

STOCK RECOMMENDATION – MARCH 08, 2021

MARKET REVIEW

For the week ended March 05, 2021.

- The Nigerian equities market continued its bearish run as the NSEASI lost 1.18% WoW to settle at 39,331.61pts. This worsened the year to date (YtD) to -2.33%.
- All sectoral indices closed in the red except the **NSEIND** (+1.39% WoW). **MORISON** (+20.00% WoW) was the top gainer for the week, while **CHAMPION** lost 33.33% WoW to emerge the biggest loser.
- Market breadth fell to 0.20x, from 0.42x in the previous week as 74 tickers closed down (vs. 15 gainers).
- There was a continuation of selloffs that dominated the past four weeks, as fixed income assets garner interests owing to the uptick in yields. This is despite some positive earnings releases and dividend announcements.

MARKET *P*REVIEW

For the week commencing March 08, 2021

- We still anticipate a number of 2020FY audited results and accompanying corporate actions this week, particularly from some Tier 1 banks.
- In the previous week, the announced results and corporate action did little to spur a change in market direction. The performance of **DANGSUGAR** was impressive, while **ARDOVA** and **SEPLAT** had weak financial scorecards.
- We maintain our expectation of a negative close this week as investors continue to shift their attention towards the fixed income space.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NSEASI	39,331.61	39,799.89
Market Cap [NGN'tr]	20.58	20.82
Market Cap [USD 'bn]	52.36	52.99
Volume Traded [bn]	2.09	1.93
Value Traded [NGN'bn]	29.74	20.66

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NSEASI	-1.18%	-1.18%	-2.33%	-2.33%
NSE-30	-1.46%	-1.46%	-4.27%	-4.27%
NSE-B10	-1.94%	-1.94%	-4.50%	-4.50%
NSE-FB10	-6.30%	-6.30%	-7.85%	-7.85%
NSE-OG5	-2.16%	-2.16%	14.79%	14.79%
NSE-INS10	-4.99%	-4.99%	1.32%	1.32%
NSE-IND	1.39%	1.39%	-6.22%	-6.22%

Value (NGN)

SEPLAT	10,385,037,058
ZENITHBANK	4,985,589,698
NESTLE	3,208,022,861
GUARANTY	2,419,525,535
PRESCO	1,176,294,807

Volume

WEMABANK	375,878,326
MANSARD	332,079,622
ZENITHBANK	195,602,755
UCAP	95,331,136
FBNH	86,594,750

Highest Gainers

	%
MORISON	20.00%
SKYAVN	9.54%
UNITYBNK	8.96%
BETAGLAS	8.00%
LASACO	5.69%

Highest Losers

	%
CHAMPION	-33.33%
JAPAULGOLD	-28.99%
ARDOVA	-25.21%
OANDO	-23.19%
NASCON	-19.00%

	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	2.5x	0.4x	9.70	7.80	-7.69%	2.50	3.41	8.53	7.80	+9%	HOLD
ETI	0.09	1.7%	4.4%	0.3%	13.3	1.26	28.81	4.0x	0.2x	6.75	5.00	-16.67%	3.03	3.50	10.62	5.00	+112%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	2.8x	0.3x	3.50	2.91	-12.61%	2.34	1.09	2.55	2.91	-12%	SELL
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.2x	0.3x	2.77	2.21	-8.73%	3.10	1.08	3.34	2.30	+45%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	2.8x	0.4x	7.85	7.05	-0.70%	3.30	2.63	8.69	7.10	+22%	BUY
GUARANTY	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	4.7x	1.2x	36.00	30.30	-4.17%	4.70	6.93	32.57	31.00	+5%	HOLD
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	1.46	-27.94%	4.06	0.45	1.83	1.47	+24%	BUY
UBA	0.08	17.0%	12.9%	1.2%	10.8	2.47	19.16	3.2x	0.4x	9.25	7.95	-8.09%	3.40	2.80	9.50	7.95	+20%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	7.5x	0.6x	6.10	5.10	-4.67%	6.37	0.90	5.73	5.10	+12%	BUY
WEMABANK	0.10	4.6%	6.7%	0.4%	15.4	0.10	1.45	5.7x	0.4x	0.75	0.55	-20.29%	3.27	0.17	0.56	0.55	+1%	HOLD
ZENITHBANK	0.09	31.3%	21.0%	2.7%	7.7	6.93	32.94	3.7x	0.8x	27.20	24.10	+2.02%	3.85	7.68	29.57	25.30	+17%	BUY
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	2.8x	0.6x	1.59	1.01	+2.65%	1.65	0.95	1.57	1.16	+35%	BUY
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	32.2x	1.1x	1.52	0.35	+271.43%	3.80	0.10	0.38	1.30	-71%	SELL
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	2.0x	0.3x	1.70	1.00	-4.76%	9.30	0.31	2.88	1.00	+188%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	4.2x	0.7x	2.69	1.72	+5.59%	4.00	0.73	2.92	1.89	+54%	BUY
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	5.4x	0.3x	0.72	0.39	+22.50%	1.90	0.31	0.59	0.49	+20%	BUY
CUSTODIAN	0.38	13.3%	13.7%	4.4%	3.1	1.12	8.18	5.4x	0.7x	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	13.1x	0.7x	23.05	17.65	+21.05%	-	-	16.99	23.00	-26%	SELL
NB	0.76	2.2%	4.6%	1.7%	2.8	0.92	20.16	53.7x	2.5x	63.00	49.50	-11.61%	60.00	0.76	45.60	49.50	-8%	HOLD
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-4.9x	1.0x	7.07	5.54	-6.89%	-	-	5.90	5.54	+6%	HOLD
Packaged Foods & Meats																		
CADBURY	2.68	3.3%	3.7%	9.4%	0.4	0.68	18.20	12.3x	0.5x	10.80	8.30	-7.78%	-	-	-	8.30	-	UR
DANGSUGAR	0.76	16.6%	28.2%	12.7%	2.2	2.82	10.01	6.0x	1.7x	21.70	16.50	-3.98%	8.00	2.75	22.00	16.90	+30%	BUY
HONYFLOUR	0.69	0.4%	1.2%	0.5%	2.5	0.08	7.22	13.8x	0.2x	1.49	1.10	-4.17%	6.00	0.17	1.02	1.15	-11%	SELL
FLOURMILL	1.43	2.8%	11.3%	3.8%	3.0	4.58	40.40	5.9x	0.7x	34.70	26.10	+3.85%	6.80	4.68	31.82	27.00	+18%	BUY
NASCON	0.64	10.5%	17.2%	4.8%	3.6	0.80	4.65	16.3x	2.8x	17.55	13.00	-10.34%	-	-	-	13.00	-	UR
NESTLE	1.31	13.7%	104.8%	17.8%	8.4	49.47	36.96	27.3x	36.5x	1,505.00	1,350.00	-10.30%	28.00	50.32	1408.96	1,350.00	+4%	HOLD
UACN	0.75	2.5%	4.0%	2.2%	1.8	0.84	21.01	8.8x	0.4x	8.95	7.10	+2.07%	-	-	8.08	7.40	+9%	HOLD
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	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	-12.5x	0.5x	5.85	4.80	-1.89%	-	-	4.58	5.20	-12%	SELL
VITAFOAM	1.16	13.1%	44.5%	18.3%	2.4	2.68	6.03	2.8x	1.2x	10.05	7.50	-3.85%	2.30	2.32	5.34	7.50	-29%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.62	10.6%	15.0%	6.6%	2.3	0.53	3.54	7.1x	1.1x	5.02	3.21	+6.84%	8.00	0.59	4.72	3.75	+26%	BUY
FIDSON	0.66	3.5%	6.0%	2.4%	2.5	0.30	4.94	15.6x	0.9x	6.15	4.41	+3.33%	6.00	1.00	6.00	4.65	+29%	BUY
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	8.7x	0.9x	7.25	6.65	-2.90%	8.00	0.89	7.12	6.70	+6%	HOLD
NEIMETH	0.47	12.3%	25.9%	5.7%	4.5	0.19	0.75	9.0x	2.3x	2.23	1.75	-21.52%	8.00	0.28	2.24	1.75	+28%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.33	34.2%	17.0%	11.4%	1.5	5.38	31.66	13.9x	2.4x	85.00	72.00	-3.36%	-	-	49.01	74.75	-34%	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	15.5x	1.0x	30.30	19.50	+5.46%	-	-	22.48	22.20	+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	15.8x	0.6x	8.05	6.55	-10.88%	5.12	0.59	3.02	6.55	-54%	SELL	
Energy																			
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	9.5x	0.6x	21.00	18.90	-9.35%	8.50	2.94	24.95	18.90	+32%	BUY	
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	7.1x	0.6x	5.75	5.20	+11.76%	12.50	0.44	5.55	5.70	-3%	HOLD	
ARDOVA	3.64	1.5%	3.0%	1.1%	2.8	0.42	13.88	32.2x	1.0x	21.85	13.50	-0.37%	25.00	0.53	13.17	13.50	-2%	HOLD	
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	-	-	-	0.5x	583.00	402.30	+34.20%	-	-	681.55	539.90	+26%	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	0.73	14.8%	167.9%	11.2%	15.0	9.68	5.77	17.6x	29.5x	182.90	165.00	+0.06%	-	-	-	170.00	-	UR	
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= 2021Dec 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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HOLD: Target Price of the stock ranges between **-10 percent and 10 percent** from the current market price.

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