

# AFRINVEST WEEKLY UPDATE

# Macro Update

Friday, October 7, 2011

# Macroeconomic/Socio-Political Update

Going by proposed spending plans placed before the National Assembly, Nigeria intends to finally put an end to fuel subsidies in the 2012 fiscal year. This is meant to free up funds for investment in infrastructure projects as well as for job creation. While recognizing that subsidies - spent of diesel, petrol and kerosene fuels - currently cost the government some N1.2tr (US\$7.5bn), its removal will prove very unpopular with many Nigerians, who view this as the only benefit derived from living in an oil-rich country.

Finance Minister and Coordinator of the Economy, Ngozi Okonjo-Iweala, has pledged to avoid the problems of the 2011 budget by getting the spending plans approved much earlier. She however needs to persuade lawmakers to get the budget passed when it arrives at the national assembly. The former World Bank chief has pledged to keep the fiscal deficit under 3.0% and, if the MTFF is adhered to, the deficit would be reduced to 2.7% next year. The 2012 budget will be based on the assumption of an ambitious average oil production of 2.5 million barrels per day and a benchmark price of US\$75.0 per barrel. With current oil output put at 2.4 million bpd, the underlying assumption leaves little wriggle room in the event of outages, while global economic uncertainty raises questions on the sustainability of relatively high oil prices.

## **Equity Market Review and Outlook**

The Nigerian equity market closed on a weak note last week as speculators booked quick profits following 5 consecutive days of gains. Consequently, the benchmark Index shed 73bps, while the average value of transactions for the week rose by 13.7%, relative to the previous week. Similarly, the BA-30 Index recorded a weekly depreciation of 73bps weighed down by losses in banking counters. All NSE sectoral indices closed on a negative note with the exception of the NSE-Oil and Gas Index and NSE-Insurance Index which gained 1.4% and 3.2% respectively.

IHS Nigeria Plc made public its audited results for the year ended April 30, 2011 with a 14.2% increase in turnover. However, the company recorded a Loss After Tax of N1.6bn compared to Profit After Tax of N1.2bn in 2010. The company also released its Q1 2011 results ending July 2011, with an 11.1% growth in turnover while Profit After Tax stood at N3.7m, a 93.0% drop from the corresponding period of 2010.

We do not expect a significant uptick in equity market activities this week as expectations of rate hike and devaluation of the Naira remain key downside risks. However, the renewed confidence in the banking sector is expected to lend support to equities in the medium term to long term while the imminent earnings season should boost the level of activities in the next few weeks. Nonetheless, a persistently weak global economic outlook would continue to pose a major risk to the Nigerian market.

Macro Statistics			
	Current	Previous	
Y-O-Y CPI Inflation (%) June	9.3	9.4	•
Foreign Reserves (US\$bn)*	31.4	31.7	•
Bonny Light (US\$/barrel)**	108.3	105.2	•
MPR	9.25	8.75	•

Source: NBS, CBN, Bloomberg, Afrinvest Research

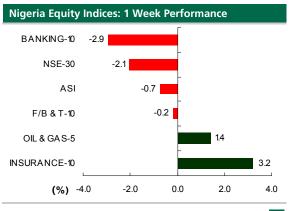
- \* Up to 6th October, 2011
- \*\*Up to 7th October, 2011

Bonny Light Crude
140.0 US\$/barrel
120.0
100.0
80.0
60.0
Sep-10 Oct-10 Nov-10 Dec-10 Jan-11 May-11 Jun-11 Jul-11 Oct-11

Source: Bloomberg, Afrinvest Research

<b>Equity Market Statistics</b>		
	7-October-11	
Market Cap (N'bn)	6,449.6	
Week-On-Week Change (%)	-0.7	•
Monthly Performance (%)	-5.5	•
YTD (%)	-18.4	•
Index Value	20,225.0	
Week-On-Week Change (%)	-0.7	•
Monthly Performance (%)	-5.4	•
YTD	-18.5	•
Value Traded (N'bn)	7.9	
Week-On-Week Change (%)	-9.1	•
Volume (Million)	840.9	
Week-On-Week Change (%)	-32.6	•

Source: NSE, Afrinvest Research



Source: NSE, Afrinvest Research



# **Money Market**

#### Friday, October 7, 2011

## **Money Market Review and Outlook**

Liquidity levels within the system declined last week. This was linked to debits for WDAS and a reverse repo significantly reducing system liquidity. Inter-bank rates however remained relatively stable with a marginal increase in key rates.

On average, interbank rates (i.e. Call, NIBOR and OBB rates for banks) inched up last week from 11.3% to 11.7% compared to a 40bps dip the previous week. The Secured Open Buy Back (OBB) rate for banks closed at 11.25%, 200bps above the MPR, while the Call Rate and 7-day NIBOR both increased by 37bps and 50bps to close at 11.8% and 12.2% respectively.

We expect a further decline in liquidity levels, which should result in a minor hike in interbank rates. An extra-ordinary MPC meeting scheduled for 10th October 2011 could possible see a hike in the MPR, as the CBN weighs its available options in combating inflationary pressures and currency stability. A further hike in the MPR however, will see interbank rates adjust accordingly.

### **Foreign Exchange Market Review and Outlook**

Demand for the Dollar at only auction in the official market last week stood at US\$685.4bn, 41.6% more than the CBN's offer of US\$400.0bn. The Naira consequently lost 80k at the single auction held last week, closing at N155.40/US\$1.00 in the official market from N154.60/US\$1.00.

The interbank market was extremely volatile last week, with the Naira trading up to N165.00/US\$1.00. The Naira eventually closed at N160.10/US\$1.00 from N159.60/US\$1.00, with a 50k cumulative loss. The Naira lost N4.00 at the BDC segment to close at N166.00/US\$1.00, while it lost N3.50 in the parallel market to close at N166.50/US\$1.00.

The outcome of the MPC meeting should provide clarity on the Naira's trajectory in the near term. We believe that the restriction in sales to Oil companies that have SWAP arrangements with NNPC and/or PPMC will ease up demand at the official market, but also reduce supply levels at the interbank segment. We our however optimistic that this recent development coupled with the CBN,s ongoing investigations into commercial Banks forex transactions will leave few opportunities for speculators to exploit.

Market Rates			
	Current	Previous	
Inter Bank			
Call	11.75	11.38	•
OBB (Banks)	11.25	11.00	•
NIBOR			
7 Days	12.17	11.67	•
30 Days	12.57	12.25	•
60 Days	12.96	12.71	•
90 Days	13.33	13.25	•
180 Days	13.67	13.58	•

Source: FMDA, Afrinvest Research

FX N/US\$ Rates	
	Close
CBN WDAS	155.40
1 Week Change (Naira)	0.80
1 Month Change (Naira)	2.24
Year-to-date Change (Naira)	6.23
NIFEX	160.13
BDC	166.00
Parallel	166.50

Source: Bloomberg, FDHL Analytics, Afrinvest Research

CBN Wholesale Dutch Action SYSTEM	/I (WDAS)
Amount offered (US\$ Million)	400.0
Market demand (US\$ Million)	685.4
Amount sold (US\$ Million)	400.0

Source: FMDA, Afrinvest Research



Source: Bloomberg, Afrinvest Research



# Fixed Income

Friday, October 7, 2011

### **Bond Market Review and Outlook**

A further tightening of liquidity in both the money and fixed income markets, coupled with an anticipated hike in interest rates by the CBN's MPC, led to a spike in bond yields across board last week, especially on the 3yr and 10yr instruments. The value of units traded increased by 8.2% from N166.7bn to N180.3bn, as a total of 198.4 million units exchanged hands in 1,624 deals. The most traded bond was, yet again, the 10.50% FGN March 2014, closing the week with a total traded value of N66.4bn at a yield of 12.46%, 108bps higher than the 11.38% reported in the previous week.

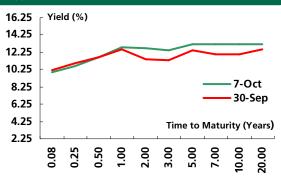
The Nigerian Eurobond price dropped further as investors retreated on the back of the ongoing Euro zone sovereign debt crisis. It reached a new 6-month low, closing the week at US\$97.50, 25 cents lower than the US\$97.75 reported in the previous week. The volatility in the African Bonny Light crude oil price and the foreign exchange rate (US\$/N) in recent times may have also encouraged this dip. The Eurobond yield subsequently moved up by 4bps from 7.08% at the close of the previous week to 7.12%.

The outcome of the extraordinary MPC meeting scheduled for today is expected to drive the trading pattern of the bond market this week.

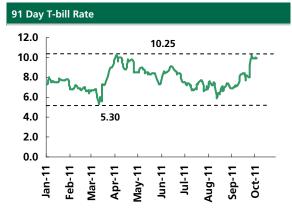
Lending Rates			
	Current	Previous	
Prime Lending	17.66	17.66	-
Normal Lending	20.45	20.45	-

Source: FMDA

Nigeria Sovereign Yield Curve, October 7, 2011 vs. Previous Week



Source: Bloomberg, Afrinvest Research



Source: FDHL Analytics, Afrinvest Research

FGN BOND QUOTES									
BOND QUOTES	Maturity	Original Tenor	ттм	Duration	Coupon	Pric	e (N)	Yiel	d (%)
					%	Bid	Offer	Bid	Offer
5.50% FGN FEB 2013	19-Feb-13	3yr	1.37	1.32	5.50	91.18	91.33	12.72	12.59
10.50% FGN MAR 2014	18-Mar-14	3yr	2.45	2.20	10.50	95.88	96.03	12.50	12.42
9.45% FGN JAN 2013	25-Jan-13	5yr	1.30	1.23	9.45	96.75	96.90	12.20	12.07
10.50% FGN NOV 2013	28-Nov-13	5yr	2.15	1.90	10.50	96.21	96.36	12.56	12.47
4.00% FGN APR 2015	23-Apr-15	5yr	3.55	3.22	4.00	74.58	74.88	13.21	13.08
10.75% FGN MAR 2014	30-Mar-14	7yr	2.48	2.23	10.75	95.96	96.11	12.70	12.62
9.20% FGN JUN 2014	29-Jun-14	7yr	2.73	2.40	9.20	91.86	92.01	12.82	12.74
9.25% FGN SEP 2014	28-Sep-14	7yr	2.98	2.65	9.25	91.07	91.37	12.96	12.83
9.35% FGN AUG 2017	31-Aug-17	10yr	5.90	4.49	9.35	84.52	84.82	13.20	13.12
10.70% FGN MAY 2018	30-May-18	10yr	6.65	4.62	10.70	89.12	89.42	13.20	13.13
7.00% FGN OCT 2019	23-Oct-19	10yr	8.05	5.62	7.00	69.80	70.10	13.21	13.13
15.00% FGN NOV 2028	28-Nov-28	20yr	17.16	6.72	15.00	112.00	112.30	13.21	13.17
12.49% FGN MAY 2029	22-May-29	20yr	17.64	6.95	12.49	94.98	95.28	13.23	13.18
8.50% FGN NOV 2029	20-Nov-29	20yr	18.13	7.49	8.50	67.70	68.00	13.24	13.18
10.00% FGN JUL 2030	23-Jul-30	20yr	18.81	7.47	10.00	77.73	78.03	13.23	13.18

Source: FMDA, Afrinvest Research



Afrinvest Coverage: Selected Companies	erage:	Selecte	d Compa		(Naira in MM, Exo	ММ, Ехсер	cept Where Noted)	Noted)											
			Price			Liquidity	TSO (Bn)	Mkt Cap	Sd3		P/BV	P/E	Pre	Profitability		Div Yield	Price Target	Upside	Recommendation
Company	Curren	t Previou	Current Previous % Change	e High	າ 12 Mth Low	Value (N'm)	Ordinary (	(N'bn)	LTM 1YR E		1YR E LT	тти тт	1YR E ROA	ROAE ROAA	A LTM	1YR E		12Mth	12-Mth
Top-Tier Banks																			
ETI PIc	12.40	12.00	3.33	17.05	12.00	4.4	9,915.0	118,979.4	1.75	2.61 0	0.5x 6.	6.9x 4.(	4.6x 10.0%	1.2%	0.0%	8.6	18.71	20.9%	ВИУ
First Bank Plc	9.07	9.77	-7.16	16.12	10.00	196.5	32,632.0	339,372.8	1.21	1.35 1	1.0x 8.	8.6x 7.7	7.7x 10.3%	1.5%	% 2.9%	7.8%	16.84	85.7%	BUY
GTBank Plc	12.30	12.85	-4.28	20.50	11.64	70.5	29,146.5	356,170.0	1.41	1.69	1.5x 8.	8.7× 7.3	7.2x 19.4%	1% 3.4%	8.2%	9.7%	18.24	48.3%	ВИУ
UBA Plc	4.12	3.87	6.46	11.70	3.88	21.3	25,868.0	107,352.2	0.14	0.70	0.4x 29	29.8x 6.0x	0x 0.4%	% 0.0 %	. 1.2%	8.4%	7.59	84.2%	BUY
Zenith Bank Plc	12.10	12.41	-2.50	16.70	11.21	54.3	31,396.5	395,595.8	1.49	1.94	1.0x 8.	8.5x 6.!	6.5x 10.7%	7% 2.1%	%2.9	12.3%	17.69	46.2%	ВИУ
					Mean	98		1,198,490.8			1.0x 13	13.9x 6.9	6.9x 10.2%	1.8%	5.7%	9.5%			
					Median	62				-	1.0x 8.	8.7x 6.9	6.9x 10.5%	1.8%	6.7%	%0.6			
Middle Tier Banks																			
Access Bank Plc	5.23	5.62	-6.94	11.10	5.00	6.2	17,888.3	94,807.7	0.82	0.91 0	0.5x 6.	6.5x 5.8	5.8x 6.6%	% 1.5%	9.4%	8.6%	11.89	127.3%	ВИУ
Diamond Bank Plc	3.39	3.50	-3.14	9.27	3.88	6.2	14,475.2	56,598.2	0.06	0.24 0	0.5x 64	64.6x 16.	16.5x 1.2%	% 0.2%	0.0%	4.2%	9.31	174.5%	BUY
Ecobank Nigeria	2.65	2.53	4.74	4.30	2.67	0.5	13,880.0	40,252.0	0.11	0.54 0	0.5x 27	27.5x 5.4	5.4x 2.2%	% 0.4%	%0.0	8.4%	4.23	29.5%	ВИУ
FCMB PIc	4.16	4.25	-2.12	8.30	4.14	25.5	16,271.2	70,617.0	0.64	0.66 0	0.4x 6.8	6.8x 6.5x	5x 6.0%	% 1.6%	8.1%	9.5%	8.24	%0.86	ВИУ
Fidelity Bank Plc	2.01	2.01	0.00	3.20	1.67	6.7	28,962.6	58,504.4	0.20	0.65 0	0.5x 10	10.0x 3.	3.1x 4.5%	% 1.3%	%6.9	20.9%	3.43	70.7%	BUY
Stanbic IBTC Plc	9.50	9.21	3.15	11.38	6.95	242.8	18,750.0	174,937.5	0.47	0.75 0	0.6x 19	19.7x 12.	12.4x 10.7%	7% 2.4%	4.2%	2.9%	10.17	7.0%	NEUTRAL
Skye Bank Plc	4.70	5.10	-7.84	10.00	5.20	13.7	13,218.0	69,526.7	. 06:0	1.15 1	1.9x 5.	5.9x 4.6x	6x 10.4%	1.5%	%9.7	8.6	10.97	133.3%	ВИУ
Sterling Bank Plc	1.40	1.26	11.11	2.91	1.33	9.0	12,563.1	18,719.0	0:30	0.41 0	0.6x 5.	5.0x 3.0	3.6x 21.4%	1% 2.0%	0.0%	12.5%	3.39	142.2%	ВИУ
					Mean	38		583,962.5		0	0.7x 18	18.2x 7.2x	2x 7.9%	% 1.4%	4.5%	%6.6			
					Median	9				0	0.5x 8.	8.4x 5.0	5.6x 6.3%	% 1.5%	. 5.6%	8.9%			
Cement																			
Ashaka Cem Plc	16.17	16.80	-3.75	30.00	16.00	4.2	1,990.6	33,442.5	, 131	1.64 2	2.9x 11	11.1x 10.	10.3x 20.5%	3% 11.2%	% 1.3%	1.4%	19.20	18.7%	ACCUMULATE
CCNN	7.25	7.30	-0.68	15.74	7.15	6.0	1,256.7	9,173.7	1.45	1.48 2	2.1x 5.	5.0x 4.9	4.9x 28.0%	12.4%	%0.0 %	%0.0	10.19	40.6%	BUY
Dangote Cem Plc	99.00	100.00	-1.00	30.00	16.00	23.3	15,491.4	1,549,137.0	9.01	8.34 7	7.3x 11	11.1x 12.	12.0x 56.1%	1% 30.4%	% 0.0 %	%0.0	141.49	42.9%	BUY
Lafarge WAPCO Plc	40.10	40.01	0.22	30.00	16.00	4.6	3,001.6	120,094.0	1.35	6.73 2	2.7x 29	29.6x 5.9	5.9x 10.6%	% 4.7%	%0.0	%0.0	47.92	19.5%	ACCUMULATE
					Mean	8		1,711,847.3		m	3.7x 14	14.2x 8.3	8.3x 28.8	28.8% 14.7% 0.3%	% 0.3%	0.3%			
					Median	4				7	2.8x 11	11.1x 8.1x		24.3% 11.8%	%0.0%	%0:0			
4																			



Afrinvest Coverage: Selected Companies	age: Se	lected	Compa		Naira in	MM, Ex	cept Who	(Naira in MM, Except Where Noted)											
			Price			Liquidity	TSO (Bn)	Mkt Cap	EPS		P/BV	P/E	Prof	Profitability	Div	Div Yield	Price Target	Upside	Upside Recommendation
Company	Current	Current Previous	, Change	12 Mth High	12 Mth Low	Value (N'm)	Ordinary	(N'bn)	LTM	LTM 1YR E 1YR E		LTM 1YR	ш	ROAE ROAA	LTM	1YR E	12-Mth	12-Mth	12-Mth
Food & Beverage																			
Cadbury Nigeria Plc	14.00	13.91	0.65	33.00	13.91	1.9	3,129.2	43,527.0	0.35	0.53 2.	2.9x 4	40.0x 26.3x	x 9.1%	4.4%	%0.0	%0.0	17.65	26.1%	BUY
Dangote Sugar Plc	7.24	7.00	3.43	17.73	66.9	16.6	12,000.0	84,000.0	1.08	1.32 1.	1.9x 6	6.5x 5.3x	27.3%	% 16.0%	3.8%	7.4%	10.55	45.7%	BUY
Nestle Foods Nig Plc	400.01	401.00	-0.25	470.00	342.00	7.2	792.7	317,855.2	16.18	18.98 21	21.7x 2	24.8x 21.1x	x 99.2%	6 23.4%	3.4%	3.1%	372.96	<b>%8</b> .9-	REDUCE
NNFM PIC	22.61	22.61	0.00	43.96	22.61	0.0	178.2	4,029.1	3.45	2.81 3.	3.0x 6	6.6x 8.0x	κ 39.4%	, 15.4%	63.5%	129.4%	34.33	51.9%	BUY
NASCON PIc	4.50	4.50	0.00	6.70	4.00	0.4	2,649.4	11,922.5	0.62	0.68 2.	2.2x 7	7.2x 6.7x	κ 43.1%	, 23.3%	7.7%	%0.0	5.36	19.1%	ACCUMULATE
Tantalizers Plc	0.50	0.50	0.00	0.75	0.50	0.0	3,211.6	1,605.8	0.02	0.03 0.	0.5x 2	23.1x 14.5x	x 1.6%	1.1%	3.8%	%0.0	0.47	-5.5%	REDUCE
Dangote Flour Plc	6.57	6.81	-3.52	19.90	5.81	22.5	5,000.0	34,050.0	1.39	1.47 1.	1.1x 4	4.9x 4.6x	د 20.9%	% 8.4%	2.0%	10.2%	16.45	150.4%	BUY
					Mean	6.9		496,989.5		4	4.8x	16.2x 12.4x	x 34.4%	13.1%	12.5%	21.4%			
					Median	1.9				2.	2.2x 7	7.2x 8.0x	ς 27.3%	, 15.4%	3.8%	3.1%			
Bottlers/Brewers																			
7 Up Bottling Co Plc	48.00	47.00	2.13	47.00	36.65	9.0	512.5	24,086.2	3.74	4.13 3.	3.0x 1	12.6x 11.4 <sub>3</sub>	11.4x 22.3%	% 2.8%	3.9%	4.1%	54.81	14.2%	ACCUMULATE
Guinness Nigeria Plc	210.00	217.95	-3.65	255.00	164.00	46.1	1,474.9	321,460.1	. 69.6	10.23 9.	9.0x 2	22.6x 21.3x	x 39.1%	, 18.0%	3.5%	4.2%	212.34	1.1%	NEUTRAL
Nigerian Breweries Plc	82.00	79.98	2.53	94.01	00.89	47.1	7,562.6	604,853.9	4.51	4.01 18	18.4x 1	17.7x 19.9x	× 73.6%	6 28.5%	3.4%	3.1%	80.30	-2.1%	REDUCE
					Mean	31.2		950,400.2		10	10.2x 1	17.6x 17.5x	x 45.0%	17.4%	3.6%	3.8%			
					Median	46.1				6	9.0x 1	17.7x 19.9x	x 39.1%	, 18.0%	3.5%	4.1%			
Insurance																			
AIICO Insurance	0.59	0.57	3.51	1.38	0.57	0.61	4.0	5,984.1	0.13	0.23 0.	0.2x 5	5.36 3.10	7.0%	4.6%	5.1%	2.0%	1.11	89.0%	BUY
Continental Re	1.04	1.02	1.96	1.31	0.85	0.04	0.0	10,580.2	0.10	0.06 0.	0.6x 1	10.22 8.60	4.9%	3.0%	5.4%	8.4%	1.11	%6.9	NEUTRAL
Custodian and Allied Insurance	2.31	2.30	0.43	3.78	2.22	0.04	0.1	12,854.1	0.00	0.49 0.	0.3x 4	4.96 5.10	18.4%	6 16.1%	3.9%	4.8%	3.76	62.9%	BUY
GTA	1.17	1.01	15.84	2.36	1.07	1.06	1.2	11,000.0	0.12	0.11 0.	0.54 9	9.40 17.09	8.0%	5.3%	8.2%	8.5%	1.69	44.0%	BUY
Law Union & Rock	0.50	0.50	0.00	0.61	0.50	0.00	0.0	1,718.7	0.11	0.14 0.	0.48 4	4.57 4.76	9.6%	6.2%	10.0%	11.4%	0.97	94.5%	BUY
Mutual Benefits	0.50	0.50	0.00	0.50	0.50	0.00	0.0	4,000.0	0.01	0.01 0.	0.73 4	44.43 14.44	4 1.4%	%9.0	%0.0	3.5%	0.50	%0.0	NEUTRAL
NEM Insurance	0.50	0.50	0.00	99.0	0.50	4.60	2.3	2,640.3	0.15	0.14 0.	0.84	3.26 3.17	7 12.3%	%6.6 %	%0.0	%0.0	1.44	187.7%	BUY
Prestige Assurance Plc	1.50	1.50	0.00	3.32	1.60	0.20	0.3	3,547.5	0.15	0.12 0.	0.3x 1	11.07 7.28	3 5.2%	3.4%	3.6%	3.3%	1.72	14.6%	ACCUMULATE
					Mean	0.8		52,324.9		Ö	0.5x 1	11.7x 7.9x	8.3%	6.1%	4.5%	2.6%			
					Median	0.1				ō	0.5x 7	7.4x 6.2x	د 7.5%	4.9%	4.5%	4.9%			
5																			



Afrinvest Coverage: Selected Companies	age: Se	elected	Compan		Naira in I	(Naira in MM, Except Where Noted)	pt Where	Noted)											
			Price			Liquidity	TSO (Bn)	Mkt Cap	EPS		P/BV	P/E	Ą	Profitability	Div	Div Yield	Price Target	Upside	Recommendation
Company	Current	Previous	Current Previous % Change	12 Mth High	12 Mth Low	Value (N'm)	Ordinary	(N'bn)	LTM	1YR E 1	1YR E 1	LTM 1YR E	ROAE	AE ROAA	V LTM	1YR E	12-Mth	12-Mth	12-Mth
Healthcare																			
Fidson Healthcare Plc	1.20	1.16	3.45	3.20	1.16	0.1	1,500.0	1,740.0	0.24	0:30	0.5x	7.7x 6.0x	%0.6 ×0	% 6.2%	5.5%	11.1%	2.25	87.3%	BUY
GSK Plc	27.00	27.00	0.00	29.65	22.49	0.4	956.7	25,831.0	1.73	2.49	2.5x 1	14.8x 10.3x	3x 26.1%	14.3%	% 4.7%	2.5%	29.45	9.1%	NEUTRAL
May & Baker Plc	3.14	3.00	4.67	90.9	3.00	2.2	0.086	2,940.0	0.15	0.19	1.3x 2	24.6x 19.6x	%6.9 ×9	% 3.0%	0.0%	%0.0	5.18	64.9%	BUY
Neimeth Int. Plc	1.03	0.95	8.42	2.29	0.95	0.0	821.6	780.5	0.00	0.08	1.4x	NA 20.4x	4x -12.5%	5% -4.4%	% 0.0%	%0.0	0.11	-89.1%	SELL
					Mean	0.7		31,291.5			1.4x 1	15.7x 14.1x	1x 7.4%	% 4.8%	2.5%	4.2%			
					Median	0.3					1.3x 1	14.8x 14.9x	9x 8.0%	% 4.6%	2.3%	2.8%			
Chemicals & Paints																			
Berger Paints Plc	9:36	9.36	0.00	12.57	2.67	0.7	217.4	2,034.6	2.04	2.04	1.0x	5.1x 5.1x	Ix 29.3%	18.1%	% 2.9 %	%2'9	16.45	75.8%	BUY
CAP PIc	18.69	17.85	4.71	43.98	20.99	0.17	560.0	0'966'6	1.67	1.93	16.3x 2	21.6x 18.6x	6x 99.4%	% 38.9%	% 8.8 %	4.1%	45.42	143.0%	BUY
PCMN PIc	0.81	0.93	-12.90	3.90	2.10	0.0	792.9	737.4	0.20	0.14	1.2×	7.1x 9.9x	)x 11.7%	% 8.1%	4.2%	4.5%	1.58	94.6%	BUY
PPNL PIc	5.11	5.11	0.00	2.67	5.27	0.0	400.0	2,044.0	0.00	0.38	2.0×	NA 13.5x	5x 14.4%	8.2%	3.1%	3.6%	5.45	%2'9	NEUTRAL
					Mean	0.2		3,703.0			5.1x 1	11.3x 11.8x	8x 0.4x	1x 0.2x	5.7%	4.7%			
					Median	0.1		2,039.3			1.6x	7.1x 11.7x	7x 0.2x	x 0.1x	5.5%	4.3%			
Conglomerates																			
Flour Mills Nigeria Plc	58.20	59.55	-2.27	95.00	56.65	11.2	1,879.2	111,904.7	7.89	5.85	2.5x 7	7.5x 10.2x	2x 37.5%	12.1%	% 2.9%	2.4%	68.41	17.5%	ACCUMULATE
PZ Industries Plc	30.00	30.02	-0.07	43.50	27.28	8.5	3,970.5	119,193.7	1.46	1.69	2.8x 2	20.6x 17.7x	7x 15.4%	10.0%	6 2.7%	2.8%	19.57	-34.8%	SELL
U A C N Plc	33.56	33.46	0:30	42.90	31.35	1.6	1,600.7	53,560.1	3.52	3.50	1.1×	9.5x 9.6x	5x 12.0%	% 5.5%	2.9%	3.0%	46.02	37.1%	BUY
Unilever Nigeria Plc	27.50	27.50	0.00	31.25	22.56	3.5	3,783.3	104,040.7	1.38	4.	12.2x 2	20.0x 19.1x	1x 50.6%	% 16.9%	6 4.1%	5.1%	24.13	-12.2%	SELL
UTC Plc	0.50	0.50	0.00	1.08	0.50	0.0	1,233.4	616.7	90.0	0.08	0.5x	7.7x 6.7x	7x 5.4%	% 2.7%	0.0%	%0.0	1.28	155.2%	BUY
					Mean	5.0		389,315.9			3.8x 1	13.1x 12.7x	7x 24.2%	9.4%	2.5%	2.7%			
					Median	3.5					2.5x 9	9.5x 10.2	10.2x 15.4%	10.0%	% 5.9%	2.8%			



Afrinvest Coverage: Selected Companies (Naira in MM, Except Where Noted)	age: Se	lected C	ompan	ies (N	aira in N	/IM, Exce	pt Wher	e Noted)												
			Price			Liquidity	TSO (Bn)	Mkt Cap	EPS		P/BV	P/E	<u>a</u> .	Profitability	lity	Div Yield	·	Price Target	Upside F	Recommendation
Company	Current	Current Previous	% 12 Mth 12 Mth Change High Low	12 Mth High	12 Mth 12 Mth High Low	Value (N'm)	Ordinary	(N'bn)	LTM 1	YR E 1	1YR E 1YR E LTM		'R E R	1YR E ROAE ROAA		LTM 1)	1YRE 1	12-Mth	12-Mth	12-Mth
Petroleum Marketing																				
Mobil Nigeria PIc	140.00	140.00 148.00	-5.41	164.35	133.89	4.9	300.5	44,473.4 13.32 11.90	13.32 1	11.90	6.5x 11	11.2x 11.5x 76.7%	.5x 76	.7% 16	16.6% 6.	6.8% 5	. %9.5	142.25	1.6%	NEUTRAL
MRS Oil Nigeria Plc	63.86	63.86	0.00	81.70	63.86	0:0	254.0	16,219.7 6.76	92.9	9.50	0.8x	9.5x 7.	7.8x 19.5%		7.1% 1.	1.9% 2	2.3%	61.06	-4.4%	REDUCE
Oando Plc	25.50	22.99	10.92	78.97	20.99	103.7	1,810.2	41,615.8	8.69	9.12 (	0.5x 3.	3.2x 3.	3.5x 19	19.4% 4.	4.5% 4.	4.5% 8	8.3%	64.87	154.4%	BUY
Total Nigeria Plc	200.00	200.00	0.00	250.00	250.00 195.50	16.8	339.5	67,904.4 16.22 11.70 6.9x	16.22	11.70	5.9x 12	12.5x 12.7x 68.3%	7x 68		10.4% 3.	3.9% 4	4.2%	190.61	-4.7%	REDUCE
					Mean	31.4		42,553.3			3.7x 9.	9.1x 8.	8.9x 46	46.0% 9.	9.6% 4.	4.3% 5.	5.1%			
					Median	10.9					3.6x 10	10.3x 9.	9.6x 43	43.9% 8.	8.7% 4.	4.2% 4.	4.9%			
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Friday, October 7, 2011

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