

STOCK RECOMMENDATION - FEBRUARY 14TH, 2022

MARKET REVIEW

For the week ended February 11, 2022.

- After five consecutive weeks of gains, the Nigerian equities market closed on a negative note last week. At 47,202.30pts, the All-Share Index lost 0.16%WoW bringing the year-to-date return to +10.50%.
- Although the broad market index closed in the red, all sectoral indices ended the week higher; **NGXBNK** (+2.34%WoW), **NGXOILGAS** (+0.29% WoW), **NGXINDUSTR** (+0.06% WoW), **NGXCNSMRGDS** (+1.35% WoW) and **NGXINS** (+1.51% WoW).
- SCOA** (+42.40% WoW) topped the gainers chart, while **PHARMDEKO** shed 16.67% WoW to top the losers list. The share price decline on tickers such as **OKOMUOIL** (-10.00%WoW), **MTNN** (-1.15%WoW), and **BUAFOODS** (-4.04%WoW) dragged the equities market to the red zone.

MARKET *P*REVIEW

For the week commencing February 14, 2022.

- Though the NGXASI lost week-on-week, the market sentiment was largely positive evinced by a market breadth of 1.23x (vs 1.19x last week). Backed by copious system liquidity, we expect some of the positive sentiments to linger.
- This week, we still expect investors to book profits on bellwether tickers that have gained significantly. We also do not expect a notable reaction to the release of inflation statistics in the week. Given that the heavy weight counters under our coverage are trading close to their price targets, **we expect the market to end the week in the negative region.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	47,202.30	47,279.92		
Market Cap [NGN'tr]	25.44	25.48		
Market Cap [USD 'bn]	61.14	61.85		
Volume Traded [bn]	1.25	1.69		
Value Traded [NGN'bn]	22.66	19.59		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	-0.16%	1.24%	10.50%	10.50%
NGX-30	0.07%	1.73%	4.82%	4.82%
NGX-B10	2.34%	2.74%	11.67%	11.67%
NGX-FB10	1.35%	0.76%	-1.74%	-1.74%
NGX-OG5	0.29%	7.65%	22.87%	22.87%
NGX-INS10	1.51%	-0.25%	-6.19%	-6.19%
NGX-IND	0.06%	2.99%	6.47%	6.47%
Value (NGN)		Volume		
GTCO	2,910,404,606	ACCESS	111,385,930	
SEPLAT	2,780,552,174	GTCO	106,359,821	
MTNN	2,330,922,741	FIDELITYBK	99,012,250	
ZENITHBANK	2,110,458,581	TRANSCORP	88,969,839	
NB	1,769,261,463	SOVRENINS	88,631,162	
Highest Gainers		Highest Losers		
	%		%	
SCOA	42.40%	PHARMDEKO	-16.67%	
RTBRISCOE	39.29%	OKOMUOIL	-10.00%	
SUNUASSUR	30.00%	GUINEAINS	-9.09%	
GUINNESS	24.61%	PZ	-7.19%	
FLOURMILL	10.62%	FTNCOCOA	-5.26%	

	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	2.95x	0.47x	10.50	9.25	+12.90%	2.60	4.12	10.69	10.50	+2%	HOLD
ETI	0.08	15%	15%	1%	12.45	5.20	35.63	2.40x	0.35x	13.10	8.60	+43.68%	2.21	6.08	13.41	12.50	+7%	HOLD
FCMB	0.08	9%	8%	1%	10.25	0.99	11.92	2.96x	0.24x	3.13	2.85	-2.34%	3.19	1.24	3.96	2.92	+35%	BUY
FIDELITYBK	0.07	15%	12%	1%	11.26	1.13	9.76	2.59x	0.30x	2.95	2.50	+14.90%	2.31	1.26	2.91	2.93	-1%	HOLD
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.45x	0.53x	12.00	11.00	-1.75%	4.34	2.68	11.63	11.20	+4%	HOLD
GTCO	0.09	41%	23%	4%	6.11	6.62	28.62	4.02x	0.93x	28.00	25.15	+2.31%	4.29	7.80	33.51	26.60	+26%	BUY
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	6.73x	1.07x	38.00	34.55	-4.03%	7.55	5.75	43.43	34.55	+26%	BUY
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	4.32x	0.36x	1.73	1.50	+14.57%	3.94	0.50	1.98	1.73	+14%	BUY
UBA	0.08	21%	18%	2%	10.46	4.13	23.34	2.11x	0.37x	8.85	8.00	+8.07%	2.36	3.87	9.15	8.70	+5%	HOLD
UBN	0.06	11%	6%	1%	9.68	0.59	9.09	10.34x	0.67x	6.25	5.40	+2.54%	7.16	0.96	6.90	6.05	+14%	BUY
WEMABANK	0.08	10%	13%	1%	17.02	0.21	1.65	4.10x	0.53x	0.89	0.78	+20.83%	-	-	-	0.87	-	UR
ZENITHBANK	0.08	31%	20%	3%	7.37	7.38	37.81	3.64x	0.71x	27.40	25.30	+6.96%	3.71	7.98	29.59	26.90	+10%	BUY
Insurance																		
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	6.37x	0.40x	0.84	0.69	0.00%	5.00	0.17	0.85	0.70	+21%	BUY
LASACO	0.49	5%	3%	1%	2.24	0.15	6.05	7.32x	0.19x	1.15	1.00	+6.67%	5.69	0.25	1.42	1.12	+27%	BUY
MANSARD	0.47	9%	7%	2%	3.06	0.07	1.00	33.58x	2.50x	2.50	2.28	+7.76%	6.05	0.57	3.45	2.50	+38%	BUY
NEM	0.78	10%	31%	17%	1.81	0.60	1.94	5.52x	1.71x	4.50	3.01	-26.22%	4.68	1.15	5.38	3.32	+62%	BUY
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	-	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	3.95x	0.79x	8.00	7.05	0.00%	3.80	2.27	8.63	7.90	+9%	HOLD
Consumer Staples & Discretionary																		

Breweries																			
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-	1.77x	60.50	39.00	+55.13%	-	-	-	60.50	-	UR	
NB	0.89	4%	6%	2%	2.67	1.19	20.87	10.95x	2.30x	48.50	45.50	-4.10%	-	-	-	47.95	-	UR	
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-	0.94x	6.00	4.90	+5.05%	-	-	-	5.20	-	UR	
								15.02x											
Packaged Foods & Meats																			
CADBURY	0.94	5%	10%	4%	2.87	0.81	7.84	10.64x	1.10x	9.50	8.60	-1.70%	10.28	0.92	9.46	8.65	+9%	HOLD	
DANGSUGAR	0.77	8%	15%	6%	2.65	1.54	10.05	11.46x	1.75x	18.25	16.95	+1.15%	8.10	2.95	23.90	17.60	+36%	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	5.03x	0.74x	32.30	28.10	+13.93%	6.48	6.27	40.63	32.30	+26%	BUY	
NASCON	0.82	10%	20%	7%	2.69	1.06	5.31	12.47x	2.49x	13.30	13.05	+0.38%	14.13	1.02	14.41	13.25	+9%	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	-	1.19x	14.50	13.05	-9.31%	5.99	9.00	15.81	13.15	+20%	BUY	
								91.80x											
Agricultural Products																			
OKOMUOIL	0.59	37%	36%	24%	1.52	15.08	41.83	8.47x	3.06x	142.00	127.80	-10.00%	10.11	15.63	158.02	127.80	+24%	BUY	
PRESCO	0.45	40%	33%	16%	2.04	14.01	42.83	7.42x	2.43x	105.00	87.80	+18.45%	7.42	13.07	96.98	104.00	-7%	HOLD	
Household & Personal Products																			
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-3.77x	0.74x	7.15	6.10	+5.74%	-	-	-	6.45	-	UR	
VITAFOAM	1.14	13%	46%	19%	2.39	3.92	8.55	6.24x	2.86x	24.45	20.25	+8.67%	6.00	4.90	29.40	24.45	+20%	BUY	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.69	11%	16%	7%	2.25	0.67	4.11	6.66x	1.08x	4.57	4.02	+10.70%	6.88	0.70	4.82	4.45	+8%	HOLD	
FIDSON	0.72	9%	16%	6%	2.71	0.91	5.61	8.80x	1.43x	8.29	6.22	+28.62%	5.98	1.73	10.35	8.00	+29%	BUY	
GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	23.54x	0.83x	6.40	5.95	+1.68%	8.99	0.49	4.41	6.05	-27%	SELL	

NEIMETH	0.48	11%	23%	5%	4.28	0.18	0.78	10.79x	2.45x	1.98	1.76	+9.14%	-	-	-	1.91	-	UR
Materials																		
Construction Materials																		
BUACEMENT*	0.35	35%	23%	12%	1.91	2.39	10.32	29.61x	6.86x	71.95	68.00	+5.52%	13.66	5.42	70.83	70.75	+0%	HOLD
DANGCEM*	0.60	28%	42%	16%	2.58	20.04	47.24	13.71x	5.82x	284.90	250.00	+6.93%	6.90	44.81	287.81	274.80	+5%	HOLD
WAPCO*	0.50	20%	10%	7%	1.38	2.22	23.09	12.02x	1.16x	27.00	24.00	+11.69%	6.46	38.65	38.65	26.75	+44%	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	12.76x	0.78x	8.55	7.70	-2.34%	11.11	1.23	13.67	8.35	+64%	BUY
Energy																		
CONOIL	2.67	2%	9%	4%	2.31	2.77	30.43	9.56x	0.87x	26.50	21.30	+20.45%	7.81	4.05	31.58	26.50	+19%	BUY
ETERNA	1.98	1%	11%	5%	2.52	1.19	10.47	4.57x	0.52x	6.35	5.05	+7.92%	7.00	0.65	4.55	5.45	-16%	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	29.66x	0.74x	872.10	650.00	+30.77%	16.10	46.85	754.42	850.00	-11%	SELL
TOTAL	1.33	5%	32%	6%	5.69	31.42	96.67	8.43x	2.74x	264.90	221.90	+19.38%	5.60	53.36	298.86	264.90	+13%	BUY
Telecommunications																		
MTNN	0.75	18%	151%	13%	11.29	13.82	9.14	14.33x	21.67x	202.50	185.50	+0.51%	13.40	15.22	203.95	198.00	+3%	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= 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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