

STOCK RECOMMENDATION – APRIL 26, 2021

MARKET REVIEW

For the week ended April 23, 2021.

- Last week, the Nigerian equities market halted its 3-week bearish run, as buying interests pushed the market to a positive close on all five (5) trading days. The **NSEASI** advanced by 1.27%WoW to settle at 39,301.82pts., with year to date (YTD) return improving to -2.41%.
- All sectoral indices closed up, reflecting the broad market performance. **PZ**, with a share price gain of +21.11% WoW emerged as the top gainer for the week, while **FTNCOCOA** was the worst performer, shedding 22.00% week on week.
- Market breadth climbed to 1.62x (from 0.43x in the previous week), as 42 stocks appreciated (against 26 decliners).
- A number of companies (including **GUARANTY**, **UBA**, **NB**, **NASCON**, **UNILEVER** among others) released their Q1:2021 unaudited results over the course of the week.

MARKET *P*REVIEW*For the week commencing April 26, 2021*

- This week, we expect that investors would continue to observe the release of Q1:2021 unaudited numbers, which have so far been better, benefiting from a lower base in Q1:2020. We observed an improvement in profitability (PAT) for **NB**: +38.52%, **UBA**: +26.76%, **NASCON**: +15.20%, **AFRIPRUD**: +11.76% and some other companies.
- We think this may positively influence investors' sentiment and ultimately the market's direction this week. Also, we see some scope for bargain hunting activities in the market.
- Ultimately, we expect the equities market to close up this week.

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NSEASI			39,301.82	38,808.01
Market Cap [NGN'tr]			20.57	20.31
Market Cap [USD 'bn]			52.34	51.68
Volume Traded [bn]			1.60	1.26
Value Traded [NGN'bn]			13.25	10.76
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NSEASI	1.27%	0.66%	0.66%	-2.41%
NSE-30	1.64%	0.69%	0.69%	-4.48%
NSE-B10	4.82%	-2.73%	-2.73%	-8.51%
NSE-FB10	1.05%	2.86%	2.86%	-2.60%
NSE-OG5	0.29%	-0.08%	-0.08%	17.44%
NSE-INS10	0.40%	-5.09%	-5.09%	2.44%
NSE-IND	0.50%	0.69%	0.69%	-7.29%
Value (NGN)		Volume		
MTNN	29,842,144,115	FIDELITYBK	268,870,821	
GUARANTY	3,977,737,275	MTNN	182,726,533	
ZENITHBANK	1,991,635,480	GUARANTY	129,162,861	
ACCESS	943,318,333	ACCESS	125,256,949	
FBNH	847,057,855	FBNH	112,783,962	
Highest Gainers	%	Highest Losers	%	
PZ	21.11%	FTNCOCOA	-22.00%	
UPL	19.63%	PORTPAINT	-18.09%	
HONYFLOUR	17.65%	EKOCORP	-10.00%	
MBENEFIT	14.71%	GUINNESS	-9.89%	
STERLNBANK	12.59%	UNIONDICON	-9.59%	

	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	2.4x	0.4x	9.70	7.50	-11.24%	2.76	3.40	9.38	7.50	+25%	BUY
ETI	0.09	1.7%	4.4%	0.3%	13.3	1.26	28.81	4.1x	0.2x	6.75	4.70	-13.33%	3.03	3.10	9.39	5.20	+81%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	2.8x	0.3x	3.50	2.66	-13.21%	2.71	1.06	2.87	2.89	-1%	HOLD
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.2x	0.2x	2.77	2.10	-11.51%	2.83	1.01	2.86	2.23	+28%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	3.0x	0.4x	7.85	7.05	+4.20%	3.16	2.85	9.02	7.45	+21%	BUY
GUARANTY	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	4.8x	1.2x	36.00	28.00	-3.55%	4.90	6.99	34.25	31.20	+10%	HOLD
STANBIC	0.09	36.1%	23.4%	3.3%	7.0	7.71	32.92	6.5x	1.5x	52.90	38.70	+13.51%	6.80	7.37	50.12	50.00	+0%	HOLD
STERLNBANK	0.11	6.9%	8.2%	0.8%	10.3	0.36	4.42	4.5x	0.4x	2.10	1.43	-21.08%	-	-	-	1.61	-	UR
UBA	0.08	18.3%	15.7%	1.5%	10.6	3.33	21.17	2.3x	0.4x	9.25	6.80	-13.29%	3.00	3.60	10.80	7.50	+44%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	7.4x	0.6x	6.10	4.55	-6.54%	9.00	0.88	7.92	5.00	+58%	BUY
WEMABANK	0.10	4.6%	6.7%	0.4%	15.4	0.10	1.45	6.1x	0.4x	0.75	0.55	-14.49%	-	-	-	0.59	-	UR
ZENITHBANK	0.10	33.1%	25.1%	3.3%	7.6	8.92	35.59	2.5x	0.6x	27.20	20.30	-10.08%	3.85	7.68	29.57	22.30	+33%	BUY
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	3.1x	0.6x	1.59	1.01	+11.50%	-	-	-	1.26	-	UR
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	31.2x	1.1x	1.52	0.35	+260.00%	-	-	-	1.26	-	UR
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	1.8x	0.3x	1.70	0.87	-14.29%	-	-	-	0.90	-	UR
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	4.5x	0.7x	2.69	1.72	+12.29%	-	-	-	2.01	-	UR
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	0.43	17.0%	10.8%	7.3%	1.5	2.17	20.17	2.8x	0.3x	7.10	5.75	+2.56%	3.80	2.22	8.44	6.00	+41%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.91	-0.4%	5.3%	2.6%	2.0	1.76	33.20	16.3x	0.9x	35.90	17.65	+51.05%	-	-	16.99	28.70	-41%	SELL
NB	0.76	2.2%	4.6%	1.7%	2.8	0.92	20.16	55.6x	2.5x	63.00	47.00	-8.57%	60.00	0.76	45.60	51.20	-11%	SELL
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-5.1x	1.0x	7.07	4.55	-4.20%	-	-	5.51	5.70	-3%	HOLD
Packaged Foods & Meats																		
CADBURY	2.68	3.3%	3.7%	9.4%	0.4	0.68	18.20	11.5x	0.4x	10.80	7.80	-13.33%	13.84	0.59	8.17	7.80	+5%	HOLD
DANGSUGAR	0.77	13.9%	23.9%	10.7%	2.2	2.45	10.26	7.3x	1.7x	21.70	16.40	+1.70%	8.00	2.50	20.00	17.90	+12%	BUY
HONYFLOUR	0.73	0.4%	3.3%	1.3%	2.5	0.24	7.22	5.8x	0.2x	1.49	1.09	+16.67%	6.00	0.17	1.02	1.40	-27%	SELL
FLOURMILL	1.43	2.8%	11.3%	3.8%	3.0	4.58	40.40	6.8x	0.8x	34.70	26.10	+19.23%	6.80	4.68	31.82	31.00	+3%	HOLD
NASCON	0.63	9.6%	21.1%	6.1%	3.5	1.01	4.80	14.6x	3.1x	17.55	13.00	+2.07%	12.50	1.04	13.00	14.80	-12%	SELL
NESTLE	1.17	13.7%	20.3%	15.9%	1.3	49.47	243.96	28.7x	5.8x	1,505.00	1,350.00	-5.65%	28.00	50.32	1,408.96	1,420.00	-1%	HOLD
UACN	0.75	2.5%	4.0%	2.2%	1.8	0.84	21.01	13.1x	0.5x	10.95	7.10	+51.03%	5.87	1.70	9.98	10.95	-9%	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%	-	-	-	90.00	-	UR
PRESCO	0.34	26.6%	16.9%	7.6%	2.2	5.22	30.92	13.8x	2.3x	75.00	69.00	+1.48%	11.30	6.21	70.22	72.00	-2%	HOLD
Household & Personal Products																		
PZ	0.93	-4.7%	-3.8%	-2.1%	1.8	-0.41	11.02	-13.1x	0.5x	5.85	4.15	+2.83%	-	-	4.58	5.45	-16%	SELL
VITAFOAM	1.19	12.8%	43.4%	20.0%	2.2	3.51	8.08	2.4x	1.0x	10.05	7.35	+7.69%	2.30	2.32	5.34	8.40	-36%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.62	10.6%	15.0%	6.6%	2.3	0.53	3.54	7.7x	1.2x	5.02	3.21	+16.81%	7.50	0.55	4.13	4.10	+1%	HOLD
FIDSON	0.66	3.5%	6.0%	2.4%	2.5	0.30	4.94	14.8x	0.9x	6.15	4.28	-2.22%	7.50	0.80	6.00	4.40	+36%	BUY
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	8.4x	0.9x	7.25	6.20	-5.80%	8.00	0.89	7.12	6.50	+10%	HOLD
NEIMETH	0.41	-46.2%	-3.7%	-0.6%	5.9	-0.02	0.57	-90.3x	3.3x	2.23	1.75	-14.80%	8.00	0.28	2.24	1.90	+18%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.33	34.2%	17.0%	11.4%	1.5	5.38	31.66	13.5x	2.3x	85.00	69.95	-6.01%	-	-	71.57	72.70	-2%	HOLD
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%	-	-	232.64	220.00	+6%	HOLD

WAPCO	0.44	15.7%	6.5%	4.4%	1.5	1.44	22.16	15.5x	1.0x	30.30	19.50	+5.94%	-	-	23.91	22.30	+7%	HOLD
Specialty Chemicals																		
CAP	2.50	15.5%	18.4%	41.7%	0.4	2.06	11.17	10.8x	2.0x	23.90	18.00	+11.00%	9.89	2.10	20.77	22.20	-6%	HOLD
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%	10.47	0.84	8.79	6.50	+35%	BUY
Energy																		
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	9.4x	0.6x	21.00	17.05	-10.07%	8.50	2.94	24.95	18.75	+33%	BUY
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	7.5x	0.6x	6.35	4.62	+17.65%	-	-	-	6.00	-	UR
ARDOVA	2.81	1.0%	10.3%	2.9%	3.6	1.43	13.86	10.3x	1.1x	21.85	13.50	+8.12%	-	-	-	14.65	-	UR
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	-2.3x	0.2x	13.75	10.90	-20.73%	4.00	4.47	17.87	10.90	+64%	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	15.5x	1.7x	143.00	130.00	+4.54%	19.65	7.48	146.98	135.90	+8%	HOLD
Telecommunications																		
MTNN	0.69	15.2%	115.0%	10.5%	11.0	10.08	8.76	16.4x	18.8x	182.90	157.00	-2.88%	17.20	11.15	191.78	165.00	+16%	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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