

STOCK RECOMMENDATION – SEPTEMBER 20TH, 2021

MARKET REVIEW

For the week ended September 17th, 2021.

- The Nigerian bourse reversed its two-week bearish run as the NGXASI advanced by 0.06%WoW to settle at 39,943.87pts. Consequently, Year-to-date losses moderated to -3.29%.
- All sectorial indices ended the week on a negative note, with the **NGXOILGAS** shedding the most (-3.35%WoW).
- **UPDC** was the top gainer for the week after a share price appreciation of 11.80%WoW, while **SCOA** shed the most weight (-18.46%WoW) to emerge as the top loser.
- **ACCESS** was the most traded stock by volume while **NESTLE** was the most traded stock by value in the week.

MARKET *P*REVIEW

For the week commencing September 20th, 2021.

- Although the equities market gained last week, we note that negative sentiments were dominant as seen in a weaker market breadth of 0.54x (vs 0.69x in the previous week).
- A major development at the end of the previous week was the announcement of the decision reached by the Monetary Policy Committee. We do not expect the decision to maintain status quo to have a significant influence on the market's direction.
- While we note that stock prices are still attractive, we hold that profit taking following last week's gain will be prevalent. Thus, we expect the market to close the week negative.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	38,943.87	38,921.78		
Market Cap [NGN'tr]	20.29	20.42		
Market Cap [USD 'bn]	49.46	49.79		
Volume Traded [bn]	0.86	1.43		
Value Traded [NGN'bn]	10.75	13.07		
NSEASI & Sectorial Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.06%	-0.70%	2.73%	-3.29%
NGX-30	0.10%	0.04%	1.41%	-1.39%
NGX-B10	-0.79%	-1.79%	1.02%	-5.80%
NGX-FB10	-0.21%	-0.58%	-8.64%	-4.25%
NGX-OG5	-3.35%	-2.55%	14.66%	58.70%
NGX-INS10	-0.58%	-3.66%	-9.72%	-2.89%
NGX-IND	-0.24%	0.30%	3.53%	-4.77%
Value (NGN)		Volume		
NESTLE	2,242,139,544	ACCESS	78,819,487	
MTNN	1,631,642,577	UNIVINSURE	77,831,315	
ZENITHBANK	962,218,290	WEMABANK	54,500,485	
ACCESS	732,350,588	FIDELITYBK	51,258,762	
SEPLAT	623,292,147	UBA	49,425,845	
Highest Gainers	%	Highest Losers	%	
UPDC	11.80%	SCOA	-18.46%	
UCAP	11.25%	TRANSCOHOT	-10.00%	
NNFM	9.59%	IKEJAHOTEL	-9.52%	
MORISON	9.38%	ETERNA	-9.44%	
CORNERST	8.33%	CHAMPION	-8.17%	

	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	0.08	19.3%	17.1%	1.3%	13.0	3.73	21.81	2.5x	0.4x	9.70	7.20	+10.06%	2.76	3.52	9.72	9.00	+8%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	3.6x	0.2x	6.75	4.70	-15.83%	2.37	4.40	10.43	5.05	+106%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.4x	0.3x	3.50	2.66	-10.81%	2.87	1.01	2.89	2.97	-3%	HOLD
FIDELITYBK	0.07	17.4%	11.5%	1.1%	10.9	1.05	9.13	2.3x	0.3x	2.77	2.10	-4.37%	2.83	1.01	2.86	2.43	+18%	BUY
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	3.4x	0.3x	7.85	6.90	+4.90%	3.22	2.59	8.34	7.50	+11%	BUY
GTCO	0.09	38.2%	23.4%	3.7%	6.3	6.34	27.10	4.3x	1.0x	30.00	27.00	-16.38%	4.90	6.99	34.25	28.00	+22%	BUY
STANBIC	0.12	17.8%	17.5%	2.5%	7.0	5.45	31.18	7.1x	1.2x	52.90	38.70	-11.69%	6.80	7.37	50.12	39.00	+29%	BUY
STERLNBANK	0.09	10.5%	8.9%	0.8%	11.3	0.40	4.50	3.8x	0.3x	2.10	1.43	-26.47%	4.12	0.46	1.90	1.49	+27%	BUY
UBA	0.08	19.2%	17.3%	1.6%	11.0	3.80	22.00	2.0x	0.3x	9.25	6.80	-12.14%	3.00	3.60	10.80	7.60	+42%	BUY
UBN	0.07	12.9%	6.8%	0.8%	8.6	0.60	8.86	8.1x	0.5x	6.10	4.55	-9.35%	9.00	0.88	7.92	4.85	+63%	BUY
WEMABANK	0.08	9.0%	11.1%	0.7%	16.8	0.18	1.58	4.3x	0.5x	0.90	0.55	+10.14%	3.07	0.23	0.71	0.76	-7%	HOLD
ZENITHBANK	0.08	30.7%	20.4%	2.7%	7.4	7.42	36.42	3.2x	0.6x	27.20	20.30	-4.64%	3.85	7.63	29.39	23.80	+23%	BUY
Insurance																		
AIICO	0.32	9.4%	15.6%	2.7%	5.8	0.27	1.74	3.5x	0.5x	1.59	0.95	-15.93%	5.14	0.26	1.34	0.95	+41%	BUY
LASACO	0.42	4.8%	3.9%	1.7%	2.3	0.24	6.15	5.0x	0.2x	1.71	0.35	+242.86%	3.21	0.47	1.51	1.20	+26%	BUY
MANSARD	0.47	8.8%	8.6%	3.1%	2.7	0.09	1.04	9.3x	0.8x	1.70	0.83	-20.95%	1.23	0.88	1.08	0.83	+30%	BUY
NEM	0.76	13.3%	28.5%	16.3%	1.7	0.55	1.94	3.5x	1.0x	2.69	1.72	+7.82%	4.19	0.56	2.35	1.93	+22%	BUY
WAPIC	0.36	10.9%	4.2%	2.4%	1.7	0.04	0.99	11.9x	0.5x	0.72	0.39	+25.00%	1.90	0.31	0.59	0.50	+18%	BUY
CUSTODIAN	0.48	11.0%	21.7%	7.4%	2.9	2.19	10.08	3.1x	0.7x	7.10	5.75	+14.53%	3.80	2.22	8.44	6.70	+26%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-5.4x	0.9x	35.90	17.65	+57.89%	-	-	31.61	30.00	+5%	HOLD
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	41.0x	2.3x	63.00	47.00	-12.95%	-	-	61.22	48.75	+26%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-13.9x	0.9x	7.07	4.55	-19.33%	-	-	5.51	4.80	+15%	BUY
Packaged Foods & Meats																		
CADBURY	0.97	2.7%	3.4%	1.3%	2.7	0.25	7.34	31.9x	1.1x	10.80	7.75	-11.11%	13.84	0.59	8.17	8.00	+2%	HOLD
DANGSUGAR	0.86	9.6%	25.9%	10.8%	2.4	2.54	9.80	6.8x	1.8x	21.70	16.40	-2.27%	6.52	3.08	20.08	17.20	+17%	BUY
HONYFLOUR	0.71	0.5%	0.8%	0.8%	1.1	0.16	18.59	25.1x	0.2x	4.28	1.09	+225.83%	9.00	0.15	1.35	4.00	-66%	SELL
FLOURMILL	1.57	2.3%	14.6%	4.8%	3.0	6.39	43.92	4.5x	0.7x	34.70	26.10	+11.73%	5.00	8.13	40.65	29.10	+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	0.7x	0.5x	11.45	7.10	+35.17%	7.58	1.44	10.92	10.00	+9%	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	104.00	+12%	BUY
PRESCO	0.43	47.2%	26.7%	14.7%	1.8	11.00	41.18	7.2x	1.9x	79.50	68.00	+12.05%	14.15	7.70	108.89	79.50	+37%	BUY
Household & Personal Products																		
PZ	0.94	2.2%	5.1%	2.1%	2.4	0.46	9.07	12.6x	0.6x	6.30	4.15	+9.43%	-	-	4.58	5.85	-22%	SELL
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	4.4x	2.0x	17.40	7.35	+123.08%	4.50	2.95	13.28	17.20	-23%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.77	10.1%	15.9%	7.6%	2.1	0.62	3.92	7.2x	1.1x	5.02	3.21	+27.35%	7.70	0.63	4.85	4.47	+9%	HOLD
FIDSON	0.72	9.2%	16.2%	6.0%	2.7	0.91	5.61	6.7x	1.1x	6.50	4.28	+35.33%	6.50	1.19	7.74	6.09	+27%	BUY
GLAXOSMITH	0.88	0.6%	4.4%	1.6%	2.7	0.32	7.25	19.1x	0.8x	7.25	6.00	-12.32%	11.00	0.55	6.05	6.05	+0%	HOLD
NEIMETH	0.43	9.1%	12.7%	2.4%	5.3	0.08	0.65	23.2x	2.9x	2.23	1.50	-14.80%	8.00	0.28	2.24	1.90	+18%	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	12.2x	5.2x	249.60	204.00	+0.04%	-	-	290.60	245.00	+19%	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	21.50	+36%	BUY
Specialty Chemicals																		
CAP	1.27	9.0%	40.4%	13.2%	3.1	1.61	3.98	12.2x	4.9x	23.90	18.00	-2.00%	9.89	2.10	20.77	19.60	+6%	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%	8.20	3.23	26.50	22.35	+19%	BUY
ETERNA	1.98	0.7%	11.4%	4.5%	2.5	1.19	10.47	5.5x	0.6x	8.00	4.62	+27.84%	7.56	0.79	5.97	6.52	-8%	HOLD
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	19.7x	0.3x	770.00	402.30	+76.49%	-	-	681.55	710.00	-4%	HOLD
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%	-	-	-	199.20	-	UR
Telecommunications																		
MTNN	0.69	17.9%	126.0%	11.6%	10.8	12.39	9.83	14.1x	17.8x	182.90	157.00	+3.00%	13.50	14.32	193.32	175.00	+10%	BUY
AIRTELAFRI	0.43	12.8%	22.4%	8.1%	2.8	85.58	382.92	8.4x	1.9x	930.00	601.00	-16.06%	-	-	720.32	715.00	+1%	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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