

STOCK RECOMMENDATION - JUNE 21, 2021

MARKET REVIEW

For the week ended June 18, 2021.

- The impact of selloffs at the start of the trading week dragged the Nigerian equities market to a negative close, halting its two-week bullish run. The All Share Index declined by 1.30%WoW to settle at 38,648.91pts, while the Year to Date (YtD) return worsened to -4.03%, from -2.77% at the end of the previous week.
- Save for the **NSEIND** (-0.06%), all sectoral indices closed the week positive led by the **NSEBNK10** (+1.09%) and **NSEOILG5** (+1.05%). **BERGER** (+14.93%) closed the week as the top gainer, while **UACN** (-11.01%) emerged as the week's biggest loser.
- Market breadth improved significantly to 1.56x, from 0.97x in the prior week.
- Trading on **GUARANTY** was suspended last Friday ahead of the eventual delisting of the bank & relisting of the new HoldCo entity.

MARKET *P*REVIEW*For the week commencing June 21, 2021*

- Despite closing down last week (-1.30%WoW) due to selloffs on **AIRTELAFRI**, **OKOMUOIL** and **STANBIC**, we note that positive sentiment has lingered in the equities market. Market breadth (which improved to 1.56x vs. 0.97x at the end of last week) is one of the data points we reference.
- Coming into the new week and barring any significant negative shock in the market, we expect cherry-picking and bargain hunting by investors to drive the market to a positive close.
- All in, we expect the equities market to close positive this week.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
All Share Index			38,648.91	39,157.29
Market Cap [NGN'tr]			20.14	20.41
Market Cap [USD 'bn]			49.11	49.76
Volume Traded [bn]			0.98	1.06
Value Traded [NGN'bn]			10.38	12.83
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NSEASI	-1.30%	0.55%	-1.01%	-4.03%
NSE-30	0.29%	2.40%	2.78%	-2.49%
NSE-B10	1.09%	1.71%	-1.94%	-7.76%
NSE-FB10	0.25%	1.16%	4.68%	-0.87%
NSE-OG5	1.05%	1.61%	18.18%	38.91%
NSE-INS10	0.76%	-1.69%	-1.76%	6.03%
NSE-IND	-0.06%	3.79%	3.26%	-4.92%
Value (NGN)		Volume		
ZENITHBANK	2,270,012,165	ZENITHBANK	96,944,369	
GUARANTY	954,620,411	STERLNBANK	86,884,010	
SEPLAT	809,487,282	WEMABANK	81,820,872	
PRESCO	789,001,426	ACCESS	80,351,861	
MTNN	723,616,205	UBA	40,434,471	
Highest Gainers	%	Highest Losers	%	
BERGER	14.93%	UACN	-11.01%	
LASACO	10.29%	AIRTELAFRI	-10.00%	
CHAMPION	10.00%	ABBEYBDS	-9.52%	
MORISON	9.68%	CHIPLC	-9.46%	
REDSTAREX	8.06%	OKOMUOIL	-9.44%	

	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	7.20	+1.18%	2.76	3.40	9.38	8.55	+10%	HOLD
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%	2.37	4.40	10.43	5.20	+101%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	3.1x	0.3x	3.50	2.66	-4.20%	2.71	1.06	2.87	3.19	-10%	HOLD
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.2x	0.3x	2.77	2.10	-9.92%	2.83	1.01	2.86	2.27	+26%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	2.9x	0.4x	7.85	6.90	+2.10%	3.22	2.59	8.34	7.30	+14%	BUY
GUARANTY	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	4.4x	1.1x	36.00	28.00	-11.75%	4.90	6.99	34.25	28.55	+20%	BUY
STANBIC	0.09	36.1%	23.4%	3.3%	7.0	7.71	32.92	5.1x	1.2x	52.90	38.70	-11.46%	6.80	7.37	50.12	39.00	+29%	BUY
STERLNBANK	0.11	6.9%	8.2%	0.8%	10.3	0.36	4.42	4.4x	0.4x	2.10	1.43	-22.06%	4.12	0.46	1.90	1.59	+20%	BUY
UBA	0.08	18.3%	15.7%	1.5%	10.6	3.33	21.17	2.2x	0.3x	9.25	6.80	-15.61%	3.00	3.60	10.80	7.30	+48%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	8.5x	0.6x	6.10	4.55	+8.41%	9.00	0.88	7.92	5.80	+37%	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%	3.07	0.23	0.71	0.55	+29%	BUY
ZENITHBANK	0.10	33.1%	25.1%	3.3%	7.6	8.92	35.59	2.7x	0.7x	27.20	20.30	-4.03%	3.85	7.68	29.57	23.80	+24%	BUY
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	2.7x	0.5x	1.59	1.01	-3.54%	5.14	0.26	1.34	1.09	+23%	BUY
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	37.2x	1.3x	1.71	0.35	+328.57%	3.21	0.47	1.51	1.50	+1%	HOLD
MANSARD	0.44	15.9%	17.1%	5.0%	3.4	0.49	2.89	1.8x	0.3x	1.70	0.83	-14.29%	1.23	0.88	1.08	0.90	+20%	BUY
NEM	0.71	12.0%	15.8%	8.1%	2.0	0.45	2.81	4.2x	0.7x	2.69	1.72	+4.47%	4.19	0.56	2.35	1.87	+25%	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	0.43	17.0%	10.8%	7.3%	1.5	2.17	20.17	2.7x	0.3x	7.10	5.75	+1.71%	3.80	2.22	8.44	5.95	+42%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.91	-0.4%	5.3%	2.6%	2.0	1.76	33.20	16.5x	0.9x	35.90	17.65	+52.63%	14.84	2.13	31.61	29.00	+9%	HOLD
NB	0.76	2.2%	4.6%	1.7%	2.8	0.92	20.16	64.0x	2.9x	63.00	47.00	+5.36%	44.36	1.38	61.22	59.00	+4%	HOLD
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-4.8x	1.0x	7.07	4.55	-9.24%	-	-	5.51	5.40	+2%	HOLD
Packaged Foods & Meats																		
CADBURY	2.68	3.3%	3.7%	9.4%	0.4	0.68	18.20	11.8x	0.4x	10.80	7.75	-11.11%	13.84	0.59	8.17	8.00	+2%	HOLD
DANGSUGAR	0.77	13.9%	23.9%	10.7%	2.2	2.45	10.26	7.2x	1.7x	21.70	16.40	+0.85%	6.52	3.08	20.08	17.75	+13%	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%	9.00	0.15	1.35	1.40	-0%	HOLD
FLOURMILL	1.43	2.8%	11.3%	3.8%	3.0	4.58	40.40	6.5x	0.7x	34.70	26.10	+14.62%	6.80	4.68	31.82	29.80	+7%	HOLD
NASCON	0.63	9.6%	21.1%	6.1%	3.5	1.01	4.80	14.3x	3.0x	17.55	13.00	0.00%	13.00	1.17	15.21	14.50	+5%	HOLD
NESTLE	1.17	13.7%	20.3%	15.9%	1.3	49.47	243.96	28.3x	5.7x	1,505.00	1,350.00	-6.98%	27.92	53.09	1,482.27	1,400.00	+6%	HOLD
UACN	0.75	2.5%	4.0%	2.2%	1.8	0.84	21.01	11.6x	0.5x	11.25	7.10	+33.79%	5.87	1.70	9.98	9.70	+3%	HOLD
Agricultural Products																		
OKOMUOIL	0.44	26.9%	18.4%	11.8%	1.6	6.23	33.83	16.9x	3.1x	116.50	90.00	+15.93%	10.99	11.56	127.04	105.50	+20%	BUY
PRESCO	0.34	26.6%	16.9%	7.6%	2.2	5.22	30.92	14.6x	2.5x	78.90	69.00	+7.12%	12.01	7.25	87.07	76.00	+15%	BUY
Household & Personal Products																		
PZ	0.93	-4.7%	-3.8%	-2.1%	1.8	-0.41	11.02	-14.0x	0.5x	6.00	4.15	+9.43%	-	-	4.58	5.80	-21%	SELL
VITAFOAM	1.19	12.8%	43.4%	20.0%	2.2	3.51	8.08	3.4x	1.5x	12.10	7.35	+55.13%	4.50	2.95	13.28	12.10	+10%	HOLD
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.62	10.6%	15.0%	6.6%	2.3	0.53	3.54	7.6x	1.1x	5.02	3.21	+15.10%	7.70	0.63	4.85	4.04	+20%	BUY
FIDSON	0.66	3.5%	6.0%	2.4%	2.5	0.30	4.94	17.1x	1.0x	6.15	4.28	+13.33%	7.00	1.02	7.14	5.10	+40%	BUY
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	7.8x	0.8x	7.25	6.00	-13.04%	8.00	0.89	7.12	6.00	+19%	BUY
NEIMETH	0.41	-46.2%	-3.7%	-0.6%	5.9	-0.02	0.57	-84.6x	3.1x	2.23	1.71	-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	13.8x	2.3x	85.00	69.95	-4.33%	-	-	71.57	74.00	-3%	HOLD
DANGCEM	0.53	27.4%	31.1%	13.8%	2.3	14.96	48.02	15.4x	4.8x	244.90	204.00	-6.08%	-	-	232.64	230.00	+1%	HOLD

WAPCO	0.44	15.7%	6.5%	4.4%	1.5	1.44	22.16	14.5x	0.9x	30.30	19.50	-0.71%	-	-	23.91	20.90	+14%	BUY
Specialty Chemicals																		
CAP	2.50	15.5%	18.4%	41.7%	0.4	2.06	11.17	9.2x	1.7x	23.90	18.00	-5.00%	9.89	2.10	20.77	19.00	+9%	HOLD
BERGER	0.77	0.8%	4.0%	2.4%	1.6	0.41	10.42	18.6x	0.7x	8.05	6.05	+4.76%	10.47	0.84	8.79	7.70	+14%	BUY
Energy																		
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	10.3x	0.7x	21.00	17.00	-1.68%	8.50	2.94	24.95	20.50	+22%	BUY
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	9.5x	0.8x	8.00	4.62	+50.00%	7.56	0.79	5.97	7.65	-22%	SELL
ARDOVA	2.81	1.0%	10.3%	2.9%	3.6	1.43	13.86	10.8x	1.1x	21.85	13.50	+14.39%	10.65	1.52	16.19	15.50	+5%	HOLD
MRS	1.31	-2.8%	-8.0%	-3.9%	2.1	-4.76	59.81	-2.6x	0.2x	13.75	10.90	-8.36%	4.00	4.47	17.87	12.60	+42%	BUY
SEPLAT	0.15	-16.1%	-4.9%	-2.3%	2.1	-52.20	1,074.59	-13.4x	0.7x	700.00	402.30	+74.00%	-	-	681.55	700.00	-3%	HOLD
TOTAL	1.80	0.3%	11.2%	2.4%	4.7	8.77	78.17	16.5x	1.9x	145.00	130.00	+11.54%	19.65	7.48	146.98	145.00	+1%	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%	15.77	12.14	191.45	165.00	+16%	BUY
AIRTELAFRI	0.37	9.1%	10.0%	3.3%	3.0	34.53	345.52	21.8x	2.2x	930.00	753.30	-11.56%	17.24	48.96	844.11	753.30	+12%	BUY

*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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Contact Information

Brokerage and Retail Services

topeoludimu@meristemng.com (+234 905 569 0627)
olatunjifaniyi@meristemng.com (+234 803 4463118)
contact@meristemng.com

Investment Banking/Corporate Finance

rasakisalawu@meristemng.com (+234 806 022 9889)
seunlijofi@meristemng.com (+234 808 536 5766)

Wealth Management

funmilolaadekola-daramola@meristemng.com (+234 805 498 4522)
crmwealth@meristemng.com
Tel : +234 01 738 9948

Registrars

muboolasoko@meristemregistrars.com (+234 803 324 7996)
martinaosague@meristemregistrars.com (+234 802 303 1783)
www.meristemregistrars.com
Tel: +23401-280 9250

Group Business Development

saheedbashir@mersitemng.com (+234 802 454 6575)
ifeomaogalue@meristemng.com (+234 802 394 2967)
emekaikpechukwu@meristemng.com (+234 803 791 5731)
info@meristemng.com

Client Services

adefemtaiwo@meristemng.com (+234 803 694 3034)
blessingogwuche@meristemng.com (+234 706 896 5173)
car@meristemng.com

Investment Research

ahmedjinad@meristemng.com (+234 809 187 8917)
research@meristemng.com

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