

STOCK RECOMMENDATION - JANUARY 24TH, 2022

MARKET REVIEW

For the week ended January 21, 2022.

- The Nigerian equities market sustained its bullish momentum, as the All-share Index increased for the third consecutive week by 3.38% WoW to end at 45,957.35pts. As a result, the Year-to-date return closed at 7.59%.
- Performance was largely positive as four of five indices closed positive at the end of the trading week; **NGXBNK** (+1.66%WoW), **NGXOILGAS** (+5.21% WoW), **NGXINDUSTR** (+4.37% WoW), **NGXCNSMRGDS** (1.03% WoW), while the **NGXINS** (-0.27% WoW) index closed in the red.
- **COURTVILLE** (+24.32% WoW) topped the gainers chart, while **REGALINS** shed 8.70% WoW to top the losers list. On the activity chart, **TRANSCORP** topped the list as the most traded stock by volume, while **DANGCEM** topped the list as the most traded stock by value.

MARKET *P*REVIEW

For the week commencing January 24, 2022.

- The sentiment in the market has been largely positive as investors have continued to take position in the market despite prices being very close or above our near-term valuations.
- We expect this sentiment to continue in the market this week most especially on low cap stocks. However, we do not rule out the possibility of profit-taking activities in the market this week especially on bellwether stocks.
- We therefore expect the market to trade sideways with the prevailing sentiment being bullish.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	45,957.35	44,454.67		
Market Cap [NGN'tr]	24.76	23.95		
Market Cap [USD 'bn]	59.52	57.58		
Volume Traded [bn]	1.32	1.58		
Value Traded [NGN'bn]	47.18	32.71		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	3.38%	7.59%	7.59%	7.59%
NGX-30	2.18%	2.94%	2.94%	2.94%
NGX-B10	1.66%	3.22%	3.22%	3.22%
NGX-FB10	1.03%	-4.21%	-4.21%	-4.21%
NGX-OG5	5.21%	9.90%	9.90%	9.90%
NGX-INS10	-0.27%	-2.73%	-2.73%	-2.73%
NGX-IND	4.37%	8.45%	8.45%	8.45%
Value (NGN)		Volume		
DANGCEM	35,466,645,063	TRANSCORP	158,746,343	
GTCO	2,005,306,362	FBNH	134,424,995	
FBNH	1,612,177,007	DANGCEM	128,136,221	
ZENITHBANK	1,259,374,756	GTCO	78,942,415	
SEPLAT	1,098,754,791	FIDELITYBK	72,625,442	
Highest Gainers		Highest Losers		
	%		%	
COURTVILLE	24.32%	REGALINS	-8.70%	
NNFM	20.61%	VERITASKAP	-8.70%	
ETERNA	13.19%	NEM	-6.57%	
SKYAVN	10.00%	TRANSCORP	-5.26%	
NEIMETH	10.00%	HONYFLOUR	-4.76%	

	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	2022 TP	Last Wk. Pr	UPP	RT
Financial Services																		
Banks																		
ACCESS	0.08	18%	16%	1%	12.97	3.56	22.49	2.74x	0.43x	9.80	9.25	+4.84%	2.60	4.12	10.69	9.75	+10%	HOLD
ETI	0.08	15%	15%	1%	12.45	5.20	35.63	1.74x	0.25x	9.05	8.60	+4.02%	2.21	6.08	13.41	9.05	+48%	BUY
FCMB	0.08	9%	8%	1%	10.25	0.99	11.92	3.04x	0.25x	3.05	2.85	+0.33%	3.19	1.24	3.96	3.00	+32%	BUY
FIDELITYBK	0.07	15%	12%	1%	11.26	1.13	9.76	2.35x	0.27x	2.70	2.50	+4.31%	2.31	1.26	2.91	2.66	+9%	HOLD
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.91x	0.57x	12.00	11.30	+5.26%	4.34	2.68	11.63	12.00	-3%	HOLD
GTCO	0.09	41%	23%	4%	6.11	6.62	28.62	3.90x	0.90x	26.00	25.15	-0.77%	4.29	7.80	33.51	25.80	+30%	BUY
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	7.00x	1.11x	38.00	35.90	-0.28%	7.55	5.75	43.43	35.90	+21%	BUY
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	3.95x	0.33x	1.58	1.50	+4.64%	3.94	0.50	1.98	1.58	+25%	BUY
UBA	0.08	21%	18%	2%	10.46	4.13	23.34	1.99x	0.35x	8.25	8.00	+1.86%	2.36	3.87	9.15	8.20	+12%	BUY
UBN	0.06	11%	6%	1%	9.68	0.59	9.09	9.99x	0.64x	5.85	5.40	-0.85%	7.16	0.96	6.90	5.85	+18%	BUY
WEMABANK	0.08	10%	13%	1%	17.02	0.21	1.65	4.01x	0.51x	0.89	0.78	+18.06%	-	-	-	0.85	-	UR
ZENITHBANK	0.08	31%	20%	3%	7.37	7.38	37.81	3.49x	0.68x	25.85	25.30	+2.58%	3.71	7.98	29.59	25.80	+15%	BUY
Insurance																		
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	7.47x	0.47x	0.84	0.72	+17.14%	5.00	0.17	0.85	0.82	+4%	HOLD
LASACO	0.49	5%	3%	1%	2.24	0.15	6.05	7.19x	0.18x	1.15	1.04	+4.76%	5.69	0.25	1.42	1.10	+29%	BUY
MANSARD	0.47	9%	7%	2%	3.06	0.07	1.00	31.43x	2.34x	2.37	2.28	+0.86%	6.05	0.57	3.45	2.34	+47%	BUY
NEM	0.78	10%	31%	17%	1.81	0.60	1.94	6.15x	1.90x	4.50	3.63	-17.78%	4.68	1.15	5.38	3.70	+45%	BUY
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	-	11.20x	0.53	0.48	-12.50%	25.92	0.02	0.52	0.49	+6%	HOLD
CUSTODIAN	0.46	8%	20%	6%	3.06	2.00	10.05	3.52x	0.70x	7.90	7.05	-10.76%	3.80	2.27	8.63	7.05	+22%	BUY

Consumer Staples & Discretionary																			
Breweries																			
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-7.64x	1.23x	42.20	39.00	+8.21%	-	-	-	42.20	-	UR	
NB	0.89	4%	6%	2%	2.67	1.19	20.87	40.42x	2.30x	48.00	45.50	-4.00%	-	-	-	48.00	-	UR	
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-	0.90x	5.15	4.90	+1.01%	-	-	-	5.00	-	UR	
Packaged Foods & Meats																			
CADBURY	0.94	5%	10%	4%	2.87	0.81	7.84	11.68x	1.21x	9.50	8.80	+7.95%	10.28	0.92	9.46	9.50	-0%	HOLD	
DANGSUGAR	0.77	8%	15%	6%	2.65	1.54	10.05	11.56x	1.77x	18.25	16.95	+2.01%	8.10	2.95	23.90	17.75	+35%	BUY	
HONYFLOUR	0.72	1%	2%	1%	2.86	0.16	7.34	19.84x	0.44x	3.50	3.20	-5.88%	-	-	-	3.20	-	UR	
FLOURMILL	1.75	2%	15%	5%	3.01	6.42	43.50	4.45x	0.66x	29.00	28.10	+0.71%	6.48	6.27	40.63	28.55	+42%	BUY	
NASCON	0.82	10%	20%	7%	2.69	1.06	5.31	12.33x	2.47x	13.20	13.05	-0.76%	14.13	1.02	14.41	13.10	+10%	BUY	
NESTLE	1.10	13%	118%	13%	8.80	51.55	43.80	27.84x	32.76x	1,556.50	1,435.00	-7.81%	26.61	63.15	1,680.42	1,435.00	+17%	BUY	
UACN	1.09	1%	8%	4%	1.75	1.31	17.26	6.97x	0.53x	9.60	9.00	-3.68%	6.79	1.90	12.90	9.15	+41%	BUY	
UNILEVER*	0.76	2%	-1%	-1%	1.58	-0.14	11.10	-	1.19x	14.50	13.20	-8.97%	5.99	9.00	15.81	13.20	+20%	BUY	
Agricultural Products																			
OKOMUOIL	0.59	37%	36%	24%	1.52	15.08	41.83	9.42x	3.39x	142.00	142.00	0.00%	10.11	15.63	158.02	142.00	+11%	BUY	
PRESCO	0.45	40%	33%	16%	2.04	14.01	42.83	6.27x	2.05x	87.80	87.80	0.00%	7.42	13.07	96.98	87.80	+10%	BUY	
Household & Personal Products																			
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-4.09x	0.80x	7.15	6.10	+14.75%	-	-	-	7.00	-	UR	
VITAFOAM	1.14	13%	46%	19%	2.39	3.92	8.55	5.66x	2.60x	22.20	20.25	-1.33%	6.00	4.90	29.40	22.20	+32%	BUY	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.69	11%	16%	7%	2.25	0.67	4.11	6.59x	1.07x	4.40	4.02	+9.45%	6.88	0.70	4.82	4.40	+9%	HOLD	
FIDSON	0.72	9%	16%	6%	2.71	0.91	5.61	8.31x	1.35x	7.55	6.22	+21.38%	5.98	1.73	10.35	7.55	+37%	BUY	

GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	23.35x	0.82x	6.00	5.95	+0.84%	8.99	0.49	4.41	6.00	-27%	SELL
NEIMETH	0.48	11%	23%	5%	4.28	0.18	0.78	11.18x	2.54x	1.98	1.76	+13.14%	24.05	0.20	4.81	1.98	+143%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.35	35%	23%	12%	1.91	2.39	10.32	29.88x	6.92x	71.95	68.50	+6.49%	13.66	5.42	70.83	71.40	-1%	HOLD
DANGCEM*	0.60	28%	42%	16%	2.58	20.04	47.24	14.21x	6.03x	284.90	250.00	+10.86%	6.90	44.81	287.81	284.90	+1%	HOLD
WAPCO*	0.50	20%	10%	7%	1.38	2.22	23.09	11.42x	1.10x	26.05	24.00	+6.05%	6.46	38.65	38.65	25.40	+52%	BUY
Specialty Chemicals																		
CAP	1.27	9%	40%	13%	3.07	1.61	3.98	12.13x	4.90x	19.50	19.45	+0.26%	12.38	1.32	16.34	19.50	-16%	SELL
BERGER	0.87	4%	6%	4%	1.59	0.65	10.75	12.53x	0.76x	8.55	7.70	-4.09%	11.11	1.23	13.67	8.20	+67%	BUY
Energy																		
CONOIL	2.67	2%	9%	4%	2.31	2.77	30.43	7.92x	0.72x	22.00	21.30	-0.23%	7.81	4.05	31.58	21.95	+44%	BUY
ETERNA	1.98	1%	11%	5%	2.52	1.19	10.47	5.33x	0.61x	6.35	5.05	+25.74%	7.00	0.65	4.55	6.35	-28%	SELL
ARDOVA	2.61	1%	6%	2%	3.83	0.93	14.62	14.07x	0.90x	13.85	11.70	+0.77%	8.21	2.08	17.08	13.10	+30%	BUY
MRS	1.11	0%	-7%	-3%	2.20	-3.95	55.28	-3.43x	0.25x	13.55	12.35	+9.72%	55.23	0.20	11.05	13.55	-18%	SELL
SEPLAT	0.17	8%	3%	1%	2.11	28.66	1,146.32	26.34x	0.66x	755.10	650.00	+16.17%	16.10	46.85	754.42	755.10	-0%	HOLD
TOTAL	1.33	5%	32%	6%	5.69	31.42	96.67	7.06x	2.30x	221.90	221.90	0.00%	5.60	53.36	298.86	221.90	+35%	BUY
Telecommunications																		
MTNN	0.75	18%	151%	13%	11.29	13.82	9.14	13.75x	20.79x	197.00	185.50	-3.55%	13.40	15.22	203.95	190.00	+7%	HOLD
AIRTELAFRI*	0.43	15%	25%	9%	2.82	97.26	392.30	11.88x	2.95x	1,155.50	955.00	+20.99%	4.81	180.86	869.94	1,155.50	-25%	SELL

*TP calculated with EV/EBITDA multiple; 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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HOLD: Target Price of the stock ranges between **-10 percent and 10 percent** from the current market price.

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