

STOCK RECOMMENDATION - FEBRUARY 28TH, 2022

MARKET REVIEW

For the week ended February 25, 2022.

- The Nigerian equities market reversed the two weeks of losses, as the All-Share Index advanced by 0.40% WoW to close the week at 47,328.42pts. The year-to-date return therefore increased to 10.80%.
- The market breadth at 2.05x (the highest so for this year) suggests prevalence of positive sentiment in the market. The mood was however mixed across sectors. Three sectoral indices (**NGXBNK**: +0.14% WoW, **NGXOILGAS**: +3.89% WoW and **NGXINS**: +1.15% WoW) gained while **NGXCNSMRGDS** and **NGXINDUSTR** (-1.06% WoW and -0.01% WoW, respectively) both ended the week negative
- RTBRISCOE** (+42.42% WoW) topped the gainers chart for the second consecutive week, while **HONYFLOUR** shed 15.23% WoW to end as the week's top loser.

MARKET *P*REVIEW

For the week commencing February 28, 2022.

- The mood in the market remains predominantly positive. Thus, we expect further bargain hunting, especially on low cap stocks. We also note the possibility of price appreciation on some large cap stock such as **SEPLAT** (due to the recent corporate action).
- In addition, we note the possibility of investors positioning ahead of earnings release and dividend further driving prices upwards.
- Thus, barring any significant decline on large cap stock this week, **we expect the market to close in the positive region this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	47,328.42	47,140.48		
Market Cap [NGN'tr]	25.51	25.41		
Market Cap [USD 'bn]	61.32	60.93		
Volume Traded [bn]	1.64	1.62		
Value Traded [NGN'bn]	19.48	28.63		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	0.40%	1.51%	10.80%	10.80%
NGX-30	0.60%	2.39%	5.51%	5.51%
NGX-B10	0.21%	2.20%	11.07%	11.07%
NGX-FB10	-1.06%	2.03%	-0.51%	-0.51%
NGX-OG5	3.89%	7.98%	23.26%	23.26%
NGX-INS10	0.73%	1.53%	-4.51%	-4.51%
NGX-IND	-0.01%	2.64%	6.12%	6.12%
Value (NGN)		Volume		
ZENITHBANK	3,216,587,755	TRANSCORP	231,050,765	
MTNN	1,937,807,658	UCAP	141,309,561	
UCAP	1,912,393,907	ZENITHBANK	119,312,306	
SEPLAT	1,851,803,229	FIDELITYBK	113,131,765	
GTCO	1,289,248,945	UBA	92,635,787	
Highest Gainers		Highest Losers		
	%		%	
RTBRISCOE	42.42%	HONYFLOUR	-15.23%	
NIGERINS	40.00%	ELLAHLAKES	-9.88%	
ETRANZACT	33.00%	FLOURMILL	-8.83%	
ROYALEX	30.21%	VERITASKAP	-8.33%	
MAYBAKER	29.45%	MULTIVERSE	-8.00%	

	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	2.91x	0.46x	10.50	9.25	+11.29%	2.60	4.12	10.69	10.35	+3%	HOLD
ETI	0.08	15%	15%	1%	12.45	5.20	35.63	2.18x	0.32x	13.10	8.60	+30.46%	2.21	6.08	13.41	11.35	+18%	BUY
FCMB	0.08	9%	8%	1%	10.25	0.99	11.92	3.10x	0.26x	3.13	2.85	+2.01%	3.19	1.24	3.96	3.05	+30%	BUY
FIDELITYBK	0.07	15%	12%	1%	11.26	1.13	9.76	2.71x	0.31x	3.10	2.50	+20.00%	2.31	1.26	2.91	3.06	-5%	HOLD
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.65x	0.55x	12.00	11.00	+1.32%	4.34	2.68	11.63	11.55	+1%	HOLD
GTCO	0.09	41%	23%	4%	6.11	6.62	28.62	4.06x	0.94x	28.00	25.15	+3.46%	4.29	7.80	33.51	26.90	+25%	BUY
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	6.79x	1.07x	38.00	33.90	-3.19%	7.55	5.75	43.43	34.85	+25%	BUY
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	3.97x	0.33x	1.73	1.50	+5.30%	3.94	0.50	1.98	1.59	+24%	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	10.85x	0.70x	6.40	5.40	+7.63%	7.16	0.96	6.90	6.35	+9%	HOLD
WEMABANK	0.08	10%	13%	1%	17.02	0.21	1.65	4.43x	0.57x	0.97	0.78	+30.56%	-	-	-	0.94	-	UR
ZENITHBANK	0.08	31%	20%	3%	7.37	7.38	37.81	3.65x	0.71x	27.40	25.30	+7.16%	3.71	7.98	29.59	26.95	+10%	HOLD
Insurance																		
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	6.28x	0.39x	0.84	0.67	-1.43%	5.00	0.17	0.85	0.69	+23%	BUY
LASACO	0.49	5%	3%	1%	2.24	0.15	6.05	6.86x	0.17x	1.15	1.00	0.00%	5.69	0.25	1.42	1.05	+35%	BUY
MANSARD	0.47	9%	7%	2%	3.06	0.07	1.00	32.24x	2.40x	2.50	2.28	+3.45%	6.05	0.57	3.45	2.40	+44%	BUY
NEM	0.78	10%	31%	17%	1.81	0.60	1.94	6.32x	1.95x	4.50	3.01	-15.56%	4.68	1.15	5.38	3.80	+42%	BUY
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	-	10.97x	0.53	0.48	-14.29%	25.92	0.02	0.52	0.48	+8%	HOLD
CUSTODIAN	0.46	8%	20%	6%	3.06	2.00	10.05	3.60x	0.72x	8.00	7.05	-8.86%	3.80	2.27	8.63	7.20	+20%	BUY
Consumer Staples & Discretionary																		

Breweries																			
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-12.31x	1.99x	74.00	39.00	+74.36%	13.09	5.37	70.31	68.00	+3%	HOLD	
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	-15.89x	0.99x	6.00	4.90	+11.11%	-	-	-	5.50	-	UR	
Packaged Foods & Meats																			
CADBURY	0.94	5%	10%	4%	2.87	0.81	7.84	11.01x	1.14x	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	11.07x	1.69x	18.30	16.95	-2.30%	8.10	2.95	23.90	17.00	+41%	BUY	
HONYFLOUR	0.72	1%	2%	1%	2.86	0.16	7.34	23.13x	0.51x	4.02	3.20	+9.71%	-	-	-	3.73	-	UR	
FLOURMILL	1.75	2%	15%	5%	3.01	6.42	43.50	4.99x	0.74x	35.10	28.10	+12.87%	6.48	6.27	40.63	32.00	+27%	BUY	
NASCON	0.82	10%	20%	7%	2.69	1.06	5.31	13.55x	2.71x	14.50	13.05	+9.09%	14.13	1.02	14.41	14.40	+0%	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	7.62x	0.58x	10.20	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	-98.08x	1.27x	14.50	13.05	-3.10%	5.99	9.00	15.81	14.05	+13%	BUY	
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	-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	5.98x	2.74x	24.45	20.25	+4.22%	6.00	4.90	29.40	23.45	+25%	BUY	
Healthcare																			
Pharmaceuticals																			
MAYBAKER	0.69	11%	16%	7%	2.25	0.67	4.11	8.16x	1.33x	5.45	4.02	+35.57%	6.88	0.70	4.82	5.45	-12%	SELL	
FIDSON	0.72	9%	16%	6%	2.71	0.91	5.61	9.41x	1.52x	8.55	6.22	+37.46%	5.98	1.73	10.35	8.55	+21%	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	10.22x	2.32x	1.98	1.76	+3.43%	-	-	-	1.81	-	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	13.65x	5.79x	284.90	250.00	+6.42%	6.90	44.81	287.81	273.50	+5%	HOLD
WAPCO*	0.50	20%	10%	7%	1.38	2.22	23.09	11.82x	1.14x	27.00	24.00	+9.81%	6.46	38.65	38.65	26.30	+47%	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	12.68x	0.77x	8.55	7.55	-2.92%	11.11	1.23	13.67	8.30	+65%	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	4.87x	0.55x	6.35	5.05	+14.85%	7.00	0.65	4.55	5.80	-22%	SELL
ARDOVA	2.61	1%	6%	2%	3.83	0.93	14.62	13.96x	0.89x	13.85	11.70	0.00%	8.21	2.08	17.08	13.00	+31%	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	30.00x	0.75x	872.10	650.00	+32.29%	-	-	-	859.90	-	UR
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	0.73	18%	113%	13%	8.53	14.67	13.02	13.70x	15.44x	202.50	185.50	+2.03%	13.00	18.28	237.64	201.00	+18%	BUY
AIRTELAFRI*	0.43	15%	25%	9%	2.82	97.26	392.30	12.96x	3.21x	1,271.00	955.00	+31.94%	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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HOLD: Target Price of the stock ranges between **-10 percent and 10 percent** from the current market price.

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