

STOCK RECOMMENDATION – NOVEMBER 15TH, 2021

MARKET REVIEW

For the week ended November 12, 2021.

- The Nigerian equities market closed the week on a positive note, as the All-share Index inched higher by 2.95% WoW to end the week at 43,253.01pts. Thus, the Year-to Date return advanced to +7.41%.
- All sectoral indices **NGXINS** (-2.25%WoW), **NGXINDUSTR** (-0.01%WoW), **NGXBNK** (-1.31%WoW) and **NGXOILGAS** (-0.69%WoW) closed in the red, save for the consumer goods index, **NGXCNSMRGDS** which gained 0.63%WoW.
- NEIMETH** emerged as the top gainer for the week, with +12.50% WoW price appreciation, while **CONOIL** topped the losers chart, shedding 14.90% WoW.

MARKET *P*REVIEW

For the week commencing November 15, 2021.

- In view of the significant gain in bellwether stocks particularly **AIRTELAFRI** and **MTNN**, we anticipate sellofs due to profit-taking by investors.
- This sentiment is likely to spread across other tickers in the market as prices are generally not attractive enough to spur significant buying interest.
- Therefore, we expect the market to close the week on a negative note.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	43,253.01	42,014.50		
Market Cap [NGN'tr]	22.57	21.93		
Market Cap [USD 'bn]	54.79	53.45		
Volume Traded [bn]	1.45	1.40		
Value Traded [NGN'bn]	20.59	11.90		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	2.95%	2.89%	7.54%	7.41%
NGX-30	1.64%	1.62%	6.03%	8.26%
NGX-B10	-1.31%	-3.02%	7.32%	1.26%
NGX-FB10	0.63%	-0.11%	0.30%	-0.78%
NGX-OG5	-0.69%	-2.30%	3.98%	68.83%
NGX-INS10	-2.25%	-1.28%	2.65%	-6.27%
NGX-IND	-0.01%	0.88%	5.13%	7.02%
Value (NGN)		Volume		
MTNN	4,077,410,571	FBNH	230,669,797	
FBNH	2,677,165,123	STERLN BANK	183,409,513	
FLOURMILL	2,081,180,889	UACN	104,931,906	
ZENITHBANK	2,033,946,351	TRANSCORP	98,285,198	
GTCO	1,542,453,629	ZENITHBANK	83,712,969	
Highest Gainers		Highest Losers		
	%		%	
NEIMETH	12.50%	CONOIL	-14.90%	
REDSTAREX	12.18%	PHARMDEKO	-9.83%	
AIRTELAFRI	11.76%	CWG	-9.73%	
FTNCOCOA	10.00%	BERGER	-9.52%	
VERITASKAP	9.52%	CUSTODIAN	-9.47%	

	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	17.6%	15.8%	1.2%	13.0	3.56	22.49	2.6x	0.4x	9.80	7.20	+10.65%	2.76	3.52	9.72	9.35	+4%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	6.2x	0.3x	8.90	4.70	+43.33%	2.37	4.40	10.43	8.60	+21%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.5x	0.3x	3.50	2.66	-7.21%	2.87	1.01	2.89	3.09	-6%	HOLD
FIDELITYBK	0.07	17.2%	12.7%	1.1%	11.4	1.20	9.43	2.2x	0.3x	2.79	2.10	+5.56%	2.83	1.01	2.86	2.66	+7%	HOLD
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	5.5x	0.6x	12.70	6.90	+67.83%	3.22	2.59	8.34	12.00	-31%	SELL
GTCO	0.09	40.6%	23.1%	3.8%	6.1	6.62	28.62	4.1x	1.0x	30.00	27.00	-15.15%	4.90	6.99	34.25	27.45	+25%	BUY
STANBIC	0.07	27.2%	15.8%	2.1%	7.6	5.13	32.43	7.6x	1.2x	52.90	38.00	-11.46%	6.80	7.37	50.12	39.00	+29%	BUY
STERLNBANK	0.09	5.2%	8.4%	0.7%	11.2	0.40	4.78	3.7x	0.3x	2.10	1.43	-26.47%	4.12	0.46	1.90	1.50	+26%	BUY
UBA	0.08	21.4%	17.7%	1.7%	10.5	4.13	23.34	2.0x	0.4x	9.25	6.80	-2.31%	3.00	3.60	10.80	8.45	+28%	BUY
UBN	0.06	10.9%	6.4%	0.7%	9.7	0.59	9.09	8.5x	0.6x	6.10	4.55	-6.54%	9.00	0.88	7.92	5.00	+58%	BUY
WEMABANK	0.08	9.9%	12.8%	0.8%	17.0	0.21	1.65	4.0x	0.5x	0.90	0.55	+21.74%	4.35	0.23	1.00	0.84	+19%	BUY
ZENITHBANK	0.08	31.0%	19.5%	2.6%	7.4	7.38	37.81	3.3x	0.6x	27.20	20.30	-3.23%	3.85	7.63	29.39	24.00	+22%	BUY
Insurance																		
AIICO	0.32	4.7%	6.3%	1.1%	5.9	0.11	1.75	11.6x	0.7x	1.59	0.90	+12.39%	10.27	0.13	1.34	1.27	+5%	HOLD
LASACO	0.49	4.6%	3.4%	1.5%	2.2	0.21	6.05	5.3x	0.2x	1.71	0.35	+214.29%	3.21	0.47	1.51	1.10	+37%	BUY
MANSARD	0.47	9.4%	7.5%	2.4%	3.1	0.07	1.00	30.6x	2.3x	2.99	0.83	+117.14%	1.23	0.88	1.08	2.28	-53%	SELL
NEM	0.78	9.7%	30.9%	17.1%	1.8	0.60	1.94	3.2x	1.0x	2.69	1.72	+7.82%	4.19	0.56	2.35	1.93	+22%	BUY
WAPIC	0.32	-6.8%	-4.6%	-2.5%	1.8	-0.04	0.96	-11.2x	0.5x	0.72	0.39	+22.50%	1.90	0.31	0.59	0.49	+20%	BUY
CUSTODIAN	0.46	7.7%	19.9%	6.5%	3.1	2.00	10.05	3.8x	0.8x	8.45	5.75	+30.77%	3.80	2.22	8.44	7.65	+10%	BUY
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-6.8x	1.1x	39.90	17.65	+97.37%	-	-	31.61	37.50	-16%	SELL
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	44.2x	2.5x	63.00	46.50	-6.25%	-	-	61.22	52.50	+17%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-16.0x	1.0x	7.07	4.50	-6.72%	-	-	5.51	5.55	-1%	HOLD
Packaged Foods & Meats																		
CADBURY	0.94	5.0%	10.4%	3.6%	2.9	0.81	7.84	11.5x	1.2x	10.80	7.75	+3.89%	13.84	0.59	8.17	9.35	-13%	SELL
DANGSUGAR	0.77	7.9%	15.3%	5.8%	2.6	1.54	10.05	11.1x	1.7x	21.70	16.40	-2.84%	6.52	3.08	20.08	17.10	+17%	BUY
HONYFLOUR	0.72	0.5%	2.2%	0.8%	2.9	0.16	7.34	21.1x	0.5x	4.28	1.09	+183.33%	-	-	-	3.40	-	UR
FLOURMILL	1.75	2.0%	14.8%	4.9%	3.0	6.42	43.50	4.6x	0.7x	34.70	26.10	+13.85%	5.00	8.13	40.65	29.60	+37%	BUY
NASCON	0.82	9.7%	20.0%	7.4%	2.7	1.06	5.31	13.3x	2.7x	17.55	13.00	-2.41%	13.00	1.20	15.60	14.15	+10%	BUY
NESTLE	1.10	12.8%	117.7%	13.4%	8.8	51.55	43.80	27.2x	32.0x	1,540.00	1,350.00	-6.98%	27.92	53.09	1,482.27	1,400.00	+6%	HOLD
UACN	1.09	0.8%	7.6%	4.3%	1.8	1.31	17.26	8.4x	0.6x	11.45	7.10	+51.72%	7.58	1.44	10.92	11.00	-1%	HOLD
UNILEVER	0.76	1.8%	-1.3%	-0.8%	1.6	-0.14	11.10	-	1.3x	15.60	11.65	+5.04%	-	-	16.57	14.60	+13%	BUY
Agricultural Products																		
OKOMUOIL	0.59	37.4%	36.1%	23.8%	1.5	15.08	41.83	9.4x	3.4x	142.00	90.00	+56.04%	8.36	13.88	116.04	142.00	-18%	SELL
PRESCO	0.45	40.2%	32.7%	16.0%	2.0	14.01	42.83	6.4x	2.1x	89.00	68.00	+25.44%	15.56	6.71	104.40	89.00	+17%	BUY
Household & Personal Products																		
PZ	0.79	1.0%	-19.5%	-7.7%	2.6	-1.71	8.76	-3.6x	0.7x	6.50	4.15	+15.09%	-	-	4.58	6.10	-25%	SELL
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	4.8x	2.2x	18.70	7.35	+139.74%	4.50	2.95	13.28	18.70	-29%	SELL
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.69	10.9%	16.3%	7.2%	2.2	0.67	4.11	6.7x	1.1x	5.02	3.21	+27.92%	7.70	0.63	4.85	4.49	+8%	HOLD
FIDSON	0.72	9.2%	16.2%	6.0%	2.7	0.91	5.61	6.9x	1.1x	6.76	4.28	+39.11%	6.50	1.19	7.74	6.26	+24%	BUY
GLAXOSMITH	0.91	0.7%	3.5%	1.3%	2.7	0.26	7.30	23.3x	0.8x	7.25	6.00	-13.04%	27.36	0.22	6.02	6.00	+0%	HOLD
NEIMETH	0.48	11.0%	22.7%	5.3%	4.3	0.18	0.78	11.2x	2.5x	2.23	1.50	-11.21%	8.00	0.28	2.24	1.98	+13%	BUY
Materials																		
Construction Materials																		
BUACEMENT	0.35	34.92%	23.16%	12.15%	1.91	2.39	10.32	31.18	7.22	85.00	64.35	-3.68%	-	-	70.48	74.50	-5%	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	11.46	1.10	30.30	19.50	+21.14%	-	-	29.30	25.50	+15%	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%	UR	UR	UR	19.50	UR	UR
BERGER	0.87	3.7%	6.1%	3.8%	1.6	0.65	10.75	13.1x	0.8x	9.85	6.05	+16.33%	UR	UR	UR	8.55	UR	UR
Energy																		
CONOIL	2.67	1.6%	9.1%	3.9%	2.3	2.77	30.43	7.8x	0.7x	25.50	17.00	+4.08%	8.20	3.23	26.50	21.70	+22%	BUY
ETERNA	1.98	0.7%	11.4%	4.5%	2.5	1.19	10.47	6.1x	0.7x	8.65	4.62	+43.33%	7.56	0.79	5.97	7.31	-18%	SELL
ARDOVA	2.61	0.9%	6.4%	1.7%	3.8	0.93	14.62	15.0x	1.0x	21.85	13.50	+2.95%	10.45	1.15	11.97	13.95	-14%	SELL
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	0.17	7.6%	2.5%	1.2%	2.1	28.66	1,146.32	25.5x	0.6x	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	7.7x	2.5x	240.80	130.00	+85.23%	-	-	-	240.80	-	UR
Telecommunications																		
MTNN	0.75	18.3%	151.2%	13.4%	11.3	13.82	9.14	13.8x	20.9x	201.00	157.00	+12.42%	13.50	14.32	193.32	191.00	+1%	HOLD
AIRTELAFRI	0.43	14.7%	24.8%	8.8%	2.8	97.26	392.30	9.0x	2.2x	930.00	601.00	+2.34%	-	-	720.32	871.70	-17%	SELL

*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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