

STOCK RECOMMENDATION – OCTOBER 11TH, 2021

MARKET REVIEW

For the week ended October 08, 2021.

- Last week, the local bourse sustained its bullish momentum as the All-share Index advanced by 1.61%WoW to close at 40,868.36 points. Consequently, the Year-to-Date reversed its negative position to close the week at 1.48%.
- Across sectors, the sentiment was mixed as **NGXBNK** (+4.53%WoW), **NGXOILGAS** (+0.24%WoW), and **NGXINDUSTR** (+0.11%WoW) all gained, while the **NGXCNSMRGDS** (-0.51%WoW) and **NGXINS** (-1.51%WoW) closed in the red.
- The top gainer for the week was **UPL** (28.46%), while **CORNERST** topped the losers' chart having lost -12.07WoW. **FBNH** emerged as the most traded stock by volume and value respectively.

MARKET *P*REVIEW*For the week commencing Octoberr 11th, 2021.*

- We attribute the positive sentiment on equities mainly to the attractive prices at which stocks are currently trading.
- We expect the positive mood to be sustained this week as we see more room for continued bargain hunting.
- However, we do not rule out the possibility of profit taking on counters that gained last week.
- Overall we expect the sentiment to be predominantly positive this week, thus driving the market to the green.**

THE WEEK THAT WAS (A REVIEW)

		Cur. Week	Prev. Week	
NGXASI		40,868.36	40,221.17	
Market Cap [NGN'tr]		21.30	20.96	
Market Cap [USD 'bn]		51.92	51.09	
Volume Traded [bn]		1.71	1.42	
Value Traded [NGN'bn]		14.39	13.36	
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	1.61%	1.61%	1.61%	1.48%
NGX-30	1.10%	1.10%	1.10%	3.22%
NGX-B10	4.53%	4.53%	4.53%	-1.37%
NGX-FB10	-0.51%	-0.51%	-0.51%	-1.58%
NGX-OG5	0.24%	0.24%	0.24%	62.76%
NGX-INS10	-1.51%	-1.51%	-1.51%	-10.06%
NGX-IND	0.11%	0.11%	0.11%	1.91%
Value (NGN)		Volume		
FBNH	4,508,117,771	FBNH	459,884,692	
GTCO	2,266,267,161	UNIVINSURE	136,276,468	
ZENITHBANK	1,097,657,464	FIDELITYBK	91,927,888	
ACCESS	678,853,959	TRANSCORP	84,100,261	
UBA	562,185,402	GTCO	80,153,266	
Highest Gainers	%	Highest Losers	%	
UPL	28.46%	CORNERST	-12.07%	
FBNH	21.74%	MORISON	-10.00%	
COURTVILLE	17.14%	BOCGAS	-9.87%	
ETI	16.67%	REGALINS	-9.09%	
PHARMDEKO	10.64%	ACADEMY	-7.69%	

	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	
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	+11.24%	2.76	3.52	9.72	9.40	+3%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	4.5x	0.2x	6.75	4.70	+5.00%	2.37	4.40	10.43	6.30	+66%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.5x	0.3x	3.50	2.66	-8.11%	2.87	1.01	2.89	3.06	-5%	HOLD
FIDELITYBK	0.07	17.4%	11.5%	1.1%	10.9	1.05	9.13	2.5x	0.3x	2.77	2.10	+3.57%	2.83	1.01	2.86	2.61	+10%	HOLD
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	4.5x	0.5x	10.00	6.90	+37.06%	3.22	2.59	8.34	9.80	-15%	SELL
GTCO	0.09	38.2%	23.4%	3.7%	6.3	6.34	27.10	4.5x	1.1x	30.00	27.00	-11.59%	4.90	6.99	34.25	28.60	+20%	BUY
STANBIC	0.12	17.8%	17.5%	2.5%	7.0	5.45	31.18	7.2x	1.3x	52.90	38.70	-11.46%	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	-25.00%	4.12	0.46	1.90	1.53	+24%	BUY
UBA	0.08	19.2%	17.3%	1.6%	11.0	3.80	22.00	2.1x	0.4x	9.25	6.80	-8.09%	3.00	3.60	10.80	7.95	+36%	BUY
UBN	0.07	12.9%	6.8%	0.8%	8.6	0.60	8.86	8.4x	0.6x	6.10	4.55	-6.54%	9.00	0.88	7.92	5.00	+58%	BUY
WEMABANK	0.08	9.0%	11.1%	0.7%	16.8	0.18	1.58	4.3x	0.5x	0.90	0.55	+8.70%	3.07	0.23	0.71	0.75	-6%	HOLD
ZENITHBANK	0.08	30.7%	20.4%	2.7%	7.4	7.42	36.42	3.3x	0.7x	27.20	20.30	-1.21%	3.85	7.63	29.39	24.50	+20%	BUY
Insurance																		
AIICO	0.32	9.4%	15.6%	2.7%	5.8	0.27	1.74	3.5x	0.5x	1.59	0.92	-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	25.8x	2.2x	2.99	0.83	+120.00%	1.23	0.88	1.08	2.31	-53%	SELL
NEM	0.76	13.3%	28.5%	16.3%	1.7	0.55	1.94	3.5x	1.0x	2.69	1.72	+6.70%	4.19	0.56	2.35	1.91	+23%	BUY
WAPIC	0.36	10.9%	4.2%	2.4%	1.7	0.04	0.99	11.2x	0.5x	0.72	0.39	+17.50%	1.90	0.31	0.59	0.47	+25%	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	+55.79%	-	-	31.61	29.60	+7%	HOLD
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	41.7x	2.4x	63.00	47.00	-11.61%	-	-	61.22	49.50	+24%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-13.1x	0.8x	7.07	4.50	-23.53%	-	-	5.51	4.55	+21%	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	6.9x	1.8x	21.70	16.40	-1.14%	6.52	3.08	20.08	17.40	+15%	BUY
HONYFLOUR	0.71	0.5%	0.8%	0.8%	1.1	0.16	18.59	22.9x	0.2x	4.28	1.09	+196.67%	9.00	0.15	1.35	3.56	-62%	SELL
FLOURMILL	1.57	2.3%	14.6%	4.8%	3.0	6.39	43.92	4.6x	0.7x	34.70	26.10	+12.69%	5.00	8.13	40.65	29.30	+39%	BUY
NASCON	0.68	8.3%	6.0%	5.8%	1.0	1.00	16.72	15.2x	0.9x	17.55	13.00	+4.83%	13.00	1.20	15.60	15.20	+3%	HOLD
NESTLE	1.09	12.7%	171.3%	14.9%	11.5	49.35	28.81	30.0x	51.4x	1,540.00	1,350.00	-1.66%	27.92	53.09	1,482.27	1,480.00	+0%	HOLD
UACN	0.90	78.8%	70.3%	40.1%	1.8	14.09	20.05	0.8x	0.5x	11.45	7.10	+46.90%	7.58	1.44	10.92	10.65	+2%	HOLD
UNILEVER	0.76	1.8%	-4.3%	-2.8%	1.5	-0.48	10.94	-27.8x	1.2x	15.55	11.65	-5.04%	-	-	16.57	13.20	+26%	BUY
Agricultural Products																		
OKOMUOIL	0.56	40.4%	35.2%	22.1%	1.6	13.95	39.66	8.3x	2.9x	116.50	90.00	+26.92%	8.36	13.88	116.04	115.50	+0%	HOLD
PRESCO	0.43	47.2%	26.7%	14.7%	1.8	11.00	41.18	7.7x	2.1x	85.00	68.00	+19.80%	14.15	7.70	108.89	85.00	+28%	BUY
Household & Personal Products																		
PZ	0.94	2.2%	5.1%	2.1%	2.4	0.46	9.07	11.7x	0.6x	6.30	4.15	+1.89%	-	-	4.58	5.40	-15%	SELL
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	4.4x	2.0x	17.85	7.35	+123.08%	4.50	2.95	13.28	17.40	-24%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.77	10.1%	15.9%	7.6%	2.1	0.62	3.92	7.6x	1.2x	5.02	3.21	+35.04%	7.70	0.63	4.85	4.74	+2%	HOLD
FIDSON	0.72	9.2%	16.2%	6.0%	2.7	0.91	5.61	6.7x	1.1x	6.50	4.28	+34.67%	6.50	1.19	7.74	6.06	+28%	BUY
GLAXOSMITH	0.88	0.6%	4.4%	1.6%	2.7	0.32	7.25	18.9x	0.8x	7.25	6.00	-13.04%	11.00	0.55	6.05	6.00	+1%	HOLD
NEIMETH	0.43	9.1%	12.7%	2.4%	5.3	0.08	0.65	20.4x	2.6x	2.23	1.50	-25.11%	8.00	0.28	2.24	1.67	+34%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.35	34.92%	23.16%	12.15%	1.91	2.39	10.32	27.62	6.40	85.00	66.00	-14.67%	-	-	70.48	66.00	+7%	HOLD

DANGCEM	0.60	27.75%	42.43%	16.46%	2.58	20.04	47.24	14.0x	5.9x	280.00	204.00	+14.33%	-	-	290.60	280.00	+4%	HOLD
WAPCO	0.50	19.53%	9.64%	7.00%	1.38	2.22	23.09	10.50	1.01	30.30	19.50	+10.93%	-	-	29.30	23.35	+25%	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	-2.75%	9.89	2.10	20.77	19.45	+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	7.1x	0.9x	25.50	17.00	+22.30%	8.20	3.23	26.50	25.50	+4%	HOLD
ETERNA	1.98	0.7%	11.4%	4.5%	2.5	1.19	10.47	6.5x	0.7x	8.00	4.62	+50.98%	7.56	0.79	5.97	7.70	-22%	SELL
ARDOVA	2.53	2.1%	13.4%	3.7%	3.7	2.02	15.04	7.5x	1.0x	21.85	13.50	+11.44%	8.01	2.29	18.33	15.10	+21%	BUY
MRS	1.11	0.0%	-7.1%	-3.2%	2.2	-3.95	55.28	-3.8x	0.3x	15.20	10.90	+10.55%	4.00	4.47	17.87	15.20	+18%	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	6.1x	2.0x	203.20	130.00	+47.69%	-	-	-	192.00	-	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	+2.94%	13.50	14.32	193.32	174.90	+11%	BUY
AIRTELAFRI	0.43	12.8%	22.4%	8.1%	2.8	85.58	382.92	8.9x	2.0x	930.00	601.00	-10.78%	-	-	720.32	760.00	-5%	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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We estimate stock's fair value by computing a weighted average of projected prices derived from discounted cash flow and relative valuation methodologies. The choice of relative valuation methodology (ies) usually depends on the firm's peculiar business model and what in the opinion of our analyst is considered as a key driver of the stock's value from a firm specific as well as an industry perspective. However, we attach the most weight to discounted cash flow valuation methodology.

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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.

SELL: Target Price of the stock is more than **10 percent** below the current market price.

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