

Week beginning 12-Mar-18

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	SELL	11.58	13.00	-10.9%	2.3	4.9	0.4	0.7	-5.7%	6.0%	17.4%	5.4%
FBNH	SELL	7.38	11.55	-36.1%	7.0	7.7	0.2	0.7	11.6%	212.5%	3.0%	2.6%
GUARANTY	SELL	42.81	47.70	-10.3%	5.3	8.1	1.4	2.4	33.0%	25.5%	28.8%	4.4%
UBA	SELL	10.14	12.90	-21.4%	2.3	5.4	0.4	0.9	11.2%	19.6%	18.5%	6.2%
ZENITHBANK	HOLD	30.15	30.90	-2.4%	3.6	5.7	0.7	1.2	22.6%	30.6%	20.0%	6.6%
AVERAGE		20.41	23.21	-16.2%	4.1	6.4	0.6	1.2	14.6%	58.8%	17.5%	5.0%

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	9.52	19.20	-50.4%	0.4	2.1	9.0	5.0	10.8	4.2%	78.3%	0.0%
DANGCEM	SELL	221.34	265.00	-16.5%	5.2	12.5	11.5	15.3	17.4	4.4%	34.0%	4.3%
WAPCO	SELL	38.98	53.00	-26.5%	2.4	17.5	10.3	13.0	73.6	-45.1%	-77.1%	4.7%
AVERAGE		89.95	112.4	-31.1%	2.6	10.7	10.3	11.1	33.9	-12.2%	11.7%	3.0%

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	18.40	-50.1%	0.5	21.8	24.2	-65.2	6401.2	-125.7%	-101.8%	0.0%
DANGSUGAR	SELL	19.03	22.50	-15.4%	0.4	3.0	4.2	5.1	7.3	24.8%	158.3%	6.7%
FLOURMILL*	HOLD	38.89	37.65	3.3%	0.5	4.3	4.1	6.1	7.4	-45.5%	68.5%	5.6%
GUINNESS	SELL	68.59	99.50	-31.1%	1.6	10.3	10.0	129.8	55.7	-147.8%	179.3%	1.8%
NB	SELL	109.75	129.50	-15.3%	3.8	14.3	11.3	35.8	24.1	-13.9%	29.8%	4.1%
NESTLE	SELL	851.92	1,381.00	-38.9%	3.5	14.5	17.8	81.0	32.5	-66.6%	325.5%	3.1%
PZ	SELL	15.19	23.00	-34.0%	0.9	10.9	10.6	29.0	33.3	0.0%	38.0%	3.0%
UNILEVER	SELL	21.70	62.20	-65.1%	2.0	16.9	17.0	43.1	36.6	157.6%	109.4%	0.5%
AVERAGE		140.73	221.72	-30.8%	1.7	12.0	12.4	33.1	824.7	-27.1%	100.9%	3.1%

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 by 18.71% last week to N18.40. CADBURY trades at a significant forward PE above its 5-year historical average of 24.9x.
- CADBURY published Q3-17 result, 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) – SELL

- The shares of DANGSUGAR rose by 5.14% to N22.50. DANGSUGAR trades at forward PE of 7.3x, lower than 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.
- Despite cuts to sales estimates, we raise DANGSUGAR's 2017F EBITDA and net profit by 50% each, and for 2018-2019F by 55% and 56% respectively. The upward revision follows better margin outlook on declining per tonne production cost, which we expect will offset price cuts. Our revised estimates translate to EBITDA and net profit growth of 158% (+131% in 9M-17) and 155% (+162% in 9M-17) respectively in 2017F, and 3% and 5% average growth in 2018-2019F.
- We cut revenue estimates for 2017-2019F by 10% average, on downwardly revised volume (for 2017F only) and selling price estimates Sales volume (-17% in 9M-17) has been hit by weakened demand, and more recently, by both the influx of smuggled sugar and the terrible condition of the road to the Apapa factory. While retaining average growth of 10% in freight income, net impact is for 2% growth in gross revenue over our forecast period.
- We raise gross margin estimate for 2017F by 983 bps to 27%, following the significant formation over 9M-17 (+895 bps vs. 9M-16), particularly the last two quarters (33% average) and also raise estimates for 2018-2019F by about 1,000 bps average, on the assumption that the expected cut in selling price will trail decline in per tonne production cost. Upside risks to our per tonne production estimate (down consistently q/q to -34% between Q3-17 and Q4-16) include (1) better energy efficiency and stronger exchange rate, (2) stable outlook of global raw sugar prices, and (3) positive mix from growing contribution of higher margin Savannah. Downside risks to our margin estimate include (1) deeper-than-expected cut in selling price and (2) an upturn in global prices of raw sugar (sugar prices for 2019 delivery are higher by 4% for November contracts).
- On net, we raise TP for the stock by 39% to NGN19.03/share, representing 15.42% downside from current level.

FLOUR MILLS OF NIGERIA PLC – HOLD

- The shares of FLOURMILL rose further by 12.05% to N37.65 . FLOURMILL trades at 2018 PE of 7.4x, below its 5-year average of 19x.
- FLOURMILL published Q3-17/18 result showing high double-digit y/y growth (320% y/y) in post-tax profit to NGN3.6 billion. Revenue was lower by 4% y/y and 13.6% q/q, as pricing effect has fully tapered, and reflects the impact of seasonality, recovering competition, pricing pressure in the Agro-allied division (sugar and fertilizer), and the gridlock in Apapa factory road.
- Gross margin surprised to record high (since Q4-13/14), while opex, though higher by 17% y/y, trailed our estimate by 19%.The first y/y expansion of gross margin in the current year may have been underpinned by stable FX condition, broadly softer commodities prices, and better energy mix from improved gas availability.
- Operating expenses increased by 16.8% y/y and 7.3% q/q, with the margins also rising by 87 bps and 94 bps respectively.
- Finance costs were higher by 31% y/y and 21% q/q. The higher-than-expected finance costs reflect the NGN12.6 billion q/q increase in gross debt to NGN200.81 billion, representing net inflow from the commercial papers issued in December.
- Overall, whilst noting concern from the still-elevated finance costs, FLOURMILL's result is impressive, in light of the higher and lower than expected gross margin and opex, respectively. We expect further upward revision to 2018F earnings estimates on higher annualized net profit of N16 billion, compared to consensus' N13.9 billion. Our estimates are under review.

GUINNESS NIGERIA PLC – SELL

- The shares of GUINNESS dropped by 0.20% to N99.50. GUINNESS trades at 2018 PE of 55.7x, above its 5-year average of 27.7x.
- Sales revenue grew 19% in H1, representing 25% pricing and 75% volume. We estimate that volume grew 17% during the period. The 23% sales growth achieved in 2017FY was 33% and 67% price and volume related, respectively. We expect revenue growth to moderate to 11% in H2, as the contribution of pricing tapers.
- Although H1 gross margin of 34% was higher relative to the last financial year, we are unimpressed by the declining trend we have been seeing since Q3-16/17. Management is of the view that achieving gross margin of 40% (which is below the group's 44% historical average) will be challenging going forward, and pointed to inflationary uncertainty and pricing difficulty. Management expects "competitive margins" (with no specific guidance) will return in the next three to five years period.
- Gross debt has reduced to NGN12.5 billion from end-2017FY NGN42 billion, following the completion of the rights issue (RI). Trade payables also reduced visibly, using proceeds from the RI, and supported by significantly improved domestic FX liquidity condition. But about USD22 million of Diageo loan is retained and somewhat exposes the P&L to FX volatility risks.
- Broadly, we see the repayment of debt (1) impact on earnings through sizeable reduction of interest expenses (we estimate will contribute up to 36% and 59% to 2018F and 2019F earnings respectively and (2) free up cash for the group to pursue innovation.
- At our revised TP of NGN68.59 (31.20% downside), we find the shares of GUINNESS expensive. Though at H1 run rate, the 2018 results show significant performance improvement compared with the last three years, they have thus far lagged broad expectations.

NIGERIAN BREWERIES PLC – HOLD

- The shares of NB fell by 1.15% last week to N129.50. NB trades at forward PE of 24.1x, below its 5-year average of 31.5x.
- NB published its results for the period and year ended 31 December 2017. For the year end, net sales and earnings grew 9.8% and 16.3% respectively. Q4-17 net sales declined 1% y/y while net earnings grew by 9% (but 24% behind our estimate for the period).

- Despite the miss in Q4 (6% below our estimate), we raise sales revenue growth estimate for 2018F by 200 bps to 7%, taking into consideration potential price hike in the wake of the recently proposed excise tariff increase. Whilst the economy (new mainstream) segment is expected to continue to underpin group volume, management however did acknowledge signs of moderating consumer down-trading, specifically confirmed by Heineken's (an international premium brand) return to growth.
- Management does not anticipate FX-related losses in 2018F (-33% in 2017FY to NGN5 billion), given the sizeable clearance of USD-denominated trade payables in 2017, and the expectation of continued healthy FX liquidity.
- NB has issued NGN57 billion out of its NGN100 billion commercial paper program. Gross debt was NGN8.5 billion as at December 31, and while we expect new CP issuances in the year, we have modeled interest expenses to halve in 2018F, on expected reduced working capital pressure and lower interest rates.
- Following the result, we cut 2018-2019F EBITDA and net profit forecasts by 3% each, reflecting mainly the downward revision of gross margin estimates. We also cut TP to NGN109.75 (previously NGN123.16) and maintain SELL rating.

NESTLE NIGERIA PLC – SELL

- The shares of NESTLE was lower by 1.36% to N1,381.00. NESTLE trades at 12-M PE of 32.5, below its 5-year average of 43x.
- NESTLE's reported revenue of NGN244.2 billion in 2017FY was 34% higher vs. 2016FY, but slightly below consensus NGN245.9 billion. Also during the period, EBITDA and net profit grew by 41% and 326% respectively compared to 2016Y.
- We revise our 2018E net profit estimate 5% higher to NGN49.3 billion, equating to NGN62 dividend per share. We note the stimulus to 2018E earnings coming majorly from significantly lower finance charges and lower opex-to-sales ratio.
- NESTLE reported q/q sales revenue contraction in the seasonally-supportive Q4-17, which in our view, suggests that volume came under pressure during the period. Consequently, whilst we retain our 10% growth estimate for 2018E, we now forecast revenue of NGN268.6 billion (vs. NGN279 billion previously) for the year.
- We retain our gross margin estimate of 42% (vs. 41% in 2017FY) for 2018E. While noting the weakness experienced in Q4-17 as dampening margin growth outlook, we have based our benign growth estimate on moderating commodities price inflation and stable naira exchange rate outlook.
- We estimate finance charge to reduce by more than 14x in 2018E on less geared balance sheet and stable naira outlook. NGN42.7 billion worth of loans was repaid in 2017FY, thus reducing gross debt to NGN24.2 billion (from NGN50.7 billion in 2016FY), split into 74% dollar and 26% naira (vs. 92%:8% in 2016FY).
- At our revised TP of NGN851.92 (previously NGN843.54), we maintain SELL rating on NESTLE's stock .

PZ CUSSONS NIGERIA PLC – SELL

- The shares of PZ depreciated by 1.29% to N23.00. PZ trades at 2018 PE of 33.3x, below its 5-year average of 37.3x.
- We update on PZ following recent meeting with management. Feedback is that the operating environment has been more challenging than expected since December, and could impact the group's performance in the traditionally strong second half, and indeed, 2018F.
- In management's view, sales are pressured by local competition – through imports – which has been strengthened by the improved dollar liquidity levels. And cross border trade, with Sudanese customers specifically, has been affected by some sort of currency devaluation in that market.
- Sales growth in H1 was strong (23%), and despite revising forecasts for H2 lower, we have a 2018F growth estimate of 14.7%. Part of measures management is implementing to

support sales in the immediate include sizeable discounting, improved (but on very selective basis) credit conditions, and better distribution. New product launches are planned in the Electrical division.

- Gross and EBIT margins in Q2 were consistent with our expectations; hence, we make no changes to our H2 estimates. Both stable FX outlook and moderating inflation should be supportive of margins. Management mentioned the merger of sales force across the group and the implementation of SAP as recently supportive of efficiency gains. That said, management is of the view that margin growth is constrained by the dominance of low margin products in the sales portfolio. We also note the risk to margin from possible price cut in 2019F, as competitive pressure intensifies. What is optimal for the group, in our view, is to rationalize its sizeable low margin and slow moving SKUs, and focus its resources to promoting and marketing the relatively better margin SKUs.
- Interest expense in H1 (NGN544.8 million vs. NGN290.5 million in 2017FY) significantly tracked ahead of our estimate on expensively sourced working capital. However, management has guided to reduced pressure going forward, on raw materials destocking (Talo) and improved FX funding arrangements.
- We cut 2018F net profit estimate by 3% to NGN3.43 billion and maintain SELL rating at NGN15.19TP.

UNILEVER NIGERIA PLC – SELL

- The shares of UNILEVER closed higher by 20.66% to N62.20. UNILEVER trades at forward PE of 36.6x, 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.
- Following UNILEVER's 9M-17 results, we raise 2017F sales estimate by 1.4%, but cut EBITDA and net profit estimates by 1.2% and 9% respectively, on the back of lower other income and higher opex and finance costs. While also lowering our 2018-2019F EBITDA estimate by 0.6% average, we raise net profit estimates by 17% and 15% respectively in 2018F and 2019F, reflecting majorly, our expectation of significant moderation of finance costs over the periods.
- We reiterate that volume will be crucial to sales growth going forward, and look for better efficiency in promotional activities/RTM initiatives as well as new products launches, especially amidst stronger outlook for competition. In the H1 earnings call, the management hinted on ongoing innovations in the HPC product segment, some of which will be launched in 2018.
- The slight reduction of our EBITDA estimates is on the back of (1) increase in operating expenses forecasts – +39% y/y and +20% q/q was recording in Q3-17 following 8% contraction in H1 – reflecting pressure on marketing and distribution spend, on expected resurgence of competition and (2) the reduction of other income estimate, also evident in 9M-17's -100%. Our revised EBITDA forecasts imply that UNILEVER will achieve an EBITDA margin of 15.8% in 2017F (previously 16.2%), and modest increase to 16% average in 2018-2019F (previously 16.3%) amidst possible pricing pressure.
- We raise estimate for finance costs by 40% in 2017F, evident in the sharp spike experienced in Q2 and Q3-17 following the drawdown of expensive short term loans. Our cut to the 2018F and 2019F estimates however reflects the sizeable reduction of short term borrowings (63% YtD by end-September 2017) following the completion of the Rights Issue (programme of NGN58.9 billion). Management said it is targeting a debt-free balance sheet by the end of the RI, suggesting finance costs could be lower than we estimated.
- Net impact of the above changes is for EBITDA and net profit growth of 79% (previously 81%) and 122% (previously 144%) in 2017F, and 8% and 36% growth in 2018F, respectively.
- That said, we cut our TP for the stock by 40% to NGN21.70. The drivers of our TP are increases in (1) shares outstanding by 52%, following the recent listing of additional 1.96 billion shares and (2) cost of capital (WACC) by 158 bps, on the significant deleveraging of the balance sheet.

DANGOTE CEMENT PLC – SELL

- The shares of DANGCEM was flat at N265.00. DANGCEM trades at forward PE of 17.4x, higher than its 5-year average of 15.8x.

- 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.
- Following Q3-17 results, we revise both DANGCEM's 2017 and 2018-2019 EPS slightly downward by 1% and 0.5% respectively relative to previous estimates. While we look for continued strong margins on stable Nigerian prices and energy efficiency (including the eventual resolution of power challenges in Tanzania).
- We cut group sales volume forecast for 2017 by 2%, and over 2018-2019 by 1.7% average, primarily on the back of expected lower output in Nigeria. Amidst continued high selling prices, we believe the recovery of private sector cement consumption will be very modest. And we are in a wait-and-see mode on public sector demand which has failed to make an impact in two years of Nigeria's huge infrastructure budget. Specifically for DANGCEM, we are mindful of the impact of competition, (1) upon delivery of the speculated BUA's 1.5Mts capacity in Sokoto next year and (2) with LAFARGE likely to experience less production challenges.
- We left volume forecast for Rest of Africa (RoA) unchanged, having previously factored Congo into our model. Broadly in this segment, selling prices (+19% q/q in Q3-17) have also been increasing (both directly and through reduced discounts, as confirmed by management) and utilization rate is above 70% in more than half of the markets. Overall, we forecast Group sales volume will decline 5.2% in 2017 and grow by 7% average over 2018-2019. Over the latter period, we forecast volume will grow in mid single-digits of 8% and 5% respectively in Nigeria and RoA.
- On net, we forecast net profit of N258.8 billion in 2017F (previously NGN261.4 billion), and NGN281.3 billion and NGN311.11 billion in 2018 and 2019 respectively (previously NGN283.4 billion and NGN312 billion). On net, we reduce TP for the stock by 1.3% to NGN215.56/share. Over the medium term, we continue to see value in DANGCEM.

LAFARGE AFRICA PLC – SELL

- The shares of LAFARGE was higher by 3.92% to N53.00. LAFARGE trades at forward PE of 73.6x above its 5-year average of 11.8x.
- LAFARGE released Q3-17 result, 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).
- We revise forecasts for LAFARGE following 9M-2017 results, and adjust our TP for the stock for the Rights Issue (RI). We cut net profit forecasts by 85% for 2017F and by 3% average for 2018-2019F, increase shares outstanding (NOSH) by 57% to 8.6 billion, and roll-forward valuation to 2018F. The broad industry challenge aside, LAFARGE's sales volume, among our universe, lags expectation the most. Margin recovery outlook is relatively less assuring. And there is an underlying FX risk on the outstanding sizeable quasi-equity USD borrowings (USD286 million). On the positive, proceeds of the RI will partly address the Group's debt overhang condition and allow management focus on profitable operations.
- Following Q3-17 result, we raise 2017F volume forecast slightly to 6.2Mts (previously 6.1Mts), representing 18.6% contraction (previously 19.3%), on better-than-expected Nigerian volume (precisely Mfamosing). For 2018 and 2019 however, we revise volume forecast lower to 6.7Mts (previously 7.2Mts) and 6.9Mts (previously 7.6Mts), after cutting expected utilization rates for the West (2,000bps) and North (500 bps) of Nigerian operations. Volume forecast for the South African operation, struggling with high competition and weak infrastructure spending, is unchanged. We retained estimated end-2017 selling price of NGN32,340/bag for the Group (Nigeria: NGN44,800/bag) for 2018F.
- LAFARGE's unsteady gross margin between Q4-16 and 9M-17 (compared to DANGCEM's) does not make for strong reliance on management's claims of strong contribution from coal, pet-coke, and alternative fuels in cement production. Overall, we cut 2017F EBITDA forecast by 25% and 2018-2019F by 7% on higher OPEX and lower gross margin than previous estimates. Our revised EBITDA forecasts imply EBITDA margin of 18% in 2017F and 23% in 2018F and 2019F.

- The slight cut to 2018-2019 net profit forecast, notwithstanding the above revisions, reflects the potential gain from the part refinancing of debts using RI proceeds. From 9M-17's NGN267.4 billion, we estimate gross debt will reduce to NGN135.7 billion in 2018F, and consequently reduce finance costs to NGN16.1 billion, from our previous estimate of NGN 23.1 billion, and NGN24.4 billion potentially in 2017F.
- On net, we reduce TP for the stock by 55% to NGN38.98/share (NGN80.04/share on the old NOSH).

CEMENT COMPANY OF NORTHERN NIGERIA PLC – SELL

- The shares of CCNN closed lower by 3.27% to N19.20. CCNN trades at forward PE of 10.8x, above 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.
- We revise forecasts for CCNN following impressive 9M-17 results, and roll forward estimates and valuation to 2018. The revision to our estimates was driven by improved EBITDA and EBITDA margin (+113% and +774 bps respectively in 9M-17) on (1) higher realized sales volume and stronger selling price and (2) improved energy cost (-10% YtD and -35% q/q cost/tonne in Q3). On net, we raise our EBITDA and net profit forecasts by 33% and 38% respectively for 2017F, and by 14% and 16% average respectively for 2018-2019F.
- We increase sales volume and price forecasts for 2017 by 6% and 9% respectively, equating to -16% (previously -20%) and +58% (previously 44%) from 2016. Following the contraction in 2017, we forecast sales volume will grow by 2% in 2018 and flattish in 2019 on estimated 85% plant utilization rate.
- Compared to Q2-17, we estimate that CCNN achieved 35% decline in per tonne energy cost in Q3-17. Outlook for the price of CCNN's type of energy is positive, on significantly reduced demand from the bigger consumers in the cement industry and positive feed-through from stronger one-year naira outlook. Downside risk, however, is the potential increase in the unregulated LPFO price, on rising crude oil price; hence, our EBITDA margin estimates of 23% average for 2018-2019F (albeit above 5-year average of 17%), vs. 27% for 2017F (on the backdrop of the 33% margin achieved in Q3).
- Media reports have recently quoted top management member of CCNN reiterating progress on expansion work (additional 1.5Mts/year to increase capacity to 2Mts/year) in Sokoto and guiding to delivery in 2018. While noting the significance of the delivery of additional volume on EBITDA formation going forward, we are still reluctant to factor the expansion into our model, given that the company's recent financials (balance sheet and cash flow statements) are yet to capture the movement of capital to support management's claim. On net, we raise our TP for the stock by 28% to NGN9.52/share.

ACCESS BANK PLC – SELL

- The shares of ACCESS fell by 2.26% last week to N13.30. ACCESS trades at forward PE of 4.9x, 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.
- 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%.
- We update our model with a cut in gross earnings growth forecast to 27.68% (previously 28.26%) for 2017F to N486.88 billion, on expected lower growth in interest income and NIR.
- We also revise cost of funds and opex estimates higher, but lower cost of risks. On net, we now forecast PBT and PAT growth of 7.00% and 7.50% (previously 22.57% and 23.59% respectively) to N96.66 and N76.80 billion respectively. As a result, our 2017F EPS of N2.65 is now 12.96% lower than the previous estimate.

- In line with the persisting high yields on interest earning assets over 9M-17 (+190 bps y/y to 12.90%), we maintained 2017F assets yield estimate of 12.60%. However, we lowered interest earning assets portfolio by 0.31%, resulting in interest income growth of 36.44% y/y (previously 36.71%) to N337.41 billion. We believe the high interest rates environment will keep yields on fixed income securities at current levels and drive interest income over Q4. On the other hand, we have lowered NIR growth to 11.62% (previously 13.40%), reflecting the loss on net trading income in Q3.
- Similarly, we believe the high interest rate environment will impact funding cost (rose 180 bps y/y to 5.8% in 9M-17). As a result, we raised our 2017F cost of fund estimate by 16 bps to 5.74% (previously 5.58%), resulting in 53.47% growth in interest expense to N165.96 billion. Overall, we look for 12 bps y/y decline in net-interest margin to 6.12%, on faster increase in interest expense over interest income.
- Over 9M-17, NPL ratio rose 41 bps y/y to 2.51% (3 bps above the 2.48% in H1-17). We have raised our forecast NPL to 2.55% (previously 2.20%) following the shrinking loan book, but lowered cost of risk estimate to 1.12% (previously 1.32%), resulting in a 3.85% y/y decline in loan loss charges to N21.12billion in FY-17. While we expect opex to moderate in Q4, we raise estimate for 2017F (26.41% growth, vs. 20.05% previously) to N202.65 billion following the sizeable increase over 9M-17 (34.49%).
- Our current 12-month TP implies downside potential of 10.92% from current level.

FBN HOLDINGS PLC – SELL

- The shares of FBNH appreciated by 1.32% last week to N11.73. FBNH trades at forward PE of 7.7x, 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).
- 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%).
- While the performance over 9M-17 is broadly in line with our estimate, we have now revised estimate for Q4 and FY-2017 upward to reflect the relative consistency over the first three quarters of 2017, compared with same periods in 2016. We revise gross earnings growth forecast slightly higher to 0.81% (previously -4.63%) in 2017F to N586.54 billion, on expected higher growth in interest income and a lower contraction in NIR. While we maintained our 2017F costs or risk estimate, we have lowered net loan growth estimate by 8.76%. As a result, we now forecast PBT and PAT growth of 107.87% and 214.18% (previously 51.78% and 51.74%) to N65.92 billion and N53.85 billion respectively. As a result, our 2017F EPS of N1.50 is now 107.06% higher than the previous estimate of N0.72.
- We revise asset yield estimate for 2017F higher to 12.45% (previously 11.65%), on expected continued elevated yields on interest earning assets over Q4 (expanded 210 bps y/y to 12.28% in 9M-17). Overall, we look for interest income growth of 17.88% (previously 12.38%) to N477.76 billion. On NIR, we believe the growth in net insurance revenue, dividend income, and other operating income will persist for the rest of the year. However, we expect a significant contraction in foreign exchange – reflecting the limited legroom for revaluation gains in 2017 with the relative stability of the NGN –, as such, we have lowered the expected contraction in NIR to 45.41% (previously 51.63%).
- We have revised our 2017F cost of funds estimate higher by 16 bps to 3.85% (+62 bps y/y), translating to 31.54% growth in interest expense to N132.64 billion. However, with the upward review of the high yields on interest earning assets, we believe the impact of the expansion in cost of funds will be muted, thus, we estimate net interest margin to decline 13 bps to 8.72% (previously 8.49%).
- Over 9M-17, asset quality deterioration persisted, albeit with some respite as NPL ratio moderated 190 bps to 20.10% compared to H1-17. Following the moderation in NPL and the 90.08% y/y growth in net recoveries from loans previously written off (with an additional recovery of N1.32 billion over Q3), we have revised our forecast NPL to 19.55% (previously 21.65%), but maintain our 6.65% estimate - translating to additional provisioning of N45.85 billion for Q4 and total credit loss provision of N143.47 billion for 2017F.
- Our current 12-month TP implies downside potential of 36.10% from current level.

GUARANTY TRUST BANK PLC – SELL

- The shares of GUARANTY closed lower by 1.65% to N47.70. GUARANTY trades at forward PE of 8.1x, 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.
- We have cut our gross earnings growth forecast to 3.40% for 2017F to N428.70 billion, on expected deeper contraction in NIR. That said, following a downward revision of costs of risk and opex, amid upward adjustment to cost of funds, we now forecast PBT and PAT growth of 24.31% and 30.39% to NGN205.28 and NGN172.49 billion respectively. As a result, our 2017F EPS of N5.86 is now 1.75% higher than the previous estimate.
- Reflecting the lower than expected FX revaluation gains which drove a steep contraction in NIR, we have raised our expected contraction in NIR by 38.72% and estimate NIR contribution to gross earnings to drop to 21.25% in 2017F. We maintained our 2017F asset yields estimate of 13.60%, however, following a 2.84% cut back in our forecast average interest earning assets, we now expect interest income to grow by of 27.62% y/y to NGN334.99 billion – reflecting the persisting high yields on interest earning assets.
- We raised our cost of fund estimate by 15 bps to 3.30% for 2017F (34 bps y/y uptick from 2.81% in FY-16), resulting in 19.13% y/y (previously 19.77%) growth in interest expense to N79.93 billion, reflecting the relatively tight domestic system liquidity – which has driven upward repricing of deposits – as well as the impact of the US Feds rate hike. However, we expect the impact of the higher funding cost will be marginal on net interest margin, wherein we forecast a 134 bps y/y expansion to 10.35% (previously 10.43%).
- 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. Hence, we lowered forecast cost of risk to 1.15% (previously 2.15%), translating to a 73.19% y/y decline in impairment charge to NGN17.50 billion in 2017F.
- We raised our target price marginally by 86 bps to N42.81 (previous: N42.45) and rolled forward our valuation to 2018. Our current 12-month TP implies downside potential of 10.25% from current level.

UNITED BANK FOR AFRICA PLC – SELL

- The shares of UBA rose by 1.18% to N12.90. UBA trades at forward PE of 5.4x, 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 downside potential of 21.40% from current level.

ZENITH BANK PLC – HOLD

- The shares of ZENITH depreciated by 2.43% to N30.90. ZENITH trades at forward PE of 5.4x, 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.
- We have cut our gross earnings growth forecast to 35.21% (previously 39.97%) for 2017F to N686.40 billion, on expected lower growth in interest income. That said, following a downward revision of cost of funds and cost of risks, and the expectation of lower opex, we now forecast PBT and PAT growth of 28.39% and 30.36% (previously 9.61% and 8.28% respectively) to N201.85 and N169.01 billion respectively. As a result, our 2017F EPS of N5.38 is now 20.43% higher than the previous estimate.
- While we maintain 12.98% (119 bps expansion from 11.79% in FY-16) estimated assets yield, we now expect loan growth to contract 7.09% y/y (previously estimated to grow by 9.41%) in 2017F, equating to 25.42% y/y (previously 36.38% y/y) growth in interest income. On the other hand, we have raised NIR growth to 65.73% (previously 51.16%), buoyed by strong trading income and revaluation gains.
- On funding cost, we have revised our 2017F cost of funds lower by 55 bps to 4.85% (+70 bps y/y) translating to 47.44% growth in interest expense to N212.88 billion. Our forecast y/y growth in interest expense reflects the impact of the elevated domestic interest rate environment and the high refinancing costs of maturing FCY obligations via the recently issued Eurobond (at a coupon rate of 7.375%, a 113 bps premium over the first tranche) and borrowings secured during the year. Overall, we look for 9 bps decline in net-interest margin to 7.46%, on faster increase in interest expense over interest income.
- Over 9M-17, asset quality deterioration persisted, with NPL ratio rising 200 bps to 4.20% (albeit below the 4.30% in H1-17). While we acknowledge the restructuring (with oil & gas accounting for a larger proportion) and declassification of some power exposures, however, following the classification of some transportation and general commerce exposures as NPL, we maintain our 2017F NPL estimate of 4.50% and cost of risks of 2.02% (previously 2.68%) – translating to a credit loss provision of N53.56 billion in 2017F.
- Hence, we revise our target price on the stock higher to N30.15 (Previous: N27.18), translating to 2.43% downside from current level.

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	13.00	13.45	12.85	-2.26%	13.45	12.85	0.00%	13.45	10.00	33.20%	13.45	9.50	35.42%	13.45	10.45	24.40%	13.45	5.93	93.2%
DIAMONDBNK	2.26	2.28	2.20	0.89%	2.35	2.2	-3.83%	3.57	1.37	94.83%	3.57	1.00	89.92%	3.57	1.57	50.67%	3.57	0.78	175.6%
ETI	19.80	19.80	19.80	0.51%	19.80	19.7	-2.70%	20.35	16.27	20.00%	20.35	16.27	10.00%	20.35	16.27	16.47%	20.35	7.10	100.0%
FIDELITYBK	2.98	3.04	2.94	6.43%	3.04	2.8	-0.33%	3.99	2.06	86.25%	3.99	1.29	120.74%	3.99	2.58	21.14%	3.99	0.77	263.4%
GUARANTY	47.70	49.35	47.60	-1.65%	49.35	47.6	-2.65%	54.71	39.80	13.41%	54.71	37.00	23.77%	54.71	40.55	17.06%	54.71	24.17	92.3%
SKYEBANK	0.93	0.98	0.93	-4.12%	0.98	0.93	-4.12%	1.55	0.50	86.00%	1.55	0.50	55.00%	1.55	0.52	86.00%	1.55	0.50	86.0%
STERLNBANK	1.80	1.97	1.80	-6.25%	1.97	1.8	-0.55%	2.42	0.99	80.00%	2.42	0.95	76.47%	2.42	1.13	66.67%	2.42	0.67	146.6%
UBA	12.90	12.90	12.60	1.18%	12.90	12.6	1.57%	13.00	9.81	32.31%	13.00	8.46	46.26%	13.00	10.41	25.24%	13.00	5.01	157.5%
UBN	7.10	7.35	7.05	0.71%	7.35	6.75	9.23%	8.78	6.22	14.70%	8.78	5.67	16.39%	8.78	6.50	-8.97%	8.78	4.67	44.9%
UNITYBK	1.72	1.84	1.67	-2.82%	1.84	1.67	-3.37%	1.92	0.50	237.25%	1.92	0.50	207.14%	1.92	0.55	224.53%	1.92	0.50	135.6%
WEMABANK	1.00	1.00	0.95	-3.85%	1.04	0.95	1.01%	1.50	0.50	100.00%	1.50	0.50	100.00%	1.50	0.50	92.31%	1.50	0.50	100.0%
ZENITHBANK	30.90	31.25	30.90	-2.06%	31.55	30.9	-3.13%	33.51	24.85	25.87%	33.51	22.00	30.11%	33.51	25.93	20.51%	33.51	13.30	115.3%
FBNH	11.55	11.85	11.25	1.32%	11.85	11.2	0.00%	14.75	7.32	67.39%	14.75	5.14	100.52%	14.75	8.79	31.25%	14.75	2.96	266.7%
FCMB	2.59	2.59	2.50	1.97%	2.59	2.5	2.37%	3.61	1.13	129.20%	3.61	1.02	144.34%	3.61	1.58	75.00%	3.61	0.93	115.8%
STANBIC	48.50	49.35	47.00	3.19%	49.35	47	2.11%	49.35	40.90	15.48%	49.35	39.20	21.55%	49.35	40.90	16.87%	49.35	17.70	169.7%
AIICO	0.69	0.72	0.69	-5.48%	0.73	0.69	-8.00%	0.88	0.51	27.78%	0.88	0.51	21.05%	0.88	0.53	32.69%	0.88	0.51	15.0%
CONTINSURE	1.71	1.75	1.71	3.64%	1.75	1.65	8.23%	1.75	1.33	23.91%	1.75	1.31	17.93%	1.75	1.40	22.14%	1.75	1.06	69.3%
CUSTODYINS	3.93	3.93	3.93	0.00%	3.93	3.93	0.00%	3.93	3.75	3.15%	4.00	3.46	9.17%	3.93	3.93	0.00%	4.00	3.00	20.9%
MANSARD	2.63	2.75	2.63	-4.36%	2.75	2.63	-4.36%	2.94	1.93	30.20%	2.94	1.90	34.87%	2.94	2.02	36.27%	2.94	1.48	65.4%
NEM	2.42	2.52	2.36	7.56%	2.52	2.15	15.24%	2.52	1.39	74.10%	2.52	1.00	139.60%	2.52	1.53	45.78%	2.52	0.79	191.6%
WAPIC	0.60	0.64	0.58	-7.69%	0.65	0.58	-7.69%	0.75	0.50	15.38%	0.75	0.50	20.00%	0.75	0.50	20.00%	0.75	0.50	20.0%
NPFMCRFBK	1.85	1.89	1.85	-0.54%	1.89	1.85	-0.54%	1.98	1.25	42.31%	1.98	1.10	65.18%	1.98	1.25	48.00%	1.98	1.10	58.1%
INFINITY	1.44	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.44	1.44	0.00%	1.47	1.44	-2.0%
AFRIPRUD	5.00	5.00	4.85	2.67%	5.00	4.85	5.49%	5.20	3.91	32.63%	5.20	3.19	56.74%	5.20	4.25	18.48%	5.20	2.27	85.2%
UCAP	3.79	4.18	3.79	-9.33%	4.18	3.79	-6.19%	4.41	3.43	18.44%	4.41	2.88	28.47%	4.41	3.70	7.37%	4.41	2.41	33.0%
CONSUMER GOODS																			
CHAMPION	2.85	2.85	2.80	0.71%	2.85	2.8	0.71%	3.22	2.00	32.56%	3.22	1.98	15.38%	3.22	2.08	37.02%	3.44	1.98	21.3%
GUINNESS	99.50	99.50	98.00	-0.20%	104.90	98	-5.15%	120.25	92.64	-1.49%	120.25	92.64	3.29%	120.25	94.00	5.85%	120.25	60.00	56.7%
INTBREW	57.10	57.10	57.00	0.18%	57.65	57	0.18%	64.00	51.80	10.23%	64.00	35.57	60.53%	64.00	54.99	4.77%	64.00	15.00	263.7%
NB	129.50	130.00	125.60	-1.15%	131.00	125.6	-4.71%	152.68	122.90	-0.38%	184.50	122.90	-29.62%	152.68	122.90	-4.00%	193.00	120.11	0.5%
DANGSUGAR	22.50	22.50	21.45	5.14%	22.50	21.4	4.41%	22.50	18.20	45.91%	22.50	13.47	66.67%	22.50	19.98	12.50%	22.50	5.73	289.9%
FLOURMILL	37.65	37.65	33.05	12.05%	37.65	33	14.09%	37.65	28.36	19.52%	37.65	26.50	25.50%	37.65	29.00	29.83%	37.65	17.20	118.8%
HONYFLOUR	2.65	2.78	2.65	-2.21%	2.78	2.65	-5.36%	3.52	2.05	32.50%	3.52	1.85	29.27%	3.52	2.20	26.19%	3.52	0.92	165.0%
NASCON	23.90	24.75	23.80	0.42%	24.75	22.95	8.64%	24.75	15.74	50.41%	24.75	12.02	83.85%	24.75	19.00	29.19%	24.75	6.65	241.4%
UNIONDICON	13.45	13.45	13.45	0.00%	13.45	13.45	0.00%	13.45	13.45	0.00%	13.45	13.45	0.00%	13.45	13.45	0.00%	14.89	13.45	-9.7%
CADBURY	18.40	18.40	15.60	18.71%	18.40	15.5	16.09%	18.40	13.00	61.40%	18.40	10.00	68.81%	18.40	14.80	17.42%	18.40	7.41	135.9%
NESTLE	1381.00	1400.00	1375.00	-1.36%	1442.00	1375	-4.23%	1555.99	1320.00	6.23%	1555.99	1150.20	13.20%	1555.99	1320.00	-11.25%	1555.99	691.00	119.8%
VITAFoAM	2.96	2.99	2.82	3.86%	2.99	2.82	-1.33%	3.39	2.75	9.63%	3.39	2.51	9.63%	3.39	2.82	-1.33%	3.39	1.90	56.6%
PZ	23.00	23.00	23.00	-1.29%	24.15	23	-4.76%	25.40	20.00	-6.69%	26.00	20.00	-11.33%	25.40	20.00	11.65%	27.30	13.87	64.4%
UNILEVER	62.20	64.60	54.10	20.66%	64.60	51.55	21.48%	64.60	39.86	55.69%	64.60	36.10	63.47%	64.60	39.86	51.71%	64.60	27.81	114.6%

AGRICULTURE	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
OKOMUOIL	72.00	72.00	72.00	0.00%	72.00	72	0.00%	75.00	67.22	5.57%	75.00	59.90	9.69%	72.50	67.69	6.37%	80.03	46.60	47.8%
PRESKO	74.35	78.00	74.35	2.20%	78.00	70	6.21%	78.00	65.00	12.65%	78.00	57.06	8.71%	78.00	66.50	8.54%	78.00	45.00	58.2%
LIVESTOCK	1.03	1.13	1.03	-6.36%	1.13	1.03	-8.04%	1.22	0.80	22.62%	1.22	0.80	14.44%	1.22	0.83	24.10%	1.22	0.58	39.2%
CONGLOMERATES																			
AGLEVENT	0.64	0.64	0.57	12.28%	0.64	0.57	12.28%	0.75	0.55	-8.57%	0.75	0.54	-8.57%	0.75	0.55	-8.57%	0.90	0.54	-17.9%
JOHNHOLT	0.48	0.48	0.46	0.00%	0.50	0.46	-4.00%	0.50	0.46	-4.00%	0.51	0.46	-5.88%	0.50	0.46	-4.00%	0.63	0.46	-23.8%
TRANSCORP	1.99	2.00	1.94	0.00%	2.01	1.94	1.02%	2.55	1.32	51.91%	2.55	1.16	59.20%	2.55	1.48	36.30%	2.55	0.70	188.4%
UACN	17.50	17.50	17.05	2.64%	17.50	17.05	2.94%	19.42	16.31	7.03%	19.42	14.60	20.61%	19.42	16.75	3.55%	19.42	12.80	31.1%
CONSTRUCTION/REAL ESTATE																			
JBERGER	24.85	24.85	24.85	0.00%	24.85	24.85	0.00%	32.00	24.85	-11.25%	32.00	24.85	-19.50%	32.00	24.85	-11.25%	43.84	24.85	-35.7%
UAC-PROP	3.00	3.10	3.00	0.33%	3.10	2.99	0.33%	3.20	2.65	12.78%	3.20	2.58	4.17%	3.20	2.79	7.53%	3.20	1.63	62.2%
HEALTHCARE																			
EKOCORP	3.37	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.37	0.00%	3.37	3.21	5.0%
FIDSON	4.90	4.90	4.79	2.30%	4.90	4.79	2.30%	5.02	3.61	25.96%	5.02	2.97	57.56%	5.02	3.71	32.43%	5.02	0.89	438.5%
GLAXOSMITH	22.00	22.00	21.00	4.76%	22.00	21	4.76%	22.80	18.88	-3.51%	25.55	18.88	4.76%	22.25	18.88	1.80%	25.55	14.00	56.0%
MAYBAKER	2.85	3.06	2.85	-3.39%	3.06	2.85	-3.39%	3.39	2.50	4.78%	3.39	2.50	-5.00%	3.39	2.50	9.62%	5.52	0.85	185.0%
NEIMETH	0.86	0.86	0.86	0.00%	0.90	0.86	-4.44%	0.97	0.60	40.98%	0.97	0.57	3.61%	0.97	0.66	14.67%	0.98	0.53	24.6%
PHARMDEKO	2.25	2.25	2.25	0.00%	2.25	2.25	0.00%	2.36	2.25	-4.66%	2.36	2.25	0.00%	2.36	2.25	-4.66%	2.36	1.95	15.4%
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%	2.54	2.54	0.00%	2.67	2.54	-4.9%
NCR	6.30	6.30	6.30	0.00%	6.30	6.3	0.00%	6.63	6.30	-4.98%	6.97	6.30	-9.61%	6.30	6.30	0.00%	7.71	6.30	-18.3%
TRIPPLEG	0.88	0.88	0.88	0.00%	0.92	0.88	-4.35%	1.06	0.88	-16.98%	1.09	0.88	-19.27%	1.06	0.88	-16.98%	1.24	0.88	-32.3%
INDUSTRIAL GOODS																			
AFRPAINTS	2.35	2.35	2.35	0.00%	2.35	2.35	0.00%	2.35	2.35	0.00%	2.35	2.35	0.00%	2.35	2.35	0.00%	2.47	2.35	-4.9%
BERGER	10.35	10.35	10.35	0.00%	10.35	10.35	0.00%	10.35	7.35	40.82%	10.35	7.00	47.86%	10.35	8.49	21.91%	10.35	5.88	62.2%
CAP	38.00	38.00	38.00	0.00%	38.00	38	0.00%	38.86	33.93	11.76%	38.86	32.50	11.76%	38.86	35.00	11.76%	38.86	28.01	28.4%
CCNN	19.20	20.00	19.20	-3.27%	20.00	19.2	-2.78%	20.00	9.39	107.12%	20.00	8.06	115.73%	20.00	9.50	102.11%	20.00	4.30	346.5%
DANGCEM	265.00	275.00	262.00	0.00%	275.00	262	-1.78%	278.00	223.00	15.22%	278.00	205.80	22.17%	278.00	223.00	15.22%	278.00	149.26	65.1%
FIRSTALUM	0.51	0.51	0.49	13.33%	0.51	0.45	18.60%	0.54	0.37	2.00%	0.54	0.37	-5.56%	0.54	0.37	2.00%	0.66	0.37	2.0%
PAINTCOM	0.59	0.59	0.59	0.00%	0.59	0.59	0.00%	0.59	0.59	0.00%	0.65	0.59	-4.84%	0.59	0.59	0.00%	0.65	0.59	-4.8%
PORTPAINT	2.20	2.20	2.20	0.00%	2.20	2.2	0.00%	2.20	2.20	4.76%	2.20	2.00	4.76%	2.20	2.20	0.00%	2.20	1.71	25.7%
WAPCO	53.00	53.00	51.20	3.92%	53.00	50.1	2.12%	56.90	43.00	6.00%	57.31	43.00	-0.93%	56.90	44.89	18.07%	63.00	34.50	35.9%
CUTIX	2.45	2.45	2.45	0.00%	2.45	2.45	4.26%	2.49	1.91	22.50%	2.73	1.91	-5.77%	2.49	1.91	21.89%	2.73	1.50	63.3%
AVONCROWN	1.18	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	1.18	0.00%	1.18	0.99	3.5%
BETAGLAS	75.70	75.70	75.70	4.99%	75.70	72.1	4.99%	75.70	51.31	47.53%	75.70	51.31	26.50%	75.70	51.31	47.53%	75.70	40.18	88.4%
VANLEER	9.10	9.10	9.10	0.00%	9.10	9.1	0.00%	9.10	9.09	0.11%	9.10	9.09	0.11%	9.10	9.09	0.11%	9.69	9.09	-6.1%

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	785.00	785.00	760.00	12.13%	785.00	675	18.85%	785.00	498.00	60.20%	785.00	450.00	71.43%	785.00	626.22	25.36%	785.00	345.80	96.3%
OANDO	5.99	5.99	5.99	0.00%	5.99	5.99	0.00%	5.99	5.99	0.00%	6.75	5.65	-4.92%	5.99	5.99	0.00%	9.54	4.95	20.8%
CONOIL	35.25	35.25	35.25	0.00%	35.25	35.25	0.00%	41.38	28.00	25.89%	41.38	27.55	21.55%	41.38	28.00	25.89%	44.56	27.55	0.7%
ETERNA	6.07	6.40	5.67	2.88%	6.40	5.67	4.66%	6.60	3.99	51.37%	6.60	3.30	69.08%	6.60	4.26	49.51%	6.60	2.97	85.1%
FO	44.00	44.90	44.00	-2.00%	44.90	44	-2.00%	52.62	42.00	10.00%	52.62	38.29	-11.47%	52.62	42.00	1.20%	64.30	38.29	-15.2%
MOBIL	175.00	175.00	175.00	-1.13%	184.00	175	-4.84%	216.00	152.21	2.94%	216.00	152.21	6.05%	216.00	170.00	-10.07%	360.00	152.21	-38.6%
MRS	27.00	27.00	27.00	0.00%	27.00	27	0.00%	27.46	27.00	-1.68%	33.66	27.00	-19.79%	27.46	27.00	-1.68%	39.03	27.00	-30.8%
TOTAL	242.00	254.00	240.20	-0.21%	254.00	231	4.31%	254.00	217.00	5.22%	254.00	217.00	3.87%	254.00	217.00	5.24%	284.00	216.80	-14.5%
BOCGAS	4.58	4.58	4.58	0.00%	4.58	4.58	0.00%	4.58	4.58	1.78%	4.58	3.60	27.22%	4.58	4.58	0.00%	4.58	2.99	30.1%
THOMASWY	0.50	0.50	0.50	0.00%	0.50	0.5	0.00%	0.50	0.50	0.00%	0.50	0.50	0.00%	0.50	0.50	0.00%	0.54	0.50	-7.4%
SERVICES																			
REDSTAREX	6.00	6.00	6.00	0.00%	6.00	6	0.00%	6.30	4.88	19.05%	6.30	4.59	24.74%	6.30	5.12	17.19%	6.30	4.20	36.1%
TRANSEXP	0.90	0.90	0.90	0.00%	0.90	0.9	0.00%	0.90	0.75	20.00%	0.90	0.75	18.42%	0.90	0.75	15.38%	0.99	0.75	-1.1%
CILEASING	1.76	1.95	1.76	-9.74%	1.95	1.76	-2.22%	1.95	1.28	32.33%	1.96	1.05	66.04%	1.95	1.35	36.43%	1.96	0.50	252.0%
CAPHOTEL	3.15	3.15	3.15	0.00%	3.15	3.15	0.00%	3.15	3.15	0.00%	3.15	3.15	0.00%	3.15	3.15	0.00%	3.70	3.15	-14.9%
TOURIST	3.50	3.50	3.50	0.00%	3.50	3.5	0.00%	3.50	3.50	0.00%	3.50	3.50	0.00%	3.50	3.50	0.00%	3.65	3.50	-4.1%
LEARNAFRCA	1.04	1.04	0.97	1.96%	1.04	0.97	-0.95%	1.15	0.84	7.22%	1.15	0.74	33.33%	1.15	0.88	18.18%	1.15	0.65	52.9%
UPL	2.30	2.30	2.20	4.55%	2.30	2.2	5.50%	2.76	2.09	-9.09%	2.94	2.01	-14.81%	2.76	2.09	0.88%	4.03	2.01	-42.9%
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%	3.80	3.80	0.0%
CAVERTON	2.65	2.76	2.43	19.91%	2.76	2.2	22.12%	3.05	1.27	112.00%	3.05	1.00	124.58%	3.05	1.29	105.43%	3.05	0.89	184.9%
AIRSERVICE	4.90	4.90	4.90	0.00%	4.90	4.9	0.00%	5.95	4.85	-20.33%	7.87	4.85	-17.79%	5.95	4.85	-17.65%	7.87	2.78	76.3%
NAHCO	3.85	3.99	3.85	-3.51%	3.99	3.85	-3.51%	4.72	3.71	2.67%	4.72	2.99	25.41%	4.72	3.71	-3.27%	4.72	2.00	54.0%

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.

Definition of Terms

Div. Yield	Dividend Yield
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EPS	Earnings Per Share
EPS gr.	Earnings Per Share Growth
EV	Enterprise Value
FY	Full Year
P/B	Price-to-Book Ratio
P/E	Price-Earnings Ratio
ROAE	Return on Average Equity

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