

WEEKLY STOCK RECOMMENDATION

Monday, October 4, 2021

Previous Week Market Review

Last week, investors wealth in the Nigeria equity market grew by ₦656 billion following the renewed buy-interest in bellwether stocks, such as DANGCEM, PRESCO, NESTLE, WAPCO, GTCO, and 27 others. The last week growth put the NGX-ASI at -0.12%YTD and 6.10%QTD to close the Q3'2021.

Consequently, the All-Share Index grew by 1,258.89 basis points, representing an increase of 3.23% to close at 40,221.17, while the Market Capitalization gained ₦655.89 billion, representing a growth of 3.23%, to close at ₦20.96 trillion.

Consequently, the All-Share Index grew by 1,258.89 basis points, representing an increase of 3.23% to close at 40,221.17, while the Market Capitalization gained ₦655.89 billion, representing a growth of 3.23%, to close at ₦20.96 trillion.

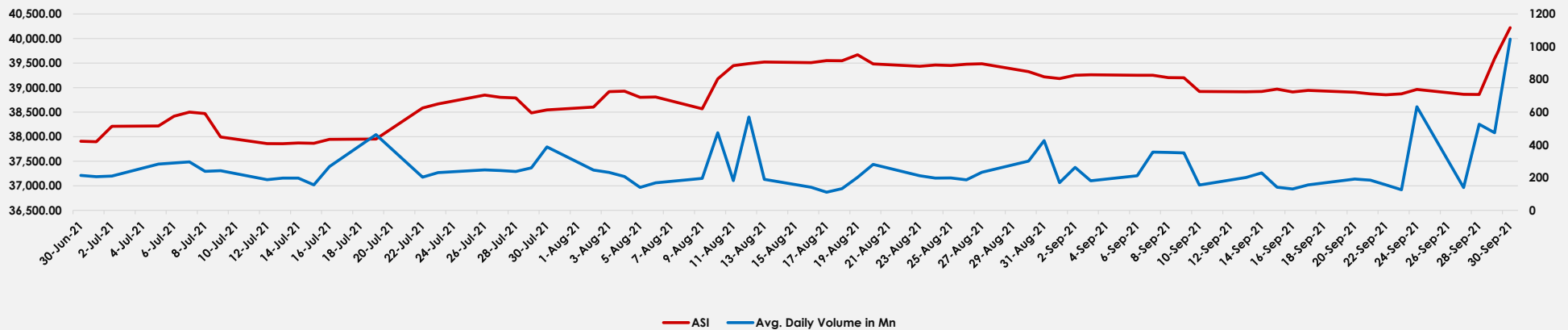
| Previous Week Market Statistics | Index | W/W | MTD | QTD | YTD |
|---------------------------------|-----------|----------|----------|-----------|----------|
| NGX-ASI | 40,221.17 | ▲ 3.23% | ▲ 2.55% | ▲ 6.10% | ▼ -0.12% |
| NGX-30 | 1,674.51 | ▲ 3.57% | ▲ 3.57% | ▲ 4.99% | ▲ 2.10% |
| Banking | 370.85 | ▲ 0.60% | ▼ -1.62% | ▲ 1.20% | ▼ -5.64% |
| Consumer Goods | 567.17 | ▲ 3.35% | ▲ 2.71% | ▼ -5.61% | ▼ -1.08% |
| Industrial Goods | 2,089.38 | ▲ 6.65% | ▲ 7.23% | ▲ 10.68% | ▲ 1.81% |
| Insurance | 173.04 | ▼ -7.58% | ▼ -9.41% | ▼ -15.11% | ▼ -8.69% |
| Oil & Gas | 367.27 | ▲ 0.92% | ▼ -0.31% | ▲ 17.31% | ▲ 62.37% |

| | |
|-------------|------------------------|
| Market Cap. | ₦20,955,508,747,720.84 |
| Index | 40,221.17 |
| Volume | 2,186,837,529 |
| Value | ₦16,183,395,404. |
| Deals | 14,377 |
| Gainers | 33 |
| Losers | 22 |
| Unchanged | 100 |

Outlook:

With the expectation of the Q3'2021 Financial report, we anticipate a relative bargain-hunting as investors may begin to readjust portfolios for Q4'2021. However, some investors may start to cash out from the recent price appreciation in bellwethers which may push the market performance lower.

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) | Interim Dividend Yield | BVPS (N) | PB Ratio | ROA | ROE | Trailing P/E Ratio | Forward P/E Ratio |
|--------------------------|--------|--------------|------------------|---------------|---------------|--------------|---------------|------------|--------------------------|------------------------|----------|----------|--------|--------|--------------------|-------------------|
| Banking | | | | | | | | | | | | | | | | |
| ACCESS* | HOLD | 10.20 | 11.48% | 9.15 | 10.50 | 6.55 | 2.23% | 8.28% | 2.48 | 3.28% | 21.82 | 0.42x | 0.86% | 11.21% | 3.69x | 2.77x |
| ETI | BUY | 6.80 | 25.93% | 5.40 | 7.30 | 4.05 | 1.89% | -10.00% | 3.41 | 0.00% | 43.77 | 0.12x | 0.57% | 7.79% | 1.58x | 4.29x |
| FBNH | SELL | 8.50 | 5.59% | 8.05 | 9.00 | 5.20 | 7.33% | 12.59% | 1.06 | 0.00% | 21.51 | 0.37x | 0.47% | 4.93% | 7.6x | 4.24x |
| FCMB | HOLD | 3.30 | 13.79% | 2.90 | 3.99 | 2.05 | -2.03% | -12.91% | 0.38 | 0.00% | 11.84 | 0.24x | 0.34% | 3.22% | 7.6x | 3.22x |
| FIDELITYBK | HOLD | 2.80 | 14.75% | 2.44 | 3.10 | 1.84 | -0.41% | -3.17% | 0.67 | 0.00% | 9.43 | 0.26x | 0.62% | 7.06% | 3.66x | 2.44x |
| GTCO* | BUY | 36.40 | 30.47% | 27.90 | 38.45 | 26.95 | 0.54% | -13.76% | 2.79 | 1.08% | 27.10 | 1.03x | 1.58% | 9.96% | 10.x | 3.93x |
| STANBIC* | BUY | 50.60 | 29.74% | 39.00 | 45.64 | 33.17 | 0.00% | -11.46% | 1.92 | 2.56% | 31.19 | 1.25x | 0.93% | 6.51% | 20.31x | 5.20x |
| STERLN BANK | BUY | 1.80 | 22.45% | 1.47 | 2.65 | 1.20 | 0.00% | -27.94% | 0.20 | 0.00% | 4.50 | 0.33x | 0.39% | 4.39% | 7.44x | 3.70x |
| UBA* | HOLD | 8.70 | 14.47% | 7.60 | 9.80 | 6.05 | 1.33% | -12.14% | 1.69 | 2.63% | 22.00 | 0.35x | 0.73% | 8.05% | 4.5x | 2.25x |
| UBN | BUY | 5.85 | 17.00% | 5.00 | 7.00 | 4.50 | 1.01% | -6.54% | 0.38 | 0.00% | 8.86 | 0.56x | 0.50% | 4.30% | 13.12x | 6.60x |
| UNITYBNK | UR | - | - | 0.53 | 0.86 | 0.50 | -3.64% | -17.19% | 0.12 | 0.00% | -24.11 | -0.02x | 0.25% | -0.49% | 4.48x | - |
| WEMABANK | SELL | 0.70 | -10.26% | 0.78 | 0.92 | 0.54 | 2.63% | 13.04% | 0.10 | 0.00% | 1.58 | 0.49x | 0.36% | 6.09% | 8.0984x | 2.80x |
| ZENITHBANK* | BUY | 28.00 | 19.15% | 23.50 | 28.50 | 17.30 | 0.00% | -5.24% | 3.38 | 1.28% | 36.42 | 0.65x | 1.25% | 9.28% | 6.95x | 3.18x |
| Other Financials | | | | | | | | | | | | | | | | |
| AFRIPRUD | HOLD | 7.00 | 13.82% | 6.15 | 7.35 | 4.60 | -3.91% | -1.60% | 0.41 | 0.00% | 4.08 | 1.51x | 0.93% | 10.14% | 14.86x | 8.20x |
| CUSTODIAN* | SELL | 6.80 | 1.49% | 6.70 | 7.10 | 4.85 | 0.00% | 14.53% | 0.79 | 1.49% | 10.08 | 0.66x | 2.68% | 7.81% | 8.51x | 3.35x |
| UCAP | SELL | 9.00 | 1.12% | 8.90 | 9.15 | 3.27 | 3.49% | 88.96% | 0.52 | 0.00% | 3.93 | 2.27x | 0.98% | 13.34% | 17.x | 6.45x |
| Industrial Goods | | | | | | | | | | | | | | | | |
| BUACEMENT | HOLD | 72.00 | 9.09% | 66.00 | 85.00 | 38.75 | -2.94% | -14.67% | 1.28 | 0.00% | 10.32 | 6.40x | 6.52% | 12.42% | 51.5x | 31.43x |
| CAP | BUY | 28.00 | 42.86% | 19.60 | 24.50 | 17.10 | 0.00% | -2.00% | 0.73 | 0.00% | 3.98 | 4.93x | 5.96% | 18.29% | 26.95x | 9.51x |
| DANGCEM | HOLD | 285.00 | 9.20% | 261.00 | 280.00 | 137.00 | 6.53% | 6.57% | 11.24 | 0.00% | 47.24 | 5.52x | 9.23% | 23.79% | 23.22x | 14.66x |
| WAPCO | BUY | 26.00 | 14.29% | 22.75 | 31.50 | 14.95 | 1.56% | 8.08% | 1.76 | 0.00% | 23.09 | 0.99x | 5.53% | 7.62% | 12.94x | 11.38x |
| Consumer Goods | | | | | | | | | | | | | | | | |
| DANGSUGAR | HOLD | 20.00 | 14.94% | 17.40 | 23.45 | 12.40 | 1.16% | -1.14% | 1.04 | 0.00% | 9.80 | 1.77x | 4.44% | 10.58% | 16.77x | 7.25x |
| FLOURMILL | HOLD | 33.00 | 10.37% | 29.90 | 35.00 | 20.50 | 2.75% | 15.00% | 6.27 | 5.52% | 42.58 | 0.70x | 4.72% | 14.73% | 4.77x | 6.53x |
| GUINNESS | BUY | 34.20 | 15.54% | 29.60 | 36.00 | 14.00 | -1.33% | 55.79% | 0.84 | 0.00% | 34.18 | 0.87x | 1.17% | 2.45% | 35.27x | 16.82x |
| NASCON | BUY | 18.00 | 18.42% | 15.20 | 17.60 | 10.40 | 2.70% | 4.83% | 0.55 | 0.00% | 4.95 | 3.07x | 3.18% | 11.06% | 27.76x | 15.05x |
| NB | BUY | 65.00 | 33.33% | 48.75 | 63.25 | 47.00 | 0.00% | -12.95% | 0.97 | 0.00% | 20.87 | 2.34x | 1.73% | 4.62% | 50.51x | 54.17x |
| NESTLE | SELL | 1380.00 | -7.32% | 1489.00 | 1540.00 | 1292.50 | 6.36% | -1.06% | 27.42 | 0.00% | 28.81 | 51.68x | 8.27% | 95.15% | 54.31x | 30.08x |
| UNILEVER | BUY | 16.80 | 24.44% | 13.50 | 15.75 | 11.40 | 2.27% | -2.88% | 0.12 | 0.00% | 10.94 | 1.23x | 0.74% | 1.14% | 108.51x | -19.29x |
| VITAFOAM | SELL | 16.00 | -4.19% | 16.70 | 17.85 | 5.70 | -4.57% | 114.10% | 2.72 | 0.00% | 9.29 | 1.80x | 12.54% | 29.32% | 6.13x | 4.76x |
| Agriculture | | | | | | | | | | | | | | | | |
| LIVESTOCK | HOLD | 2.45 | 9.87% | 2.23 | 3.08 | 0.56 | 5.19% | 60.43% | 0.17 | 0.00% | 0.69 | 3.23x | 7.77% | 24.28% | 13.3x | 12.39x |
| OKOMUOIL | HOLD | 125.00 | 13.64% | 110.00 | 116.5 | 85 | 0.00% | 20.88% | 10.00 | 0.00% | 37.20 | 2.96x | 23.35% | 26.87% | 11.x | 13.41x |
| PRESCO | HOLD | 85.00 | 10.39% | 77.00 | 80.25 | 55 | 5.48% | 8.53% | 10.13 | 0.00% | 41.18 | 1.87x | 13.53% | 24.59% | 7.6x | 14.53x |
| Conglomerate | | | | | | | | | | | | | | | | |
| TRANSCORP | BUY | 1.12 | 20.43% | 0.93 | 1.4 | 0.57 | 0.00% | -87.17% | 0.16 | 0.00% | 2.95 | 0.32x | 1.82% | 5.43% | 5.81x | 31.00x |
| UACN | BUY | 12.00 | 17.07% | 10.25 | 11.5 | 6.3 | 2.50% | 41.38% | 0.26 | 0.00% | 20.05 | 0.51x | 0.75% | 1.32% | 38.73x | 12.20x |
| Telecommunication | | | | | | | | | | | | | | | | |
| MTNN* | HOLD | 195.00 | 11.43% | 175.00 | 183.00 | 127.00 | 0.00% | 3.00% | 6.97 | 2.60% | 9.83 | 17.80x | 6.53% | 70.87% | 25.12x | 17.36x |
| Oil & Gas | | | | | | | | | | | | | | | | |
| ARDOVA | BUY | 18.00 | 16.13% | 15.50 | 22.00 | 11.00 | 0.00% | 14.39% | 1.37 | 0.00% | 15.01 | 1.03x | 2.49% | 9.11% | 11.33x | 11.07x |
| CONOIL | SELL | 22.00 | -13.73% | 25.50 | 25.50 | 14.40 | 0.00% | 22.30% | 1.53 | 0.00% | 29.66 | 0.86x | 2.24% | 5.16% | 16.65x | 12.81x |
| ETERNA | BUY | 8.20 | 17.14% | 7.00 | 8.25 | 2.60 | 0.00% | 37.25% | 0.24 | 0.00% | 10.47 | 0.67x | 0.90% | 2.27% | 29.39x | 8.64x |
| OANDO | UR | - | - | 5.20 | 5.78 | 2.08 | 5.26% | 40.54% | 0.68 | 0.00% | 23.27 | 0.22x | 1.21% | 4.52% | 7.65x | - |
| SEPLAT* | BUY | 860.00 | 21.13% | 710.00 | 770.00 | 400.00 | 0.00% | 76.49% | 23.99 | 2.89% | 1,155.23 | 0.61x | 1.00% | 2.08% | 29.59x | -13.60x |
| TOTAL* | HOLD | 220.00 | 14.58% | 192.00 | 203.20 | 96.80 | 0.00% | 47.69% | 23.76 | 2.08% | 96.67 | 1.99x | 4.32% | 24.57% | 8.08x | 29.09x |

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)

Disclaimer

This report by Atlass Portfolios Ltd is for information purposes only. While opinions and estimates therein have been carefully prepared, the company and its employees do not guaranty the complete accuracy of the information contained herewith as information was also gathered from various sources believed to be reliable and accurate at the time of this report. We do not take responsibility therefore for any loss arising from the use of the information contained herein.

Contact Information

Investment Research

obaanu@atlassportfolios.com

research@atlassporfolios.com