

STOCK RECOMMENDATION – DECEMBER 07, 2020

MARKET REVIEW
For the week ended December 04, 2020.

- A week of mixed market activities ended with a 0.72% WoW rise in NSEASI to 35,137.99pts.
- All sectoral indices closed in the negative for the week except the NSEOILG5 which finished the week with a 1.71% WoW gain.
- **TRIPPLEG** led the gainers' chart after advancing 20.00% WoW, while **CHELLARAM** shed 80.08% to emerge as the biggest loser last week.
- **The equities market continues to benefit from robust system liquidity and negative real returns in the fixed income market.**

MARKET *P*REVIEW
For the week commencing December 07, 2020

- We anticipate a healthy mix of profit taking and bargain hunting activities in the market this week, we expect the latter to have the upper hand, bringing the market to a positive close.
- The high levels of system liquidity and depressed fixed income yields leave investors with little option, but to continue to seek alpha yields in the equities market.
- Also, we do not rule out profit taking as investors consider the effect of CBN's new special bill
- **Ultimately, we expect that the market would close positive this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NSEASI	35,137.99	34,885.51
Market Cap [NGN'tr]	18.37	18.23
Market Cap [USD 'bn]	48.46	48.09
Volume Traded [bn]	1.68	1.82
Value Traded [NGN'bn]	30.12	25.79

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NSEASI	0.72%	0.27%	30.96%	30.91%
NSE-30	-1.63%	-0.89%	27.41%	24.24%
NSE-B10	-3.13%	-0.65%	26.09%	9.68%
NSE-FB10	-2.78%	-2.35%	24.77%	-4.49%
NSE-OG5	1.71%	1.70%	12.89%	-16.09%
NSE-INS10	1.56%	-0.08%	13.70%	25.44%
NSE-IND	-2.21%	-1.54%	35.76%	50.67%

Value (NGN)		Volume	
MTNN	5,090,919,929	ACCESS	175,173,848
ZENITHBANK	3,521,605,523	FBNH	154,088,670
GUARANTY	2,953,130,727	ZENITHBANK	146,556,967
NESTLE	1,586,947,890	UBA	127,465,163
DANGCEM	1,524,679,321	MBENEFIT	116,889,788
Highest Gainers		Highest Losers	
	%		%
TRIPPLEG	20.00%	CHELLARAM	-80.08%
AIRTELAFRI	19.63%	NNFM	-18.70%
FTNCOCOA	16.00%	CHIPLC	-16.13%
CUTIX	11.76%	ROYALEX	-15.38%
AIICO	10.00%	UNITYBNK	-14.76%

	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	3.1x	0.5x	11.60	5.40	-14.50%	2.64	2.81	7.42	8.55	-13%	SELL
ETI	0.09	12.4%	11.9%	0.9%	12.6	3.60	30.20	1.6x	0.2x	8.00	3.90	-9.23%	-	-	-	5.90	-	UR
FCMB	0.10	9.9%	9.1%	1.0%	9.2	0.99	10.83	3.0x	0.3x	3.80	1.45	+60.00%	0.98	2.01	1.97	2.96	-33%	SELL
FIDELITYBK	0.09	10.7%	12.5%	1.3%	9.6	1.08	8.65	2.4x	0.3x	3.07	1.53	+24.39%	-	-	-	2.55	-	UR
FBNH	0.09	16.7%	13.0%	1.3%	10.1	2.55	19.62	2.8x	0.4x	8.40	3.70	+15.45%	2.43	2.87	6.97	7.10	-2%	HOLD
GUARANTY	0.10	41.9%	26.6%	4.3%	6.3	6.52	24.50	5.1x	1.4x	38.20	16.75	+11.95%	3.95	6.77	26.74	33.25	-20%	SELL
STANBIC	0.08	35.7%	25.0%	2.8%	9.0	8.20	32.86	5.4x	1.3x	48.00	23.85	+7.32%	-	-	-	44.00	-	UR
STERLNBANK	0.11	7.7%	8.0%	0.8%	10.1	0.36	4.47	5.2x	0.4x	2.42	0.99	-6.53%	3.97	0.36	1.43	1.86	-23%	SELL
UBA	0.08	14.8%	12.1%	1.1%	10.7	2.25	18.56	3.7x	0.4x	9.75	4.40	+14.69%	-	-	-	8.20	-	UR
UBN	0.08	13.1%	7.3%	0.8%	8.6	0.64	8.88	8.6x	0.6x	7.60	4.70	-7.50%	7.64	0.80	6.11	5.55	+10%	BUY
WEMABANK	0.11	3.9%	8.1%	0.5%	15.0	0.12	1.43	5.9x	0.5x	0.90	0.44	-8.11%	4.15	0.11	0.46	0.68	-33%	SELL
ZENITHBANK	0.09	30.0%	22.6%	3.0%	7.7	7.13	31.50	3.4x	0.8x	28.15	10.70	+28.76%	2.80	6.92	19.38	23.95	-19%	SELL
Insurance																		
AIICO	0.25	9.6%	19.2%	2.7%	7.2	0.53	2.78	2.1x	0.4x	1.18	0.67	+52.78%	2.20	0.45	0.99	1.10	-10%	SELL
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	7.7x	0.3x	0.38	0.20	+24.00%	3.80	0.10	0.38	0.31	+23%	BUY
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	2.8x	0.2x	0.62	0.35	-5.66%	-	-	-	0.50	-	UR
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	4.7x	0.8x	2.57	1.44	+16.16%	6.68	0.39	2.61	2.30	+13%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	5.5x	0.9x	2.60	1.44	+1.24%	3.65	0.61	2.23	2.45	-9%	HOLD
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	4.4x	0.2x	0.52	0.21	+17.65%	-	-	-	0.40	-	UR
CUSTODIAN	0.46	12.9%	13.7%	4.5%	3.0	1.10	8.04	5.3x	0.7x	6.50	4.55	-2.50%	-	-	-	5.85	-	UR

Consumer Staples & Discretionary																			
Breweries																			
GUINNESS	0.40	-2.8%	23.6%	11.9%	2.0	7.86	33.35	2.3x	0.5x	30.20	13.00	-40.43%	42.80	0.35	14.98	17.90	-16%	SELL	
NB	0.87	3.0%	10.8%	3.8%	2.9	2.18	20.12	25.7x	2.8x	63.10	22.00	-5.08%	40.75	1.17	47.68	56.00	-15%	SELL	
INTBREW	0.36	-11.4%	-14.8%	-6.1%	2.4	-0.83	5.59	-8.7x	1.3x	9.50	2.75	-24.42%	-	-	4.05	7.18	-44%	SELL	
Packaged Foods & Meats																			
CADBURY	1.09	3.4%	7.1%	2.9%	2.5	0.50	7.02	17.4x	1.2x	11.00	4.95	-17.54%	-	-	-	8.70	-	UR	
DANGSUGAR	0.80	11.2%	19.2%	10.0%	1.9	1.91	9.98	9.9x	1.9x	22.25	8.90	+39.71%	-	-	-	19.00	-	UR	
HONYFLOUR	0.57	0.8%	1.2%	0.5%	2.5	0.09	7.22	13.0x	0.2x	1.28	0.83	+13.13%	-	-	-	1.12	-	UR	
FLOURMILL	1.30	5.0%	10.2%	3.4%	3.0	3.98	39.21	6.6x	0.7x	30.25	17.00	+34.52%	7.50	3.93	29.48	26.50	+11%	BUY	
NASCON	0.19	10.2%	15.0%	4.3%	3.5	0.71	4.75	22.5x	3.4x	17.40	8.50	+23.55%	-	-	-	16.00	-	UR	
NESTLE	1.46	15.5%	130.3%	21.3%	6.1	52.06	39.95	26.9x	35.0x	1,469.90	764.90	-4.76%	-	-	-	1,400.00	-	UR	
UACN	0.77	3.2%	-18.1%	-10.9%	1.7	-3.71	20.51	-1.9x	0.3x	11.05	5.40	-16.86%	-	-	8.08	7.15	+13%	BUY	
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	12.7x	2.2x	79.75	36.45	+51.16%	-	-	-	71.80	-	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	2.6x	1.2x	7.10	3.95	+59.09%	2.30	2.32	5.34	7.00	-24%	SELL	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.71	10.8%	14.7%	7.6%	1.9	0.50	3.40	7.1x	1.0x	3.60	1.79	+83.42%	8.00	0.44	3.52	3.54	-1%	HOLD	
FIDSON	0.61	6.1%	6.2%	2.6%	2.4	0.30	4.85	16.1x	1.0x	5.98	2.21	+57.42%	7.40	0.54	4.00	4.88	-18%	SELL	
GLAXOSMITH	1.03	2.9%	9.0%	4.1%	2.2	0.71	7.91	9.4x	0.8x	8.45	3.45	+9.02%	9.00	0.79	7.11	6.65	+7%	HOLD	
NEIMETH	0.46	11.8%	5.2%	1.1%	4.8	0.04	0.75	64.3x	3.3x	2.91	0.40	+304.84%	5.00	0.29	1.45	2.51	-42%	SELL	
Materials																			

Construction Materials																		
BUACEMENT	0.33	34.2%	16.9%	11.4%	1.5	5.38	31.75	10.2x	1.7x	56.00	29.40	+57.14%	-	-	42.03	55.00	-24%	SELL
DANGCEM	0.50	26.5%	28.1%	11.5%	2.4	12.17	43.39	16.3x	4.6x	205.00	116.80	+40.14%	-	-	-	199.00	-	UR
WAPCO	0.46	15.7%	34.1%	24.2%	1.4	7.45	21.86	3.1x	1.1x	25.10	8.95	+50.33%	-	-	19.88	23.00	-14%	SELL
Specialty Chemicals																		
CAP	1.42	15.5%	66.0%	26.9%	2.4	2.95	4.47	6.8x	4.5x	27.50	15.30	-16.67%	9.50	2.52	23.94	20.00	+20%	BUY
BERGER	0.74	2.2%	11.3%	6.6%	1.7	1.19	10.50	6.2x	0.7x	7.70	5.50	+8.89%	5.12	0.59	3.02	7.35	-59%	SELL
Energy																		
CONOIL	2.33	0.6%	6.5%	2.4%	2.7	1.86	28.54	11.2x	0.7x	21.00	13.15	+12.70%	-	-	-	20.85	-	UR
ETERNA	3.33	-0.2%	-0.8%	-0.3%	2.5	-0.07	9.46	-63.6x	0.5x	5.29	1.80	+26.39%	-	-	-	4.55	-	UR
ARDOVA	3.99	1.2%	-3.0%	-1.2%	2.6	-0.40	13.10	-36.2x	1.1x	17.00	9.55	-20.17%	-	-	-	14.45	-	UR
MOBIL	1.90	3.1%	17.1%	7.6%	2.2	19.97	117.03	11.4x	1.9x	228.00	133.20	+54.16%	-	-	-	228.00	-	UR
MRS	1.52	-1.4%	-8.8%	-4.2%	2.1	-5.40	61.61	-2.5x	0.2x	15.30	12.45	-10.13%	-	-	-	13.75	-	UR
SEPLAT	0.17	-47.2%	1.8%	1.0%	1.8	18.21	1,024.16	22.1x	0.4x	605.00	282.00	-38.84%	-	-	-	402.30	-	UR
TOTAL	1.97	-0.5%	6.3%	1.3%	4.9	4.75	75.13	27.4x	1.7x	130.00	79.10	+17.22%	-	-	-	130.00	-	UR
Telecommunications																		
MTNN	0.71	14.9%	141.7%	11.4%	12.5	9.70	6.85	16.1x	22.8x	162.00	90.00	+48.76%	16.2	9.71	157.29	156.20	0.70%	HOLD
AIRTELAFRI	0.33	6.7%	11.0%	3.7%	2.9	36.16	329.80	17.7x	1.9x	640.00	298.90	+114.12%	-	-	503.00	640.00	-21%	SELL

*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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