

STOCK RECOMMENDATION - JULY 12, 2021

MARKET REVIEW

For the week ended July 5, 2021.

- The market ended on a bearish note last week, with the **NGXASI** closing down by 0.57%WoW to settle at 37,994.19 points. Sell-offs on heavy-weight tickers (**AIRTELAFRI** and **PRESCO**) pressured the Year-to-Date return to -5.65%.
- On a sectoral basis, the **NGX-OG5** closed up strongly week-on-week, owing to the 10% and 9.24% gains on **SEPLAT** and **TOTAL**, respectively.
- On the gainers' chart, **UPDC** emerged as the best performer gaining 40.70% to close at NGN1.21, while **REDSTAREX** led the losers' chart, shedding 15.26% to settle at NGN3.11.

MARKET *P*REVIEW*For the week commencing July 12, 2021.*

- The prevailing sentiment in the market last week was mixed. The market closed up on three of the five trading days on account of bargain hunting across counters. However, sell-offs on bellwether stocks, ultimately called the market's direction at the end of the week.
- Last week, **DANGCEM** announced SEC's approval of the renewal of its share buy-back programme until January 2022. We do not see this significantly influencing investors' sentiment this week.
- All in, we expect profit taking on counters that have recorded gains in the past week, thus pushing the NGXASI index down week-on-week.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			37,994.19	38,212.01
Market Cap [NGN'tr]			19.80	19.92
Market Cap [USD 'bn]			48.26	48.56
Volume Traded [bn]			1.35	1.02
Value Traded [NGN'bn]			12.13	14.15
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	-0.57%	0.23%	0.23%	-5.65%
NGX-30	0.80%	1.63%	1.63%	-1.17%
NGX-B10	3.29%	4.49%	4.49%	-2.56%
NGX-FB10	-0.32%	-0.31%	-0.31%	4.48%
NGX-OG5	6.53%	5.92%	5.92%	46.60%
NGX-INS10	0.17%	-0.08%	-0.08%	7.48%
NGX-IND	0.19%	2.22%	2.22%	-5.98%
Value (NGN)		Volume		
ZENITHBANK	2,137,065,568	FCMB	126,858,273.00	
GTCO	1,870,494,984	EVANSMED	97,495,862.00	
SEPLAT	779,670,927	ZENITHBANK	86,425,022.00	
FBNH	736,054,759	TRANSCORP	85,112,710.00	
MTNN	675,509,508	ACCESS	67,793,717.00	
Highest Gainers	%	Highest Losers	%	
UAC-PROP	40.70%	REDSTAREX	-15.26%	
CUTIX	21.00%	ETERNA	-14.80%	
JOHNHOLT	19.67%	LINKASSURE	-12.94%	
SOVRENINS	15.38%	PRESTIGE	-10.00%	
CHIPLC	11.11%	AIRTELAERI	-9.99%	

	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	0.86	23.7%	14.9%	13.1%	1.1	3.33	22.31	2.7x	0.4x	9.70	7.20	+7.69%	2.76	3.40	9.38	9.10	+3%	HOLD
ETI	0.08	14.2%	5.0%	0.4%	13.1	1.61	32.40	3.2x	0.2x	6.75	4.70	-13.33%	2.37	4.40	10.43	5.20	+101%	BUY
FCMB	0.09	8.3%	8.1%	0.9%	9.4	0.93	11.57	3.2x	0.3x	3.50	2.66	-10.21%	2.71	1.06	2.87	2.99	-4%	HOLD
FIDELITYBK	0.07	17.4%	11.5%	1.1%	10.9	1.05	9.13	2.2x	0.3x	2.77	2.10	-8.33%	2.83	1.01	2.86	2.31	+24%	BUY
FBNH	0.07	114.4%	28.8%	2.8%	10.2	6.14	21.31	1.3x	0.4x	7.85	6.90	+7.69%	3.22	2.59	8.34	7.70	+8%	HOLD
GTCO	0.09	42.9%	23.5%	3.9%	6.0	6.69	28.45	4.4x	1.0x	30.00	29.00	-8.96%	4.90	6.99	34.25	29.45	+16%	BUY
STANBIC	0.09	24.6%	19.3%	2.9%	6.7	6.65	34.52	6.1x	1.2x	52.90	38.70	-7.60%	6.80	7.37	50.12	40.70	+23%	BUY
STERLNBANK	0.10	7.7%	8.8%	0.8%	10.6	0.40	4.58	3.9x	0.3x	2.10	1.43	-23.04%	4.12	0.46	1.90	1.57	+21%	BUY
UBA	0.08	24.5%	16.0%	1.5%	10.4	3.56	22.29	2.1x	0.3x	9.25	6.80	-13.29%	3.00	3.60	10.80	7.50	+44%	BUY
UBN	0.07	16.9%	7.1%	0.9%	8.1	0.65	9.11	8.6x	0.6x	6.10	4.55	+4.67%	9.00	0.88	7.92	5.60	+41%	BUY
WEMABANK	0.15	6.7%	31.4%	1.8%	17.1	0.49	1.57	1.5x	0.5x	0.75	0.55	+7.25%	3.07	0.23	0.71	0.74	-5%	HOLD
ZENITHBANK	0.08	33.7%	21.3%	2.7%	8.0	7.42	34.78	3.4x	0.7x	27.20	20.30	+0.60%	3.85	7.68	29.57	24.95	+19%	BUY
Insurance																		
AIICO	0.29	8.9%	13.8%	2.3%	6.1	0.24	1.72	4.4x	0.6x	1.59	1.00	-7.08%	5.14	0.26	1.34	1.05	+27%	BUY
LASACO	0.45	7.8%	8.6%	3.5%	2.5	0.42	4.91	3.5x	0.3x	1.71	0.35	+328.57%	3.21	0.47	1.51	1.50	+1%	HOLD
MANSARD	0.43	20.5%	12.8%	4.7%	2.7	0.14	1.13	6.1x	0.8x	1.70	0.83	-15.24%	1.23	0.88	1.08	0.89	+22%	BUY
NEM	0.71	11.6%	26.4%	15.2%	1.7	0.51	1.94	3.9x	1.0x	2.69	1.72	+11.73%	4.19	0.56	2.35	2.00	+17%	BUY
WAPIC	0.44	4.4%	3.1%	1.9%	1.6	0.03	1.01	18.5x	0.6x	0.72	0.39	+47.50%	1.90	0.31	0.59	0.59	-0%	HOLD
CUSTODIAN	0.40	6.9%	20.8%	6.4%	3.2	2.08	10.00	3.1x	0.6x	7.10	5.75	+11.11%	3.80	2.22	8.44	6.50	+30%	BUY

Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-5.2x	0.8x	35.90	17.65	+52.63%	-	-	31.61	29.00	+9%	HOLD
NB	0.81	7.2%	4.3%	1.6%	2.6	0.91	21.11	65.7x	2.8x	63.00	47.00	+7.14%	-	-	61.22	60.00	+2%	HOLD
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-15.3x	1.0x	7.07	4.55	-10.92%	-	-	5.51	5.30	+4%	HOLD
Packaged Foods & Meats																		
CADBURY	0.97	2.7%	3.4%	1.3%	2.7	0.25	7.34	34.3x	1.2x	10.80	7.75	-4.44%	13.84	0.59	8.17	8.60	-5%	HOLD
DANGSUGAR	0.80	12.3%	23.8%	10.9%	2.2	2.61	10.95	6.8x	1.6x	21.70	16.40	+1.42%	6.52	3.08	20.08	17.85	+13%	BUY
HONYFLOUR	0.94	1.0%	2.8%	1.1%	2.5	0.20	7.31	8.1x	0.2x	1.71	1.09	+37.50%	9.00	0.15	1.35	1.65	-18%	SELL
FLOURMILL	1.42	3.3%	14.7%	4.7%	3.1	6.27	42.58	4.8x	0.7x	34.70	26.10	+14.81%	5.00	7.76	38.80	29.85	+30%	BUY
NASCON	0.62	8.7%	20.7%	5.9%	3.5	0.21	1.03	70.0x	14.5x	17.55	13.00	+3.45%	13.00	1.17	15.21	15.00	+1%	HOLD
NESTLE	1.26	14.2%	97.1%	16.8%	5.8	50.99	52.50	30.2x	29.3x	1,540.00	1,350.00	+2.33%	27.92	53.09	1,482.27	1,540.00	-4%	HOLD
UACN	0.91	3.0%	6.4%	4.3%	1.5	1.36	21.30	7.2x	0.5x	11.25	7.10	+34.48%	5.87	1.70	9.98	9.75	+2%	HOLD
Agricultural Products																		
OKOMUOIL	0.51	42.0%	28.8%	19.2%	1.5	11.56	40.07	9.5x	2.7x	116.50	90.00	+20.88%	10.99	11.56	127.04	110.00	+15%	BUY
PRESCO	0.35	48.5%	20.9%	9.6%	2.2	7.31	34.89	9.3x	1.9x	78.90	68.00	-4.16%	12.01	7.25	87.07	68.00	+28%	BUY
Household & Personal Products																		
PZ	0.94	2.2%	5.1%	2.1%	2.4	0.46	9.07	12.8x	0.7x	6.00	4.15	+11.32%	-	-	4.58	5.90	-22%	SELL
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	3.9x	1.8x	16.20	7.35	+98.08%	4.50	2.95	13.28	15.45	-14%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.68	9.3%	16.7%	7.8%	2.1	0.68	4.04	6.6x	1.1x	5.02	3.21	+26.21%	7.70	0.63	4.85	4.43	+10%	HOLD
FIDSON	0.66	9.2%	14.7%	5.2%	2.8	0.78	5.33	7.8x	1.1x	6.34	4.28	+35.33%	7.00	1.02	7.14	6.09	+17%	BUY
GLAXOSMITH	1.01	-6.9%	3.0%	1.4%	2.2	0.23	7.43	27.6x	0.8x	7.25	6.00	-9.42%	8.00	0.89	7.12	6.25	+14%	BUY
NEIMETH	0.47	2.2%	15.7%	2.9%	5.4	0.10	0.62	18.6x	2.9x	2.23	1.70	-19.28%	8.00	0.28	2.24	1.80	+24%	BUY

Materials																		
Construction Materials																		
BUACEMENT	0.30	36.6%	18.8%	10.5%	1.8	2.21	11.76	32.3x	6.1x	85.00	69.95	-7.56%	-	-	71.57	71.50	+0%	HOLD
DANGCEM	0.53	27.0%	31.4%	14.4%	2.2	17.91	56.99	12.8x	4.0x	244.90	204.00	-6.08%	-	-	232.64	230.00	+1%	HOLD
WAPCO	0.45	12.8%	8.7%	6.0%	1.4	1.98	22.89	11.0x	1.0x	30.30	19.50	+3.56%	-	-	23.91	21.80	+10%	HOLD
Specialty Chemicals																		
CAP	0.87	9.7%	10.0%	10.0%	1.0	1.39	13.90	13.7x	1.4x	23.90	18.00	-5.00%	9.89	2.10	20.77	19.00	+9%	HOLD
BERGER	0.79	3.8%	3.9%	2.5%	1.6	0.43	11.01	20.7x	0.8x	9.85	6.05	+21.09%	10.47	0.84	8.79	8.90	-1%	HOLD
Energy																		
CONOIL	2.12	1.3%	8.0%	3.0%	2.7	2.31	28.74	8.0x	0.6x	21.00	17.00	-11.27%	8.50	2.94	24.95	18.50	+35%	BUY
ETERNA	1.79	1.8%	11.4%	5.0%	2.3	1.19	10.43	5.4x	0.6x	8.00	4.62	+25.29%	7.56	0.79	5.97	6.39	-7%	HOLD
ARDOVA	2.63	2.0%	11.8%	3.4%	3.5	1.71	14.52	9.1x	1.1x	21.85	13.50	+14.39%	10.65	1.52	16.19	15.50	+4%	HOLD
MRS	1.11	0.0%	-7.1%	-3.2%	2.2	-3.95	55.28	-3.2x	0.2x	13.75	10.90	-8.36%	4.00	4.47	17.87	12.60	+42%	BUY
SEPLAT	0.16	16.3%	2.1%	1.0%	2.0	22.71	1,090.36	33.9x	0.7x	770.00	402.30	+91.40%	-	-	681.55	770.00	-11%	SELL
TOTAL	1.15	4.5%	16.7%	3.0%	5.6	15.31	91.74	10.3x	1.7x	158.40	130.00	+21.85%	19.65	7.48	146.98	158.40	-7%	HOLD
Telecommunications																		
MTNN	0.64	19.1%	90.1%	10.4%	8.7	11.16	12.39	14.7x	13.2x	182.90	157.00	-3.47%	15.77	12.14	191.45	164.00	+17%	BUY
AIRTELAFRI	0.39	10.6%	12.4%	4.2%	3.0	45.41	366.91	13.2x	1.6x	930.00	601.00	-29.44%	-	-	748.89	601.00	+25%	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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