STOCKS TO MONITOR THIS WEEK

... FOR THE SHORT-TERM INVESTOR

APRIL 3 - 6, 2018
Market Review

- In line with our expectations, positive sentiments returned to the bourse in the previous week, following a bout of sell-offs.
- **GLAXOSMITH** +33.33% closed as the weekly top gainer after advancing to NGN34.00. On the flip side, **JAPAULOIL** -14.49% was the top loser for the week.
- Following the extended selling pressures observed on most trading sessions, the weekly market breadth closed negative, total market capitalisation closed at NGN14.99 trillion while the Year-to-Date return settled at 8.53%.
- Overall, we expect a relatively mixed performance this week, with bargain hunting activities on counters that shed significantly in previous sessions, such as **GUARANTY**.

Movement in the NSE All-Share Index

Source: Bloomberg
GLAXOSMITH (SELL)

The stock rallied in previous trading sessions as investors reacted positively to the company’s intention to pay special dividends. Accordingly, the counter gained 33.33% to top the weekly gainers’ list.

We note a halt in positive momentum on the counter as indicated by its candlechart. Similarly, both the RSI at 86.83 and MACD suggest that a reversal is imminent this week.

*We expect investors to take profit on the counter during the week. In line with this, the ticker traded flat at NGN34.00 at the close of trades last week.*

GUARANTY (BUY)

The ticker shed 4.69% in the previous week to close at NGN44.70 while its Year-to-Date (Y-t-D) return settled at 9.69%.

There is currently a decline in negative momentum on the counter. (MACD, candle chart).

*We expect to witness some degree of price appreciation on the ticker from expected bargain-hunting this week.*
**Stocks to Monitor this Week**

**ETERNA (SELL)**

The stock was featured on the top ten weekly gainers’ list after advancing to NGN6.65 (+8.48%).

Following an analysis of the current technical patterns on the ticker (MACD, RSI), we expect to witness some decline in positive momentum in the near term.

*We therefore expect investors to take profit on the counter during the week.*

**DANGFLOUR (SELL)**

The stock advanced by 0.95% to close at NGN15.95 last week. Consequently, its Y-t-D return settled at 31.28%.

Following the release of its results today, sell-offs were noted on the counter, placing it on full offer.

*We expect to witness some degree of price shedding in the week as investors react negatively to the results.*
Technical Indicators Used

Moving Average Convergence Divergence (MACD): It shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA.

Relative Strength Index (RSI): It is a technical indicator used in the analysis of financial markets. It is intended to chart the current and historical strength or weakness of a stock or market based on the closing prices of a recent trading period. The indicator should not be confused with relative strength.

Bollinger Bands: Bollinger Bands are a volatility indicator similar to the Keltner channel. Bollinger Bands consist of an N-period moving average (MA) an upper band, UBB at K times an N-period standard deviation above the moving average (MA + Kσ) a lower band, LBB at K times an N-period standard deviation below the moving average (MA − Kσ).

Candle sticks: A candlestick chart (also called Japanese candlestick chart) is a style of financial chart used to describe price movements of a security, derivative, or currency. Each "candlestick" typically shows one day; so for example a one-month chart may show the 20 trading days as 20 "candlesticks".

Source for definitions: Investopedia, Wikipedia.
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In the past 15 months (up to March, 2013), our Firm has participated in fund raising programs that assisted State Governments in Nigeria to raise over N110bn in Bonds (either as Issuing House/Stockbrokers/Placement Agents). We have also assisted numerous private sector organizations in accessing funds from the Capital Market. Our firm has very strong contacts with many African-focused & emerging markets investors/fund managers. Morgan Capital has advised on a number of transactions in the Nigerian Capital Markets, including provision of Financial Advisory Service to the Federal Government of Nigeria, through the Bureau of Public Enterprises ("BPE") for the concessioning of the National Arts Theater, the Tafawa Balewa Square, the Lagos Trade fair complex and the 6 National Stadia. Morgan Capital also advised the BPE on the proposed sale of the Ijora Power Plant, the Calabar Power Plant and the Oji River coal-fired power plant.

Our group is focused on providing unbiased financial advisory and investment banking services to individuals and institutions that are seeking to invest in Africa or already involved in investing in Africa. One of our goals is to be the BEST link to the Nigerian Capital Market.

**CONTACT US**

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