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Leading Conversations

With FBNQuest:

FBNQuest Securities -
Equities Investment Climate

September 2020

Outline

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Introduction

- FBNQuest Securities is the equities brokerage arm of the FBNQuest group. We are a subsidiary of FBNQuest Merchant Bank Limited (“**FBNQMB**”) and a member of the FBN Holdings Group (“**FBNH**”).
- FBNQuest Securities was established in 1991 and was formerly trading under the name, Premium Securities Limited. The firm has consistently ranked amongst the top 10 Stockbroking Firms in Nigeria over the last 7 years.

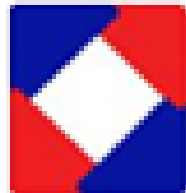
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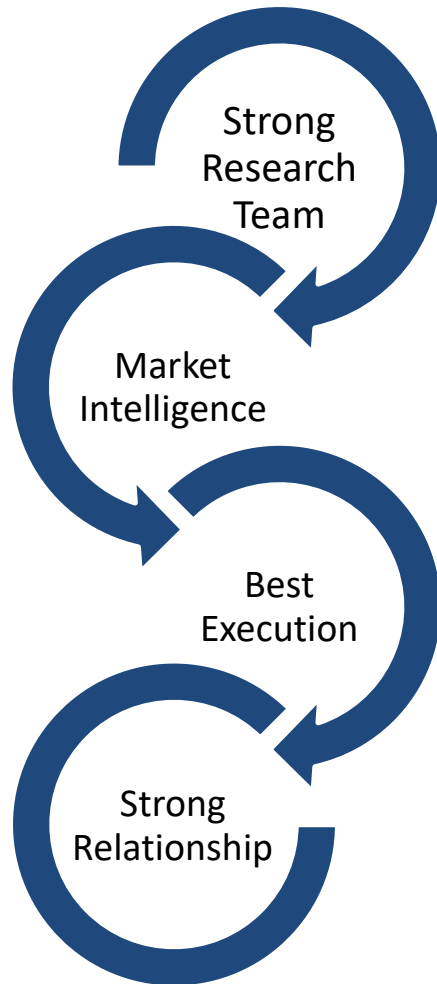


THE Nigerian
STOCK EXCHANGE



NASD PLC

Our Strength



Our unrivalled top-bottom investment research approach distinguishes us from herd-mentality competitors, and this forms the bedrock of our business

Go-To-Broker for Market Information

We don't just trade, we partner with clients towards achieving their investment goals.

Strong relationship with regulators: Seamlessly help our clients optimise and consolidate their existing portfolios.

Analyzing the Nigerian Equities Market Index

• The Nigerian All Share Index is the market indicator that helps investors gauge market/price movements overtime, i.e. helps compare current price levels with past prices to calculate market performance. It is computed from the prices of selected stocks and measured in points.

• Year	Points
• 2002	10,173.50
• 2004	39,441.26 (Government Policies and Oil Price)
• 2008 -4 th March	66,286.00 (Influx of Hot Money-Margin Trading)
• 2014	43,031.83 (Recovery from Global melt down)
• 2016	22,456.00 (Devaluation of Naira and Oil Plunge)
• 2018	45,092 (Fx issues resolved)
• 2020	25,511.00 (Fx issues, Global Pandemic)

Analyzing the Nigerian Equities Market Index-Chart



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Equities Investment Climate Pre 2008

- Porous Regulation

- Little or No Investor Education

- Uninformed Decision making

- Rogue Stockbrokers

Equities Investment Climate Now

- Better Regulation and Investor Protection

- Improved Literacy and Research Availability

- Enlightened Decision Making and Technology

- Professionalism Improved

Investment Strategies

Stay abreast of their stocks' performance, do a lot of research and keep up with the daily financial news.

Active

Buy individual stock in established companies and hold that investment for a year or more

Passive

Investment Strategy

Retirement

Dividend stocks that produce income during retirement

Speculators

Look for opportunities for short term trades using technical analysis. Trading the trends

Summary

- The equities market has not recovered fully from losses recorded in 2008, however, opportunities still exist especially at times like these. Sell-offs due to weak market sentiments that trailed the Covid-19 pandemic and other macro hiccups have created a dip and any form of correction and improvement in economic activities, will lead to an upward swing in the equities market.
- Some listed companies have continued to outperform the larger index and have continued to deliver decent returns to its shareholders.
- Zenith Bank has continued to delight investors with decent dividends ranging from N1.60 in 2012 and up to N2.70 in 2019 Financial years, giving dividend yields north of 10%. There are other companies in this category such as GTB, UBA and Access, and a few Non Banks (Nestle, MTNN, Dangcem)
- There exists opportunities to be maximized in the equities market particularly now that low interest rate environment prevails in Nigeria.

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Thank you

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