

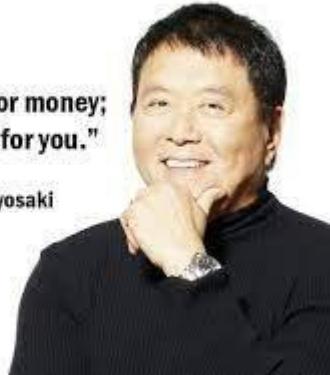


WHY GTBANK IS WORTH YOUR INVESTMENT

The author of “Rich Dad, Poor Dad” once said, “Do not work for money, make it work for you”. Its a common observation that money disposition among the rich and the poor are quite different. Admittedly so, the poor **“believe”** they can get rich by **“saving”** while the rich **“know”** they get richer by **“investing”**.

“Don't work for money;
make it work for you.”

- Robert Kiyosaki



Now, there are not many known, who have attained a comfortable level of financial stability by saving a few spare bucks, however, we have heard a lot of success stories where regular folks where able to change their financial status-quo and are setting the pace in recent times as a result of their good investment decisions. In otherwards, its high time you consider investing your money rather than putting them away as savings. However, this is not to totally disregard the importance of savings.



In Nigeria today, its common place to find an average person having over 3 accounts with different banks. I mean, one must have a lot of spare cash in other to stack them in various banks!

It is common knowledge that the bank is a place where we can easily deposit our monies for safe keeping and possibly receive some interest on the principal amount deposited over time. However, few others go the extra mile to invest their extra cash in the bank and stand to get their interest from whatever amount of profit the bank stands to make over time!

Now that you know how investing money rather than saving money can help diversify your income source and yield better returns, lets dive deeper.

INVESTING 101

Every cooperation needs money to run/expand their business, and when they cannot afford to fund it privately, they can decide to go public by selling a part or even all of their cooperation to the general public as stock/shares. What this means is that you give them your money (buy shares) and they give you ownership of a portion of their cooperation (shareholder privileges). It now follows that you get to partake in the companies profits (*or losses*).

Easy right? Well, if it was that easy, everyone would be doing it. In order to maximize the opportunity, there are a few concepts and tips you should know. Certain questions such as the where, when and how of investing would be discussed as this article seeks to address these questions thereby explaining major investment concepts in simpler terms.

According to the Central bank of Nigeria (CBN), there are 22 commercial banks registered in Nigeria presently. Of these number, 5 banks have been classified as tier-1 banks according to Nairametrics. It is safe to say that the chances of loosing money in any one of these 5 banks is minimal as they have proven their their capabilities over time.



NOW WHICH BANK SHOULD YOU INVEST IN?

Unless you have what it takes to buy shares from all of these 5 banks, its fairly logical to look up some data from each bank and then reign in data analytic tools to help us

highlight the pros and cons of each (if any), and hence make for a more informed decision. Lets begin by viewing a table that shows us how stock data for any cooperation is being represented basically.

Date	Price	Open	High	Low	Vol.	Change %
20-Sep	5.0	5.0	5.2	4.9	51.44M	2.04%
20-Aug	4.9	5.05	5.3	4.9	399.70M	-2.00%
20-Jul	5.0	5.25	5.3	4.9	359.19M	-4.76%
20-Jun	5.25	5.35	5.6	5.0	555.68M	-1.87%
20-May	5.35	4.6	5.85	4.55	889.55M	16.30%
20-Apr	4.6	3.95	5.0	3.7	1.04B	16.46%
20-Mar	3.95	4.7	5.8	3.6	1.30B	-15.96%
20-Feb	4.7	6.55	6.35	4.6	450.39M	-28.24%
20-Jan	6.55	6.15	7.7	6.0	472.08M	6.50%
19-Dec	6.15	6.7	6.8	5.7	205.41M	-8.21%

Table 1: Sample view of stock data.

In order to have a basic understanding of what investing in a company stock entails, we must first understand the entries of a stock data table and what they represent.

DATE

The date gives us information on the time frame of the data recorded, and enables us understand its progression over time. It could be represented as days, weeks, months, etc.

PRICE

This shows the *closing prices* of the stock on each day. Closing price is the price of the stock at the end of the market on a trading day.

OPEN

This shows the *opening prices* of the stock on each day. The opening price is the price of the stock at the start of the market on a trading day.

HIGH

This represents the highest price the company stock sold for on the stock market on a trading day. It shows the highest amount an investor paid (was willing to take) in order to acquire the stock.

LOW

As you might already know, the price of stock on the stock market is transient, and changes every moment. The Low column of a stock data shows investors the lowest

price the stock sold for on a each day. Many experts watch out for this pattern since its profitable to buy stock when the price is lower.

VOLUME

This refers to the number of stock that is exchanged on a particular day. Its worth noting that an exchange is only complete when there is a buyer for every seller. In order wards, each selling-buying process makes a stock exchange.

PERCENTAGE CHANGE

This is used to represent the degree of change in stock prices over time. It is the percentage change/difference between the Closing prices and the opening prices.

Now that we understand the these basic concepts, lets take a look at which bank has the highest opening and closing prices over a period of 5 years (2015-2020).

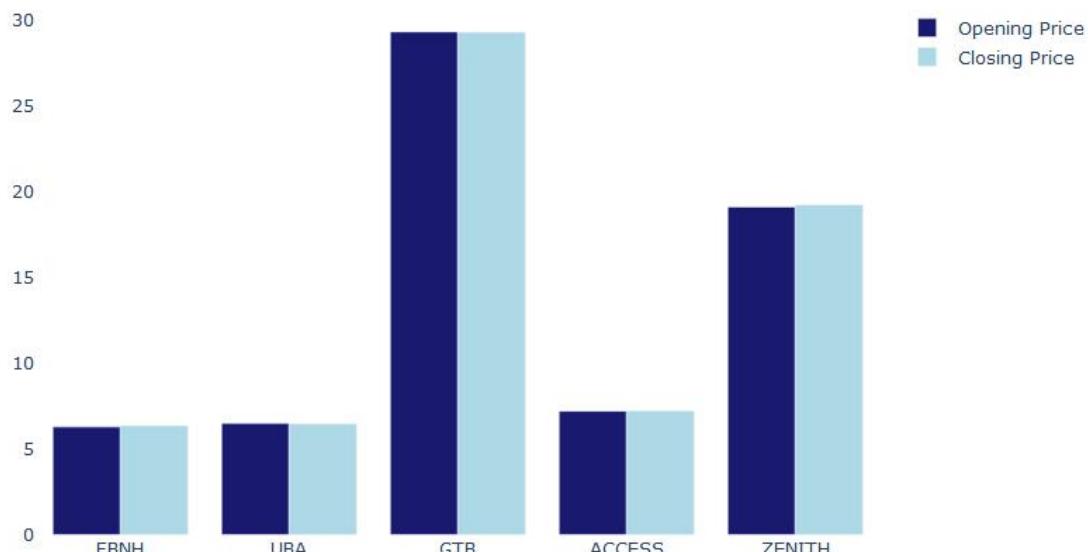


Fig 1: Comparing the opening and closing prices of all banks over a 5 yrs period

From the bar-chart above, its easy to see that over 5 years, GTB had the highest aggregate opening and closing prices at about NGN30.00. This means that the bank stock has the highest value relative to other banks.

Also, considering the aggregate stock exchange for all banks in more recent times, from 2018 to date (20th September, 2020), we see that GTB still has the highest number of exchanged stock, quickly followed by ZENITH and UBA banks respectively as shown in the figure below.

AGGREGATE STOCK EXCHANGE FROM 2018 TO DATE

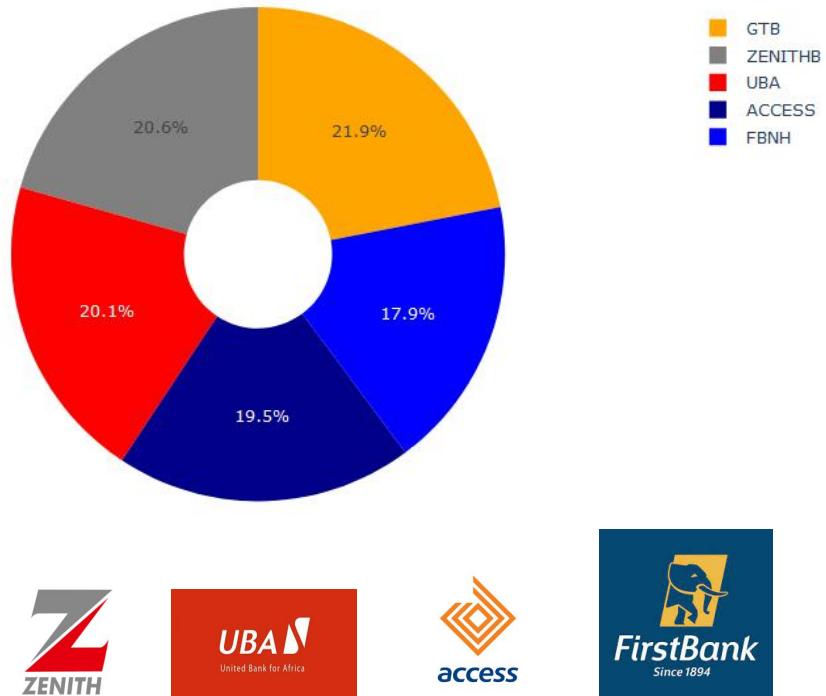
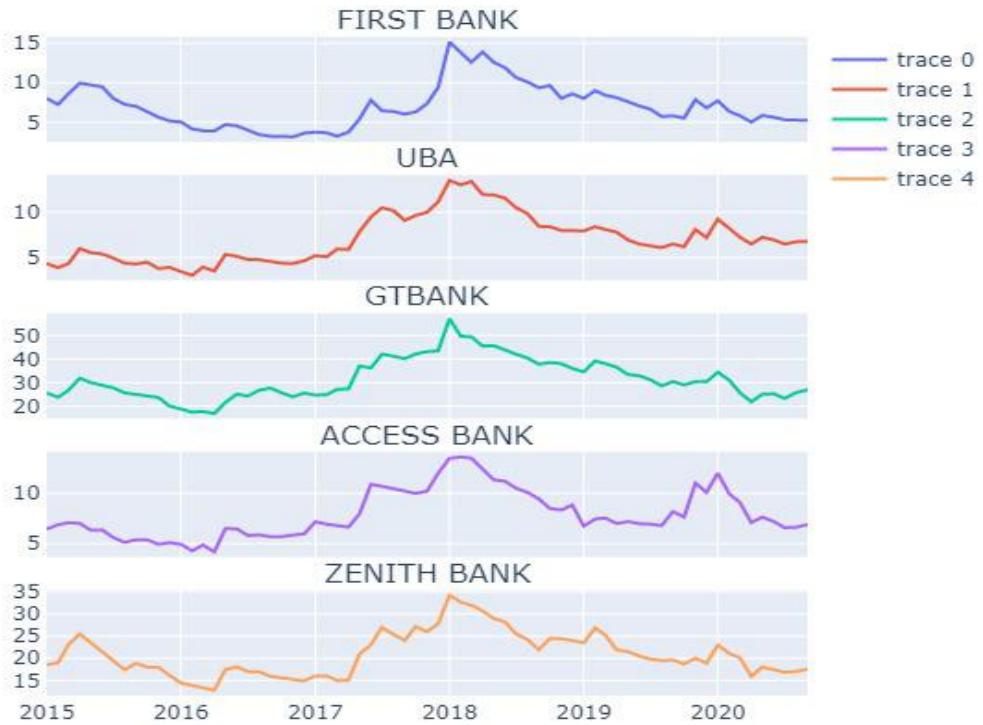


Fig 2: Representation of the banks with respect to their aggregate stock exchange from 2018 to date.

Now, in order to understand the behaviour of investors towards the 5 banks, we need to consider the highest and lowest stock prices for each bank over the years. A high stock price indicates that investors are happy to hold stock with the said company and are actively buying into the company stock. On the other hand, a drop in the High stock price, denoted by the Low price goes to say that the company stock may not be worth much at that particular time, and investors are buying at a lower stock price. The decision of investors is highly affected by possible news reported by stock monitoring organizations.

The figure represented below are subplots that depict the Highest and Lowest stock prices for each of the 5 top tier banks from 2015 to 2020.

HIGH SELLING PRICES COMPARED FOR ALL BANKS



LOW SELLING PRICES COMPARED FOR ALL BANKS

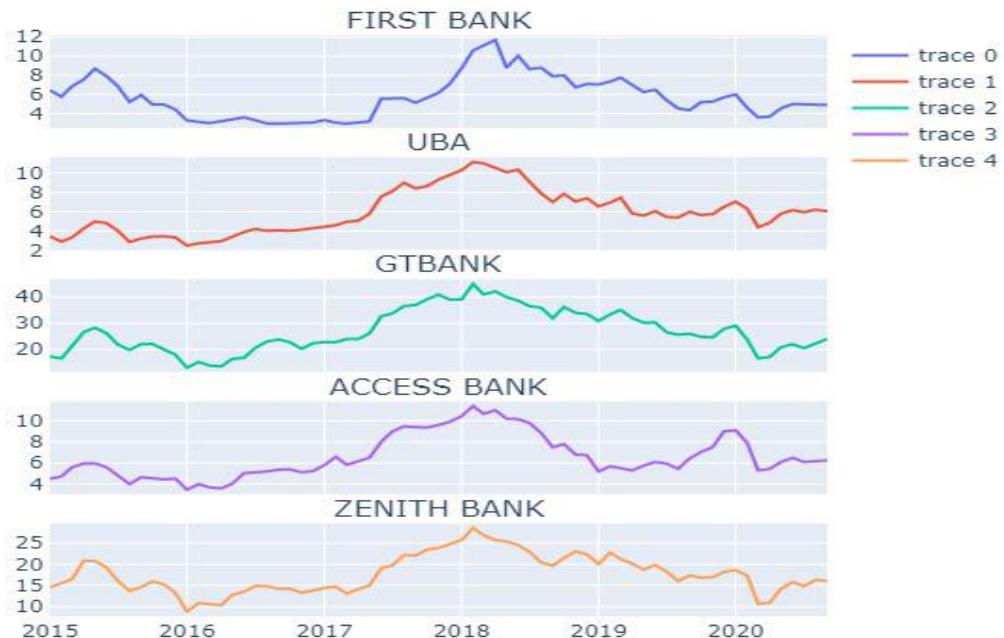


Fig 3: Subplots showing the trends in High and Low stock prices over time.

- From the above subplots, we can clearly see that GTBank still tops the list as it has the highest value of High stock price and Low stock price over time, with a value of about NGN50.00 and NGN 45.00 respectively.
- Also, in 2018 a tremendous leap in stock can be observed, and this could be attributed to the emergence of the Nigerian bourse (stock) as the third best performing market in the world in 2017 as stated by Mr Onyeama, Chief Executive Officer of the NSE in a [Premium Times report](#).
- Also from the above plots, considering the data in recent times, we can notice a drastic drop in stock price for all 5 banks as the plot transitions from 2019 into 2020. This can clearly be attributed to the worldwide COVID-19 pandemic that disrupted a chain of financial activities.

Zooming in for a closer look, the next figure shows the graphical representation of the Highest stock prices from 2019 to 2020.

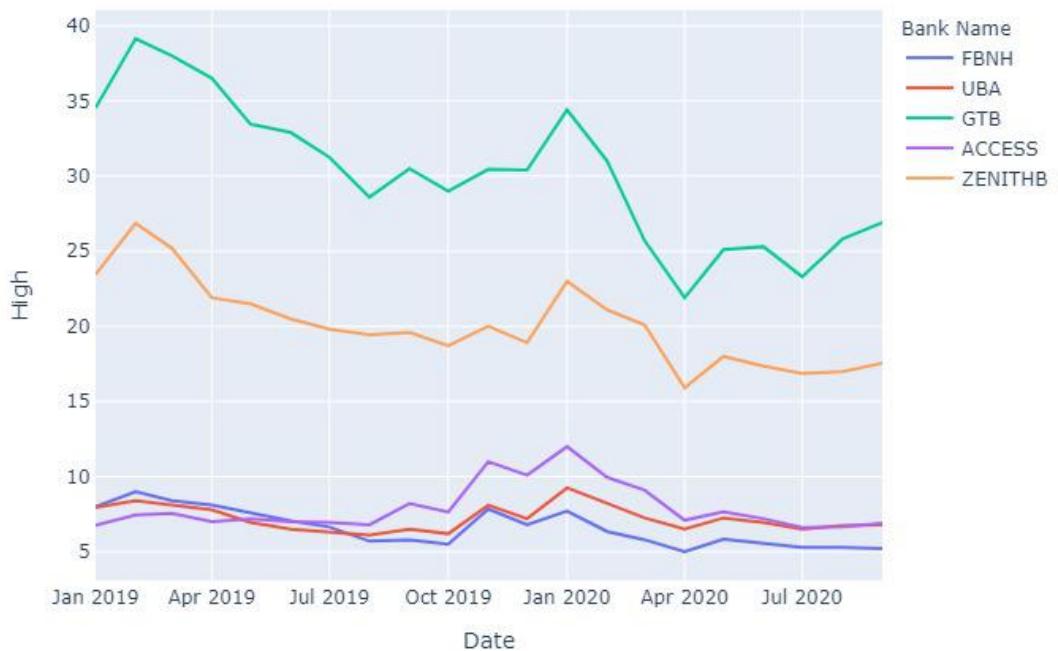


Fig 4. Line-plot of the highest stock prices for all banks from 2019-date

- The plot shows the drastic drop notable from January 2020 down to April 2020, when the lockdown was relaxed. A gradual rise shows that the banks are gradually picking up pace. Commendably, GTBank remains on top!

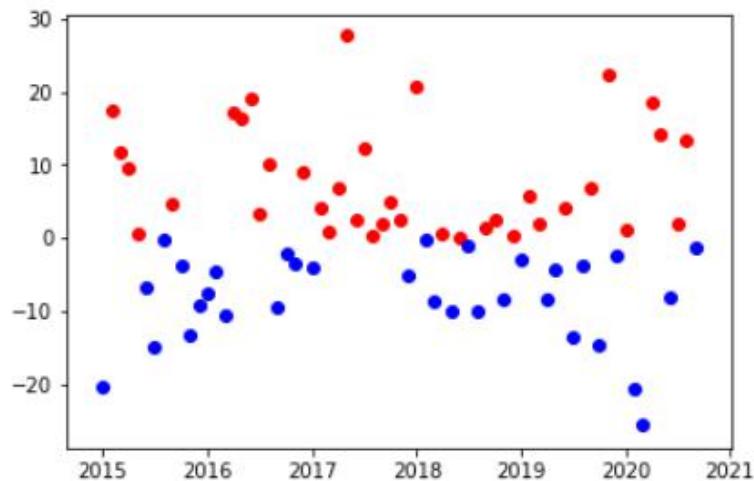


Fig 5: scatter-plot representation of the percentage change in stock price for GTBank from 2015-2020.

From the above, we visualize the percentage change of GTB stock prices, where the red points represent the positive data points, and the blue, the negative data points. A close look reveals that the highest percentage change is about 30% as against the lowest at about -25%.

HOW TO BUY SHARES FROM GTBANK.

If you are looking to start investing instead of saving, and you are convinced that GTB is a good investment plan, buying into GTB stock was never easier.

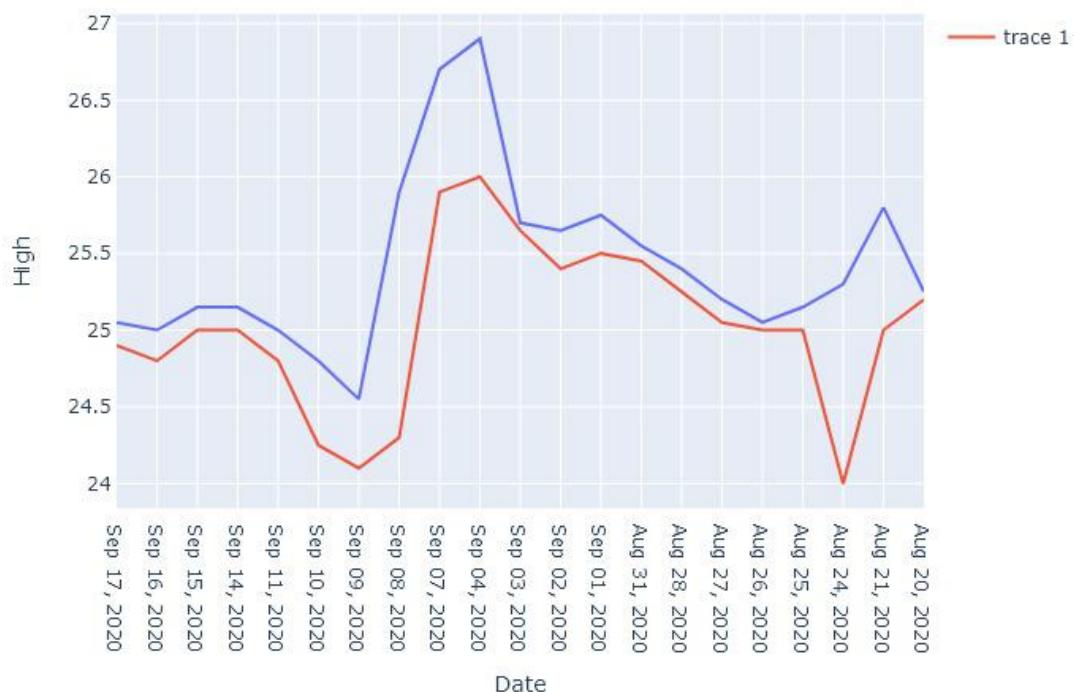


In just five minutes, you can become an investor or stakeholder in Guaranty Trust Bank, Access Bank and Zenith Bank, at the same time, with as less as N1000 by following the following steps:

- Sign up on [Wealth.ng](#)
- Provide bank details
- Provide BVN
- Provide Next of kin
- Update your profile

In conclusion, the figure below gives a visual representation of what the stock trends for GTBank on the stock market looks like from last month to date.

The drastic drop in stock price noticed in September is as a result of the loss incurred by GTB, ZENITH and UBA banks as they lost investors worth about NGN12.2 billion as a result of the drop of crude oil, and the consequent devaluation of the Naira as inferred by [nairametrics](#)



What are you waiting for then? Quickly locate the GTB branch closest to you and become a happy investor too.

REFERENCES:

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2. <https://nse.com.ng>
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