

STOCK RECOMMENDATION - FEBRUARY 21ST, 2022

MARKET REVIEW

For the week ended February 18, 2022.

- The Nigerian equities market ended the week on a negative note, as the All-Share Index declined by 0.13%WoW to end at 47,140.48pts. This pushed the year-to-date return lower by 14bps to 10.36%.
- Market breadth was higher at 1.24x (vs. 1.23x last week), reflecting a largely positive market sentiment. However, share price loss on large-cap tickers such as **SEPLAT** (-5.88%), **AIRTELAFRI** (-0.87%), **DANGCEM** (-0.47%), and **BUAFOODS** (-0.65%) were the key market drags.
- On a sectoral basis, save for **NGXCNSMRGDS** (+2.35% WoW) and **NGXINS** (+1.05% WoW), other sectoral indices closed in the red. **RTBRISCOE** (+53.85% WoW) topped the gainers chart, while **CWG** shed 9.76% WoW to top the losers list.

MARKET *P*REVIEW

For the week commencing February 21, 2022.

- The market breath suggests that the sentiment in the market is still predominantly positive. However, we hold that room still exists for profit taking especially on large cap stocks that have gained appreciably over the past few months.
- This week, we do not expect a dominance of liquidity-driven price appreciation given the bond auction that held last week and the absence of upcoming fixed income maturities. Also, we do not expect a significant reaction to the just released GDP numbers by the National Bureau of Statistics.
- On this note, **we expect the market to close in the negative week-on-week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	47,140.48	47,202.30		
Market Cap [NGN'tr]	25.41	25.44		
Market Cap [USD 'bn]	60.93	61.14		
Volume Traded [bn]		1.25		
Value Traded [NGN'bn]		22.66		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	-0.13%	1.11%	10.36%	10.36%
NGX-30	0.05%	1.78%	4.88%	4.88%
NGX-B10	-0.74%	1.98%	10.84%	10.84%
NGX-FB10	2.35%	3.12%	0.56%	0.56%
NGX-OG5	-3.45%	3.94%	18.64%	18.64%
NGX-INS10	1.05%	0.79%	-5.20%	-5.20%
NGX-IND	-0.32%	2.65%	6.13%	6.13%
Value (NGN)		Volume		
MTNN	7,841,753,201	ACCESS	195,353,828	
GTCO	5,095,166,872	GTCO	193,957,375	
NB	2,055,671,398	FIDELITYBK	111,467,089	
ACCESS	2,029,130,499	TRANSCORP	91,060,357	
ZENITHBANK	1,750,453,201	UCAP	76,602,003	
Highest Gainers		Highest Losers		
	%		%	
RTBRISCOE	53.85%	CWG	-9.76%	
LEARNAFRCA	46.67%	BERGER	-9.58%	
SCOA	32.02%	LASACO	-6.25%	
ACADEMY	31.62%	CHIPLC	-6.15%	
NCR	20.91%	MANSARD	-6.00%	

	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	2.95x	0.47x	10.50	9.25	+12.90%	2.60	4.12	10.69	10.35	+3%	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	12.00	+12%	BUY
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	3.00	+32%	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	3.02	-4%	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	11.40	+2%	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	26.20	+28%	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	34.65	+25%	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	1.63	+21%	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	8.55	+7%	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	6.30	+10%	HOLD
WEMABANK	0.08	10%	13%	1%	17.02	0.21	1.65	4.10x	0.53x	0.89	0.78	+20.83%	-	-	-	0.86	-	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	26.80	+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	0.69	+23%	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	1.05	+35%	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	2.35	+47%	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	4.01	+34%	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	0.48	+8%	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	7.45	+16%	BUY
Consumer Staples & Discretionary																		

Breweries																			
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-	1.77x	60.50	39.00	+55.13%	-	-	-	70.00	-	UR	
NB	0.89	4%	6%	2%	2.67	1.19	20.87	10.95x	2.30x	48.50	45.50	-4.10%	-	-	-	48.00	-	UR	
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-	0.94x	6.00	4.90	+5.05%	-	-	-	5.25	-	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	8.95	+6%	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	18.30	+31%	BUY	
HONYFLOUR	0.72	1%	2%	1%	2.86	0.16	7.34	21.70x	0.48x	3.50	3.20	+2.94%	-	-	-	4.02	-	UR	
FLOURMILL																			
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	35.10	+16%	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	14.50	-1%	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	10.00	+29%	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	13.95	+13%	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%	-	-	-	6.80	-	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	22.95	+28%	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	4.21	+14%	BUY	

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	8.20	+26%	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%	-	-	-	1.90	-	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	273.50	+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	26.40	+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	7.55	+81%	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	5.40	-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	800.00	-6%	HOLD	
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	14.44x	21.83x	202.50	185.50	+1.27%	13.40	15.22	203.95	199.50	+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	1,260.00	-31%	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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