

Dear Investor,

Happy new week,

Market Review for week ended November 24th, 2017

Equity market transactions on the floor of the Nigerian Stock Exchange (NSE) in the week under review traded on a stronger than expected positive note as investors and traders reacted to positive economic data within the investment space. The market opened the week on Monday with a marginal growth of 0.24% as the news of Q3 GDP data filtered in. There was marginal correction on Tuesday in reaction to MPC decision to hold status quo on all basic considerations in its November's meeting. The positive sentiments on earlier inflation data, GDP and success recorded on Eurobond roadshow in London and New York dominated the market from Wednesday through Friday.

Week-on-week (wow), the All-Share Index gained 662.33 absolute points, representing a growth of 1.80% to close of 37,365.91, thereby clearing the prior week decline of 1.12%. The Market Capitalisation grew by 1.84% to close at N13.01 trillion from the opening value of N12.77 trillion. The Year-to-date (Ytd) returns now stands at 39.04%.

A total turnover of 2.18 billion shares worth N22.80 billion in 17,019 deals were traded in the week by investors in contrast to a total of 2.80 billion shares valued at N54.776 billion that exchanged hands previous week in 17,792 deals.

The Financial Services Industry led the activity chart with 1.76 billion shares valued at N11.57 billion traded in 8,730 deals; thus contributing 80.44% and 50.76% to the total equity turnover volume and value respectively. The Consumer Goods Industry followed with 178.15 million shares worth N8.66 billion in 4,457 deals.

Thirty-six (36) equities appreciated in price during the week, higher than twenty (20) recorded in the previous week. Twenty-four (24) equities depreciated in price, lower than forty-three (43) in the previous week, while one hundred and eleven (111) equities remained unchanged higher

than one hundred and eight (108) equities recorded in the preceding week.

MARKET STATISTICS- November 24, 2017			YTD: +39.04%
Cap (N)	13,009,044,490,613.32	One Day(ASI CHG)	+1.85%
Index	37,365.91	One Week(ASI CHG)	+1.80%
Volume	870,577,985	One Month(ASI CHG)	+1.90%
Value (N)	5,039,384,382.89	Six Months(ASI CHG)	+32.10%
Deals	3,126	52 Weeks(ASI CHG)	+46.59%
Gainers	19	Losers	13
Un-Changed	59	Total	91

Source: GTI Research

Outlook for the new week ending December 1st, 2017

This week, we expect a level of profit taking to dictate activity on the Floor of the Exchange considering that the month of November will be wound up. This will give a number of portfolio managers, as well as traders an ample time to re-assess and re-balance their portfolio holdings. The recent positive economic data are equally expected to dictate activity direction going forward. Major market outlook will be the OPEC and Non-OPEC meeting holding in Vienna, Austria where issue bothering on possible extension of existing supply cut on Crude Oil would be discussed. By and large, we expect continuation of volatility on main trading indicators.

If you would require any help to ensure that your portfolio is positively aligned, or any inquiry on your portfolio, please send an email to research@gti.com.ng or to headoffice@gti.com.ng

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Have a fantastic trading week.

Research and Strategy.

GTI TOP-5 WEEKLY STOCK PICK FOR THE PERIOD 27/11/2017 - 1/12/2017

United Bank for Africa Plc	
Target Price	₦10.50
Investment Horizon	12-Month
Statistics	
Industry	Industrial Goods
Price (N)	₦9.90
Shares Outstanding (Mn)	36,280
Symbol	UBA
Expected Return	6.06%
52Week High	₦10.49
52Week Low	₦4.13

- UBA Plc has emerged one of most reputable banks in Nigeria business landscape.
- Its improved branch networks within the country and developed presence in prominent Africa Countries has positioned the Pan African bank with improved income sources.
- The bank has a good Capital Adequacy Ratio (CAR) in the sector and continues to leverage on its stringent risk assessment framework to mitigate capital erosion.
- In a recent Q3 2017 results, the Company grew gross and net income by 25.8% and 23.04% respectively.
- It has a current book value of N13.99 and P/BV of 0.66x. The bank has a higher capacity of meeting short term obligations with acid test ratio at 0.75%.
- UBA currently trades at 6.06% premium above our target price of N10.50.

Transcorp Plc	
Target Price	₦2.50
Investment Horizon	12-Month
Statistics	
Industry	Industrial Goods
Price (N)	₦1.31
Shares Outstanding (Mn)	40,657
Symbol	Transcorp
Expected Return	90.8%
52Week High	₦2.00
52Week Low	₦0.66

- Transcorp Group is a diversified conglomerate with interests in four major business sectors: Power, Oil & Gas, Hospitality and Agriculture.
- The Q3 2017 result was impressive with a 35.4% topline improvement and a healthy 141% expansion in bottom-line.
- The FX stability also aided the strong bottom-line performance of the company due to its FX loan exposure.
- The effort of the federal government to stabilize the power sector will boost the company's performance going forward and sustain the current earnings momentum.
- We place a BUY rating on Transcorp as a result of its long term prospects which may crystalize in the short to medium term due to the market resurgence.
- Our target price is 90.8% above current market price.

Dangote Flour Mills Plc	
Target Price	₦10.30
Investment Horizon	12-Month
Statistics	
Industry	Consumer Goods
Price (N)	₦9.23
Shares Outst. (Mn)	5,000
net Symbol	DANGFLOUR
Expected Return	10.87%
52Week High	₦11.59
52Week Low	₦3.38

- In the Company's recent unaudited Q3 2017 results, both sales revenue and net income grew by 101.2% and 393.7% respectively.
- Streak of improved business operations lately supports positive outlook going forward.
- It continues to leverage on the parent company's potent distribution network which we think would boost more sales going forward.
- Q3 EPS now at 261 kobo and represents 357.9% growth against comparable period of 2016.
- Book value is currently at N7.08 and closest to its market price.
- Improved return on equity (ROE) at 37.0% compare to 2016 17.0% points gradual accretion on shareholders' funds and improved tendency for dividend payment soon.
- Premium over our target is 11.59% above current market price

Zenith Bank Int'l Plc	
Target Price	₦30.00
Investment Horizon	12-Month
Statistics	
Industry	Financial Institution
Price (N)	₦24.99
Shares Outst (Mn)	31,396
Symbol	Zenith
Expected Return	20.05%
52Week High	₦27.17
52Week Low	₦13.10

- Zenith Bank has emerged one of most reputable banks in Nigeria business landscape.
- Its improved branch networks within the country has positioned it for improved income sources.
- The bank has one of the strongest Capital Adequacy Ratio (CAR) at 21% and provides ample buffer above the regulatory minimum of 15%.
- Its balance sheet size is a major incentive for us at this time considering that it has a book value per share of N24.33 resulting into a price to book ratio 1.07x relative to its closest peer of 1.58x.
- The liquidity ratio of the group as at Q3 '17 was 55%, thus above regulatory minimum of 30%.
- Upside potential to our target price and 52-Week high is 20.05% and 10.42% respectively.

Dangote Sugar & Refinery Plc	
Target Price	₦19.00
Investment Horizon	12-Month
Statistics	
Industry	Consumer Goods
Price (N)	₦17.24
Shares Outst (Mn)	12,000
Symbol	DangSugar
Expected Return	10.21%
52Week High	₦16.40
52Week Low	₦5.71

- Dangote Sugar Plc is a subsidiary of Dangote group.
- It refines raw sugar into edible sugar
- It controls over 60% of the sugar market in Nigeria.
- Its backward integration strategy has helped to bring down its input cost considerably in recent years.
- Her extensive, fast and reliable distribution network covers over 80% of the country.
- The company has outperformed its full year 2016 net income as at half-year 2017 by 18.79%.
- It grew its revenue and net income in Q3 '17 by 41.5% and 156.2% against comparable period of 2016.
- We expect the firm to continue to post this streak of decent performances going forward.
- The Company is an income and growth stock. Final dividend for FY 2017 is highly anticipated.
- It is currently trading at 10.21% premium to our target price of N19.00.

Watch List

Unilever, UCAP, Fidson, Flour Mills, DangCem.

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