

STOCK RECOMMENDATION - NOVEMBER 29TH, 2021

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MARKET REVIEW

For the week ended November 26, 2021.

- The Nigerian equities market ended the previous week on a positive note as the All-share Index improved by 0.25% WoW to close at 43,308.29pts. Thus, the Year-to-Date return improved to +7.54%.
- On a sectoral basis, performance was mixed across the various indices as **NGXOILGAS** (-0.9% WoW), **NGXBNK** (-0.3% WoW), **NGXINDUSTR** (-0.03% WoW) and **NGXCNSMRGDS** (-2.00% WoW) all closed in the red, while **NGXINS** (+3.56% WoW) closed in the green.
- UPL** (+27.83% WoW) topped the gainers' chart, while **AIICO** (-46.15% WoW) was the week's top loser.

MARKET *P*REVIEW*For the week commencing November 29, 2021.*

- The mood in the market was largely mixed last week, the price appreciation on bellwether stocks towards the end of the week however pushed the market to the positive close.
- As per the most recent FPI report by NGX, foreign interest in the local bourse improved by 74.21% to NGN42.42bn (vs NGN24.35bn in September 2021). However, foreign participation declined from 20.16% to 19.91% in October 2021.
- Barring any significant movement on bellwether stocks, we expect the market to close in the negative as the overriding sentiment is expected to be negative this week.
- We therefore expect the market to close the week on a negative note as the sentiment remains largely bearish.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			43,308.29	43,199.27
Market Cap [NGN'tr]			22.60	22.54
Market Cap [USD 'bn]			54.85	54.72
Volume Traded [bn]			1.45	1.18
Value Traded [NGN'bn]			18.83	24.44
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.25%	3.02%	7.68%	7.54%
NGX-30	-0.43%	0.07%	4.41%	6.60%
NGX-B10	-0.29%	-4.85%	5.29%	-0.65%
NGX-FB10	-2.00%	-3.49%	-3.09%	-4.14%
NGX-OG5	-0.87%	-6.67%	-0.66%	61.29%
NGX-INS10	3.56%	1.76%	5.80%	-3.39%
NGX-IND	-0.03%	0.75%	5.00%	6.89%
Value (NGN)		Volume		
GTCO	4,949,664,944	GTCO	195,324,849	
NESTLE	2,667,351,968	FBNH	165,752,283	
ZENITHBANK	2,577,605,408	MBENEFIT	143,357,888	
FBNH	1,998,541,411	FCMB	120,702,780	
SEPLAT	1,327,441,558	HONYFLOUR	106,314,633	
Highest Gainers	%	Highest Losers	%	
UPL	27.83%	AIICO	-46.15%	
IKEJAHOTEL	17.39%	CUTIX	-17.61%	
HONYFLOUR	16.81%	ETERNA	-17.24%	
REGALINS	13.51%	UPDCREIT	-15.83%	
SIAMLETF40	9.97%	UPDC	-12.67%	

	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	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	5.8x	0.2x	8.90	4.70	+33.33%	2.37	4.40	10.43	8.00	+30%	BUY	
FCMB	0.09	8.0%	7.4%	0.8%	9.6	0.88	11.84	3.5x	0.3x	3.50	2.66	-8.41%	2.87	1.01	2.89	3.05	-5%	HOLD	
FIDELITYBK	0.07	15.2%	11.6%	1.0%	11.3	1.13	9.76	2.3x	0.3x	2.79	2.10	+1.19%	2.83	1.01	2.86	2.55	+12%	BUY	
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	3.8x	0.9x	30.00	25.00	-22.72%	4.90	6.99	34.25	25.00	+37%	BUY	
STANBIC	0.07	27.2%	15.8%	2.1%	7.6	5.13	32.43	7.4x	1.2x	52.90	37.75	-13.73%	6.80	7.37	50.12	38.00	+32%	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	0.3x	9.25	6.80	-6.36%	3.00	3.60	10.80	8.10	+33%	BUY	
UBN	0.06	10.9%	6.4%	0.7%	9.7	0.59	9.09	8.2x	0.5x	6.10	4.55	-10.28%	9.00	0.88	7.92	4.80	+65%	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	3.3x	0.6x	27.20	20.30	-1.81%	3.85	7.63	29.39	24.35	+21%	BUY	
Insurance																			
AIICO	0.32	4.7%	6.3%	1.1%	5.9	0.11	1.75	6.4x	0.4x	1.59	0.59	-38.05%	10.27	0.13	1.34	0.70	+91%	BUY	
LASACO	0.49	4.6%	3.4%	1.5%	2.2	0.21	6.05	5.1x	0.2x	1.71	0.35	+202.86%	3.21	0.47	1.51	1.06	+42%	BUY	
MANSARD	0.47	9.4%	7.5%	2.4%	3.1	0.07	1.00	29.7x	2.2x	2.99	0.83	+110.48%	1.23	0.88	1.08	2.21	-51%	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	-11.4x	0.5x	0.72	0.39	+25.00%	1.90	0.31	0.59	0.50	+18%	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	+92.63%	-	-	31.61	36.60	-14%	SELL
NB	0.89	3.7%	5.7%	2.1%	2.7	1.19	20.87	39.2x	2.2x	63.00	46.50	-16.96%	-	-	61.22	46.50	+32%	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	0.94	5.0%	10.4%	3.6%	2.9	0.81	7.84	11.3x	1.2x	10.80	7.75	+2.22%	13.84	0.59	8.17	9.20	-11%	SELL
DANGSUGAR	0.77	7.9%	15.3%	5.8%	2.6	1.54	10.05	10.7x	1.6x	21.70	16.30	-6.53%	6.52	3.08	20.08	16.45	+22%	BUY
HONYFLOUR	0.72	0.5%	2.2%	0.8%	2.9	0.16	7.34	24.6x	0.5x	4.28	1.09	+230.00%	-	-	-	3.96	-	UR
FLOURMILL	1.75	2.0%	14.8%	4.9%	3.0	6.42	43.50	4.6x	0.7x	34.70	26.10	+13.46%	5.00	8.13	40.65	29.50	+38%	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	27.1x	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	7.6x	0.6x	11.45	7.10	+37.93%	7.58	1.44	10.92	10.00	+9%	HOLD
UNILEVER	0.76	1.8%	-1.3%	-0.8%	1.6	-0.14	11.10	-96.7x	1.2x	15.60	11.65	-0.36%	-	-	16.57	13.85	+20%	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	-3.6x	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	5.5x	2.5x	21.90	7.35	+175.64%	4.50	2.95	13.28	21.50	-38%	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	24.7x	0.9x	7.25	6.00	-7.97%	27.36	0.22	6.02	6.35	-5%	HOLD
NEIMETH	0.48	11.0%	22.7%	5.3%	4.3	0.18	0.78	9.9x	2.3x	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	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	12.0x	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	5.1x	0.6x	8.65	4.62	+18.63%	7.56	0.79	5.97	6.05	-1%	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	24.2x	0.6x	770.00	402.30	+72.76%	-	-	681.55	695.00	-2%	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	9.8x	2.4x	950.00	601.00	+11.53%	-	-	720.32	950.00	-24%	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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