

STOCK RECOMMENDATION - JANUARY 31ST, 2022

MARKET REVIEW

For the week ended January 28, 2022.

- Last week, the bullish momentum on the Nigerian equities market was sustained for the fourth consecutive week. The All-Share Index advanced by 0.54% WoW to close the week at 46,205.05pts. Thus, the Year-to-date return closed at +8.17%.
- Three of the sectoral indices (**NGXBNK**: +4.84%; **NGXOILGAS**: +3.53%; **NGXCNSMRGDS**: +2.04%) recorded gains, while **NGXINDUSTR** (-5.12%) and **NGXINS** (-3.12%) lost some points.
- With a 44.75% WoW increase in price, **ETI** was the week's top gainer, while **CILEASING** (-10.00% WoW) led the losers' chart.
- The week witnessed earnings releases by some corporate entities, including **FCMB**, **UNILEVER**, **GUINNESS**, **NEM**, **FLOURMILL**, and **ETI**. Broadly, the results were impressive.

MARKET *P*REVIEW*For the week commencing January 31, 2022.*

- Activities on bellwether stocks (particularly **DANGCEM** and **AIRTELAFRI**) have been contributing significantly to market direction. Last week, there was a counteracting effect from the two tickers.
- That notwithstanding, the overriding sentiment remains positive as market breadth was 1.31x. We also expect that investors might start to take position early on dividend paying stocks amid expectations of impressive earnings releases. We expect the overriding to stay positive this week.
- **Therefore, we expect the market to close on a positive note this week.**

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			46,205.05	45,957.35
Market Cap [NGN'tr]			24.90	24.76
Market Cap [USD 'bn]			59.85	59.52
Volume Traded [bn]			1.45	1.32
Value Traded [NGN'bn]			19.08	47.18
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.54%	8.17%	8.17%	8.17%
NGX-30	-1.13%	1.78%	1.78%	1.78%
NGX-B10	4.84%	8.22%	8.22%	8.22%
NGX-FB10	2.04%	-2.26%	-2.26%	-2.26%
NGX-OG5	3.53%	13.78%	13.78%	13.78%
NGX-INS10	-3.12%	-5.76%	-5.76%	-5.76%
NGX-IND	-5.12%	2.90%	2.90%	2.90%
Value (NGN)		Volume		
MTNN	3,080,607,724	GTCO	109,294,885	
SEPLAT	2,820,781,692	COURTVILLE	106,617,999	
GTCO	2,793,017,797	CHAMS	92,162,661	
ZENITHBANK	1,758,684,083	TRANSCORP	87,679,995	
NB	1,271,234,578	MBENEFIT	75,974,197	
Highest Gainers		Highest Losers		
	%		%	
ETI	44.75%	CILEASING	-10.00%	
ACADEMY	42.42%	UPL	-9.86%	
COURTVILLE	30.43%	PRESTIGE	-9.80%	
INTBREW	18.00%	LINKASSURE	-8.93%	
GUINNESS	13.98%	DANGCEM	-8.53%	

	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	2.77x	0.44x	9.85	9.25	+5.91%	2.60	4.12	10.69	9.85	+9%	HOLD	
ETI	0.08	15%	15%	1%	12.45	5.20	35.63	2.52x	0.37x	13.10	8.60	+50.57%	2.21	6.08	13.41	13.10	+2%	HOLD	
FCMB	0.08	9%	8%	1%	10.25	0.99	11.92	3.08x	0.26x	3.05	2.85	+1.67%	3.19	1.24	3.96	3.04	+30%	BUY	
FIDELITYBK	0.07	15%	12%	1%	11.26	1.13	9.76	2.41x	0.28x	2.72	2.50	+6.67%	2.31	1.26	2.91	2.72	+7%	HOLD	
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.88x	0.57x	12.00	11.30	+4.82%	4.34	2.68	11.63	11.95	-3%	HOLD	
GTCO	0.09	41%	23%	4%	6.11	6.62	28.62	3.88x	0.90x	26.00	25.15	-1.35%	4.29	7.80	33.51	25.65	+31%	BUY	
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	6.97x	1.10x	38.00	35.10	-0.69%	7.55	5.75	43.43	35.75	+21%	BUY	
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	4.30x	0.36x	1.72	1.50	+13.91%	3.94	0.50	1.98	1.72	+15%	BUY	
UBA	0.08	21%	18%	2%	10.46	4.13	23.34	2.05x	0.36x	8.45	8.00	+4.97%	2.36	3.87	9.15	8.45	+8%	HOLD	
UBN	0.06	11%	6%	1%	9.68	0.59	9.09	10.25x	0.66x	6.00	5.40	+1.69%	7.16	0.96	6.90	6.00	+15%	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	+2.39%	3.71	7.98	29.59	25.75	+15%	BUY	
Insurance																			
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	6.92x	0.43x	0.84	0.72	+8.57%	5.00	0.17	0.85	0.76	+12%	BUY	
LASACO	0.49	5%	3%	1%	2.24	0.15	6.05	7.39x	0.19x	1.15	1.04	+7.62%	5.69	0.25	1.42	1.13	+26%	BUY	
MANSARD	0.47	9%	7%	2%	3.06	0.07	1.00	31.57x	2.35x	2.37	2.28	+1.29%	6.05	0.57	3.45	2.35	+47%	BUY	
NEM	0.78	10%	31%	17%	1.81	0.60	1.94	5.81x	1.80x	4.50	3.20	-22.44%	4.68	1.15	5.38	3.49	+54%	BUY	
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	- 11.42x	0.52x	0.53	0.48	-10.71%	25.92	0.02	0.52	0.50	+4%	HOLD	
CUSTODIAN	0.46	8%	20%	6%	3.06	2.00	10.05	3.55x	0.71x	7.90	7.05	-10.13%	3.80	2.27	8.63	7.10	+21%	BUY	

Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-8.71x	1.41x	48.10	39.00	+23.33%	-	-	-	48.10	-	UR
NB	0.89	4%	6%	2%	2.67	1.19	20.87	40.84x	2.32x	48.50	45.50	-3.00%	-	-	-	48.50	-	UR
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-	1.06x	5.90	4.90	+19.19%	-	-	-	5.90	-	UR
								17.04x										
Packaged Foods & Meats																		
CADBURY	0.94	5%	10%	4%	2.87	0.81	7.84	10.70x	1.11x	9.50	8.60	-1.14%	10.28	0.92	9.46	8.70	+9%	HOLD
DANGSUGAR	0.77	8%	15%	6%	2.65	1.54	10.05	11.36x	1.74x	18.25	16.95	+0.29%	8.10	2.95	23.90	17.45	+37%	BUY
HONYFLOUR	0.72	1%	2%	1%	2.86	0.16	7.34	21.70x	0.48x	3.50	3.20	+2.94%	-	-	-	3.50	-	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	12.51x	2.50x	13.30	13.05	+0.76%	14.13	1.02	14.41	13.30	+8%	HOLD
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	6.86x	0.52x	9.60	8.90	-5.26%	6.79	1.90	12.90	9.00	+43%	BUY
UNILEVER*	0.76	2%	-1%	-1%	1.58	-0.14	11.10	-	1.26x	14.50	13.05	-3.45%	5.99	9.00	15.81	14.00	+13%	BUY
								97.73x										
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	6.23x	2.85x	24.40	20.25	+8.44%	6.00	4.90	29.40	24.40	+20%	BUY
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.69	11%	16%	7%	2.25	0.67	4.11	6.84x	1.11x	4.57	4.02	+13.68%	6.88	0.70	4.82	4.57	+5%	HOLD
FIDSON	0.72	9%	16%	6%	2.71	0.91	5.61	8.36x	1.35x	7.60	6.22	+22.19%	5.98	1.73	10.35	7.60	+36%	BUY

GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	23.74x	0.84x	6.10	5.95	+2.52%	8.99	0.49	4.41	6.10	-28%	SELL
NEIMETH	0.48	11%	23%	5%	4.28	0.18	0.78	10.45x	2.38x	1.98	1.76	+5.71%	24.05	0.20	4.81	1.85	+160%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.35	35%	23%	12%	1.91	2.39	10.32	29.27x	6.78x	71.95	68.00	+4.33%	13.66	5.42	70.83	69.95	+1%	HOLD
DANGCEM*	0.60	28%	42%	16%	2.58	20.04	47.24	13.00x	5.52x	284.90	250.00	+1.40%	6.90	44.81	287.81	260.60	+10%	BUY
WAPCO*	0.50	20%	10%	7%	1.38	2.22	23.09	11.51x	1.11x	26.05	24.00	+6.89%	6.46	38.65	38.65	25.60	+51%	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	5.04x	0.57x	6.35	5.05	+19.01%	7.00	0.65	4.55	6.01	-24%	SELL
ARDOVA	2.61	1%	6%	2%	3.83	0.93	14.62	13.86x	0.88x	13.85	11.70	-0.77%	8.21	2.08	17.08	12.90	+32%	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	27.56x	0.69x	790.00	650.00	+21.54%	16.10	46.85	754.42	790.00	-5%	HOLD
TOTAL	1.33	5%	32%	6%	5.69	31.42	96.67	7.67x	2.49x	241.00	221.90	+8.61%	5.60	53.36	298.86	241.00	+24%	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	13.07x	3.24x	1,271.00	955.00	+33.09%	4.81	180.86	869.94	1,271.00	-32%	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= 2022 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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