

STOCK RECOMMENDATION – NOVEMBER 09, 2020

MARKET REVIEW
For the week ended November 06, 2020.

- Last week, investors in the Nigerian equities market maintained a largely bullish stance as the **NSEASI** gained 1.59% WoW to settle at 31,016.17pts. The Year-to-Date return, thus, increased to 14.52%.
- All sectoral indices except the **NSEINS** (-1.32% WoW) and the **NSEOG5** (-0.77% WoW) closed positive.
- LIVESTOCK** emerged top gainer with a gain of 30.86% WoW, while **INTBREW** shed 11.80% off its share price to lead the losers.
- Although the market saw pockets of profit taking activities last week, high system liquidity, coupled with depressed fixed income yields remained the major driver of performance last week.

MARKET *P*REVIEW
For the week commencing November 09, 2020

- Economic fundamentals remain weak, further threatened by an increase in COVID-19 cases especially in Lagos.
- Equities are, however, still relatively attractive given the low yields on fixed income instruments.
- The release of key banking sector tickers may influence the market direction this week, even as high system liquidity remains a key driver of performance.
- We expect mixed sentiments this week as profit-taking activities continue. However, we expect buying pressure to dominate and drive the market to a positive close.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NSEASI	31,016.17	30,530.69
Market Cap [NGN'tr]	16.21	15.96
Market Cap [USD 'bn]	42.77	42.10
Volume Traded [bn]	0.64	1.91
Value Traded [NGN'bn]	22.64	23.61

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NSEASI	1.59%	1.59%	15.59%	15.55%
NSE-30	1.74%	1.74%	16.88%	13.97%
NSE-B10	2.17%	2.17%	22.65%	6.69%
NSE-FB10	0.57%	0.57%	21.01%	-7.36%
NSE-OG5	-0.77%	-0.77%	9.50%	-18.61%
NSE-INS10	-1.32%	-1.32%	3.16%	13.81%
NSE-IND	2.87%	2.87%	14.44%	27.01%

Value (NGN)	Volume
ZENITHBANK 3,844,462,346	ACCESS 291,126,167
BUACEMENT 2,395,908,142	FBNH 219,706,472
ACCESS 2,343,476,261	ZENITHBANK 175,505,249
GUARANTY 1,977,275,612	UBA 153,597,621
STANBIC 1,621,506,609	FIDELITYBK 108,237,266

Highest Gainers	%	Highest Losers	%
LIVESTOCK	30.86%	INTBREW	--11.80%
TRANSCORP	19.72%	MANSARD	-9.09%
DANGSUGAR	19.57%	LINKASSURE	-8.89%
CAP	13.02%	CUSTODIAN	-8.26%
LASACO	12.50%	NEM	

	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	0.10	15.4%	14.4%	1.2%	11.6	2.72	18.86	3.0x	0.4x	11.60	5.40	-18.00%	2.64	2.81	7.42	8.20	-10%	HOLD
ETI	0.09	12.4%	11.9%	0.9%	12.6	3.60	30.20	1.6x	0.2x	8.00	3.90	-13.85%	-	-	-	5.60	-	UR
FCMB	0.10	9.9%	9.1%	1.0%	9.2	0.99	10.83	3.1x	0.3x	3.13	1.45	+67.57%	0.98	2.01	1.97	3.10	-36%	SELL
FIDELITYBK	0.09	10.7%	12.5%	1.3%	9.6	1.08	8.65	2.4x	0.3x	2.56	1.53	+24.88%	-	-	-	2.56	-	UR
FBNH	0.09	16.7%	13.0%	1.3%	10.1	2.55	19.62	2.7x	0.3x	7.70	3.70	+11.38%	2.43	2.87	6.97	6.85	+2%	HOLD
GUARANTY	0.10	41.9%	26.6%	4.3%	6.3	6.52	24.50	5.1x	1.4x	34.00	16.75	+12.79%	3.95	6.77	26.74	33.50	-20%	SELL
STANBIC	0.08	35.7%	25.0%	2.8%	9.0	8.20	32.86	5.6x	1.4x	46.50	23.85	+12.20%	-	-	-	46.00	-	UR
STERLNBANK	0.11	7.7%	8.0%	0.8%	10.1	0.36	4.47	5.1x	0.4x	2.04	0.99	-8.54%	3.97	0.36	1.43	1.82	-21%	SELL
UBA	0.08	14.8%	12.1%	1.1%	10.7	2.25	18.56	3.6x	0.4x	8.90	4.40	+13.99%	-	-	-	8.15	-	UR
UBN	0.08	13.1%	7.3%	0.8%	8.6	0.64	8.88	8.3x	0.6x	7.60	4.70	-10.83%	7.64	0.80	6.11	5.35	+14%	BUY
WEMABANK	0.11	3.9%	8.1%	0.5%	15.0	0.12	1.43	5.6x	0.4x	0.79	0.44	-13.51%	4.15	0.11	0.46	0.64	-29%	SELL
ZENITHBANK	0.09	30.0%	22.6%	3.0%	7.7	7.13	31.50	3.1x	0.7x	22.75	10.70	+19.89%	2.80	6.92	19.38	22.30	-13%	SELL
Insurance																		
AIICO	0.25	9.6%	19.2%	2.7%	7.2	0.53	2.78	1.7x	0.3x	1.18	0.67	+27.78%	2.20	0.45	0.99	0.92	+8%	HOLD
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	8.9x	0.3x	0.36	0.20	+44.00%	3.80	0.10	0.38	0.36	+6%	HOLD
LAWUNION	0.36	8.2%	12.1%	6.6%	1.8	0.21	1.71	-	-	-	-	-	-	-	-	-	-	UR
LINKASSURE	0.22	14.6%	6.1%	4.4%	1.4	0.18	2.95	2.3x	0.1x	0.62	0.35	-22.64%	-	-	-	0.41	-	UR
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	4.1x	0.7x	2.20	1.44	+1.01%	6.68	0.39	2.61	2.00	+30%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	4.6x	0.7x	2.42	1.44	-15.29%	3.65	0.61	2.23	2.05	+9%	HOLD
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	4.8x	0.2x	0.44	0.21	+29.41%	-	-	-	0.44	-	UR
CUSTODIAN	0.46	12.9%	13.7%	4.5%	3.0	1.10	8.04	5.1x	0.7x	6.30	4.55	-7.50%	-	-	-	5.55	-	UR
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.40	-2.8%	23.6%	11.9%	2.0	7.86	33.35	2.2x	0.5x	30.20	13.00	-41.76%	42.80	0.35	14.98	17.50	-14%	SELL
NB	0.87	3.0%	10.8%	3.8%	2.9	2.18	20.12	23.8x	2.6x	59.00	22.00	-11.86%	40.75	1.17	47.68	52.00	-8%	HOLD
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-5.8x	1.1x	9.50	2.75	-31.58%	-	-	2.90	6.50	-55%	SELL
Packaged Foods & Meats																		

CADBURY	1.09	3.4%	7.1%	2.9%	2.5	0.50	7.02	17.0x	1.2x	10.85	4.95	-19.43%	-	-	-	8.50	-	UR
DANGSUGAR	0.80	11.2%	19.2%	10.0%	1.9	1.91	9.98	8.6x	1.7x	16.50	8.90	+21.32%	8.00	1.67	13.36	16.50	-19%	SELL
HONYFLOUR	0.57	0.8%	1.2%	0.5%	2.5	0.09	7.22	11.5x	0.1x	1.18	0.83	0.00%	-	-	-	0.99	-	UR
FLOURMILL	1.30	5.0%	10.2%	3.4%	3.0	3.98	39.21	6.8x	0.7x	28.85	17.00	+38.07%	7.50	3.93	29.48	27.20	+8%	HOLD
NASCON	0.19	10.2%	15.0%	4.3%	3.5	0.71	4.75	19.8x	3.0x	15.70	8.50	+8.49%	10.00	1.12	11.20	14.05	-20%	SELL
NESTLE	1.46	15.5%	130.3%	21.3%	6.1	52.06	39.95	27.3x	35.6x	1,469.90	764.90	-3.28%	20.00	60.00	1,200.00	1,421.70	-16%	SELL
UACN	0.77	3.2%	-18.1%	-10.9%	1.7	-3.71	20.51	-2.1x	0.4x	11.05	5.40	-7.56%	-	-	8.08	7.95	+2%	HOLD
Agricultural Products																		
OKOMUOIL	0.48	29.6%	20.9%	13.2%	1.6	6.84	32.79	11.7x	2.4x	80.00	55.05	+43.88%	9.50	7.76	73.72	80.00	-8%	HOLD
PRESCO	0.32	32.6%	17.5%	8.1%	2.2	5.65	32.28	11.8x	2.1x	67.00	36.45	+41.05%	-	-	-	67.00	-	UR
Household & Personal Products																		
PZ	0.93	-4.7%	-3.8%	-2.1%	1.8	-0.41	11.02	-11.6x	0.4x	5.85	3.75	-15.04%	-	-	4.58	4.80	-5%	HOLD
VITAFOAM	1.16	13.1%	44.5%	18.3%	2.4	2.68	6.03	2.5x	1.1x	6.75	3.95	+53.41%	2.30	2.32	5.34	6.75	-21%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.71	10.8%	14.7%	7.6%	1.9	0.50	3.40	6.4x	0.9x	3.39	1.79	+65.80%	8.00	0.44	3.52	3.20	+10%	HOLD
FIDSON	0.61	6.1%	6.2%	2.6%	2.4	0.30	4.85	14.5x	0.9x	4.40	2.21	+41.29%	7.40	0.54	4.00	4.38	-9%	HOLD
GLAXOSMITH	1.03	2.9%	9.0%	4.1%	2.2	0.71	7.91	8.2x	0.7x	8.45	3.45	-4.92%	-	-	-	5.80	-	UR
NEIMETH	0.46	11.8%	5.2%	1.1%	4.8	0.04	0.75	51.2x	2.7x	2.57	0.40	+222.58%	5.00	0.29	1.45	2.00	-28%	SELL
Materials																		
Construction Materials																		
BUACEMENT	0.36	34.4%	16.2%	12.4%	1.3	4.91	30.32	8.8x	1.4x	45.50	29.40	+22.86%	-	-	42.03	43.00	-2%	HOLD
DANGCEM	0.50	26.5%	28.1%	11.5%	2.4	12.17	43.39	14.3x	4.0x	179.90	116.80	+22.89%	-	-	171.80	174.50	-2%	HOLD
WAPCO	0.46	15.7%	34.1%	24.2%	1.4	7.45	21.86	2.6x	0.9x	19.50	8.95	+27.45%	-	-	19.88	19.50	+2%	HOLD
Specialty Chemicals																		
CAP	1.42	15.5%	66.0%	26.9%	2.4	2.95	4.47	7.8x	5.1x	27.50	15.30	-4.17%	9.50	2.52	23.94	23.00	+4%	HOLD
BERGER	0.74	2.2%	11.3%	6.6%	1.7	1.19	10.50	5.6x	0.6x	7.70	5.50	-0.74%	5.12	0.59	3.02	6.70	-55%	SELL
Energy																		
CONOIL	2.33	0.6%	6.5%	2.4%	2.7	1.86	28.54	10.2x	0.7x	21.00	13.15	+2.97%	-	-	-	19.05	-	UR
ETERNA	3.33	-0.2%	-0.8%	-0.3%	2.5	-0.07	9.46	-69.9x	0.5x	5.29	1.80	+38.89%	-	-	-	5.00	-	UR
ARDOVA	3.99	1.2%	-3.0%	-1.2%	2.6	-0.40	13.10	-31.7x	1.0x	17.00	9.55	-30.11%	-	-	-	12.65	-	UR

MOBIL	1.90	3.1%	17.1%	7.6%	2.2	19.97	117.03	9.5x	1.6x	213.90	133.20	+28.47%	-	-	-	190.00	-	UR
MRS	1.52	-1.4%	-8.8%	-4.2%	2.1	-5.40	61.61	-2.3x	0.2x	15.30	12.45	-18.63%	-	-	-	12.45	-	UR
SEPLAT	0.17	-47.2%	1.8%	1.0%	1.8	18.21	1,024.16	23.1x	0.4x	605.00	282.00	-36.15%	-	-	-	420.00	-	UR
TOTAL	1.97	-0.5%	6.3%	1.3%	4.9	4.75	75.13	27.4x	1.7x	129.90	79.10	+17.13%	-	-	-	129.90	-	UR
Telecommunications																		
MTNN	0.71	14.9%	141.7%	11.4%	12.5	9.70	6.85	14.8x	21.0x	144.00	90.00	+37.14%	-	-	-	144.00	-	UR
AIRTELAFRI	0.33	6.7%	11.0%	3.7%	2.9	36.16	329.80	11.3x	1.2x	410.20	298.90	+37.24%	-	-	503.00	410.20	+23%	BUY

*TP=Target Price, Last Wk. Pr= Last Week Price, CP= Current Price, UPP=Upside Potential, RT= Rating, Exp. EPS= 2020Dec Expected EPS, BVP= Book Value Per Share, P/E=P/E, AT=Asset Turnover, OM=Operating Margin, NM= Net Margin, Lev=Leverage, UR=Under Review. Data in the Fundamental columns are based on trailing performance.

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BUY: Target Price of the stock is above the current market price by at least **10 percent**

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

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