

STOCK RECOMMENDATION - FEBRUARY 08, 2021

MARKET REVIEW
For the week ended February 05, 2021.

- Last week, the bears clawed back the gains recorded in prior weeks, closing negative on all trading days. The All Share Index declined by 1.66% to settle at 41,709.09pts (vs.42,412.66pts the previous week). All sectoral indices declined, with the **NSE-INS10** (-6.01%) and **NSE-FB10** (-3.22%) shedding the most points. The YtD return moderated to 3.57%.
- JAIZBANK** was the best performer last week, up by 10.77% to close at NGN0.72. On the flip side, **LINKASSURE** recorded the most losses, dipping by 33.33% to settle at NGN0.60.
- The equities market, in our view, would continue to benefit from robust system liquidity levels and depressed fixed income yields as investors' continue the search for more attractive returns.**

MARKET P REVIEW
For the week commencing February 08, 2021

- In the fixed income market, following the surprising outcome of last week's OMO auction, we expect all eyes to be on the T-bill PMA this week where the **CBN** will look to rollover NGN170bn worth of maturities. While market participants will anticipate higher stop rates, we expect the **CBN** to maintain status quo, considering the implication of higher bond yields on borrowing costs.
- In the equities market, unaudited Q4:2020 results would continue to trickle in, with largely mixed performances across different sectors. We expect investors decisions to feed off from expected audited earnings results and dividend announcements.
- Ultimately, we expect that the market would positive this week**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NSEASI	41,709.09	42,412.66
Market Cap [NGN'tr]	21.82	21.19
Market Cap [USD 'bn]	55.52	56.45
Volume Traded [bn]	2.75	2.57
Value Traded [NGN'bn]	29.57	30.16

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NSEASI	-1.66%	-1.66%	3.57%	3.57%
NSE-30	-1.85%	-1.85%	2.98%	2.98%
NSE-B10	-2.28%	-2.28%	5.44%	5.44%
NSE-FB10	-3.22%	-3.22%	3.59%	3.59%
NSE-OG5	-0.16%	-0.16%	12.25%	12.25%
NSE-INS10	-6.01%	-6.01%	21.97%	21.97%
NSE-IND	-2.07%	-2.07%	-0.69%	-0.69%

Value (NGN)	Volume
GUARANTY 6,867,737,828	UBN 391,330,849
ZENITHBANK 4,882,495,314	FBNH 237,630,141
UBN 2,269,997,142	TRANSCORP 230,906,357
NEWGOLD 1,798,596,930	GUARANTY 205,780,507
FBNH 1,742,251,868	ZENITHBANK 183,923,144

Highest Gainers	%	Highest Losers	%
JAIZBANK	10.77%	LINKASSURE	-33.33%
ETERNA	10.58%	JAPAULGOLD	-17.58%
NCR	9.94%	AIICO	-13.57%
MULTIVERSE	9.09%	JBERGER	-13.02%
UNITYBNK	8.96%	REGALINS	-11.76%

	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	2021 TP	Last Wk. Pr	UPP	RT
Financial Services																		
Banks																		
ACCESS	0.10	17.3%	16.3%	1.4%	11.6	3.07	18.86	2.8x	0.5x	9.70	8.55	+1.18%	2.50	3.41	8.53	8.55	-0%	HOLD
ETI	0.09	1.7%	4.4%	0.3%	13.3	1.26	28.81	4.8x	0.2x	6.75	5.90	0.00%	3.03	3.50	10.62	6.00	+77%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	3.1x	0.3x	3.50	3.01	-3.90%	2.34	1.09	2.55	3.20	-20%	SELL
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.4x	0.3x	2.77	2.50	-0.79%	3.10	1.08	3.34	2.50	+34%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	2.9x	0.4x	7.85	7.20	+1.40%	3.30	2.63	8.69	7.25	+20%	BUY
GUARANTY	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	5.5x	1.4x	36.00	32.40	+11.28%	4.70	6.93	32.57	36.00	-10%	HOLD
STANBIC	0.09	36.1%	23.4%	3.3%	7.0	7.71	32.92	5.8x	1.4x	46.60	44.00	+2.16%	5.80	8.41	48.75	45.00	+8%	HOLD
STERLNBANK	0.11	6.9%	8.2%	0.8%	10.3	0.36	4.42	5.1x	0.4x	2.10	1.85	-9.31%	4.06	0.45	1.83	1.85	-1%	HOLD
UBA	0.08	17.0%	12.9%	1.2%	10.8	2.47	19.16	3.4x	0.4x	9.25	8.40	-2.31%	3.40	2.80	9.50	8.45	+12%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	8.5x	0.6x	6.10	5.25	+8.41%	6.37	0.90	5.73	5.80	-1%	HOLD
WEMABANK	0.10	4.6%	6.7%	0.4%	15.4	0.10	1.45	7.1x	0.5x	0.75	0.66	0.00%	3.27	0.17	0.56	0.69	-19%	SELL
ZENITHBANK	0.09	31.3%	21.0%	2.7%	7.7	6.93	32.94	3.8x	0.8x	27.20	24.60	+4.84%	3.85	6.99	26.91	26.00	+4%	HOLD
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	3.0x	0.6x	1.59	1.11	+7.08%	1.65	0.95	1.57	1.21	+30%	BUY
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	10.4x	0.4x	0.58	0.35	+20.00%	3.80	0.10	0.38	0.42	-10%	HOLD
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	2.6x	0.4x	1.70	1.15	+23.81%	9.30	0.31	2.88	1.30	+122%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	5.6x	0.9x	2.69	1.79	+39.66%	4.00	0.73	2.92	2.50	+17%	BUY
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	6.2x	0.3x	0.72	0.39	+42.50%	1.90	0.31	0.59	0.57	+3%	HOLD
CUSTODIAN	0.38	13.3%	13.7%	4.4%	3.1	1.12	8.18	5.4x	0.7x	6.05	5.85	+2.56%	5.10	1.42	7.24	6.00	+21%	BUY
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.72	-12.1%	-17.2%	-8.7%	2.0	-5.74	33.35	-3.3x	0.6x	19.20	17.65	0.00%	50.00	0.35	17.50	19.00	-8%	HOLD
NB	0.66	3.7%	5.2%	1.8%	2.9	1.05	20.12	58.2x	3.0x	63.00	56.00	+8.93%	50.00	1.21	60.50	61.00	-1%	HOLD
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-5.5x	1.1x	7.07	6.00	+4.20%	-	-	5.90	6.20	-5%	HOLD
Packaged Foods & Meats																		
DANGSUGAR	0.76	16.6%	28.2%	12.7%	2.2	2.82	10.01	7.1x	2.0x	21.70	18.30	+13.64%	8.00	2.75	22.00	20.00	+10%	BUY
HONYFLOUR	0.69	0.4%	1.2%	0.5%	2.5	0.08	7.22	15.6x	0.2x	1.49	1.10	+8.33%	6.00	0.17	1.02	1.30	-22%	SELL

FLOURMILL	1.33	2.8%	9.6%	3.1%	3.1	3.76	39.02	8.4x	0.8x	34.70	26.10	+20.96%	7.50	3.93	29.48	31.45	-6%	HOLD	
NASCON	0.64	10.5%	17.2%	4.8%	3.6	0.80	4.65	20.3x	3.5x	17.55	14.50	+11.72%	12.50	1.22	15.25	16.20	-6%	HOLD	
NESTLE	1.47	15.0%	89.5%	21.1%	4.2	51.45	57.48	28.2x	25.2x	1,505.00	1,450.00	-3.65%	25.00	64.85	1,621.25	1,450.00	+12%	BUY	
Agricultural Products																			
OKOMUOIL	0.44	26.9%	18.4%	11.8%	1.6	6.23	33.83	14.9x	2.7x	93.00	90.00	+2.20%	11.58	7.80	90.27	93.00	-3%	HOLD	
PRESCO	0.34	26.6%	16.9%	7.6%	2.2	5.22	30.92	14.4x	2.4x	75.00	70.95	+5.71%	10.50	6.73	70.67	75.00	-6%	HOLD	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.62	10.6%	15.0%	6.6%	2.3	0.53	3.54	9.2x	1.4x	5.02	3.21	+39.60%	8.00	0.59	4.72	4.90	-4%	HOLD	
FIDSON	0.66	3.5%	6.0%	2.4%	2.5	0.30	4.94	18.6x	1.1x	6.15	4.45	+23.11%	6.00	1.00	6.00	5.54	+8%	HOLD	
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	9.1x	0.9x	7.25	6.70	+1.45%	8.00	0.89	7.12	7.00	+2%	HOLD	
NEIMETH	0.47	12.3%	25.9%	5.7%	4.5	0.19	0.75	10.0x	2.6x	2.23	1.94	-13.00%	8.00	0.28	2.24	1.94	+15%	BUY	
Materials																			
Construction Materials																			
BUACEMENT	0.33	34.2%	17.0%	11.4%	1.5	5.38	31.66	14.7x	2.5x	85.00	79.00	+2.13%	-	-	49.01	79.00	-38%	SELL	
DANGCEM	0.53	27.4%	31.1%	13.8%	2.3	14.96	48.02	15.4x	4.8x	244.90	225.00	-6.08%	-	-	220.70	230.00	-4%	HOLD	
WAPCO	0.44	15.7%	6.5%	4.4%	1.5	1.44	22.16	18.6x	1.2x	30.30	22.30	+26.60%	-	-	22.48	26.65	-16%	SELL	
Specialty Chemicals																			
CAP	2.50	15.5%	18.4%	41.7%	0.4	2.06	11.17	9.7x	1.8x	20.50	20.00	0.00%	9.50	2.69	25.56	20.00	+28%	BUY	
BERGER	0.77	0.8%	4.0%	2.4%	1.6	0.41	10.42	17.5x	0.7x	8.05	7.25	-1.36%	5.12	0.59	3.02	7.25	-58%	SELL	
Energy																			
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	10.6x	0.7x	21.00	20.85	+0.72%	8.50	2.94	24.95	21.00	+19%	BUY	
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	7.1x	0.6x	5.75	5.20	+12.75%	12.50	0.44	5.55	5.75	-3%	HOLD	
ARDOVA	3.64	1.5%	3.0%	1.1%	2.8	0.42	13.88	45.3x	1.4x	21.85	13.55	+40.22%	25.00	0.53	13.17	19.00	-31%	SELL	
MOBIL	3.77	3.6%	7.2%	15.2%	0.5	18.47	256.10	12.3x	0.9x	249.50	228.00	0.00%	-	-	-	228.00	-	UR	
MRS	1.31	-2.8%	-8.0%	-3.9%	2.1	-4.76	59.81	-2.8x	0.2x	13.75	11.20	-2.55%	4.00	4.47	17.87	13.40	+33%	BUY	
SEPLAT	0.18	24.8%	9.7%	5.6%	1.7	105.44	1,087.26	4.7x	0.5x	540.00	402.30	+23.04%	6.85	72.55	496.96	495.00	+0%	HOLD	
TOTAL	1.80	0.3%	11.2%	2.4%	4.7	8.77	78.17	16.2x	1.8x	143.00	130.00	+9.23%	13.00	9.16	119.06	142.00	-16%	SELL	
Telecommunications																			
MTNN	0.73	14.8%	167.9%	11.2%	15.0	9.68	5.77	18.6x	31.2x	181.00	165.00	+5.94%	15.79	10.93	172.65	180.00	-4%	HOLD	
AIRTELAFRI	0.39	8.0%	10.5%	3.6%	2.9	35.19	334.61	26.4x	2.8x	930.00	851.80	+9.18%	17.24	48.96	844.11	930.00	-9%	HOLD	

**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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