Stock Recommendation Series
Month Ending 30/02/2018

NSE All-Share Index

ACCESS

Last Price 12.95
Y-t-D Return (%) 22.97
1 Year Return (%) 116.47
52 Week Range 5.83 - 13.60
EPS 2.47
Expected EPS 3.59
P/E Ratio 5.24
P/B Ratio 0.73
Target Price 15.26
Upside Potential 17.84%
RECOMMENDATION ACCUMULATE

Leading the Global Investment Path to Africa
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Stock Recommendation Series

Month Ending 30/02/2018

March 9, 2018

DIAMONDBNK

Last Price 2.26
Y-t-D Return (%) 50.67
1 Year Return (%) 187.50
52 Week Range 0.78 - 3.73
EPS 0.25
Expected EPS 0.56
P/E Ratio 9.04
P/B Ratio 0.23
Target Price 5.07
Upside Potential 124.34%
RECOMMENDATION BUY

HONYFLOUR

Last Price 2.77
Y-t-D Return (%) 31.9
1 Year Return (%) 195.05
52 Week Range 0.91 - 3.69
EPS 0.54
Expected EPS 0.74
P/E Ratio 5.13
P/B Ratio 0.42
Target Price 3.78
Upside Potential 36.46%
RECOMMENDATION BUY

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Technical Analysis Summary as at March 8, 2018

ACCESS
❖ The bullish candle chart indicates current positive sentiments on the counter.
❖ The RSI at 55.39 shows that the counter is neither overbought nor oversold. This suggests possible upside and downside potential.
❖ The stock currently trades closer to its upper Bollinger Band (UBB) of 13.57.
❖ We expect the counter to trade in line with its FY2017 results in the near term.

DIAMONDBNK
❖ The Heikin Ashi candle sticks signal bearish sentiments on the counter, albeit declining.
❖ The MACD indicates a declining negative momentum on the counter.
❖ The RSI at 38.75 shows that the stock is fast approaching the oversold region, with possibilities of bargain hunting in the near term.
❖ The Bollinger Bands further supports that the ticker is relatively oversold.
❖ We expect the counter to trade in line with its FY2017 results in the near term.

HONYFLOUR
❖ All indicators signal current negative sentiments on the counter.
❖ We expect bargain hunting in the near term.
**Technical Indicators Used**

Moving Average Convergence Divergence (MACD): It shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. (Source: Investopedia)

Relative Strength Index (RSI): It is a technical indicator used in the analysis of financial markets. It is intended to chart the current and historical strength or weakness of a stock or market based on the closing prices of a recent trading period. The indicator should not be confused with relative strength. (Source: Wikipedia)

Bollinger Bands: Bollinger Bands are a volatility indicator similar to the Keltner channel. Bollinger Bands consist of an N-period moving average (MA) an upper band, UBB at K times an N-period standard deviation above the moving average (MA + Kσ) a lower band, LBB at K times an N-period standard deviation below the moving average (MA − Kσ). (Source: Wikipedia)

Candle sticks: A candlestick chart(also called Japanese candlestick chart) is a style of financial chart used to describe price movements of a security, derivative, or currency. Each "candlestick" typically shows one day; so for example a one-month chart may show the 20 trading days as 20 "candlesticks". (Source: Wikipedia)
**Stock Recommendation Series**

*Month Ending 30/02/2018*

**March 9, 2018**

**Fair Value Estimate**

In arriving at our fair value estimate, our analyst(s) utilised a blend of valuation methodologies such as; the Discounted Cash Flow (DCF), Residual Income (RI) and Dividend Discount and Relative Multiples methodologies. Consequently, a weighted average price is obtained based on specific company characteristics, industry standards and the broader economy.

**Investment Ratings**

**BUY:** We expect a total return of over 20% within the next twelve months on the counter.

**ACCUMULATE:** We expect a total return of between 10% and 20% within the next twelve months on the counter.

**HOLD:** We expect a total return less than 10% within the next twelve months on the counter.

**REDUCE:** We expect a total return less than or equal to 0% within the next twelve months on the counter.

**SELL:** We advise clients to sell the stock as it trades at a premium to its intrinsic value.

**UR: “Under Review”** - We currently do not have an investment recommendation on the stock.
MorganCapital Securities Limited ("MorganCapital"), formerly known as International Capital Securities Limited, was incorporated on 28th January, 1997; and was issued a license as a Dealing Member of the NSE on 3rd October, 1997, after obtaining license of the Securities & Exchange Commission (SEC) as a Broker/Dealer. The Company has remained a dealing member firm of the NSE since then (over 17 years ago). In 2009, MorganCapital got licensed by the SEC to perform an additional role as an Issuing House/Financial Adviser. MorganCapital was recently accredited by the Nigerian Stock Exchange as a Designated Adviser to the Alternative Securities Market (ASeM) Board, after a very rigorous and competitive process.

MorganCapital is a full-fledged Investment Banking, Securities Trading and Principal Investments Firm, with licenses from the Nigerian Securities & Exchange Commission and the Nigerian Stock Exchange. MorganCapital provides a comprehensive range of investment banking and financial advisory services to private, public sector, corporate, and institutional clients.

In the past 15 months (up to March, 2018), our Firm has participated in fund raising programs that assisted State Governments in Nigeria to raise over N110bn in Bonds (either as Issuing House/Stockbrokers/Placement Agents). We have also assisted numerous private sector organizations in accessing funds from the Capital Market. Our firm has very strong contacts with many African-focused & emerging markets investors/fund managers. MorganCapital has advised on a number of transactions in the Nigerian Capital Markets, including provision of Financial Advisory Service to the Federal Government of Nigeria, through the Bureau of Public Enterprises ("BPE") for the concessioning of the National Arts Theater, the Tafawa Balewa Square, the Lagos Trade fair complex and the 6 National Stadia. MorganCapital also advised the BPE on the proposed sale of the Ijora Power Plant, the Calabar Power Plant and the Oji River coal-fired power plant.

Our group is focused on providing unbiased financial advisory and investment banking services to individuals and institutions that are seeking to invest in Africa or already involved in investing in Africa. One of our goals is to be the BEST link to the Nigerian Capital Market.

CONTACT US

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