



CARDINALSTONE

Walking THE Political Tightrope



2023 POLITICAL UPDATE

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Executive Summary

As Nigeria edges closer to the 2023 general elections, we assess the factors likely to be pivotal to the outcome of what is expected to be a keenly contested bout for the top job in the country. In particular, this report utilises levers revolving around demography, party spread, candidate appeal, and voter apathy in key strongholds to rate the perceived strength of the leading candidates ahead of the election.

Running off layered scenario analysis, we also present permutations on the combination of factors that could result in an election victory for the leading candidates.

Hinging on the increasing likelihood of shifts in voting paradigms, we note that the 2023 presidential contest may require a second ballot. Nonetheless, we take cognizance of the pro-market inclinations of the three profiled candidates, driving our post-election prognosis for renewed investor confidence in Nigerian capital markets.

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Profiling the Leading Candidates



Atiku Abubakar

Atiku Abubakar (AA) is a businessman and politician, who served as the Vice President of Nigeria from 1999 to 2007 during the Olusegun Obasanjo administration. In 1998, he was elected Governor of Adamawa State but opted to become Obasanjo's running mate. In his time as Vice President, he championed the privatisation of several public corporations. In May 2022, he won the presidential primaries of the Peoples Democratic Party (PDP).

Before politics, AA served in the Nigeria Customs Service for 20 years, rising to the second highest position in the Command at the time. Upon retirement, he took up business full-time, going ahead to found several companies including Intels Nigeria and Adama Beverages Limited. He is also the founder of American University of Nigeria, situated in his native Adamawa State.

Bola Ahmed Tinubu (BAT) is an accountant and politician, who served as the Senator for Lagos West during the brief Third Republic (1992-3), and as Governor of Lagos State from 1999 to 2007 under the Alliance for Democracy (AD) flag. His gubernatorial stint was marked by attempts at modernizing the Lagos metropolis and his feuds with the PDP-controlled Federal Government. Since leaving office in 2007, he has played a key role in the formation (2013) and sustenance of the All Progressives Congress (APC). In June 2022, he emerged as the APC's flagbearer for the 2023 presidential election.

Prior to public service, BAT worked as a staff auditor for Deloitte & Touche in the United States of America. Returning to Nigeria in 1983, Tinubu joined Mobil Oil Nigeria, and later became the company treasurer.



Bola Ahmed Tinubu



Peter Obi

Peter Obi (PO) is a businessman and politician, who served as the Governor of Anambra (March – November 2006, February – May 2007, and June 2007 – March 2014) on the All-Progressives Grand Alliance (APGA) platform. His administration focused on fostering public-private collaborations for human capital development and poverty alleviation. After leaving office in 2014, Obi decamped to the PDP, and was selected as Atiku Abubakar's running mate for the 2019 presidential election. In 2022, he defected to the Labour Party (LP) and clinched the ticket to run for the presidency in 2023.

His private sector record includes service as a former Board Chairman for the Securities and Exchange Commission (SEC) and Fidelity Bank Plc amongst others.



Part 1:

Key levers to the 2023 election outcome

Demographic considerations

Africa's most populous country is also its most diverse, with over 350 recognised ethnic groups that espouse unique customs and orientations. While the plethora of these demographic factors can influence electoral outcomes, our ex-ante analysis focuses on two primary drivers: ethnicity and religion.

Tribal variety have coloured Nigeria's pre-independence political landscape and has remained an essential value factor across the many iterations of the Federal Republic. The country boasts three dominant tribes (Hausa-Fulani, Yoruba, and Igbo), which jointly account for 66.7% of the population. These tribes are distantly followed by the Tiv (2.4%), Kanuri/Beriberi (2.4%), Ibibio (1.8%), and Ijaw (1.8%). Unsurprisingly, save for Goodluck Jonathan (2010 - 2015), all the civilian and military Heads of State in Nigeria have emanated from the three dominant tribes. In our view, this stronghold of tribal hegemony will likely subsist in 2023.

In addition, historical voter behaviour at the presidential level reflects the increasing influence of religion in a nation with 98.0% citizenry roughly evenly split between Christianity and Islam. Although sensitive and controversial, Nigeria's religious duopoly has become more ubiquitous because of its implications for shaping ethnic relations and the balance of power. For context, of all 18 political parties fielding presidential candidates, the APC is the only one with running mates of the same religion. In our view, the APC's same-religion ticket appears to be a strategy to endear the party to the predominantly Muslim North.

Party footprints

Within Nigeria's political landscape, pushing party footprints requires a targeted strategy to overcome ethnic and religious biases that threaten to become even more evident in the ongoing iteration of political events. Against this backdrop, we try to ascertain the reach of the major political parties in Nigeria. For ease of measurability, the number of states controlled, seats in states and federal legislatures, and performances in previous presidential elections are used as proxies of footprints. Our horizontal analysis (using data spanning the last four election cycles) revealed the following:

- The hegemony of the two dominant political parties in the country since the transition to civilian rule in 1999;
- The upstaging of PDP by the current ruling party, APC, since 2015;
- The bandwagon effect of the change in central control, including carpet crosses and political realignments;

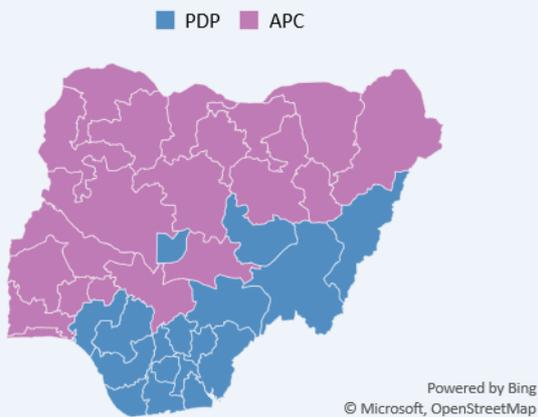


- South-South and South-East have historically been pro-PDP;
- North-East and North-West have traditionally leaned towards the APC;
- Even though the APC has won North-Central and South-West geopolitical zones in the last two elections, the lower margins of victory suggest that the sections are more susceptible to swings.

Currently, APC and PDP control almost all the constituent states of the country and legislative seats in the National Assembly. The former has control of 23 states and over 41.2% of the central legislature. Before the 2015 shock election outcome, PDP was the dominant political party, with a controlling presence across states and the national legislative houses.

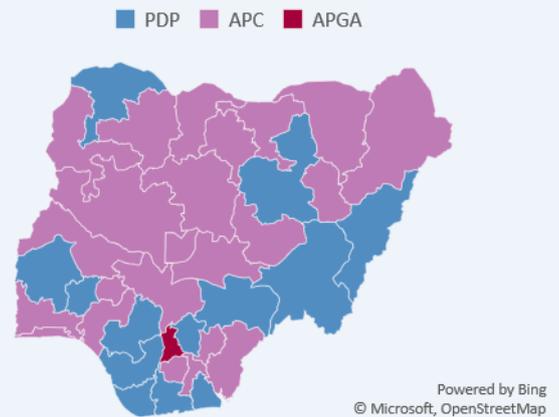
It is worthy of note that Nigeria now appears to have relatively credible "third forces" in the polity, the Labour Party (LP) and the New Nigeria Peoples Party (NNPP). Even though these parties do not enjoy the same footprints as their more influential counterparts, their vigorous campaigns and growing acceptance have engendered the feeling that the country may be edging closer to the end of two-party dominance.

Figure 1: APC and PDP utterly dominated the presidential ballot in 2019



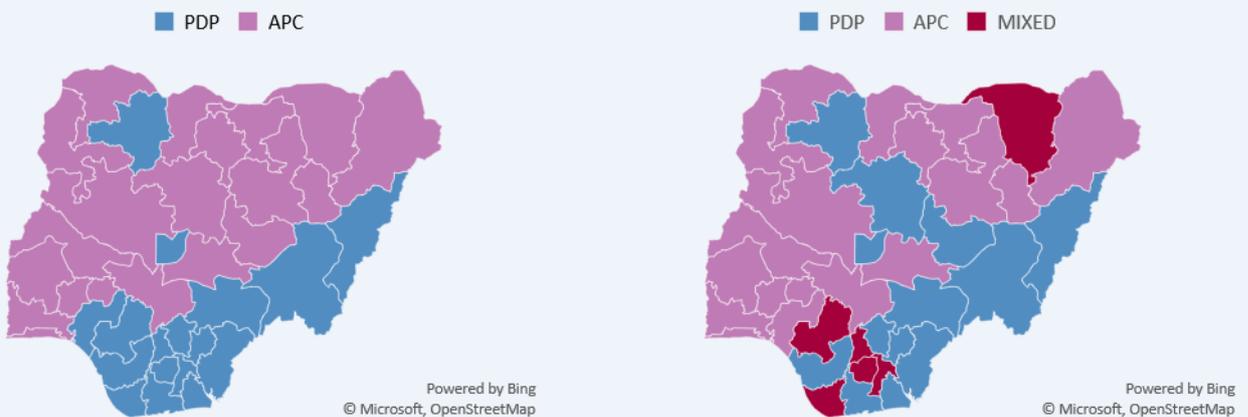
Source: INEC, CardinalStone Research

Figure 2: APC-PDP hegemony is clear across the states



Source: INEC, CardinalStone Research

Figure 3: Party allegiances within the Ninth Assembly of Nigeria's bicameral federal legislative body.



Source: INEC, CardinalStone Research | *L-R: Senate and House of Representatives



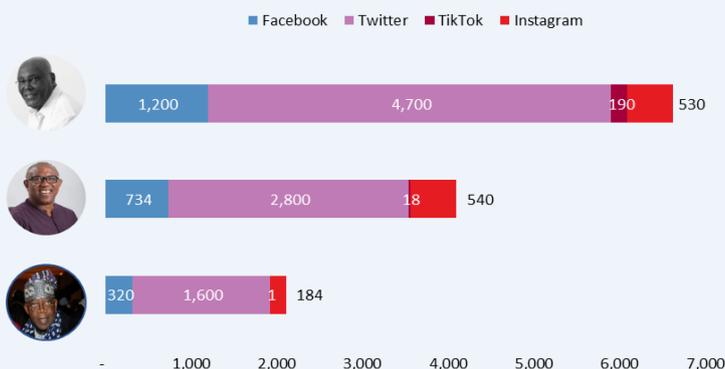
Candidates' popularity

Nigeria's presidential elections are typically popularity contests. Specifically, a candidate must receive a majority of the votes and over 25.0% of the votes cast in at least two-thirds of the states to emerge victorious. These criteria have propelled the candidates to pursue broad-based public buy-in using several platforms, most notably the media. However, there seems to be a relative lack of organised data from conventional media sources to measure popularity. Yet, given the importance of this barometer and the demographic composition of the country (mostly young people), we have tried to assess popularity using the strength of followership and sentiments on new media (Twitter, Facebook, TikTok, and Instagram). The result of our analysis revealed the following:

- Atiku has greater followership (c.6.3 million) across assessed social media platforms;
- Growth in social media following appears to be more aggressive for Peter Obi, with his number of followers per year of 542,934 outpacing those of Atiku (376,289) and Tinubu (130,590);
- From a sentiment standpoint, social media users are mostly neutral towards the three leading candidates. In our view, this neutrality may be a reflection of the mostly homogenous socio-economic orientations of the front runners of the election;

The results from our assessment notwithstanding, the popularity of a political candidate also reflects their acceptability at the grassroots, wherein a good proportion of electorates (who have little or no access to the new media) are domiciled. Factors such as validations from key religious and traditional leaders are also critical drivers of the popularity of candidates in Nigeria.

Figure 4: Social media followership (in '000s) of the three leading candidates



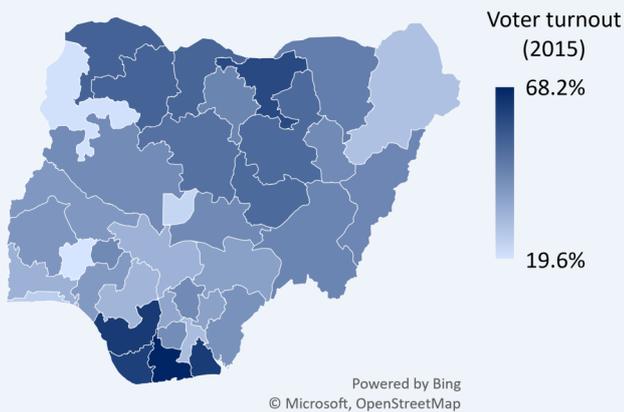
Source: Facebook, Instagram, TikTok, Twitter, CardinalStone Research



Voter apathy in Nigeria one of the highest in the world

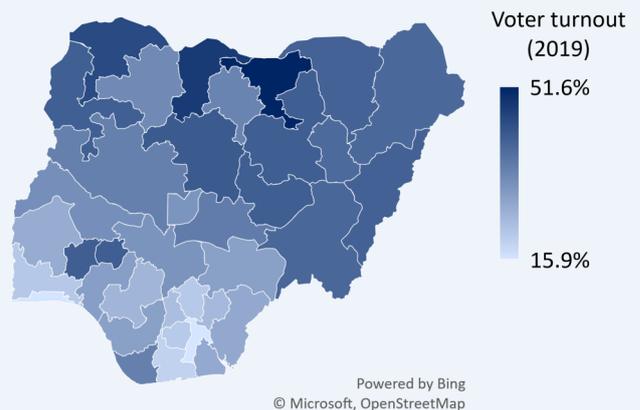
Core to the practice of democracy is citizens' involvement and active participation in civic and political matters. Nigerians, however, have a history of low participation in politics, with the country boasting one of the lowest voter turnouts in the world. For instance, in the 2019 presidential elections, only 28.6 million people voted, representing 32.8% of total registered voters. Offseason elections between 2019 and 2022 reveal that this voter apathy has persisted. Particularly, the proportion of actual to registered voters materially declined in four of the last five offseason elections held in three different geopolitical zones. In the last two presidential elections, the northern geopolitical zones have had the highest voter turnout (40.5% vs 33.7% for the South). Across the board, the South East has had the lowest average turnout (29.2%), followed by the South West (31.2%). In our view, this voter apathy primarily reflects a dissatisfaction with the quality of candidates being put up for elections, a belief that their votes would not count, security concerns, ethnicity and religion.

Figure 5: Voter participation was strongest in North West and South-South in 2015



Source: INEC, CardinalStone Research

Figure 6: The absence of a strong southern candidate in the 2019 election may have driven the weak turnout from the southern zones



Source: INEC, CardinalStone Research

Figure 7: Voting interest correlates with ethnic representation on the presidential ticket of the dominant APC and PDP

Region	2015	2019
North-West	47.2%	42.0%
North-East	42.5%	39.9%
North-Central	38.3%	33.4%
South-South	54.6%	27.0%
South-West	33.2%	29.2%
South-East	37.3%	21.1%

Source: INEC, CardinalStone Research

Figure 8: The voting public shrunk in four of the last five offseason elections



Source: INEC, CardinalStone Research



2023 could be different for voter turnout?

The 2023 presidential election is set to be historic for the country as four regions are well-represented by candidates with a fair chance of winning. From the North, we have Atiku Abubakar from the North-East and Rabiu Kwankwaso from the North-West. We also have Bola Ahmed Tinubu from the South-West and Peter Obi from the South-East. Going by the historical trend, we see scope for increased turnouts from the highlighted zones in the coming election. The recent surge in interest in election-related activities induced by the #getyourpvc movement further supports our prognosis. Already, INEC CVR data indicates that at least an additional 13 million voters have registered to participate in the 2023 election.

Other considerations

- **Electronic transmission of results could be a game changer.** The recently approved Electoral Act emphasises the electronic transmission of results from polling units across the country. This initiative is likely to limit the scope for uncontrolled election results manipulations, with the recently concluded Anambra and Osun state elections highlighted as having benefitted from the technology. This positive view on the technology also reflects INEC's position that mobile networks adequately cover 93.0% of Nigeria's polling units and have legroom to cover the remaining 7.0%. However, given that 2023 will see the first country-wide deployment, we worry about likely initial teething problems.
- **Insecurity remains a great risk.** The menace of insecurity in the country is certainly centre stage as Nigeria heads to the polls in 2023. Violence has been widespread across the 6 geopolitical zones, induced by religious conflicts and acts of terrorism. Data from Council on Foreign Relations suggest that over 72.1% of the conflict-related casualties recorded in Nigeria over the last 12 years are biased to the North-Central and North-East zones, with Borno, Yobe, and Adamawa states predominantly affected. Aside from the Northern conflict, there seem to be growing concerns of insecurity in South-East Nigeria, with INEC reporting 41 attacks carried out on its offices in the zone since the 2019 general elections. In addition, with only 450,000 security personnel guarding about 200 million citizens (ratio of 0.23%), security apparatus could be stretched during the polls, with associated risks of insurgents hitting vulnerable areas. Notwithstanding these concerns, we highlight that the last two general elections have been largely devoid of material cases of violence.



Part 2:

Scenario analysis for possible presidential election outcomes

Thematic assumptions

- We projected average voter turnout to rise to 49.3% in 2023 from 42.4% in 2019. In our view, the improvement in voter turnout is likely to mostly reflect increased participation in North-East, South-East, and South-West, all of which boast leading candidates for the upcoming election. However, we highlight elevated insecurity levels in the South-East and North-Central and documented disaffection towards electoral processes in the former as downside risks to our projections for improved voter turnout in the geopolitical zones.
- For geopolitical zones with leading candidates, we adopted the highest voter turnout over the last three election cycles (adjusted for drags such as insecurity) for our analysis. The mean voter turnouts were left unchanged for the other zones.
- Buhari has a cult following in the North, and his absence may be felt.

Figure 9: Voter registration information and expected regional voter turnouts in the 2023 presidential elections

Region	Estimated Registered Voters	*Average Voter Turnout	2023 Estimated Voter Turnout	Implied Voters
North-Central	15,363,731	40.2%	40.2%	6,172,200
North-East	12,542,429	46.1%	56.0%	7,023,760
North-West	22,255,562	48.4%	48.4%	10,771,692
South-East	10,907,606	40.5%	63.0%	6,871,792
South-South	14,440,714	47.9%	47.9%	6,917,102
South-West	17,958,966	31.5%	40.0%	7,183,586
Total	93,469,008		48.3%	44,940,132

Source: INEC, CardinalStone Research | * Average voter turnout across the last three election cycles



Thematic considerations

We highlight 6 unique considerations that could shape the presidential election outcome:

Consideration	Commentary
Tinubu may win core North; Atiku may better his previous performance	<p>The Arewa are a historically monolithic electoral bloc. However, there is growing sentiment that Tinubu may not necessarily inherit Buhari's appeal in the Arewa. The underlying rationale here is the APC's 2019 gubernatorial losses in Bauchi and Sokoto (pro-Buhari states) and the narrowed majorities in the vote-heavy Kaduna and Kano. While we believe the APC has the advantage in the North-East and North-West, we see scope for reduced margins compared to 2015 and 2019. In our view, in the absence of the much-loved incumbent, Atiku's appeal as a Northerner could see him better his 2019 numbers.</p> <p>However, Tinubu's running-mate choice of Shettima, who is from the same geopolitical zone as Atiku, could translate into a discernible buffer against the reinvigorated PDP candidate. Ultimately, this has stimulated a fierce race between the APC and PDP for high-society endorsements.</p>
Atiku may not need to win the North-East and North-West	<p>Notwithstanding our base projection for an APC victory in the core North, our permutations reveal that winning the North-East and North-West need not be an absolute priority for Atiku. For context, relative to Buhari's highly skewed voter distribution in the 2019 election, Atiku appeared to have had a more even voter spread. Precisely, the standard deviation of his vote across the country came in at 3.0%, compared to Buhari's 13.0%. Furthermore, ex the North-West, Buhari's victory margin over Atiku significantly contracts to 2.0%, as against the actual 35.0%.</p>
Atiku is likely to best Tinubu in the North-Central; Peter Obi to profit	<p>We see a similar shift in voter dynamics in the North-Central, with the potential for a better outlook for Atiku, given that he lost the zone in 2019 by only less than 450,000 votes. Historically, the North-Central has delivered a unique mix of presidential election outcomes, primarily due to its mostly diverse ethno-religious landscape. Nonetheless, there is growing angst against the APC's Muslim-Muslim ticket amongst the zone's Christian population. The party would be wary of possibly reduced sway due to the lack of gubernatorial incumbents on the 2023 ballot in Kogi, Kwara, and Niger. To this end, Atiku can be confident of his improved appeal in the zone and capacity to better his 2019 winning margins in Benue, the FCT and Plateau. However, remedying his poor showing in Niger—the second largest by number of electorates in the zone—must be an absolute priority.</p> <p>Elsewhere, we see scope for Peter Obi to reap the benefits of a possible change in voter behavior. His acceptance in the zone has seen an upward momentum.</p>
Peter Obi could dominate the South-East and dilute PDP's South-South romance.	<p>Were this the usual two-horse race, we would waste no time predicting positive electoral outcomes for the Atiku in the South East and South-South, on the grounds that PDP has won the region in every election since 1999. However, there will be heightened concerns in the PDP camp over Peter Obi's candidacy, given his political capital in the South-East and overall appeal in the zones.</p>



Consideration	Commentary
<p>Tinubu may need South-West to step up for him</p>	<p>Having catapulted himself from a two-term Governor of Lagos between 1999 to 2007 to the heart of politics in the zone, Tinubu could comfortably coast to a near-clean sweep of the electorates in his native South-West. While the APC can be expected to sweep the zone owing to its sheer dominance of grassroots politics, there is increasing PDP and Labour Party optimism that the APC can be pressured.</p> <p>Outside Lagos, we note the gubernatorial resurgence of the PDP in Oyo, and the slim APC edge in Ogun, which may be easily upturned in the event of non-performance of the incumbent administration.</p>
<p>Governors cannot be sidelined</p>	<p>While presidential candidates set out to test their nationwide appeal, campaigns are mostly designed to focus on state-by-state strategies, given the varying peculiarities. This has made each party's gubernatorial caucus a critical component of all presidential bids since 1999. The governors recognise this and often use this positioning to bargain for their political futures. In return, they apply themselves to deliver optimal performances for their party's flagbearer. This makes it easier to rationalise the concerns of the G5 governors (of PDP-controlled Rivers, Oyo, Benue, Abia and Ebonyi).</p> <p>Recognising the potentially adverse impact of the G5 dissonance with the party's flagbearer, PDP chieftains have ceaselessly scrambled to keep the peace and present a unified front. For Peter Obi, the G5 offers a possible allied axis for inter-regional movements. Yet, broadly, all the leading candidates continue to court the G-5 given their potential relevance and capacity for influence.</p>



The Case for Atiku Abubakar (AA) and the Peoples Democratic Party (PDP)

Scenario AA1: PDP closes the gap in the North-East and North-West

Assumptions:

- The PDP wins South-South convincingly, retains its popularity in the North-Central, and improves its performance in North-East and North-West;
- APC will take the majority across the North-East and North-West, but the absence of Buhari will lead to a discernible redistribution of voters towards the PDP;
- APC sweeps the South-West but performs poorly in the South-East;
- The Labour Party takes the South-East but performs poorly in the North.

Figure 10: Ballot distribution for scenario AA1

Scenario AA1		Proportion of PDP Votes		Proportion of APC Votes		Proportion of LP Votes	
Geopolitical Zones	Projected Votes in 2023	2019	2023	2019	2023	2019	2023
North-Central	6,172,200	45.1%	44.2%	54.80%	41.6%	NM	12.3%
North-East	7,023,760	27.9%	39.7%	72.00%	56.5%	NM	2.6%
North-West	10,771,692	27.6%	40.0%	72.30%	56.2%	NM	2.7%
South-East	6,871,792	80.7%	34.3%	19.20%	7.2%	NM	56.6%
South-South	6,917,102	68.0%	59.9%	31.90%	22.4%	NM	15.7%
South-West	7,183,586	46.6%	33.6%	53.10%	52.6%	NM	11.8%
Implied Total Votes	44,940,132	11,262,978	18,419,747	15,191,847	18,117,315	NM	6,902,750

Source: INEC, CardinalStone Research

Commentary: This scenario focuses on how PDP can emerge victorious by improving vote capture in geopolitical zones where it performed poorly over the last three election cycles. Specifically, our investigations revealed that the PDP mostly underwhelmed in the North-East and North-West. Still, there is reason to believe it is now intensifying its overtures to the Northern electoral tastemakers. This scenario also posits that even if North-Central vote patterns do not improve and the PDP loses steam in the South-East and South-West, picking APC's pockets in either the North-East or North-West could prove sufficient.



The Case for Atiku Abubakar (AA) and the Peoples Democratic Party (PDP)

Scenario AA2: PDP loses more grounds in the South but rides its northern resurgence

Assumptions:

- PDP achieves an even greater improvement in voter capture in the North-East and North-West that compensates for a more aggressive Labour Party push in the South;
- The scenario assumes the PDP will retain a slender margin of victory in the North-Central, losing some grounds to Labour Party;
- PDP loses more ground in the South-South but still manages to achieve marginal victory in the zone;
- PDP loses in the South-East and South-West

Figure 11: Ballot distribution for scenario AA2

Scenario AA2		Proportion of PDP Votes		Proportion of APC Votes		Proportion of LP Votes	
Geopolitical Zones	Projected Votes in 2023	2019	2023	2019	2023	2019	2023
North-Central	6,172,200	45.1%	41.7%	54.8%	39.2%	NM	17.2%
North-East	7,023,760	27.9%	47.7%	72.0%	47.7%	NM	2.7%
North-West	10,771,692	27.6%	38.0%	72.3%	57.3%	NM	2.7%
South-East	6,871,792	80.7%	41.7%	19.2%	7.2%	NM	49.2%
South-South	6,917,102	68.0%	37.5%	31.9%	26.2%	NM	34.3%
South-West	7,183,586	46.6%	28.4%	53.1%	39.2%	NM	29.4%
Implied Total Votes	44,940,132	11,262,978	17,222,766	15,191,847	16,796,308	NM	9,211,527

Source: INEC, CardinalStone Research

Commentary: This scenario considers a more aggressive Labour Party push in the South. Hence, to win the election, the PDP must achieve a better voter capture in the North-East and North-West than in Scenario AA1 and not lose material grounds in the North-Central. In particular, the PDP will have to match the APC vote strength in the North-East under this scenario. In addition, the PDP benefits from the pacy expansion of the Obidient movement, which is likely to cannibalise APC, particularly in the South-West.



The Case for Bola Ahmed Tinubu (BAT) and the All Progressives Congress (APC)

Scenario BAT1: APC loses some grounds in the North, but still emerges with victory

Assumptions:

- The APC wins the election despite losing grounds in zones like the North-East and North-West to the PDP;
- APC also benefits from the Labour Party's cannibalisation of PDP votes, mainly in the South-East and South-South;
- The APC also retains similar victory margins in the South-West, with the Labour Party and PDP unable to battle its widespread grassroots strength.

Figure 12: Ballot distribution for scenario BAT1

Scenario BAT1		Proportion of PDP Votes		Proportion of APC Votes		Proportion of LP Votes	
Geopolitical Zones	Projected Votes in 2023	2019	2023	2019	2023	2019	2023
North-Central	6,172,200	45.1%	33.4%	54.8%	52.2%	NM	12.4%
North-East	7,023,760	27.9%	27.3%	72.0%	66.1%	NM	4.7%
North-West	10,771,692	27.6%	27.3%	72.3%	66.0%	NM	4.7%
South-East	6,871,792	80.7%	26.1%	19.2%	18.0%	NM	53.9%
South-South	6,917,102	68.0%	39.9%	31.9%	31.4%	NM	26.7%
South-West	7,183,586	46.6%	33.0%	53.1%	53.4%	NM	11.6%
Implied Total Votes	44,940,132	11,262,978	13,610,629	15,191,847	21,853,893	NM	7,835,070

Source: INEC, CardinalStone Research

Commentary: In this scenario, we assume that the APC's Muslim-Muslim ticket results in some loss of grounds in the North and further weaknesses in the South-East and South-South. However, Tinubu emerges President Elect, aided by strong performance in the South-West. The projected APC victory in this case is also hugely dependent on the expected cannibalisation of PDP dominance in the South-East and South-South by the Labour Party.



The Case for Bola Ahmed Tinubu (BAT) and the All Progressives Congress (APC)

Scenario BAT2: APC retains northern dominance

Assumptions:

- APC maintains controlling support in the North West and North East similar to previous elections;
- The strong northern votes completely mask relative weaker outings (vs mean of last three election cycles) in the South East, South South, South West, and North Central;
- PDP is weakened by the presence of the Labour Party in the Southern zones.

Figure 13: Ballot distribution for scenario BAT2

Scenario BAT2		Proportion of PDP Votes		Proportion of APC Votes		Proportion of LP Votes	
Geopolitical Zones	Projected Votes in 2023	2019	2023	2019	2023	2019	2023
North-Central	6,172,200	45.1%	43.6%	54.8%	39.2%	NM	15.2%
North-East	7,023,760	27.9%	21.6%	72.0%	73.9%	NM	2.6%
North-West	10,771,692	27.6%	21.2%	72.3%	74.2%	NM	2.6%
South-East	6,871,792	80.7%	37.1%	19.2%	7.7%	NM	53.2%
South-South	6,917,102	68.0%	42.1%	31.9%	21.6%	NM	34.3%
South-West	7,183,586	46.6%	24.5%	53.1%	44.1%	NM	29.4%
Implied Total Votes	44,940,132	11,262,978	13,472,381	15,191,847	20,480,854	NM	9,346,357

Source: INEC, CardinalStone Research

Commentary: In this scenario, Tinubu emerges victorious by retaining the APC hegemony in the North. This scenario also reflects the view that some of the goodwill of the incumbent could rub off on Tinubu and that the pull of Shettima in the North-East will help fight off competition from Atiku. APC is also expected to leverage its grassroots support in the South-West, to prevent material loss of ground.



The Case for Peter Obi (PO) and the Labour Party (LP)

Scenario PO: Growing southern influence pays off

Assumptions:

- The Labour Party records significant triumphs in the South-East and South-South while pressuring the bigger parties in the South-West
- The party is also able to pull its weight in the North-Central, due to the high Christian population in the geopolitical zone
- Labour Party faces significant headwinds in the North-East and North-West, given its significantly weaker party footprint. However, the recent endorsement from northern groups could increase the chances of the party achieving the 25% of 2/3rd criteria for clinching the top job.

Figure 14: Ballot distribution for scenario PO

Scenario PO		Proportion of PDP Votes		Proportion of APC Votes		Proportion of LP Votes	
Geopolitical Zones	Projected Votes in 2023	2019	2023	2019	2023	2019	2023
North-Central	6,172,200	45.1%	28.5%	54.8%	35.5%	NM	34.0%
North-East	7,023,760	27.9%	50.4%	72.0%	39.2%	NM	8.4%
North-West	10,771,692	27.6%	35.1%	72.3%	54.4%	NM	8.5%
South-East	6,871,792	80.7%	21.6%	19.2%	6.4%	NM	70.0%
South-South	6,917,102	68.0%	23.6%	31.9%	6.4%	NM	68.0%
South-West	7,183,586	46.6%	32.3%	53.1%	40.4%	NM	25.3%
Implied Total Votes	44,940,132	11,262,978	14,293,034	15,191,847	14,361,074	NM	14,645,484

Source: INEC, CardinalStone Research

Commentary: Peter Obi emerges the winner in this scenario by the slimmest of margins. This analysis shows the impact of Peter Obi maximising support from core South-East and the neighbouring South-South, which could mask a potentially poor performance in the North. However, he would require competitive outings in the South-West and North-Central. Furthermore, in order to win the election, Peter Obi still needs to obtain 25.0% of the votes cast from at least a state in the North-East and North-West. This support could come from the recent endorsement from the northern groups.



Additional commentary

High likelihood of a historic first run-off election

The 25% of two-third of states condition for emerging president is often less published. However, it highlights the all-important nationwide credential of a candidate's political party. While the PDP remains the only party to have satisfied this condition in every election since 1999, the APC has proven adept at it since its debut in 2015. For the Labour Party, we note its rapidly growing base, especially in the Southern region. However, satisfying the second condition could prove herculean, even in the possibility of attracting the popular majority. As such, a run-off election could be required for the first time in Nigeria's electoral history if no clear winner emerges.

Candidates' pro-market disposition elicits good omen

All in, we note the similar pro-market identities among the leading candidates, even though their preferred execution strategies may differ. In addressing prevalent socioeconomic headwinds, their objectives appear converged on reducing budgetary deficits vis-à-vis increased revenue generation, fuel subsidy elimination, reimagination of the country's infrastructural profile, contained currency struggles, improved local content production, and accelerated public sector efficiency. Furthermore, we like the more cerebral nature of the candidates' manifestos, which we believe are responses to rising voter enlightenment. Ultimately, we see scope for renewed investor confidence in domestic capital markets, irrespective of who emerges as the helmsman for the next iteration of Nigeria's democratic journey.



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