

STOCK RECOMMENDATION – OCTOBER 18TH, 2021

MARKET REVIEW

For the week ended October 15, 2021.

- Last week was another positive week on the local bourse. The All-share Index advanced by 1.39% WoW to close at 41,438.15points. Thus, the Year-to-Date return improved to +2.90%. Also noteworthy is the increase in market breadth to 3.06x (vs 1.69x in the previous week) which reflected the largely positive mood.
- All sectoral indices closed in the green, with the top performing indices being **NGXBK** (+2.64% WoW) and **NGXINS** (+1.60%WoW).
- Leading the gainers' chart was **CHAMPION** (+49.52% WoW), while **LEARNAFRCA** (-18.71% WoW) was the top loser for the week. **FBNH** firmly retained its position as the most traded stock by both volume and value.

MARKET *P*REVIEW

For the week commencing October 18, 2021.

- The announcement of a tender offer on **CHAMPION** spurred buying interest on the counter last week.
- Although prices have moved from very attractive levels in the previous weeks, we do not see clear downside triggers to spur mass sell offs. Thus, we expect the positive mood to continue.
- While we do not rule out profit taking on counters that have seen significant share price appreciation, we maintain that the overriding sentiment will be positive. Therefore, we expect the market to close on a positive note this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	41,438.15	40,868.36		
Market Cap [NGN'tr]	21.62	21.30		
Market Cap [USD 'bn]	52.72	51.92		
Volume Traded [bn]	2.37	1.71		
Value Traded [NGN'bn]	25.09	14.39		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	1.39%	3.03%	3.03%	2.90%
NGX-30	1.69%	2.80%	2.80%	4.96%
NGX-B10	2.64%	7.29%	7.29%	1.24%
NGX-FB10	0.47%	-0.04%	-0.04%	-1.11%
NGX-OG5	0.64%	0.89%	0.89%	63.81%
NGX-INS10	1.60%	0.07%	0.07%	-8.62%
NGX-IND	0.98%	1.09%	1.09%	2.91%
Value (NGN)		Volume		
FBNH	19,783,626,968	FBNH	1,723,777,709	
GTCO	4,819,455,671	GTCO	168,667,854	
SEPLAT	1,124,038,666	ETI	125,010,119	
ZENITHBANK	1,032,136,294	UNIVINSURE	109,233,977	
ETI	878,214,075	CHAMPION	108,246,465	
Highest Gainers	%	Highest Losers	%	
CHAMPION	49.52%	LEARNAFRCA	-18.71%	
FBNH	27.00%	NEWGOLD	-10.00%	
ROYALEX	16.36%	IKEJAHOTEL	-7.89%	
ETI	15.00%	ACADEMY	-7.69%	
TRANSCOHOT	9.94%	ABCTRANS	-5.88%	

	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	2.6x	0.4x	9.80	7.20	+13.61%	2.76	3.52	9.72	9.60	+1%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	5.0x	0.2x	7.40	4.70	+15.00%	2.37	4.40	10.43	6.90	+51%	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	2.6x	0.3x	2.79	2.10	+8.73%	2.83	1.01	2.86	2.74	+4%	HOLD
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	5.8x	0.6x	12.70	6.90	+77.62%	3.22	2.59	8.34	12.70	-34%	SELL
GTCO	0.09	38.2%	23.4%	3.7%	6.3	6.34	27.10	4.7x	1.1x	30.00	27.00	-8.50%	4.90	6.99	34.25	29.60	+16%	BUY
STANBIC	0.12	17.8%	17.5%	2.5%	7.0	5.45	31.18	7.2x	1.3x	52.90	38.00	-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	-25.49%	4.12	0.46	1.90	1.52	+25%	BUY
UBA	0.08	19.2%	17.3%	1.6%	11.0	3.80	22.00	2.2x	0.4x	9.25	6.80	-4.05%	3.00	3.60	10.80	8.30	+30%	BUY
UBN	0.07	12.9%	6.8%	0.8%	8.6	0.60	8.86	8.7x	0.6x	6.10	4.55	-2.80%	9.00	0.88	7.92	5.20	+52%	BUY
WEMABANK	0.08	9.0%	11.1%	0.7%	16.8	0.18	1.58	4.5x	0.5x	0.90	0.55	+14.49%	3.07	0.23	0.71	0.79	-11%	SELL
ZENITHBANK	0.08	30.7%	20.4%	2.7%	7.4	7.42	36.42	3.3x	0.7x	27.20	20.30	-0.40%	3.85	7.63	29.39	24.70	+19%	BUY
Insurance																		
AIICO	0.32	9.4%	15.6%	2.7%	5.8	0.27	1.74	3.5x	0.5x	1.59	0.90	-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	5.2x	0.2x	1.71	0.35	+254.29%	3.21	0.47	1.51	1.24	+22%	BUY
MANSARD	0.47	8.8%	8.6%	3.1%	2.7	0.09	1.04	25.7x	2.2x	2.99	0.83	+119.05%	1.23	0.88	1.08	2.30	-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	+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	3.3x	0.7x	7.30	5.75	+24.79%	3.80	2.22	8.44	7.30	+16%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-5.3x	0.8x	35.90	17.65	+52.89%	-	-	31.61	29.05	+9%	HOLD
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	40.3x	2.3x	63.00	46.50	-14.46%	-	-	61.22	47.90	+28%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-14.4x	0.9x	7.07	4.50	-15.97%	-	-	5.51	5.00	+10%	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	+0.28%	6.52	3.08	20.08	17.65	+14%	BUY
HONYFLOUR	0.71	0.5%	0.8%	0.8%	1.1	0.16	18.59	22.8x	0.2x	4.28	1.09	+195.83%	9.00	0.15	1.35	3.55	-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	15.5x	0.9x	17.55	13.00	+6.90%	13.00	1.20	15.60	15.50	+1%	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	+51.72%	7.58	1.44	10.92	11.00	-1%	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	9.0x	3.2x	125.00	90.00	+37.36%	8.36	13.88	116.04	125.00	-7%	HOLD
PRESCO	0.43	47.2%	26.7%	14.7%	1.8	11.00	41.18	8.1x	2.2x	89.00	68.00	+25.44%	14.15	7.70	108.89	89.00	+22%	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	+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	20.5x	0.9x	7.25	6.00	-5.80%	11.00	0.55	6.05	6.50	-7%	HOLD
NEIMETH	0.43	9.1%	12.7%	2.4%	5.3	0.08	0.65	21.8x	2.8x	2.23	1.50	-19.73%	8.00	0.28	2.24	1.79	+25%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.35	34.92%	23.16%	12.15%	1.91	2.39	10.32	28.25	6.54	85.00	64.35	-12.73%	-	-	70.48	67.50	+4%	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	10.83	1.04	30.30	19.50	+14.49%	-	-	29.30	24.10	+22%	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	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	20.0x	0.3x	770.00	402.30	+78.97%	-	-	681.55	720.00	-5%	HOLD
TOTAL	1.33	5.3%	32.5%	5.7%	5.7	31.42	96.67	6.1x	2.0x	203.20	130.00	+48.46%	-	-	-	193.00	-	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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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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