

Week beginning **30-Oct-17**

BANKS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	P/E (x) 2016	P/E (x) 2017E	P/B (x) 2016	P/B (x) 2017E	EPS gr. 2016 (y/y)	EPS gr. 2017E (y/y)	ROAE 2016	Div Yield 2017E
ACCESS*	BUY	12.06	9.86	22.3%	2.3	3.2	0.4	0.5	-5.7%	22.0%	17.4%	7.1%
FBNH*	HOLD	6.41	6.20	3.4%	7.0	8.7	0.2	0.4	11.6%	47.9%	3.0%	4.8%
GUARANTY*	HOLD	42.45	42.00	1.1%	5.3	7.3	1.4	2.2	33.0%	23.3%	28.8%	5.0%
UBA	HOLD	10.14	9.31	8.9%	2.3	3.9	0.4	0.7	11.2%	19.6%	18.5%	8.6%
ZENITHBANK*	HOLD	27.18	25.71	5.7%	3.6	5.8	0.7	1.0	22.6%	8.5%	20.0%	8.0%
AVERAGE		19.65	18.62	8.3%	4.1	5.8	0.6	0.9	14.6%	24.3%	17.5%	6.7%

CEMENT	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2016	EV/EBITDA (x) 2016	EV/EBITDA (x) 2017E	P/E (x) FY 2016	P/E (x) FY 2017E	EPS gr. FY 2016/15	EPS gr. FY 2017E/16	Div Yield 2017E
CCNN*	SELL	7.47	9.70	-23.0%	0.2	0.9	0.6	5.0	5.4	4.2%	78.3%	0.0%
DANGCEM*	HOLD	221.34	218.98	1.1%	5.2	12.5	7.7	15.3	14.3	4.4%	35.3%	5.3%
WAPCO*	BUY	87.44	52.00	68.2%	2.4	17.5	7.4	13.0	10.5	-45.1%	56.5%	4.7%
AVERAGE		105.42	93.6	15.4%	2.6	10.3	5.2	11.1	10.1	-12.2%	56.7%	3.3%

CONSUMER GOODS	Rating	Price Target (N)	Price (N)	Potential Up/Downside	EV/SALES (x) 2016	EV/EBITDA (x) 2016	EV/EBITDA (x) 2017E	P/E (x) FY 2016	P/E (x) FY 2017E	EPS gr. FY 2016/15	EPS gr. FY 2017E/16	Div Yield 2017E
CADBURY*	SELL	9.18	10.55	-13.0%	0.5	21.8	11.6	-65.2	3670.2	-125.7%	-101.8%	0.0%
DANGSUGAR*	HOLD	13.69	15.20	-9.9%	0.4	3.0	1.8	5.1	7.5	24.8%	69.6%	7.0%
FLOURMILL	HOLD	28.80	30.00	-4.0%	0.4	4.2	4.4	6.1	10.1	-44.8%	-1.8%	6.5%
GUINNESS*	HOLD	91.11	100.0	-8.9%	1.6	14.8	5.4	65.0	23.5	-195.4%	232.7%	2.5%
NB*	SELL	127.44	152.00	-16.2%	3.8	14.3	10.7	41.3	25.9	-25.3%	64.0%	3.9%
NESTLE*	SELL	830.00	1,230.00	-32.5%	3.5	14.5	10.6	81.0	28.5	-66.6%	331.4%	3.4%
PZ*	SELL	14.86	23.00	-35.4%	0.9	10.9	12.7	17.3	25.8	78.4%	6.3%	3.1%
UNILEVER*	SELL	35.92	42.78	-16.0%	2.0	16.9	9.3	43.1	21.6	157.6%	143.9%	0.9%
AVERAGE		143.88	200.45	-17.0%	1.7	12.5	8.3	24.2	476.6	-24.6%	93.0%	3.4%

Multiples for GUINNESS, FMN and PZ are a year ahead due to end-June, March and May year ends respectively

*Under Review

Source: Bloomberg, Cordros Research estimates

CADBURY NIGERIA PLC (CADBURY) – SELL

- The shares of CADBURY appreciated 0.48% last week to N10.55. CADBURY trades at a significant forward PE above its 5-year historical average of 24.9x.
- CADBURY published Q3-17 result last week, showing revenue growth of 9.3% y/y and PAT of N702 million, from a loss reported in Q2. Also worthy of note is that the reported profit is CADBURY's single-quarter largest since Q4-15, thanks to significant expansion of gross margin.
- While top-line continued to grow, the slower growth pace compared to the last three quarters, and notwithstanding the still low base prices of Q3-16, suggest that sales volume may have been very low y/y. That said, revenue has grown 14.3% y/y in nine months, with Non-Nigerian sales up 25%.
- Gross margin of 30% was reported, as the technical fees (included in cost of sales) that significantly pressured margin in Q2 appears to have been fully settled. We note also the positive feed-through from both the continued stable exchange rate and softer cocoa prices (-6.83% Ytd and -4.82% compared to end-March in the international market).
- Although there was no finance charge in Q3-16, the N60 million reported in the review period was significantly lower than Q2's N212 million (including FX loss of N105 million) which adversely impacted earnings during the period. Bank overdraft – which CADBURY has resorted to in recent quarters as a result of the devaluation impact on working capital – stood at N2.7 billion as at September ending, from N2.3 billion in June.
- CADBURY's strong profit in Q3, following a negative surprise in Q2, leaves post tax loss after nine months at N64 million, from N766 million in H1. Compared to other quarters, CADBURY's results have been more stable in Q4. We look for the same this year, suggesting – given a stronger than expected Q3 – the company's earnings will likely close the year ahead of our previous estimate. That said, we do not expect investor will react accordingly to this result, given doubts as to the consistency of CADBURY's performance. **Our estimates are under review.**

DANGOTE SUGAR REFINERY PLC (DANGSUGAR) – HOLD

- The shares of DANGSUGAR gained by 8.42% to N15.20. DANGSUGAR trades at forward PE of 7.5x, in line with its 5-year historical average of 7.5x.
- DANGSUGAR recently released Q3-17 result, showing revenue declined 1% y/y while EBITDA (226% y/y) and PAT (244% y/y) grew strongly. Continued stronger gross margin and tamed opex, primarily, in addition to higher investment income, was the lever for earnings growth.
- The decline in revenue, was driven by lower sales volume, which more than offset the relatively higher price. Compared to 2016, sales volume has closed lower in all three quarters this year in response to the sharp increase in price (+75% in 9M-17 vs. 9M-16). The management reduced the per bag price of sugar by N1,000, effective in April, to help support sales.
- Gross margin increased by 68 bps q/q to 32.9% in Q3-17, but compared to the same period last year, gross margin was higher by 2,153 bps. The significant appreciation of the naira at the autonomous markets (where DANGSUGAR used to source most of its FX during the crisis period), increased access to cheaper USD from the CBN, and yet, the still elevated selling prices, have sustained margins.
- Overall, DANGSUGAR's Q3-17 PAT is solid and adds to the strong growth delivered over H1. YtD, PAT is already well-above 12 months 2016 level and slightly ahead of our 2017F estimate. **Our estimates are under review.**

FLOUR MILLS OF NIGERIA PLC – HOLD

- The shares of FLOURMILL closed higher by 2.74% last week to N30.00. FLOURMILL trades at 2018 PE of 10.1x, below its 5-year average of 19x.
- Q4-16 PBT of N179 million (vs. N1.5 billion in Q3) was reported, despite a net operating gain of N10.3 billion (vs. N11.8 billion loss as at end-December, owing to FX gain of N7.54 billion). During the period, the net operating gain and a 70.5% y/y growth were muted by a significant finance charge of N14.8 billion (the group's highest in a quarter), 287 bps y/y and 279 bps q/q declines in gross margin to 9.8%, and 74% q/q increase in opex to the year's peak of N9.3 billion. However, owing to the strong 9-months performance, the company reported its first operational profit of N10.47 billion in two years.

- High debt, and consequently finance charges, is a major investment case against FLOURMILL. And we believe this is one of the reasons investors remain skeptical about the group's growth outlook, notwithstanding the visible results from its diversified business model. The group closed 2017FY with gross debt of N241.6 billion, from N165 billion in 2016FY. Included in the debt is a long standing real estate USD-denominated liability (USD20 million) which exposes the group's earnings to the risk of FX volatility.
- This is after management had mentioned on several occasions (in the last two years), plans to deleverage the group's balance sheet using (1) part of the proceeds (+N50 billion) from the sale of UNICEM, (2) equity capital raise via rights issue of N30 billion, and (3) cash generated from the growing revenue. Even at the recent 2017FY result analysts call, management did not sound sufficiently convincing on the way forward on restructuring the humongous debt. Hence, while we revise operating profit higher to N41.9 billion in 2018F, we cut PBT materially down to N7.82 billion (previously N13.6) to reflect the impact of revising financing cost to N32.32 billion (previously N20.1).
- The lingering debt concern obviously takes the shine off the results of the group's effort at growing revenue. Revenue at the end of 2017FY is almost 2x the amount in 2013FY, being the result of (1) consolidating the group's strong market position across the traditional product lines (flour milling, pasta, animal feeds, fertilizer, packaging, and noodles) and (2) the introduction of new products (sugar, edible oil, margarine, breakfast cereal, and snacks). Overall, we view the company's investment in segments (1) having the capacity to adapt relatively to economic cycles and (2) favoured by Nigeria's demographic potential and spending patterns, as constructive for the long term.

GUINNESS NIGERIA PLC – HOLD

- The shares of GUINNESS lost by 0.95% last week to close at N100.04. GUINNESS trades at 2018 PE of 23.5x, below its 5-year average of 27.7x.
- GUINNESS reported revenue growth of 30% y/y in Q1-18 and net profit of N41.4 million, from a loss in the corresponding period of Q1-16/17, and the N4.5 billion profit reported in Q4 ended March 2017. Compared to our estimate, the reported revenue was ahead by 20% while net profit missed by 96%. The significant deviation on the net profit line was on the back of (1) lower-than-expected gross margin and (2) higher net finance costs.
- Gross margin was lower by 153 bps y/y (on restated Q1-16/17 numbers) and 1,000 bps q/q, reflecting, as observed partly in the case of NB, higher sorghum prices in Nigeria during the period. Further clarity is required on this line.
- Higher-than-expected finance costs (14% y/y and 245% q/q) more than offset the surge in finance income. FX loss of N2.2 billion and higher interest expenses on overdrafts and intercompany loans were the major drivers of the higher finance costs. The reduction of gross debt to N13.8 billion, from N41 billion as at June ending, is an indication that management has commenced the process of deleveraging the balance sheet with proceeds of the rights issue.
- Overall, while we consider the moderation of finance costs in subsequent quarters as potentially positive, the impact on earnings, compared to prior expectation, may be offset, should gross margin stay at current level. **Our estimates are under review.**

NIGERIAN BREWERIES PLC – SELL

- The shares of NB closed lower by 5.01% last week to N152.00. NB trades at forward PE of 25.9x, below its 5-year average of 31.5x.
- NB released Q3-17 result last week. In our view, NB's performance during the three months period was broadly disappointing. Although revenue grew 12.8% y/y, it was below our estimate by c.9%. PAT on the other hand, was down 75% y/y, and 97% below our estimate on (1) significantly weaker gross margin and (2) higher opex and net financing costs. The PAT is NB's record low. For 9M-17 however, the strong performance in H1 held net profit up 19% relative to 9M-16. The Board proposed an interim dividend of N1.00 per share.
- Having shown consistent recovery from the trough of Q3-16, gross margin faltered in the Jul-Sep 2017 period to 34.4%, from the average of 44% achieved between Q4-16 and Q2-17. Compared to Q3-16 also, the recently reported margin is down 143 bps. Given largely stable prices during the period, we link the surprised margin contraction specifically to higher (1) amount (N4.1 billion; +44% q/q) recognized for NOTAP and (2) higher per hectolitre production cost, amidst pressure on key input prices (higher month-on-month Sorghum prices were recorded in key markets in July and August).
- Low base price continues to support y/y revenue growth while the q/q contraction signals lower sales volume. Compared to our estimate, the reported revenue was lower by 8.8%. NB's parent company stated in a trading update released last week that volume declined mid single-digit in Nigeria, amidst still difficult underlying trading conditions and consumers trading down. We expect investors to further exit the stock in reaction to the recent earnings underperformance. **Our estimates are under review.**

NESTLE NIGERIA PLC – SELL

- The shares of NESTLE gained by 2.48% last week to N1,200.27. NESTLE trades at 12-M PE of 28.5x, below its 5-year average of 43x.
- NESTLE reported revenue growth of 29% y/y in Q3-17 and a net profit of N6.4 billion, from a loss in the corresponding period of 2016. The positives from the result are (1) y/y and q/q revenue growth and (2) y/y and q/q expansion of gross margin. The negatives are (1) continued double-digit increase in operating expenses (although the amount was less than we expected) and notably, (2) the significantly higher-than-expected net finance charges.
- Overall, NESTLE's performance over the three months period shows the consistency of recovery from the challenges faced last year. While the company is course to deliver solid performance in 2017F, we would be revising our net profit estimate for the year slightly downward, given the deviation (-26%) from our expectation in Q3.
- We believe the group's leading position across the various product offerings positions it to benefit from the recovering consumption demand. NESTLE's approach to offering its products even in smaller packages that encourages affordability by consumers across the socioeconomic pyramid is crucial to remaining resilient in a gradually recovering economy. And importantly, we believe it is vital to the planned expansion of distribution networks in the South East and South-South regions where affordability is a core part of consumption decision.
- We look for modest margin recovery, following (1) unchanged prices after the increases implemented in the first quarter, (2) less inflationary environment on subdued FX volatility, amidst (3) the moderation of core raw material input prices (cocoa -8% YtD and sugar -23% YtD). Notably, demand pressure on domestic agricultural commodities -- from where NESTLE secures most of its inputs -- has subsided, as the stability of the local currency has reduced the attraction for exports to neighbouring countries. In light of the above, we believe our gross margin forecast of c.40% for 2017-19F is conservative enough. Management's plan is to continue to focus on internal cost saving initiatives, including an investment model that focuses on low cost, affordable products.

PZ CUSSONS NIGERIA PLC – SELL

- The shares of PZ lost by 4.17% last week to close at N23.00. PZ trades at 2018 PE of 25.8x, below its 5-year average of 37.3x.
- PZ released Q1-18 result showing a post-tax loss of N123.1 million, despite revenue growing by 12.8% y/y. The loss after tax was much lower than the N1.59 billion loss reported in the same period of 2017.
- Guidance from our recent discussion with the management is for flat to slight earnings growth in 2018F. The consumer environment is expected to remain challenging and competition intense. Outlook for prices is dovish (there has been a marginal price cut this year for Electrical goods, wherein increase was higher last year), yet volumes are unlikely to recover strongly. Dollar liquidity has improved, outlook is positive, and likewise, the expected impact on business performance.
- That said, latest economic data (rising PMI, consumer confidence, and business expectation) suggest that the pressure that Nigerian consumers face may be over-exaggerated. With prices largely stable and economic activities improving, we think consumers are actually better-off now, compared to a year ago.
- From the loss in Q1, we expect PZ will return to profit in the coming quarters, and close 2018F with N3.52 billion net profit (vs. N3.69 billion in 2017FY). The assumptions driving our forecast are (1) continued revenue growth, (2) modest margin recovery, and (3) higher opex (ratio of revenue to increase by 70 bps) and effective tax rate (to increase by 448 bps).
- The stock has accumulated 62% YtD, supported by the same positive investor sentiment that has driven both the broader and consumer goods indices up by 31.6% and 28.3% respectively YtD. Following the upward review of our estimates, we have increased our 2018F TP slightly higher to N14.86 (previously N14.26). While we remain constructive of PZ, we believe the stock has outrun the level supportive of its fundamentals. SELL.

UNILEVER NIGERIA PLC – SELL

- The shares of UNILEVER closed lower by 2.77% last week at N42.78. UNILEVER trades at forward PE of 21.6x, below its 5-year average of 61.8x.
- UNILEVER released Q3-17 result, showing revenue and net profit grew by 36.6% y/y and 142.7% y/y respectively. Finance costs increased by 48% y/y and 25% q/q, on the repayment of short term USD intercompany loans, and compared to Q3-16, gross margin (31%) was higher by 661 bps and beat our 30% estimate.

- On net, UNILEVER's Q3 result is impressive, with net profit as at 9M-17 already 4% ahead of consensus' 12-months forecast. That said, we expect to revise our forecast of N7.48 billion lower, in consideration of the surprisingly higher finance costs.
- We like the fact that the company has been able to maintain a higher margin. The top-line growth, in our view, is a reflection of UNILEVER's (1) broad product portfolio -- through constant innovation -- of primarily staples, (2) increased products visibility following years of strong promotional activities, (3) products packaged in packs that encourage affordability across categories of consumers, (4) broad distribution network aiding nationwide availability, and (5) improved penetration to the North East of the country.
- Shareholders had approved in May, the application of the parent company loan towards payment for the shares subscribed for by the parent through Rights Issue. As at end September, gross debt stood at N7.96 billion, the lowest since Q1-14, suggesting – and validated by the N30.7 billion outflow reported under financing cash flow – that management has commenced the process of significantly deleveraging the balance sheet. **Our estimates are under review**

DANGOTE CEMENT PLC – HOLD

- The shares of DANGCEM lost by 0.46% last week to N218.98. DANGCEM trades at forward PE of 14.3x, below its 5-year average of 17.2x.
- In its recently released Q3-17 result, revenue (27.4% y/y), EBITDA (95.1% y/y), and PAT (63.1% y/y) all grew strongly at the Group level. Compared to Q2-17, decline was recorded across all line items – revenue (-6.7%), EBITDA (-10%), and PAT (-33%). The y/y revenue growth was underpinned by higher average prices (40% y/y), which more than compensated for the decline in volume (9% y/y). Compared to Q2-17, volume was lower by 12% while price increased by 6%.
- Notwithstanding the lower-than-expected Q3 earnings, DANGCEM's performance over the nine months of 2017 was very strong, and consistent with the broadly expected impressive year for the Group. We look for positive investor reaction to the result. **Our estimates are under review**
- Since the unexpected FX-induced poor performance across the industry in Q3-16, DANGCEM's earnings have recovered quite impressively, and in our view that compared to peers (notwithstanding the dragging non-Nigerian business), the group is currently best positioned to derive stable growth over the medium term.
- The group dominates its largest market, Nigeria, and has increased market share commendably within short period sojourning offshore. Besides from the ability to set prices in Nigeria, the group's effective cost management is constructive, hence the superior margins and returns.
- In the Q3 earnings call, DANGCEM's management said the possibility of refinancing the short term loans (into longer term loans) due to the parent (Dangote Industries Limited --DIL) via the issuance of Eurobond, as opposed to raising debt locally, remains high.

LAFARGE AFRICA PLC – BUY

- The shares of LAFARGE plunged by 7.14% last week to N52.00. LAFARGE trades at forward PE of 10.5x, below its 5-year average of 11.8x.
- LAFARGE released Q3-17 result late on Friday, showing revenue growth of 28.2% y/y, and a loss after tax of N18.8 billion which almost erased the N19.73 billion profit reported as at H1. Given the largely stable cement prices across markets, we attribute the higher-than-expected revenue to both higher (than expected) sales volume in Nigeria and the stronger performance of the aggregate and concrete business.
- Further impacting earnings was other operating loss of N9.3 billion, attributed to the net forex loss of N9.9 billion reported during the period. In addition, finance charge increased 85.7% y/y and 24.7% q/q, driven by interest on borrowings which increased 27% q/q and 185% y/y. Compared to Q2 closing balance, borrowings increased by 12.5% when it stood at N245 billion (from N147 billion in Q1)
- LAFARGE's Q3 result was disappointing, especially in the context of its strong negative implication for 2017F expected earnings. We expect strong negative reaction to the result on likely huge downward revision to consensus prior net profit forecast of N36.5 billion for the year. **Our estimates are under review.**
- On the shareholder loans, management plans to (1) refinance USD286 million through the approved N140 billion Rights Issue programme and (2) retain the balance of a hedged USD308 million for subsequent refinancing using short term local debt. In addition to adjusting financing costs higher over 2018F to reflect the USD220 million reclassified into borrowings, we believe LAFARGE's earnings remain highly vulnerable to unexpected negative change in FX policy.

CEMENT COMPANY OF NORTHERN NIGERIA PLC - SELL

- The shares of CCNN lost by 4.62% last week to close at N9.70. CCNN trades at forward PE of 5.4x, below its 5-year average of 7.1x.
- In Q3-17 result, revenue (86.1% y/y), EBITDA (553% y/y), and PAT (1,500% y/y) all grew strongly. Compared to Q2-17, strong double-digit growth was also recorded across all line items – revenue (23%), EBITDA (90%), and PAT (95%). We assume that price increase during the quarter entirely accounted for the surprised strong q/q growth in revenue.
- At 43% (+2,100 bps y/y and +900 bps q/q), the gross margin reported over the three months period was a positive surprise. Again, pending otherwise guidance from management, we assume that pricing was significant in achieving the margin growth. The q/q margin expansion also point, from the notes to the account, to improved energy (-17% q/q) and presumably, other production costs.
- Group opex rose by 51.3% y/y and 4.8% q/q. As a proportion of revenue, opex was down by 319 bps and 241 bps respectively y/y and q/q. In addition to lower opex margins, also having positive impact on earnings were (1) 94.5% y/y and 808% q/q increase in other income and (2) 32% y/y and 7% q/q decline in net finance cost.
- At N3.55 billion and N2.04 billion, CCNN's EBITDA and net profit as at 9M-17 are only 7% and 9% short of our 12-months forecasts respectively but are 3.4% and 2.3% ahead of consensus'. We look for positive investor reaction to the result on likely upward revisions of both 2017 and 2018 earnings forecasts. **Our estimates are under review.**
- It is our view that notwithstanding the broadly subdued nationwide demand, given appropriate logistics and undisrupted energy supply to the cement plants, the c.80% utilization rate we estimated (equating to 395,000 tonnes) is achievable in CCNN's less competitive market.
- We refer to a recent media report, quoting a top management member of the company reiterating progress on expansion work (1.5Mts) in Sokoto and guiding to delivery in 2018. On the contrary, the company's latest financials (balance sheet and cash flow statements) as at H1-17 are yet to capture the movement of capital to support management's claim. While we have not considered the expansion in our model, we note its urgency, as continued delay has set CCNN significantly backward in the ranking of Nigerian cement companies. We note two major deficiencies the group suffers from its current mode of operation -- (1) capacity constraint, and hence, weak operating leverage and (2) high per unit production cost as a result of heavy reliance on expensive, USD-linked, and often unavailable LPFO -- as having long term implication for earnings.

ACCESS BANK PLC – BUY

- The shares of ACCESS appreciated by 3.79% last week to N9.86. ACCESS trades at forward PE of 3.2x, above its 5-year average of 2.9x.
- ACCESS recently released its Q3-17 results, wherein gross earnings (9.31% q/q and 18.26% y/y) came in lower relative to Q2-17. This follows lackluster performance across income lines - interest income grew lower than expected (1.69% q/q and 21.84% y/y) and non-interest income declined 28.25% q/q (+10.35% y/y). However, following significant declines in loan loss provision and opex, PBT (+0.12% q/q and -5.08 y/y) grew marginally, while PAT (26.04% q/q and -3.81% y/y) grew double-digit, supported by a lower effective tax rate during the quarter.
- The marginal q/q growth in interest income during the period was driven by 6.35% q/q (+13.22% y/y) decline in interest on loans and advances, which muted the double-digit growth in interest earned on investment securities. While the steep contraction in NIR stemmed from significant declines in fixed income securities and derivative instruments trading, the cumulative impact of which masked the 36.85% q/q growth in foreign exchange trading income and marginal growth in fee income.
- Overall, over 9M-17, gross earnings grew double-digit (by 33.05%). While PBT grew marginally by 1.26%, PAT declined slightly by 1.23%. The impressive growth in gross earnings over the period broadly reflects robust interest income, on impressive yield on interest earning assets (+190 bps to 12.92%), and the surge in foreign exchange trading income, which supported 27.91% growth in NIR. The bottom-line contraction was due to opex increasing by 34.49% y/y, with cost to income ration expanding 665 bps y/y to 64.32%.
- Over 9M-17, asset quality deterioration persists, with NPL ratio rising 41 bps y/y to 2.51% (3 bps above the 2.48% in H1-17), while additional provisioning of N2.46 billion in Q3-17 pushed annualized cost of risk 40 bps y/y higher to 1.22%. The provisioning came in below our estimate of N7.62 billion.
- Given the impressive PAT over Q3, we believe management is still on course to deliver its 2017F ROE guidance of 20.0% (vs. 17.4% in FY-16). While acknowledging the slow growth in interest income in Q3, we believe ACCESS is poised to outperform in 2017F, driven by (1) the significant growth reported in interest income and (2) foreign exchange trading gain booked in 9M-17. **Our estimates are under review**

FBN HOLDINGS PLC – HOLD

- The shares of FBNH closed higher by 3.16% last week at N6.20. FBNH trades at forward PE of 8.7x, above its 5-year historical average of 6.3x.
- FBNH released unaudited Q3-17 last week, wherein gross earnings grew marginally by 1.85% q/q and 0.40% y/y, while PBT and PAT rose 28.01% q/q (71.19% y/y) and 24.44% q/q (145.47% y/y), respectively. The growth in earnings is broadly supported by (1) growth in funding income (by 7.73% q/q and 17.43% y/y), which more than subdued the 6.57% and 37.91% y/y contraction in NIR and (2) decline in opex by 3.51% q/q (+2.27% y/y).
- The contraction in NIR stemmed from significant declines in dividend income, net gains on foreign exchange income, net gains on investment securities, net fee income, net insurance premium, and net gains on financial instruments. The cumulative impact more than offset the surge in other income. While marginal growth in funding income reflects the lackluster performance on the interest income lines – investment securities (-1.515 q/q and +22.35% y/y), loans to banks (+3.95% q/q and -24.48% y/y), and loans to customers (+8.80% q/q and 12.23% y/y) – and interest expense lines – deposit to customers (-2.30% q/q and -2.74% y/y), deposit from banks (-17.26% q/q and +85.56% y/y) and borrowings (-8.43% q/q and -8.19% y/y).
- Specifically, over 9M-17, gross earnings grew by 5.17% while PBT declined 3.52%, PAT grew by 7.81%. The marginal growth in gross earnings over the period broadly reflects the impressive yield on interest earning assets (+210 bps to 12.28%) and consequently, robust interest income, which more than offset the significant decline in NIR (47.08%).
- Over 9M-17, asset quality deterioration persisted. Despite 190 bps contraction in NPL to 20.10% compared to H1-17, annualized cost of risk remains elevated, rising 20 bps to 5.60% (annualized) following additional provisioning of N35.18 billion in Q3-17, which raised total loan loss provision during the period to N97.69 billion. However, noteworthy is the 90.08% y/y growth in net recoveries from loans previously written off (with an additional recovery of N1.32 billion over Q3) which we believe reflects the gradual improvements in the general commerce and manufacturing sectors following increased FX liquidity. **Our estimates are under review**
- For the rest of 2017, we expect interest expense will remain elevated, as liquidity pressure (liquidity ratio was down to 47.4% in 9M-17, from 50.4% and 52.7% in H1-17 and FY-16, respectively) persists, and with the US Feds rate hike impact on the LIBOR further compounding the already stretched LCY interest rate. Although we expect the re-pricing of assets, higher yields on investment securities, and FX interest income to support NIM, risk asset creation will remain subdued as the bank takes strategic steps to clean its loan portfolio.

GUARANTY TRUST BANK PLC – HOLD

- The shares of GUARANTY gained by 0.72% last week to N42.00. GUARANTY trades at forward PE of 7.3x, above its 5-year average of 6.2x.
- GUARANTY published Q3-2017 result wherein gross earnings declined by 19.85% y/y and 12.03% q/q, with PBT (-1.06% y/y and -3.51% q/q) and PAT (-1.34% y/y and -72 bps q/q) consequently coming in lower. The key driver of the decline in earnings was a significant contraction in NIR (down 72.80% y/y and 52.75% q/q), which more than subdued the 14.21% y/y (and 74 bps q/q) growth in interest income. Over 9M-17, gross earnings declined by 6.11%, while PBT and PAT grew by 6.53% and 4.71% respectively.
- While NPL increased by 27 bps (compared to the level in FY-16) to 3.93%, credit loss provision at N8.38 billion in 9M-17 was 85.36% below the amount reported same period in the previous year, following the recovery of a previously written off loan worth N4.55 billion. Accordingly, annualized cost of risk contracted 313 bps y/y to 0.53% in 9M-17.
- For the rest of 2017, we expect GUARANTY's sizeable portfolio of fixed income instruments and growth in FX interest income will drive growth in interest income. That said, NIR growth will remain constrained by the relative stability of the NGN, thus limiting the possibility of any significant revaluation gains (such as those seen last year) and consequent transmission (as was the case in 2016) to gross earnings. While we expect cost of funds to remain elevated in the course of the year, the impact on NIM will be offset by higher assets yield. **Our estimates are under review**

UNITED BANK FOR AFRICA PLC – HOLD

- The shares of UBA appreciated by 3.44% last week to close at N9.31. UBA trades at forward PE of 3.9x, above its 5-year average of 3.2x.
- In its recently released Q3-17 results, UBA recorded decline in gross earnings (8.46% q/q), driven largely by 38.60% q/q decline in NIR (+26.55% y/y), which muted the growth in interest income (6.33% q/q and 10.01% y/y). However, over 9M-17, gross earnings grew by 25.75% (against our 29.20% y/y growth estimate), driven by growth across income lines – interest income (+30.11%, in line with our estimate) and non-interest revenue (+18.84%, below our 29.75% y/y growth estimate).

- We have raised our gross earnings growth forecast slightly higher to 49.73% (previously 49.44%) in 2017F to N471.40 billion, on expected higher growth in interest income. That said, following an upward revision to our 2017F cost of funds, downward revision of NIR, and the expectation of a higher opex, we now forecast PBT and PAT growth of 66.29% and 13.24% (previously 74.51% and 14.28%) to N104.69 and N81.83 billion respectively. However, following the adjustment of our weighted average number of shares to reflect the complete cancelation of the 2.08 billion shares under the Staff Share Investment Trust scheme, our 2017F EPS is now 4.94% higher than previous estimate at N2.38.
- We revise asset yield estimate for 2017F higher to 12.35% (previously 12.15%) and we look for interest income growth of 27.25% (previously 22.18%) to N335.89 billion. On NIR, we believe the gains on FX trading (due to FX related gains and derivative transactions) and growth in fixed income securities trading will persist for the rest of the year, we have revised growth estimate lower to 14.03% (previous 24.90% y/y), equating to N120.55 billion for 2017F.
- On funding cost, we have reviewed our 2017F cost of funds estimate higher by 11 bps to 4.22%, translating to an interest expense growth of 31.24% (previously 27.82%) to N129.63 billion. However, we believe the high yields on interest earning assets will outweigh the expansion in funding cost, thus, we estimate net interest margin to advance 118 bps to 7.48% (previously 7.02%).
- In Q3-17, UBA made additional provisioning of N3.47 billion for credit loss, which raised total provision for 9M-17 to N12.91 billion. At 4.2% in 9M-17 (the same as H1-17), NPL was already ahead of 2017FY's c.4.00% guided by management. We maintain our 4.80% NPL forecast, but lower cost of risk estimate by 45 bps to 1.55% for 2017F, translating to additional provisioning of N11.92 billion for Q4 and total credit loss provision of N24.83 billion for 2017F.
- While noting the (1) flattish growth in funding income over the last three quarters, (2) limited room for any significant growth in FX trading and revaluation gains with the relative stability of the naira, and (3) impact of the adoption of IFRS 9 from 2018F, we now expect PAT to grow lower than previously estimated over 2018-2019F, as FX related and revaluation gains taper and NIR contribution to gross earnings contract significantly. Accordingly, we cut target price by 19.63% to N10.14 (previous: N12.62) and roll forward our valuation to 2018.
- Our current 12-month TP implies upside potential of 12.69% from current levels; consequently, we recommend a HOLD on the stock.

ZENITH BANK PLC – HOLD

- The shares of ZENITH lost by 1.08% last week to N25.71. ZENITH trades at forward PE of 5.8x, above its 5-year average of 5.0x.
- In Q3-17, ZENITH report declines across most line items – gross earnings declined 35.19% q/q and 8.89% y/y – following higher than expected contraction in interest income (-30.96% q/q and +4.54% y/y) and a steep decline in non-interest revenue (42.07% q/q and 16.29% y/y). However, decline in Opex Supported 42.57% q/q Growth in PAT, resulting in 41.32% growth in annualized EPS to N1.71.
- Specifically, over 9M-17, ZENITH's gross earnings is up 39.68% (supported by 26.6% and 79% increase in interest and non-interest incomes) while PBT and PAT are both ahead by 25.79% and 29.14% respectively.
- Over 9M-17, asset quality deterioration persists, with NPL ratio rising 200 bps y/y to 4.20% (albeit below the 4.30% in H1-17), while additional provisioning of N4.67 billion in Q3-17 further pushed cost of risk 140 bps higher to 2.70%, following specific provision on bilateral exposure to Etisalat (now 9 Mobile) and collective allowance for impairment on exposures to the general commerce, transportation, oil & gas, and power sectors.
- While acknowledging the strong performance over 9M-17, the contraction across lines in Q3-17 would likely drive downward review of consensus 2017 estimates. **Our estimates are under review**

Ticker	Current	Week-H	Week-L	WTD chg	Month-H	Month-L	MTD chg	3 Month-H	3Month-L	3MTD chg	6Month-H	6Month-L	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52 week chg
FINANCIAL SERVICES																			
ACCESS	9.86	9.93	9.80	3.79%	9.93	9.5	2.39%	10.49	9.50	-2.47%	10.76	6.58	54.06%	10.76	5.81	67.97%	10.76	5.15	73.0%
DIAMONDBNK	1.04	1.08	1.03	-5.45%	1.14	1	-5.45%	1.34	1.00	-18.75%	1.44	0.79	25.30%	1.44	0.78	18.18%	1.44	0.78	-4.6%
ETI	17.05	17.05	16.95	-0.29%	17.59	16.75	-2.57%	18.00	16.50	0.29%	18.00	7.71	118.59%	18.00	7.10	65.86%	18.00	7.10	62.4%
FIDELITYBK	1.66	1.67	1.50	15.28%	1.67	1.33	23.88%	1.67	1.25	29.69%	1.67	0.82	100.00%	1.67	0.77	97.62%	1.67	0.76	86.5%
GUARANTY	42.00	42.00	41.70	0.72%	42.10	40	5.00%	42.10	37.00	2.19%	42.10	26.63	61.23%	42.10	22.90	70.04%	42.10	20.65	76.1%
SKYEBANK	0.50	0.51	0.50	0.00%	0.53	0.5	-5.66%	0.71	0.50	-29.58%	0.81	0.50	0.00%	0.81	0.50	0.00%	0.81	0.50	-15.3%
STERLNBANK	1.05	1.06	1.01	0.96%	1.06	1	0.00%	1.06	0.95	2.94%	1.16	0.70	38.16%	1.16	0.67	38.16%	1.16	0.67	15.4%
UBA	9.31	9.40	9.00	3.44%	9.44	8.79	7.75%	9.97	8.46	-5.10%	10.41	5.61	69.27%	10.41	4.45	106.89%	10.41	4.20	118.5%
UBN	6.13	6.13	6.10	0.99%	6.13	5.75	6.42%	6.13	5.24	11.45%	6.13	4.94	22.60%	6.13	4.67	11.45%	6.13	4.11	35.6%
UNITYBNK	0.52	0.52	0.50	0.00%	0.57	0.5	-13.33%	0.64	0.50	-18.75%	0.86	0.50	-10.34%	0.86	0.50	-5.45%	0.86	0.50	-20.0%
WEMABANK	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.56	0.50	-7.41%	0.67	0.50	0.00%	0.67	0.50	-7.41%	0.67	0.50	-18.0%
ZENITHBANK	25.71	25.71	25.10	-1.08%	26.45	24.01	9.87%	26.45	22.00	-0.73%	26.45	14.80	75.85%	26.45	13.30	74.31%	26.45	13.30	72.6%
FBNH	6.20	6.20	6.01	3.16%	6.20	5.61	9.93%	6.22	5.14	7.27%	7.07	3.17	78.16%	7.07	2.96	85.07%	7.07	2.96	104.6%
FCMB	1.10	1.10	1.04	4.76%	1.10	1.03	2.80%	1.25	1.02	-16.03%	1.42	0.93	7.84%	1.42	0.93	0.00%	1.42	0.93	0.9%
STANBIC	44.05	44.05	44.05	-0.56%	44.30	40.01	11.52%	44.30	35.90	17.37%	44.30	24.50	88.09%	44.30	15.00	193.67%	44.30	14.00	159.1%
AIICO	0.54	0.55	0.54	0.00%	0.59	0.53	-1.82%	0.59	0.53	-1.82%	0.64	0.51	3.85%	0.64	0.51	-14.29%	0.64	0.51	-6.9%
CONTINSURE	1.31	1.35	1.31	-2.96%	1.50	1.31	-12.67%	1.57	1.22	-4.38%	1.57	1.11	7.38%	1.57	0.96	32.32%	1.57	0.96	29.7%
CUSTODYINS	4.00	4.00	3.78	5.82%	4.00	3.5	11.11%	4.00	3.41	11.11%	4.00	3.00	32.45%	4.00	3.00	2.83%	4.00	3.00	7.8%
MANSARD	2.02	2.14	1.93	-10.22%	2.60	1.93	1.00%	2.60	1.86	-3.81%	2.62	1.48	34.67%	2.62	1.45	20.96%	2.62	1.45	4.7%
NEM	1.28	1.40	1.28	-4.48%	1.41	1.21	10.34%	1.41	0.96	0.00%	1.41	0.83	45.45%	1.41	0.79	21.90%	1.41	0.70	60.0%
WAPIC	0.50	0.50	0.50	-1.96%	0.51	0.5	0.00%	0.54	0.50	0.00%	0.55	0.50	0.00%	0.55	0.50	0.00%	0.55	0.50	-2.0%
NPFMCRFBK	1.28	1.29	1.28	-0.78%	1.29	1.11	15.32%	1.32	1.10	-3.03%	1.45	1.10	10.34%	1.45	1.05	16.36%	1.45	1.00	23.1%
INFINITY	1.44	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.47	1.44	-2.04%	1.47	1.44	-2.04%	1.47	1.44	-2.0%
AFRIPRUD	3.70	3.88	3.70	0.00%	3.88	3.31	5.71%	3.88	3.05	17.09%	3.88	2.57	37.04%	3.88	2.27	21.31%	3.88	2.27	45.1%
UCAP	3.04	3.10	3.02	-1.94%	3.12	2.88	0.33%	3.15	2.88	1.33%	3.41	2.80	6.29%	3.82	2.41	11.36%	3.82	2.41	21.6%
CONSUMER GOODS																			
CHAMPION	2.46	2.46	2.46	0.00%	2.70	2.37	2.93%	2.85	2.21	-13.68%	3.44	2.06	4.68%	3.44	2.06	0.41%	3.44	2.06	-4.7%
GUINNESS	100.04	101.00	100.04	-0.95%	101.00	98.5	5.29%	101.00	65.05	53.79%	101.00	60.00	66.73%	101.00	60.00	20.46%	101.00	60.00	25.1%
INTBREW	49.20	56.23	49.20	-3.55%	56.23	37	32.97%	56.23	33.13	53.75%	56.23	17.84	175.78%	56.23	15.00	165.95%	56.23	15.00	153.6%
NB	152.00	161.00	152.00	-5.01%	170.00	152	-7.88%	193.00	152.00	-11.43%	193.00	123.01	23.44%	193.00	112.82	2.71%	193.00	112.82	4.1%
DANGSUGAR	15.20	15.84	14.00	8.42%	15.84	13.47	10.95%	15.84	11.97	39.96%	15.84	6.20	146.75%	15.84	5.71	148.77%	15.84	5.71	143.2%
FLOURMILL	30.00	30.00	30.00	2.74%	30.00	26.55	12.99%	31.00	26.50	3.45%	31.00	17.50	66.67%	31.00	17.20	62.25%	31.00	16.20	53.7%
HONYFLOUR	2.01	2.01	1.85	5.79%	2.05	1.85	-0.50%	2.28	1.85	-1.95%	2.28	1.12	71.79%	2.28	0.92	54.62%	2.28	0.92	70.3%
NASCON	15.94	16.77	13.00	20.76%	16.77	12.02	32.61%	16.77	10.42	68.50%	16.77	7.71	116.87%	16.77	6.65	87.53%	16.77	6.65	99.3%
UNIONICON	13.45	13.45	13.45	0.00%	13.45	13.45	0.00%	13.45	13.45	0.00%	14.15	13.45	-4.95%	15.67	13.45	-14.17%	16.49	13.45	-18.4%
CADBURY	10.55	10.65	10.00	0.48%	10.80	10	-4.00%	12.70	10.00	0.96%	15.67	9.30	13.44%	15.67	7.41	2.53%	15.67	7.41	-22.4%
NESTLE	1230.00	1230.00	1200.00	2.48%	1240.50	1200	0.81%	1240.50	1003.70	22.60%	1240.50	725.50	72.39%	1240.50	570.00	51.85%	1240.50	570.00	55.5%
VITAFOAM	2.70	2.83	2.70	0.00%	2.83	2.51	7.57%	2.93	2.51	-6.25%	3.00	2.00	35.00%	3.00	1.64	12.50%	3.00	1.64	9.8%
PZ	23.00	24.00	23.00	-4.17%	24.23	23	-11.54%	27.30	23.00	-1.29%	27.30	14.92	52.82%	27.30	11.04	58.62%	27.30	11.04	39.4%
UNILEVER	42.78	44.00	42.78	-2.77%	44.00	42.78	-1.90%	46.00	37.75	10.60%	46.00	31.81	20.51%	46.00	27.81	22.23%	50.01	27.81	-14.4%

	Current	Week-H	Week-L	WTD chg	Month-H	Month-L	MTD chg	3 Month-H	3Month-L	3MTD chg	6Month-H	6Month-L	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52 week chg
AGRICULTURE																			
OKOMUOIL	65.00	65.00	65.00	0.00%	66.37	63.21	2.83%	80.03	59.90	-12.65%	80.03	47.05	35.42%	80.03	40.17	61.81%	80.03	36.20	58.5%
PRESKO	66.50	66.50	65.00	-2.21%	68.00	59	12.71%	76.95	57.06	-9.15%	76.95	45.00	47.78%	76.95	40.10	65.84%	76.95	40.00	51.7%
LIVESTOCK	0.89	0.89	0.85	2.30%	0.92	0.83	5.95%	1.00	0.78	14.10%	1.10	0.68	43.55%	1.10	0.58	5.95%	1.10	0.58	11.3%
CONGLOMERATES																			
AGLEVENT	0.56	0.58	0.55	1.82%	0.62	0.55	-5.08%	0.72	0.55	-22.22%	0.90	0.55	-22.22%	0.96	0.55	-41.67%	0.96	0.55	-27.3%
JOHNHOLT	0.50	0.51	0.50	-1.96%	0.51	0.5	-1.96%	0.55	0.50	-9.09%	0.63	0.50	-20.63%	0.66	0.50	-24.24%	0.66	0.50	-24.2%
TRANSCORP	1.41	1.43	1.36	-4.08%	1.52	1.33	3.68%	1.52	1.16	-5.37%	1.86	0.87	62.07%	1.86	0.69	62.07%	1.86	0.67	41.0%
UACN	18.05	19.00	16.89	12.04%	19.00	15	20.33%	19.00	14.50	8.87%	19.00	13.75	28.93%	19.00	12.02	7.38%	19.55	12.02	-3.4%
CONSTRUCTION/REAL ESTATE																			
JBERGER	29.33	29.33	29.33	0.00%	29.33	29.33	0.00%	36.00	29.33	-18.53%	43.84	29.33	-30.08%	43.84	29.33	-23.98%	43.84	29.33	-22.8%
UAC-PROP	2.70	2.74	2.58	-1.46%	2.85	2.58	-0.74%	3.05	2.58	-1.82%	3.05	1.70	44.39%	3.15	1.63	3.05%	3.25	1.63	-16.9%
HEALTHCARE																			
EKOCORP	3.37	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.21	4.98%	3.37	3.21	4.98%	3.54	3.21	-4.8%
FIDSON	3.81	3.87	3.36	8.86%	3.87	3.34	8.24%	3.87	2.97	12.72%	3.87	1.05	262.86%	3.87	0.89	197.66%	3.87	0.89	200.0%
GLAXOSMITH	25.20	25.20	24.00	5.00%	25.20	21	14.55%	25.20	20.00	26.00%	25.20	14.09	77.46%	25.20	14.00	60.00%	25.20	13.54	68.9%
MAYBAKER	2.65	2.78	2.57	-5.36%	3.00	2.52	0.38%	3.22	2.52	-17.96%	5.52	0.85	211.76%	5.52	0.85	181.91%	5.52	0.84	223.2%
NEIMETH	0.65	0.65	0.65	0.00%	0.71	0.62	-4.41%	0.87	0.61	-18.75%	0.98	0.53	16.07%	0.98	0.53	-16.67%	0.98	0.53	-24.4%
PHARMDEKO	2.25	2.25	2.25	0.00%	2.25	2.25	0.00%	2.25	2.25	0.00%	2.25	1.99	13.07%	2.25	1.78	26.40%	2.25	1.62	38.9%
ICT																			
CWG	2.54	2.54	2.54	0.00%	2.54	2.54	0.00%	2.54	2.54	0.00%	2.54	2.54	0.00%	2.67	2.54	-4.87%	2.67	2.54	-4.9%
NCR	6.63	6.63	6.63	0.00%	6.63	6.63	0.00%	7.33	6.63	-9.55%	7.71	6.63	-14.01%	8.53	6.63	-22.27%	8.99	6.63	-26.3%
TRIPPLEG	1.06	1.06	1.06	0.00%	1.09	1.06	-2.75%	1.14	1.06	-7.02%	1.24	1.06	-14.52%	1.36	1.06	-22.06%	1.36	1.06	-22.1%
INDUSTRIAL GOODS																			
AFRPAINTS	2.35	2.35	2.35	0.00%	2.35	2.35	0.00%	2.35	2.35	0.00%	2.47	2.35	-4.86%	2.47	2.35	-4.86%	2.47	2.35	-4.9%
BERGER	7.00	7.20	7.00	-2.78%	7.20	7	0.00%	7.30	6.80	2.94%	7.40	5.88	9.72%	7.40	5.88	9.38%	7.40	5.88	1.6%
CAP	32.50	32.50	32.50	0.00%	32.50	32.5	0.00%	34.99	32.50	-7.12%	37.80	32.00	-1.52%	37.80	28.01	1.56%	37.80	28.01	-3.7%
CCNN	9.70	10.17	9.70	-4.62%	10.18	8.06	16.03%	10.84	8.06	5.21%	11.27	4.44	117.00%	11.27	4.13	94.00%	11.27	4.04	85.5%
DANGCEM	218.98	219.99	218.98	-0.46%	224.00	210	2.81%	242.00	204.52	-7.02%	245.00	159.00	37.72%	245.00	149.26	25.86%	245.00	149.26	25.1%
FIRSTALUM	0.52	0.52	0.50	4.00%	0.52	0.5	4.00%	0.66	0.50	-14.75%	0.66	0.50	4.00%	0.66	0.50	4.00%	0.66	0.50	4.0%
PAINTCOM	0.59	0.59	0.59	0.00%	0.65	0.59	-9.23%	0.65	0.59	-9.23%	0.65	0.59	-9.23%	0.65	0.59	-9.23%	0.84	0.59	-29.8%
PORTPAINT	2.10	2.10	2.10	0.00%	2.10	2.1	0.00%	2.10	2.10	0.00%	2.10	1.82	15.38%	2.10	1.71	16.67%	2.29	1.38	44.8%
WAPCO	52.00	52.00	50.54	-7.14%	57.31	50.54	2.60%	63.00	48.54	-14.40%	63.00	47.45	0.97%	63.00	34.50	26.98%	63.00	34.50	4.0%
CUTIX	2.02	2.35	2.02	-22.31%	2.60	2.02	-19.20%	2.73	2.01	-16.87%	2.73	1.70	18.82%	2.73	1.42	6.88%	2.73	1.42	6.9%
AVONCROWN	1.18	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	0.99	8.26%	1.18	0.99	3.51%	1.32	0.99	-10.6%
BETAGLAS	56.85	56.85	56.85	0.00%	56.85	56.85	0.00%	60.34	56.85	-5.78%	60.34	46.00	23.59%	60.34	29.00	87.50%	60.34	28.88	80.5%
VANLEER	9.09	9.09	9.09	0.00%	9.09	9.09	0.00%	9.09	9.09	0.00%	9.09	9.09	0.00%	9.69	9.09	-6.19%	9.69	9.09	-6.2%

OIL AND GAS	Current	Week-H	Week-L	WTD chg	Month-H	Month-L	MTD chg	3 Month-H	3Month-L	3MTD chg	6Month-H	6Month-L	6MTD chg	Year High	Year Low	YTD Chg	52wk Hi	52wk Lo	52 week chg
SEPLAT	490.00	490.00	480.00	2.08%	490.00	450	8.86%	490.50	450.00	0.41%	490.50	345.80	19.51%	490.50	345.80	28.95%	490.50	340.00	28.9%
OANDO	5.99	5.99	5.99	0.00%	6.05	5.73	1.01%	8.00	5.65	-23.21%	9.54	5.65	4.54%	9.54	4.30	27.45%	9.54	3.61	15.2%
CONOIL	28.00	28.00	28.00	0.00%	28.00	27.55	1.63%	36.40	27.55	-23.08%	44.56	27.55	-15.79%	44.56	27.55	-25.29%	44.56	27.55	-22.0%
ETERNA	3.60	3.60	3.32	3.45%	3.60	3.32	4.05%	3.80	3.30	-5.26%	4.09	3.03	18.03%	4.09	2.97	16.13%	4.09	2.81	28.1%
FO	38.29	44.65	38.29	-14.24%	50.00	38.29	-23.27%	61.70	38.29	-37.94%	64.30	38.29	-14.87%	84.22	38.29	-54.65%	129.10	38.29	-68.1%
MOBIL	155.60	157.85	155.60	-1.43%	170.00	155.6	-8.47%	253.00	155.60	-38.50%	340.00	155.60	-54.24%	360.00	155.60	-44.23%	360.00	155.60	-18.1%
MRS	27.46	27.46	27.46	0.00%	31.98	27.46	-14.13%	35.44	27.46	-22.52%	39.03	27.46	-29.64%	43.24	27.46	-36.49%	45.51	27.46	-31.4%
TOTAL	232.75	245.00	232.75	-5.00%	253.00	232.75	0.76%	270.00	216.80	-13.80%	282.55	216.80	-11.50%	305.00	216.80	-22.16%	345.00	216.80	-29.5%
BOCGAS	4.15	4.15	3.96	4.80%	4.15	3.78	9.79%	4.15	3.28	26.52%	4.15	2.99	17.90%	4.15	2.99	17.90%	4.15	2.99	17.9%
THOMASWY	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.50	0.50	0.00%	0.54	0.50	-7.41%	0.54	0.50	-7.41%	0.56	0.50	-10.7%
SERVICES																			
REDSTAREX	4.98	4.98	4.98	4.84%	5.46	4.75	4.84%	5.46	4.38	-0.40%	5.46	4.20	18.57%	5.46	4.20	13.18%	5.46	4.00	24.5%
TRANSEXPR	0.81	0.81	0.79	2.53%	0.81	0.76	6.58%	0.81	0.76	1.25%	0.95	0.75	-6.90%	1.00	0.75	-19.00%	1.12	0.75	-27.7%
CILEASING	1.82	1.84	1.71	4.00%	1.96	1.7	11.66%	1.96	0.75	163.77%	1.96	0.57	193.55%	1.96	0.50	264.00%	1.96	0.50	264.0%
CAPHOTEL	3.15	3.15	3.15	0.00%	3.15	3.15	0.00%	3.31	3.15	-4.83%	3.65	3.15	-13.70%	3.70	3.15	-10.00%	3.70	3.15	-10.0%
TOURIST	3.50	3.50	3.50	0.00%	3.50	3.5	0.00%	3.50	3.50	0.00%	3.65	3.50	-4.11%	3.68	3.50	-0.28%	3.68	3.50	-0.3%
LEARNAFRCA	0.84	0.84	0.79	6.33%	0.84	0.76	13.51%	0.85	0.74	-3.45%	0.95	0.74	2.44%	0.95	0.65	9.09%	0.95	0.65	31.3%
UPL	2.05	2.22	2.01	-7.66%	2.57	2.01	-20.23%	2.85	2.01	-29.31%	4.03	2.01	-49.13%	4.24	2.01	-51.65%	4.36	2.01	-55.2%
INTERLINK	3.80	3.80	3.80	0.00%	3.80	3.8	0.00%	3.80	3.80	0.00%	3.80	3.80	0.00%	3.80	3.80	0.00%	4.00	3.80	-5.0%
CAVERTON	1.26	1.26	1.20	5.00%	1.26	1.09	21.15%	1.26	1.00	9.57%	1.26	0.90	35.48%	1.26	0.69	40.00%	1.26	0.69	14.5%
AIRSERVICE	7.87	7.87	7.87	0.00%	7.87	7.16	9.92%	7.87	5.26	57.09%	7.87	4.07	88.73%	7.87	2.39	214.80%	7.87	2.20	257.7%
NAHCO	3.29	3.29	3.23	1.23%	3.60	3	6.13%	3.75	2.77	18.35%	3.75	2.46	34.84%	3.75	2.00	4.11%	3.75	2.00	21.9%

Rating Definition

Cordros Capital uses the following rating system:

BUY (OVERWEIGHT) - Over the next twelve months, we expect the stock to return at least 20% above the current market price.

HOLD (NEUTRAL) - Over the next twelve months, we expect the stock to range between <-10% and <+20% from the current market price.

SELL (UNDERWEIGHT) - Over the next twelve months, we expect the stock to be more than 10% below the current market price.

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