

STOCK RECOMMENDATION – OCTOBER 25TH, 2021

MARKET REVIEW

For the week ended October 22, 2021.

- Last week was another positive week on the local bourse. The All-share Index advanced by 0.78% WoW to close at 41,763.26 points. The Year-to-Date return thereby improved to +3.71%, although the market breadth declined significantly to 1.00x (from 3.06x the previous week).
- Three sectoral indices closed up during the week: **NGXBNK** (+0.69% WoW, **NGXOILGS** (+1.40%) and **NGXINDUSTR** (+2.59% WoW). On the other hand, **NGXINS** (-1.31%) and **NGSCNSMRGDS** (-1.05%) closed negative.
- Leading the gainers' chart was **CUTIX** (+21.0% WoW), while **ROYALEX** (-17.19% WoW) was the top loser for the week. **FBNH** retained its position as the most traded stock by both volume and value for the 6th consecutive week.

MARKET *P*REVIEW

For the week commencing October 25, 2021.

- The current trend in the market has been predominantly bullish with activity levels and market breadth improving notably. We expect this trend to persist during the week as we still see some room for investors to take position.
- However, we do not rule out profit taking on tickers that appreciated significantly the previous week. We maintain that the overriding sentiment should remain 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	41,763.26	41,438.15		
Market Cap [NGN'tr]	21.79	21.62		
Market Cap [USD 'bn]	53.13	52.72		
Volume Traded [bn]	1.56	2.37		
Value Traded [NGN'bn]	18.38	25.09		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.78%	3.83%	3.83%	3.71%
NGX-30	0.80%	3.62%	3.62%	5.79%
NGX-B10	0.69%	8.03%	8.03%	1.94%
NGX-FB10	-1.05%	-1.09%	-1.09%	-2.15%
NGX-OG5	1.40%	2.30%	2.30%	66.10%
NGX-INS10	-1.31%	-1.24%	-1.24%	-9.82%
NGX-IND	2.59%	3.70%	3.70%	5.58%
Value (NGN)		Volume		
FBNH	5,130,691,896	FBNH	421,527,238	
GTCO	1,997,193,996	ETRANZACT	105,169,966	
NESTLE	1,297,385,950	ACCESS	100,190,543	
MTNN	1,204,939,664	TRANSCORP	95,436,249	
ACCESS	957,000,830	ETI	82,728,823	
Highest Gainers		Highest Losers		
	%		%	
CUTIX	21.00%	ROYALEX	-17.19%	
UNILEVER	9.85%	UNIVINSURE	-9.09%	
CUSTODIAN	9.59%	ACADEMY	-8.33%	
ETI	9.42%	MAYBAKER	-8.02%	
PZ	9.26%	MBENEFIT	-6.67%	

	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	9.80	7.20	+12.43%	2.76	3.52	9.72	9.50	+2%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	5.4x	0.2x	7.55	4.70	+25.83%	2.37	4.40	10.43	7.55	+38%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.5x	0.3x	3.50	2.66	-6.91%	2.87	1.01	2.89	3.10	-7%	HOLD
FIDELITYBK	0.07	17.4%	11.5%	1.1%	10.9	1.05	9.13	2.6x	0.3x	2.79	2.10	+7.14%	2.83	1.01	2.86	2.70	+6%	HOLD
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	5.6x	0.6x	12.70	6.90	+71.33%	3.22	2.59	8.34	12.25	-32%	SELL
GTCO	0.09	38.2%	23.4%	3.7%	6.3	6.34	27.10	4.5x	1.1x	30.00	27.00	-11.90%	4.90	6.99	34.25	28.50	+20%	BUY
STANBIC	0.12	17.8%	17.5%	2.5%	7.0	5.45	31.18	7.5x	1.3x	52.90	38.00	-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	3.8x	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	2.2x	0.4x	9.25	6.80	-2.89%	3.00	3.60	10.80	8.40	+29%	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	3.4x	0.7x	27.20	20.30	+0.81%	3.85	7.63	29.39	25.00	+18%	BUY
Insurance																		
AIICO	0.32	9.4%	15.6%	2.7%	5.8	0.27	1.74	3.4x	0.5x	1.59	0.90	-16.81%	5.14	0.26	1.34	0.94	+42%	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	+7.26%	4.19	0.56	2.35	1.92	+22%	BUY
WAPIC	0.36	10.9%	4.2%	2.4%	1.7	0.04	0.99	11.4x	0.5x	0.72	0.39	+20.00%	1.90	0.31	0.59	0.48	+23%	BUY
CUSTODIAN	0.48	11.0%	21.7%	7.4%	2.9	2.19	10.08	3.7x	0.8x	8.00	5.75	+36.75%	3.80	2.22	8.44	8.00	+5%	HOLD
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-5.3x	0.9x	35.90	17.65	+55.26%	-	-	31.61	29.50	+7%	HOLD
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	43.3x	2.5x	63.00	46.50	-8.12%	-	-	61.22	51.45	+19%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-14.0x	0.9x	7.07	4.50	-18.49%	-	-	5.51	4.85	+14%	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	7.1x	1.8x	21.70	16.40	+2.27%	6.52	3.08	20.08	18.00	+12%	BUY
HONYFLOUR	0.71	0.5%	0.8%	0.8%	1.1	0.16	18.59	23.8x	0.2x	4.28	1.09	+208.33%	9.00	0.15	1.35	3.70	-64%	SELL
FLOURMILL	1.57	2.3%	14.6%	4.8%	3.0	6.39	43.92	4.6x	0.7x	34.70	26.10	+11.92%	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	14.6x	0.9x	17.55	13.00	+1.03%	13.00	1.20	15.60	14.65	+6%	HOLD
NESTLE	1.09	12.7%	171.3%	14.9%	11.5	49.35	28.81	28.5x	48.8x	1,540.00	1,350.00	-6.64%	27.92	53.09	1,482.27	1,405.00	+5%	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	-30.5x	1.3x	15.55	11.65	+4.32%	-	-	16.57	14.50	+14%	BUY
Agricultural Products																		
OKOMUOIL	0.56	40.4%	35.2%	22.1%	1.6	13.95	39.66	9.0x	3.2x	125.40	90.00	+37.80%	8.36	13.88	116.04	125.40	-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	12.8x	0.7x	6.30	4.15	+11.32%	-	-	4.58	5.90	-22%	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	7.0x	1.1x	5.02	3.21	+24.22%	7.70	0.63	4.85	4.36	+11%	BUY
FIDSON	0.72	9.2%	16.2%	6.0%	2.7	0.91	5.61	6.8x	1.1x	6.50	4.28	+36.67%	6.50	1.19	7.74	6.15	+26%	BUY
GLAXOSMITH	0.88	0.6%	4.4%	1.6%	2.7	0.32	7.25	22.1x	1.0x	7.25	6.00	+1.45%	11.00	0.55	6.05	7.00	-14%	SELL
NEIMETH	0.43	9.1%	12.7%	2.4%	5.3	0.08	0.65	21.5x	2.7x	2.23	1.50	-21.08%	8.00	0.28	2.24	1.76	+27%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.35	34.92%	23.16%	12.15%	1.91	2.39	10.32	30.13	6.98	85.00	64.35	-6.92%	-	-	70.48	72.00	-2%	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	11.24	1.08	30.30	19.50	+18.76%	-	-	29.30	25.00	+17%	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	6.7x	0.8x	8.00	4.62	+56.86%	7.56	0.79	5.97	8.00	-25%	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	20.3x	0.3x	770.00	402.30	+81.83%	-	-	681.55	731.50	-7%	HOLD
TOTAL	1.33	5.3%	32.5%	5.7%	5.7	31.42	96.67	6.5x	2.1x	204.90	130.00	+57.62%	-	-	-	204.90	-	UR
Telecommunications																		
MTNN	0.69	17.9%	126.0%	11.6%	10.8	12.39	9.83	14.0x	17.7x	182.90	157.00	+2.41%	13.50	14.32	193.32	174.00	+11%	BUY
AIRTELAFRI	0.43	12.8%	22.4%	8.1%	2.8	85.58	382.92	9.0x	2.0x	930.00	601.00	-9.60%	-	-	720.32	770.00	-6%	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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