

STOCK RECOMMENDATION – NOVEMBER 22ND, 2021

MARKET REVIEW

For the week ended November 19, 2021.

- The Nigerian equities market ended the previous week on a negative note as the All-Share Index declined by 0.12% WoW to close at 43,199.27pts. Thus, the Year-to-Date return moderated to +7.27%
- All sectoral indices declined, with the worst performing being the **NGXOILGAS** (-3.63% WoW) and **NGXBNK** (-1.60% WoW). The industrial goods index (**NGXINDUSTR**: -0.10% WoW) recorded the least decline.
- VITAFOAM** (+17.11% WoW) topped the gainers' chart, while **CUTIX** (-42.68% WoW) was the week's top loser

MARKET *P*REVIEW*For the week commencing November 22, 2021.*

- We note the overriding bearish sentiment in the market last week was due to profit-taking activities on tickers that had gained significantly in previous weeks.
- Barring any significant corporate action on bellwether stocks, we expect the market to end in the negative region as profit-taking activities continue.
- We note that the Monetary Policy Committee will be holding its 6th and last meeting of the year this week. While we expect the Committee to maintain status quo, we do not expect this to have notable influence on the market direction.
- Therefore, we expect the market to close the week on a negative note.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			43,199.27	43,253.01
Market Cap [NGN'tr]			22.54	22.57
Market Cap [USD 'bn]			54.72	54.79
Volume Traded [bn]			1.18	1.45
Value Traded [NGN'bn]			24.44	20.59
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	-0.12%	2.76%	7.40%	7.27%
NGX-30	-1.10%	0.51%	4.87%	7.07%
NGX-B10	-1.60%	-4.58%	5.60%	-0.36%
NGX-FB10	-1.41%	-1.52%	-1.11%	-2.18%
NGX-OG5	-3.63%	-5.85%	0.21%	62.70%
NGX-INS10	-0.47%	-1.74%	2.17%	-6.71%
NGX-IND	-0.10%	0.78%	5.02%	6.92%
Value (NGN)		Volume		
NESTLE	9,621,257,128	FBNH	546,999,712	
FBNH	6,664,295,811	GTCO	142,829,782	
GTCO	3,775,835,237	STERLNBANK	99,009,811	
AIRTELAFRI	1,970,464,273	ACCESS	98,885,955	
NB	1,634,759,785	FCMB	67,180,363	
Highest Gainers	%	Highest Losers	%	
VITAFOAM	17.11%	CUTIX	-43.68%	
ETRANZACT	10.00%	STANBICETF30	-10.00%	
ACADEMY	9.09%	TOTAL	-9.97%	
CORNERST	7.69%	NEIMETH	-9.09%	
MANSARD	7.31%	ETERNA	-9.03%	

	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	2.5x	0.4x	9.80	7.20	+6.51%	2.76	3.52	9.72	9.00	+8%	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	3.4x	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	2.3x	0.3x	2.79	2.10	+1.98%	2.83	1.01	2.86	2.57	+11%	BUY
FBNH	0.07	13.1%	10.1%	1.0%	10.4	2.18	21.51	5.3x	0.5x	12.70	6.90	+61.54%	3.22	2.59	8.34	11.55	-28%	SELL
GTCO	0.09	40.6%	23.1%	3.8%	6.1	6.62	28.62	3.8x	0.9x	30.00	25.40	-21.48%	4.90	6.99	34.25	25.40	+35%	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	-26.96%	4.12	0.46	1.90	1.49	+27%	BUY
UBA	0.08	21.4%	17.7%	1.7%	10.5	4.13	23.34	2.0x	0.4x	9.25	6.80	-5.20%	3.00	3.60	10.80	8.20	+32%	BUY
UBN	0.06	10.9%	6.4%	0.7%	9.7	0.59	9.09	8.5x	0.5x	6.10	4.55	-7.48%	9.00	0.88	7.92	4.95	+60%	BUY
WEMABANK	0.08	9.9%	12.8%	0.8%	17.0	0.21	1.65	3.8x	0.5x	0.90	0.55	+17.39%	4.35	0.23	1.00	0.81	+24%	BUY
ZENITHBANK	0.08	31.0%	19.5%	2.6%	7.4	7.38	37.81	3.2x	0.6x	27.20	20.30	-3.63%	3.85	7.63	29.39	23.90	+23%	BUY
Insurance																		
AIICO	0.32	4.7%	6.3%	1.1%	5.9	0.11	1.75	11.5x	0.7x	1.59	0.90	+11.50%	10.27	0.13	1.34	1.26	+6%	HOLD
LASACO	0.49	4.6%	3.4%	1.5%	2.2	0.21	6.05	5.1x	0.2x	1.71	0.35	+200.00%	3.21	0.47	1.51	1.05	+44%	BUY
MANSARD	0.47	9.4%	7.5%	2.4%	3.1	0.07	1.00	31.6x	2.4x	2.99	0.83	+123.81%	1.23	0.88	1.08	2.35	-54%	SELL
NEM	0.78	9.7%	30.9%	17.1%	1.8	0.60	1.94	3.2x	1.0x	2.69	1.72	+6.15%	4.19	0.56	2.35	1.90	+23%	BUY
WAPIC	0.32	-6.8%	-4.6%	-2.5%	1.8	-0.04	0.96	-11.0x	0.5x	0.72	0.39	+20.00%	1.90	0.31	0.59	0.48	+23%	BUY
CUSTODIAN	0.46	7.7%	19.9%	6.5%	3.1	2.00	10.05	3.9x	0.8x	8.45	5.75	+32.48%	3.80	2.22	8.44	7.75	+9%	HOLD
Consumer Staples & Discretionary																		
Breweries																		

GUINNESS	0.78	1.6%	-16.2%	-7.7%	2.1	-5.53	34.18	-6.6x	1.1x	39.90	17.65	+92.11%	-	-	31.61	36.50	-13%	SELL
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	42.9x	2.4x	63.00	46.50	-8.93%	-	-	61.22	51.00	+20%	BUY
INTBREW	0.38	-6.6%	-6.2%	-2.5%	2.5	-0.35	5.55	-15.9x	1.0x	7.07	4.50	-7.56%	-	-	5.51	5.50	+0%	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	10.9x	1.7x	21.70	16.40	-4.55%	6.52	3.08	20.08	16.80	+20%	BUY
HONYFLOUR	0.72	0.5%	2.2%	0.8%	2.9	0.16	7.34	21.0x	0.5x	4.28	1.09	+182.50%	-	-	-	3.39	-	UR
FLOURMILL	1.75	2.0%	14.8%	4.9%	3.0	6.42	43.50	4.6x	0.7x	34.70	26.10	+12.50%	5.00	8.13	40.65	29.25	+39%	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	27.0x	31.7x	1,540.00	1,350.00	-7.64%	27.92	53.09	1,482.27	1,390.00	+7%	HOLD
UACN	1.09	0.8%	7.6%	4.3%	1.8	1.31	17.26	8.2x	0.6x	11.45	7.10	+47.59%	7.58	1.44	10.92	10.70	+2%	HOLD
UNILEVER	0.76	1.8%	-1.3%	-0.8%	1.6	-0.14	11.10	-94.2x	1.2x	15.60	11.65	-2.88%	-	-	16.57	13.50	+23%	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	+25.30%	15.56	6.71	104.40	88.90	+17%	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	+13.21%	-	-	4.58	6.00	-24%	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	6.7x	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	6.8x	1.1x	6.76	4.28	+37.78%	6.50	1.19	7.74	6.20	+25%	BUY
GLAXOSMITH	0.91	0.7%	3.5%	1.3%	2.7	0.26	7.30	23.5x	0.8x	7.25	6.00	-12.32%	27.36	0.22	6.02	6.05	-1%	HOLD
NEIMETH	0.48	11.0%	22.7%	5.3%	4.3	0.18	0.78	10.2x	2.3x	2.23	1.50	-19.28%	8.00	0.28	2.24	1.80	+24%	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	11.24	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	12.1x	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	5.6x	0.6x	8.65	4.62	+30.39%	7.56	0.79	5.97	6.65	-10%	SELL
ARDOVA	2.61	0.9%	6.4%	1.7%	3.8	0.93	14.62	14.2x	0.9x	21.85	13.20	-2.58%	10.45	1.15	11.97	13.20	-9%	HOLD
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	25.2x	0.6x	770.00	402.30	+79.27%	-	-	681.55	721.20	-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	13.7x	20.8x	201.00	157.00	+11.83%	13.50	14.32	193.32	190.00	+2%	HOLD
AIRTELAFRI	0.43	14.7%	24.8%	8.8%	2.8	97.26	392.30	9.4x	2.3x	930.00	601.00	+7.42%	-	-	720.32	915.00	-21%	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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