

STOCK RECOMMENDATION – MAY 4TH, 2022

MARKET REVIEW

For the week ended April 27th, 2022.

- Last week, the Nigerian Equities market sustained its positive momentum, as the All-Share Index advanced by 2.43% WoW, increasing the Year-to-Date returns to 16.21%.
- Save for the banking sector index which declined by 1.50% WoW as a result of drop in the price of **ZENITH** and **GTCO**, all other sectorial indices recorded gains.
- MEYER** led the gainers' chart with +28.76% WoW, while **ETERNA** (-17.65% WoW) ended the week as the top loser. **FCMB** and **MTNN** were the most traded stocks by volume and value, respectively.

MARKET *P*REVIEW

For the week commencing May 4th, 2022.

- We expect the positive sentiment that has prevailed in the market in the last couple of weeks to persist. In our opinion, the positive corporate performance in Q1:2022 should spur buying interest. Furthermore, tickers across sectors still have significant upside, which could stimulate bargain hunting activities.
- On the other hand, we note a possibility of profit taking on tickers that have gained appreciably during the past weeks, (especially on bellwether stocks).
- However, we think that the positive factors would be dominant. **Hence, we expect the market to close in the positive region this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	49,638.94	48,459.65		
Market Cap [NGN'tr]	26.76	26.13		
Market Cap [USD 'bn]	64.17	62.65		
Volume Traded [bn]	2.09	1.28		
Value Traded [NGN'bn]	23.57	17.80		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	2.43%	5.69%	5.69%	16.21%
NGX-30	2.11%	5.31%	5.31%	9.52%
NGX-B10	-1.50%	6.24%	6.24%	7.08%
NGX-FB10	6.35%	11.54%	11.54%	4.89%
NGX-OG5	10.20%	19.06%	19.06%	51.99%
NGX-INS10	3.43%	3.71%	3.71%	-2.55%
NGX-IND	0.51%	3.25%	3.25%	8.81%
Value (NGN)		Volume		
MTNN	4,105,312,484	FCMB	537,810,505	
ZENITHBANK	1,892,943,783	TRANSCORP	242,817,697	
FCMB	1,891,252,799	OANDO	77,677,815	
SEPLAT	1,638,295,802	AIICO	76,129,272	
GTCO	1,637,588,537	FBNH	75,500,664	
Highest Gainers		Highest Losers		
	%		%	
MEYER	28.76%	ETERNA	--17.65%	
ACADEMY	25.64%	JAPAULGOLD	-11.76%	
CADBURY	22.02%	NPFMCRFBK	-10.00%	
CHAMPION	21.15%	HONYFLOUR	-5.13%	
UPDC	20.22%	CHIPLC	-4.69%	

	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	6%	15%	1%	11.23	4.64	30.25	2.09x	0.32x	10.40	9.60	+4.30%	2.21	5.43	11.99	9.70	+24%	BUY
ETI	0.08	4%	17%	1%	12.78	6.27	35.83	1.91x	0.33x	13.10	8.60	+37.93%	2.21	6.60	14.56	12.00	+21%	BUY
FCMB	0.08	3%	9%	1%	9.96	1.14	12.57	3.41x	0.31x	3.88	2.85	+29.77%	3.15	1.38	4.35	3.88	+12%	BUY
FIDELITYBK	0.07	20%	12%	1%	11.05	1.23	10.28	3.09x	0.37x	4.05	2.50	+49.02%	2.45	1.47	3.60	3.80	-5%	HOLD
FBNH	0.07	10%	8%	1%	11.29	1.74	20.99	6.91x	0.57x	12.40	11.00	+5.26%	4.34	2.68	11.63	12.00	-3%	HOLD
GTCO	0.08	10%	19%	3%	6.05	5.86	30.88	4.09x	0.78x	28.00	21.50	-7.69%	4.29	7.80	33.51	24.00	+40%	BUY
STANBIC	0.06	10%	15%	2%	7.83	5.47	35.64	6.49x	1.00x	38.00	32.15	-1.39%	8.15	5.21	42.45	35.50	+20%	BUY
STERLNBANK	0.09	12%	10%	1%	11.51	0.47	4.91	3.28x	0.31x	1.73	1.40	+1.99%	-	-	-	1.54	-	UR
UBA	0.07	6%	15%	1%	10.76	3.57	24.15	2.31x	0.34x	8.85	7.50	+2.48%	2.36	3.87	9.15	8.25	+11%	BUY
UBN	0.06	5%	6%	1%	9.35	0.56	9.47	11.37x	0.67x	6.50	5.40	+7.63%	7.16	0.96	6.90	6.35	+9%	HOLD
WEMABANK	0.08	14%	13%	1%	15.76	0.23	1.82	15.12x	1.92x	3.67	0.78	+386.11%	-	-	-	3.50	-	UR
ZENITHBANK	0.07	8%	19%	2%	7.76	7.95	42.37	3.08x	0.58x	27.40	22.00	-2.58%	3.71	7.98	29.59	24.50	+21%	BUY
Insurance																		
AIICO	0.31	9%	21%	4%	5.80	0.39	1.86	2.02x	0.43x	0.84	0.64	+12.86%	5.32	0.14	0.74	0.79	-6%	HOLD
LASACO	0.50	1%	1%	0%	2.18	0.05	6.01	18.67x	0.17x	1.15	1.00	-2.86%	5.69	0.25	1.42	1.02	+39%	BUY
MANSARD	0.50	9%	11%	4%	3.03	0.10	0.96	23.49x	2.55x	2.60	2.15	+5.17%	6.05	0.46	2.77	2.44	+14%	BUY
NEM	0.65	7%	20%	12%	1.72	0.49	2.43	9.03x	1.81x	4.50	3.01	-2.22%	4.96	0.96	4.76	4.40	+8%	HOLD
WAPIC	0.33	-12%	-5%	-3%	1.80	-0.05	0.94	-8.62x	0.47x	0.53	0.40	-21.43%	25.92	0.02	0.52	0.44	+18%	BUY
CUSTODIAN	0.39	3%	17%	5%	3.19	1.88	11.27	3.81x	0.63x	8.00	6.50	-9.49%	4.21	1.87	7.87	7.15	+10%	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	13%	50%	3%	19.45	1.99	3.98	6.78x	3.38x	14.15	9.95	+35.86%	5.50	2.33	12.82	13.45	-5%	HOLD	
Consumer Staples & Discretionary																			
Breweries																			
GUINNESS	0.59	6%	6%	3%	2.30	2.54	41.12	36.67x	2.26x	93.00	39.00	+138.46%	-	-	-	93.00	-	UR	
NB	0.76	7%	10%	4%	2.80	2.33	23.26	24.52x	2.46x	58.00	40.00	+14.20%	25.90	2.13	55.17	57.10	-3%	HOLD	
INTBREW	0.30	-45%	-13%	-4%	3.44	-0.66	5.04	-7.76x	1.01x	6.00	4.40	+3.03%	-	-	-	5.10	-	UR	
Packaged Foods & Meats																			
CADBURY	0.91	1%	10%	3%	3.20	0.73	7.26	13.95x	1.41x	10.25	7.75	+16.48%	21.58	0.34	7.34	10.25	-28%	SELL	
DANGSUGAR	0.69	11%	17%	6%	2.79	1.81	10.59	8.93x	1.53x	18.30	15.50	-6.90%	8.10	2.95	23.90	16.20	+48%	BUY	
HONYFLOUR	0.90	0%	2%	1%	2.45	0.13	7.26	28.88x	0.51x	4.02	3.20	+8.82%	23.17	0.13	3.01	3.70	-19%	SELL	
FLOURMILL	1.48	2%	15%	4%	3.80	6.63	45.11	4.99x	0.73x	35.10	28.10	+16.75%	6.48	6.27	40.63	33.10	+23%	BUY	
NASCON	0.88	4%	-11%	-4%	2.77	-0.60	5.52	-21.79x	2.35x	14.50	11.70	-1.52%	12.54	1.26	15.80	13.00	+22%	BUY	
NESTLE	1.08	15%	187%	13%	14.51	50.52	26.97	28.51x	53.39x	1,556.50	1,395.00	-7.48%	28.18	54.57	1,537.78	1,440.00	+7%	HOLD	
UACN	0.96	4%	5%	3%	1.94	0.89	17.64	13.51x	0.68x	12.20	8.90	+26.32%	12.48	1.21	15.16	12.00	+26%	BUY	
UNILEVER*	0.65	3%	-2%	-1%	1.72	-0.29	11.76	-46.62x	1.16x	14.50	12.20	-6.21%	-	-	-	13.60	-	UR	
Agricultural Products																			
OKOMUOIL	0.65	37%	40%	21%	1.93	12.10	30.01	12.15x	4.90x	155.00	127.80	+3.52%	10.11	15.63	158.02	147.00	+7%	HOLD	
PRESCO	0.32	55%	40%	15%	2.62	18.87	46.92	7.60x	3.06x	143.85	87.80	+63.33%	7.42	13.07	96.98	143.40	-32%	SELL	
Household & Personal Products																			
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-5.96x	1.16x	11.20	6.10	+67.21%	-	-	-	10.20	-	UR	
VITAFOAM	0.92	19%	44%	18%	2.46	4.57	10.35	5.31x	2.34x	24.45	20.25	+7.78%	6.00	4.90	29.40	24.25	+21%	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	0.78	6%	14%	6%	2.25	0.57	4.11	7.69x	1.07x	5.45	4.02	+9.45%	7.50	0.67	5.03	4.40	+14%	BUY
FIDSON	0.94	12%	30%	11%	2.66	1.78	5.91	4.58x	1.38x	8.55	6.22	+31.03%	5.03	2.06	10.35	8.15	+27%	BUY
GLAXOSMITH	0.91	1%	4%	1%	2.68	0.26	7.30	22.76x	0.80x	6.40	5.65	-1.68%	-	-	-	5.85	-	UR
NEIMETH	0.45	-161%	19%	3%	5.66	0.11	0.58	14.56x	2.72x	1.98	1.36	-9.71%	2.55	0.86	2.19	1.58	+39%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.35	13%	25%	14%	1.83	2.98	11.76	23.05x	5.84x	71.95	68.00	+2.39%	13.66	5.42	70.83	68.65	+3%	HOLD
DANGCEM*	0.58	26%	37%	15%	2.43	21.39	57.73	13.67x	5.07x	292.40	250.00	+13.77%	6.90	44.81	287.81	292.40	-2%	HOLD
WAPCO*	0.56	6%	16%	11%	1.39	3.69	23.50	7.32x	1.15x	27.00	21.80	+12.73%	6.46	38.65	38.65	27.00	+43%	BUY
Specialty Chemicals																		
CAP	0.90	20%	25%	9%	2.75	1.60	6.30	13.66x	3.48x	21.90	17.55	+12.60%	12.38	1.32	16.34	21.90	-25%	SELL
BERGER	0.85	6%	4%	3%	1.58	0.47	11.14	16.41x	0.69x	8.55	6.15	-9.94%	11.11	1.23	13.67	7.70	+77%	BUY
Energy																		
CONOIL	2.41	3%	14%	6%	2.48	4.44	31.40	5.90x	0.83x	26.50	21.30	+19.09%	7.81	4.05	31.58	26.20	+21%	BUY
ETERNA	1.48	-3%	-25%	-6%	3.80	-2.29	9.29	-2.63x	0.65x	7.31	4.99	+19.21%	-	-	5.79	6.02	-4%	HOLD
ARDOVA	2.93	-1%	-9%	-3%	3.60	-1.27	13.86	-10.80x	0.99x	13.90	11.55	+5.38%	8.21	2.08	17.08	13.70	+25%	BUY
MRS	1.15	0%	0%	0%	2.10	-0.14	56.24	-91.18x	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	15.05x	1.00x	1,200.00	650.00	+84.62%	13.14	86.37	1,134.94	1,200.00	-5%	HOLD
TOTAL	0.92	3%	9%	2%	5.88	12.86	135.71	18.24x	1.73x	264.90	221.90	+5.68%	5.60	53.36	298.86	234.50	+27%	BUY
Telecommunications																		
MTNN	0.73	18%	113%	13%	8.53	14.67	13.02	14.62x	16.48x	214.50	185.50	+8.88%	13.00	18.28	237.64	214.50	+11%	BUY
AIRTELAFRI*	0.43	15%	25%	9%	2.82	97.26	392.30	14.25x	3.53x	1,386.00	955.00	+45.13%	4.81	180.86	869.94	1,386.00	-37%	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.

SELL: Target Price of the stock is more than **10 percent** below the current market price.

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