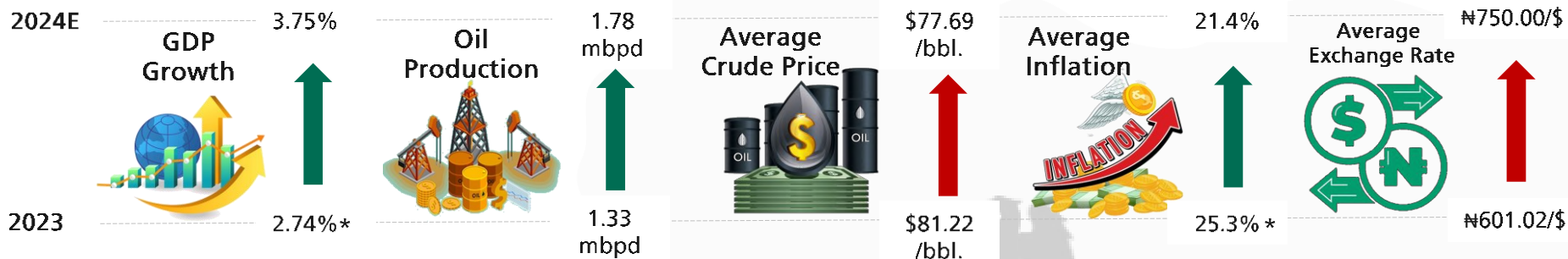
### Best Case \$3.5bn

Probability: 15.0%

#### Potential Drivers

- Minimum crude oil output of 2.0mbpd and average price of \$95.00/bbl.
- Net non-oil deficit cap of \$15.0bn.
- Minimum net transfers of \$24.5bn and net services and income deficit ceilings of \$10.2bn and \$8.8bn, respectively.

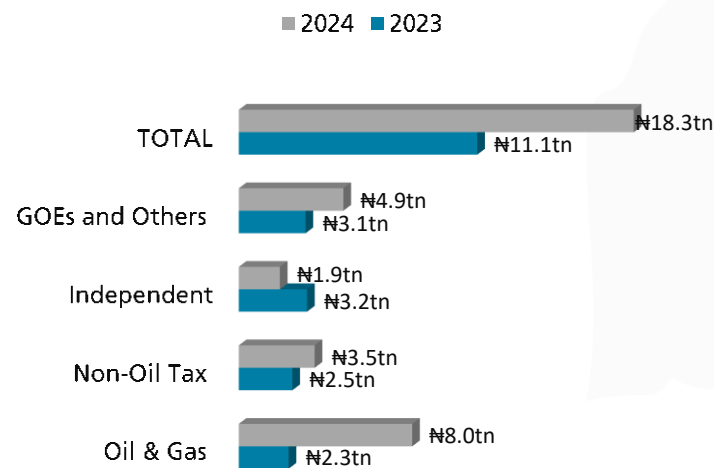
## Key Budget Assumptions



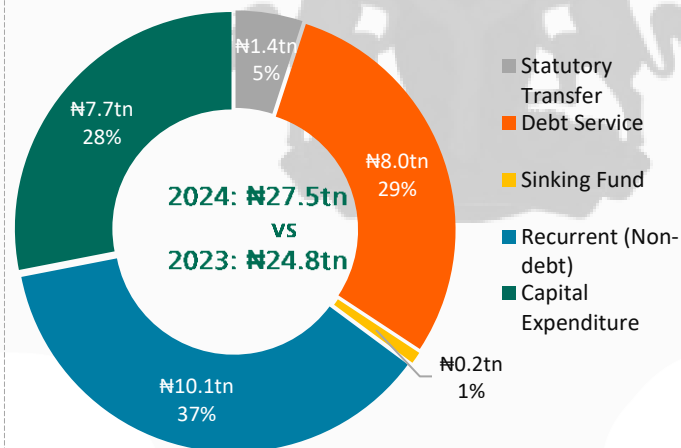
## Our Take

- Aggregate revenue projection is overly optimistic given prevailing weak macroeconomic environment and continued inefficiencies in many of the FG revenue-generating agencies.
- Expectations of a 43.9% share of the projected revenue from oil & gas is unrealistic. This is due to agreed OPEC+ output cut till 2024, incessant sabotage in the oil-rich Niger-Delta, and the time lag required for the new exploration licenses to manifest gains.
- On the balance of analysis, we estimate the fiscal deficit to exceed ₦13.0tn (assuming CAPEX implementation is not relegated) as against the ₦9.2tn budgeted.
- Consequently, we see Nigeria's total public debt stock crossing the ₦100.0tn mark by mid 2024 (from ₦87.4tn in June 2023) while debt-service-to revenue is estimated to remain above the 60.0% level.

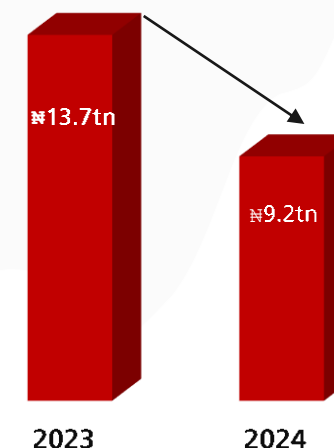
## Revenue Projection



## Expenditure Plan



## Fiscal Deficit




NB: "E" implies that all the numbers for the variables are projected, while "\*" indicates that 9M numbers were annualised.

Source : FMFBNP, Afrinvest Research

Based on his first public speech since assuming office during the CIBN dinner in November 2023, the key priority areas (broad vision) for the new Apex Bank governor over the next 5 years and current indicative actions (recalibration moves) to achieving them are:


KEY  
PRIORITY  
AREAS

**1**




Introduction of inflation targeting mechanism to enhance disinflation strategy.

**2**




Improvement of liquidity management strategies and cessation of quasi-fiscal interventions.

**3**



Better policy communication and embracement of orthodox strategies.

**4**



Recapitalisation of the banking sector to support the goal of growing the economy to \$1.0tn over the next 8 years.

CURRENT  
INDICATIVE  
ACTIONS  
TO  
SUPPORT  
REALISATION  
OF KEY  
PRIORITIES

- Switch in FX regime from “Managed float” to a “Crawling peg”.
- Clearing of FX backlog to restore investors’ confidence.
- Reversal of blacklisting order on 43 items from the official market.
- Resumption of OMO issuance to enhance FX flow and system liquidity management.
- Realignment of market yields to boost policy efficacy.
- Removal of the ceiling on SDF and the enforcement of asymmetric corridor pricing band in the inter-bank market.
- Suspension of processing fees on personal and corporate deposits.
- Reversal of the 2021 ban on operation of bank accounts for crypto trading.

Although the key priority focus areas of the new CBN governor are lofty and necessary to turn the economy around in the medium-to-long term, self-compromise and misalignment of fiscal and monetary policy strategies are major downside risk factors to the expected favourable outcomes.

Source : CBN, Afrinvest Research

Methodology of Projection	Worse Case Projection & Key Assumptions	Base Case Projection & Key Assumptions	Best Case Projection & Key Assumptions
REER Model	<p><b>₦983.57/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• Average rate in base yr: ₦775.17/\$</li> <li>• Average inflation (f): 24.7%</li> <li>• US average inflation (e): 2.8%</li> <li>• MPR (f*): 19.5%</li> <li>• US Fed rate (e): 4.6%</li> <li>• Last REER change (2023): -3.8%</li> </ul> <p><b>NB:</b> The implicit assumption here is that the impact of worsening FX supply has been captured in average inflation reading.</p>	<p><b>₦918.89/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• Average rate in base yr: ₦775.17/\$</li> <li>• Average inflation (f): 22.1%</li> <li>• US average inflation (e): 2.8%</li> <li>• MPR (f*): 18.8%</li> <li>• US Fed rate (e): 4.6%</li> <li>• Last REER change (2023): -3.8%</li> </ul> <p><b>NB:</b> The implicit assumption here is that FX demand-supply imbalance would remain modest, and inflation reading would mainly reflect high base year impact.</p>	<p><b>₦844.90/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• Average rate in base yr: ₦775.17/\$</li> <li>• Average inflation (f): 19.0%</li> <li>• US average inflation (e): 2.8%</li> <li>• MPR (f*): 17.5%</li> <li>• US Fed rate (e): 4.6%</li> <li>• Last REER change (2023): -3.8%</li> </ul> <p><b>NB:</b> The implicit assumption here is that FX supply would improve mildly, causing average inflation to fall due to reversal of negative exchange rate pass through.</p>
Regression Model (M3 vs NAFEM growth)	<p><b>₦1,130.80/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• M3 growth of 44.1% y/y</li> </ul>	<p><b>₦903.69/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• M3 growth of 14.1% y/y</li> </ul>	<p><b>₦759.29/\$</b></p> <p><b>Key Assumptions</b></p> <ul style="list-style-type: none"> <li>• M3 contraction of 5.9% y/y</li> </ul>
<b>AVERAGE OUTCOME</b>	<b>₦1,057.19/\$</b>	<b>₦911.29/\$</b>	<b>₦802.10/\$</b>

NB: "f" implies average forecast, f\* implies year end expectations, while "e" implies estimate based on market consensus.

Source : IMF, World Bank, FOMC, CBN, Afrinvest Research

# Stay ahead in your career

Learn from faculty experts with hands-on experience across various sectors of the economy.



## Courses for Finance Professionals

📅 2 Modules · ⌚ 5 Days

Capital Markets Portfolio  
Management Course

📅 3 Modules · ⌚ 5 Days

Data Optimisation Course

📅 2 Modules · ⌚ 5 Days

Finance & Accounting  
Course

📅 4 Modules · ⌚ 5 Days

Business Strategy Course

Visit [academy.afrinvest.com](https://academy.afrinvest.com) to start a course today.

For more details:

Call: **01-631-2969** Email: [academy@afrinvest.com](mailto:academy@afrinvest.com)

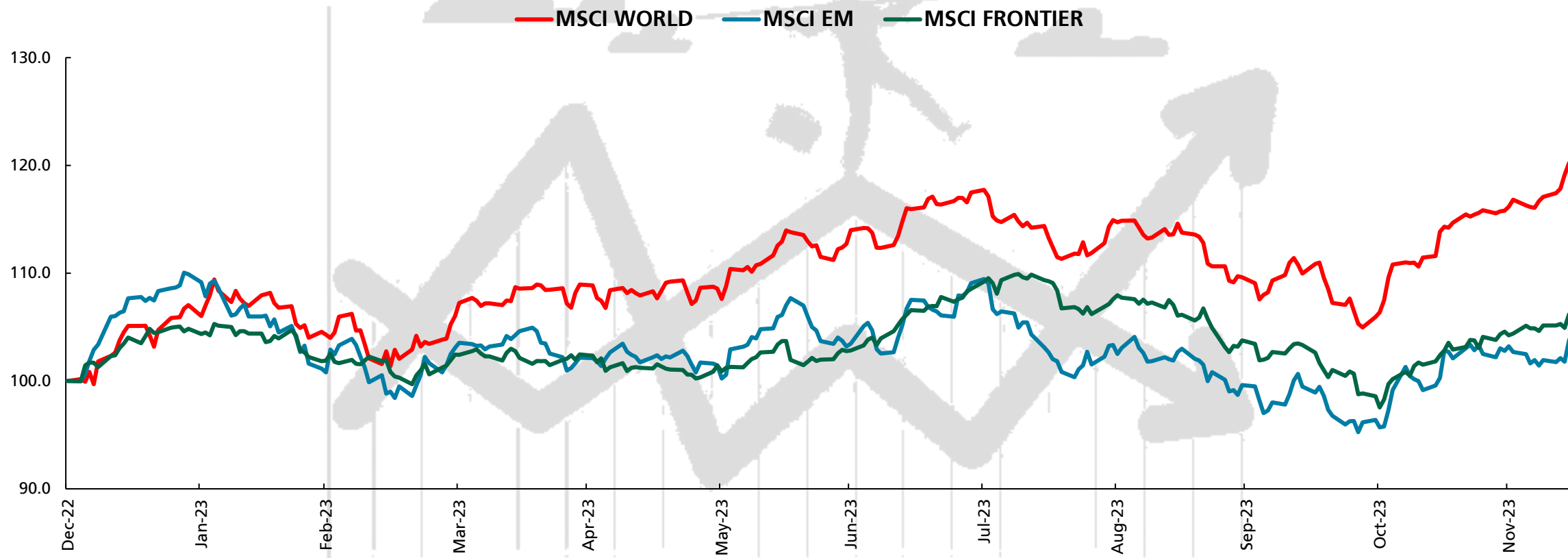
# Equities



# Global Equities Gains Despite Stiff Tightening Cycle

FY:2023 Review & 2024 Outlook

- Equities in advanced markets posted a 20.1% y/y return in 2023 (vs a loss of 19.7% in 2022).
- Both Frontier Markets and Emerging Markets rebounded from its 2022 negative performance to post gains of 5.6% and 4.7% y/y in 2023.
- The rally expected to continue in the developed market into the first half of 2024.

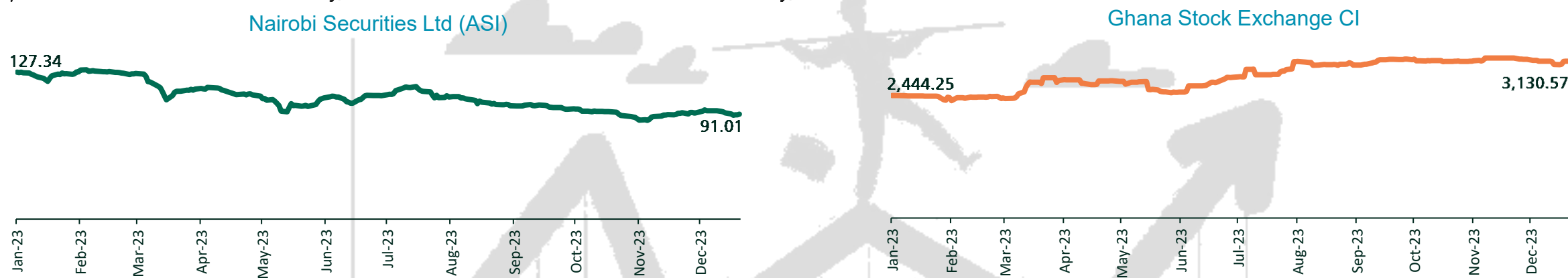


Source: Bloomberg, Afrinvest Research

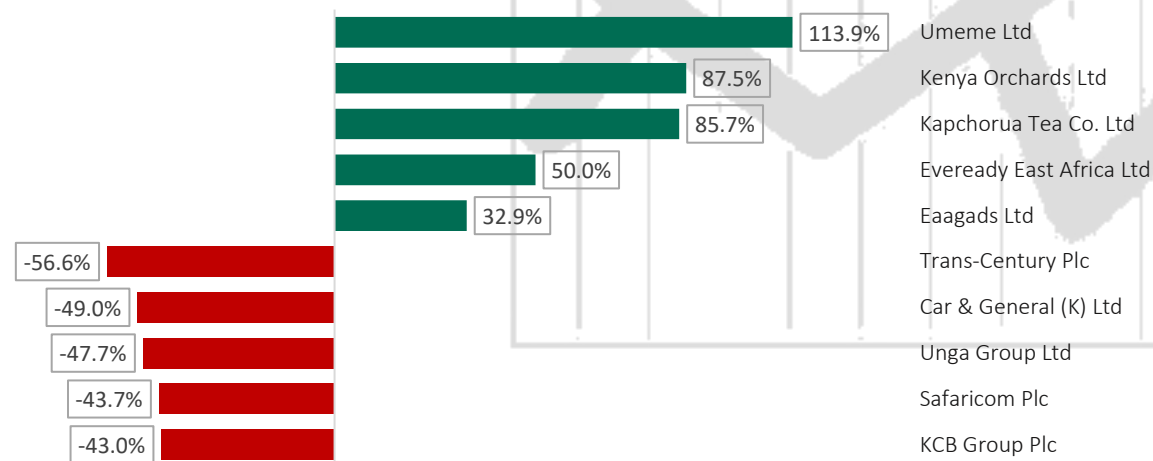
# Divergent Performance Across the Kenyan and Ghanaian Bourses

FY:2023 Review & 2024 Outlook

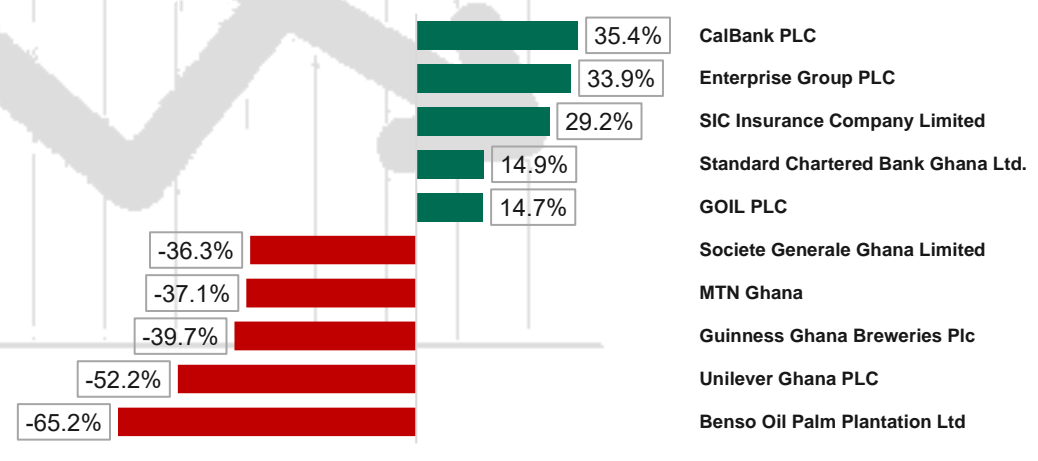
- The Nairobi Stock Exchange registered a negative YTD return of 28.5% (as of 22<sup>nd</sup> Dec 2023), weighed down by foreign investor sell-offs stemming from elevated sovereign risk perceptions, post-election volatilities, and the weakening of the Kenyan Shilling (down 19.8% so far in 2023).
- Meanwhile, the Ghana Stock Exchange recovered remarkably from 2022 lows to record a 28.1% YTD performance. This uptrend was driven by easing price pressure in the broader economy, access to IMF \$3.0bn extended credit facility, and renewed Investors interest in the market.



## Top 5 Outperforming and Underperforming

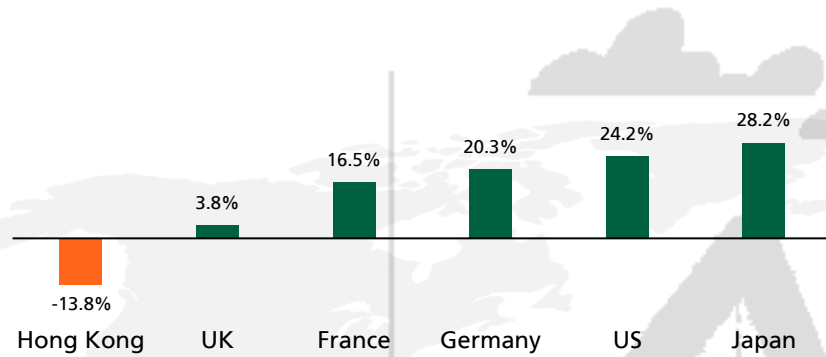


## Top 5 Outperforming and Underperforming

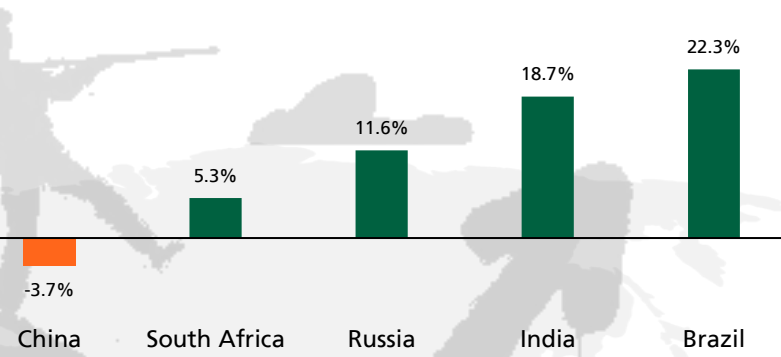


Source : Bloomberg, NSE, GGSE, Afrinvest Research

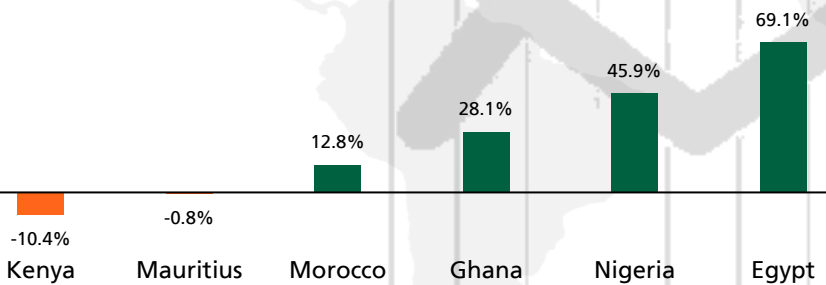
## Developed Market Performance



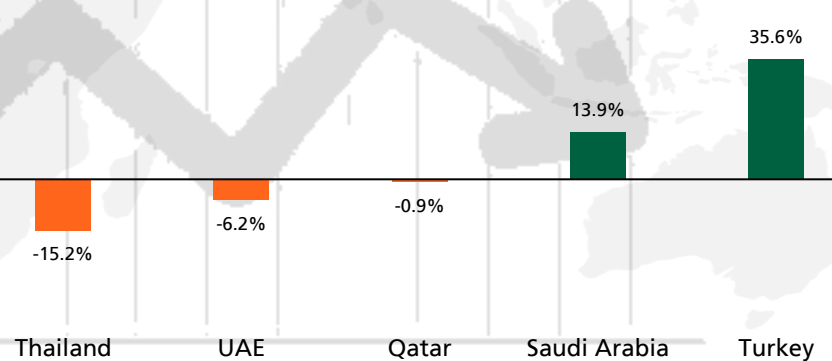
## BRICS Market Performance



## African Market Performance

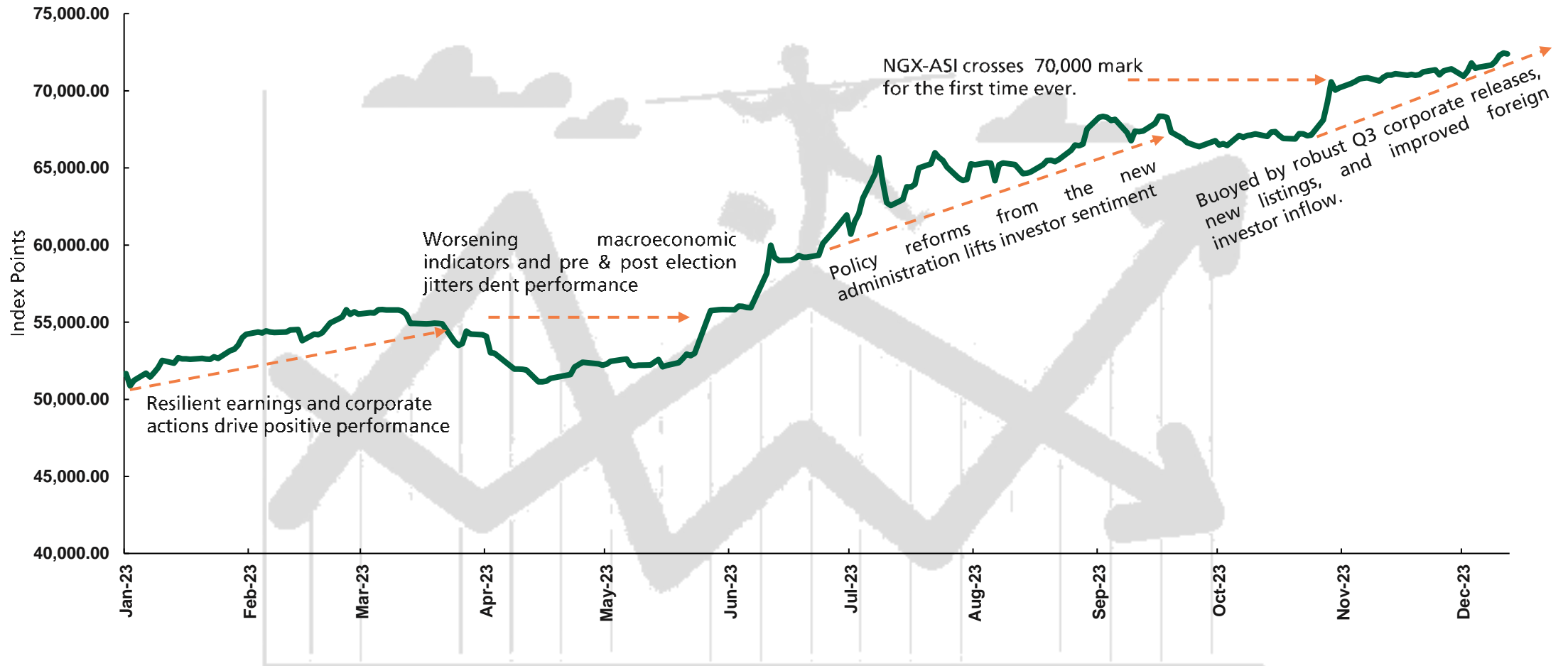


## Asia & Middle East Markets Performance



Source: Bloomberg, Afrinvest Research

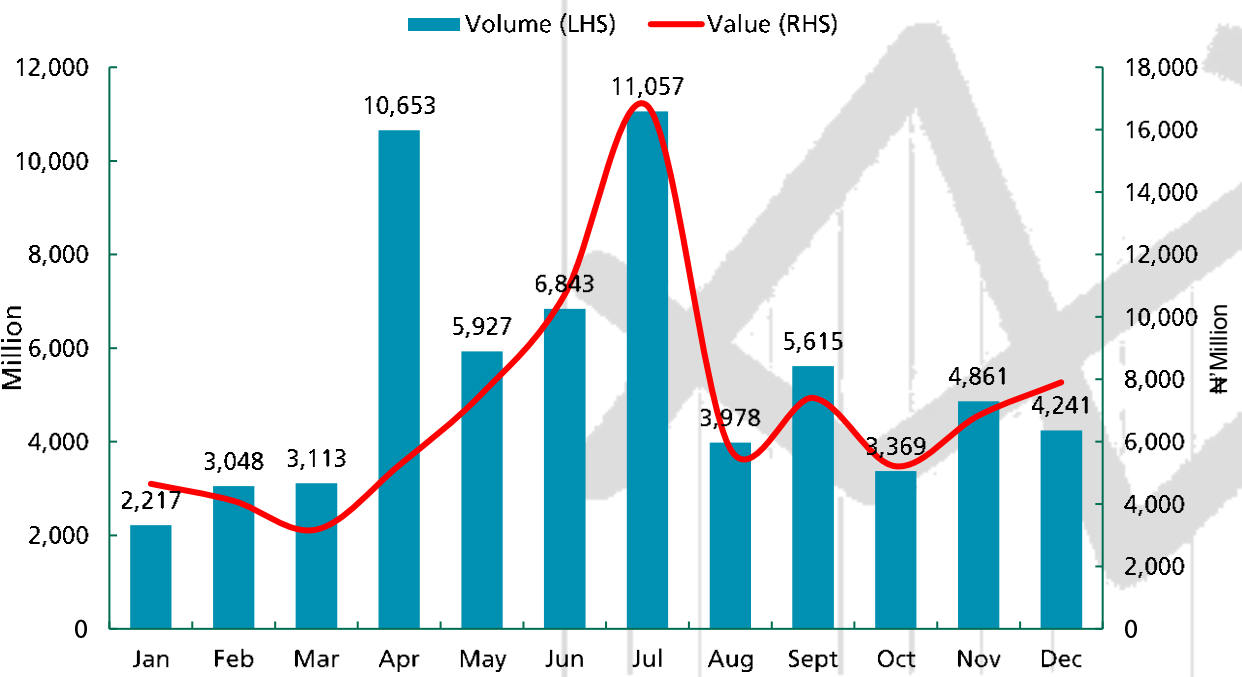
## 2023 NGX-ASI Trajectory



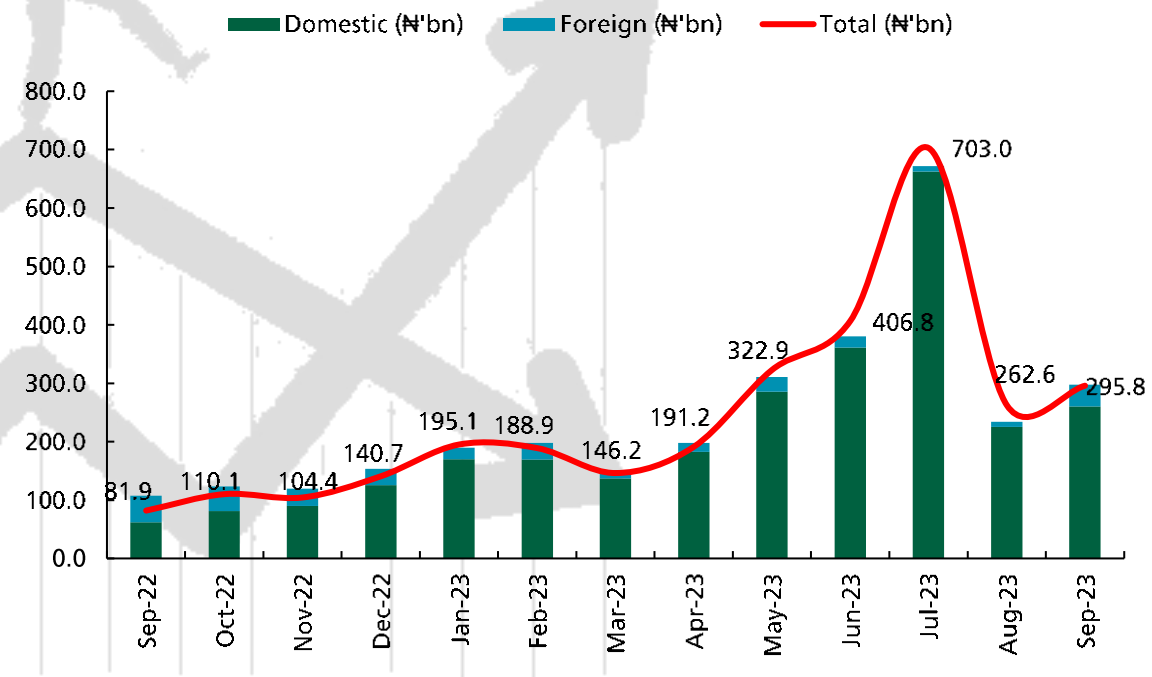
Source: NGX, Afrinvest Research

- Activity level improved as average volume and value traded rose 101.6% and 43.0%, reaching 529.4m units and ₦5.4bn, respectively. On a monthly basis, July recorded the highest trade by value. This was supported by transactions in **GTCO (₦30.6bn)**, **MTNN (₦13.8bn)**, and **UBA (₦13.5bn)**.
- As of September 2023, total transactions reached ₦2.7tn, with domestic investors holding 90.5% of total transactions, compared to 9.5% held by foreign participants. Foreign transaction dipped 32.0% y/y to ₦258.0bn.

### Daily Average Volume and Value Traded



### Breakdown of Portfolio Investment

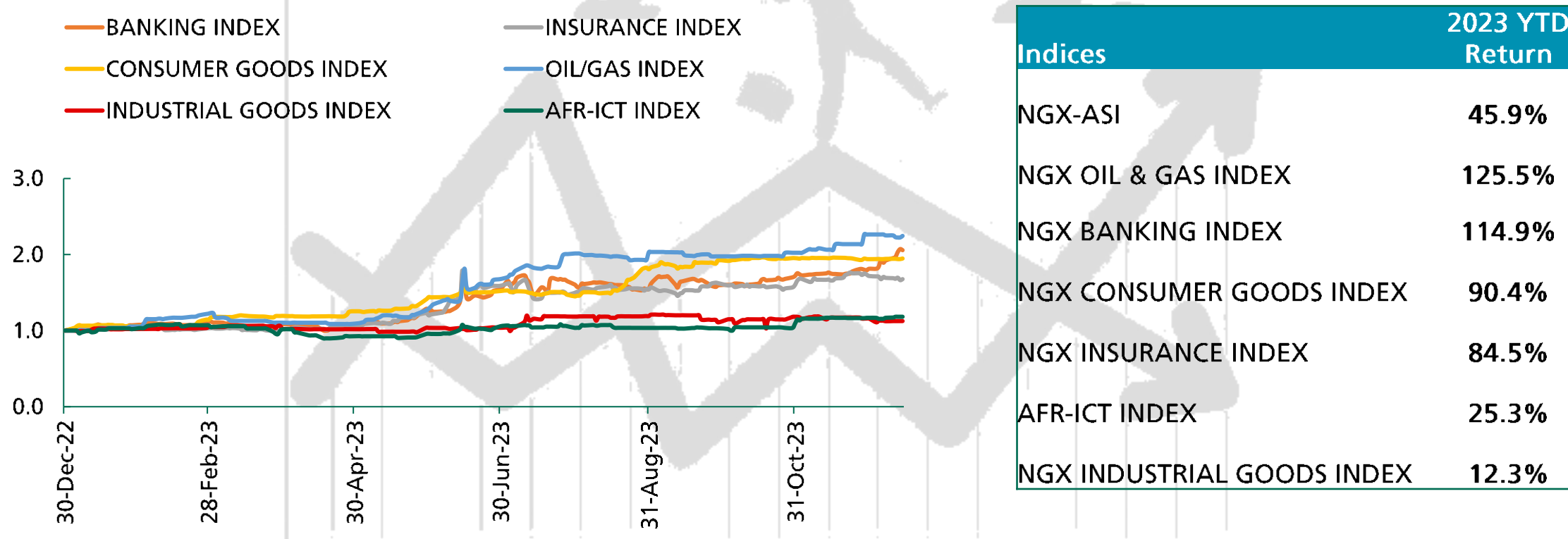


Source: NGX Afrinvest Research

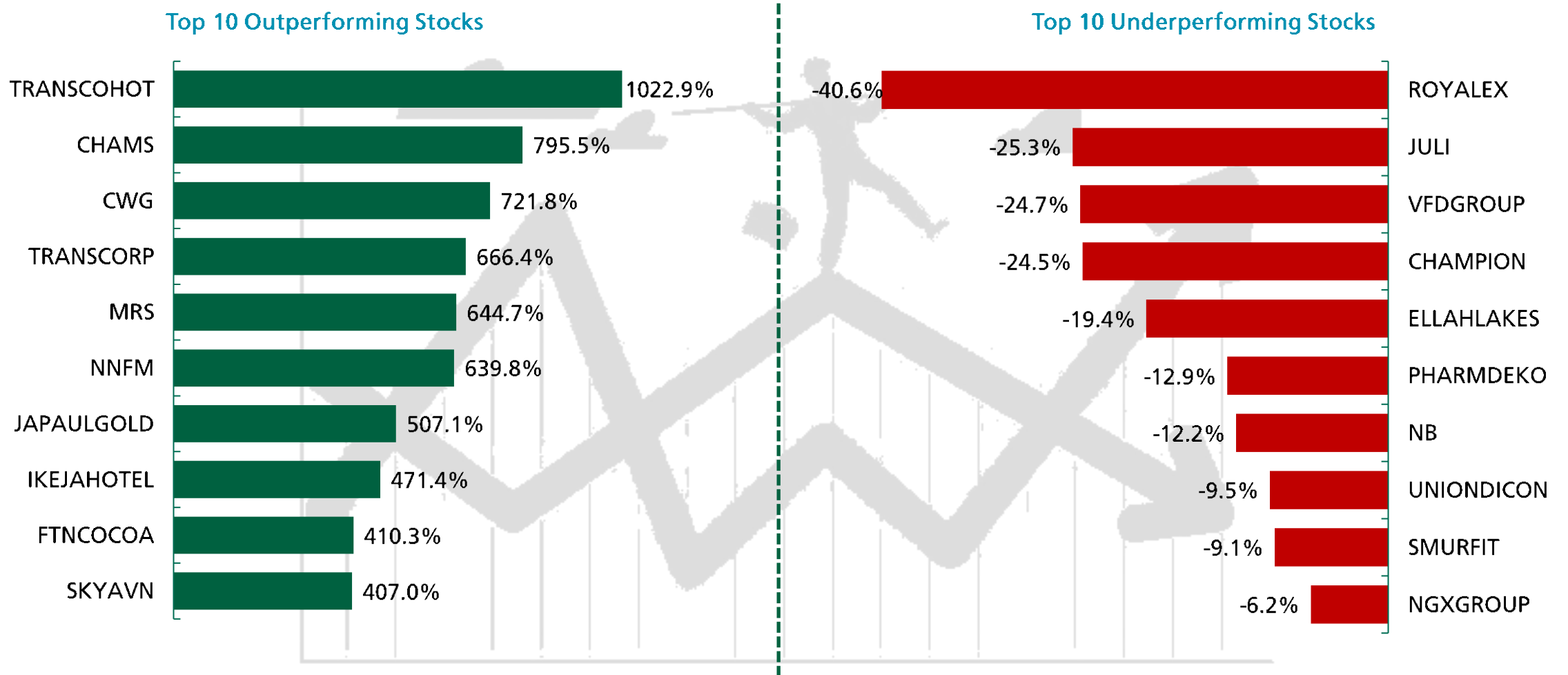
# Bullish Performance across Sectors... Oil & Gas Sector Takes Lead

Sector performance was positive as all indices closed in the green. The Oil & Gas and Banking indices led the bullish performance on the back of gains in SEPLAT (+110.0%), TOTAL (+99.5%), ACCESSCORP (+172.4%), and STERLINGNG (+205.5%),

## Rebased Market Performance



Source: NGX Afrinvest Research



Source: NGX, Afrinvest Research

# Equities Listing in 2023 and Possible Newcomers in 2024

FY:2023 Review & 2024 Outlook

The debut listing of VFD Group Plc and Mecure Industries Plc on the Nigerian equities market resulted in an inflow of ₦86.5bn as at 15th of December 2023. These entrants have contributed to the deepening of the market, and the NGX would anticipate additional listings to further enhance market depth.

## Listings in 2023



**Name:** VFD Group Plc  
**Ticker:** VFDGROUP  
**Sector:** Financial Services  
**Issued shares:** 190.3m units  
**Listing type:** Introduction  
**Listing price:** ₦244.88  
**Market price (15-Dec-23):** ₦202.90  
**Market cap:** ₦38.6bn



**Name:** Me Cure Industries Plc  
**Ticker:** MECURE  
**Sector:** Healthcare  
**Number of shares:** 4.0bn units  
**Listing type:** Introduction  
**Listing price:** ₦2.96  
**Market price (15-Dec-23):** ₦12.00  
**Market cap:** ₦48.0bn

## Possible Listings in 2024



**Name:** NNPC Ltd  
**Sector:** Oil & Gas  
**Timeline:** Q2



**Name:** Veritasi Homes  
**Sector:** Real Estate  
**Timeline:** Q1



**Name:** Nigeria Reinsurance Corporation  
**Sector:** Insurance  
**Timeline:** Q2/Q3



**Name:** Nigeria Machine Company  
**Sector:** Industrial Goods  
**Timeline:** Q2/Q3



**Name:** Haldane McCall  
**Sector:** Real Estate  
**Timeline:** Q1

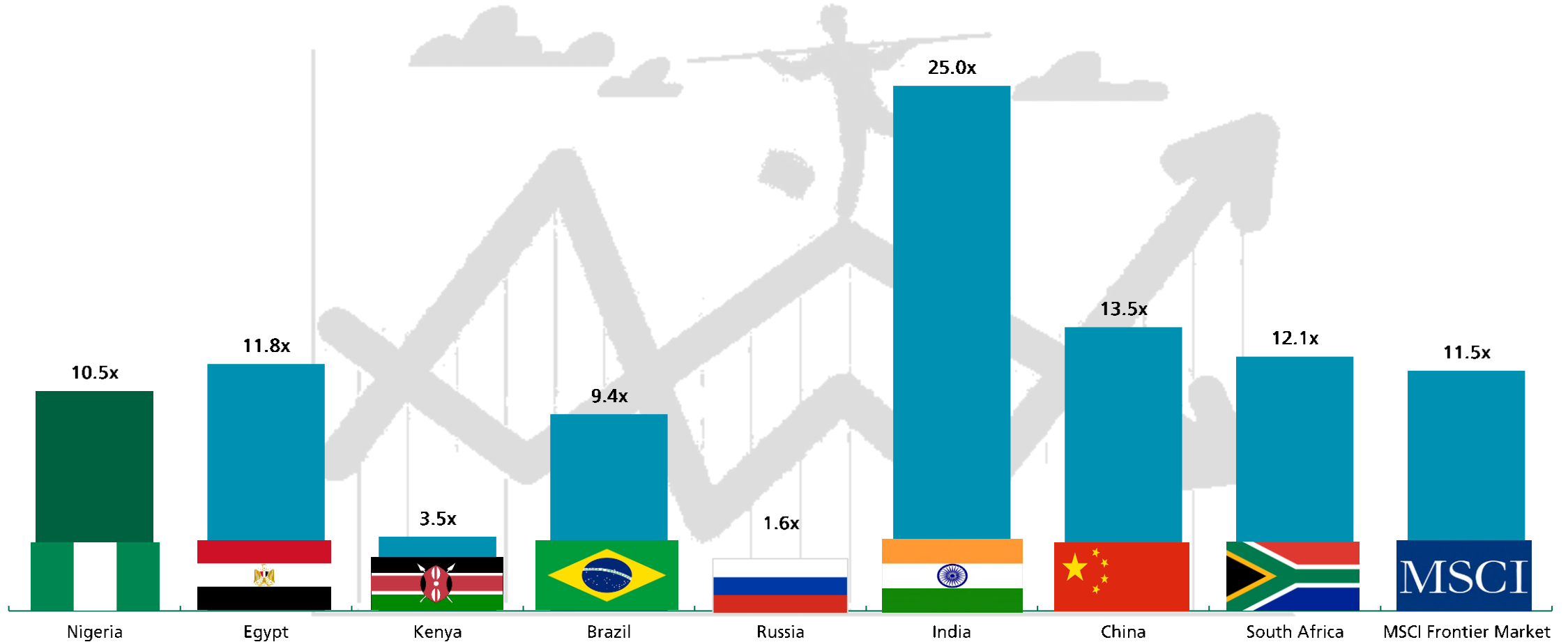


**Name:** Eleme Petrochemicals  
**Sector:** Industrial Goods  
**Timeline:** Q2/Q3

# P/E Comparison of Nigeria's Equities Market With Selected Peers

FY:2023 Review & 2024 Outlook

With P/E ratio of 10.5x, Nigeria equities market valuation remains competitive relative to peers with an average of 11.9x (ex India, Kenya and Russia).



Source : Bloomberg, Afrinvest Research



**Consumer Goods Sector:** We are less bullish on the sector due to expectation of continued cost pressure on raw material items due to lingering inflationary and FX illiquidity.



**Telecoms Sector:** We are mildly bullish on the sector as players are expected to drive higher mobile penetration. However, weak purchasing power could negatively impact our outlook.



**Oil & Gas Sector:** On the back of expected stable oil prices in the \$65.00-75.00/bbl. range, gains from increased investments in LNG, and the ability of players to improve efficiency. Hence, we are mildly bullish.



**Banking Sector:** As we posited in our [banking sector report](#), we are cautiously optimistic. This is hinged on expected normalisation in banks' earnings (post positive FX revaluation gain in 2023). However, favourable regulatory action and recapitalisation drive could spur surprises.



**Industrial Goods Sector:** We are mildly bullish on the sector given the initiatives on cost reduction, aggressive market expansion, and capacity optimisation by players. Expected FG spend (min. of 50.0% of ₦7.7tn CAPEX budget) to bridge infrastructure gaps further creates additional opportunity



**Agriculture Sector:** We rate our coverage companies (OKOMUOIL & PRESCO) with HOLDs amid the negative impacts of land borders reopening on local players, and ongoing FX reforms.



Source: Afrinvest Research

For 2024, we postulate a mildly positive risk profile amid various macroeconomic and market dynamics. On a base case, we anticipate a 14.8% gain on the back of a better macroeconomic landscape and irrepressible corporate earnings despite ongoing FX challenges.

## Our Outlook Scenario

INDICATORS	PESSIMISTIC CASE	BASE CASE	OPTIMISTIC CASE
EPS Growth Forecast	-14.0%	1.0%	2.8%
P/E Ratio Forecast	6.0	8.0	10.0
NGX-ASI Forecast	53,066.68	83,171.07	105,873.47
Expected YTD Return	-26.8%	14.8%	46.1%
Probability of Occurrence	35.0%	45.0%	20.0%

## Driving Factors

### Global Interest Rate Direction

Policy rates direction by global systemic banks is expected to impact the pace of fund inflows into the Nigerian market. Reduction in rates could motivate marginal inflows into developed market as inflationary pressure ease and vis versa.

### Domestic Interest Rate Policy

Given heightened inflationary pressures, any further rate hikes would significantly impact on borrowing costs and FPI participation, and vis versa.

### Corporate Earnings

Substantial earnings growth would sustain market sentiment. Conversely, higher OPEX and weaker demand due to reduced purchasing power would dampen investor confidence.

### FX Dynamics

Improved clarity and transparency in the FX market is expected to encourage greater FPI participation.

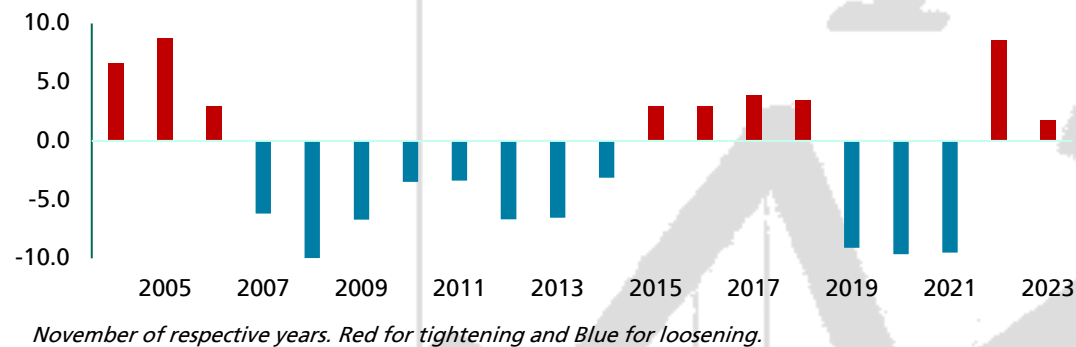
Source: Bloomberg, Afrinvest Research

# Fixed Income

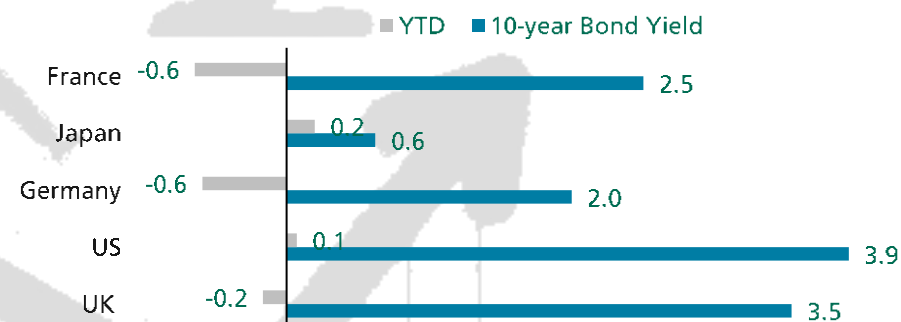


- Global policy tightening seems close to inflection point following positive inflation dynamics.
- The less restrictive landscape corrected mid-year flow reversals, enhancing EM bonds performance.

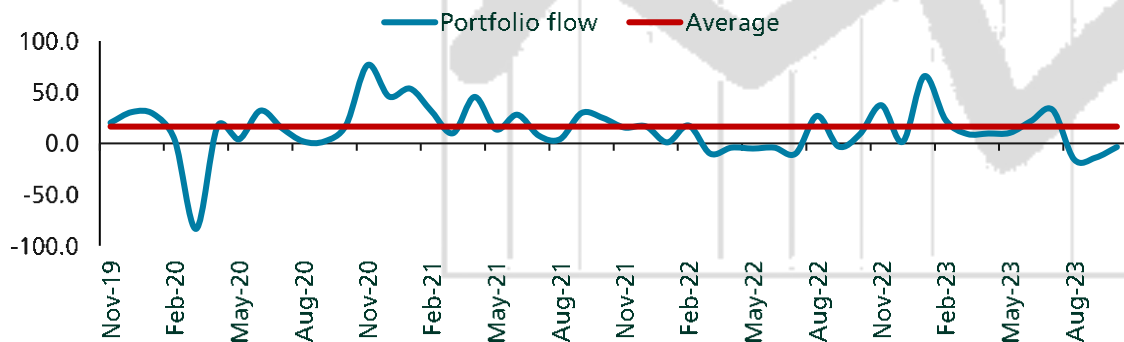
### Year-end Monetary Policy (Index) Tracker



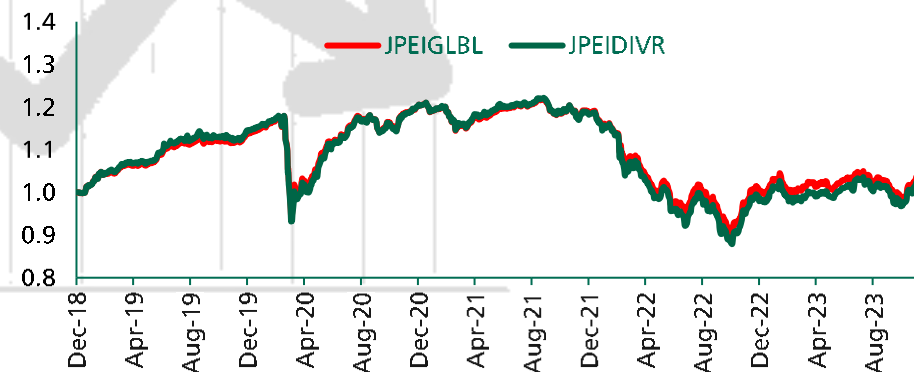
### Major Market Benchmark Bond Yields



### Emerging Market Capital Flow Tracker

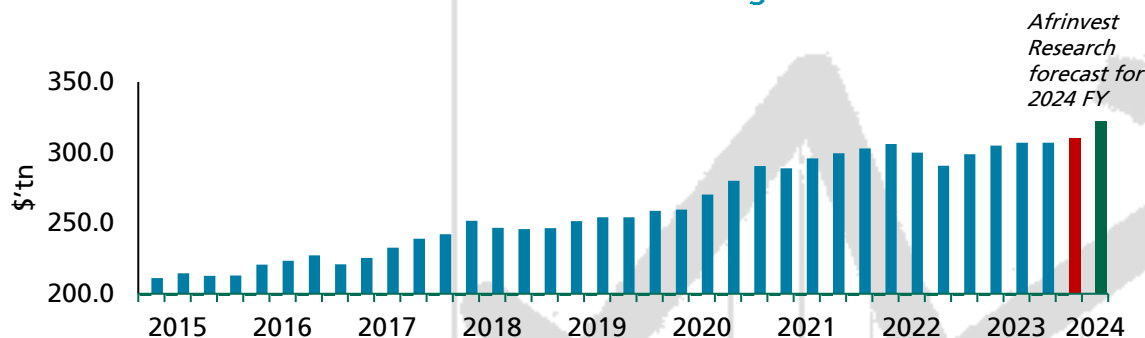


### JP Morgan Emerging Market Bonds Indexes



- Global debt is estimated to reach a record \$310.0tn by 2023-end, with debt size of c.335.0% of global GDP.
- The surge in debt has been driven by EM which face obligations (interest and principal repayment) of c.\$7.0tn by 2024 – slightly higher than 2023 levels.
- Matured markets face c.\$18.0tn in 2024 vs c.\$9.0tn previously.
- Will interest fall fast enough to ease refinancing burden, or a financial reset is in the offing?

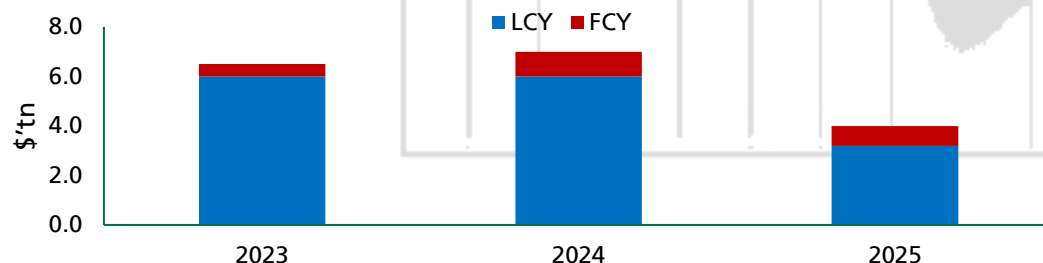
### Global Debt Mounting



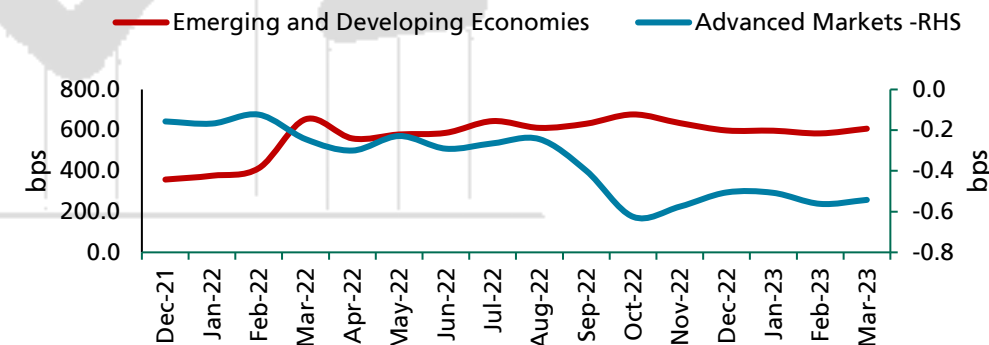
### Evolution of Global Debt Since GFC

	2008	2023	2008	2023	2023 v 2008
	Debt Size (\$'tn)		Debt Size		Debt Growth
EM	24.6	101.3	14.1%	33.0%	311.8%
MM	149.9	206.0	85.9%	67.0%	37.4%

### Emerging Markets Obligation in 2024



### Sovereign Spreads by Income Group



Source: IIF, IMF, Afrinvest Research

## CARRY TRADE

Inflation should sustain their moderation, supported by high base year. Real returns should stay attractive in Advanced markets (AMs) depending on the pace of cuts. Emerging markets (EMs) might benefit from resumption of carry trade should rates fall sharply elsewhere.

## ELECTION

Election might test central bank independence in 2024 (electoral monetary cycle). For EMs in particular, political and social-instability risks might heighten and feed into asset pricing. For AMs, liquidity conditions might significantly improve owing to the political period and likely dovish pivot.

## REFORMERS

Shifts in political leadership and philosophy underpinned economic reforms in countries that completed elections in 2023 (Nigeria and Argentina are examples). Going into 2024, reforms targeted at curtailing debt overhang could influence paper supply and rates for select markets. Importantly, market volatility would likely emerge from policy reforms introduced by new political leaderships in concerned countries.

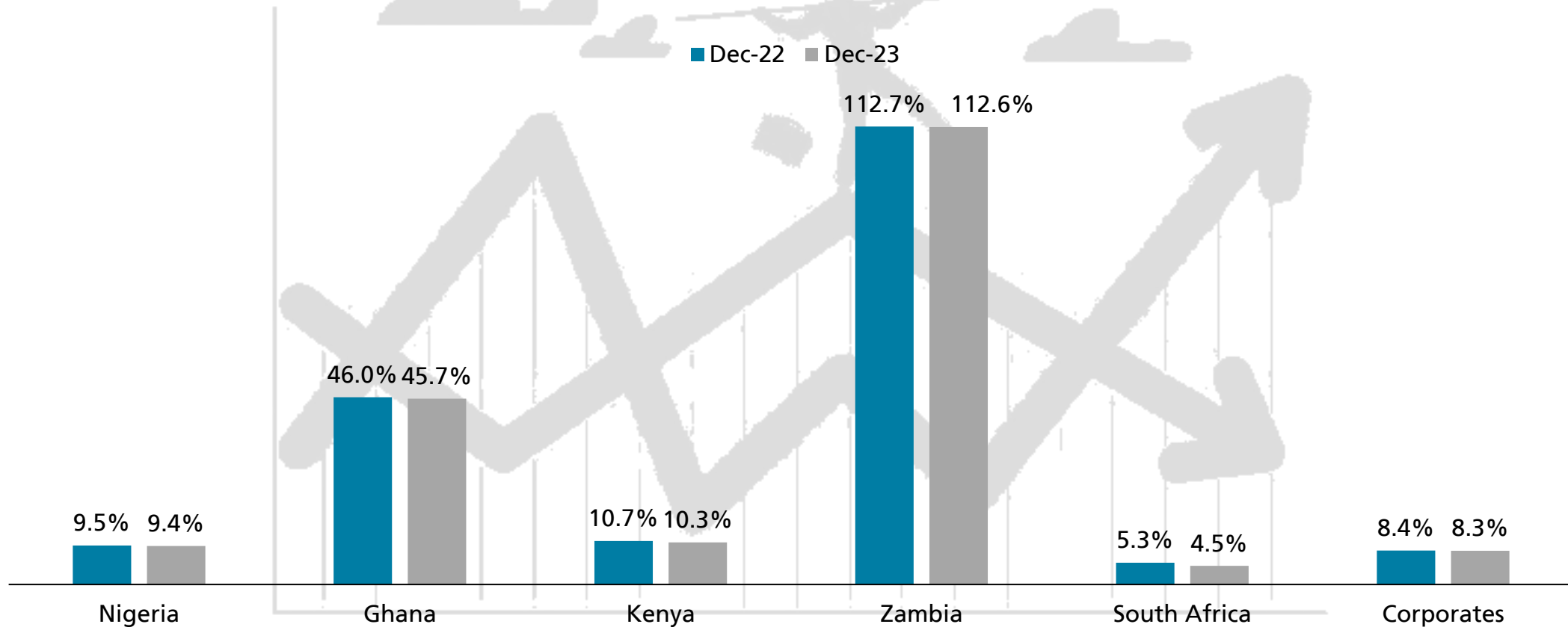
## GROWTH

Rate hike lag effects on consumer and investment spending, amid challenging fiscal sphere, should keep watchful eyes on growth trend in 2024.



Despite the tempestuous year, revival of interest in African Eurobonds in late 2023 pushed performance to positive territory for instruments under coverage








## Average Yield for African Eurobonds



Source: Bloomberg, Afrinvest Research

# 2023 SSA Review: Cautious But Positive Outlook as Region Faces c.\$9bn Maturities

FY:2023 Review & 2024 Outlook

	Foreign Reserve \$'bn	Eurobond Maturities 2024 (\$'bn)/ (% of Reserve)	Budget Balance / (% of GDP)	Interest Rate Outlook	Spread	Currency change YTD (\$/LCY)
 Nigeria	32.8	0	₦9.2tn (4.5%)	Cut	10.7ppts	-49.9%
 Ghana	5.1	0	GHC50.1bn (8.2%)	Cut	24.7ppts	-16.6%
 Angola	14.5	0	AKZ 17.0bn (0.0%)	Hold	7.8ppts	-39.7%
 South Africa	61.7	1.5 (2.4%)	RAND 283.7bn (4.2%)	Cut	5.9ppts	-8.1%
 Kenya	13.9	2.0 (14.8%)	KHS 718 bn (5.4%)	Cut	14.6ppts	-21.5%
 Zambia	2.8	1.0 (35.7%)	-\MW30.8 bn (6.1%)	Cut	21.7ppts	-30.0%
 Egypt	35.2	4.1 (11.6%)	EGY 824.4 bn (10.5%)	Cut	22..4ppts	-20.0%

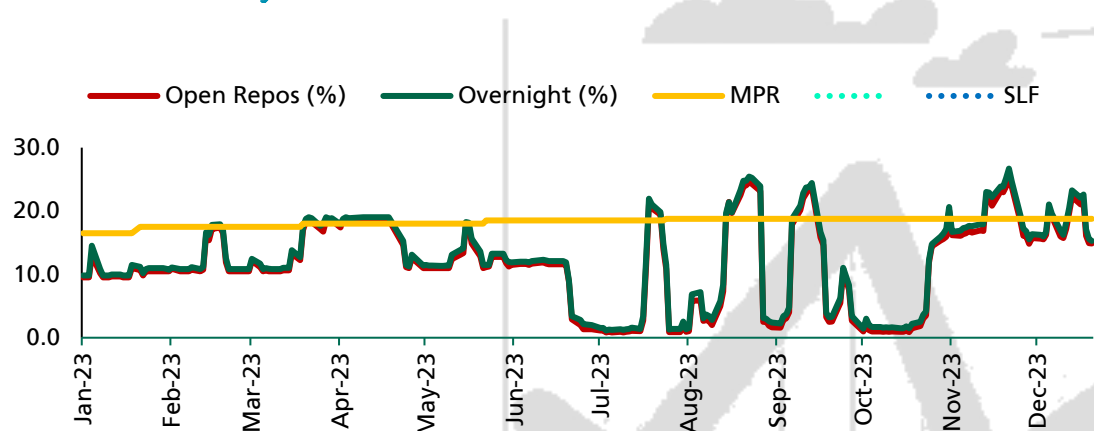
Egypt included in analysis.

Budget balance for 2024 fiscal year except for South Africa, Kenya and Egypt (2023/2024). Red indicate deficit while green indicates surplus.

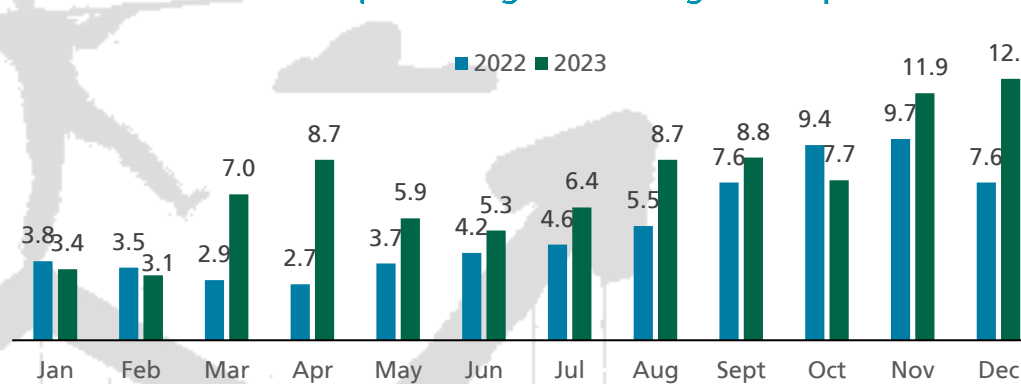
Source: IMF, Trading Economics, Focus Economics, Bloomberg, Investing.com, Budget Offices, theglobaleconomy, Worldgovernmentbonds, Media reports, Afrinvest Research

- CBN removed cap on interbank rate, normalized banks CRR regime, undid ₦2.0bn SDF limit and cleared auctions higher to allow market better reflect trading and economic conditions.
- Negative returns tapered despite the downwards sticky inflation.

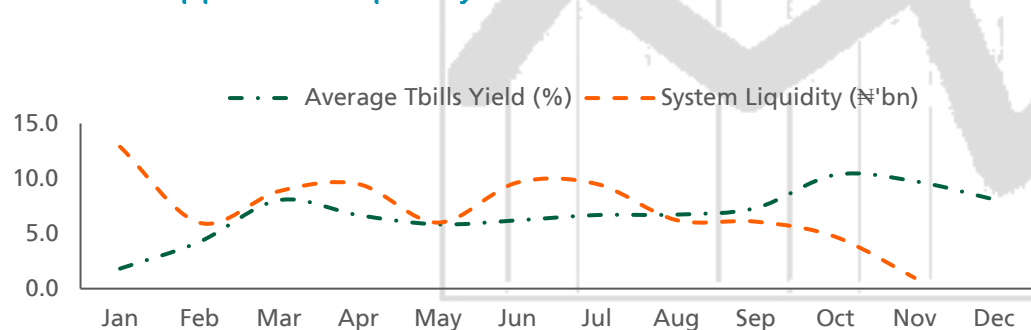
### Money Market Volatile in Year



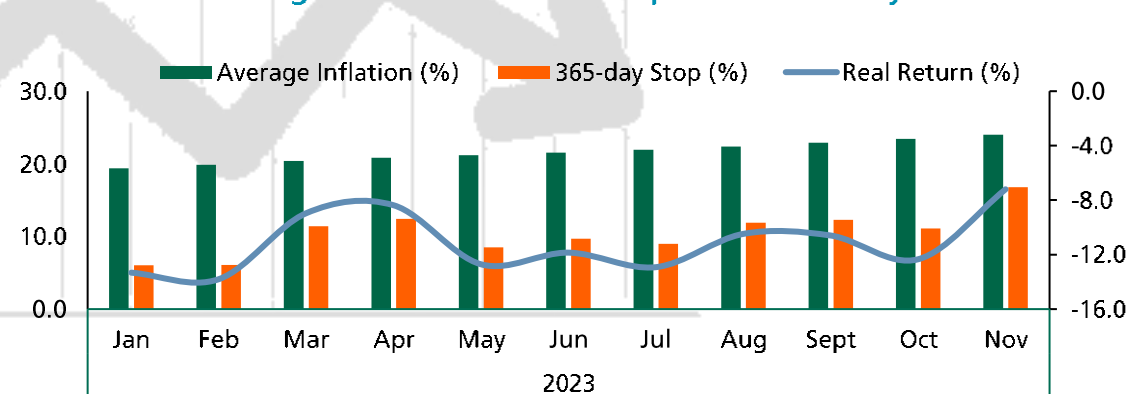
### PMA Participants Negotiated Higher Stop Rates



### Suppressed Liquidity Elevates T-bills Yields



### Negative Real Returns Tapered in Money Market



Source: FMDQ, CBN, NBS, Afrinvest Research

- Uptick in Commercial Papers (CPs) issuances was driven by increased borrowing cost via bonds and banks.
- Corporate bond issuances fell by 61.5%, with FCMB (₦46.7bn) and Flour Mills of Nigeria (₦46.0bn) as top issuers.

## Commercial Paper Issuances

Commercial Papers	2022	2023
New Issue Amount (₦'bn)	670.0	900.8
No of Issuances	94	140
Average Issue Yield at Year-end (%)	16.4	16.4

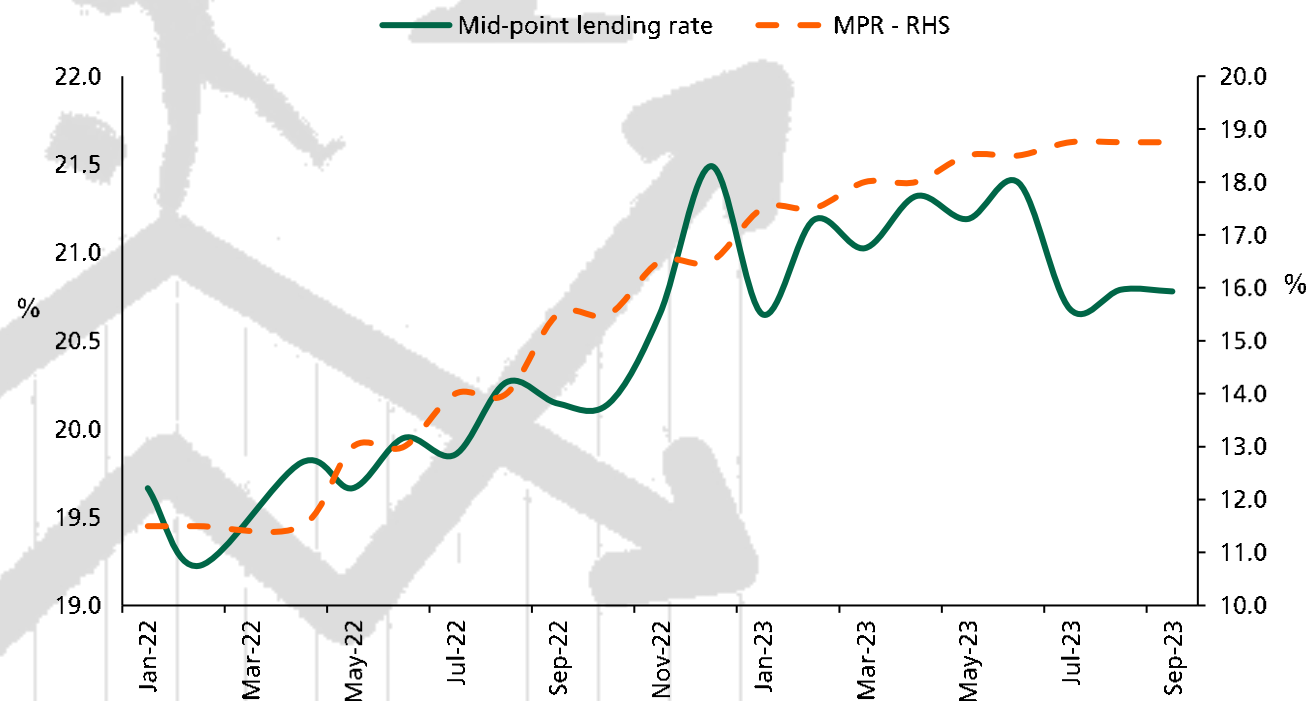
## Corporate Bonds Issuances

Corporate Bonds	2022	2023
New Issue Amount (₦'bn)	440.7	120.5
No of Issuances	13	5
Average Coupon Rate of New Issuances (%)	13.3	15.8

2023 CPs and Corporate Bonds as of December 22

Mid-point lending rate is simple average of maximum and prime lending rates

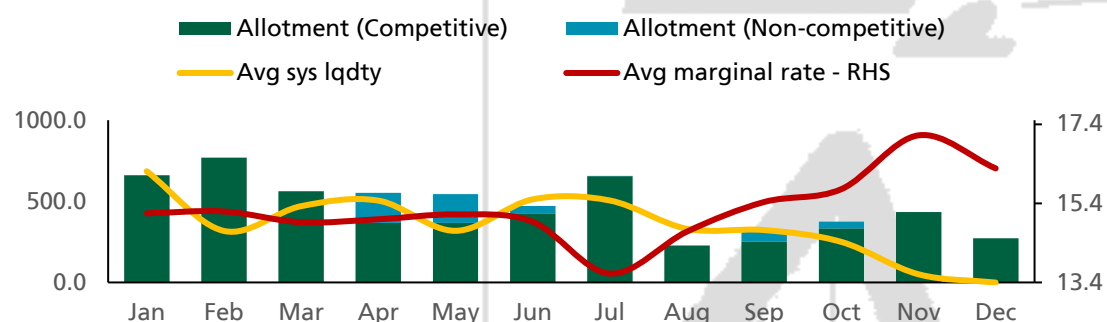
## Key Interest Rates



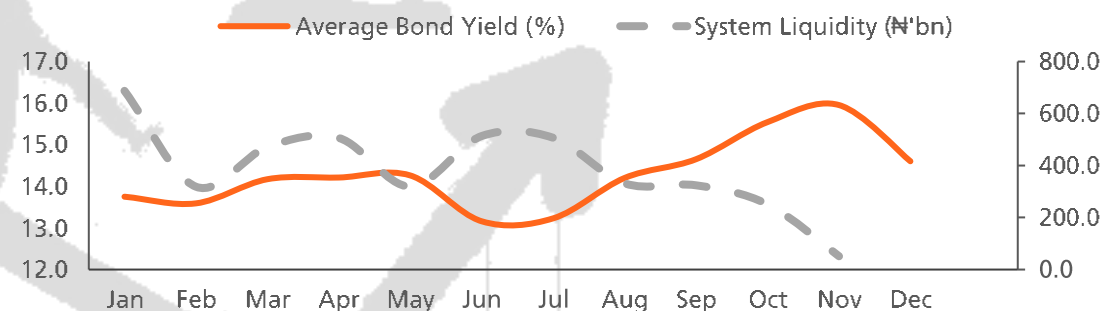
Source: FMDQ, CBN, Afrinvest Research

- DMO frontloaded borrowings despite election transition headwinds.
- Benchmark bonds traded bearish as yields repriced on aggressive money mop-ups and rate hikes.

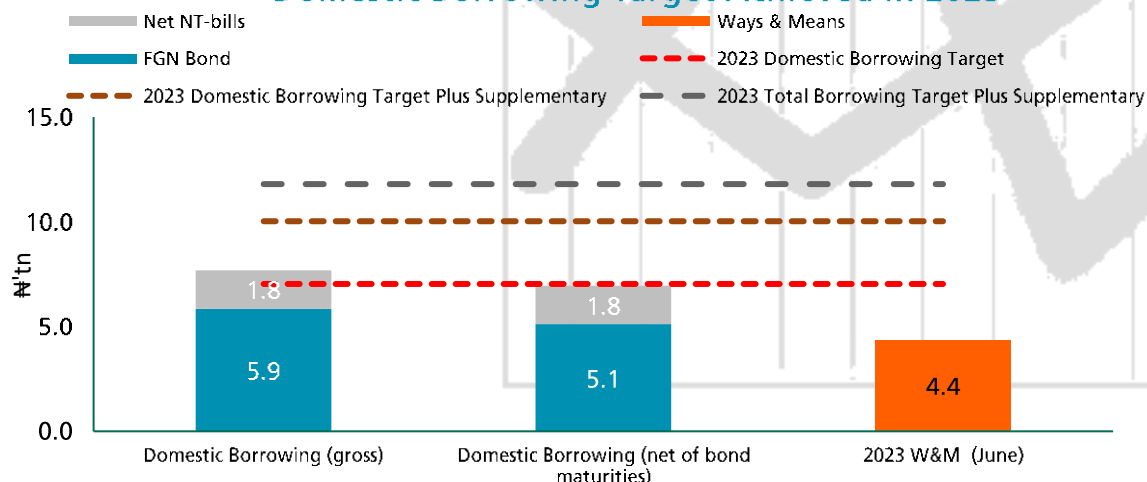
## FGN Bonds Sales and Marginal Rates Trend in 2023



## Average T-bills and Bonds Yield Trend Higher

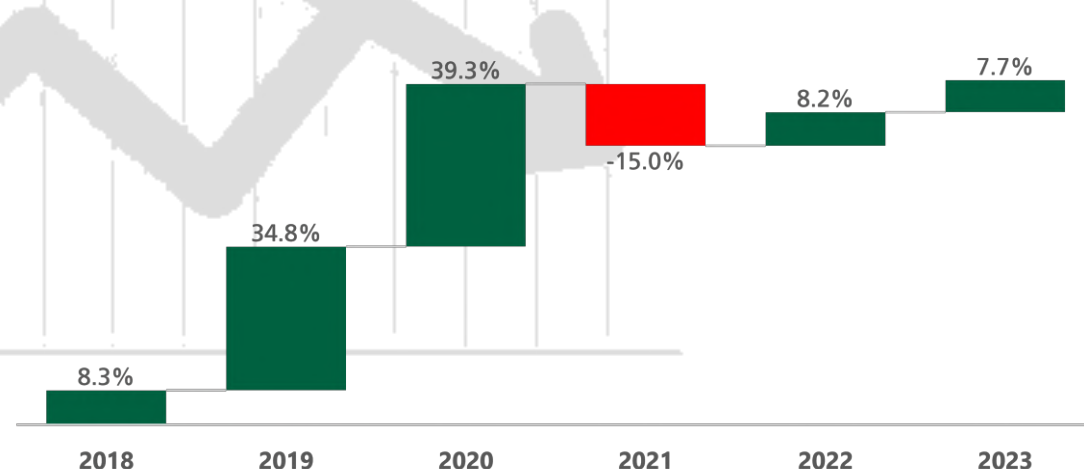


## Domestic Borrowing Target Achieved in 2023



Green dotted line is total borrowing target plus supplementary

## FGN Bonds Return 8.3% Annualized in 2023

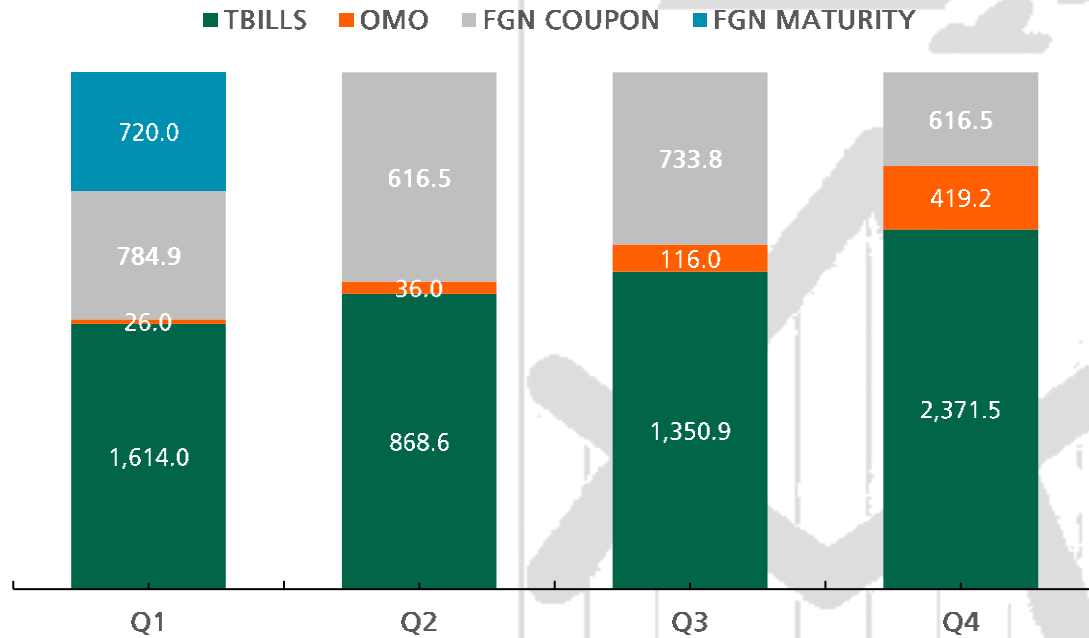


# 2024 Domestic Bond Market: Liquidity Outlook Positive But CBN's Mop-Up Poses Risk

FY:2023 Review & 2024 Outlook

- Liquidity expectation for 2024 is positive with near-equal inflows for both halves of the year.
- Less in-and-outs, 61.6% of maturities would materialize in H1 reflecting the ₦720.0bn FGN Bond maturity.

Expected Liquidity in 2024



Estimated Demand-Supply Dynamics

	NT Bills	OMO Bills	Coupon Payments	FGN Bond Maturities	Total Less Outflows
Q1	1,614.0	26.0	784.9	720.0	833.6
Q2	868.6	36.0	616.5	-	(44.9)
Q3	1,350.9	116.0	733.8	-	152.5
Q4	2,371.5	419.2	616.5	-	338.3
<b>Total</b>	<b>6,205.0</b>	<b>597.2</b>	<b>2,751.7</b>	<b>720.0</b>	<b>2,008.5</b>

**Assumptions for outflows**

- NTBills are rolled over
- ₦30.0bn monthly OMO Auction
- Domestic bond raised is ₦8.0tn (+4.0% y./y and 32.1% above budget target). Estimate is evenly spread across year
- This data set does not include a scenario where foreign borrowings are channelled to local market

Source: Bloomberg, FMDQ, DMO, CBN, Afrinvest Research

- On the balance of factors, we anticipate c.200bps drop in yield in FY:2024 with marginal increase in H1 given expected aggressive CBN liquidity mop-up but moderation beyond H1 owing to better global and local inflation dynamics.
- Risks to our forecast could materialize from potential global reflation, elongated tightening campaign by CBN and aggressive FG borrowing due to disappointing revenue performance.

FACTORS	PESSIMISTIC CASE	BASE CASE	OPTIMISTIC CASE
Domestic Inflation	Inflation rate to average 24.7%	Average Inflation rate to print at 22.1%	Inflation rate to average 19.0%
Domestic Interest Rate Policy	CBN maintains aggressive stance throughout the year to further incentivize holding the Naira and lure offshore capital	CBN tightens rate in Q1 but relaxes in H2 as macroeconomic signals improve and global interest rate falls	CBN loosens rate in alignment with FG's preference
FG Borrowing	Fiscal deficit to cross ₦13.0tn against ₦9.2tn budgeted with limited financing alternatives to domestic market. FG's domestic market borrowing exceeds ₦8.0tn	Fiscal deficit to reach c.₦13.0tn against the ₦9.2tn budgeted. However, FG taps ₦8.0tn from domestic market complemented by other funding sources including Eurobond issuances and Ways & Means financing	Fiscal deficit and domestic borrowing to trend in line with budget
Global interest rate	Tightening cycle lingers	Systemic central banks hold or cut rates	Monetary policy switches to strong dovish stance

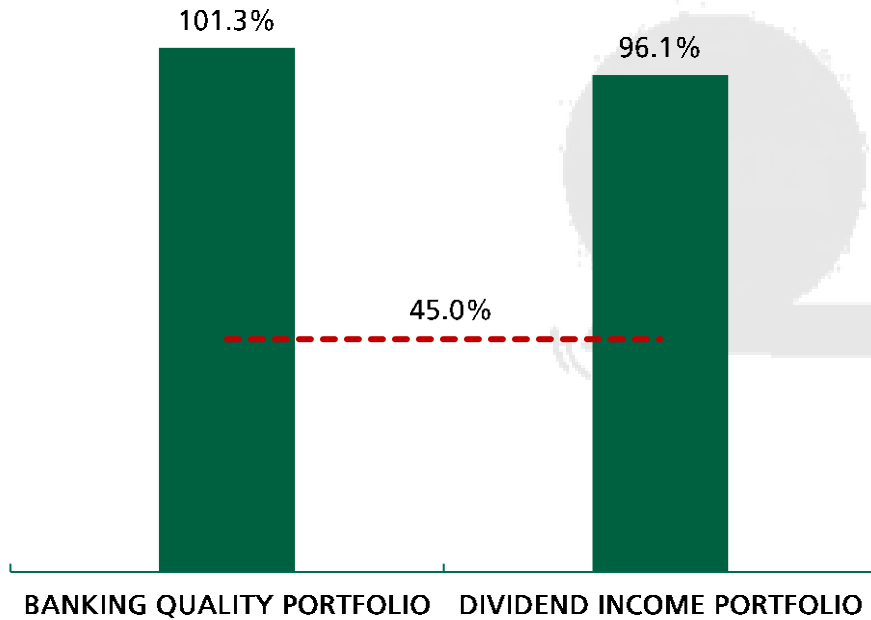
# Investment Strategy



Compared to the NGX-ASI with a 45.9% gain, our Afrinvest Banking Value and High Dividend Yield Indices outperformed by 56.3ppts and 51.1ppts respectively.

## Our Investment Portfolios in 2023

— PORTFOLIO RETURN    - - - NGX-ASI



## Selected Stocks in the Rebalanced Afrinvest Banking Value & High Dividend Yield Indices



Banking Value Index

High Dividend Yield Index

Source: Bloomberg, NGX, Afrinvest Research

## Potential Drivers

- **STERLINGNG** is expected to benefit from its partnership with Afreximbank to boost non-oil exports within and outside Africa and sustained operational efficiency.
- Insurance stocks broadly posted robust performance, as investors responded favorably to operational improvements reflected in stellar financial results. Following the move by NAICOM to spur sector growth and elevate global competitiveness, the adoption of a risk-based capital framework in 2024 would be a catalyst for further advancement.
- **JAPAULGOLD** recorded post-tax profits for the first time in seven years, buoyed by a 215% increase in topline revenue. The proposed acquisitions of a 50% equity interest in H&H mines and full ownership of Covenant Gems & Gold Minerals, if completed, would strategically reposition the company as a market leader.
- **HONYFLOUR** position as an essential product coupled with the potential to drive revenue via increase in pricing and volume would drive topline in the coming year.
- Following interventions by the FGN to enhance growth in the real estate market via expansion in capital base. **UPDC** is well positioned to benefit from these reforms thus leading to greater profitability.

## Penny Stock Picks and Selected Metrics

Stocks	Last Price (₦)	Average volume (units)	Average value (₦)	YTD	P/E ratio	Dividend Yield (%)	Market Cap (₦'bn)	9M Revenue (₦'bn)
MANSARD	4.45	4,474,083.48	14,668,352.15	236.0%	3.0x	8.14	39.7	61.3
STERLINGNG	4.18	18,439,710.08	61,739,142.78	321.4%	5.5x	3.59	124.1	152.0
AIICO	0.76	7,084,245.95	4,789,381.88	120.3%	3.2x	4.17	27.4	51.3
JAPAULGOLD	1.59	14,808,854.76	15,141,245.97	648.1%	8.2x	N/A	9.6	2.2
HONYFLOUR*	3.19	1,714,355.00	5,256,111.49	148.6%	8.0x	N/A	25.8	147.4
WAPIC	0.69	3,160,214.80	2,062,358.90	157.1%	-12.3x	N/A	15.6	20.4
UPL*	2.4	469,941.12	1,077,010.65	126.3%	5.9x	4.30%	1.0	2.5
CILEASING	5.1	677,262.79	3,007,982.40	160.9%	7.9x	1.60%	4.5	2.2
VERITASKAP	0.37	7,592,465.97	2,154,174.94	175.0%	4.7x	N/A	5.1	4.3
UPDC	1.33	948,911.19	3,574,823.57	133.7%	53.9x	15.2	22.5	3.8

NB: We based our penny picks on stocks that are below/around the ₦5 range.  
\*Stocks with FY:22 revenue numbers instead of 9M:23.

Source: NGX, Afrinvest Research

# 2024 Domestic Bond Market Strategy - Head or Tail, Go for Risk-adjusted Yield

FY:2023 Review & 2024 Outlook

## COMMENTARY

We advise investors to remain overweight in fixed-income investments, with particular emphasis on duration play in both SSA space and developed market treasuries.

Sovereign with strong fundamentals should be the center of focus while corporates should also be cautiously considered for stability.

The juiciest yields are sitted on the long end of the curve, which will deliver a better risk-adjusted return. Meanwhile, developed FI instruments currently trade at a steep discount, thereby offering a rare opportunity for interesting capital gains to strategic investors.

Given that we expect volatility toward the upside, activity should be moderate. The surest bet remains taking a long position in the market.. However, investors can short when the opportunity arises.

## SOVEREIGN

80%

## SHORT END

70%

## ACTIVITY

50%

## CORPORATES

20%

30%

## LONG END

20%

## Developed Fixed Income Model Portfolio for 2024

Sovereign	Coupon (%)	Maturity	Rating	Current Price	Yield (%)	Modified Duration	Expected Yield Drop	Expected Return	Total return	Weighting (%)
United State of America	1.875	2/15/2051	A/A2/AA	61.00	4.42	18.40	250	46.0%	49.1%	40.00
United Kingdom	0.625	10/22/2050	A/A2/AA	40.50	4.45	20.30	250	50.8%	52.3%	60.00
<b>Portfolio Return</b>					<b>50.32%</b>					

Model assumption: Yield expected to drop by 250 bps

Global Corporates

10.0%

Euro & GILT

40.0%

US Treasury

50.0%



### How to Invest In Developed Fixed Income

- Special product offerings
- Direct Investment in the US and UK treasuries... minimum sizes of US\$200,000 and £200,000 respectively.
- Afrinvest Discretionary Portfolio (Dollar)... Minimum investment is US\$100,000



# Save & Invest in Naira & in Dollars with Optimus by Afrinvest

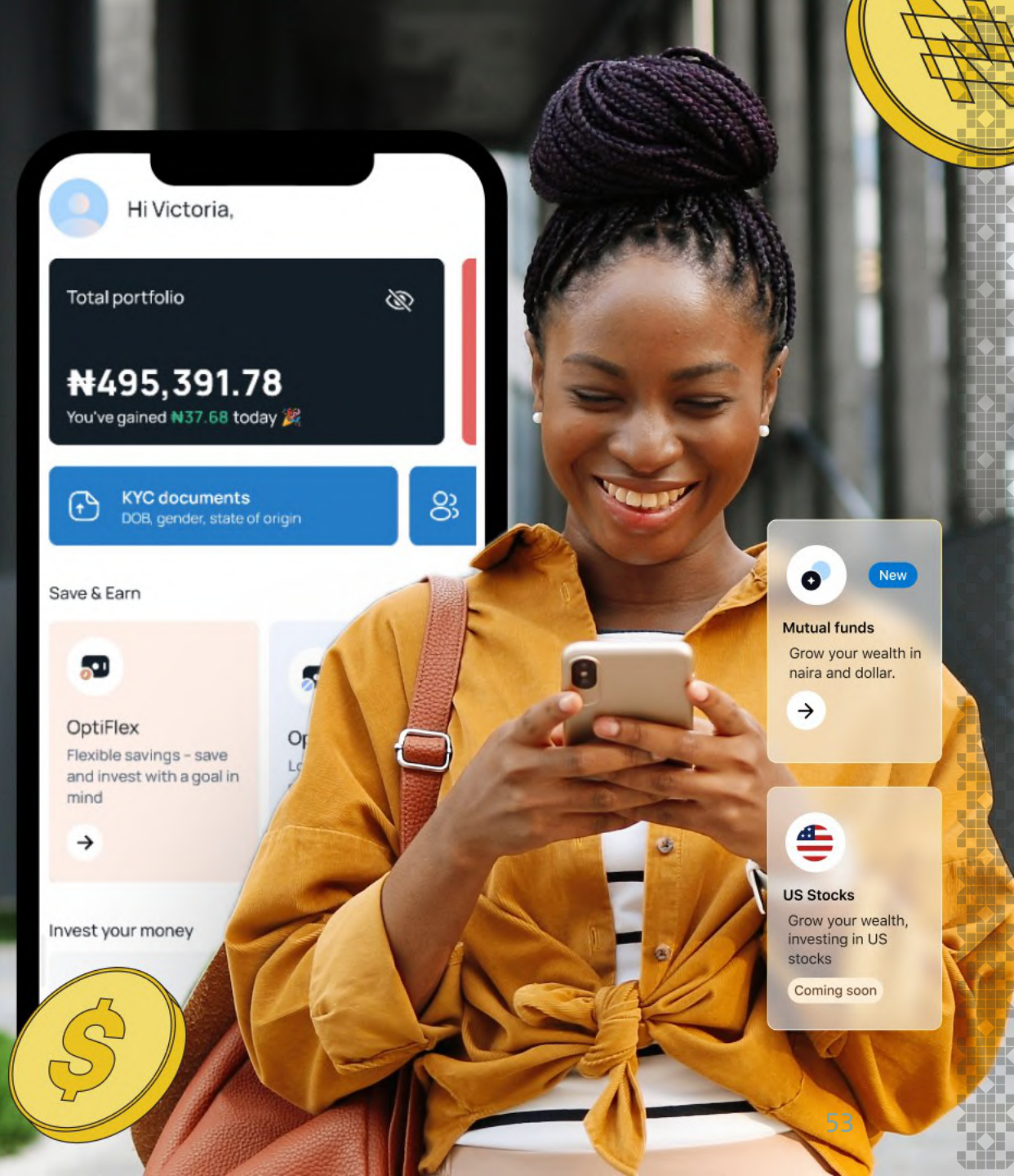
With Optimus by Afrinvest, you can grow your money in Naira or in Dollars, create investment plans and diversify your investment portfolio.


Visit [www.optimus.ng](http://www.optimus.ng) to start investing



For more enquiries, send an email to [support@optimus.ng](mailto:support@optimus.ng)

Powered by  Afrinvest



 **New**

**Mutual funds**  
Grow your wealth in naira and dollar.

[→](#)

 **US Stocks**  
Grow your wealth, investing in US stocks

[Coming soon](#)

This report has been issued and approved by Afrinvest Securities Limited (“Afrinvest”). This report is based on information from various sources that we believe are reliable; however, no, representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Any investment discussed may not be suitable for all investors. This report is provided solely for the information of clients of Afrinvest who are expected to make their own investment decisions. Afrinvest conducts designated investment business with market counter parties and intermediate customers and this document is directed only at such persons. Other persons should not rely on this document. Afrinvest accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only. This report may not be reproduced, distributed, or published by any recipient for any purpose without prior express consent of Afrinvest. Investments can fluctuate in price and value and the investor might get back less than was originally invested. Past performance is not necessarily a guide to future performance. It may be difficult for the investor to realize an investment. Afrinvest and/or a connected company may have a position in any of the instruments mentioned in this document. Afrinvest and/or a connected company may or may not have in the future a relationship with any of the entities mentioned in this document for which it has received or may receive in the future fees or other compensation. Afrinvest is a member of The Nigerian Stock Exchange and is regulated by the Securities and Exchange Commission to conduct investment business in Nigeria.

**Afrinvest (West Africa) Limited** (Afrinvest or the Company) is a financial service holding company with a focus on West Africa and is active in five principal areas: investment banking, securities trading, asset management, fund trust, and investment research & consulting. The Company was originally founded in 1995 as Securities and Trust Company Limited ("SecTrust") which grew to become a respected research, brokerage, and asset management firm. Afrinvest has built a track record in executing transactions within its principal areas of business and prides itself in thorough knowledge of the Nigerian market, business communities, and the regulatory environment; careful, fact-based analysis and recommendations; complete corporate independence and discretion; and the delivery of innovative solutions tailored to the specific needs of our clients. Afrinvest owns four operating subsidiaries.

**Afrinvest Capital Limited "ACL"** (Our investment banking business) is licensed by the Securities and Exchange Commission as an Issuing House, and it is organised into three distinct units (Financial Advisory, Capital Markets, and Project Advisory) to provide services to institutions, government, and corporations. ACL has built a reputation for combining extensive local and international market expertise with an established reputation for innovations, technical know-how, and global relationships in its service delivery. Our credentials and track record make us the pre-eminent choice for clients in need of investment banking products and services.

**Afrinvest Securities Limited "ASL"** is licensed by the Nigerian SEC as a broker-dealer and is authorized by the Nigerian Exchange Limited (NGX) as a dealing member. ASL acts as a distribution channel for often exclusive investment products originated by Afrinvest and AAML as well as unique value secondary market trading opportunities in equity, debt, money market, and currency instruments.

**Afrinvest Asset Management Limited "AAML"** is licensed by the Nigerian SEC as a portfolio manager. AAML delivers world-class asset management services to a range of mass affluent and high-net-worth individual clients. AAML offers investors direct professionally managed access to the Nigerian capital markets through equity-focused, debt-focused, and hybrid unit trust investment schemes amongst which are the Nigeria International Debt Fund (NIDF), Afrinvest Equity Fund (AEF), Afrinvest Plutus Fund (APF), Afrinvest Dollar Fund (ADF), Afrinvest Income Portfolio (Naira) and Afrinvest Income Portfolio (Dollar).

**Afrinvest Trustees Limited "ATL"** is licensed by the Securities and Exchange Commission to provide trusteeship services in Nigeria. ATL provides its services across corporate, public, and private trusts. ATL holds assets in trusts, manages trust assets, ensures compliance with clients' trust deeds, and protects the interest of the trust beneficiaries in an impartial, prudent, and business-like manner. The Company provides efficient services through collaboration/working relationships with members within the Afrinvest Group as well as other financial institutions.

**Afrinvest Research & Consulting "AR&C"** warehouses the research franchise and consulting practice of the Afrinvest (West Africa) Group. It is a leading provider of research and analytics on the global and Nigerian markets to a broad range of domestic and international, retail, and institutional clients. With a robust research database on the Nigerian market spanning more than 25 years, ACL prides itself on a thorough knowledge of the Nigerian economy, business communities, and the regulatory environment. The Consulting practice provides independent commercial, technical, and management consulting and acts as advisers on business transformation, process optimisation, and mergers and acquisitions. The company provides professional training, strategic business plan formulation, financial modeling, business valuation, capital raise support, feasibility studies, vendor assistance, due diligence (TDD, FDD, & VDD), and cost validation services. In addition, ACL provides financial and rating advisory services, debt restructuring, liquidation/winding up services, cost validation services, and loan efficiency review services.

## Investment Research & Consulting

Abiodun Keripe	akeripe@afriinvest.com	+234 1 270 1680 ext. 1034
Aminat Tolani	atolani@afriinvest.com	+234 1 270 1680 ext. 1027
Benedict Egwuchukwu	begwuchukwu@afriinvest.com	+234 1 270 1680 ext. 1023
Damilare Asimiyu	dasimiyu@afriinvest.com	+234 1 270 1680 ext. 1054
Mobifoluwa Adesina	madesina@afriinvest.com	+234 1 270 1680 ext. 1051
Nathanael Disu	ndisu@afriinvest.com	+234 1 270 1680 ext. 1114
Nelson Abudah	nabudah@afriinvest.com	+234 1 270 1680 ext. 1107
Segun Adams	sadams@afriinvest.com	+234 1 270 1680 ext. 1073
David Ogidan	dogidan@afriinvest.com	+234 1 270 1680 ext. 1104
Mary-Stella Nkwocha	mnkwocha@afriinvest.com	+234 1 270 1680 ext. 1139
Ikeoluwa Alabi	ialabi@afriinvest.com	+234 1 270 1680 ext. 1060
Ikeoluwa Adebowale	iadebowale@afriinvest.com	+234 1 270 1680 ext. 1116
Justice Oguikpe	joguikpe@afriinvest.com	+234 1 270 1680 ext. 1101
Oluwapelumi Olabisi	oolabisi@afriinvest.com	+234 1 270 1680 ext. 1104

## Securities Trading & Brokerage

Adedoyin Allen	aallen@afriinvest.com	+234 1 270 1680 ext. 1016
Taiwo Ogundipe	togundipe@afriinvest.com	+234 1 270 1680 ext. 1601

## Investment Banking

Suru Daniels	sdaniels@afriinvest.com	+234 1 270 1680 ext. 1098
Kate Isabota	kisabota@afriinvest.com	+234 1 270 1680 ext. 1017

## Asset Management

Christopher Omoh	comoh@afriinvest.com	+234 1 270 1680 ext. 1505
Robert Omotunde	romotunde@afriinvest.com	+234 1 270 1680 ext. 1039

## Trustees

Rita Abengowe	rabengowe@afriinvest.com	+234 1 270 1680 ext. 1005
Oyewale Odekhiran	oodekhiran@afriinvest.com	+234 1 270 1680 ext. 1099

For further information, please contact:  
**Afriinvest West Africa Limited (AWA)**  
 27, Gerrard Road,  
 Ikoyi, Lagos,  
 Nigeria.  
 Tel: +234 1270 1680  
 +234 1 270 1689  
[www.afriinvest.com](http://www.afriinvest.com)

Thank You



**Lagos Office**

27 Gerrard Road,  
Ikoyi, Lagos,  
Tel: +234 (1) 270 1680  
+234 (1) 631 2940

**Abuja Office**

Oakland Centre.  
48, Aguiyi Ironsi Street,  
Maitama, Abuja FCT  
Tel: +234 (9) 870 9157

**Port Harcourt Office**

Plot F/4A Sani Abacha Road,  
Opposite Bougainvillea Hotel,  
GRA Phase 3, Port Harcourt,  
Rivers state  
Tel: +234 (8) 446 1701-2

**Onitsha Office**

109 Upper New Market Road,  
Trinity Plaza DMGS Roundabout,  
Onitsha, Anambra State  
T +234 803 707 1720