

WEEKLY STOCK RECOMMENDATION

Monday, August 9, 2021

Previous Week Market Review

Last week, the Nigeria local bourse reversed previous week bearish sentiment as investors' wealth grew by 0.68%w/w following bargain-hunting in some market bellwether, such as AIRTELAFRI, MTNN amongst others.

Consequently, the All-Share Index grew by 263.67 basis points, representing an increase of 0.68% to close at 38,810.75, while the Market Capitalization gained ₦137.38 billion, representing a growth of 0.68%, to close at ₦20.22 trillion.

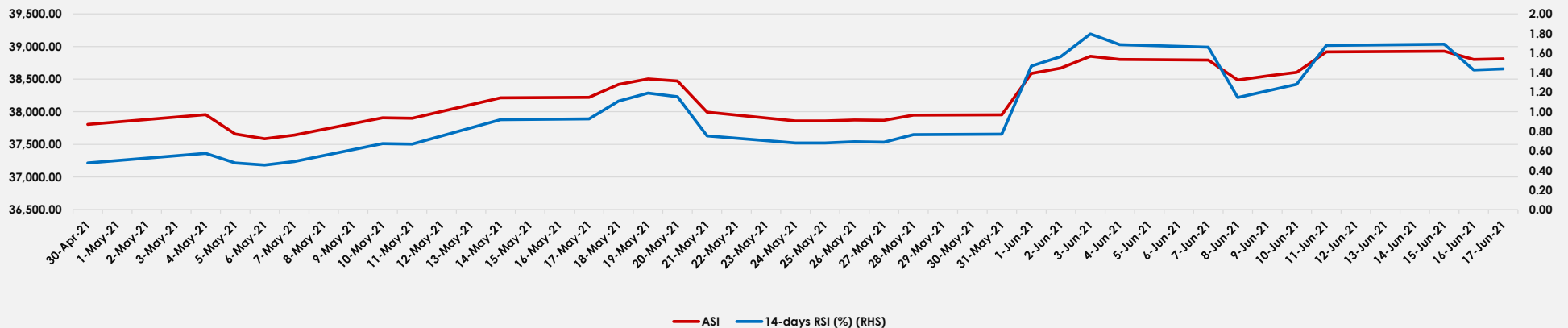
| Previous Week Market Statistics | Index | W/W | MTD | QTD | YTD |
|---------------------------------|-----------|----------|----------|----------|----------|
| NGX-ASI | 38,811.11 | ▲ 0.68% | ▲ 0.68% | ▲ 2.38% | ▼ -3.62% |
| NGX-30 | 1,637.41 | ▼ -0.11% | ▼ -0.11% | ▲ 2.67% | ▼ -0.16% |
| Banking | 379.15 | ▼ -0.58% | ▼ -0.58% | ▲ 3.46% | ▼ -3.53% |
| Consumer Goods | 594.79 | ▼ -0.48% | ▼ -0.48% | ▼ -1.01% | ▲ 3.74% |
| Industrial Goods | 1,971.04 | ▼ -0.22% | ▼ -0.22% | ▲ 4.41% | ▼ -3.96% |
| Insurance | 194.74 | ▼ -1.53% | ▼ -1.53% | ▼ -4.46% | ▲ 2.77% |
| Oil & Gas | 374.64 | ▼ -0.61% | ▼ -0.61% | ▲ 19.66% | ▲ 65.62% |

| | |
|-------------|-------------------------|
| Market Cap. | ₦ 20,220,966,425,612.45 |
| Index | 38,811.11 |
| Volume | 989,592,507 |
| Value | ₦8,182,995,978. |
| Deals | 19,617 |
| Gainers | 23 |
| Losers | 36 |
| Unchanged | 97 |

Outlook:

Amid strong financial liquidity and bullish sentiment in the NTB market, we anticipate further bargain hunting in the equity market owing to the anticipating interim dividend from tier-I lenders.

Technical Analysis



| STOCKS | Rating | Target Price | Upside Potential | Current Price | 52-Weeks High | 52-Weeks Low | 1-Week Return | YTD Return | 6Months Trailing EPS (N) | Dividend Yield | BVPS (N) | PB Ratio | ROA | ROE | Trailing P/E Ratio | Forward P/E Ratio |
|--------------------------|--------|--------------|------------------|---------------|---------------|--------------|---------------|------------|--------------------------|----------------|----------|----------|--------|--------|--------------------|-------------------|
| Banking | | | | | | | | | | | | | | | | |
| ACCESS | HOLD | 10.10 | 10.99% | 9.10 | 10.50 | 6.20 | -1.09% | 7.69% | 3.01 | 8.79% | 21.13 | 0.43x | 1.22% | 14.12% | 3.02x | 2.76x |
| ETI | BUY | 6.80 | 25.93% | 5.40 | 7.30 | 3.90 | 2.86% | -10.00% | 3.41 | 0.00% | 43.77 | 0.12x | 0.57% | 7.79% | 1.58x | 4.29x |
| FBNH | HOLD | 8.10 | 10.96% | 7.30 | 9.00 | 4.50 | -1.35% | 2.10% | 1.06 | 6.16% | 21.51 | 0.34x | 0.47% | 4.93% | 6.89x | 3.84x |
| FCMB | SELL | 3.30 | 6.45% | 3.10 | 3.99 | 1.90 | 3.33% | -6.91% | 0.38 | 4.84% | 11.84 | 0.26x | 0.34% | 3.22% | 8.12x | 3.44x |
| FIDELITYBK | BUY | 2.80 | 17.15% | 2.39 | 3.10 | 1.70 | -0.42% | -5.16% | 0.92 | 9.21% | 9.44 | 0.25x | 0.97% | 9.74% | 2.6x | 2.39x |
| GTCO | BUY | 36.40 | 30.00% | 28.00 | 38.45 | 23.20 | -1.75% | -13.45% | 6.84 | 10.71% | 27.67 | 1.01x | 4.07% | 24.73% | 4.09x | 3.94x |
| STANBIC | BUY | 50.60 | 23.41% | 41.00 | 45.64 | 27.00 | 0.00% | -6.92% | 7.49 | 9.76% | 34.09 | 1.20x | 3.35% | 21.98% | 5.47x | 5.47x |
| STERLN BANK | BUY | 1.80 | 16.13% | 1.55 | 2.65 | 1.14 | 0.65% | -24.02% | 0.20 | 3.23% | 4.50 | 0.34x | 0.39% | 4.39% | 7.84x | 3.70x |
| UBA | BUY | 8.70 | 16.00% | 7.50 | 9.80 | 5.80 | -1.32% | -13.29% | 3.33 | 6.93% | 21.17 | 0.35x | 1.48% | 15.71% | 2.25x | 2.22x |
| UBN | HOLD | 5.85 | 11.43% | 5.25 | 7.00 | 4.50 | -0.94% | -1.87% | 0.38 | 4.76% | 8.86 | 0.59x | 0.50% | 4.30% | 13.77x | 6.60x |
| UNITYBNK | UR | - | - | 0.57 | 0.86 | 0.51 | -3.39% | -10.94% | 0.12 | 0.00% | -24.11 | -0.02x | 0.25% | -0.49% | 4.82x | - |
| WEMABANK | SELL | 0.62 | -28.74% | 0.87 | 0.92 | 0.50 | 6.10% | 26.09% | 0.10 | 4.60% | 1.58 | 0.55x | 0.36% | 6.09% | 9.0328x | 2.80x |
| ZENITHBANK | HOLD | 28.00 | 14.99% | 24.35 | 28.50 | 16.05 | -0.81% | -1.81% | 7.34 | 12.32% | 35.59 | 0.68x | 2.72% | 20.63% | 3.32x | 3.29x |
| Other Financials | | | | | | | | | | | | | | | | |
| AFRIPRUD | BUY | 7.00 | 16.67% | 6.00 | 7.35 | 4.01 | -5.51% | -4.00% | 0.41 | 8.33% | 4.08 | 1.47x | 0.93% | 10.14% | 14.5x | 8.00x |
| CUSTODIAN* | HOLD | 6.80 | 9.68% | 6.20 | 7.10 | 4.55 | 0.00% | 5.98% | 0.79 | 1.61% | 10.08 | 0.61x | 2.68% | 7.81% | 7.87x | 3.10x |
| UCAP | BUY | 7.95 | 18.66% | 6.70 | 7.35 | 2.86 | -4.29% | 42.25% | 0.52 | 10.45% | 3.93 | 1.71x | 0.98% | 13.34% | 12.8x | 4.86x |
| Industrial Goods | | | | | | | | | | | | | | | | |
| BUACEMENT | HOLD | 76.00 | 11.76% | 68.00 | 85.00 | 37.10 | 0.00% | -12.09% | 1.28 | 3.04% | 10.32 | 6.59x | 6.52% | 12.42% | 53.06x | 32.38x |
| CAP | BUY | 28.00 | 36.59% | 20.50 | 24.50 | 15.25 | -1.44% | 2.50% | 0.73 | 10.24% | 3.98 | 5.15x | 5.96% | 18.29% | 28.19x | 9.95x |
| DANGCEM | HOLD | 270.00 | 8.83% | 248.10 | 253.40 | 134.00 | 0.00% | 1.31% | 11.24 | 6.45% | 47.24 | 5.25x | 9.23% | 23.79% | 22.07x | 13.94x |
| WAPCO | BUY | 26.00 | 18.18% | 22.00 | 31.50 | 11.50 | -3.93% | 4.51% | 1.76 | 4.55% | 23.09 | 0.95x | 5.53% | 7.62% | 12.51x | 11.00x |
| Consumer Goods | | | | | | | | | | | | | | | | |
| DANGSUGAR | HOLD | 20.00 | 12.99% | 17.70 | 23.45 | 11.00 | -4.32% | 0.57% | 1.04 | 8.47% | 9.80 | 1.81x | 4.44% | 10.58% | 17.06x | 7.38x |
| FLOURMILL | HOLD | 33.00 | 8.37% | 30.45 | 35.00 | 18.30 | 1.50% | 17.12% | 6.27 | 5.42% | 42.58 | 0.72x | 4.72% | 14.73% | 4.86x | 6.65x |
| GUINNESS | SELL | 34.20 | 7.89% | 31.70 | 36.00 | 13.00 | 0.63% | 66.84% | 0.84 | 0.00% | 34.18 | 0.93x | 1.17% | 2.45% | 37.78x | 18.01x |
| NASCON | BUY | 18.00 | 22.87% | 14.65 | 17.60 | 10.00 | 1.38% | 1.03% | 0.55 | 2.73% | 4.95 | 2.96x | 3.18% | 11.06% | 26.76x | 14.50x |
| NB | HOLD | 65.00 | 14.04% | 57.00 | 63.25 | 32.00 | -0.87% | 1.79% | 0.97 | 1.65% | 20.87 | 2.73x | 1.73% | 4.62% | 59.06x | 63.33x |
| NESTLE | SELL | 1380.00 | -10.39% | 1540.00 | 1540.00 | 1175.00 | 0.00% | 2.33% | 27.42 | 3.93% | 28.81 | 53.45x | 8.27% | 95.15% | 56.17x | 31.11x |
| UNILEVER | HOLD | 15.80 | 8.97% | 14.50 | 15.75 | 11.40 | 3.57% | 4.32% | 0.12 | 0.00% | 10.94 | 1.33x | 0.74% | 1.14% | 116.54x | -20.71x |
| VITAFOAM | SELL | 16.00 | 6.67% | 15.00 | 16.20 | 5.15 | 0.00% | 92.31% | 2.72 | 4.67% | 9.29 | 1.61x | 12.54% | 29.32% | 5.5x | - |
| Agriculture | | | | | | | | | | | | | | | | |
| LIVESTOCK | BUY | 2.35 | 17.50% | 2.00 | 3.08 | 0.55 | -6.98% | 43.88% | 0.17 | 0.00% | 0.69 | 2.89x | 7.77% | 24.28% | 11.92x | 11.11x |
| OKOMUOIL | HOLD | 125.00 | 13.64% | 110.00 | 116.5 | 75 | 0.00% | 20.88% | 10.00 | 6.36% | 37.20 | 2.96x | 23.35% | 26.87% | 11.x | 13.41x |
| PRESCO | HOLD | 82.00 | 12.95% | 72.60 | 79.75 | 48 | 2.25% | 2.33% | 10.13 | 2.75% | 41.18 | 1.76x | 13.53% | 24.59% | 7.17x | 13.70x |
| Conglomerate | | | | | | | | | | | | | | | | |
| TRANSCORP | BUY | 1.12 | 17.89% | 0.95 | 1.4 | 0.51 | -6.86% | -86.90% | 0.16 | 1.05% | 2.95 | 0.32x | 1.82% | 5.43% | 5.94x | 31.67x |
| UACN | BUY | 12.00 | 20.00% | 10.00 | 11.5 | 5.4 | -1.96% | 37.93% | 0.26 | 12.00% | 20.05 | 0.50x | 0.75% | 1.32% | 37.78x | 11.90x |
| Telecommunication | | | | | | | | | | | | | | | | |
| MTNN* | HOLD | 181.00 | 7.74% | 168.00 | 183.00 | 117.80 | 1.82% | -1.12% | 6.97 | 2.71% | 9.83 | 17.09x | 6.53% | 70.87% | 24.11x | 16.67x |
| Oil & Gas | | | | | | | | | | | | | | | | |
| ARDOVA | BUY | 18.00 | 16.13% | 15.50 | 22.00 | 10.30 | -4.91% | 14.39% | 1.37 | 1.23% | 15.01 | 1.03x | 2.49% | 9.11% | 11.33x | 11.07x |
| CONOIL | HOLD | 22.00 | 8.11% | 20.35 | 21.00 | 14.40 | 10.00% | -2.40% | 1.53 | 0.00% | 29.66 | 0.69x | 2.24% | 5.16% | 13.29x | 10.23x |
| ETERNA | BUY | 8.20 | 29.13% | 6.35 | 8.15 | 1.82 | -10.56% | 24.51% | 0.24 | 1.57% | 10.47 | 0.61x | 0.90% | 2.27% | 26.66x | 7.84x |
| OANDO | UR | - | - | 4.79 | 5.78 | 2.03 | -2.04% | 29.46% | 0.68 | 0.00% | 23.27 | 0.21x | 1.21% | 4.52% | 7.04x | - |
| SEPLAT* | HOLD | 860.00 | 11.69% | 770.00 | 770.00 | 350.00 | 0.00% | 91.40% | 23.99 | 1.33% | 1,155.23 | 0.67x | 1.00% | 2.08% | 32.09x | -14.75x |
| TOTAL* | HOLD | 220.00 | 8.27% | 203.20 | 203.20 | 80.00 | 0.00% | 56.31% | 23.76 | 1.97% | 96.67 | 2.10x | 4.32% | 24.57% | 8.55x | 30.79x |

BUY: Implies the Upside Potential of the stock over the next of 12-Months when our Fair Value is compared with the current market price. Hence investors may take position on the stock

HOLD Implies the upside potential of the stock over the next period of 12-months is between 15% and 8% when the current price is compared to our fair value. Hence, investors are advised to remain neutral.

SELL Implies the upward potential of the stock, when the current price is compared to our fair value is less than 8%. Hence, investors may choose to exit position on the stock.

UR Under Review - Hence, investors may exercise caution on this stock.

Note (* - Companies that paid Interim dividend for the period ended June 2021)

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Contact Information

Investment Research

obaanu@atlassportfolios.com

tokunade@atlassportfolios.com

research@atlassportfolios.com