

STOCK RECOMMENDATION - JANUARY 16TH, 2023

MARKET REVIEW

For the week ended January 13th, 2023.

- The Nigerian equities market closed the trading week on a positive note, as the All-Share Index gained 2.52% WoW to close at 52,512.48pts. The Year-to-Date return improved to 2.46% (from -0.06% in the prior week).
- Also, performance across the sectoral indices was largely positive as all sectoral indices closed positive except the **NGXINS** (-1.64% WoW)
- THOMASWY** emerged as the week's top gainer (+52.58% WoW), while **HELLARAM** (-33.66% WoW) was the week's top loser. **FBNH** and **BUACEMENT** topped the activities' charts as the most traded stocks by volume and value, respectively.

MARKET *P* REVIEW

For the week commencing January 16th, 2023.

- We expect a stay of the positive sentiment in the equities market this week as the market appears to still be in the bullish frenzy it closed the previous year with.
- Moreso, the persistent decline in average T-bills yield might be a push factor for improved participation in the equities market. On the other hand, the forthcoming inflation report due to be released this week, is expected to have minimal influence on the performance of the equities market.
- However, we do not rule out the possibility of profit taking on tickers that have gained considerably in the past weeks.
- Overall, we expect the market to record a positive outing this week.**

THE WEEK THAT WAS (A REVIEW)

	Cur. Week	Prev. Week
NGXASI	52,512.48	51,222.34
Market Cap [NGN'trn]	28.60	27.90
Market Cap [USD 'bn]	61.95	60.43
Volume Traded [bn]	1.25	0.71
Value Traded [NGN'bn]	29.23	24.58

NSEASI & Sectoral Indices [Return Profile]

	WtD	MtD	QtD	YtD
NGXASI	2.52%	2.46%	2.46%	2.46%
NGX-30	2.77%	2.88%	2.88%	2.88%
NGX-B10	3.48%	7.91%	7.91%	7.91%
NGX-FB10	0.68%	7.16%	7.16%	7.16%
NGX-OG5	3.19%	3.25%	3.25%	3.25%
NGX-INS10	-1.64%	1.00%	1.00%	1.00%
NGX-IND	3.34%	2.75%	2.75%	2.75%

Value (NGN)		Volume	
BUACEMENT	7,046,878,738	FBNH	300,948,544
AIRTELAFRI	6,229,488,380	STERLNBANK	116,700,841
FBNH	3,372,711,328	GTCO	90,203,029
GTCO	2,168,172,175	ZENITHBANK	74,852,121
MTNN	1,917,159,158	BUACEMENT	73,441,702

Highest Gainers		Highest Losers	
	%		%
THOMASWY	52.58%	HELLARAM	-33.66%
CHAMS	17.39%	ROYALEX	-10.78%
ABCTRANS	16.00%	ABBEYBDS	-10.00%
LIVESTOCK	15.04%	NEM	-10.00%
MBENEFIT	14.29%	CORNERST	-8.33%

	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	2023 TP	Last Wk. Pr	UPP	RT
Financial Services																		
Banks																		
ACCESSCORP	0.09	15%	17%	1%	13.00	4.93	29.11	1.89x	0.32x	9.30	8.75	+9.41%	1.63	6.41	10.46	9.30	+12%	BUY
ETI	0.09	16%	21%	1%	14.81	6.50	30.80	1.85x	0.39x	12.00	10.60	+13.21%	2.22	6.38	14.14	12.00	+18%	BUY
FCMB	0.09	11%	11%	1%	11.14	1.52	13.31	2.60x	0.30x	3.95	3.51	+2.60%	2.60	1.64	4.26	3.95	+8%	HOLD
FIDELITYBK	0.08	12%	12%	1%	11.91	1.34	11.01	3.79x	0.46x	5.10	4.36	+17.24%	2.51	2.23	5.61	5.10	+10%	HOLD
FBNH	0.09	23%	23%	2%	11.03	5.62	24.89	2.07x	0.47x	11.60	11.00	+6.42%	3.89	3.62	14.08	11.60	+21%	BUY
GTCO	0.08	37%	20%	3%	6.66	5.97	29.66	4.10x	0.83x	24.50	23.25	+6.52%	3.81	6.69	25.51	24.50	+4%	HOLD
STANBIC	0.09	27%	19%	2%	7.76	5.57	29.34	5.74x	1.09x	33.45	32.00	-4.33%	6.72	5.75	38.67	32.00	+21%	BUY
STERLNBANK	0.09	11%	12%	1%	12.15	0.61	5.19	2.56x	0.30x	1.55	1.40	+10.71%	2.62	0.58	1.53	1.55	-2%	HOLD
UBA	0.09	17%	16%	1%	10.76	3.80	24.15	2.19x	0.35x	8.35	7.95	+9.87%	1.91	4.93	9.43	8.35	+13%	BUY
UBN	0.08	10%	7%	1%	9.06	0.67	9.63	9.63x	0.67x	6.95	6.35	+0.78%	9.13	0.75	6.84	6.45	+6%	HOLD
WEMABANK	0.09	9%	15%	1%	18.37	0.28	1.88	13.67x	2.05x	3.90	3.58	-1.28%	4.22	0.84	3.55	3.85	-8%	HOLD
ZENITHBANK	0.07	35%	20%	3%	7.95	8.23	40.52	3.11x	0.63x	25.55	24.00	+6.46%	3.07	8.68	26.69	25.55	+4%	HOLD
Insurance																		
AIICO	0.30	10%	20%	3%	6.44	0.24	1.17	2.67x	0.54x	0.64	0.60	+6.78%	3.00	0.22	0.66	0.63	+5%	HOLD
LASACO	0.51	1%	1%	0%	2.19	0.05	6.33	21.94x	0.16x	1.10	0.89	+13.79%	8.45	0.14	1.16	0.99	+17%	BUY
MANSARD	0.65	2%	6%	2%	3.76	0.09	1.57	21.94x	1.28x	2.14	2.00	0.00%	6.05	0.44	2.66	2.00	+33%	BUY
NEM	0.73	19%	25%	14%	1.77	0.63	2.57	6.43x	1.58x	4.50	4.05	-10.00%	5.00	0.96	4.80	4.05	+19%	BUY
WAPIC	0.40	-7%	-6%	-3%	2.13	-0.05	0.86	-7.98x	0.49x	0.45	0.41	+5.00%	0.50	0.82	0.41	0.42	-2%	HOLD
CORNERST	0.39	16%	15%	6%	2.29	0.16	1.12	3.37x	0.49x	0.60	0.55	-8.33%	3.68	0.17	0.61	0.55	+11%	BUY
CUSTODIAN	0.47	11%	16%	5%	3.03	1.85	11.46	3.21x	0.52x	6.00	5.90	0.00%	4.21	1.87	7.87	5.95	+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	2023 TP	Last Wk. Pr	UPP	RT
Other Financial Services																		
UCAP	0.04	61%	49%	2%	20.05	2.17	4.42	6.85x	3.36x	15.00	14.00	+6.07%	6.00	2.73	16.39	14.85	+10%	BUY
AFRIPRUD	0.20	39%	18%	8%	2.22	0.79	4.52	7.81x	1.37x	6.20	5.90	+3.33%	8.50	0.96	8.12	6.20	+31%	BUY
Consumer Staples & Discretionary																		
Breweries																		
GUINNESS	0.96	7%	15%	7%	2.37	6.55	42.43	10.57x	1.63x	69.30	69.30	0.00%	10.88	7.60	82.68	69.30	+19%	BUY
NB	0.94	4%	10%	3%	3.02	2.34	22.43	20.11x	2.10x	47.95	41.00	+14.63%	18.15	2.91	52.82	47.00	+12%	BUY
INTBREW	0.52	-3%	-5%	-2%	3.06	-0.24	5.06	-20.78x	0.99x	5.05	4.65	+6.38%	-	-	-	5.00	-	UR
Packaged Foods & Meats																		
BUAFOODS	0.61	21%	39%	13%	3.05	74.62	192.97	1.00x	0.39x	74.50	71.50	+14.62%	12.29	4.39	53.95	74.50	-28%	SELL
CADBURY	0.95	4%	15%	4%	3.72	1.28	8.26	9.46x	1.47x	12.25	11.90	+1.68%	8.85	1.57	13.86	12.10	+15%	BUY
DANGSUGAR	0.78	9%	22%	7%	3.35	2.58	11.63	6.66x	1.48x	17.20	16.00	+7.17%	6.76	2.56	17.31	17.20	+1%	HOLD
HONYFLOUR	0.90	-6%	-18%	-5%	3.29	-1.10	6.19	-2.20x	0.39x	2.43	2.20	+2.99%			-	2.41	-	UR
FLOURMILL	1.46	2%	11%	2%	4.74	5.09	47.82	5.89x	0.63x	30.00	28.40	+5.63%	7.12	5.71	40.68	30.00	+36%	BUY
NASCON	0.89	7%	21%	6%	3.35	1.30	6.21	8.09x	1.69x	11.10	10.50	-5.41%	8.90	1.48	13.17	10.50	+25%	BUY
NESTLE	1.13	11%	113%	12%	9.10	58.80	52.07	18.37x	20.74x	1,100.00	1,080.00	-1.82%	23.68	64.26	1,521.84	1,080.00	+41%	BUY
UACN	1.01	0%	0%	0%	2.22	0.00	16.75	2289.02x	0.62x	10.75	10.10	+0.98%	14.59	0.75	10.96	10.35	+6%	HOLD
UNILEVER	0.72	-4%	-5%	-3%	1.84	-0.59	11.28	-19.21x	1.01x	11.60	11.40	-1.72%	38.02	0.33	12.46	11.40	+9%	HOLD
Agricultural Products																		
OKOMUOIL	0.78	38%	56%	29%	1.93	22.37	39.62	7.38x	4.16x	165.00	165.00	0.00%	9.40	20.42	191.95	165.00	+16%	BUY
PRESCO	0.51	32%	59%	16%	3.67	23.05	39.06	5.97x	3.52x	137.50	137.50	0.00%	7.22	23.87	172.34	137.50	+25%	BUY
Household & Personal Products																		
PZ	0.70	3%	7%	2%	3.23	0.70	9.83	15.13x	1.07x	12.10	10.00	-7.05%	-	-	-	10.55	-	UR
VITAFOAM	1.29	11%	32%	14%	2.34	3.94	12.36	5.38x	1.72x	21.20	20.45	+3.67%	-	-	-	21.20	-	UR

	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	2023 TP	Last Wk. Pr	UPP	RT
Healthcare																		
Pharmaceuticals																		
MAYBAKER	0.77	11%	20%	9%	2.25	0.92	4.73	4.82x	0.94x	4.45	4.30	+3.49%	6.21	0.81	5.03	4.45	+13%	BUY
FIDSON	0.95	12%	30%	11%	2.63	2.11	7.04	4.43x	1.33x	9.79	9.34	+3.78%	4.34	3.62	15.70	9.34	+68%	BUY
GLAXOSMITH	0.92	4%	11%	4%	3.10	0.85	7.73	7.62x	0.84x	6.50	6.15	+5.69%	7.94	1.02	8.10	6.50	+25%	BUY
NEIMETH	0.42	-4%	-10%	-2%	5.87	-0.06	0.58	-27.03x	2.71x	1.56	1.43	+9.09%	2.35	0.85	2.00	1.56	+28%	BUY
Materials																		
Construction Materials																		
BUACEMENT*	0.43	29%	26%	13%	2.04	2.90	11.34	34.30x	8.77x	99.45	96.00	+1.74%	18.19	4.35	76.13	99.45	-23%	SELL
DANGCEM*	0.66	19%	36%	13%	2.78	17.56	49.19	15.37x	5.49x	270.00	261.00	+3.45%	6.83	43.80	299.15	270.00	+11%	BUY
WAPCO*	0.61	16%	14%	10%	1.42	3.45	24.82	7.34x	1.02x	25.30	24.00	+5.42%	5.60	6.46	38.65	25.30	+53%	BUY
Specialty Chemicals																		
CAP	1.43	11%	37%	15%	2.40	2.48	6.76	7.17x	2.63x	17.80	17.80	0.00%	9.49	2.02	19.19	17.80	+8%	HOLD
BERGER	1.14	3%	6%	4%	1.60	0.64	11.31	10.28x	0.58x	6.60	6.00	+10.00%	11.15	0.66	7.30	6.60	+11%	BUY
Energy																		
CONOIL	2.02	4%	18%	8%	2.33	6.38	35.63	4.16x	0.74x	26.50	26.50	0.00%	5.00	5.19	25.95	26.50	-2%	HOLD
ETERNA	2.07	0%	-1%	0%	4.03	-0.06	10.39	-116.36x	0.68x	7.20	6.65	+4.93%	8.05	0.73	5.88	7.02	-16%	SELL
ARDOVA	1.63	-2%	-29%	-3%	10.96	-2.86	9.82	-6.67x	1.95x	19.10	18.00	+3.80%	22.84	0.68	15.58	19.10	-18%	SELL
MRS	2.39	1%	6%	3%	2.04	3.56	58.95	3.96x	0.24x	14.10	14.10	0.00%	4.57	3.52	16.11	14.10	+14%	BUY
SEPLAT	0.26	18%	9%	5%	1.92	113.67	1,244.81	9.68x	0.88x	1,100.00	1,100.00	0.00%	8.87	134.32	1,191.42	1,100.00	+8%	HOLD
TOTAL	1.39	4%	33%	5%	6.54	47.08	141.49	4.51x	1.50x	212.30	193.00	+10.00%	5.07	46.90	237.70	212.30	+12%	BUY
Telecommunications																		
MTNN	0.79	18%	142.68%	14.37%	9.93	17.07	11.96	13.47x	19.22x	229.90	215.00	+6.93%	12.00	25.12	301.42	229.90	+31%	BUY
AIRTELAFRI*	0.38	11%	12%	4%	2.88	49.50	402.93	31.32x	3.85x	1,635.00	1,500.00	-5.20%	4.66	317.84	1,481.13	1,550.00	-4%	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>ROE=Return on Equity</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=Price-to-Earnings</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>ROA=Return on Asset</i></p> <p><i>Lev=Leverage</i></p> <p><i>UR=Under Review</i></p>
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Data in the Fundamental columns are based on trailing performance.

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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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