

STOCK RECOMMENDATION – NOVEMBER 21ST, 2022

MARKET REVIEW

For the week ended November 18th, 2022.

- Last week, the Nigerian equities market closed in the green zone, as the All-Share Index gained +1.19% WoW to 44,492.73pts. Hence, the Year-to-Date return increased to 4.16% (vs. 3.63% last week).
- Across sectors, performance was largely bullish as all sectoral indices recorded week-on-week gains except the **NGXOILGAS** (-1.34% WoW).
- MANSARD** (+15.69% WoW) led the gainers' chart for the week, while **SCOA** (-26.29% WoW) was the week's top loser. **ACCESS** and **MTNN** topped the activities chart as the most traded stocks by volume and value, respectively.

MARKET *P*REVIEW*For the week commencing November 21st, 2022.*

- In our opinion, the mood in the equities market remains bearish. The gains recorded last week was mainly driven by buying interests on bellwether stocks.
- The forthcoming Treasury bills Primary Market Auction as well as the expected hike in MPR by the Monetary Policy Committee in its meeting this week are likely to suppress buying activities in the equities market given the attractiveness of the fixed income market.
- However, we do not rule out the possibility of bargain hunting activities especially on heavy weight tickers. Moreso, the coupon payment of c. NGN18bn is expected to increase system liquidity during week.
- Overall, we expect the market to close in the negative region this week.

THE WEEK THAT WAS (A REVIEW)

			Cur. Week	Prev. Week
NGXASI			44,492.73	43,968.75
Market Cap [NGN'trn]			24.23	23.95
Market Cap [USD 'bn]			54.37	53.73
Volume Traded [bn]			0.67	1.09
Value Traded [NGN'bn]			8.14	11.71
NSEASI & Sectoral Indices [Return Profile]				
	WtD	MtD	QtD	YtD
NGXASI	1.19%	1.49%	-9.24%	4.16%
NGX-30	1.32%	1.80%	-7.93%	-6.62%
NGX-B10	4.22%	3.28%	2.14%	-4.62%
NGX-FB10	0.91%	-2.98%	-5.78%	-6.51%
NGX-OG5	-1.34%	-7.00%	-11.75%	30.01%
NGX-INS10	0.93%	-2.96%	-8.02%	-21.73%
NGX-IND	-0.37%	4.65%	11.46%	-1.59%
Value (NGN)		Volume		
MTNN	1,467,031,899	ACCESSCORP	116,744,209	
ZENITHBANK	995,359,372	TRANSCORP	59,998,661	
ACCESSCORP	942,494,491	FIDELITYBK	56,180,238	
AIRTELAFRI	832,575,420	ZENITHBANK	48,340,515	
GTCO	765,371,148-	FBNH	47,168,567	
Highest Gainers	%	Highest Losers	%	
MANSARD	15.69%	SCOA	-26.29%	
UBN	13.04%	GUINNESS	-18.96%	
GTCO	10.83%	REGALINS	-14.81%	
NB	10.29%	UNITYBNK	-12.28%	
UNILEVER	10.00%	ROYALEX	-11.36%	

	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	15%	17%	1%	13.00	4.93	29.11	1.64x	0.28x	10.40	7.50	-12.90%	2.23	4.64	10.36	8.10	+28%	BUY
ETI	0.09	16%	22%	1%	15.78	6.55	29.41	1.53x	0.34x	13.10	8.60	+14.94%	2.21	6.60	14.56	10.00	+46%	BUY
FCMB	0.08	10%	8%	1%	10.49	1.06	12.77	3.08x	0.25x	3.88	2.85	+8.70%	3.15	1.38	4.35	3.25	+34%	BUY
FIDELITYBK	0.08	12%	12%	1%	11.91	1.34	11.01	3.01x	0.37x	4.21	2.50	+58.82%	2.35	1.86	4.35	4.05	+7%	HOLD
FBNH	0.09	23%	23%	2%	11.03	5.62	24.89	1.96x	0.44x	12.40	8.40	-3.51%	3.85	3.09	11.90	11.00	+8%	HOLD
GTCO	0.08	37%	20%	3%	6.66	5.97	29.66	3.26x	0.66x	28.00	16.85	-25.19%	3.78	6.09	23.02	19.45	+18%	BUY
STANBIC	0.07	28%	15%	2%	7.76	4.40	29.34	6.82x	1.02x	38.00	27.50	-16.67%	8.15	5.21	42.45	30.00	+42%	BUY
STERLNBANK	0.09	11%	12%	1%	12.15	0.61	5.19	2.34x	0.27x	1.73	1.37	-5.96%	3.10	0.47	1.46	1.42	+3%	HOLD
UBA	0.09	17%	16%	1%	10.76	3.80	24.15	1.88x	0.30x	8.85	6.55	-11.18%	2.36	3.87	9.15	7.15	+28%	BUY
UBN	0.08	10%	7%	1%	9.06	0.67	9.63	9.71x	0.67x	6.55	5.00	+10.17%	7.16	0.96	6.90	6.50	+6%	HOLD
WEMABANK	0.09	9%	15%	1%	18.37	0.28	1.88	10.86x	1.63x	4.00	0.78	+41.67%	5.11	0.68	3.49	3.06	+14%	BUY
ZENITHBANK	0.07	35%	20%	3%	7.95	8.23	40.52	2.60x	0.53x	27.40	18.90	-15.11%	3.71	7.98	29.59	21.35	+39%	BUY
Insurance																		
AIICO	0.32	9%	16%	3%	5.69	0.32	2.05	1.76x	0.27x	0.84	0.52	-20.00%	5.32	0.14	0.74	0.56	+33%	BUY
LASACO	0.48	3%	3%	1%	2.28	0.19	6.24	4.69x	0.14x	1.15	0.83	-17.14%	5.69	0.25	1.42	0.87	+64%	BUY
MANSARD	0.57	3%	7%	2%	3.83	0.13	1.74	12.67x	0.94x	2.60	1.50	-29.74%	6.05	0.46	2.77	1.63	+70%	BUY
NEM	0.75	15%	20%	12%	1.76	0.49	2.42	8.10x	1.65x	5.65	3.01	-11.11%	4.96	0.96	4.76	4.00	+19%	BUY
WAPIC	0.37	-15%	-12%	-6%	2.13	-0.10	0.86	-3.37x	0.41x	0.53	0.32	-37.50%	-	-	-	0.35	-	UR
CORNERST	0.39	17%	15%	7%	2.32	0.17	1.15	2.54x	0.38x	0.75	0.44	-4.35%	3.20	0.21	0.67	0.44	+53%	BUY
CUSTODIAN	0.43	10%	14%	5%	3.07	1.56	11.29	3.77x	0.52x	8.00	5.90	-25.32%	4.21	1.87	7.87	5.90	+33%	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
Other Financial Services																		
UCAP	0.04	61%	49%	2%	20.05	2.17	4.42	5.56x	2.73x	14.15	9.95	+21.72%	6.50	2.33	15.15	12.05	+26%	BUY
AFRIPRUD	0.20	39%	18%	8%	2.22	0.79	4.52	6.68x	1.17x	7.80	5.00	-16.54%	9.28	0.80	7.39	5.30	+39%	BUY
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.96	7%	15%	7%	2.37	6.55	42.43	9.23x	1.43x	110.00	39.00	+55.13%	13.85	7.67	106.23	60.50	+76%	BUY
NB	0.94	4%	10%	3%	3.02	2.34	22.43	17.65x	1.84x	77.00	37.40	-17.50%	25.45	3.12	79.51	41.25	+93%	BUY
INTBREW	0.52	-3%	-5%	-2%	3.06	-0.24	5.06	-17.66x	0.84x	9.75	4.00	-14.14%	-	-	-	4.25	-	UR
Packaged Foods & Meats																		
BUAFOODS	0.61	21%	39%	13%	3.05	74.62	192.97	0.76x	0.30x	66.00	40.00	+42.50%	14.18	4.74	67.23	57.00	+18%	BUY
CADBURY	0.95	4%	15%	4%	3.72	1.28	8.26	8.01x	1.24x	17.70	7.75	+16.48%	15.41	1.00	15.41	10.25	+50%	BUY
DANGSUGAR	0.78	9%	22%	7%	3.35	2.58	11.63	6.14x	1.36x	18.30	15.30	-8.91%	8.10	2.95	23.90	15.85	+51%	BUY
HONYFLOUR	0.90	-6%	-18%	-5%	3.29	-1.10	6.19	-1.87x	0.33x	4.02	1.94	-39.71%	23.17	0.13	3.01	2.05	+47%	BUY
FLOURMILL	1.46	2%	11%	2%	4.74	5.09	47.82	5.36x	0.57x	41.45	27.00	-3.70%	5.57	8.22	45.79	27.30	+68%	BUY
NASCON	0.89	7%	21%	6%	3.35	1.30	6.21	7.32x	1.53x	14.50	9.50	-28.03%	12.54	1.26	15.80	9.50	+66%	BUY
NESTLE	1.13	11%	113%	12%	9.10	58.80	52.07	20.66x	23.33x	1,556.50	1,215.00	-21.94%	28.18	54.57	1,537.78	1,215.00	+27%	BUY
UACN	1.01	0%	0%	0%	2.22	0.00	16.75	1946.22x	0.53x	14.50	8.40	-7.37%	12.48	1.21	15.16	8.80	+72%	BUY
UNILEVER	0.72	-4%	-5%	-3%	1.84	-0.59	11.28	-18.54x	0.98x	15.50	9.95	-24.14%	27.13	0.56	15.07	11.00	+37%	BUY
Agricultural Products																		
OKOMUOIL	0.78	38%	56%	29%	1.93	22.37	39.62	7.49x	4.23x	216.90	127.80	+17.96%	11.74	18.72	219.73	167.50	+31%	BUY
PRESCO	0.51	32%	59%	16%	3.67	23.05	39.06	5.23x	3.09x	200.00	87.80	+37.24%	8.25	26.25	216.54	120.50	+80%	BUY
Household & Personal Products																		
PZ	0.70	3%	7%	2%	3.23	0.70	9.83	12.34x	0.87x	13.55	6.10	+40.98%	-	-	-	8.60	-	UR
VITAFOAM	1.29	11%	32%	14%	2.34	3.94	12.36	5.12x	1.63x	25.00	19.50	-10.44%	6.00	4.90	29.40	20.15	+46%	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	0.77	11%	20%	9%	2.25	0.92	4.73	4.08x	0.80x	5.45	3.35	-6.22%	7.50	0.67	5.03	3.77	+33%	BUY
FIDSON	0.95	12%	30%	11%	2.63	2.11	7.04	3.87x	1.16x	12.30	6.22	+31.03%	5.20	3.02	15.70	8.15	+93%	BUY
GLAXOSMITH	0.92	4%	11%	4%	3.10	0.85	7.73	7.15x	0.79x	8.35	5.40	+2.52%	10.00	0.81	8.10	6.10	+33%	BUY
NEIMETH	0.42	-4%	-10%	-2%	5.87	-0.06	0.58	-23.91x	2.40x	1.98	1.26	-21.14%	2.55	0.86	2.19	1.38	+59%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.43	29%	26%	13%	2.04	2.90	11.34	24.83x	6.35x	74.25	47.85	+7.38%	18.34	4.35	79.78	72.00	+11%	BUY
DANGCEM*	0.66	19%	36%	13%	2.78	17.56	49.19	13.58x	4.85x	300.00	220.00	-7.20%	6.83	43.80	299.20	238.50	+25%	BUY
WAPCO*	0.61	16%	14%	10%	1.42	3.45	24.82	6.09x	0.85x	31.75	20.10	-12.32%	6.46	5.61	38.65	21.00	+84%	BUY
Specialty Chemicals																		
CAP	1.43	11%	37%	15%	2.40	2.48	6.76	6.81x	2.50x	22.40	16.50	-13.11%	12.38	1.32	16.34	16.90	-3%	HOLD
BERGER	1.14	3%	6%	4%	1.60	0.64	11.31	9.03x	0.51x	8.55	5.70	-32.16%	12.00	0.74	8.92	5.80	+54%	BUY
Energy																		
CONOIL	2.02	4%	18%	8%	2.33	6.38	35.63	4.16x	0.74x	34.25	21.30	+20.45%	7.57	3.83	28.96	26.50	+9%	HOLD
ETERNA	2.07	0%	-1%	0%	4.03	-0.06	10.39	-93.98x	0.55x	8.00	4.99	+12.28%	-	-	5.79	5.67	+2%	HOLD
ARDOVA	1.63	-2%	-29%	-3%	10.96	-2.86	9.82	-4.85x	1.42x	15.20	11.55	+6.92%	8.21	2.08	17.08	13.90	+23%	BUY
MRS	2.39	1%	6%	3%	2.04	3.56	58.95	3.96x	0.24x	16.40	11.70	+14.17%	55.23	0.20	11.05	14.10	-22%	SELL
SEPLAT	0.26	18%	9%	5%	1.92	113.67	1,244.81	9.58x	0.87x	1,430.50	650.00	+67.52%	9.82	103.96	1,020.76	1,088.90	-6%	HOLD
TOTAL	1.39	4%	33%	5%	6.54	47.08	141.49	4.18x	1.39x	264.90	197.00	-11.22%	5.60	60.98	341.51	197.00	+73%	BUY
Telecommunications																		
MTNN	0.79	18%	142.68%	14.37%	9.93	426.76	299.10	0.46x	0.66x	270.00	185.50	0.00%	13.00	18.28	237.64	197.00	+21%	BUY
AIRTELAFRI*	0.38	11%	12%	4%	2.88	49.50	402.93	25.66x	3.15x	2,040.00	955.00	+32.98%	3.91	296.33	1,159.11	1,270.00	-9%	HOLD

<p><i>*TP calculated with EV/EBITDA multiple.</i></p> <p><i>TP=Target Price</i></p> <p><i>Last Wk. Pr= Last Week Price</i></p> <p><i>CP= Current Price</i></p> <p><i>UPP=Upside Potential</i></p> <p><i>RT= Rating</i></p> <p><i>Exp. EPS= 2022 Dec Expected EPS</i></p>	<p><i>BVP= Book Value Per Share</i></p> <p><i>P/E=P/E</i></p> <p><i>AT=Asset Turnover</i></p> <p><i>OM=Operating Margin</i></p> <p><i>NM= Net Margin</i></p> <p><i>Lev=Leverage</i></p> <p><i>UR=Under Review</i></p>
<p><i>Data in the Fundamental columns are based on trailing performance.</i></p>	

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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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