STOCK RECOMMENDATION – APRIL 14, 2020

MARKET REVIEW

For the week ended April 09, 2020

- The Nigerian bourse halted its bearish streak last week, closing in positive territory on three of the four trading days. As a result, the All Share Index ticked up by 1.37% to settle at 21,384.00pts
- The **NSEB10** outperformed other indices, advancing by 12.39% WoW. The **NSEFB10** and **NSEINS10** also recorded gains of 6.50% and 0.18% respectively. The **NSEOG5** and **NSEIND**, however, closed in the negative, shedding 4.76% and 6.59% respectively.
- **WAPCO** emerged as the top gainer during the week, having advanced by 41.34% to close at NGN12.65. **ARDOVA** however led the losers' chart, shedding 18.48% of its share price to close at NGN11.25.
- **The bullish sentiment witnessed last week was spurred by bargain hunting across counters especially in the banking and consumer goods space.**

MARKET PREVIEW

For the week commencing April 14, 2020

- The extension of the lock down in key states by 14 days further casts a cloud in the macroeconomic space. With reduced business activities and restriction in movements, we expect prevailing sentiment to remain.
- Although, the OPEC+ move to slash production by 9.7mbpd should instill some hope, we opine that this will be shortlived as demand for crude remains downbeat amid the ongoing pandemic.
- The National Bureau of Statistics is set to release inflation data for March 2020 and we expect an uptick to 12.28%, hinged on the surge in demand for food items amidst the continued border closure.
- **Based on these considerations and in the absence of other positive developments, we expect the market to close down this week.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NSEASI			21,384.03	21,094.62
Market Cap [NGN'tr]			11.14	10.99
Market Cap [USD 'bn]			30.86	29.73
Volume Traded [bn]			2.44	1.53
Value Traded [NGN'bn]			19.93	11.27
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NSEASI	1.37%	0.39%	0.37%	-20.33%
NSE-30	1.84%	0.70%	0.70%	-22.85%
NSE-B10	12.39%	11.73%	11.73%	-26.15%
NSE-FB10	6.50%	2.79%	2.79%	-43.56%
NSE-OG5	-4.76%	-4.25%	-4.25%	-21.49%
NSE-INS10	0.18%	-1.19%	-1.19%	-6.23%
NSE-IND	-6.59%	-7.66%	-7.66%	-10.69%
Value				**Volume**
GUARANTY	6,343,198,591		**GUARANTY**	350,571,728
NESTLE	2,739,579,875		**FBNH**	251,730,490
DANGCEM	2,665,302,704		**ZENITHBANK**	119,681,182
ZENITHBANK	1,542,901,789		**FIDELITYBK**	91,002,471
MTNN	1,110,715,362		**UBA**	80,626,304
Highest Gainers	**%**		**Highest Losers**	**%**
WAPCO	41.34%		**ARDOVA**	-18.48%
WEMABANK	25.53%		**SKYAVN**	-15.61%
UBA	25.25%		**BUACEMENT**	-12.75%
STERLNBANK	25.23%		**CUTIX**	-10.00%
FIDELITYBK	24.26%		**LEARNAFRCA**	-10.00%

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	Fundamentals					Trailing				Market Performance			Valuation					
	AT	NM	ROE	ROA	Lev	EPS	BVP	P/E	P/BV	Yr Hi	Yr Lo	YtD Return	Target PE	Exp. EPS	2020 TP	Last Wk. Pr	UPP	RT
Financial Services																		
Banks																		
ACCESS	0.09	14.6%	16.0%	1.4%	11.7	2.74	17.17	2.3x	0.4x	11.60	5.40	-36.00%	2.8x	3.36	9.41	6.65	+42%	BUY
ETI	0.10	11.8%	13.2%	1.2%	12.5	4.02	27.81	1.4x	0.2x	13.50	4.05	-31.54%	1.5x	3.50	5.25	4.65	+13%	BUY
FCMB	0.12	9.57%	9.03%	1.1%	8.1	0.88	10.13	1.68x	0.2x	2.09	1.45	-17.30%	1.9x	0.84	1.60	1.71	-6%	HOLD
FIDELITYBK	0.10	13.2%	13.3%	1.3%	9.0	0.98	8.08	1.8x	0.2x	2.37	1.53	2.44%	2.27x	0.89	2.02	2.10	-4%	HOLD
FBNH	0.10	10.1%	9.6%	1.0%	9.6	1.73	17.90	2.3x	0.2x	8.20	3.70	-34.15%	-	-	-	4.70	-	UR
GUARANTY	0.12	45.2%	28.6%	5.2%	5.5	6.69	23.35	2.8x	0.8x	37.50	16.75	-37.88%	4.6x	6.99	32.43	18.85	+72%	BUY
STANBIC	0.12	32.1%	24.8%	4.0%	6.2	7.33	29.51	3.3x	0.8x	48.50	23.85	-36.59%	5.3x	7.19	38.25	26.00	+47%	BUY
STERLNBANK	0.13	7.1%	9.8%	0.9%	11.0	0.37	4.15	3.0x	0.3x	2.40	0.99	-40.70%	4.71x	0.39	1.84	1.39	+32%	BUY
UBA	0.10	15.9%	14.9%	1.6%	9.4	2.60	17.49	2.1x	0.3x	8.90	4.40	-13.29%	2.6x	2.41	6.26	6.20	+1%	HOLD
UBN	0.09	11.9%	11.3%	1.6%	7.4	0.68	8.64	7.7x	0.8x	7.20	5.70	+10.00%	9.72x	0.71	6.90	6.60	+5%	HOLD
WEMABANK	2.14	7.4%	27.9%	15.7%	1.8	0.12	0.44	4.2x	1.2x	0.80	0.44	-29.73%	5.2x	0.14	0.73	0.59	+24%	BUY
ZENITHBANK	0.10	31.5%	22.2%	3.3%	6.7	6.65	30.00	1.9x	0.4x	22.75	10.70	-32.26%	3.1x	7.50	23.06	14.00	+65%	BUY
Insurance																		
AIICO	0.33	12.9%	32.3%	4.2%	7.6	0.87	2.69	0.9x	0.3x	0.83	0.67	+4.17%	1.1x	0.85	0.94	0.84	+12%	BUY
CORNERST	0.43	41.7%	50.7%	18.0%	2.8	0.35	0.69	1.7x	0.8x	0.69	0.21	+28.89%	3.5x	0.21	0.74	0.54	+37%	BUY
LASACO	0.85	12.2%	16.7%	10.3%	1.6	0.16	0.93	1.4x	0.2x	0.31	0.20	-12.00%	3.8x	0.10	0.39	0.23	+70%	BUY
LAWUNION	0.51	-12.9%	-10.7%	-6.5%	1.6	-0.17	1.55	-5.7x	0.6x	1.05	0.50	+90.00%	4.0x	0.18	0.73	0.98	-26%	SELL
LINKASSURE	0.24	3.7%	1.2%	0.9%	1.3	0.03	2.31	15.1x	0.2x	0.55	0.38	-22.64%	5.0x	0.12	0.60	0.46	+30%	BUY
MANSARD	0.45	7.3%	9.6%	3.2%	3.0	0.24	2.53	7.2x	0.7x	2.20	1.51	-11.62%	9.3x	0.31	2.88	1.58	+82%	BUY
NEM	0.69	13.7%	17.2%	9.5%	1.8	0.40	2.35	4.7x	0.8x	2.42	1.44	-21.90%	5.4x	0.57	3.05	2.07	+47%	BUY
WAPIC	0.51	0.1%	0.1%	0.1%	1.8	0.00	1.28	179.7x	0.2x	0.42	0.21	-23.53%	2.5x	0.23	0.58	0.26	+123%	BUY
CUSTODIAN	0.41	16.0%	16.7%	6.6%	2.5	1.26	7.55	4.7x	0.8x	6.30	4.95	-1.67%	4.9x	1.45	7.11	5.75	+24%	BUY

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	AT	NM	ROE	ROA	Lev	EPS	BVP	P/E	P/BV	Yr Hi	Yr Lo	YtD Return	Target PE	Exp. EPS	2020 TP	Last Wk. Pr	UPP	RT
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.86	2.9%	5.3%	2.5%	2.1	1.92	36.09	13.1x	0.7x	64.00	25.20	-16.14%	17.6x	1.73	30.45	22.70	+ 34%	BUY
NB	0.84	5.0%	9.6%	4.2%	2.3	2.01	20.98	12.7x	1.2x	69.50	25.50	-56.78%	23.8x	1.80	42.78	22.20	+92%	BUY
Packaged Foods & Meats																		
CADBURY	1.31	3.4%	10.1%	4.5%	2.2	0.69	6.84	9.0x	0.9x	10.85	4.95	-41.23%	18.5x	0.61	11.33	6.90	+ 64%	BUY
DANGSUGAR	0.89	13.2%	19.9%	11.8%	1.7	1.66	8.37	5.4x	1.1x	15.05	9.00	-33.82%	5.6x	1.60	9.06	10.70	-15%	SELL
HONYFLOUR	0.59	-1.3%	-1.3%	-0.7%	1.7	-0.12	9.60	-7.9x	0.1x	1.21	0.83	-1.01%	2.5x	0.38	0.95	0.90	+6%	HOLD
FLOURMILL	1.05	1.9%	5.3%	2.0%	2.6	1.99	37.61	10.5x	0.6x	24.00	18.95	+5.58%	8.5x	2.62	22.27	21.50	+4%	HOLD
NASCON	0.92	9.5%	23.5%	8.7%	2.7	1.00	4.25	8.5x	2.0x	19.00	8.50	-34.36%	10.0x	1.36	13.63	8.50	+ 60%	BUY
NESTLE	1.47	16.1%	100.3%	23.6%	4.2	57.63	57.47	13.3x	13.3x	1,498.00	765.00	-47.96%	20.0x	0.00	1,200	830.20	+45%	BUY
UACN	0.76	-25.0%	-36.5%	-18.9%	1.9	-7.41	20.29	-1.0x	0.4x	11.05	7.10	-13.95%	-	-	-	7.05	-	UR
Agricultural Products																		
OKOMUOIL	0.42	28.1%	18.0%	11.9%	1.5	5.63	31.20	9.8x	1.8x	79.00	55.05	-0.99%	-	-	-	55.05	-	UR
PRESCO	0.31	12.9%	10.3%	4.0%	2.6	2.65	25.82	13.7x	1.4x	68.00	36.45	-23.26%	-	-	-	36.45	-	UR
Household & Personal Products																		
PZ	0.93	-2.2%	-3.8%	-2.1%	1.8	-0.41	11.02	-10.6x	0.4x	10.50	3.75	-22.12%	10.0x	0.45	4.50	4.40	+2%	HOLD
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.83	4.1%	5.8%	3.4%	1.7	0.19	3.21	10.4x	0.6x	2.40	1.79	+1.04%	10.5x	0.23	2.42	2.20	+ 10%	BUY
FIDSON	0.71	-4.0%	-6.5%	-2.8%	2.3	-0.27	4.20	-9.0x	0.6x	4.95	2.21	-20.97%	7.0x	0.44	3.08	2.54	+ 21%	BUY
GLAXOSMITH	1.23	3.4%	8.0%	4.2%	1.9	0.58	7.24	6.6x	0.5x	10.80	3.45	-36.89%	5.2	0.97	5.04	4.70	+7%	HOLD
NEIMETH	0.20	13.6%	7.2%	2.8%	2.6	0.04	0.61	11.0x	0.8x	0.62	0.40	-22.58%	2.5x	0.20	0.50	0.52	0%	HOLD

Materials																		
Construction Materials																		
BUACEMENT	0.27	39.8%	976.0%	10.8%	90.7	4.88	0.50	7.2x	70.6x	41.00	34.40	+0.86%	6.5x	4.95	32.19	30.80	+5%	HOLD
DANGCEM	0.51	22.5%	22.3%	11.5%	1.9	11.77	52.69	11.0x	2.5x	188.50	129.00	-8.66%	0.0x	0.00	171.80	117.00	+ 47%	BUY
WAPCO	0.43	54.04%	33.37%	23.15%	0.2	7.15	21.41	1.5x	0.5x	16.35	9.10	-39.22%	0.0x	0.00	16.27	12.65	+ 29%	BUY
Specialty Chemicals																		
CAP	1.33	20.0%	74.8%	26.6%	2.8	2.14	2.87	10.8x	8.1x	37.40	18.00	-3.33%	0.0x	0.00	23.87	23.20	+3%	HOLD
BERGER	0.73	10.3%	12.5%	7.5%	1.7	1.22	9.80	5.0x	0.6x	8.25	6.10	-9.63%	0.0x	0.00	4.87	6.70	- 27%	SELL
Energy																		
CONOIL	2.95	1.2%	10.2%	3.5%	2.9	2.75	26.82	4.8x	0.5x	23.00	13.15	-28.92%	5.6x	4.53	25.37	13.15	+ 93%	BUY
ETERNA	5.01	0.0%	-0.2%	0.0%	4.1	-0.02	9.74	-148.4x	0.2x	4.80	1.99	-33.61%	5.5x	0.70	3.85	2.39	+ 61%	BUY
ARDOVA	3.05	8.1%	75.7%	24.7%	3.1	10.18	13.44	1.4x	1.0x	20.60	13.80	-23.76%	8.0x	2.13	17.08	11.25	+ 52%	BUY
MOBIL	2.31	4.3%	21.0%	10.0%	2.1	21.64	103.00	6.8x	1.4x	167.00	133.20	-0.95%	6.5x	24.88	161.72	160.90	+ 1%	BUY
MRS	1.43	-3.2%	-10.0%	-4.6%	2.2	-6.43	64.27	-2.1x	0.2x	20.85	13.80	-9.80%	498.0x	0.03	14.94	13.80	+8%	HOLD
SEPLAT	0.26	35.6%	13.6%	9.4%	1.4	124.99	921.34	4.4x	0.6x	605.00	544.50	-17.22%	5.5x	127.68	698.41	495.00	+ 41%	BUY
TOTAL	2.09	0.0%	0.4%	0.1%	5.6	0.27	76.01	361.9x	1.3x	196.00	96.30	-13.17%	21.1x	6.17	130.19	96.30	+ 35%	BUY
Telecommunications																		
MTNN	0.77	17.3%	139.7%	13.2%	10.5	9.93	7.11	10.1x	14.1x	128.30	93.10	-4.76%	14.0x	11.37	159.18	95.00	+ 68%	BUY

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HOLD: Target Price of the stock ranges between **-10 percent and 10 percent** from the current market price.

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Contact Information

Brokerage and Retail Services

topeoludimu@meristemng.com (+234 905 569 0627)
abisoyeoludipe@meristemng.com (+234 708 000 7861)
contact@meristemng.com

Investment Banking/Corporate Finance

seunlijofi@meristemng.com (+234 808 536 5766)

Wealth Management

damilolahassan@meristemng.com (+234 803 613 9123)
www.meristemwealth.com
Tel: +234 01 738 9948

Registrars

martinaosague@meristemregistrars.com (+234 802 303 1783)
www.meristemregistrars.com
Tel: +23401-280 9250

Group Business Development

saheedbashir@mersitemng.com (+234 802 454 6575)
ifeomaogalue@meristemng.com (+234 802 394 2967)

Client Services

omosolapeakinpelu@meristemng.com (+234 803 694 3034)
blessingogwuche@meristemng.com (+234 806 738 5485)

Investment Research

ahmedjinad@meristemng.com (+234 809 187 8917)
research@meristemng.com

Corporate websites: www.meristemng.comwww.meristemwealth.comwww.meristemregistrars.com

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