

STOCK RECOMMENDATION - MARCH 22, 2021

MARKET REVIEW

For the week ended March 19, 2021.

- The bearish run continued for the seventh consecutive week, as the **NSEASI** lost 0.69% week on week to close at 38,382.39pts. As a result, the Year to Date return dipped further to -4.69% at the end of the week.
- All sectoral indices closed negative last week, save for the Banking (**NSEBANK10**: +2.09%WoW) and Oil&Gas indices (**NSEOILG5**: +1.59% WoW). **ETERNA** (+20.78%WoW) topped the gainers' chart, while **NEIMETH** (-14.83% WoW) was the week's biggest loser.
- Market breadth improved to 1.21x from 0.96x in the previous week, as 34 stocks appreciated (vs. 28 decliners).
- AFRIPRUD** and **DANGSUGAR** were both marked down (by NGN0.50k, and NGN1.50k respectively) for dividends last week.

MARKET *P*REVIEW

For the week commencing March 22, 2021

- The National Bureau of Statistics (**NBS**) reported headline inflation at 17.33% YoY for February 2021, driven by increases in both the food (21.79% YoY) and core (12.38% YoY) indices.
- The **MPC** is set to hold its second meeting of the year this week. We expect the Committee to retain the MPR at 11.50%, and leave other parameters unchanged.
- In the absence of any positive macroeconomic or corporate announcement, we expect the bearish run to continue this week, despite the existing bargain hunting opportunities.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NSEASI	38,382.39	38,648.48
Market Cap [NGN'tr]	20.08	20.22
Market Cap [USD 'bn]	51.10	51.45
Volume Traded [bn]	2.34	1.67
Value Traded [NGN'bn]	19.27	23.54

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NSEASI	-0.69%	-3.56%	-4.69%	-4.69%
NSE-30	-0.99%	-4.58%	-7.30%	-7.30%
NSE-B10	2.09%	-5.65%	-8.11%	-8.11%
NSE-FB10	-1.46%	-5.65%	-7.22%	-7.22%
NSE-OG5	1.59%	-0.03%	17.29%	17.29%
NSE-INS10	-0.01%	-2.30%	4.20%	4.20%
NSE-IND	-2.62%	-1.32%	-8.73%	-8.73%

Value (NGN)	Volume
GUARANTY 6,334,813,904	UNITYBNK 1,053,648,891
ZENITHBANK 3,244,387,840	GUARANTY 216,245,809
NEWGOLD 2,347,833,851	MULTIVERSE 201,173,765
NOTORE 2,334,591,188	ZENITHBANK 150,247,096
DANGCEM 1,208,035,405	FBNH 81,923,945

Highest Gainers	%	Highest Losers	%
ETERNA	20.78%	NEIMETH	-14.83%
NNFM	9.73%	NEWGOLD	-10.46%
UNITYBNK	9.09%	AFRIPRUD	-10.08%
GUINNESS	7.66%	NCR	-9.71%
BERGER	7.44%	LINKASSURE	-9.09%

	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	2.6x	0.4x	9.70	7.75	-4.73%	2.50	3.41	8.53	8.05	+6%	HOLD
ETI	0.09	1.7%	4.4%	0.3%	13.3	1.26	28.81	3.9x	0.2x	6.75	4.85	-19.17%	3.03	3.50	10.62	4.85	+119%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	2.8x	0.3x	3.50	2.85	-14.11%	2.34	1.09	2.55	2.86	-11%	SELL
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.3x	0.3x	2.77	2.16	-7.94%	3.10	1.08	3.34	2.32	+44%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	2.9x	0.4x	7.85	7.05	+2.10%	3.30	2.63	8.69	7.30	+19%	BUY
GUARANTY	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	4.7x	1.2x	36.00	28.00	-4.17%	-	-	-	31.00	-	UR
STANBIC	0.09	36.1%	23.4%	3.3%	7.0	7.71	32.92	5.2x	1.2x	46.60	38.70	-9.19%	5.80	8.41	48.75	40.00	+22%	BUY
STERLNBANK	0.11	6.9%	8.2%	0.8%	10.3	0.36	4.42	4.1x	0.3x	2.10	1.45	-26.96%	4.06	0.45	1.83	1.49	+23%	BUY
UBA	0.08	18.3%	15.7%	1.5%	10.6	3.33	21.17	2.1x	0.3x	9.25	6.95	-17.34%	3.00	3.60	10.80	7.15	+51%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	7.8x	0.6x	6.10	5.05	-0.93%	-	-	-	5.30	-	UR
WEMABANK	0.10	4.6%	6.7%	0.4%	15.4	0.10	1.45	6.2x	0.4x	0.75	0.55	-13.04%	3.27	0.17	0.56	0.60	-7%	HOLD
ZENITHBANK	0.10	33.1%	25.1%	3.3%	7.6	8.92	35.59	2.5x	0.6x	27.20	20.30	-9.27%	3.85	7.68	29.57	22.50	+31%	BUY
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	3.0x	0.6x	1.59	1.01	+9.73%	1.65	0.95	1.57	1.24	+26%	BUY
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	30.0x	1.1x	1.52	0.35	+245.71%	-	-	-	1.21	-	UR
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	2.0x	0.3x	1.70	0.94	-6.67%	9.30	0.31	2.88	0.98	+194%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	4.7x	0.7x	2.69	1.72	+16.76%	4.00	0.73	2.92	2.09	+40%	BUY
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	5.5x	0.3x	0.72	0.39	+25.00%	1.90	0.31	0.59	0.50	+18%	BUY
CUSTODIAN	0.43	17.0%	10.8%	7.3%	1.5	2.17	20.17	2.8x	0.3x	6.05	5.75	+2.56%	-	-	-	6.00	-	UR
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.91	-0.4%	5.3%	2.6%	2.0	1.76	33.20	14.4x	0.8x	25.30	17.65	+33.16%	-	-	16.99	25.30	-33%	SELL
NB	0.76	2.2%	4.6%	1.7%	2.8	0.92	20.16	51.0x	2.3x	63.00	47.00	-16.07%	60.00	0.76	45.60	47.00	-3%	HOLD
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-4.5x	0.9x	7.07	4.55	-14.29%	-	-	5.90	5.10	+16%	BUY
Packaged Foods & Meats																		
CADBURY	2.68	3.3%	3.7%	9.4%	0.4	0.68	18.20	11.8x	0.4x	10.80	8.00	-11.11%	-	-	-	8.00	-	UR
DANGSUGAR	0.77	13.9%	23.9%	10.7%	2.2	2.45	10.26	6.9x	1.7x	21.70	16.50	-3.41%	-	-	-	17.00	-	UR
HONYFLOUR	0.73	0.4%	3.3%	1.3%	2.5	0.24	7.22	5.1x	0.2x	1.49	1.10	+2.50%	6.00	0.17	1.02	1.23	-17%	SELL
FLOURMILL	1.43	2.8%	11.3%	3.8%	3.0	4.58	40.40	6.5x	0.7x	34.70	26.10	+14.23%	6.80	4.68	31.82	29.70	+7%	HOLD
NASCON	0.63	9.6%	21.1%	6.1%	3.5	1.01	4.80	14.7x	3.1x	17.55	13.00	+2.76%	12.50	1.04	13.00	14.90	-13%	SELL
NESTLE	1.17	13.7%	20.3%	15.9%	1.3	49.47	243.96	27.8x	5.6x	1,505.00	1,350.00	-8.64%	28.00	50.32	1,408.96	1,375.00	+2%	HOLD
UACN	0.75	2.5%	4.0%	2.2%	1.8	0.84	21.01	9.0x	0.4x	8.95	7.10	+3.45%	-	-	8.08	7.50	+8%	HOLD
Agricultural Products																		
OKOMUOIL	0.44	26.9%	18.4%	11.8%	1.6	6.23	33.83	14.5x	2.7x	93.00	90.00	-1.10%	11.58	7.80	90.27	90.00	+0%	HOLD
PRESCO	0.34	26.6%	16.9%	7.6%	2.2	5.22	30.92	13.2x	2.2x	75.00	69.00	-2.75%	10.50	6.73	70.67	69.00	+2%	HOLD
Household & Personal Products																		
PZ	0.93	-4.7%	-3.8%	-2.1%	1.8	-0.41	11.02	-11.7x	0.4x	5.85	4.80	-8.49%	-	-	4.58	4.85	-6%	HOLD
VITAFOAM	1.19	12.8%	43.4%	20.0%	2.2	3.51	8.08	2.2x	1.0x	10.05	7.35	0.00%	2.30	2.32	5.34	7.80	-32%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.62	10.6%	15.0%	6.6%	2.3	0.53	3.54	7.4x	1.1x	5.02	3.21	+11.11%	8.00	0.59	4.72	3.90	+21%	BUY
FIDSON	0.66	3.5%	6.0%	2.4%	2.5	0.30	4.94	16.3x	1.0x	6.15	4.41	+7.78%	6.00	1.00	6.00	4.85	+24%	BUY
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	8.3x	0.9x	7.25	6.20	-7.97%	8.00	0.89	7.12	6.35	+12%	BUY
NEIMETH	0.41	-46.2%	-3.7%	-0.6%	5.9	-0.02	0.57	-84.6x	3.1x	2.23	1.75	-20.18%	8.00	0.28	2.24	1.78	+26%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.33	34.2%	17.0%	11.4%	1.5	5.38	31.66	13.0x	2.2x	85.00	69.95	-9.57%	-	-	49.01	69.95	-30%	SELL
DANGCEM	0.53	27.4%	31.1%	13.8%	2.3	14.96	48.02	14.7x	4.6x	244.90	213.00	-10.17%	-	-	220.70	220.00	+0%	HOLD

WAPCO	0.44	15.7%	6.5%	4.4%	1.5	1.44	22.16	15.7x	1.0x	30.30	19.50	+7.36%	-	-	22.48	22.60	-1%	HOLD
Specialty Chemicals																		
CAP	2.50	15.5%	18.4%	41.7%	0.4	2.06	11.17	9.7x	1.8x	20.50	18.00	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	15.7x	0.6x	8.05	6.05	-11.56%	5.12	0.59	3.02	6.50	-54%	SELL
Energy																		
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	8.6x	0.6x	21.00	17.05	-18.23%	8.50	2.94	24.95	17.05	+46%	BUY
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	6.9x	0.6x	5.75	4.62	+9.41%	12.50	0.44	5.55	5.58	-0%	HOLD
ARDOVA	2.81	1.0%	10.3%	2.9%	3.6	1.43	13.86	10.4x	1.1x	21.85	13.50	+9.59%	25.00	0.53	13.17	14.85	-11%	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	0.15	-16.1%	-4.9%	-2.3%	2.1	-52.20	1,074.59	-10.5x	0.5x	583.00	402.30	+36.71%	-	-	681.55	550.00	+24%	BUY
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	0.69	15.2%	115.0%	10.5%	11.0	10.08	8.76	15.6x	17.9x	182.90	157.00	-7.59%	17.20	11.15	191.78	157.00	+22%	BUY
AIRTELAFRI	0.37	9.1%	10.0%	3.3%	3.0	34.53	345.52	26.9x	2.7x	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= 2021 Dec 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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