

STOCK RECOMMENDATION – APRIL 25TH, 2022

MARKET REVIEW

For the week ended April 22nd, 2022.

- Last week, the Nigerian Equities market closed in the positive region as the All-Share Index gained 1.89% WoW to settle at 48,459.65pts. Consequently, the Year-to-Date return increased to 13.44%.
- The mood across sectors was positive with all sectorial indices gaining, save for the insurance sector index (**NGXINS**) which declined by 0.05% WoW. The Oil and Gas sector index (**NGXOILGAS**) was the top-performing sectorial index gaining 6.36% WoW.
- The top gainer for the week was **MEYER** (+45.63% WoW), while **ACADEMY** (-18.75%) led the laggards. **FIDELITYBK** remained the week's top traded stock by volume while **MTNN** emerged as top traded stock by value.

MARKET *P*REVIEW

For the week commencing April 25th, 2022.

- We expect the positive sentiment that has prevailed in the market in the last couple of weeks to persist. We also note that the mark-down of some tickers for dividends during the week could spur buying interest. Moreover, there still exists significant upside on some tickers which could further stimulate bargain hunting activities.
- On the other hand, we note that system liquidity might be tighter this week due to the upcoming bond and T-bills auction. Also, we note that a potential negative factor is the possibility of profit taking on heavyweight tickers that gained appreciably during the past weeks.
- However, we think that the positive factors would outweigh the downside risks. **Hence, we expect the market to close in the positive region this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	48,459.65	47,558.45		
Market Cap [NGN'tr]	26.13	25.64		
Market Cap [USD 'bn]	62.65	61.49		
Volume Traded [bn]	1.28	1.23		
Value Traded [NGN'bn]	17.80	22.35		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	1.89%	3.18%	3.18%	13.44%
NGX-30	1.35%	3.13%	3.13%	7.25%
NGX-B10	0.60%	7.85%	7.85%	8.71%
NGX-FB10	3.31%	4.88%	4.88%	-1.37%
NGX-OG5	6.36%	8.04%	8.04%	37.92%
NGX-INS10	-0.05%	0.27%	0.27%	-5.78%
NGX-IND	1.65%	2.73%	2.73%	8.26%
Value (NGN)		Volume		
MTNN	6,085,881,483	FIDELITYBK	119,015,312	
ZENITHBANK	2,145,997,191	ZENITHBANK	87,418,536	
NB	1,276,591,451	UNIVINSURE	73,073,152	
GTCO	757,720,269	TRANSCORP	63,062,993	
AIRTELAFRI	640,647,441	ACCESSCORP	59,574,652	
Highest Gainers	%	Highest Losers	%	
MEYER	45.63%	ACADEMY	-18.75%	
ETERNA	33.00%	JOHNHOLT	-17.44%	
OANDO	21.33%	NEIMETH	-13.92%	
GUINNESS	17.50%	CWG	-10.20%	
FTNCOCOA	12.12%	SCOA	-9.77%	

	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																		
ACCESSCORP	0.08	16%	15%	1%	11.17	4.51	29.54	2.22x	0.34x	10.40	9.60	+7.53%	2.21	5.43	11.99	10.00	+20%	BUY
ETI	0.08	15%	16%	1%	12.73	5.95	37.32	2.00x	0.32x	13.10	8.60	+36.78%	2.21	6.60	14.56	11.90	+22%	BUY
FCMB	0.08	9%	8%	1%	10.25	0.99	11.92	3.65x	0.30x	3.67	2.85	+20.40%	3.15	1.38	4.35	3.60	+21%	BUY
FIDELITYBK	0.07	15%	12%	1%	11.26	1.13	9.76	3.58x	0.42x	4.05	2.50	+58.82%	2.45	1.47	3.60	4.05	-11%	SELL
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.88x	0.57x	12.40	11.00	+4.82%	4.34	2.68	11.63	11.95	-3%	HOLD
GTCO	0.08	39%	20%	3%	6.15	5.94	30.01	4.07x	0.81x	28.00	21.50	-6.92%	4.29	7.80	33.51	24.20	+38%	BUY
STANBIC	0.07	27%	16%	2%	7.63	5.13	32.43	6.48x	1.03x	38.00	32.15	-7.64%	8.15	5.21	42.45	33.25	+28%	BUY
STERLNBANK	0.09	5%	8%	1%	11.25	0.40	4.78	3.67x	0.31x	1.73	1.40	-2.65%	-	-	-	1.47	-	UR
UBA	0.08	18%	15%	1%	10.61	3.47	23.53	2.33x	0.34x	8.85	7.50	+0.62%	2.36	3.87	9.15	8.10	+13%	BUY
UBN	0.06	11%	6%	1%	9.68	0.59	9.09	10.93x	0.70x	6.50	5.40	+8.47%	7.16	0.96	6.90	6.40	+8%	HOLD
WEMABANK	0.08	10%	13%	1%	17.02	0.21	1.65	15.05x	1.93x	3.20	0.78	+343.06%	-	-	-	3.19	-	UR
ZENITHBANK	0.08	32%	19%	3%	7.38	7.79	40.76	3.25x	0.62x	27.40	22.00	+0.60%	3.71	7.98	29.59	25.30	+17%	BUY
Insurance																		
AIICO	0.32	5%	6%	1%	5.87	0.11	1.75	6.19x	0.39x	0.84	0.64	-2.86%	5.32	0.14	0.74	0.68	+10%	HOLD
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	34.12x	2.54x	2.60	2.15	+9.48%	6.05	0.46	2.77	2.54	+9%	HOLD
NEM	0.78	10%	31%	17%	1.81	0.60	1.94	6.65x	2.06x	4.50	3.01	-11.11%	4.96	0.96	4.76	4.00	+19%	BUY
WAPIC	0.32	-7%	-5%	-3%	1.80	-0.04	0.96	-10.51x	0.48x	0.53	0.40	-17.86%	25.92	0.02	0.52	0.46	+13%	BUY
CUSTODIAN	0.46	8%	20%	6%	3.06	2.00	10.05	3.30x	0.66x	8.00	6.50	-16.46%	4.21	1.87	7.87	6.60	+19%	BUY

*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.

	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	
Other Financial Services																			
UCAP	0.04	62%	37%	2%	14.85	1.88	5.09	7.19x	2.65x	14.15	9.95	+36.36%	5.50	2.33	12.82	13.50	-5%	HOLD	
Consumer Staples & Discretionary																			
Breweries																			
GUINNESS	0.78	2%	-16%	-8%	2.10	-5.53	34.18	-14.89x	2.41x	82.25	39.00	+110.90%	-	-	-	82.25	-	UR	
NB	0.89	4%	6%	2%	2.67	1.19	20.87	41.01x	2.33x	48.70	40.00	-2.60%	25.90	2.13	55.17	48.70	+13%	BUY	
INTBREW	0.38	-7%	-6%	-2%	2.50	-0.35	5.55	-15.17x	0.95x	6.00	4.40	+6.06%	-	-	-	5.25	-	UR	
Packaged Foods & Meats																			
CADBURY	0.94	5%	10%	4%	2.87	0.81	7.84	10.33x	1.07x	9.50	8.00	-4.55%	21.58	0.34	7.34	8.40	-13%	SELL	
DANGSUGAR	0.77	8%	15%	6%	2.65	1.54	10.05	10.38x	1.59x	18.30	15.50	-8.33%	8.10	2.95	23.90	15.95	+50%	BUY	
HONYFLOUR	0.90	0%	2%	1%	2.45	0.13	7.26	30.44x	0.54x	4.02	3.20	+14.71%	23.17	0.13	3.01	3.90	-23%	SELL	
FLOURMILL	1.48	2%	15%	4%	3.80	6.63	45.11	4.82x	0.71x	35.10	28.10	+12.70%	6.48	6.27	40.63	31.95	+27%	BUY	
NASCON	0.82	9%	20%	7%	2.77	1.12	5.52	10.70x	2.17x	14.50	11.70	-9.09%	12.54	1.26	15.80	12.00	+32%	BUY	
NESTLE	1.10	13%	118%	13%	8.80	51.55	43.80	27.06x	31.85x	1,556.50	1,395.00	-10.38%	28.18	54.57	1,537.78	1,395.00	+10%	BUY	
UACN	1.09	1%	8%	4%	1.75	1.31	17.26	8.76x	0.67x	12.20	8.90	+21.05%	-	-	-	11.50	-	UR	
UNILEVER*	0.76	2%	-1%	-1%	1.58	-0.14	11.10	-85.17x	1.10x	14.50	12.20	-15.86%	-	-	-	12.20	-	UR	
Agricultural Products																			
OKOMUOIL	0.59	37%	36%	24%	1.52	15.08	41.83	10.28x	3.71x	155.00	127.80	+9.15%	10.11	15.63	158.02	155.00	+2%	HOLD	
PRESCO	0.45	40%	33%	16%	2.04	14.01	42.83	9.49x	3.10x	133.00	87.80	+51.37%	7.42	13.07	96.98	132.90	-27%	SELL	
Household & Personal Products																			
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-5.93x	1.16x	11.20	6.10	+66.39%	-	-	-	10.15	-	UR	
VITAFOAM	1.14	13%	46%	19%	2.39	3.92	8.55	5.66x	2.60x	24.45	20.25	-1.33%	6.00	4.90	29.40	22.20	+32%	BUY	

	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
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.69	11%	16%	7%	2.25	0.67	4.11	6.47x	1.05x	5.45	4.02	+7.46%	7.50	0.67	5.03	4.32	+16%	BUY
FIDSON	0.80	11%	21%	8%	2.66	1.22	5.91	6.70x	1.39x	8.55	6.22	+31.83%	5.98	1.73	10.35	8.20	+26%	BUY
GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	24.32x	0.86x	6.40	5.65	+5.04%	-	-	-	6.25	-	UR
NEIMETH	0.45	-161%	19%	3%	5.66	0.11	0.58	12.54x	2.34x	1.98	1.36	-22.29%	2.55	0.86	2.19	1.36	+61%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.34	35%	23%	12%	1.92	2.66	11.76	26.60x	6.02x	71.95	68.00	+5.52%	13.66	5.42	70.83	70.75	+0%	HOLD
DANGCEM*	0.58	26%	37%	15%	2.43	21.39	57.73	13.34x	4.94x	285.40	250.00	+11.05%	6.90	44.81	287.81	285.40	+1%	HOLD
WAPCO*	0.56	17%	13%	10%	1.39	3.17	23.50	8.07x	1.09x	27.00	21.80	+6.68%	6.46	38.65	38.65	25.55	+51%	BUY
Specialty Chemicals																		
CAP	1.27	9%	40%	13%	3.07	1.61	3.98	12.41x	5.02x	19.95	17.55	+2.57%	12.38	1.32	16.34	19.95	-18%	SELL
BERGER	0.87	4%	6%	4%	1.59	0.65	10.75	11.77x	0.72x	8.55	6.15	-9.94%	11.11	1.23	13.67	7.70	+77%	BUY
Energy																		
CONOIL	2.67	2%	9%	4%	2.31	2.77	30.43	9.45x	0.86x	26.50	21.30	+19.09%	7.81	4.05	31.58	26.20	+21%	BUY
ETERNA	1.98	1%	11%	5%	2.52	1.19	10.47	5.58x	0.63x	6.65	4.99	+31.68%	7.00	0.65	4.55	6.65	-32%	SELL
ARDOVA	2.61	1%	6%	2%	3.83	0.93	14.62	14.66x	0.93x	13.85	11.55	+5.00%	8.21	2.08	17.08	13.65	+25%	BUY
MRS	1.11	0%	-7%	-3%	2.20	-3.95	55.28	-3.14x	0.22x	13.55	12.20	+0.40%	55.23	0.20	11.05	12.40	-11%	SELL
SEPLAT	0.18	16%	7%	3%	2.28	79.75	1,195.29	12.91x	0.86x	1,034.00	650.00	+58.46%	13.14	86.37	1,134.94	1,030.00	+10%	BUY
TOTAL	1.33	5%	32%	6%	5.69	31.42	96.67	7.59x	2.47x	264.90	221.90	+7.48%	5.60	53.36	298.86	238.50	+25%	BUY
Telecommunications																		
MTNN	0.73	18%	113%	13%	8.53	14.67	13.02	14.52x	16.36x	214.00	185.50	+8.12%	13.00	18.28	237.64	213.00	+12%	BUY
AIRTELAFRI*	0.43	15%	25%	9%	2.82	97.26	392.30	13.57x	3.36x	1,320.00	955.00	+38.22%	4.81	180.86	869.94	1,320.00	-34%	SELL

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BUY: Target Price of the stock is above the current market price by at least **10 percent**

HOLD: Target Price of the stock ranges between **-10 percent and 10 percent** from the current market price.

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