

STOCK RECOMMENDATION - FEBRUARY 7TH, 2022

MARKET REVIEW

For the week ended February 04, 2022.

- The Nigerian equities market sustained its bullish run, as the All-share Index increased for the fifth consecutive week by 2.33% WoW to end at 47,279.92pts. The Year-to-date return closed at 10.68%.
- Performance was largely mixed across sectors as three of five indices closed positive at the end of the trading week; **NGXBNK** (+0.83%WoW), **NGXOILGAS** (+9.69% WoW) and **NGXINDUSTR** (+3.41% WoW) while **NGXCNSMRGDS** (-1.93% WoW), while the **NGXINS** (-0.81% WoW) index closed in the red.
- RTBRISCOE** (+40.00% WoW) topped the gainers chart, while **COURTVILLE** shed 11.67% WoW to top the losers list. On the activity chart, **FIDELITYBK** topped the list as the most traded stock by volume, while **GTCO** topped the list as the most traded stock by value.

MARKET *P*REVIEW

For the week commencing February 07, 2022.

- Performance across sectors has been broadly positive over the past few weeks particularly on bellwether stocks. Last week, price appreciation on **SEPLAT**, **DANGCEM**, **PRESCO** and **MTNN** led the gainers chart.
- This week, we think there is scope for profit taking on bellwether tickers which have gained significantly over the past weeks. Most of these stocks are currently trading close to our near-term valuations.
- Thus, we expect the market to close negative this week.

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	47,279.92	46,205.05		
Market Cap [NGN'tr]	25.48	24.90		
Market Cap [USD 'bn]	61.85	59.85		
Volume Traded [bn]	1.69	1.42		
Value Traded [NGN'bn]	19.59	19.08		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	2.33%	1.41%	10.68%	10.68%
NGX-30	2.92%	1.66%	4.75%	4.75%
NGX-B10	0.83%	0.40%	9.12%	9.12%
NGX-FB10	-0.81%	-0.58%	-3.05%	-3.05%
NGX-OG5	7.69%	7.34%	22.52%	22.52%
NGX-INS10	-1.93%	-1.73%	-7.58%	-7.58%
NGX-IND	3.41%	2.92%	6.41%	6.41%
Value (NGN)		Volume		
GTCO	2,507,793,614	FIDELITYBK	191,721,785	
SEPLAT	2,154,161,559	TRANSCORP	131,977,289	
ZENITHBANK	2,090,247,558	GTCO	91,396,261	
MTNN	1,631,850,365	FBNH	82,289,702	
NB	1,373,654,933	ZENITHBANK	79,123,097	
Highest Gainers		Highest Losers		
	%		%	
RTBRISCOE	40.00%	SIAMLETF40	-30.77%	
ACADEMY	31.91%	COURTVILLE	-11.67%	
CONOIL	20.73%	CAVERTON	-11.43%	
SCOA	20.19%	INTBREW	-10.17%	
OANDO	11.45%	PHARMDEKO	-10.00%	

	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	2.87x	0.45x	9.85	9.25	+9.68%	2.60	4.12	10.69	10.20	+5%	HOLD
ETI	0.08	15%	15%	1%	12.45	5.20	35.63	2.33x	0.34x	13.10	8.60	+39.08%	2.21	6.08	13.41	12.10	+11%	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	2.52x	0.29x	2.72	2.50	+11.76%	2.31	1.26	2.91	2.85	+2%	HOLD
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.39x	0.53x	12.00	11.30	-2.63%	4.34	2.68	11.63	11.10	+5%	HOLD
GTCO	0.09	41%	23%	4%	6.11	6.62	28.62	4.16x	0.96x	26.00	25.15	+5.77%	4.29	7.80	33.51	27.50	+22%	BUY
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	6.82x	1.08x	38.00	35.10	-2.78%	7.55	5.75	43.43	35.00	+24%	BUY
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	4.25x	0.36x	1.72	1.50	+12.58%	3.94	0.50	1.98	1.70	+16%	BUY
UBA	0.08	21%	18%	2%	10.46	4.13	23.34	2.07x	0.37x	8.45	8.00	+6.21%	2.36	3.87	9.15	8.55	+7%	HOLD
UBN	0.06	11%	6%	1%	9.68	0.59	9.09	10.08x	0.65x	6.00	5.40	0.00%	7.16	0.96	6.90	5.90	+17%	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	3.57x	0.70x	25.85	25.30	+4.77%	3.71	7.98	29.59	26.35	+12%	BUY
Insurance																		
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	6.56x	0.41x	0.84	0.72	+2.86%	5.00	0.17	0.85	0.72	+18%	BUY
LASACO	0.49	5%	3%	1%	2.24	0.15	6.05	6.93x	0.18x	1.15	1.04	+0.95%	5.69	0.25	1.42	1.06	+34%	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	5.54x	1.71x	4.50	3.20	-26.00%	4.68	1.15	5.38	3.33	+62%	BUY
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	-	11.42x	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	7.90	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	-8.79x	1.42x	48.10	39.00	+24.49%	-	-	-	48.55	-	UR	
NB	0.89	4%	6%	2%	2.67	1.19	20.87	40.42x	2.30x	48.50	45.50	-4.00%	-	-	-	48.00	-	UR	
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-	0.95x	5.90	4.90	+7.07%	-	-	-	5.30	-	UR	
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	11.39x	1.74x	18.25	16.95	+0.57%	8.10	2.95	23.90	17.50	+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	4.55x	0.67x	29.00	28.10	+3.00%	6.48	6.27	40.63	29.20	+39%	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	-	1.24x	14.50	13.05	-5.17%	5.99	9.00	15.81	13.75	+15%	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	6.75x	2.21x	87.80	87.80	+7.63%	7.42	13.07	96.98	94.50	+3%	HOLD	
Household & Personal Products																			
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-4.06x	0.79x	7.15	6.10	+13.93%	-	-	-	6.95	-	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	6.44x	1.05x	4.57	4.02	+6.97%	6.88	0.70	4.82	4.30	+12%	BUY	

FIDSON	0.72	9%	16%	6%	2.71	0.91	5.61	8.92x	1.45x	7.60	6.22	+30.39%	5.98	1.73	10.35	8.11	+28%	BUY
GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	23.54x	0.83x	6.10	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	10.17x	2.31x	1.98	1.76	+2.86%	-	-	-	1.80	-	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	11.91x	1.15x	26.05	24.00	+10.65%	6.46	38.65	38.65	26.50	+46%	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	22.00	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	13.64x	0.87x	13.85	11.70	-2.31%	8.21	2.08	17.08	12.70	+35%	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	30.35x	0.76x	790.00	650.00	+33.85%	16.10	46.85	754.42	870.00	-13%	SELL
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	14.49x	21.92x	197.00	185.50	+1.68%	13.40	15.22	203.95	200.30	+2%	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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