

STOCK RECOMMENDATION - JULY 5, 2021

MARKET REVIEW

For the week ended July 2, 2021.

- Strong buying interest dominated the Nigerian bourse last week as the market closed positive on four of the five trading days. Thus, the NGXASI gained 1.47% WoW to close at 38,212.01, and the Year-to-Date Losses moderated to -5.11%.
- Other than NGXOG5 which shed 0.70% WoW due to selloffs in **CONOIL** (-4.31% WoW), all sectoral indices closed positive.
- Leading the gainers' chart was **IKEJAHOTEL** (+60.00% WoW), while **BOCGAS** (-18.96% WoW) led the laggards.

MARKET *P*REVIEW

For the week commencing July 5, 2021.

- Bargain hunting activities drove the buying sentiment witnessed in the market last week. Investors' reaction to the capital market regulator's approval of derivative contracts on some heavyweight counters also contributed to the overall market performance.
- While we acknowledge that there is room for profit-taking activities on some stocks, we expect this to have a muted effect on the market direction in the week.
- Ultimately, we expect bargain hunting activities to continue in the market this week, which will bring the equities market to a positive close.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	38,212.01	37,659.51		
Market Cap [NGN'tr]	19.92	19.63		
Market Cap [USD 'bn]	48.56	47.86		
Volume Traded [bn]	1.02	1.01		
Value Traded [NGN'bn]	14.15	10.32		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	1.47%	0.80%	0.80%	-5.11%
NGX-30	1.92%	0.82%	0.82%	-1.96%
NGX-B10	1.36%	1.16%	1.16%	-5.67%
NGX-FB10	5.13%	0.01%	0.01%	4.82%
NGX-OG5	-0.70%	-0.57%	-0.57%	37.61%
NGX-INS10	1.82%	-0.25%	-0.25%	7.30%
NGX-IND	2.03%	2.02%	2.02%	-6.16%
Value (NGN)		Volume		
MTNN	3,389,055,424	GTCO	79,241,691	
GTCO	2,367,070,593	WEMABANK	75,777,399	
ZENITHBANK	1,402,353,929	ZENITHBANK	58,852,339	
NESTLE	943,778,356	FBNH	55,743,733	
SEPLAT	676,867,419	ACCESS	51,354,210	
Highest Gainers		Highest Losers		
	%		%	
IKEJAHOTEL	60.00%	BOCGAS	-18.96%	
LINKASSURE	30.77%	REGALINS	-14.29%	
WEMABANK	23.33%	ROYALEX	-12.70%	
TRIPPLEG	20.00%	UPL	-8.98%	
BERGER	19.48%	FTNCOCOA	-6.06%	

	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	2.7x	0.4x	9.70	7.20	+1.78%	2.76	3.40	9.38	8.60	+9%	HOLD
ETI	0.09	1.7%	4.4%	0.3%	13.3	1.26	28.81	4.0x	0.2x	6.75	4.70	-16.67%	2.37	4.40	10.43	5.00	+109%	BUY
FCMB	0.09	9.5%	9.5%	1.0%	9.5	1.03	10.85	2.9x	0.3x	3.50	2.66	-6.91%	2.71	1.06	2.87	3.10	-7%	HOLD
FIDELITYBK	0.08	13.2%	11.4%	1.2%	9.8	1.03	9.05	2.3x	0.3x	2.77	2.10	-7.94%	2.83	1.01	2.86	2.32	+23%	BUY
FBNH	0.09	15.5%	12.6%	1.2%	10.2	2.51	19.84	2.9x	0.4x	7.85	6.90	+3.50%	3.22	2.59	8.34	7.40	+13%	BUY
GTCO	0.10	43.1%	25.4%	4.2%	6.1	6.53	25.67	4.4x	1.1x	30.00	29.00	-8.96%	4.90	6.99	34.25	29.45	+16%	BUY
STANBIC	0.09	36.1%	23.4%	3.3%	7.0	7.71	32.92	5.2x	1.2x	52.90	38.70	-8.63%	6.80	7.37	50.12	40.25	+25%	BUY
STERLNBANK	0.11	6.9%	8.2%	0.8%	10.3	0.36	4.42	4.5x	0.4x	2.10	1.43	-23.53%	4.12	0.46	1.90	1.56	+21%	BUY
UBA	0.08	18.3%	15.7%	1.5%	10.6	3.33	21.17	2.2x	0.3x	9.25	6.80	-15.03%	3.00	3.60	10.80	7.35	+47%	BUY
UBN	0.08	12.4%	7.5%	0.9%	8.5	0.68	9.01	7.9x	0.6x	6.10	4.55	+4.67%	9.00	0.88	7.92	5.60	+41%	BUY
WEMABANK	0.10	4.6%	6.7%	0.4%	15.4	0.10	1.45	6.2x	0.4x	0.75	0.55	+7.25%	3.07	0.23	0.71	0.74	-5%	HOLD
ZENITHBANK	0.10	33.1%	25.1%	3.3%	7.6	8.92	35.59	2.7x	0.7x	27.20	20.30	-3.23%	3.85	7.68	29.57	24.00	+23%	BUY
Insurance																		
AIICO	0.24	11.8%	20.0%	2.7%	7.4	0.41	2.03	2.6x	0.5x	1.59	1.00	-7.08%	5.14	0.26	1.34	1.05	+27%	BUY
LASACO	0.48	6.7%	3.5%	1.6%	2.2	0.04	1.15	34.0x	1.2x	1.71	0.35	+322.86%	3.21	0.47	1.51	1.48	+2%	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	4.3x	0.7x	2.69	1.72	+11.73%	4.19	0.56	2.35	2.00	+17%	BUY
WAPIC	0.40	35.9%	5.1%	3.0%	1.7	0.09	1.80	6.0x	0.3x	0.72	0.39	+35.00%	1.90	0.31	0.59	0.54	+9%	HOLD
CUSTODIAN	0.43	17.0%	10.8%	7.3%	1.5	2.17	20.17	2.8x	0.3x	7.10	5.75	+3.42%	3.80	2.22	8.44	6.05	+39%	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%	-	-	31.61	29.00	+9%	HOLD	
NB	0.76	2.2%	4.6%	1.7%	2.8	0.92	20.16	65.0x	3.0x	63.00	47.00	+7.14%	-	-	61.22	60.00	+2%	HOLD	
INTBREW	0.35	-15.4%	-20.0%	-8.5%	2.3	-1.13	5.65	-4.8x	1.0x	7.07	4.55	-10.92%	-	-	5.51	5.30	+4%	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	7.75	-5.00%	13.84	0.59	8.17	8.55	-4%	HOLD	
DANGSUGAR	0.77	13.9%	23.9%	10.7%	2.2	2.45	10.26	7.3x	1.8x	21.70	16.40	+4.55%	6.52	3.08	20.08	18.40	+9%	HOLD	
HONYFLOUR	0.73	0.4%	3.3%	1.3%	2.5	0.24	7.22	6.5x	0.2x	1.71	1.09	+39.17%	9.00	0.15	1.35	1.67	-19%	SELL	
FLOURMILL	1.43	2.8%	11.3%	3.8%	3.0	4.58	40.40	6.5x	0.7x	34.70	26.10	+14.62%	5.00	7.76	38.80	29.80	+30%	BUY	
NASCON	0.63	9.6%	21.1%	6.1%	3.5	1.01	4.80	14.2x	3.0x	17.55	13.00	+8.62%	13.00	1.17	15.21	15.75	-3%	HOLD	
NESTLE	1.17	13.7%	20.3%	15.9%	1.3	49.47	243.96	28.3x	5.7x	1,540.00	1,350.00	+2.33%	27.92	53.09	1,482.27	1,540.00	-4%	HOLD	
UACN	0.75	2.5%	4.0%	2.2%	1.8	0.84	21.01	11.7x	0.5x	11.25	7.10	+34.48%	5.87	1.70	9.98	9.75	+2%	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	+20.88%	10.99	11.56	127.04	110.00	+15%	BUY	
PRESCO	0.34	26.6%	16.9%	7.6%	2.2	5.22	30.92	14.5x	2.5x	78.90	69.00	+5.00%	12.01	7.25	87.07	74.50	+17%	BUY	
Household & Personal Products																			
PZ	0.93	-4.7%	-3.8%	-2.1%	1.8	-0.41	11.02	-14.1x	0.5x	6.00	4.15	+7.55%	-	-	4.58	5.70	-20%	SELL	
VITAFOAM	1.19	12.8%	43.4%	20.0%	2.2	3.51	8.08	4.1x	1.8x	16.00	7.35	+105.13%	4.50	2.95	13.28	16.00	-17%	SELL	
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	18.7x	1.1x	6.15	4.28	+28.89%	7.00	1.02	7.14	5.80	+23%	BUY	
GLAXOSMITH	0.96	2.6%	10.3%	4.1%	2.5	0.77	7.47	7.9x	0.8x	7.25	6.00	-12.32%	8.00	0.89	7.12	6.05	+18%	BUY	
NEIMETH	0.41	-46.2%	-3.7%	-0.6%	5.9	-0.02	0.57	-80.8x	3.0x	2.23	1.70	-23.77%	8.00	0.28	2.24	1.70	+32%	BUY	
Materials																			
Construction Materials																			

BUACEMENT	0.33	34.2%	17.0%	11.4%	1.5	5.38	31.66	13.3x	2.3x	85.00	69.95	-7.56%	-	-	71.57	71.50	+0%	HOLD
DANGCEM	0.53	27.4%	31.1%	13.8%	2.3	14.96	48.02	14.8x	4.6x	244.90	204.00	-6.12%	-	-	232.64	229.90	+1%	HOLD
WAPCO	0.44	15.7%	6.5%	4.4%	1.5	1.44	22.16	14.6x	0.9x	30.30	19.50	+0.95%	-	-	23.91	21.25	+13%	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	9.20	6.05	+25.17%	10.47	0.84	8.79	9.20	-4%	HOLD
Energy																		
CONOIL	2.21	1.3%	6.7%	2.6%	2.5	1.99	29.66	10.5x	0.7x	21.00	17.00	-4.08%	8.50	2.94	24.95	20.00	+25%	BUY
ETERNA	1.89	0.4%	8.1%	3.2%	2.5	0.81	9.92	9.4x	0.8x	8.00	4.62	+47.06%	7.56	0.79	5.97	7.50	-20%	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	+4%	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	16.2x	18.6x	182.90	157.00	-3.47%	15.77	12.14	191.45	164.00	+17%	BUY
AIRTELAFRI	0.37	9.1%	10.0%	3.3%	3.0	34.53	345.52	19.6x	2.0x	930.00	667.70	-21.61%	17.24	48.96	844.11	667.70	+26%	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

Corporate websites: www.meristemng.com www.meristemwealth.com www.meristemregistrars.com

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