

STOCK RECOMMENDATION – AUGUST 30, 2021

MARKET REVIEW

For the week ended August 27, 2021.

- Last week, the Nigerian equities market took an upturn, closing up though marginally by 0.01%WoW to 39,485.65pts. The was driven by buying pressure especially on insurance tickers thus, pushing the **NGXINS** index up by 1.06%WoW to emerge as best performer for the week. Consequently, Year-to-date return improved slightly to 1.95%.
- UPDC** topped the gainer's chart, with prices up by 37.59%WoW while **ABCTTRANS** shed weight by 15.38%WoW, to become the top loser for the week.
- ZENITH** banks released its H1:2021 result during the week with gross earnings dipping slightly by 0.15%YoY. However, profit before and after tax grew by 2.57%YoY and 2.21%YoY respectively.

MARKET *P*REVIEW*For the week commencing August 30, 2021.*

- Given the positive growth in real GDP by 5.01%YoY published by NBS last week, we expect this to spur buying activities in the market for the week. However this would be marginal as we believe the strong uptick is largely due to low base and slightly on improved economic activities.
- Also we expect the release of banks financials and possible dividend declaration to drive investors to take position in the week.
- On this note, we expect the general positive sentiment which occurred last week to linger into the week, thus driving the market up to a positive close.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			39,485.65	39,483.08
Market Cap [NGN'tr]			20.57	20.57
Market Cap [USD 'bn]			50.15	50.15
Volume Traded [bn]			1.03	0.87
Value Traded [NGN'bn]			8.19	12.24
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.01%	2.43%	4.16%	-1.95%
NGX-30	-0.25%	-0.61%	2.15%	-0.67%
NGX-B10	0.30%	-0.62%	3.42%	-3.57%
NGX-FB10	-0.43%	-6.87%	-7.37%	-2.92%
NGX-OG5	0.08%	-0.72%	19.53%	65.44%
NGX-INS10	1.06%	-3.89%	-6.76%	0.30%
NGX-IND	-0.19%	0.07%	4.71%	-3.68%
Value (NGN)		Volume		
GTCO	1,610,033,563	SOVRENINS	101,251,523	
MTNN	1,063,876,433	MBENEFIT	75,208,136	
ZENITHBANK	940,121,603	TRANSCORP	71,275,017	
WAPCO	634,240,739	CHAMS	60,437,166	
NESTLE	620,920,352	GTCO	57,722,549	
Highest Gainers	%	Highest Losers	%	
UPDC	37.59%	ABCTTRANS	-15.38%	
MORISON	32.14%	IKEJAHOTEL	-10.00%	
CHIPLC	21.74%	UNILEVER	-10.00%	
FTNCOCOA	20.00%	SCOA	-9.43%	
TRANSCOHOT	19.90%	JAPAUFGOLD	-7.41%	

	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	0.1%	4.2%	0.3%	13.7	1.39	32.66	3.9x	0.2x	6.75	4.70	-9.17%	2.37	4.40	10.43	5.45	+91%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.5x	0.3x	3.50	2.66	-7.81%	2.87	1.01	2.89	3.07	-6%	HOLD
FIDELITYBK	0.07	17.4%	11.5%	1.1%	10.9	1.05	9.13	2.3x	0.3x	2.77	2.10	-4.76%	2.83	1.01	2.86	2.40	+19%	BUY
FBNH	0.05	27.9%	10.1%	1.0%	10.4	0.27	2.65	27.9x	2.8x	7.85	6.90	+4.90%	3.22	2.59	8.34	7.50	+11%	BUY
GTCO	0.09	42.9%	23.5%	3.9%	6.0	6.69	28.45	4.1x	1.0x	30.00	27.55	-14.84%	4.90	6.99	34.25	27.55	+24%	BUY
STANBIC	0.09	24.6%	19.3%	2.9%	6.7	6.65	34.52	6.2x	1.2x	52.90	38.70	-6.92%	6.80	7.37	50.12	41.00	+22%	BUY
STERLNBANK	0.09	10.5%	8.9%	0.8%	11.3	0.40	4.50	3.9x	0.3x	2.10	1.43	-24.51%	4.12	0.46	1.90	1.54	+23%	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	12.9%	6.8%	0.8%	8.6	0.60	8.86	8.5x	0.6x	6.10	4.55	-4.67%	9.00	0.88	7.92	5.10	+55%	BUY
WEMABANK	0.08	9.0%	11.1%	0.7%	16.8	0.18	1.58	5.1x	0.6x	0.90	0.55	+28.99%	3.07	0.23	0.71	0.89	-21%	SELL
ZENITHBANK	0.08	30.7%	20.4%	2.7%	7.4	7.42	36.42	3.3x	0.7x	27.20	20.30	-1.61%	3.85	7.68	29.57	24.40	+21%	BUY
Insurance																		
AIICO	0.32	9.4%	15.6%	2.7%	5.8	0.27	1.74	3.6x	0.6x	1.59	0.95	-13.27%	5.14	0.26	1.34	0.98	+36%	BUY
LASACO	0.42	4.8%	3.9%	1.7%	2.3	0.24	6.15	6.4x	0.3x	1.71	0.35	+340.00%	3.21	0.47	1.51	1.54	-2%	HOLD
MANSARD	0.47	8.8%	8.6%	3.1%	2.7	0.09	1.04	9.7x	0.8x	1.70	0.83	-17.14%	1.23	0.88	1.08	0.87	+24%	BUY
NEM	0.76	13.3%	28.5%	16.3%	1.7	0.55	1.94	3.5x	1.0x	2.69	1.72	+9.50%	4.19	0.56	2.35	1.96	+20%	BUY
WAPIC	0.36	10.9%	4.2%	2.4%	1.7	0.04	0.99	12.1x	0.5x	0.72	0.39	+27.50%	1.90	0.31	0.59	0.51	+15%	BUY
CUSTODIAN	0.48	11.0%	21.7%	7.4%	2.9	2.19	10.08	2.9x	0.6x	7.10	5.75	+8.55%	3.80	2.22	8.44	6.35	+33%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-5.6x	0.9x	35.90	17.65	+63.16%	-	-	31.61	31.00	+2%	HOLD
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	43.8x	2.5x	63.00	47.00	-7.14%	-	-	61.22	52.00	+18%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-13.6x	0.8x	7.07	4.55	-21.01%	-	-	5.51	4.70	+17%	BUY
Packaged Foods & Meats																		
CADBURY	0.97	2.7%	3.4%	1.3%	2.7	0.25	7.34	33.9x	1.2x	10.80	7.75	-5.56%	13.84	0.59	8.17	8.50	-4%	HOLD
DANGSUGAR	0.86	9.6%	25.9%	10.8%	2.4	2.54	9.80	7.0x	1.8x	21.70	16.40	+1.42%	6.52	3.08	20.08	17.85	+13%	BUY
HONYFLOUR	0.71	0.5%	0.8%	0.8%	1.1	0.16	18.59	22.8x	0.2x	3.55	1.09	+195.83%	9.00	0.15	1.35	3.55	-62%	SELL
FLOURMILL	1.57	2.3%	14.5%	4.8%	3.0	6.39	43.92	4.5x	0.7x	34.70	26.10	+11.54%	5.00	8.13	40.65	29.00	+40%	BUY
NASCON	0.68	8.3%	6.0%	5.8%	1.0	1.00	16.72	14.1x	0.8x	17.55	13.00	-2.41%	13.00	1.20	15.60	14.15	+10%	BUY
NESTLE	1.09	12.7%	171.3%	14.9%	11.5	49.35	28.81	28.4x	48.6x	1,540.00	1,350.00	-6.98%	27.92	53.09	1,482.27	1,400.00	+6%	HOLD
UACN	0.90	78.8%	70.3%	40.1%	1.8	14.09	20.05	0.8x	0.5x	11.45	7.10	+51.03%	7.58	1.44	10.92	10.95	-0%	HOLD
UNILEVER	0.76	1.8%	-4.3%	-2.8%	1.5	-0.48	10.94	-28.4x	1.2x	15.55	11.65	-2.88%	-	-	16.57	13.50	+23%	BUY
Agricultural Products																		
OKOMUOIL	0.56	40.4%	35.2%	22.1%	1.6	13.95	39.66	7.9x	2.8x	116.50	90.00	+20.88%	8.36	13.88	116.04	110.00	+5%	HOLD
PRESCO	0.43	47.2%	26.7%	14.7%	1.8	11.00	41.18	6.6x	1.8x	78.90	68.00	+2.89%	12.01	7.25	87.07	73.00	+19%	BUY
Household & Personal Products																		
PZ	0.94	2.2%	5.1%	2.1%	2.4	0.46	9.07	12.5x	0.6x	6.30	4.15	+8.49%	-	-	4.58	5.75	-20%	SELL
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	4.2x	1.9x	16.75	7.35	+110.26%	4.50	2.95	13.28	16.40	-19%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.77	10.1%	15.9%	7.6%	2.1	0.62	3.92	7.7x	1.2x	5.02	3.21	+36.75%	7.70	0.63	4.85	4.80	+1%	HOLD
FIDSON	0.72	9.2%	16.1%	5.9%	2.7	0.90	5.61	6.7x	1.1x	6.50	4.28	+35.56%	6.50	1.19	7.74	6.10	+27%	BUY
GLAXOSMITH	0.88	0.6%	4.4%	1.6%	2.7	0.32	7.25	21.5x	0.9x	7.25	6.00	-1.45%	8.00	0.89	7.12	6.80	+5%	HOLD
NEIMETH	0.43	9.1%	12.7%	2.4%	5.3	0.08	0.65	24.4x	3.1x	2.23	1.50	-10.31%	8.00	0.28	2.24	2.00	+12%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.35	34.92%	23.16%	12.15%	1.91	2.39	10.32	28.46	6.59	85.00	67.30	-12.09%	-	-	70.48	68.00	+4%	HOLD

DANGCEM	0.60	27.75%	42.43%	16.46%	2.58	20.04	47.24	12.5x	5.3x	249.60	204.00	+1.92%	-	-	290.60	249.60	+16%	BUY
WAPCO	0.50	19.53%	9.64%	7.00%	1.38	2.22	23.09	9.89	0.95	30.30	19.50	+4.51%	-	-	29.30	22.00	+33%	BUY
Specialty Chemicals																		
CAP	1.27	9.0%	40.4%	13.2%	3.1	1.61	3.98	12.1x	4.9x	23.90	18.00	-2.50%	9.89	2.10	20.77	19.50	+7%	HOLD
BERGER	0.87	3.7%	6.1%	3.8%	1.6	0.65	10.75	13.6x	0.8x	9.85	6.05	+21.09%	12.99	0.92	11.98	8.90	+35%	BUY
Energy																		
CONOIL	2.69	2.3%	12.2%	5.3%	2.3	3.61	29.66	6.2x	0.8x	22.35	17.00	+7.19%	8.50	2.94	24.95	22.35	+12%	BUY
ETERNA	1.98	0.7%	11.4%	4.5%	2.5	1.19	10.47	6.3x	0.7x	8.00	4.62	+47.06%	7.56	0.79	5.97	7.50	-20%	SELL
ARDOVA	2.53	2.1%	13.4%	3.7%	3.7	2.02	15.04	7.7x	1.0x	21.85	13.50	+14.39%	8.01	2.29	18.33	15.50	+18%	BUY
MRS	1.11	0.0%	-7.1%	-3.2%	2.2	-3.95	55.28	-3.5x	0.3x	13.85	10.90	+0.73%	4.00	4.47	17.87	13.85	+29%	BUY
SEPLAT	0.16	11.7%	1.6%	1.5%	1.1	36.01	2,227.63	21.1x	0.3x	770.00	402.30	+88.84%	-	-	681.55	759.70	-10%	SELL
TOTAL	1.33	5.3%	32.5%	5.7%	5.7	31.42	96.67	6.3x	2.1x	203.20	130.00	+53.23%	19.65	7.48	146.98	199.20	-26%	SELL
Telecommunications																		
MTNN	0.69	17.9%	126.0%	11.6%	10.8	12.39	9.83	13.9x	17.5x	182.90	157.00	+1.53%	13.50	14.32	193.32	172.50	+12%	BUY
AIRTELAFRI	0.43	12.8%	22.4%	8.1%	2.8	85.58	382.92	8.8x	2.0x	930.00	601.00	-11.95%	-	-	720.32	750.00	-4%	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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