

STOCK RECOMMENDATION - DECEMBER 13TH, 2021

MARKET REVIEW

For the week ended December 10, 2021.

- The Nigerian equities market continued its negative trend in the previous week as the All-Share Index dropped by 0.68% WoW to close at 41,882.97pts. Thus, the Year-to-Date return slowed to +4.00%.
- On a sectoral basis, all sectors gained week-on-week save for save for the industrial goods sector (**NGXINDUSTR**: -5.42% WoW) which declined.
- The top gainer for the week was **MEYER**, advancing by 50.00%WoW while **UNITYBNK** emerged as the week's top loser, shedding by 15.69%WoW. **FBNH** remained the highest traded stock by volume and value.

MARKET *P*REVIEW

For the week commencing December 13, 2021.

- The 10%WoW price drop on **DANGCEM** (c.20% of total market capitalization) last week overturned what would have been a positive growth of the All-Share Index week-on-week.
- Across all sectors, we are of the opinion that prices are attractive posing some room for bargain hunting on some tickers.
- We however take note of the **MTNN** offer which is expected to close this week; nonetheless this might not incite any traction on the secondary market.
- Thus, barring any sell-offs effect on heavy weight tickers, we expect the market to close positively.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	41,882.97	42,167.91		
Market Cap [NGN'tr]	21.85	22.00		
Market Cap [USD 'bn]	53.04	53.41		
Volume Traded [bn]	2.61	1.25		
Value Traded [NGN'bn]	26.58	17.07		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	-0.68%	-3.16%	4.13%	4.00%
NGX-30	-0.54%	-3.66%	0.47%	2.57%
NGX-B10	5.55%	3.05%	8.59%	2.47%
NGX-FB10	0.11%	-0.04%	-3.56%	-4.60%
NGX-OG5	1.27%	-2.40%	-3.98%	55.91%
NGX-INS10	1.24%	1.73%	10.30%	0.72%
NGX-IND	-5.42%	-5.46%	-0.77%	1.02%
Value (NGN)		Volume		
FBNH	13,685,050,870	FBNH	1,198,702,662	
GTCO	2,422,110,562	STERLNBANK	262,203,033	
ZENITHBANK	1,578,639,307	CILEASING	146,579,656	
ACCESS	1,199,978,246	ACCESS	131,802,090	
SEPLAT	974,259,389	GTCO	100,006,386	
Highest Gainers		Highest Losers		
	%		%	
MEYER	50.00%	UNITYBNK	-15.69%	
CHIPLC	25.00%	DANGCEM	-10.00%	
ACADEMY	20.51%	LINKASSURE	-8.93%	
UPDC	19.19%	ABCTRANS	-8.82%	
ROYALEX	13.21%	MAYBAKER	-8.69%	

	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	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	+8.28%	2.76	3.52	9.72	9.15	+6%	HOLD
ETI	0.08	0.1%	4.2%	0.3%	13.7	1.39	32.66	6.5x	0.3x	9.05	4.70	+50.83%	2.37	4.40	10.43	9.05	+15%	BUY
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.4x	0.3x	3.50	2.66	-9.91%	2.87	1.01	2.89	3.00	-4%	HOLD
FIDELITYBK	0.07	15.2%	11.6%	1.0%	11.3	1.13	9.76	2.2x	0.3x	2.79	2.10	+0.79%	2.83	1.01	2.86	2.54	+13%	BUY
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	5.5x	0.6x	12.70	6.90	+66.43%	3.22	2.59	8.34	11.90	-30%	SELL
GTCO	0.09	40.6%	23.1%	3.8%	6.1	6.62	28.62	4.0x	0.9x	30.00	23.95	-18.08%	4.90	6.99	34.25	26.50	+29%	BUY
STANBIC	0.07	27.2%	15.8%	2.1%	7.6	5.13	32.43	7.1x	1.1x	52.90	36.50	-17.14%	6.80	7.37	50.12	36.50	+37%	BUY
STERLNBANK	0.09	5.2%	8.4%	0.7%	11.2	0.40	4.78	3.7x	0.3x	2.10	1.43	-27.94%	4.12	0.46	1.90	1.47	+29%	BUY
UBA	0.08	21.4%	17.7%	1.7%	10.5	4.13	23.34	1.9x	0.3x	9.25	6.80	-6.94%	3.00	3.60	10.80	8.05	+34%	BUY
UBN	0.06	10.9%	6.4%	0.7%	9.7	0.59	9.09	8.3x	0.5x	6.10	4.55	-9.35%	9.00	0.88	7.92	4.85	+63%	BUY
WEMABANK	0.08	9.9%	12.8%	0.8%	17.0	0.21	1.65	3.8x	0.5x	0.90	0.55	+15.94%	4.35	0.23	1.00	0.80	+25%	BUY
ZENITHBANK	0.08	31.0%	19.5%	2.6%	7.4	7.38	37.81	3.5x	0.7x	27.20	20.30	+2.82%	3.85	7.63	29.39	25.50	+15%	BUY
Insurance																		
AIICO	0.32	4.7%	6.3%	1.1%	5.9	0.11	1.75	6.2x	0.4x	1.59	0.59	-39.82%	10.27	0.13	1.34	0.68	+96%	BUY
LASACO	0.49	4.6%	3.4%	1.5%	2.2	0.21	6.05	5.0x	0.2x	1.71	0.35	+197.14%	3.21	0.47	1.51	1.04	+45%	BUY
MANSARD	0.47	9.4%	7.5%	2.4%	3.1	0.07	1.00	30.8x	2.3x	2.99	0.83	+118.10%	1.23	0.88	1.08	2.29	-53%	SELL
NEM	0.78	9.7%	30.9%	17.1%	1.8	0.60	1.94	4.0x	1.2x	2.69	1.72	+35.20%	4.19	0.56	2.35	2.42	-3%	HOLD
WAPIC	0.32	-6.8%	-4.6%	-2.5%	1.8	-0.04	0.96	-11.7x	0.5x	0.72	0.39	+27.50%	1.90	0.31	0.59	0.51	+15%	BUY
CUSTODIAN	0.46	7.7%	19.9%	6.5%	3.1	2.00	10.05	3.5x	0.7x	8.45	5.75	+21.37%	3.80	2.22	8.44	7.10	+19%	BUY
Consumer Staples & Discretionary																		

Breweries																			
GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-7.1x	1.1x	39.90	17.65	+105.26%	-	-	31.61	39.00	-19%	SELL	
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	39.6x	2.3x	63.00	46.50	-16.07%	-	-	61.22	47.00	+30%	BUY	
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-14.3x	0.9x	7.07	4.50	-16.81%	-	-	5.51	4.95	+11%	BUY	
Packaged Foods & Meats																			
CADBURY	0.94	5.0%	10.4%	3.6%	2.9	0.81	7.84	11.1x	1.1x	10.80	7.75	0.00%	13.84	0.59	8.17	9.00	-9%	HOLD	
DANGSUGAR	0.77	7.9%	15.3%	5.8%	2.6	1.54	10.05	10.4x	1.6x	21.70	15.00	-9.38%	6.52	3.08	20.08	15.95	+26%	BUY	
HONYFLOUR	0.72	0.5%	2.2%	0.8%	2.9	0.16	7.34	22.3x	0.5x	4.28	1.09	+200.00%	-	-	-	3.60	-	UR	
FLOURMILL	1.75	2.0%	14.8%	4.9%	3.0	6.42	43.50	4.4x	0.7x	34.70	26.10	+8.85%	5.00	8.13	40.65	28.30	+44%	BUY	
NASCON	0.82	9.7%	20.0%	7.4%	2.7	1.06	5.31	13.2x	2.6x	17.55	13.00	-3.45%	13.00	1.20	15.60	14.00	+11%	BUY	
NESTLE	1.10	12.8%	117.7%	13.4%	8.8	51.55	43.80	27.1x	31.8x	1,540.00	1,350.00	-7.31%	27.92	53.09	1,482.27	1,395.00	+6%	HOLD	
UACN	1.09	0.8%	7.6%	4.3%	1.8	1.31	17.26	7.0x	0.5x	11.45	7.10	+26.90%	7.58	1.44	10.92	9.20	+19%	BUY	
UNILEVER	0.76	1.8%	-1.3%	-0.8%	1.6	-0.14	11.10	-92.1x	1.2x	15.60	11.65	-5.04%	-	-	16.57	13.20	+26%	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	6.3x	2.1x	89.00	68.00	+23.75%	15.56	6.71	104.40	87.80	+19%	BUY	
Household & Personal Products																			
PZ	0.79	1.0%	-19.5%	-7.7%	2.6	-1.71	8.76	-3.5x	0.7x	6.50	4.15	+12.26%	-	-	4.58	5.95	-23%	SELL	
VITAFOAM	1.14	13.3%	45.8%	19.2%	2.4	3.92	8.55	5.6x	2.6x	21.90	7.35	+180.77%	4.50	2.95	13.28	21.90	-39%	SELL	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.69	10.9%	16.3%	7.2%	2.2	0.67	4.11	6.1x	1.0x	5.02	3.21	+16.81%	7.70	0.63	4.85	4.10	+18%	BUY	
FIDSON	0.72	9.2%	16.2%	6.0%	2.7	0.91	5.61	6.9x	1.1x	6.76	4.28	+38.89%	6.50	1.19	7.74	6.25	+24%	BUY	
GLAXOSMITH	0.91	0.7%	3.5%	1.3%	2.7	0.26	7.30	22.0x	0.8x	7.25	5.35	-18.12%	27.36	0.22	6.02	5.65	+7%	HOLD	
NEIMETH	0.48	11.0%	22.7%	5.3%	4.3	0.18	0.78	9.2x	2.1x	2.23	1.50	-26.91%	8.00	0.28	2.24	1.63	+37%	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	12.6x	5.3x	280.00	204.00	+2.90%	-	-	290.60	252.00	+15%	BUY
WAPCO	0.50	19.53%	9.64%	7.00%	1.38	2.22	23.09	11.17	1.08	30.30	19.50	+18.05%	-	-	29.30	24.85	+18%	BUY
Specialty Chemicals																		
CAP	1.27	9.0%	40.4%	13.2%	3.1	1.61	3.98	12.0x	4.9x	23.90	18.00	-3.50%	UR	UR	UR	19.30	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	8.0x	0.7x	25.50	17.00	+6.71%	8.20	3.23	26.50	22.25	+19%	BUY
ETERNA	1.98	0.7%	11.4%	4.5%	2.5	1.19	10.47	4.9x	0.6x	8.65	4.62	+13.73%	7.56	0.79	5.97	5.80	+3%	HOLD
ARDOVA	2.61	0.9%	6.4%	1.7%	3.8	0.93	14.62	14.6x	0.9x	21.85	13.20	+0.37%	10.45	1.15	11.97	13.60	-12%	SELL
MRS	1.11	0.0%	-7.1%	-3.2%	2.2	-3.95	55.28	-3.5x	0.2x	15.20	10.90	-0.36%	4.00	4.47	17.87	13.70	+30%	BUY
SEPLAT	0.17	7.6%	2.5%	1.2%	2.1	28.66	1,146.32	22.7x	0.6x	770.00	402.30	+61.60%	-	-	681.55	650.10	+5%	HOLD
TOTAL	1.33	5.3%	32.5%	5.7%	5.7	31.42	96.67	6.9x	2.2x	240.80	130.00	+66.77%	-	-	-	216.80	-	UR
Telecommunications																		
MTNN	0.75	18.3%	151.2%	13.4%	11.3	13.82	9.14	12.6x	19.1x	201.00	157.00	+2.71%	13.50	14.32	193.32	174.50	+11%	BUY
AIRTELAFRI	0.43	14.7%	24.8%	8.8%	2.8	97.26	392.30	9.8x	2.4x	955.00	601.00	+12.12%	-	-	720.32	955.00	-25%	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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