

STOCK RECOMMENDATION – MAY 9TH, 2022

MARKET REVIEW

For the week ended May 6th, 2022.

- Bullish sentiments sustained in the Nigerian Equities market last week. The All-Share Index advanced by 2.62% WoW, increasing the Year-to-Date returns to 19.24%.
- Gains on notable bellwether stocks such as **BUACEMENT** (+8.16% WoW) and **MTNN** (+6.06% WoW) contributed to the overall market direction. At the sectoral level, there was positive all board other than in the Insurance (-1.98% WoW) and Oil and Gas (-1.10% WoW) sectors.
- **CHAMPION** (+32.54% WoW) was the week's top gainer, while **OANDO** (-11.75% WoW) ended the week as the top loser. **UBN** and **NESTLE** were the most traded stocks by volume and value, respectively.

MARKET *P*REVIEW

For the week commencing May 9th, 2022.

- We view the hike in rates in the United States and United Kingdom as global macroeconomic dynamics that might filter into the local market. Specifically, opportunities for capital repatriation on large-cap stocks that have dual listing (**AIRTELAFRI** and **SEPLAT**) could drive buying activities. Moreso, some stocks still present decent upsides to spur buying interest. We however note that foreign participation in the Nigerian equities market is not as strong (c.20%).
- There is also some room for profit taking on some tickers on some tickers that have gained appreciably in recent weeks.
- Summarily, our view is that the odds are more for a possibility of gains. **Hence, we expect the market to close positive this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week		
NGXASI	50,937.01	49,638.94		
Market Cap [NGN'tr]	27.46	26.76		
Market Cap [USD 'bn]	65.85	64.17		
Volume Traded [bn]	1.46	2.09		
Value Traded [NGN'bn]	19.04	23.57		
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	2.62%	2.62%	8.46%	19.24%
NGX-30	3.34%	3.34%	8.83%	13.17%
NGX-B10	0.26%	0.26%	6.52%	7.36%
NGX-FB10	7.25%	7.25%	19.63%	12.50%
NGX-OG5	-1.10%	-1.10%	17.75%	50.32%
NGX-INS10	-1.98%	-1.98%	1.65%	-4.48%
NGX-IND	3.22%	3.22%	6.58%	12.32%
Value (NGN)		Volume		
NESTLE	2,070,589,120	UBN	264,498,637	
MTNN	1,952,719,958	FCMB	142,119,217	
ZENITHBANK	1,679,537,729	TRANSCORP	140,957,665	
UBN	1,666,336,202	ZENITHBANK	69,249,102	
SEPLAT	1,076,072,744	FIDELITYBK	59,876,337	
Highest Gainers		Highest Losers		
	%		%	
CHAMPION	32.54%	OANDO	-11.75%	
INTBREW	26.17%	TRANSEXP	-9.88%	
FIDSON	23.07%	TRANSCOHOT	-9.09%	
NB	22.59%	IKEJAHOTEL	-8.57%	
ETERNA	20.60%	FCMB	-7.22%	

	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	0.09	19%	15%	1%	11.02	4.64	30.84	2.07x	0.31x	10.40	9.60	+3.23%	2.21	5.43	11.99	9.60	+25%	BUY
ETI	0.09	16%	17%	1%	12.78	6.27	35.83	2.04x	0.36x	13.10	8.60	+47.13%	2.21	6.60	14.56	12.80	+14%	BUY
FCMB	0.09	9%	9%	1%	9.96	1.14	12.57	3.17x	0.29x	3.88	2.85	+20.40%	3.15	1.38	4.35	3.60	+21%	BUY
FIDELITYBK	0.08	13%	12%	1%	11.53	1.23	10.65	3.03x	0.35x	4.05	2.50	+45.49%	2.45	1.47	3.60	3.71	-3%	HOLD
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	36%	19%	3%	6.05	5.86	30.88	3.99x	0.76x	28.00	21.50	-10.00%	4.29	7.80	33.51	23.40	+43%	BUY
STANBIC	0.07	22%	15%	2%	7.83	5.47	35.64	6.25x	0.96x	38.00	32.15	-5.00%	8.15	5.21	42.45	34.20	+24%	BUY
STERLN BANK	0.09	8%	9%	1%	10.96	0.49	5.27	3.16x	0.29x	1.73	1.40	+2.65%	-	-	-	1.55	-	UR
UBA	0.08	23%	15%	1%	10.76	3.57	24.15	2.26x	0.33x	8.85	7.50	0.00%	2.36	3.87	9.15	8.05	+14%	BUY
UBN	0.07	14%	6%	1%	9.58	0.56	9.23	11.27x	0.68x	6.50	5.40	+6.78%	7.16	0.96	6.90	6.30	+10%	HOLD
WEMABANK	0.08	9%	14%	1%	17.33	0.27	1.89	13.79x	1.98x	3.85	0.78	+420.83%	-	-	-	3.75	-	UR
ZENITHBANK	0.08	30%	19%	2%	7.76	7.95	42.37	3.07x	0.58x	27.40	22.00	-2.78%	3.71	7.98	29.59	24.45	+21%	BUY
Insurance																		
AIICO	0.33	23%	21%	4%	5.80	0.39	1.86	2.04x	0.43x	0.84	0.64	+14.29%	5.32	0.14	0.74	0.80	-7%	HOLD
LASACO	0.50	1%	1%	0%	2.18	0.05	6.01	20.13x	0.18x	1.15	1.00	+4.76%	5.69	0.25	1.42	1.10	+29%	BUY
MANSARD	0.55	21%	12%	4%	3.03	0.23	1.91	9.68x	1.15x	2.60	2.15	-5.17%	6.05	0.46	2.77	2.20	+26%	BUY
NEM	0.73	12%	20%	12%	1.72	0.49	2.43	8.27x	1.66x	4.50	3.01	-10.44%	4.96	0.96	4.76	4.03	+18%	BUY
WAPIC	0.41	11%	-5%	-3%	1.80	-0.04	0.94	-10.24x	0.48x	0.53	0.40	-19.64%	-	-	-	0.45	-	UR
CORNERST	0.37	1%	14%	6%	2.40	0.16	1.13	3.74x	0.54x	0.74	0.50	+32.61%	3.20	0.21	0.67	0.61	+10%	BUY
CUSTODIAN	0.43	9%	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	55%	50%	3%	19.45	1.99	3.98	6.80x	3.40x	14.15	9.95	+36.36%	5.50	2.33	12.82	13.50	-5%	HOLD
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.81	13%	6%	3%	2.30	2.54	41.12	43.37x	2.68x	110.00	39.00	+182.05%	-	-	-	110.00	-	UR
NB	0.90	10%	10%	4%	2.80	2.33	23.26	30.05x	3.01x	70.00	40.00	+40.00%	25.45	3.12	79.51	70.00	+14%	BUY
INTBREW	0.43	1%	-10%	-3%	3.29	-0.53	5.23	-12.63x	1.29x	6.75	4.40	+36.36%	-	-	-	6.75	-	UR
Packaged Foods & Meats																		
BUAFOODS	0.57	25%	33%	12%	2.77	68.55	208.94	0.87x	0.28x	66.00	40.00	+48.75%	14.18	4.74	67.23	59.50	+13%	BUY
CADBURY	0.94	12%	255%	5%	52.50	1.28	0.50	10.60x	27.07x	13.55	7.75	+53.98%	21.58	0.34	7.34	13.55	-46%	SELL
DANGSUGAR	0.84	9%	18%	6%	2.79	1.86	10.59	8.70x	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	28.18x	0.50x	4.02	3.20	+6.18%	23.17	0.13	3.01	3.61	-17%	SELL
FLOURMILL	1.48	2%	15%	4%	3.80	6.63	45.11	5.20x	0.76x	35.10	28.10	+21.69%	6.48	6.27	40.63	34.50	+18%	BUY
NASCON	0.80	4%	-11%	-4%	2.96	-0.60	5.67	-21.12x	2.22x	14.50	11.70	-4.55%	12.54	1.26	15.80	12.60	+25%	BUY
NESTLE	1.16	16%	116%	14%	8.26	57.54	49.54	24.33x	28.26x	1,556.50	1,395.00	-10.05%	28.18	54.57	1,537.78	1,400.00	+10%	HOLD
UACN	0.93	2%	5%	2%	2.24	0.89	17.87	13.73x	0.68x	12.20	8.90	+28.42%	12.48	1.21	15.16	12.20	+24%	BUY
UNILEVER*	0.64	9%	-2%	-1%	1.72	-0.18	11.76	-77.41x	1.19x	14.50	12.20	-3.45%	-	-	-	14.00	-	UR
Agricultural Products																		
OKOMUOIL	0.56	46%	36%	19%	1.86	16.53	45.65	10.29x	3.72x	170.00	127.80	+19.72%	10.11	15.63	158.02	170.00	-7%	HOLD
PRESCO	0.38	40%	26%	15%	1.67	18.87	73.77	9.01x	2.30x	170.00	87.80	+93.62%	7.42	13.07	96.98	170.00	-43%	SELL
Household & Personal Products																		
PZ	0.79	1%	-20%	-8%	2.55	-1.71	8.76	-6.66x	1.30x	11.40	6.10	+86.89%	-	-	-	11.40	-	UR
VITAFOAM	0.92	19%	44%	18%	2.46	4.57	10.35	5.24x	2.32x	25.00	20.25	+6.44%	6.00	4.90	29.40	23.95	+23%	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	0.70	6%	13%	6%	2.38	0.57	4.32	7.69x	1.02x	5.45	4.02	+9.45%	7.50	0.67	5.03	4.40	+14%	BUY	
FIDSON	0.95	14%	31%	13%	2.44	2.20	7.13	4.57x	1.41x	10.03	6.22	+61.25%	5.03	2.06	10.35	10.03	+3%	HOLD	
GLAXOSMITH	0.99	3%	11%	4%	2.79	0.91	7.91	6.88x	0.79x	6.40	5.65	+5.04%	-	-	-	6.25	-	UR	
NEIMETH	0.47	13%	15%	3%	5.89	0.08	0.56	19.45x	2.91x	1.98	1.36	-6.29%	2.55	0.86	2.19	1.64	+34%	BUY	
Materials																			
Construction Materials																			
BUACEMENT*	0.37	34%	23%	13%	1.82	2.98	12.73	24.93x	5.83x	74.25	68.00	+10.74%	13.66	5.42	70.83	74.25	-5%	HOLD	
DANGCEM*	0.60	38%	37%	16%	2.33	22.93	61.93	12.75x	4.72x	292.40	250.00	+13.77%	6.90	44.81	287.81	292.40	-2%	HOLD	
WAPCO*	0.58	19%	15%	11%	1.35	3.69	24.59	7.46x	1.12x	27.50	21.80	+14.82%	6.46	38.65	38.65	27.50	+41%	BUY	
Specialty Chemicals																			
CAP	1.36	11%	-	-	2.50	-	6.33	-	3.46x	21.90	17.55	+12.60%	12.38	1.32	16.34	21.90	-25%	SELL	
BERGER	1.06	5%	6%	4%	1.54	0.66	11.46	11.75x	0.67x	8.55	6.15	-9.94%	11.11	1.23	13.67	7.70	+77%	BUY	
Energy																			
CONOIL	2.17	2%	14%	6%	2.47	4.63	32.20	6.21x	0.89x	28.80	21.30	+30.91%	7.81	4.05	31.58	28.80	+10%	HOLD	
ETERNA	1.93	3%	-4%	-1%	3.78	-0.37	9.97	-19.84x	0.73x	7.31	4.99	+43.76%	-	-	5.79	7.26	-20%	SELL	
ARDOVA	2.93	-1%	-9%	-3%	3.60	-1.27	13.86	-10.88x	1.00x	13.90	11.55	+6.15%	8.21	2.08	17.08	13.80	+24%	BUY	
MRS	2.02	0%	2%	1%	2.10	0.96	56.24	12.87x	0.22x	13.55	12.20	+0.40%	55.23	0.20	11.05	12.40	-11%	SELL	
SEPLAT	0.20	8%	6%	3%	2.29	77.78	1,222.95	15.43x	0.98x	1,200.00	650.00	+84.62%	13.14	86.37	1,134.94	1,200.00	-5%	HOLD	
TOTAL	1.37	4%	40%	7%	5.88	53.78	135.71	4.36x	1.73x	264.90	221.90	+5.68%	5.60	53.36	298.86	234.50	+27%	BUY	
Telecommunications																			
MTNN	0.77	21%	121%	14%	8.53	15.81	13.02	14.39x	17.48x	227.50	185.50	+15.48%	13.00	18.28	237.64	227.50	+4%	HOLD	

AIRTELAFRI*	0.47	25%	30%	10%	2.95	114.89	383.44	12.19x	3.65x	1,400.00	955.00	+46.60%	4.81	180.86	869.94	1,400.00	-38%	SELL
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BUY: Target Price of the stock is above the current market price by at least **10 percent**

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